



# KPMG China: Our Impact Plan FY2022

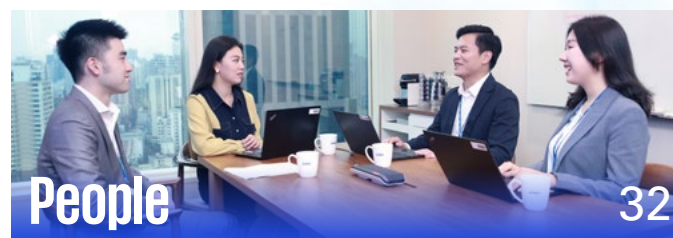
April 2023

KPMG China | [kpmg.com/cn](https://kpmg.com/cn)



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# About Our Impact Plan

**At KPMG China, we are committed to making ESG (environmental, social and governance) a watermark running through our organisation, from empowering our people to become agents of positive change to providing better solutions and services to our clients to help achieve their ESG goals.**

**We are delighted to present our third annual ESG report, *Our Impact Plan (OIP)*, which summarises KPMG China's efforts across four key pillars – Governance, People, Planet and Prosperity. This report demonstrates our commitment to greater transparency and accountability regarding the impact that we make on our environment and society.**

## Reporting period

The report covers KPMG China's 2022 financial year (from 1 October 2021 to 30 September 2022, abbreviated as 'FY22'), unless otherwise specified.

## Reporting boundary

The scope of the report includes KPMG China's ESG performance and progress of our offices in 30 cities<sup>1</sup> in China.

## Reporting reference

The report has been prepared using the core set of Stakeholder Capitalism Metrics to report against our most material topics. The Stakeholder Capitalism Metrics are recommended in the white paper titled *Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation* issued by the World Economic Forum's International Business Council, which KPMG had a key role in shaping. This report has also been informed by the Global Reporting Initiative (GRI) Standards (2021 update).

## Your feedback

The report is available on our corporate website at <https://kpmg.com/cn/en/home/about.html>. We welcome any suggestions, comments and questions about our report and ESG performance. To get in touch with us, please contact [oip.cn@kpmg.com](mailto:oip.cn@kpmg.com).

<sup>1</sup> Beijing, Changchun, Changsha, Chengdu, Chongqing, Dalian, Dongguan, Foshan, Fuzhou, Guangzhou, Haikou, Hangzhou, Hefei, Jinan, Nanjing, Nantong, Ningbo, Qingdao, Shanghai, Shenyang, Shenzhen, Suzhou, Taiyuan, Tianjin, Wuhan, Xiamen, Xi'an, Zhengzhou, Hong Kong SAR and Macau SAR





# Chairman's message

Welcome to KPMG China's third annual ESG report, *Our Impact Plan*. In the face of significant challenges, such as extreme weather, an energy crisis, geopolitical instability and more, we remain steadfast in our belief that putting ESG into practice is a core responsibility of the business community. In doing so, we have incorporated ESG principles across our company strategy, business operations and services, creating positive impacts for our people, our clients, the environment and society.

Sustainable development needs to go beyond lip service – it should be backed by sound principles and philosophies. China has put ESG at the heart of several ambitious national strategies, including green transformation, rural revitalisation and its 'dual carbon' goals. We are committed to joining the nation on this journey and playing our part to realise mutual gains for society and corporates, while achieving more impactful sustainable development.

As a professional services firm, KPMG has pledged to accelerate its ESG strategy. In 2021, the firm announced a global investment of USD 1.5 billion in its ESG change agenda and capacity building. As part of this, we are leveraging our leading expertise in the financial markets and ESG arena to lend support to businesses with their own low-carbon transformations – creating long-term value and helping cultivate a sustainable business ecosystem.

We have also forged in-depth collaborations with institutions in China's carbon market as we look to contribute to our country's green transformation. In July 2022, KPMG China signed a strategic cooperation agreement with the China Carbon Emissions Registration and Clearing Company Limited (CCERC) – the only carbon emissions registration and clearing institution authorised by the Chinese Government. In December 2022, KPMG China officially joined the China Carbon Neutral Action Alliance (CCNAA), which is led by the Shanghai Environment and Energy Exchange, as a council member.

Tackling climate change requires us all to change our mindsets and behaviours. Globally, KPMG has committed to halving our direct and indirect carbon emissions by 2030 as we strive to become a net-zero carbon organisation. At this stage, our core strategies focus on improving energy efficiency, sourcing renewable energy options, promoting sustainable business travel, reducing carbon emissions along the supply chain, promoting circular economy and protecting biodiversity.

In 2022, we launched the internal carbon price (ICP), which links our carbon emissions to financial costs. Moreover, we engaged with top suppliers in China in the CDP Supply Chain programme as we look to understand and reduce our supply chain emissions. To protect nature and biodiversity, we have collaborated with many local and global non-profit organisations (NPOs) to support conservation projects that aim to restore our freshwater, wetland, forest and marine ecosystems, thus promoting the transition to become nature positive.

Incorporating ESG principles into our corporate culture and people strategy is a key priority. We strive to promote a gender inclusive and equitable workplace by upholding the values of Inclusion, Diversity and Equity. At KPMG China, women represent over 33% of our board and 42% of leadership positions. We are also innovating our work models by introducing more flexibility for all our people under the Everyone Agile initiative, and equipping our people with professional ESG training to empower them to become a formidable force in our ESG transformation.



Over the years, KPMG China has continued to support the communities in which we operate. We give back to society and take our role as a responsible corporate citizen seriously. In 2022, we were awarded the United Nation Women's Empowerment Principles (WEPs) Country Award in the Community Engagement and Partnerships category, acknowledging our contribution to driving gender equality in communities. We also support KPMG's global '10by30' strategy, which aims to economically empower over 10 million disadvantaged young people around the world through education, employment and entrepreneurship. In 2022, KPMG China launched 'Light the future', an educational volunteer programme to equip disadvantaged youths with future-ready skills and a work-based learning experience, enabling them to be adaptive and competitive in their future careers. Moreover, we promote rural revitalisation by building capacity for social organisations and upgrading infrastructure to improve the quality of education in rural areas in China. We are always keen to see our people devote their time, expertise and skills to volunteer work, and deliver meaningful impacts to the wider community and the environment.

A journey of a thousand miles begins with a single step. In times of uncertainty and challenges, sustainability is the key to building adaptability and resilience. It is a consensus in the global community that ESG is a fundamental cornerstone of sustainable development. However, we also need to move from words to deeds – initiating change requires concrete actions.

Looking forward, KPMG China will strive to lead by example and take the necessary actions to put our commitments into action. ESG will continue to be the watermark running through our organisation, while our purpose – to inspire confidence and empower change – will guide our way of doing business. Together with our stakeholders, we aspire to be proactive in initiating change as we build a sustainable and promising future.



**Honson To**

Chairman

KPMG Asia Pacific and China

# Key highlights in FY2022

## Governance

**33%**

of board members are female



**100%**

completion rate of our anti-corruption training achieved by our board & Executive Committee members



**100%**

of our people are required to take anti-corruption training



Taking a rigorous approach to the **Enterprise Risk Management (ERM)**

process to identify and manage potential top risks



Formalising the establishment of an **independent and dedicated Investigation Unit** to receive and systematically deal with cases of misconduct



## People

**42%**

of the leadership level (partners and directors) were women



**77**

training hours per individual on average, including

**ESG 101 training for all people**



Progressed with **Everyone Agile** initiative as part of the Future of Work journey



Launched the **Wellbeing App** to promote our people's health and well-being




Completed the first cohort of the **Next Generation Council**





# Planet

Approved the **internal carbon price (ICP)** to drive low-carbon business travel 

Net greenhouse gas emissions (tCO<sub>2</sub>e)   
**↓24.3%** against FY19 baseline

**100% renewable electricity**   
procured since FY21

**23** top suppliers were engaged in the CDP<sup>4</sup> Supply Chain programme 

Launched the **carbon tracker** to enable our people to learn about their carbon footprint 

Celebrated **World Environment Day** through regional wetland activities to promote a **greener Greater Bay Area** 

# Prosperity

**30** cities<sup>2</sup>   
(**↑5** cities in FY21)

**15,599** people  
(**+15%** vs FY21) 

Launched KPMG's global **10by30** strategy<sup>3</sup> in China and introduced the **Light the future** educational volunteering initiative 

Community investment impact   

- **RMB 25.8 million**
- **37,000+** direct beneficiaries
- **10,300+** pro bono professional service hours
- **6,800+** volunteer hours

Empowering social organisations through **skills-based volunteering** to promote **rural revitalisation** 

<sup>2</sup> As of 31 March 2023, KPMG China has offices located in 31 cities in China.

<sup>3</sup> KPMG's global '10by30' strategy aims to economically empower 10 million disadvantaged young people by 2030 through education, employment, and entrepreneurship.

<sup>4</sup> CDP was formally known as 'Carbon Disclosure Project'.



# About KPMG China

KPMG China is part of KPMG's global network of professional firms providing Audit, Tax and Advisory services. We work collaboratively across different offices in China and with other KPMG member firms within our global network to provide high-quality services for our clients, wherever they are located.

## KPMG China

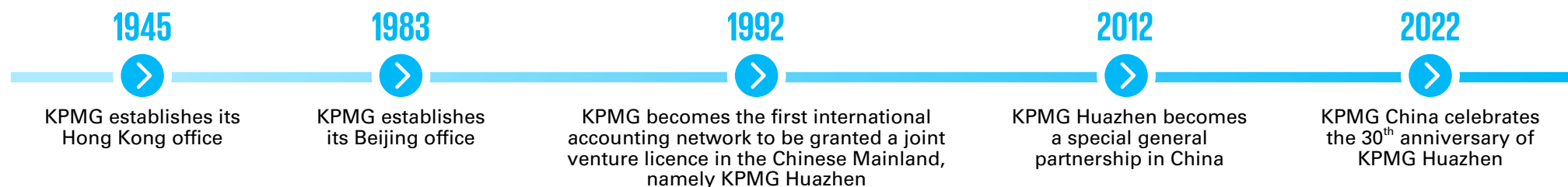


**30 cities<sup>5</sup>**  
(↑ 5 cities from FY21)



**15,599 partners and staff**  
(↑ 15% vs FY21)

## History



## About KPMG

KPMG is a global organisation of independent professional services firms providing Audit, Tax and Advisory services. KPMG firms operate in 143 countries and territories with more than 265,000 partners and employees working in member firms around the world. Each KPMG firm is a legally distinct and separate entity and describes itself as such. Each KPMG member firm is responsible for its own obligations and liabilities.

<sup>5</sup> As of 31 March 2023, KPMG China has offices located in 31 cities in China.

# Supporting the UN Sustainable Development Goals

At KPMG China, we believe that business has a responsibility to drive change for the better. Our Impact Plan helps us better contribute towards the United Nations Sustainable Development Goals (SDGs). We have incorporated the relevant SDGs in this report.

## SUSTAINABLE DEVELOPMENT GOALS

**Driven by Our Impact Plan, KPMG China is actively integrating ESG into our daily operations and striving to create a corporate culture of sustainable development. While assisting our clients to achieve their own sustainable development visions, we lead by example by committing to being a responsible corporate citizen, protecting the environment, helping communities in need, and supporting national strategies such as 'rural revitalisation' and the 'dual carbon' goals. We hope to have more like-minded individuals join us on this journey so we can all play a role in building a more sustainable future.**



### Wilson Pang

Head of Our Impact Plan, KPMG China  
Senior Partner, Advisory, Southern Region, KPMG China  
Board member, KPMG Foundation



# Awards and recognition

We are proud to have received various awards and accreditation in FY22. Our key achievements are highlighted as follows:



Other awards & recognition	Organisation	Certifications
20Years Plus Caring Company Label	Caring Company	Multi-Level Protection Scheme (MLPS) 2.0 Level 3 Accreditation
2022 MostIn Global Attractive Employer	LinkedIn China	ISO/IEC 27001 Information Security Management System Certification
Appreciation certification – ECF Source Separation and Collection of Food Waste for the F&B Trade/EPD Pilot Scheme on Food Waste Collection	Environment and Conservation Fund, Environmental Protection Department, Hong Kong SAR Government	ISO/IEC 27017 Security Controls for Cloud Services Certification
CSR China Top 100	CSR China Education Award	ISO 9001 Quality Management System Certification
Eco-Healthy Workplace Label	World Green Organisation	ISO 14001 Environmental Management System Certification
Green Office Label	World Green Organisation	ISO 45001 Occupational Health and Safety Management System Certification
Hong Kong Green Organisation	Environmental Campaign Committee	
Corporate Pearl Member (2022)	WWF-Hong Kong	



# Stakeholder engagement

Understanding our stakeholders' views is crucial to our business. That is why we always maintain open, honest and regular communications with our key stakeholders.

To that end, we have established a broad range of communication and engagement channels, from one-on-one interviews to an annual people survey, to ensure we are addressing the topics that have a material impact on our business and our key stakeholders. This also provides insights into how we can better develop our ESG strategies and initiatives to meet our stakeholders' expectations.

## Staff

- Annual Global People Survey
- Annual performance review
- Staff engagement programmes and platform
- Volunteering activities
- Training programmes
- In-depth interviews and/or discussions with senior management and departmental representatives
- Feedback collection channels (e.g. 'Your Voice Matters' platform)

## Clients

- Client Care programme
- Service offerings
- Joint publications
- External marketing events
- Meetings with clients

## Potential candidates and alumni

- Recruitment programmes
- Internship programmes (e.g. Basecamp)
- Alumni News and gatherings

## Government, regulators and professional bodies

- Interaction with regulators
- Appointments to external roles and committees
- Involvement in open communication and activities

## Suppliers and other business partners

- CDP Supply Chain programme
- Sustainability questionnaires for our suppliers



**88%** of our people shared valuable feedback in KPMG's annual Global People Survey

Source: KPMG China's Global People Survey results 2022

## Non-profit organisations

- Community programmes
- Fundraising activities and sponsorship
- Appointment to the board of NPOs



**88%** of our people opined that they have a good understanding of KPMG China's Our Impact Plan

Source: KPMG China's Global People Survey results 2022



# Materiality assessment

In FY22, we refreshed our materiality assessment based on the five-part materiality assessment methodology to ensure we address the topics that have a material impact on our future business and key stakeholders.

## 01 Direct short-term ESG impacts

- We examined the latest regulatory and compliance requirements to assess the direct short-term impacts resulting from changes in the ESG landscape.
- We studied the national policies and direction, as well as new laws and regulations enacted/to be enacted in China.



## 02 Policy-based performance

- We reviewed our internal policies and procedures to identify what is key to our business.



## 03 Peer-based norms

- We conducted a peer review of the material topics identified by other professional services firms.



## 04 Societal norms

- We referenced international standards and guidelines such as the Sustainability Accounting Standards Board (SASB) Materiality Map on topics relevant to professional services firms.



## 05 Stakeholder behaviour and concerns

### Internal:

- We conducted our annual Global People Survey (GPS) to understand our people's concerns and receive feedback.
- We held meetings with Regional Senior Partners and Heads of Function to collect feedback on our internal ESG work.
- We held regular meetings with department heads or representatives to collect their feedback and hold discussions with them from time to time.

### External:

- We reviewed the findings of our annual Global Trust Survey which provided insights into the latest trends and views on various topics, including ESG, from C-suite executives and other external stakeholders related to KPMG China.



# Our key ESG focus

As a result of our refreshed materiality assessment, we identified three new material topics – namely circularity, nature and biodiversity, and alignment with government priorities – adding up to a total of 15 material topics that matter to the firm and our key stakeholders.

We will continue to review these material topics on a regular basis to ensure that they remain relevant and aligned with the OIP goals.

## Governance



### Purpose, culture and values

As a professional services firm, our purpose – to inspire confidence and empower change – guides our way of doing business. Our corporate culture and values help drive consistency in how we make our decisions every day.

### Relevant quality services in the public interest

Providing services that align with the public interest allows us to create a positive impact for our stakeholders.

### Ethics, integrity and independence

By acting with integrity and maintaining independence, we become trustworthy and shape how we are viewed by the world.

### Transparency and accountability

We maintain transparency and open communication with our stakeholders. We hold ourselves accountable for our actions.

### Information protection

Cybersecurity and data privacy represent significant risks if they are not closely monitored. Protecting information is fundamental to every service that we offer to our clients.

## People



### Talent attraction, development and retention

Attracting, nurturing and retaining our people is key to our business sustainability. Employment conditions are crucial to our people's satisfaction at work.

### Staff health and well-being

Taking care of our people's health and well-being continues to be a top priority on our people agenda.

