



# KPMG China: Our Impact Plan FY2023

Appendix – Index table

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# Part 1: Introduction

KPMG China's Our Impact Plan FY23 continue to be prepared using the core set of Stakeholder Capitalism Metrics (SCMs) to report against our most material topic, with an aim to enhance our transparency and accountability in terms of ESG reporting. The full set of SCMs can be found in the white paper issued by the World Economic Forum (WEF) International Business Council (IBC), [Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation](#). This report has also been informed by the Global Reporting Initiative (GRI) Standards (2021 update) and disclosed KPMG China's contribution towards the UN Sustainable Development Goals (SDGs).

To support our focus on transparency, we apply the "disclose or explain" principle for the metrics shown in the following table. The table below provides details of where to find our current reporting on a topic, and where necessary, outlines the primary reason for any omission using the following categories:

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

# Part 2: WEF IBC Index tables

## Governance

Theme	WEF IBC SCM core metrics and disclosures	GRI reference	Section and page no.
<b>Governing purpose</b>	<p><b>Setting purpose</b></p> <p>The company’s stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.</p>	GRI 2-12	<ul style="list-style-type: none"> <li>– Governance: Purposeful business p. 21</li> </ul>
<b>Quality of governing body</b>	<p><b>Governance body composition</b></p> <p>Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non- executive<sup>[D]</sup>; independence<sup>[D]</sup>; tenure on the governance body<sup>[D]</sup>; number of each individual’s other significant positions and commitments<sup>[D]</sup>, and the nature of the commitments<sup>[D]</sup>; gender; membership of under-represented social groups<sup>[D]</sup>; stakeholder representation<sup>[D]</sup>.</p>	GRI 2-9, GRI 405-1a	<ul style="list-style-type: none"> <li>– Governance: Governance bodies and composition p. 19</li> <li>– Chairman’s message pp. 4