### Inclusion, diversity and equity

Fostering an inclusive, diverse and equitable workplace encourages open communication and allows our people to flourish, regardless of individual differences.





# Planet



## Climate action

To support our global climate goals, we strive to decarbonise our operations and work with business partners to reduce emissions in our value chain.

## Circularity *(New topic)*

Embedding circular economy principles into our operation is a key lever to achieve KPMG's net-zero target. It also drives us to procure circular materials and enhance end-of-life treatment.

## Nature and biodiversity *(New topic)*

Business activities contribute to nature loss directly and indirectly. Protecting and restoring nature and biodiversity helps reduce carbon emissions and aligns with our net-zero target.

# Prosperity



## Financial and brand resilience

Ensuring healthy financial performance and a positive brand image is essential for building a resilient business in the long run.

## Technology and innovation

Embracing the benefits of technology and innovation gives our business a cutting edge and helps address social and environmental issues.

## Impactful community initiatives

Providing support through philanthropic investment, volunteering and pro bono services, and collaborating with non-profit organisations, has a positive impact on our communities.

## Alignment with government priorities *(New topic)*

By actively engaging in public policy discussions and maintaining our trusted relationships with government authorities and regulators, KPMG China strives to contribute to China's environmental, social and economic development and better align with the national policies and direction.



***“KPMG China has grown and flourished alongside China’s rapid economic development. As we continue to grow our business in China, where we are deeply rooted, we remain grateful for the support. The 20th National Congress of the Communist Party of China calls for a new era of achievement to drive high-quality development through promoting green and low-carbon development in our society. Embarking on this new journey, KPMG China will continue to fully support our national policies through Our Impact Plan and different key strategies, which all contribute to a bright future for China.”***



**Tracy Yang**

Head of Corporate Affairs

Senior Partner, Eastern and Western Region

KPMG China





# Governance

*Putting our Values at the heart of the way we do things*

12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



16 PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



17 PARTNERSHIPS  
FOR THE GOALS





# Our commitments



## Purposeful business

- Always act with a clear purpose
- Lead the profession in audit quality
- Drive a responsible tax practice



## Acting transparently with integrity and accountability

- Act lawfully, ethically and in the public interest
- Work against corruption in all its forms, including extortion and bribery



## Human rights

- Respect human rights



# Our management approach and progress

## Governance bodies and composition

### KPMG China

KPMG is the brand under which the member firms of KPMG International Limited ("KPMG International") operate and provide professional services. KPMG's member firms and affiliates operating in the Chinese Mainland, Hong Kong SAR and Macau SAR work together on a collaborative basis, subject to local applicable laws, and together are referred to as "KPMG China" or "we" throughout this report, unless otherwise specified. KPMG China is not a legal entity and does not hold share capital or have shareholders. The legal entities operating under KPMG China include KPMG (a Hong Kong (SAR) partnership), KPMG (a Macau (SAR) partnership), KPMG Advisory (Hong Kong) Limited, KPMG Huazhen LLP, and KPMG Advisory (China) Limited, each of which is a legally distinct and separate entity and describes itself as such. Each KPMG member firm is responsible for its own obligations and liabilities.

### KPMG China's Board and Executive Committee

KPMG China's governance bodies comprise our board and our Executive Committee. Our board is a key governing and oversight body, whereas the Executive Committee is the principal management body. Sitting on our board, our Head of ESG oversees our ESG services and solutions for our clients, helps set the tone at the top and brings ESG insights into the board discussions. This helps us make ESG become an integral part of our business decisions and practices.

**33%** of board members at KPMG China are female



## Our Impact Plan (OIP) department

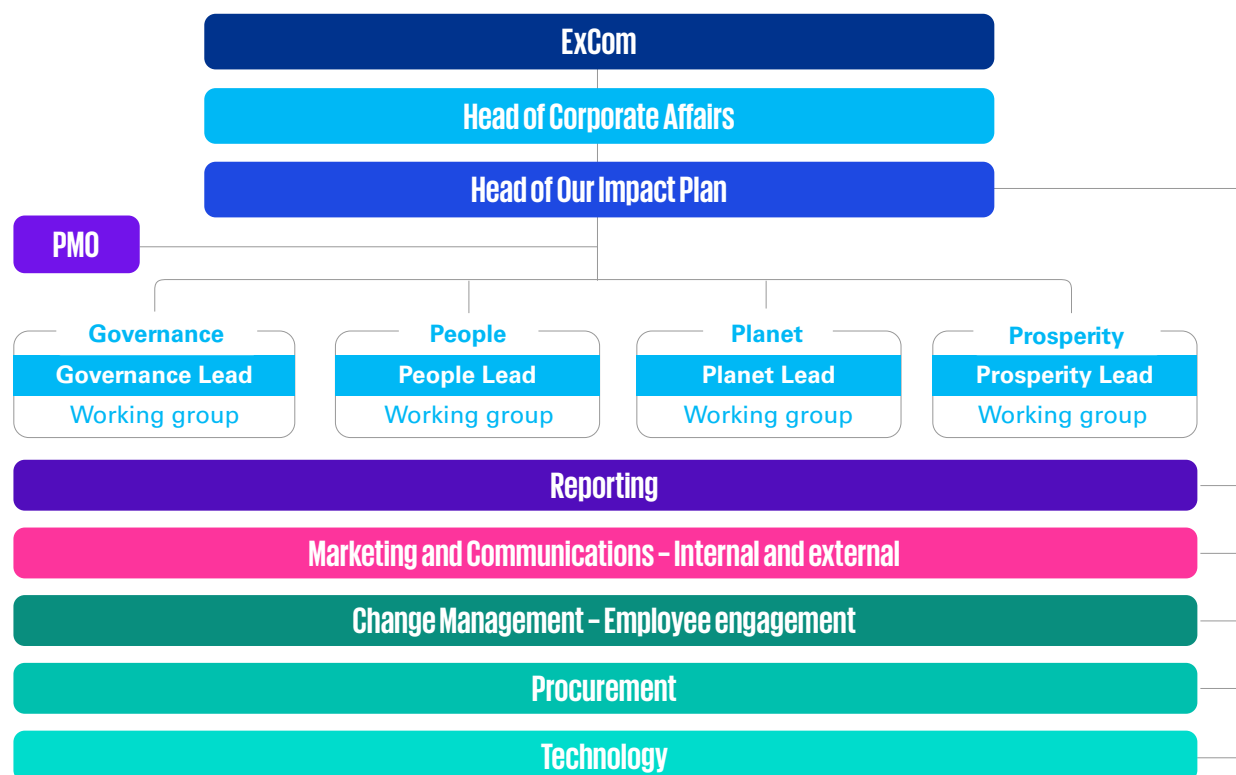
To ensure smooth planning and execution of OIP strategies, we have set up a formal governance structure for OIP at KPMG China. The OIP department sits under the Corporate Affairs function led by Tracy Yang. The OIP department periodically reports to the Executive Committee (ExCom) which oversees the strategic development of the OIP.

In FY23, a new Head of Our Impact Plan, Wilson Pang, was appointed to head up the OIP department to drive OIP strategies for the firm, working closely with Head of Corporate Affairs, our four OIP pillar leads and other key stakeholders.

Each pillar is led by a pillar lead, who works closely with the pillar working groups and different departments across KPMG to drive changes on various ESG aspects, ranging from decarbonisation, inclusion, diversity and equity (IDE) and community investment to anti-corruption and more.

Representatives have been appointed to drive and manage cross-pillar OIP-related work, including reporting, marketing and communications, change management and employee engagement, procurement and technology.

Moreover, the OIP team and ESG client-facing team meet regularly and work closely together on different ESG initiatives, exchanging new insights and optimising our synergy in the ESG space, internally and externally.



**“We put our values at the heart of everything we do, while maintaining high standards of corporate governance. We strive to build a reputation of being the most trusted and trustworthy professional services firm, where our actions are guided by our Code of Conduct. We endeavour to maintain transparency and accountability for our actions at all times, while acting with integrity in the public interest.”**



**Terry Chu**  
Partner, Head of Quality  
and Risk Management  
KPMG China





## Our commitment

# Always act with a clear purpose

At KPMG, we inspire confidence and empower change.

We aim to be the most trusted and trustworthy professional services firm and always act with a clear purpose. We believe our purpose tells us why we do what we do at KPMG. By inspiring confidence in our people, clients and society, we help empower the change needed to solve the toughest challenges and lead the way forward.

Our Values guide our day-to-day actions and help us choose between right and wrong. Guided by our Values, we continue to drive service quality excellence, not only to meet the requirements of our standards, but also to fulfil our responsibility to serve the public interest.

We recognise the importance of our role in society and the impact of our services on our clients and society. By fulfilling our environmental and social responsibilities, we aspire to make a difference.

**// In the new era of pursuing high-quality development, financial performance can no longer be the only parameter to measure a company's competitiveness. To achieve resilient growth, companies must integrate ESG into their strategies and operations. KPMG leads by example, leveraging our experience to help companies achieve their strategic ESG vision. //**



**Andrew Weir**

Senior Partner, Hong Kong  
KPMG China



## Our Purpose:

### Inspire confidence and empower change

- we are a people business
- we stimulate trust and confidence in business
- we have a responsibility to build a sustainable future

## Our Values:

### Integrity



We do what is right.

### Excellence



We never stop learning and improving.

### Courage



We think and act boldly.

### Together



We respect each other and find strength in our differences.

### For Better



We do what matters.

**89%** of our people stated that we uphold our Values at KPMG China, even when under pressure

Source: KPMG China's Global People Survey results 2022



## Our commitment

# Lead the profession in audit quality

Audit quality is fundamental to maintaining public trust. At KPMG, audit quality is about consistent execution across the firm in line with the requirements and intent of professional standards and is supported by a robust system of quality management. All of our related activities are undertaken in an environment of objectivity, independence, ethics and integrity.

To maintain and improve audit quality, we have adopted the Global Quality Framework to better outline how we deliver quality at KPMG and how all KPMG professionals are accountable for its delivery. Globally, KPMG continues to invest significantly in audit quality. There is an ongoing investment in our system of quality management, monitoring of audit quality, enhanced support, and innovative technology and tools, such as KPMG Clara, our smart audit platform.

Our audit quality programme supports consistent deployment of consistent policies, processes, controls and technologies to enhance and drive a common approach. In 2022, we strengthened the consistency and robustness of our system of quality management across the organisation to comply with the new International Standard on Quality Management (ISQM 1) and revised China System of Quality Management 5101.

To drive audit quality, the following actions have been implemented:

1. **Culture actions** – fostering an audit quality culture and values
2. **Digital actions** – driving digital transformation to automate and use data more effectively
3. **Technical skills** – enhancing audit expertise, knowledge and methodologies
4. **Monitoring actions** – strengthening our quality monitoring

**90%** of our people stated that the culture and tone set by our leadership promote the importance of audit quality



Source: KPMG China's Global People Survey results 2022

## Our commitment

# Drive a responsible tax practice

Our tax services are guided by our Values, governed by our [Global Tax Principles](#) and [Global Quality Framework](#), and driven by our purpose to inspire confidence and empower change.

We require all KPMG people to act lawfully and with integrity in dealing with tax authorities and our clients and we aim to be fully compliant with all relevant requirements. Above all, our work must be fully compliant with all applicable legal, regulatory, and professional requirements. We are committed to providing clients with high quality tax advice tailored to their particular circumstances.





# Create long-term value through our ESG services

KPMG strives to make ESG a watermark running through our organisation, so that we can lead by example and have a positive impact on our key stakeholders, our environment and our society. Announced in 2021, KPMG launched a multi-billion-dollar global investment programme which focuses on our ESG change agenda over a three-year period.

With ESG now being at the top of our leadership agenda, we have an important role to play in driving salient impacts. We provide training to all KPMG professionals so that they can become agents of change, helping our clients transform their businesses across three pillars of opportunity – ESG transformation, ESG reporting and ESG assurance.

Under these three key pillars, we are offering six areas of ESG solutions to our clients.



**100%** of our people are required to participate in our ESG foundation training

## Types of ESG services



### Climate change and sustainability

Helping our clients achieve decarbonisation and sustainability goals through business and operating model innovation



### Sustainable finance

Assisting our clients to establish a green financial system and manage ESG risks



### ESG reporting and measurement

Supporting our clients with their ESG reporting journey, as well as rating improvement and implementation



### ESG in deals

Helping our clients develop a responsible investment strategy and assess ESG risks in investments



### ESG assurance

Providing pre-assurance and assurance services to our clients



### Economic and social development

Assisting our clients in the public sector in developing strategies and implementing public infrastructure projects to promote socially equitable development





## Case studies

### ➤ EV charging alliance design for a premium OEM brand

KPMG China supported a leading Original Equipment Manufacturer (OEM) brand to build a branded charging network for electric vehicles (EVs) in cooperation with its partners across China. KPMG helped the manufacturer and their partners with the new business structure and design, as well as the operating model and implementation of the branded charging network. This is a key project for the manufacturer to achieve its net-zero targets.

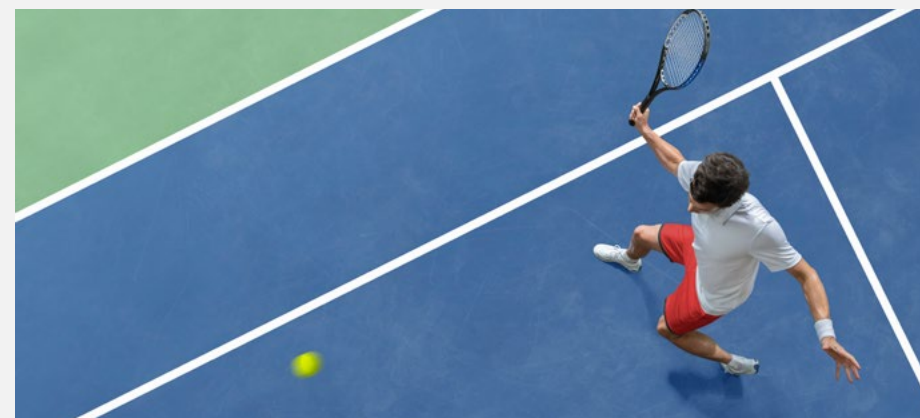


### ➤ Support a listed client with TCFD disclosures

KPMG China has been engaged to support a leading conglomerate headquartered in Hong Kong with its climate risk assessment and disclosures against the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. This client owns and manages businesses across the region spanning industries including property, infrastructure, utilities, and biotechnology. The intent of the TCFD is to help the organisation build climate change impacts into its risk management processes and strategic planning. A key component of the TCFD framework is climate scenario analysis, an exercise to explore hypothetical future scenarios and determine the resilience of a strategy or business model against the potential impacts of climate change. Our ESG team has used KPMG Climate IQ, a proprietary climate risk quantification tool, to provide leading edge climate economic analysis and deliver a rich set of management information that can inform strategy, risk, and financial reporting, which can help companies achieve their net-zero targets. Climate IQ was developed by KPMG in the UK and is now being scaled and deployed globally.

### ➤ Hong Kong SAR Government Home Affairs Bureau research on Hong Kong sports industry

KPMG was commissioned by the Hong Kong SAR Government Home Affairs Bureau to develop a consultancy study on the sports industry and development of sports professionalism in Hong Kong, benchmarking it against a number of developed sporting jurisdictions. KPMG conducted a bilingual survey of qualitative questions and held focus group sessions to seek stakeholders' opinions in relation to these topics. This is a key paper that assisted the Hong Kong SAR Government with the most recent sports development agenda in the Policy Address: developing a 10-year blueprint for sports and recreation facilities, enhancing the 'M' Mark System to promote Hong Kong as a centre for mega international sports events and supporting urban sports, sports professionalism and athletes with disabilities.





### ➤ Assist banks with HKMA GS-1 Climate Risk Management guidelines

KPMG China is supporting our banking clients with a comprehensive range of advisory services on implementing the complete guidance framework needed for the Hong Kong Monetary Authority (HKMA) Supervisory Policy Manual (SPM): GS-1 'climate risk management'. GS-1 'climate risk management' is intended to provide authorised institutions in HK with guidance on managing climate risk and building climate resilience by incorporating climate considerations into their governance, strategy, risk management and disclosures. The key goal of enhancing the climate risk capability of the banking sector is to accelerate and catalyse economy-wide decarbonisation through assisting banks' clients with their transition to carbon neutrality. Banks provide crucial transition finance to the wider economy and to their clients, particularly brown sector clients that are transforming their operations into greener and more sustainable business models. Banks with solid GS-1 implementation will lay the foundation to understand the needs of their clients during their transition journey and provide the necessary guidance and financial support. Embedding climate risk management can help raise wider awareness for green and sustainable finance.



### ➤ Building a better planet for our children through responsible business

In December 2022, organic baby food brand Little Freddie became the first such company in China to launch an ESG strategy and action plan – a project which saw the full support of KPMG's professional consulting services. Our teams in China and the UK worked closely with Little Freddie's management to identify best practices, conduct industry benchmarking, engage with key stakeholders, and perform in-depth assessments.

Based on our efforts, six substantive areas were identified that are highly relevant to the public in order to guide Little Freddie's ESG actions in China – sustainable packaging, responsible marketing, corporate citizenship and philanthropy, training and development, climate change and sustainable agriculture.

To address these areas, the company has finalised a strategy to outline an action plan, an implementation path and targets. Going forward, Little Freddie says it will continue to improve its internal ESG management structure and implementation system to ensure the effective execution of its ESG strategy.





**More and more companies realise the necessity of integrating good ESG practices and are moving quickly to determine how they can best turn these practices into a competitive advantage. Similarly, regulatory frameworks are evolving and expanding so that ESG is top of mind for many of our clients. This is translating into greater demand for our services, both existing and new. At KPMG, we are fully committed to delivering for our clients and achieving our own internal ESG goals and targets.**



**Wei Lin**

Partner, Head of Environmental, Social and Governance  
KPMG China

## The KPMG China Future · ESG Awards

Launched in May 2022, KPMG China's Future · ESG Awards aims to recognise companies that are making a significant effort in integrating ESG practices into their organisations, and also to promote ESG insights sharing and collaboration among companies.

This award initiative received a great response in the market, with hundreds of companies across different sectors submitting their applications. An independent judging panel of KPMG partners and external experts made the final selection based on a process that included interviews, information collection, desktop research, surveys, as well as involvement from an independent review committee to ensure the independence and objectivity of the results. The award ceremony, which recognised companies for their ESG leadership and outstanding performance in ESG integration and innovation, was held at the KPMG Climate Change and Sustainability Summit, which took place in Shanghai in January 2023.





## Sharing our insights in the ESG space

We have been proactively sharing our expertise and insights with regulators, stock exchanges, professional bodies and institutions through forums and seminars to accelerate ESG transformation. KPMG also regularly releases thought leadership and insights publications on ESG.



At the second Sina Finance ESG Global Leaders Summit, our Chairman, Honson To, delivered a keynote speech focusing on the current status of ESG development in China and the future opportunities.



KPMG China published *Climate Change Reporting: Imminent, Challenging & Mandatory – The Opening Moves* in July 2022, which was co-authored with The Hong Kong Chartered Governance Institute (HKCGI) and CLP Holdings Limited (CLP), and offered insights on emerging international climate reporting standards.



KPMG partners Wei Lin and Pat Woo participated in the Climate Change Reporting – Changes Are Coming Quickly webinar. The event was hosted by The Hong Kong Chartered Governance Institute (HKCGI).



KPMG China released the *Survey of Sustainability Reporting 2022 – China Insights* to provide a deep dive into the latest developments and emerging trends in sustainability reporting in China.



In the Financial Reporting Webinar series hosted by KPMG China, KPMG partners Pat Woo, Irene Chu and Eddie Ng discussed on the latest developments in ESG reporting and climate risk reporting.



KPMG and Quinlan & Associates jointly published *The Value of Investing in Values – The ESG opportunity for APAC asset managers*, which looks at the unique challenges and opportunities that regional asset managers face when integrating ESG into their organisations' strategies and operations.

## Promoting green development in China through partnership and collaboration

### China Carbon Emissions Registration and Clearing Company Limited

In July 2022, KPMG China signed a strategic cooperation agreement with the China Carbon Emissions Registration and Clearing Company Limited (CCERC), which is the only carbon emissions registration and clearing institution authorised by the Ministry of Ecology and Environment of the People's Republic of China. Its major business and management functions focus on the confirmation, registration, trading, clearing, and allocation of carbon credits and more.

This strategic cooperation represents CCERC's recognition of KPMG's expertise in the field of carbon finance. By leveraging our professional ESG expertise and local insights, we will continue to strengthen our collaboration with CCERC to help drive the development of the carbon finance sector and contribute towards China's carbon neutrality goals.



### China Carbon Neutral Action Alliance

In December 2022, KPMG China officially joined the China Carbon Neutral Action Alliance (CCNAA), led by the Shanghai Environment and Energy Exchange, as a council member to promote green and low-carbon development in the market together with other alliance members, creating a sustainable ecosystem for green economy transition.





## Our commitment

# Act lawfully, ethically and in the public interest

At KPMG China, we have an overriding commitment to live our Values in everything that we do and to act lawfully, ethically and in the public interest.

Upholding the highest standards of personal and professional behaviour throughout our firm in everything we do is of paramount importance. Ethics and integrity are embedded into everything we do, representing who we are and why everyone at KPMG is held to this promise of excellence.

Our compliance with applicable laws, regulations, professional and quality standards is fundamental, but our commitments extend beyond compliance to broader obligations to clients, our people and society as a whole.

## Code of Conduct

Building on our purpose and Values, our [KPMG China Code of Conduct](#) ('the Code') lays out very clearly how KPMG people are expected to treat each other and our clients, and our duty to uphold the public's interest. The Code demonstrates how our Values inspire our greatest aspirations and guides all of our behaviours and actions. All our people must follow the Code and ensure annual compliance with the Code.

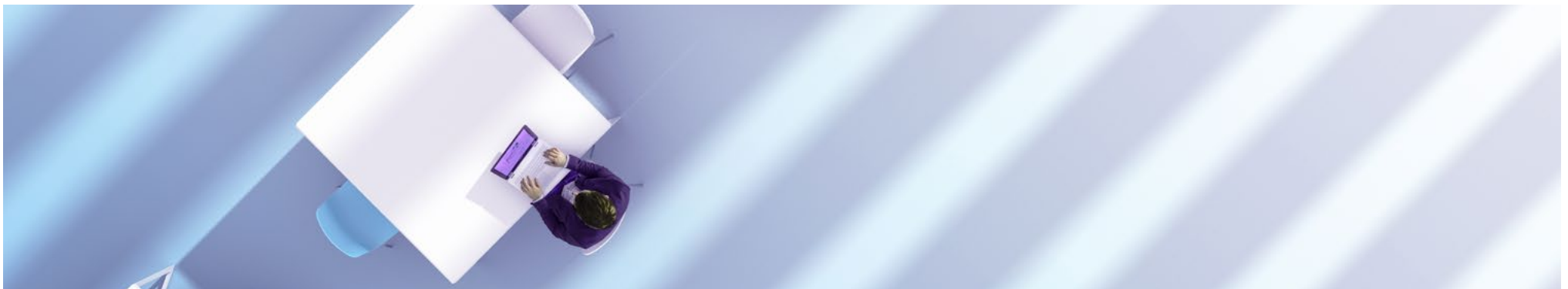
When acquiring new business and maintaining existing client relationships, enhanced know your client ('KYC') procedures will be conducted to understand and manage potential associated risks in accordance with our professional standards and ethical code. In addition, we conduct an annual training course that is mandatory for all KPMG partners and client service staff on anti-money laundering and the latest KYC procedures.

## Maintaining independence

Independence is fundamental to our business. We maintain our objectivity in all the work that we do and do not allow bias, conflicts of interest or undue influence to override our professional or business judgments at any time, including in deciding to accept or continue with clients or engagements.

We establish independence policies and procedures to meet or exceed the standards of our professional bodies and other relevant regulatory bodies. KPMG China instituted these policies and processes, supervised by our Ethics & Independence Partner, to oversee areas like firm independence, conflicts of interest, post-employment relationships, personal independence, approval of audit and non-audit services, as well as partner rotation, etc.

All partners and staff are required to conduct business with the highest level of ethical awareness and independence. A range of tools and guidance, communication and training courses have been developed to help achieve that.





## Risk management

KPMG China takes a rigorous approach to the Enterprise Risk Management (ERM) process, which helps identify the top risks that may impact our firm in achieving the strategic objectives. Our Executive Committee, as the owner of the ERM, leads and implements the ERM to effectively identify and manage the top risks, while the board provides oversight and monitors the robustness of the ERM process. This process provides the Executive Committee and the board with the information they need to best determine if, and to what extent, firm resources should be reallocated, and strategy reassessed.

In addition, Functional Risk Profiling conducted in Audit, Tax and Advisory adopts a consistent ERM approach, which helps the functional leadership identify the top risks that affect the achievement of the function's strategic objectives and business plan. This process includes development and implementation of action plans to address the top risks identified at the functional level, and identification of any risk that should be aggregated to the firmwide level.

At KPMG China, all functions and our people are obligated to identify, assess and manage risks, as well as ensure our quality of work. To drive consistency and accountability, we have a central team comprised of dedicated professionals that has the key responsibility of overseeing and promoting a culture of quality and integrity across the firm. The team is led by the Risk Management partner, who reviews and enforces compliance through policies and procedures that are relevant to professional risk management, ethics and independence, quality control, as well as compliance.

Our central team also considers the impact of key findings from integrated quality monitoring and compliance programmes and the adequacy of recommended remedial actions. In addition, the central team offers regular insights into quality monitoring/compliance; regulatory inspection liaison; information protection and data privacy; contracting; ethics, independence, client and engagement acceptance; and general quality and risk management. The team develops policies and guidance that enable KPMG professionals to assess the risk level of a client or an engagement before accepting any business engagements or relationships, as well as support our daily operations and enable our frontline to manage the risks proactively.

## Speaking up

Everyone at KPMG is responsible for reporting — and is required to report — any activity that could potentially be illegal or in violation of our Values, KPMG policy, applicable laws, regulations or professional standards.

To ensure that people feel safe and comfortable raising concerns and speaking up when they discover any non-compliance and unethical behaviours within the firm, we have set up several anonymous reporting mechanisms for all our people, clients and other third parties, including the [KPMG China Ethics Hotline](#) and the [KPMG International Hotline](#).

Moreover, in the event of any potential risk incidents, our people are strongly encouraged to ask questions and report concern to their line managers or escalate to the next level of management in a timely manner. The 'protection against retaliation' policy in the KPMG China Staff Handbook strictly prohibits retaliation against anyone who voices a potential concern, regardless of the issue and/or individual involved.

**90%** of our people opined that KPMG responds quickly and consistently to unethical behaviour

Source: KPMG China's Global People Survey results 2022



## KPMG China Disciplinary Policy & Disciplinary Committee

We have put in place the KPMG China Disciplinary Policy & Disciplinary Committee ('Disciplinary Policy') which outlines the disciplinary processes to be undertaken for the handling of personal behavioural and misconduct issues. The objective of the Disciplinary Policy is to provide KPMG China's management and employees with a clear, transparent and consistent guideline for managing disciplinary processes in a procedurally fair and always legally compliant manner.

The Disciplinary Committee and the Investigation Unit, which it oversees and is part of the firm's risk management resources, have been accordingly established pursuant to the Disciplinary Policy. The Investigation Unit's function is to ensure any reported or suspected misconduct issues are properly reviewed and investigated, that the root cause of identified issues are ascertained, and that mitigation measures are implemented, where appropriate, to reduce the chance of recurrence.

## Information protection

Since both inter- and intra-organisation threats to information security always exist, information security is held in the highest regard at our firm. Robust information security is key to gaining confidence and trust from our people, our clients, our stakeholders and the public.

### Data privacy

At KPMG China, we are committed to safeguarding the personal data of our clients and our people. We comply with local applicable privacy and data protection laws and regulations. A privacy management governance framework and appropriate technical and organisational measures are implemented to ensure full commitment and compliance with privacy protection. Our privacy risk management processes and control mechanism enable effective and efficient operation, while offering a robust level of protection to personal data. From onboarding our talents to servicing our clients, KPMG China demonstrates a high level of commitment in maintaining the trust and confidence of our clients and staff through proper handling of personal data entrusted to us.

Our partners and staff are required to undertake mandatory data privacy training annually. All of them must also comply with KPMG China's privacy policy, guidelines and instructions and the Code of Conduct communicated to our people through various internal communication channels.

### Data security

KPMG China recognises the importance of maintaining the privacy, confidentiality, and security of the information that is entrusted to us by our clients and other third parties. A series of globally consistent and locally based approaches and policies are employed to achieve information security.

We regularly review and improve our security measures to reflect current technologies and industry-standard practices. KPMG China is governed by the international standards ISO 27001:2013 on information security management systems and ISO 27017:2015 for cloud coverage, and has received Multi-Level Protection Scheme (MLPS) 2.0 Level 3 accreditation. As a result, KPMG's proprietary tools enable us to practice our profession while observing the data security requirements of our regulators.

To detect potential cybersecurity risks, processing facilities are monitored continually, coupled with mitigation procedures equipped with various sources of intelligence. In addition, we put in place a business continuity plan, including regular resilience testing, to ensure the sustainability of the operating model with minimal interruption.

Our partners and staff must take annual mandatory training to keep abreast of the latest data security requirements. We also carry out firm-wide cybersecurity awareness campaigns to prepare our people for the latest threats and issues in this area.



## Our commitment

## Work against corruption in all its forms

KPMG China has zero tolerance for bribery and corruption in any form by any party. The Code and comprehensive anti-bribery and corruption requirements are enacted to assure that the highest standards of integrity have been held across the firm. Moreover, requirements and procedures have been well-defined by our China Quality & Risk Management Manual for our people regarding situations where inducements (gifts or entertainment) are provided or received.

Every year, the We Do What is Right: Integrity at KPMG training continues to educate our partners and staff about KPMG's firm-wide anti-bribery policies, and reiterates the significance of compliance with applicable regulations, professional standards and laws.

**100%** of our partners and staff are required to complete anti-corruption training



**100%** of board and Executive Committee members completed anti-corruption training



## Transparency and accountability

At KPMG China, we hold ourselves accountable for our day-to-day behaviour and to the highest moral and ethical standards at all times—even when under pressure. Here are some examples about how we maintain transparency and accountability with our key stakeholders.

- **People:** Within the organisation, we aim to live our Values and uphold the firm's ethical standards. Our people can voice their opinions freely through various communication channels including our refreshed platform called 'Your Voice Matters' and other staff engagement channels mentioned in the People chapter.
- **Client:** We prioritise open, honest and transparent communication and working relationships with our clients. We collect reviews and feedback from our clients via direct dialogues and independent surveys. Other than that, our global smart audit platform, KPMG Clara, allows for real-time, transparent access to the auditing operations' status along with insights derived from the audit process.
- **Regulators and others:** With regards to regulators, we endeavour to develop professional and respectful relationships with national and international regulatory entities, standard setting agencies and other professional bodies across the Chinese Mainland, Hong Kong SAR and Macau SAR. KPMG China has worked together with regulators based on open and transparent communication. In addition, we publish this annual ESG report, *Our Impact Plan*, to demonstrate our transparency and accountability for the impact that we make.

## Our commitment

## Respecting human rights

At KPMG China, we continue to monitor and evaluate our operational processes to ensure that they are in line with our human rights commitments. As stated in our Code of Conduct, we do not tolerate behaviours that are illegal, unethical or breach human right standards within KPMG, by clients or suppliers, or by public officials with whom we deal.





# People

*Creating a caring, inclusive and values-led culture for our people*

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



17 PARTNERSHIPS FOR THE GOALS



# Our commitments



## Inclusion, diversity and equity

- Have an inclusive culture built on trust
- Advocate for equal opportunity
- Foster an educated, empathetic workforce



## Health and well-being

- Protect the health of our people, both physically and mentally, and enable them to be effective and productive



## Continuous learning

- Develop a continuous learning culture



# Our management approach and progress

## Our people strategy has made us an employer of choice

With over 15,000 people across China, KPMG China values and invests tremendously in our people. Our people are the most important assets. We therefore employ a people-oriented strategy that is built around our aspiration to become an employer of choice, while creating an inclusive and agile workplace where our people pride themselves to be part of.

This strategy includes attracting and retaining the best talent, promoting an inclusive, values-driven culture, empowering our people to do work that matters and delivers impact, and cultivating an environment that enables and inspires them to thrive. All of these strategies support the firm in becoming the most trusted and trustworthy firm in the marketplace.

**“A business’s core competitiveness relies on having the most motivated talent, which is the primary resource for driving innovation. At KPMG China, we believe in putting our people first and creating an inclusive, diverse and equitable culture, which fosters the mutual growth of our people and the firm. In the post-pandemic era, we continue to promote an innovative work model guided by the Future of Work initiative, allowing our people to choose more flexible and agile working styles that enable them to be their best.”**



**Linda Lin**

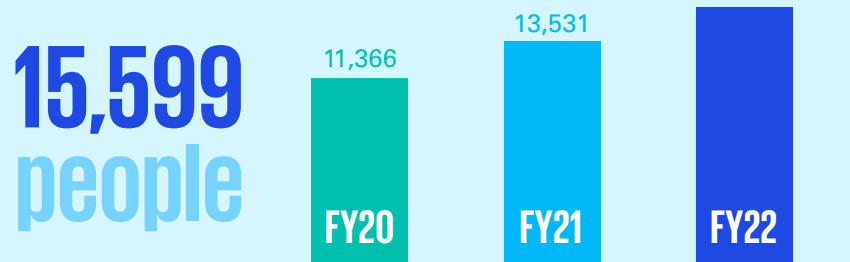
Partner, Head of People, Performance and Culture  
KPMG China



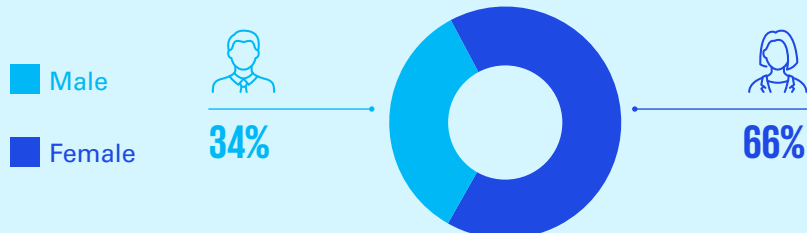


# Our workforce snapshot in FY22

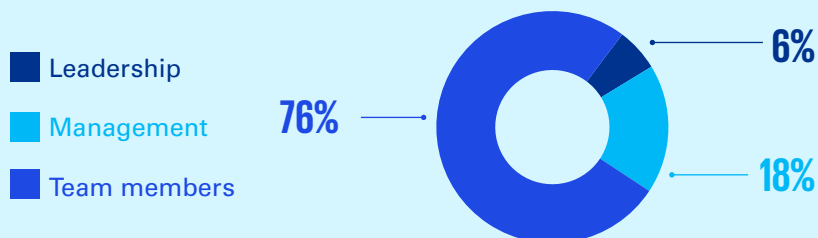
## Total workforce



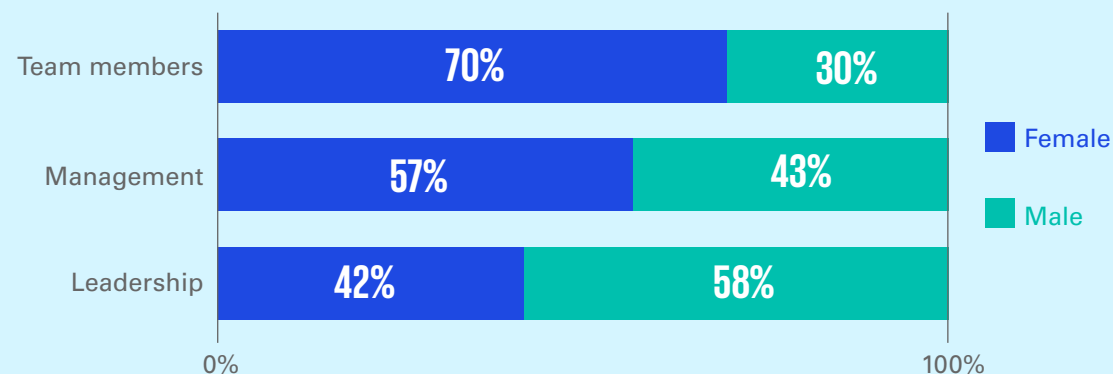
## Workforce by gender



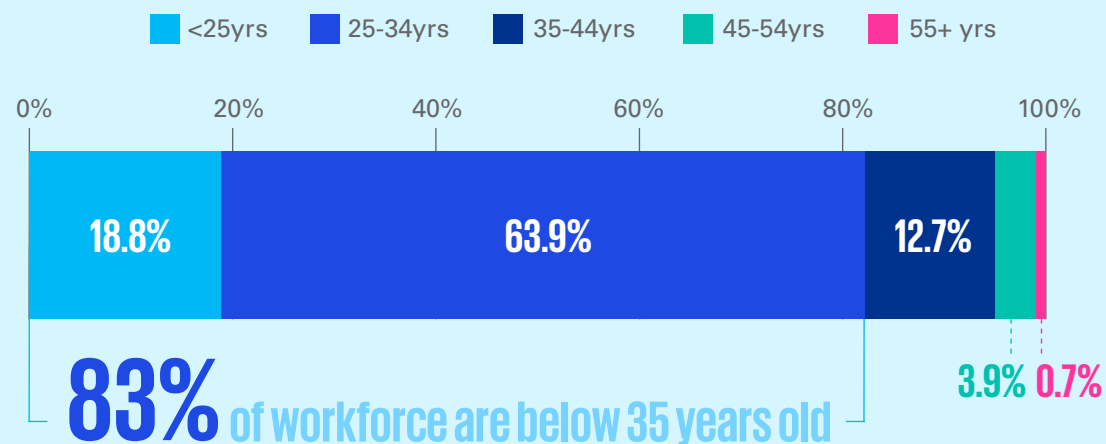
## Workforce by level



## Workforce by gender by level



## Workforce by age





# Attracting talent

In the face of an accute contraction in talent, attracting top talent is of strategic importance to our business and growth plan. To this end, we implement a robust talent acquisition strategy.

Newly hired in FY22:

**5,705** people



- KPMG China is on track to achieve our three-year strategy to increase our headcount to 20,000 people by the 2024 year-end. In FY22, the workforce has grown from 13,531 at the beginning of the financial year to 15,599 people by 30 September 2022 across 30 cities, up by 15.3%.
- A new Employer Value Proposition (EVP) has been developed and launched to build a strong and consistent employer brand that will appeal to talent.
- To nurture future talent and drive innovation, KPMG China has been supporting innovative business case competitions, as well as providing internship opportunities and scholarships for students.
- To better engage with KPMG's future employees, three fun and engaging virtual events and challenge games were launched for interns that have been offered permanent positions at KPMG. This initiative helps to create a sense of belonging ahead of the commencement of their work at KPMG, allowing them to get to know their peers better and equipping themselves with knowledge about the firm.

## Basecamp programme

The Basecamp programme is KPMG China's new talent pool system that provides internship experiences for students across their whole academic journey, opening up internship opportunities during their earlier years of studies. The programme welcomes all university students from different majors, who can apply for roles in different teams within KPMG China. This new programme model aims to provide a more rewarding, structured and attractive internship experience to secure the best talent in the market.

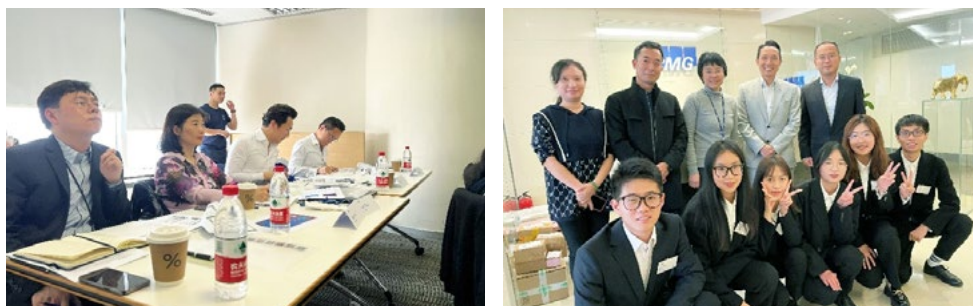


## Business case competitions

### KPMG Ideation Challenge (KIC)

The KPMG Ideation Challenge (KIC) is KPMG China's signature programme for nurturing the science, technology, engineering and mathematics talent of tomorrow. In 2022, the KIC was centred around an ESG theme, where participating teams were tasked to create an advanced and cost-effective solution for achieving carbon neutrality. Our partners were invited as judges to share their experience with the students.

In March 2022, the X-pros team from Zhejiang University won the championship in the national competition with its innovative ideas. This team will represent China at the global KIC competition and have the opportunity to bring their green solutions and ideas into practice.



### Audit Innovation Competition (AIC)

From June to September 2022, the Audit Innovation Competition took place aiming to nurture future audit talent. The Audit Innovation Competition (AIC) was historically an internal programme for four consecutive years, and in 2022 it was extended to university students nationally for the first time.

A total of 761 teams registered from over 300 reputable universities, submitting over 181 high-quality projects that demonstrated their strong analytical skills. The AIC came to a successful conclusion with a team from Xiamen University winning the championship, for which the members received value awards and were asked to join KPMG China's Digital Audit Programme.

## Strategic alliances with universities

KPMG China continues to strengthen our collaboration with leading universities through talent cultivation programmes, digital audit curriculum co-development and joint industry research to nurture future talent.

In FY22, KPMG China was involved in the following initiatives:

- Strategic cooperation agreement with Central University of Finance and Economics with the focus of cultivating digital literacy and incubating scientific research; partnership with Xi'an Jiaotong-Liverpool University to develop fintech talent; and partnership with Duke Kunshan University to develop fintech talent
- Qinglan young entrepreneurs cultivation project partnering with HKU Beijing Centre to promote an entrepreneurial spirit in Gen Z students
- Partnership with Southwestern University of Finance and Economics to develop fintech talent
- Established 'KPMG Scholarship' with Wuhan University and Wuhan University Education & Development Foundation





# Talent retention

Retaining good and the right talent is key to our business. Our talent retention strategy focuses on these key areas:

<b>Total Rewards package</b>	Offering more competitive compensation and benefits by closely monitoring the market landscape
<b>Recognition and appreciation</b>	Recognising and rewarding our people for their values-led behaviours
<b>People experience</b>	Rolling out Everyone Agile initiative across the firm
<b>Employee engagement</b>	Engaging our talents through various purpose-led initiatives
<b>Health and well-being</b>	Improving insurance benefits and wellness schemes for our people
<b>Career development</b>	Providing regular performance and career conversations to facilitate goal setting and career development
<b>Talent development</b>	Supporting the development of talent both personally and professionally throughout different stages of their career journey

## Total Rewards package

KPMG China offers a comprehensive Total Rewards package that helps our people live their best life, grow personally and professionally, and get recognised for the results they deliver. These include but are not limited to:

- Compensation opportunity (including base salary and bonus)
- Health benefits
- Growth and development resources
- Work-life-balance programmes
- Rewards and recognition programmes

## Recognition and appreciation

Our enCORE rewards programme helps to foster a culture of recognition, honouring the values-based behaviours demonstrated by our people. In FY22, we continued to actively make use of the enCORE programme to give appreciation to people around the firm, from team members to 'hidden heroes' through our annual Recognition Week. We also encourage people to recognise others' values-driven actions on the digital Values Recognition Wall.

To recognise our people's contribution and positive impact on the environment and society, we presented Chairman's Awards to 14 individuals and 2 teams at KPMG China in 2022. These awardees devoted substantial time and efforts to volunteering and making a difference in our communities.



## People experience – Future of Work

### Everyone Agile

The pandemic has shifted conventional ways of working into new norms. In FY22, we progressed forward with the Future of Work journey, which focuses on improving ways of working to help our people thrive in the new normal.

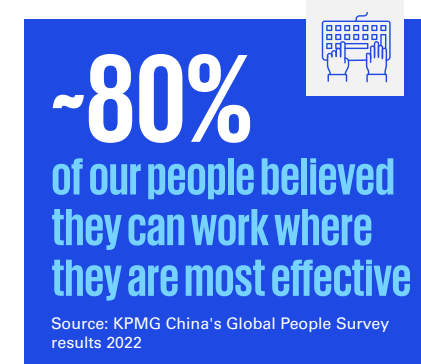
Everyone Agile is a key Future of Work initiative which is essentially our agile way of working that is fit for purpose and for the future. It provides a choice for our people across the firm to deliver the best outcome, while remaining focused on their well-being and creating an equitable culture. We established guidance and developed various forms of communication to support the initiative and to drive consistency across the firm.

The Everyone Agile framework encompasses three aspects:

- ✓ **Agile Dress Code** – providing guidance for our people to dress for the day that is fit for purpose, as well as meet appropriate standards and expectations
- ✓ **Agile Location** – a 3-Hub model where our people can work either at a client site, office or home based on business needs
- ✓ **Agile Hours** – providing flexibility for our people to arrange work hours while maintaining high standards of business outcomes

### Mobility programme

To help our people advance their career and strengthen their professional expertise, we offer different mobility programmes for our people who wish to work in other KPMG member firms. Our colleagues can also visit other offices throughout China for training or business engagements.



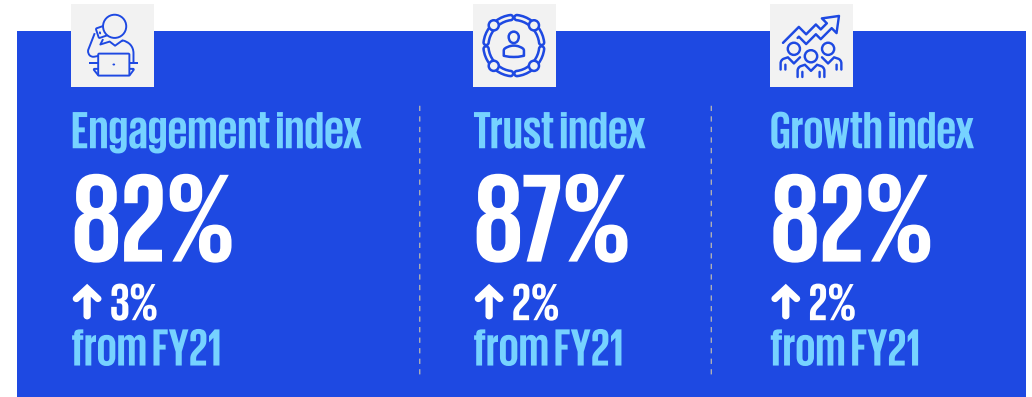
# Employee engagement

## Global People Survey

The Global People Survey (GPS) is an annual survey to collect our people's feedback about working at KPMG. It provides leadership with insights into what drives employee engagement, as it measures how well our leaders engage, enable and energise people to demonstrate desirable behaviours and live up to our purpose and Values.

In FY22, we carried out different firm-wide and functional GPS actions based on feedback collected in the previous year, covering key areas such as work enablement, recognition culture, people experience and talent development.

Through the GPS survey and listening to our people's thoughts, we will continue to improve our all-round experience and make KPMG a greater workplace to thrive in.



## Digital onboarding platform for new joiners

To enhance new joiners' experience, a digital onboarding platform was launched for our graduates, interns and lateral hires in 2022. The platform is used to engage with new graduates from campus recruitment and our lateral hires from the get-go.

Additionally, to further integrate our new joiners into the firm, we have prepared various campaigns on a bi-monthly basis, including WeChat groups and online games. As at 30 September 2022, over 1,000 people – including new A1 staff and interns – participated in our 'walkathon' competition, and they collectively contributed over 7 million steps.

## 'Ask me anything' inter-generational sharing series

Launched in summer 2022, 'Ask me anything' is our firm's first reality show featuring our people from different generations and backgrounds. Through lively activities and informal conversations in which they get 'asked anything', different generations of employees share their view on various topics.

Through this programme, our people can see how diverse thoughts can inspire each other. This is key as drawing strengths from our differences is core to our Values.







## Our commitment

# Have an inclusive culture built on trust

At KPMG China, we are committed to building an inclusive, diverse, equitable and trust-based workplace where our people can bring their authentic selves to work, and feel valued for their unique contributions and perspectives.

## IDE approach

On a global level, KPMG has introduced the Inclusion, Diversity and Equity (IDE) Collective Action Plan, which sets out the actions that member firms need to take in order to drive IDE across our global organisation.



It's about belonging and creating a safe environment that is built on trust



It's about embracing and respecting individual differences



It's about providing access to opportunities and levelling the playing field

Aligning with the IDE Collective Action Plan, KPMG China has established an approach to build an inclusive and equitable workplace where our people feel valued and respected for who they are and for the work they do.

In 2022, our IDE strategy focused on three key areas – gender, generation, and embracing differences, which supports LGBTQ+ inclusion, mental health and disabilities inclusion, among others.

## Our commitment

# Advocate for equal opportunity

As an equal opportunities employer, KPMG China has made our respect for IDE an integral part of our people strategy, especially for our recruitment, training, career development and employee promotion procedures.

KPMG China's IDE policy embodies our firm's principles to creating an inclusive workplace culture, with zero tolerance for all forms of discrimination against any persons. We are also committed to ensuring that our selection process is merit-based and depends on business needs. Individual backgrounds and characteristics such as gender, gender identity, marital status, religion, race, nationality, disability, family status, and sexual orientation do not construct any biases that may influence our hiring decisions.

In addition, we have zero tolerance for sexual harassment. To prohibit any form of sexual harassment, we have an anti-sexual harassment policy in place that clearly states the procedures and measures for handling complaints and protection against retaliation.

Procedures are in place to ensure our people's welfare is protected in compliance with laws and regulations. This covers the legal minimum wage for standard working hours, legal overtime rate and benefits as required by local laws. Our dedicated team keeps track and monitors the changes of statutory and regulatory requirements that impact us and update our policies as required to ensure compliance.



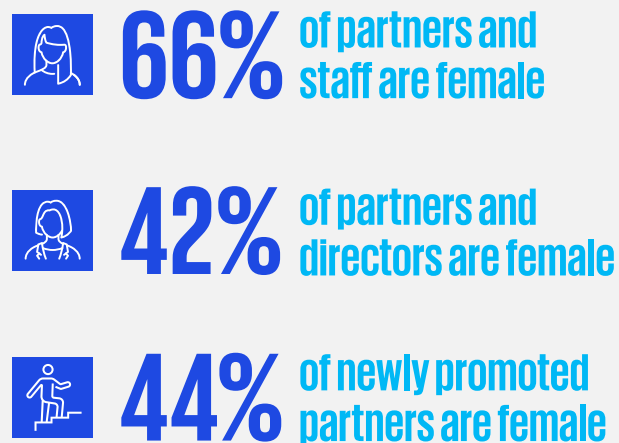


# Advancing gender equality

At KPMG, we value gender equality and believe that everyone should be provided with equal access to opportunities. By 2025, KPMG globally aims to have at least 33% of our leadership level, including partners and directors, to comprise female professionals.

At KPMG China, we take pride in achieving and going beyond this global target. As of 30 September 2022, 66% of our total workforce were women and 42% took on leadership roles as partners and directors. We continue to take actions to level the playing field for female employees to unleash their potential and and thrive in their careers.

In the past year, we have raised our people's awareness of gender equality through internal themed campaigns, such as the International Women's Day campaign, female-focused mentorship, as well as a partnership with an industry association advocating gender equality.



Data above as at 30 September 2022.

## International Women's Day

Every year, KPMG China, together with other member firms, celebrate International Women's Day. In March 2022, we rolled out a series of week-long activities to celebrate gender inclusion and the great contributions made by women in our workplace, families and the wider community.

We organised a virtual seminar with Plan International to discuss how today's gender equality can contribute to a more sustainable and brighter future; and invited Yiyou Youth Centre to share insights on empowering female STEM students in China.

In addition, we held informal 'Tune-in' sessions across regions, in which our partners and staff shared their personal stories and insights on gender topics in a closed environment where participants feel safe to speak up. Our people are encouraged to give praise to the extraordinary women and male allies around them during Praise Week, which further reinforces our culture of appreciation and recognition.

**2,300+**  
individuals engaged with the  
Values Recognition Wall

**400+**  
individuals sent over 600+  
messages of praise







## Our commitment

# Foster an educated, empathetic workforce

Educating our people on IDE topics and its significance for team members and leaders is fundamental to our IDE agenda. To that end, we create opportunities and development programmes to raise our people's awareness on inclusivity in the way they express their ideas, work and collaborate with other colleagues and clients.

## Next Generation Council

One of the ways through which KPMG engages our people to unleash their potential and make their mark is through our flagship IDE programme – Next Generation Council (NGC) — a future leaders' programme.

The first cohort of our NGC started in April 2021 and comprised around 20 members across different functions and regions who graduated in September 2022. During these 18 months, the NGC members made their mark and acted as the firm's young 'think-tank' advising on the firm's strategic initiatives, and provided our leadership with fresh views and implementation ideas. The success of this programme will pave the way for its continuation to engage more young and talented individuals.



***I met a group of diverse, ambitious and thoughtful colleagues through my involvement in the Next Generation Council. We shared learnings and challenges from our daily work and solved problems together, which allowed us to build a deep friendship. I hope every young person working at KPMG will be given the opportunity to strive for excellence, while having the space to innovate and grow, so they can ultimately do more meaningful things for the future of KPMG and society.***



**Francis Wang**

Senior Manager  
KPMG China

## Mentorship programme

The KPMG Advisory function in Hong Kong runs reverse mentoring programmes designed to support the personal and professional development of our female employees, as well as educate male allies on what it takes to create a truly inclusive and happier workplace that will ignite innovation. Mentors and mentees share their personal experiences about giving opportunities to others to understand their real-life challenges and experiences at work, which in turn inspire thoughts and actions for a more inclusive and equitable working environment.

## Pride Month

In celebration of Pride Month, KPMG China joined the third annual Global Pride Summit organised by KPMG International on 23 June 2022. Individuals across the KPMG network shared their personal stories around the key themes of safety, self-identification and allyship.

To demonstrate our support for our people to come as they are, KPMG member firms from the Asia Pacific region joined hands in organising a special reflections event in the same month, where people from across the region shared their views on how to create a more supportive and welcoming workplace for the LGBTQ+ community.

In 2022, KPMG International launched its first Global LGBTQ+ Inclusion Statement as a testimony of our promise of driving progress together. The statement includes meaningful and sustainable actions to create a safe and inclusive environment for people from the entire spectrum of sexual orientations and identities.

Apart from raising awareness during Pride Month, we also provide resources to support the LGBTQ+ community, such as a global Pride network of allies who serve as support network.



## Our commitment

# Protect the health of our people - both physically and mentally - and enable them to be effective and productive

Health, social and economic issues have taken their toll on people's physical and mental health during these uncertain times, which is why work-life balance and wellness topics have become paramount to our people's holistic well-being.

## Health and safety policies and guidelines

Our principles and requirements for different health and safety issues, such as fire precautions, office safety and indoor air quality, are stated in our Staff Handbook. We have acquired ISO 45001:2018 certification for our occupational health and safety management system, which demonstrates our commitment to providing a decent, healthy and safe workplace for our people.

In particular, the Health and Safety Guidelines, which are available in our Everyone Agile Guidebook and Staff Handbook, shed light on considerations and guidelines for staying healthy and protecting our people from perils and safety issues when working outside of the KPMG office. These guidelines cover topics ranging from workstation arrangements, electrical and fire safety to emergency and crisis management.

## Health and wellness benefits

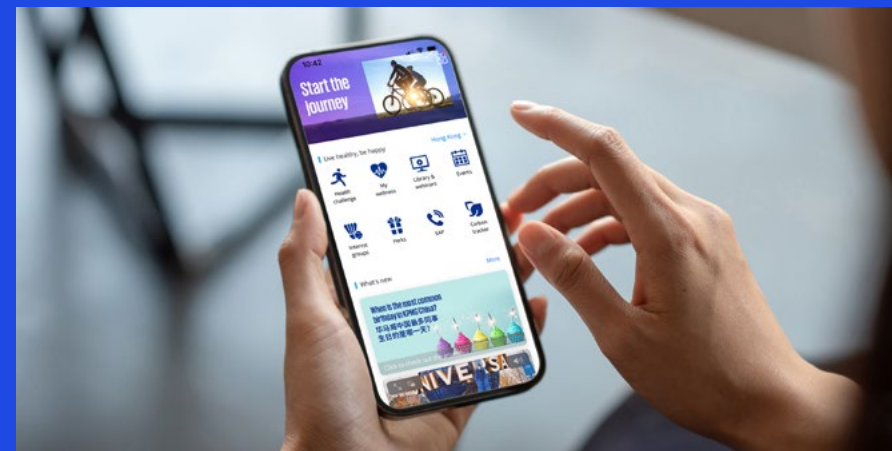
While our people are comprehensively covered by our insurance package for medical, life, personal accidents and business travel, we continue to explore ways of improving our people's well-being.

In FY22, KPMG China introduced an enhanced Flexible Wellness Plan for senior managers and below in the Chinese Mainland. Our people can enjoy the enhanced wellness benefits through a one-stop online service platform with more flexibility and convenience to suit their personal needs. The benefits not only cover medical check-ups, but also offer more choices for other wellness aspects such as vaccination, dental and fitness options. In FY23, coverage of the flexible wellness plan was extended to include alternative treatment in Hong Kong SAR and Macau SAR.

## Wellbeing App

As part of the Future of Work initiative, KPMG China launched the Wellbeing App in September 2022, as it looks to promote work-life balance and enable our people to thrive at work in their best condition – physically, mentally and socially.

This one-stop platform offers diverse services and functions. Our people can sign up for well-being events and interest groups, as well as gain access to our firm's well-being resources.

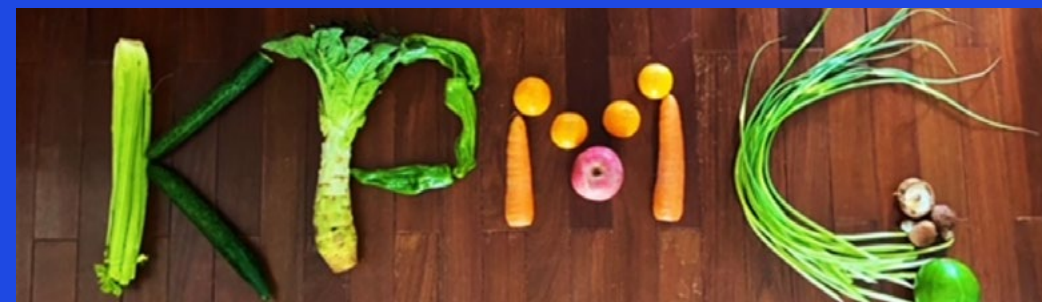




## Ongoing well-being support

To improve our people's health and well-being, KPMG China has provided ongoing support and resources for our people anytime, anywhere:

- **Well-being channel:** An informative portal that shares practical mental well-being tips, workplace ergonomics, immunity management and more.
- **Coronavirus portal:** A dedicated information platform that offers the latest news and guidelines in response to the COVID-19 situation in China. It includes travel guidelines, quarantine requirements as well as recommendations on well-being in uncertain times.
- **Training resources:** A series of mental well-being 101 videos that helps our people cope with mental health conditions.
- **Employee Assistance Programme (EAP):** A 24-hour support hotline that is available for professional and confidential counselling services.
- **Interest groups:** Our myLife wellness initiative offers both physical and virtual activities to support our people's mind, body and social wellness. Over 40 staff-led interest groups are funded by the firm to run different activities, ranging from football, hiking and photography to parenting activities.
- **Wellness campaigns and activities:** Every year, we raise awareness of mental health and work-life balance during the World Mental Health Awareness month. Year-round wellness activities, such as yoga and massage sessions, are also organised.
- **People-centric workstation design/provision:** We have introduced people-centric furniture and equipment, such as adjustable tables and monitor arms, benefitting our people's physical well-being and productivity.



## People-first – emergency relief during Shanghai lockdown

From March to June 2022, the COVID-19 outbreak put Shanghai under strict lockdown. With the 'stay at home' policy enacted, residents, including our own people, struggled to obtain the necessary sustenance or access to medical care.

KPMG China responded swiftly to this issue by delivering a total of two rounds of healthy grocery packages to our people across Shanghai, which could be easily ordered through our WeChat mini programme. This proved to be a critical and essential programme that helped our people navigate uncertain times and stay relatively unscathed during unexpected situations.

In addition, KPMG China set up an emergency platform and counselling hotline to address people's mental health needs during those difficult times.

## Our commitment

# Develop a continuous learning culture

Our vision has always been to bring out the best in our people, and we firmly believe that learning and development are the key to drive quality results. To better help our people realise their full potential and make sure they are equipped with the necessary skills for the future, we provide access to a variety of learning opportunities and resources such as professional qualification training, leadership programmes and others.

Average training hours per individual: **77** hours



## Strengthening our people's ESG knowledge

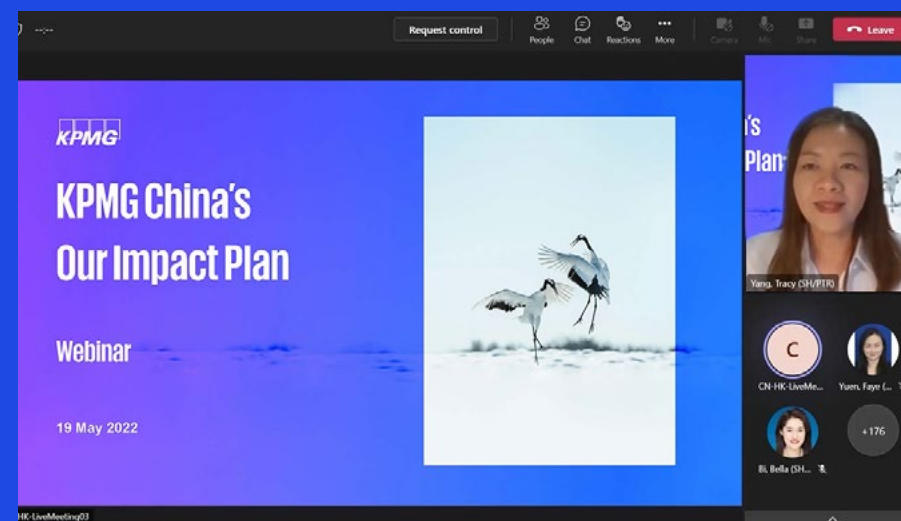
Training and upskilling of ESG knowledge for our people is key to our business today and tomorrow. Supported by our global ESG strategy, we aim to equip our people with professional ESG knowledge, empowering them to drive positive change for our firm and our clients.

In May 2022, as part of our ESG curriculum, KPMG China launched the first firmwide ESG e-learning programme 'ESG 101 — Foundations' to all KPMG people. The programme provides a solid foundation of ESG priorities and solutions and introduces our firm's internal and external ESG initiatives. More learning opportunities are being offered, helping our people build their ESG knowledge to support our clients with their ESG commitments.



## Our Impact Plan virtual info session for our people

Two virtual OIP sessions were held in May 2022 after the launch of the FY21 OIP report to help our people better understand our work and how they can get involved.





## Leaders Developing Leaders

At KPMG China, we believe that everyone in the firm can thrive and lead, regardless of their role in the firm. A great example of this would be our Leaders Developing Leaders programme. This new talent development programme aims to develop high performing talents across the firm. Through inter-generational mentoring and group learning activities, our talents develop new skills, perspectives and networks to help them grow and thrive with one another.



**88%** of our people agreed that they have learning opportunities available at KPMG to help develop skills to succeed in the future

Source: KPMG China's Global People Survey results 2022



**At KPMG China, we believe in excellence – we never stop learning and improving. We invest in unique learning and development opportunities to enable our people to thrive with us at KPMG.**



**Carmen Ting**

Partner, Head of Organisation and Talent Development  
KPMG China







Governance

People

Planet

Prosperity

# Planet

*Reducing our impact on the environment to build a more sustainable and resilient future*

7 AFFORDABLE AND CLEAN ENERGY



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



17 PARTNERSHIPS FOR THE GOALS



# Our commitments



## Global climate goal

- Become a net-zero carbon organisation by setting a 1.5°C science-based target, aiming to reduce our direct and indirect emissions by 50% by 2030



## Decarbonisation

- Source 100% renewable electricity through purchasing renewable energy certificates (RECs) and sourcing renewable energy supplies
- Report our climate performance
- Drive behavioural change to improve environmental practices in our workplace



## Nature and biodiversity

- Understand our impact on nature and biodiversity, and make positive improvements



## Climate risk

- Give financial markets and our clients clear and comprehensive information on the impacts of climate change





# Our management approach and progress

## Decarbonisation

Climate change is an imminent threat to human well-being and the health of the planet, with extreme weather events such as heatwaves, droughts and floods happening frequently both in China and across the globe.

To address the climate crisis, China has emphasised its strong commitment to promoting green, circular and low-carbon development, as highlighted at the 20th National Congress of the Communist Party of China. The transition towards a green economy and sustainable development is essential for reaching China's 'dual carbon' goals, and this requires every individual and organisation to be actively involved.

KPMG China is committed to being part of this change and has a key role to play in the country's decarbonisation journey. Our climate commitments encourage us to take proactive and innovative steps to decarbonise within our operations and along our value chain.

***In the face of a global climate crisis, every country, every company, and even every individual, has an undeniable responsibility. At KPMG China, we continue to regularly review and refine our decarbonisation strategies and initiatives to reduce the environmental impact of our operations and value chain. This is driving KPMG China to advance on the path towards green transformation through strategy, management, policy and employees' behavioural change.***



**Ian O'Brien**

Chief Operating Officer  
KPMG China





## Our commitment

# Our global climate goal: Become a net-zero organisation

As part of our global commitment to become a net-zero carbon organisation, KPMG has a series of climate actions:

- Set a 1.5°C science-based target (SBT) which will focus on achieving a 50% reduction of KPMG's direct and indirect greenhouse gas (GHG) emissions by 2030
- Source 100% renewable electricity across the global organisation by 2030

To support this climate goal, we set out an environmental policy in 2021, which outlines our commitment to reducing our environmental impact through policy implementation, stakeholder engagement and education. The policy sets out the principles and requirements as to how we should manage different key environmental areas such as energy, greenhouse gas emissions, waste, water and our supply chain, among others.

In addition, we have obtained the ISO 14001:2015 certification for environmental management systems. This demonstrates our commitment to managing the environmental impact of our business activities and operations, helping us meet clients' rising expectations of our environmental performance.

## Setting an internal carbon price

Starting from 1 October 2022 (FY23), KPMG China implemented an internal carbon price (ICP), which is seen as an enabler to help us reach our net-zero climate goal. The ICP applies the 'polluter pays' principle and is a fee charged to responsible departments based on business travel emissions from air travel, rail travel and hotel accommodation.

With business travel making up 38% of net carbon emissions in FY22, the ICP aims to drive behavioural change and decrease emissions by reducing non-essential travel, encouraging low-carbon options and ensuring carbon emissions are factored into our decision-making.

The funds generated through the ICP will be used for decarbonisation projects to avoid, reduce and/or offset our carbon emissions. We will select and support suitable decarbonisation initiatives ranging from energy-saving, green travel initiatives and nature-based solutions to carbon removal projects.



What is the internal carbon price (ICP)?  
什么是内部碳价格 (ICP) ?



We launched a promotional video to help our people learn about the new ICP – what it is, how much it costs and what they can do to help reduce the firm's carbon emissions.

## Our commitment

# Report our climate performance

Every year we collect data from all our offices, in line with the Greenhouse Gas Protocol (GHG Protocol) guidelines, to determine the firm's carbon emissions. Key climate performance indicators are reviewed and reported to our stakeholders through this report annually.

In FY22, our overall carbon emissions (net of RECs) amounted to 46,318 tCO<sub>2</sub>e, up by 5.5% compared to FY21, and down by 24.3% against our FY19 baseline. It is important to note that with our headcount growth of 15.3%, our per capita net emissions have dropped from 3.51 tCO<sub>2</sub>e in FY21 to 3.19 tCO<sub>2</sub>e in FY22.

## Scope 1 emissions

Our Scope 1 emissions are direct GHG emissions coming from the fuel consumption of vehicles owned or controlled by KPMG China. A total of 133 tCO<sub>2</sub>e was generated during FY22, representing 0.3% of total net emissions.

## Scope 2 emissions

Our Scope 2 emissions amounted to zero as we purchased 100% renewable electricity through renewable energy certificates (RECs). (For further information, please refer to the 'Source 100% renewable electricity' section.)

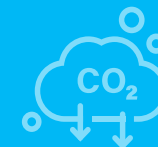
## Scope 3 emissions

Our Scope 3 emissions encompass a wide range of emission sources including purchased goods and services, business travel, employee commuting, upstream leased assets, and other miscellaneous sources.

Our Scope 3 emissions amounted to 46,185 tCO<sub>2</sub>e this year, up by 5.6% compared to FY21. While there was a YoY drop in the business travel and employee commuting categories, which are primarily attributed to the impact of COVID-19, the overall increase in our Scope 3 emissions was mainly due to the substantial increase in the procurement spend and activities (around 90% YoY increase in purchased goods and services emissions).

% change in GHG emissions (net of RECs)

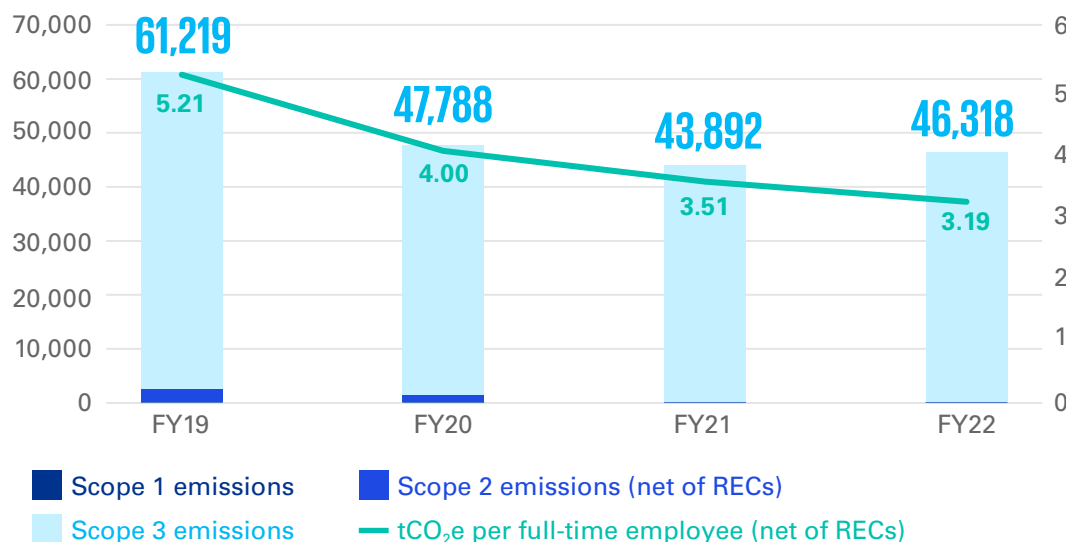
FY22  FY19 (baseline) **-24.3%**



## Greenhouse gas (GHG) emissions (tCO<sub>2</sub>e)

	FY19	FY20	FY21	FY22
<b>Total GHG emissions (location-based)</b>	67,926	54,390	52,544	54,833
<b>Total GHG emissions (net of RECs)</b>	61,219	47,788	43,892	46,318
<b>Scope 1 emissions</b>	146	130	142	133
<b>Scope 2 emissions (location-based)</b>	9,092	7,998	8,653	8,515
<b>Scope 2 emissions (net of RECs)</b>	2,385	1,397	0	0
<b>Scope 3 emissions</b>	58,688	46,262	43,749	46,185
<b>tCO<sub>2</sub>e per full-time employee (location-based)</b>	5.78	4.55	4.20	3.78
<b>tCO<sub>2</sub>e per full-time employee (net of RECs)</b>	5.21	4.00	3.51	3.19

## Total GHG emissions (net of RECs)(tCO<sub>2</sub>e)



## Reducing our supply chain emissions

With over 42% of our net carbon emissions coming from the 'purchased goods and services' category, working closely with our suppliers is critical for our decarbonisation strategy and sustainable procurement management.

### CDP Supply Chain programme

In FY22, we participated in the KPMG global CDP Supply Chain programme for the first time and successfully engaged 23 selected suppliers to submit their environmental data through CDP questionnaires. This programme aims to enable us to derive actionable insights, keep track of progress, inform decisions, and identify risks and opportunities in our supply chain. Our global CDP report was available to us to provide more insights into our supply chain.

Our next plan is to hold a national supplier communication webinar to engage more suppliers to participate in our FY23 CDP programme. This webinar also aims to help our suppliers better understand and align with KPMG's climate goals and sustainability expectations, setting the tone to foster collaboration for supply chain decarbonisation.

### Sustainability supplier check

We piloted a sustainability supplier check on top sourcing projects during FY22. In this pilot, we engaged 85 suppliers and reviewed the top 45 suppliers' sustainability performance to inform strategic sourcing decisions. This process will be incorporated into the process for top sourcing projects starting from 2023.

### KPMG digitalised Procure-to-Pay system

With the newly launched KPMG digitalised Procure-to-Pay system, we have significantly reduced our carbon footprint and paper consumption, as well as improved our operational efficiency through automated paperless processes.

Decarbonisation initiatives, such as digitalisation or sustainable material selection processes, are being planned to further curb our supply chain emissions.





## Our commitment

# Source 100% renewable electricity

In FY22, KPMG China continued to purchase 100% renewable electricity through buying renewable energy certificates (RECs). This is a commitment that we have fulfilled since FY21.

All of our renewable electricity in FY22 was sourced through approved renewable energy certificates (I-RECs), which support renewable energy projects in China.

We understand that there is more we can do. We will continue to work with our Workplace department to lease offices in green buildings that can potentially provide direct sources of renewable electricity supply, as well as with our building management to improve the energy efficiency of buildings.

While sourcing renewable electricity is vital, we believe saving energy is also key. In FY22, KPMG China implemented energy-saving measures across our firm, for example, switching off office lights earlier (if not in use), installing and replacing LED lights, and installing timers and motion sensors. All new offices opened in FY22 have a timers control system and/or motion sensor system in place to help save energy.

## Saving electricity in our offices

We always look for opportunities to drive green office initiatives in our existing offices. In our Foshan office, we leveraged the lease renewal opportunity to replace all the lighting with LED lights. This helped save over 13% of electricity consumption compared to 2021 before the replacement.

In addition, through an initiative from our building management in Guangzhou, K11, we signed up to have Blue Sky meters installed in our office to track our energy use in real time. This has enabled our Office Administration team to identify high-energy usage areas and improve user behaviour, such as reminding people to turn off appliances and unnecessary lighting when they notice spikes in usage.



**100%** renewable electricity sourced  
through renewable energy certificates

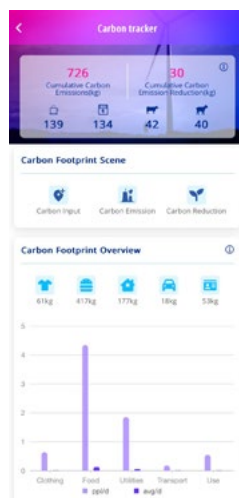


## Our commitment

# Drive behavioural change to improve environmental practices in our workplace

## Launch of carbon tracker

To help our people learn more about their carbon footprint in their daily life, KPMG China launched a carbon tracker developed by our technology team at the KPMG Digital Ignition Centre (KDi). The carbon tracker, which is available on our KPMG Wellbeing App (see p.46), allows our people to calculate their carbon emissions from transport, food, utilities and clothing, encouraging them to adopt a more sustainable lifestyle.



## Themed environmental campaigns and events

Every year, KPMG China organises themed campaigns to celebrate international days related to the environment to raise employee awareness of decarbonisation and environmental issues.

## Earth Day 2022 – ‘Invest in our planet’

In April 2022, we launched a range of talks, workshops, clean-ups and more centred around the global Earth Day theme, ‘Invest in our Planet’. Topics covered ranged from ocean conservation, plant-based eating and sustainable living, to circularity.

In addition, by sending emails for three weeks leading up to Earth Day, each with a specific theme – energy saving, plant-based eating and transport – our people were invited to make a commitment to adopting a sustainable lifestyle, such as eating a plant-based diet (which usually has a lower carbon footprint than eating meat) on certain days of the week, changing lightbulbs in the home to LED or taking public transport. Pledges were made on our global platform – Grow your Impact – where people could be inspired by other colleagues’ habits.



To raise our people's awareness, fun and educational environmental facts and practical tips on how to reduce emissions were shared.





## World Environment Day 2022 – ‘Only One Earth’

To celebrate World Environment Day 2022, KPMG China collaborated with Shenzhen Mangrove Wetlands Conservation Foundation (MCF) and WWF-Hong Kong on a joint environmental initiative to clean up the mangrove wetlands in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA).

About 90 people participated in the joint volunteering effort in Guangzhou, Shenzhen and Hong Kong concurrently to raise awareness and contribute to the development of a greener GBA. During the event, a livestream session connected the volunteers in the three locations to share their volunteering experience with each other and with those who could not attend the event to raise awareness of wetland conservation and ecosystem restoration. A series of volunteering activities and green workshops were also held across China, calling on everyone to protect our earth.





## Promotion of circularity

A transition towards a circular economy is essential to achieve net-zero emissions. As KPMG is a professional services firm and does not produce physical products, a large part of our impact originates from our business operations, which is associated with three main areas – information technology, offices and property services, and events and catering.

### 1 Information technology

Technology hardware has a significant impact on our environmental footprint. All retired laptops were treated properly and either resold to second-hand vendors or donated to non-profit organisations and schools. In FY22, we also increased our focus on recycling electronic accessories such as mice and keyboards in several main offices in China. In addition, we work with our printer suppliers to recycle used toner and printer cartridges, with a total of 2,049 cartridges recycled by our printer provider in FY22.

### 2 Offices and property services

In keeping with our Green Fit-out Guide, the concept of circularity is being incorporated into our new office renovation and relocation projects where feasible, from appointing green certified contractors, selecting refurbished furniture and procuring low-carbon materials, to setting up Green Corners (see p.60). We aim to have these elements factored into our flagship green office project in Shanghai, which is targeted to open in the near future.

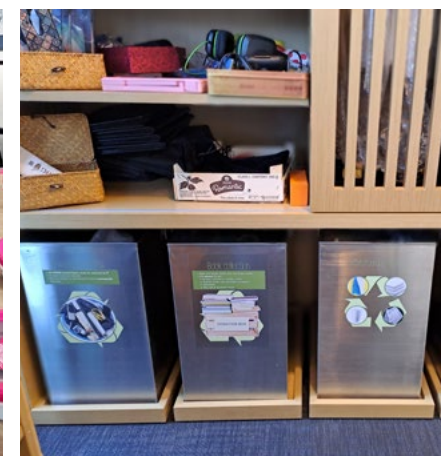
In terms of building selection and leases, priority will be given to buildings with green certifications. As at 30 September 2022, 68% of our office floor area is located in buildings with green and/or wellness-related certifications,<sup>6</sup> among which 15 buildings are LEED-certified and 2 are BEAM-certified.

As for waste management, we promote the principle of 'Reduce, reuse and only then recycle', as well as strive to divert waste from the landfill, where feasible. We set up recycling bins and boxes in our main offices to recycle different consumables, such as paper, plastic, metal and glass, among others. In addition, we organise seasonal collection drives to collect mooncakes, clothes, red packets and other items during the year. Last but not least, we strive to reduce water consumption from our operations by putting up water-saving signage in our offices.

**68%** of our office floor area is located in buildings with green and/or wellness-related certifications

### 3 Events and catering

KPMG China's Green Events Guidelines provides guidance for our people to organise events with reduced environmental impact. We encourage them to opt for more sustainable options such as plant-based catering, avoiding souvenirs, reducing waste, and recycling, among others.



<sup>6</sup> Certifications include LEED, Beam Plus, Green Building Certification Label, and WELL Certifications



## Redress 'Get Redressed Month' 2022

2022 marks our fourth year as a sponsor of Hong Kong environmental NGO Redress's Get Redressed Month. Through this clothing drive, we encourage our people to donate their unwanted clothes, and more importantly, educate them on the issue of textile waste. In addition to hosting a webinar to help our people learn more about fast fashion, we also once again joined the large-scale Sort-a-Thon, where we helped sort through some of the over 16 tons of clothing collected citywide throughout the campaign.



## Green Corners

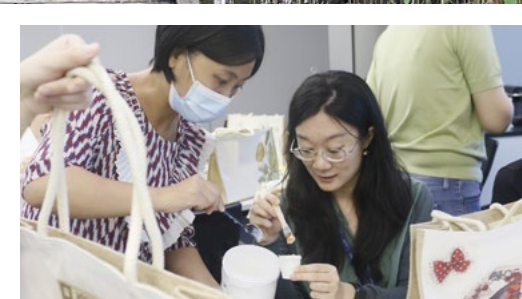
Launched in 2021, our Green Corner concept is an iconic project to promote circularity. They offer space for our people to exchange and donate unwanted items in good condition, including second-hand books, clothes, toys and stationery. As at 30 September 2022, a total of eight Green Corners have been set up in our offices in Hong Kong, Chengdu, Xiamen, Dongguan and others.





## Environmental awareness activities and our green interest group

Throughout the year, we organised different environmental awareness activities to encourage our people to better understand their impact on the planet and how we can live more sustainably. From city clean-ups and removing invasive plant species to cleaning donated soap, our people experienced how we can contribute first-hand to a more sustainable world. Our staff can also sign up to join green interest groups to participate in local environmental activities year-round.





# Nature and biodiversity

## Our commitment

## Understand our impact on nature and biodiversity, and make positive improvements

Nature and business are interdependent and interconnected. We believe it is important for us to collaborate with non-profit organisations (NPOs), as their technical expertise helps us gain a deeper understanding of how our actions affect the natural environment. Over the years, we have supported nature conservation projects and collaborated with NPOs to help restore and improve freshwater, wetland, forest and ocean ecosystems.

On a global level, KPMG is proud to join the Taskforce for Nature-related Financial Disclosures (TNFD). Over the next few years, our global team will help the TNFD develop a risk management and disclosure framework for financial institutions to report and respond to evolving nature-related risks. This will help enhance the services we deliver for clients.

### Conservation International

Following the success of our first artificial wetland in Xiadong village, we are planning to deploy a second community-based freshwater project in collaboration with Conservation International in Shuiku village in Guangdong province.

These projects aim to protect water resources and improve the water quality in the Dongjiang Basin, which serves as a major water source for the GBA. More importantly, the projects can contribute to rural revitalisation by creating local employment opportunities through eco-tourism.



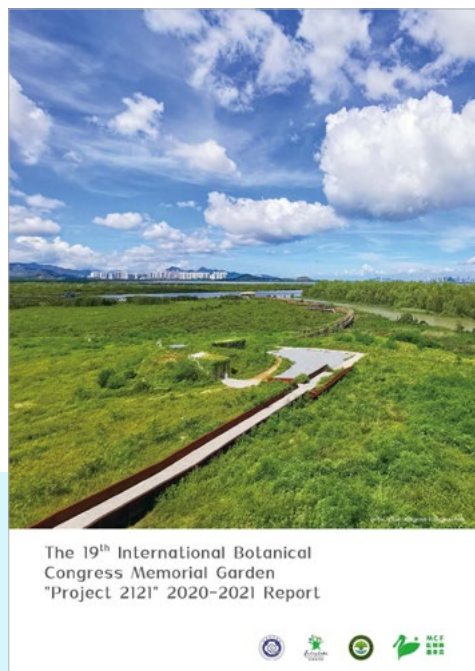
## Shenzhen Mangrove Wetlands Conservation Foundation

Launched in 2020, our two-year nature conservation programme with Shenzhen Mangrove Wetlands Conservation Foundation (MCF) has successfully created 7,000m<sup>2</sup> of habitat for winter migratory birds and restored/maintained at least 5.2 hectares of mangrove wetlands. Over 3,000 public volunteers and more than 400 KPMG colleagues have joined different volunteering activities to help monitor and restore the wetland ecosystem.

In 2021, a total of 16 volunteers participated in a citizen scientist project on plant monitoring in the memorial garden of Futian Mangrove Ecological Park. They helped provide valuable data for MCF to further analyse the plant growth cycle, plant community succession and alien plant invasion.

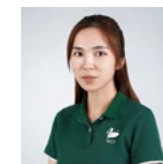
Looking ahead, we will launch the second phase of the programme with MCF to scale up our efforts to cover more areas in the GBA, inviting more people from different regions to join.

KPMG China was recognised as one of the project sponsors of *The 19th International Botanical Congress Memorial Garden 'Project 2121' 2020-2021 Report* published by MCF.



**As a charity partner of the Shenzhen Mangrove Wetlands Conservation Foundation, KPMG China has participated in and supported the 'Protecting Shenzhen Bay – Futian Mangrove Ecological Park Wetland Restoration' project since 2020. Over the past three years, we have worked together to monitor and manage the wetland ecosystem in Shenzhen Bay, with KPMG employees contributing volunteer services. As a result, more and more wetland species can now thrive in this precious habitat. We believe that although ecological conservation has a long way to go, together we can create a future where people and wetlands live in harmony.**

In November 2022, our Head of OIP, Wilson Pang, participated in the Ramsar CEPA for Wetland Conservation Forum of the 14th Meeting of the Conference of the Contracting Parties to the Ramsar Convention on Wetlands (COP14) to share KPMG's efforts related to our wetland conservation programme with MCF.



**Zhai Liu**

Deputy Secretary General  
Shenzhen Mangrove  
Wetlands Conservation  
Foundation



## WWF

KPMG China has collaborated with WWF for many years on different conservation projects as well as environmental awareness activities. Here are some recent programmes:

### *Forest ecosystem restoration programme in northeast China*

Unsustainable forest management and over-harvesting over the past decades have led to the loss of valuable primary forests and a lack of wildlife in northeast China.

Since 2021, the KPMG Foundation has partnered with WWF-China to restore the forest ecosystem and support key species conservation projects in the Northeast China Tiger and Leopard National Park. The programme aims to restore 110 acres of forest in the conservation zone and protect the wildlife in that area. A virtual workshop and an on-site nature education event were organised to raise people's awareness of the forest ecosystem and biodiversity conservation.



### *Climate resilient ocean conservation programme*

Since 2021, the KPMG Foundation has funded an ocean conservation programme, which aims to create a local supply of sustainable seafood through sustainable mariculture production in Hong Kong, as a pilot for other GBA cities. As one of WWF's Bankable Nature Solutions (BNS) projects, this programme can potentially help divert significant market demand from unsustainable fishery practices, and ultimately protect our ocean ecosystem.

As part of this programme, a new Sustainable Seafood Business Membership programme was launched to increase the accessibility of sustainable seafood across Hong Kong by linking suppliers, restaurants and retailers. We are delighted to have seen 14 founding members join this programme prior to World Oceans Day 2022.





# Climate risk

## Our commitment

### Give financial markets and our clients clear and comprehensive information on the impacts of climate change

Across the globe, expectations on climate risk management are becoming ever more sophisticated. At a global level, KPMG plays an active role in the Taskforce for Climate-related Financial Disclosures (TCFD) to provide clear recommendations on how organisations should disclose consistent information on climate-related financial risk and the potential impacts.

Globally, KPMG conducted a TCFD-compliant scenario analysis to explore our exposure to transition risk across the largest countries and territories in which KPMG firms (including KPMG China) operate. The assessment financially quantified the risks and opportunities arising from climate change and the low-carbon transition. The outcomes of this assessment will form part of the evaluation of our global climate strategy and performance.

At KPMG China, we help our clients advance their sustainability journey and identify climate risks and opportunities through our professional ESG services. Our ESG team has been using KPMG Climate IQ, a multi-industry risk management tool developed by KPMG in the UK, to provide leading-edge climate economic analysis to deliver a rich set of management information to inform strategy, risk and financial reporting.

In China, our ESG team is working with climate experts from KPMG in the UK and Australia for a smooth implementation. These engagements serve as solid credentials for KPMG China in climate-related risk assessment and disclosure to showcase our capabilities to support clients on their climate change reporting journey.

Please refer to the Governance chapter for more details.





Governance

People

Planet

Prosperity

# Prosperity

*Making a positive social and economic impact and driving good corporate citizenship*

4

QUALITY  
EDUCATION



8

DECENT WORK AND  
ECONOMIC GROWTH



9

INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



10

REDUCED  
INEQUALITIES



17

PARTNERSHIPS  
FOR THE GOALS





# Our commitments



**Contribute to the economic development of China**

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**Support the communities in which we operate**

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# Building a resilient, sustainable business

At KPMG China, we always take a prudent, long-term approach to managing our finances. In FY22, we remained resilient and delivered positive growth results despite this challenging time, thanks to our growth strategy and multidisciplinary services. We will continue to innovate and become more agile in response to a complex and rapidly changing global landscape.

Nevertheless, for us prosperity is more than just about looking at our own financial growth. It is about how we, as a member of society, play a role in helping people and society to flourish and grow by creating jobs, fostering innovation and empowering underserved communities. We believe KPMG China has an important role to play and contribute to drive the country's economic and social development in many ways.

## Our commitment

### Contribute to the economic development of China

#### Alignment with government priorities to foster prosperity

KPMG China is deeply rooted in China and has been growing with the country for nearly 80 years. Over the years, under the leadership of the Communist Party of China (CPC), we have witnessed that China has been moving towards a bright and prosperous future that promotes high-quality and sustainable development. And we understand KPMG has a key role to play in supporting and contributing to national policies that accelerate the path of socialism with Chinese characteristics.

Our business strategy and operations are closely aligned with the green development (p.50-65), innovation (p.71-72), rural revitalisation (p.81-83) and coordinated regional development (p.70), and more importantly, integrate these into our business strategy.





## Share insights to foster mutual growth

To help our clients and the business community better understand national strategies, KPMG China has actively shared national policy insights and released in-depth interpretation reports of key events such as the Two Sessions. We also actively participate in major national and regional meetings with various stakeholders such as government authorities, exchanges, party committees and NPOs, providing suggestions and insights into different topics that help drive mutual growth for society and businesses.



Tracy Yang, Secretary of the Party Committee of KPMG in Shanghai, attended the 12th Shanghai Municipal Congress of the Communist Party of China meeting as the only delegate from the local accounting industry.



KPMG released the 'Takeaways of China's 2022 Two Sessions', which provides a detailed interpretation of the 2022 Government Work Report and the contents of the Two Sessions.

## Contributing to society through party building work

Deeply rooted in China, we have established party committees in various offices such as Beijing, Shanghai and Guangzhou. These party committees implement systematic and comprehensive party building and educational activities, enabling our people to better keep abreast of national guidelines, strategies and measures addressed by the CPC. We value the exemplary and vanguard role of our party members in supporting China's high-quality and sustainable development, and the path towards building a modern socialist country with Chinese characteristics.



## Creating business and job opportunities through regional penetration strategy

In line with our three-year strategy, we continued to pursue our regional penetration strategy during FY22 by setting up five new offices in Taiyuan, Dongguan, Dalian, Nantong and Changchun, plus a KPMG Digital Ignition Centre in Dalian. This took our presence to 30 cities across China with over 15,000 people (as at 30 September 2022) and demonstrated our confidence in the Chinese economy. Building a trusted relationship with local governments, regulators and clients is critical for our business to thrive in these local markets.

Our regional penetration strategy provides a major channel for us to attract and recruit new professional service talent, either from the local employment market or universities. This creates more job opportunities, empowers local talent pools and fosters economic growth in China.



### China International Consumer Products Expo (Hainan EXPO) 2022

KPMG's *The future of cities* report shed light on urban innovation. A roundtable discussion on 'Consumer Cities in the Future' was also held.



### China International Import Expo (CIIE) 2022

Under the theme of 'Focus & Clarity', KPMG China shared views on ESG, fintech, Technology, Media, and Telecom (TMT), digital transformation and many other hot topics.

### China International Fair for Trade in Services (CIFTIS) 2022

KPMG China shared insights on regional development and reform of state-owned enterprises, ESG and green energy, financial services, digital transformation, TMT, and talent development.



### Boao Forum for Asia Annual Conference (BFA) 2022

KPMG China was invited to participate in the BFA 2022 and share its views in a variety of ways, including engaging in online sharing, sending a delegation and speaking to the press.



**At KPMG China, we align ourselves with key national strategies and direction to better serve the country as well as achieve our own high-quality development. By applying the spirit of the 20th National Congress of the Communist Party of China, we will continue to support key national strategies such as the 'dual carbon' goal, 'rural revitalisation' and 'Chinese modernisation'. At the same time, we will continue to support the development of the capital market with professional services and promote sustainable development through our business practices.**



**Ricky Wong**  
 Senior Partner,  
 Southern Region  
 KPMG China



# Fostering innovation and technology

With technological change accelerating, companies need to stay ahead of the latest technology trends to remain competitive in the market. Over the years, KPMG China has been guiding our clients to navigate through the new reality and embark on a digital transformation agenda.

Our cross-functional digital transformation team comprises professionals with different expertise, from Lighthouse solutions, Digital Enablement, Digital Operations and Financial Consulting, to People and Change Consulting. Through our dedicated teams and technology-enabled services, we empower our clients to transform their business, creating shared values for them and for society.

**82%** of our people believe that there is strong commitment to innovation at KPMG

Source: KPMG China's Global People Survey results 2022



## Lighthouse

KPMG Lighthouse is our Centre of Excellence for Data, Analytics, and AI, which combines the latest technologies and capabilities alongside our deep-rooted domain expertise to accelerate innovation and drive speed and relevance to our client's businesses.

With sector expertise and experience, it offers tailored industry-specific digital solutions for clients to facilitate effective digital transformation. Our digitalisation solutions comprise four key themes – risk and compliance, insights and analysis, intelligence and efficiency, and digital middle platform.



### Risk and Compliance

- KPMG Regtech Assistant
- KPMG Intelligent Financial Analysis Platform
- KPMG RAIC Intelligent Platform
- KPMG Smart Due Diligence Platform
- KPMG Intelligent Risk Management Platform



### Insights and Analysis

- KPMG Data Insight System
- KPMG Business Environment Intelligent Evaluation & Tracking System
- KPMG Digital Customer Experience Management
- KPMG Data Intelligence



### Intelligence and Efficiency

- KPMG Document Reader
- KPMG AI Coach
- KPMG AI Assistant
- KPMG AI Diagnosis



### Digital Middle Platform

- KPMG AI Factory
- KPMG Intelligent Application Factory
- KPMG Data Spotlight

## KPMG Digital Ignition Centre (KDi)

KPMG Digital Ignition Centre (KDi) is the firm's software development and support centre, integrating cutting edge digital solutions with our core expertise to deliver results for the firm's business and clients.

In August 2022, KPMG China opened its third KDi in Dalian's High-tech Zone. The establishment of the new KDi aims to accelerate digital transformation of businesses in the Northern region and to support the government's Revitalise Northeast China strategy. KPMG Digital Space, and KPMG Lighthouse's online digital showroom, were also introduced in the opening ceremony.

To date, KPMG has three Digital Ignition Centres in China, forming the backbone of our KDi initiative in China: the Dalian centre serving clients in the Bohai Rim region, the Nanjing centre serving the Yangtze River Delta region, and the Shenzhen centre serving the Greater Bay Area.

## China Alliance Strategy

Leading global and national technology firms such as Microsoft, IBM China, Tencent, Kingdee and Laiye, have been our key alliance partners in KPMG's technology ecosystem. The relationships with these industry leaders help promote innovation and accelerate growth, and enable us to better serve our clients and run our business efficiently.

***Digital technology has become one of the core driving forces for economic development and business transformation. Over the years, KPMG China has been helping companies in their digital transformation journey with our professional expertise and services in digital technology, thereby supporting the rapid development of the digital economy in China.***



**Reynold Liu**

Partner, Head of Technology and Innovation  
Head of Management Consulting  
KPMG China





## Our commitment

# Support the communities in which we operate

## Becoming a responsible corporate citizen

Upholding our identity as a trusted professional services firm, KPMG China believes that we have responsibilities not only to our clients and our people, but also the communities where we operate and live in.

Together with our people, we strive to act with integrity and live up to our KPMG Values – Together and For Better – and play an active role in contributing towards the SDGs. We encourage our people to get involved and work together to improve the environment and to benefit our society by creating lasting positive change in our communities.

*“KPMG China has always been committed to fulfilling our corporate social responsibility by using our strengths to deliver positive impact amid challenging times. We have elevated our CSR work to a strategic level by exploring the path of philanthropy through practical actions and promoting the spirit of volunteerism. We have also actively responded to national policies and our stakeholders’ expectations to align our CSR strategies with the national policies.”*



**Jacky Zou**

Senior Partner, KPMG Huazhen LLP  
Senior Partner, Northern Region, KPMG China  
Chairman, KPMG Foundation



Invested  
the equivalent of  
**RMB 25.8**  
million  
in our community

## KPMG Foundation

Since its inception in 2008, the KPMG Foundation has contributed over RMB 86 million in supporting non-profit organisations across China, including Hong Kong SAR, to help narrow the inequality gap, address the challenges of climate change and build trust in the community.

The KPMG Foundation also serves as a platform to engage our people, alumni and other stakeholders in the community to deliver sustainable solutions to social and environmental challenges in China. The Foundation board meets twice a year to review proposals, select grantees and oversee the partnership's contributions to strategically allocate funds.

## CSR committee

Our CSR committee works in tandem with the CSR department to implement CSR initiatives in different offices and regions. The group is made up of like-minded colleagues from different offices who are united by their common beliefs to drive long-lasting social impact.



**RMB 86 million**  
 donated by the KPMG Foundation since 2008 (of which  
 RMB 14.6 million was contributed by our own people)

## KPMG Community Day

To support and encourage our people to actively give back to our communities, ever since 2018, everyone at KPMG is entitled to at least eight hours of paid time to volunteer. Our people could learn about and sign up to a variety of volunteering opportunities organised by the firm via numerous channels.





## CSR focuses

At KPMG China, our CSR strategy focuses on three key areas – Advancing Sustainability, Lifelong Learning and Promoting Inclusive Development. We aim to deploy our core strengths and resources, collaborating with NPOs in order to narrow inequalities, tackle climate challenges and build trust within our communities.



### Advancing sustainability

Address the challenges of climate change and become nature positive in our own operations through decarbonisation and collaborating with key stakeholders to improve nature and biodiversity.

Please refer to Planet chapter for more details.



### Lifelong learning

Equip disadvantaged youth to learn and acquire future-ready skills and work-based learning experience, to enable them to be adaptive and competitive in their future careers.



### Promoting inclusive development

Promote inclusive socioeconomic development and contribute to rural revitalisation by building capacity for the NPO sector to improve its professionalism, accountability and transparency in delivering quality community services.



**1,000+** volunteers



**6,800+** volunteering hours



**37,000+** direct beneficiaries

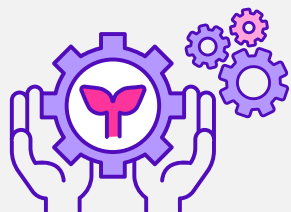
# Lifelong learning

## Our global goal:

Economically empower **10 million** underprivileged young people by 2030 through **education, employment, and entrepreneurship** (hereafter referred to as the '10by30 strategy')



To align with KPMG's global 10by30 strategy, our Lifelong Learning pillar focuses on:



### Future-ready skills training

Enhance students' employability skills for future success in the labour market through training, mentorship and access to decent work.



### School-to-work transition

Support students in their transition from school to work to better understand workplace requirements and employer expectations through CV and interview workshops, career sharing, mentorship, internships, etc.

## Light the future – KPMG education for empowerment

To contribute towards UN SDG 4 Quality Education and our global 10by30 strategy, KPMG China launched a new brand for educational volunteer opportunities – 'Light the future – KPMG education for empowerment' – which covers all kinds of volunteering opportunities related to education, both online and offline to provide more systematic and comprehensive support to beneficiaries. We hope to establish a bridge between our people and the beneficiaries we support, using our passion and expertise to light the future for them.

## Light the future

KPMG education for empowerment







## Future-ready skills training

### *Junior Achievement - Personal Finance & Money Sense financial literacy education programme*

Since 2019, KPMG China has been supporting Junior Achievement (JA), which promotes financial literacy among high school and vocational school students, along with essential skills like decision making, problem solving and discipline, etc. Our people volunteered with their professional skills as speakers and facilitators at eight online and offline sessions where they helped students improve their financial literacy. The programme benefited over 1,800 secondary students in China in FY22.

### *Junior Achievement - 'I'm an Entrepreneur' programme*

Since 2021, KPMG China has been supporting the 'JA I'm an Entrepreneur' programme, targeting junior secondary school students. Through business simulation, students were able to acquire basic knowledge of entrepreneurship, information to start something innovative, and have a better understanding of business operations, the importance of CSR and sustainable development, which helped lay the foundation for their future entrepreneurship. To date, nearly 6,000 secondary students in China have participated in this programme, becoming inspired to be more innovative and to potentially become an entrepreneur one day.

### *Hope schools and school mission*

To improve the quality of rural education and narrow the gap between urban and rural education resources, KPMG Foundation has funded the rebuilding projects for five KPMG Hope Primary Schools in Gansu, Jiangxi and Yunnan provinces since 2010. Altogether, more than 1,200 students receive their education in these Hope Primary Schools across rural China every year.

Due to the substantial improvement in rural schools' infrastructure, we are now prioritising our resources on enhancing students' essential skills, such as offering problem solving, creativity and teamwork courses. Despite the COVID-19 associated challenges, we conducted 31 sessions of virtual school missions in FY22, benefiting more than 430 students across China.

### *SoCO We Will Fly II programme*

We have been collaborating with the Society for Community Organisation (SoCO) for almost 20 years. We Will Fly II, an English learning programme funded by the KPMG Foundation, aims to strengthen the English foundation of children from low-income families in Hong Kong, starting from their early childhood, to improve their opportunities to access quality education and career opportunities in the future. This programme entered its sixth year in 2022, with a total of about 450 beneficiaries supported through over 1,570 sessions since its inception.





## **School-to-work transition**

### *STEM is HER Future programme*

Technology is key to the future of work, and yet women are not well-represented in this field. More needs to be done to advance gender equality in the fields of science, technology, engineering, and math (STEM), enabling more capable and aspiring women to pursue their passions in STEM.

KPMG China runs the STEM is HER Future programme, which aims to encourage promising female students to pursue STEM careers. In 2022, the programme was recognised by UN Women at the National Women's Empowerment Principles awards as the top winner in the Community Engagement and Partnerships category.

Through project-based learning and competitions, along with STEM skills and business innovation knowledge training, this initiative seeks to better prepare female undergraduate students to embark on STEM-related careers.

In 2022, more than 60 KPMG volunteers dedicated their time and effort to empower nearly 1,800 female STEM students across China. Internship opportunities at KPMG China were also offered to selected students to put their learning into practice through work-based learning opportunities, thus helping them in their transition from school to work.



**STEM is HER Future received the top prize at the UN Women's National Women's Empowerment Principles awards in 2022 in the Community Engagement and Partnerships category.**

### Youth for Greater Good competition

Since 2004, KPMG China has been a long-time supporter of the social innovation competition organised by Shanghai Yiyou Youth Service Centre (Yiyou) and Enactus Hong Kong. We recruited our volunteers to participate in this programme as business advisors and career mentors for students to instruct them during the social innovation projects. In this process, our volunteers leverage their business knowledge and professional experience to empower and guide students to overcome various difficulties along the journey.

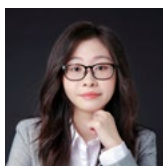
In the 2021/2022 national Youth for Greater Good social innovation competition hosted by Yiyou, more than 100 KPMG volunteers devoted their time as business advisors and judges to empower nearly 1,000 university students in the Chinese Mainland and Hong Kong SAR.

### Qi Chuang 'Shishiyoudao' migrant youth programme

To help migrant youth better prepare for their future career, KPMG China has provided funding and volunteer support for the 'Shishiyoudao' migrant youth programme organised by Qi Chuang Social Work Service Centre in Guangzhou since 2012.

In the past ten years, over 6,800 students benefitted from this programme through a series of youth development activities, such as career planning workshops, volunteers' inspiring stories sharing sessions and summer camps. In 2022, over 2,100 migrant junior secondary students participated in this programme, which helped them better prepare for their future career and integrate into the local community through companionship and support.

***/// The 'Shishiyoudao' project allows migrant students to learn more about themselves and their social environment through experiential learning. The project also equips the students with career planning and management skills, helping them make better choices by gaining a better understanding of themselves and their peers. More importantly, KPMG staff have provided positive role models for the students by being so closely involved in the project. The students have also received guidance and support through their experience sharing and companionship. ///***



**Lin Lin**

Deputy Director of Children and Youth Services  
Guangzhou Qi Chuang Social Work Service Centre







### *Project WeCan career life planning programme*

The KPMG Foundation has been one of the corporate partners of Project WeCan – a 'business-in-community' initiative run by Wharf that provides disadvantaged students with various learning opportunities to empower them to pursue higher education studies and further their careers. Over the years, different activities such as mentorship programmes, company visits and 'job tasting' programmes have been organised, enabling students to adopt positive attitudes towards their study and future career. About 960 students benefited from this initiative through KPMG China in FY22.

In August 2022, the KPMG Hong Kong office offered two 'job tasting' positions for students from Caritas Tuen Mun Marden Foundation Secondary School as a taster of their possible future career. Students were given the opportunity to work in both the finance and CSR teams to understand how these units support the firm's daily operation.

***// This programme has given me and other colleagues the opportunity to create a five-day training programme for students to showcase KPMG's work culture, as well as offer basic work experience in accounting and clerical work. It was a pleasure to engage with secondary school students through this initiative and I am sure the students involved also gained a lot from the experience. I strongly recommend that other departments at KPMG should get involved if given the chance. //***



**Christine Chan**

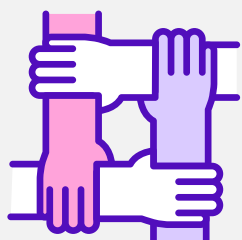
Assistant Accountant  
KPMG China

# Promoting inclusive development

By leveraging our people's professional expertise and core competencies, we promote inclusive socioeconomic development and create shared value for society through pro bono services, thought leadership publications, upskilling programmes of rural organisations and other skills-based volunteering initiatives.

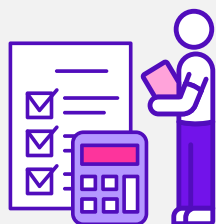
## Support for rural revitalisation

China's rural revitalisation policy is a core component of the government's goals to promote more balanced economic and social development, and narrow the gap between urban and rural areas. We support rural revitalisation by building capacity for social organisations serving rural development in China, upgrading infrastructure and offering a variety of training courses to improve rural education quality and empower human capital development, as well as supporting waste management projects to improve the living environment and promote ecological revitalisation.



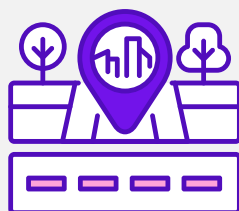
### Empowering social organisations

Building capacity and pro bono services for NPOs



### Empowering human capital development

Upgrading educational infrastructure and enriching curriculum in rural China



### Promoting ecological revitalisation

Support ecological projects that improve rural living environment

***In addition to providing funding support for community programmes, we also hope to use our professional skills to help establish a good industry standard, strengthen accountability, credibility and performance in financial matters, and help social organisations mitigate financial risks. Through our professional expertise, we help improve the financial management and operations of non-profit organisations in less developed areas. This helps foster economic and social development in rural areas, thus promoting rural revitalisation.***



**Tracey Zhang**

Partner  
KPMG China





## Capability building for NPOs and social enterprises

To contribute to rural revitalisation, we focus on strengthening institutional capacity of social organisations that provide rural development services in China by offering training and support.

### *Supporting human capital development to promote rural revitalisation*

Since 2022, KPMG China has collaborated with the China Foundation for Rural Development (CFRD) to support human capital development.

We are utilising our strengths to provide professional volunteering services to empower social organisations in less developed areas through CFRD. This collaboration will help improve the financial management of social organisations, promoting standardised management and professional development, thus contributing to rural revitalisation.

### *Supporting a healthy development of the microfinance industry*

In 2022, with the support of KPMG China, the China Association for NGO Cooperation convened domestic microfinance experts, scholars, practitioners, and supporters to develop a joint training book for the microfinance industry. The book aims to promote the healthy development of inclusive finance and rural revitalisation.

Since 2016, we have been supporting Chongho Bridge, which is a specialised service organisation focused on serving farmers and micro-and-small businesses in rural areas by providing loans as well as services related to agricultural production, rural livelihood, community empowerment and others. Our volunteers used their expertise to help Chongho Bridge improve their financial management skills so that they can provide better financial services to benefit the rural population.

***/// KPMG has strong professional financial knowledge, and there are many opportunities for us to collaborate. We hope to be able to leverage the strengths of both parties to promote the professional and standardised development of rural social organisations and contribute to rural revitalisation. ///***



**Yan Zhitao**

Deputy Secretary General  
China Foundation for Rural Development

## Pro bono services

In FY22, we dedicated about 10,399 pro bono professional service hours to help NPOs improve the quality and transparency of their financial reports.



**10,399** pro bono professional service hours

## Skills-based volunteering

Through skills-based volunteering, our volunteers have leveraged their core competencies to provide specialised support and services for underserved social organisations. Our skills-based training helps improve the professional skills of NPO staff in accounting, financial and other business topics, such as accounting workflow, financial management, project execution and development.

**// As a skills-based volunteer, I hope to use my knowledge and skills to support rural social organisations in the areas of digital empowerment, resource support, technology development and more. Leveraging public resources in underdeveloped areas can help narrow the urban-rural gap and contribute to rural revitalisation. //**



**Hank Zhang**

Associate Director  
KPMG China





# Emergency relief

We have been active in supporting relief and recovery efforts in major natural disasters and emergencies, both internationally and at home.

## COVID-19 relief efforts

In 2022, COVID-19 continued to impact the lives and livelihoods of people in China. In addition to safeguarding the well-being of our people, KPMG China made both cash donations and in-kind donations (e.g. pandemic prevention supplies) to support underprivileged and affected communities.

- Through a donation to the Beijing Si Cheng Community Foundation, we helped support COVID-19-related activities work in the Dongcheng district to encourage healthy seniors aged over 60 to receive their first vaccination.
- KPMG Guangzhou CPC Committee donated 15,000 facial masks and 60 cartons of soft drinks to a community centre and a maternal and child health care hospital in Yuexiu district.
- KPMG Foundation supported underprivileged communities by donating daily necessities, medical supplies and digital devices to support students' online learning, among others.
- To help ease the shortage of medical supplies, the KPMG Shanghai office donated 500 sets of medical suits, 1000 sets of general suits, 4,000 N95 masks, 1,000 masks and 1,000 pairs of gloves to West Nanjing Road.



## KPMG people show the spirit of giving

Over 40 KPMG people have stepped up as volunteers contributing more than 700 hours to help protect the community from the impact of the epidemic. While Shanghai launched a citywide nucleic acid testing scheme, our people volunteered to support anti-epidemic activities, such as community mobility control, PCR testing, materials distribution, waste collection, as well as special care to vulnerable groups in various communities. Together, our Shanghai colleagues provided important services, bringing hope and stability to the community during these challenging times.

Our Shanghai pandemic volunteers were honoured with the 2022 Chairman's Awards in recognition of their outstanding leadership during these extraordinary times and for making a positive impact on our communities.



# Data tables

## People: Inclusion, diversity and equity

### Analysis of total workforce

By level	FY22
Leadership	911
Management	2,878
Team members	11,810
Partners and staff	15,599

### Workforce by age

By age	FY22				
	<25	25-34	35-44	45-54	55+
Partners and staff	18.8%	63.9%	12.7%	3.9%	0.7%

### Workforce by gender by level

By gender by level	FY22		
	Total	Female	Male
Leadership	911	42%	58%
Management	2,878	57%	43%
Team members	11,810	70%	30%
Partners and staff	15,599	66%	34%

### Partner promotion diversity

By gender	FY22		
	Total	Female	Male
Total	79	44%	56%

## People: Continuous learning

### Training provided

	FY22
	Hours
Per individual	77



# Planet: Climate change performance

## Total GHG emissions (tCO<sub>2</sub>e)

	FY22	FY21	FY20	FY19
Total GHG emissions (location-based)	54,833	52,544	54,390	67,926
Total GHG emissions (net of RECs)	46,318	43,892	47,788	61,219
By scope				
Scope 1 emissions	133	142	130	146
Scope 2 emissions (location-based)	8,515	8,653	7,998	9,092
Scope 2 emissions (net of RECs)	0	0	1,397	2,385
Scope 3 emissions	46,185	43,749	46,262	58,688
By source (location-based)				
Fuel use (car travel)	133	142	130	146
Purchased electricity	8,515	8,653	7,998	9,092
Purchased goods and services	19,663	10,309	20,159	18,117
Business travel	17,726	23,120	18,156	30,548
Employee commuting	4,199	7,490	4,994	6,622
Upstream leased assets	4,179	2,409	2,543	3,387
Others	418	422	410	14
Renewable energy certificates purchased	8,515	8,653	6,601	6,707
tCO <sub>2</sub> e per full-time employee (location-based)	3.78	4.20	4.55	5.78
tCO <sub>2</sub> e per full-time employee (net of RECs)	3.19	3.51	4.00	5.21

## Energy usage (MWh)

	FY22	FY21	FY20	FY19
Purchased electricity	13,784	13,809	12,969	14,510
Renewable electricity	13,784	13,809	10,704	10,704
Renewable electricity percentage	100%	100%	83%	74%

## Circularity

	FY22
Toner and printer cartridges recycled (unit)	2,049

# Prosperity: Employment generation

## New hires and hire rate

	FY22
New hires	
Number of new hires	5,705
New hire rate	39%

# Prosperity: Community investment

	FY22		FY22		FY22
	RMB (in million)		No. of hours		No. of individuals
Total community investment equivalent value	25.8	Pro bono professional services	10,399	Direct beneficiaries	37,000+
		Volunteering	6,849		

# Contacts

For more information on our ESG journey and details about *Our Impact Plan*, please contact:

**Tracy Yang**  
**Head of Corporate Affairs**  
KPMG China  
E: [tracy.yang@kpmg.com](mailto:tracy.yang@kpmg.com)

**Wilson Pang**  
**Head of Our Impact Plan**  
KPMG China  
E: [wilson.pang@kpmg.com](mailto:wilson.pang@kpmg.com)

To seek our ESG services and advice on how we can support you on your ESG journey, please contact:

**Wei Lin**  
**Head of Environmental, Social and Governance**  
KPMG China  
E: [wei.lin@kpmg.com](mailto:wei.lin@kpmg.com)

[kpmg.com/cn/socialmedia](https://kpmg.com/cn/socialmedia)



For a list of KPMG China offices, please scan the QR code or visit our website:  
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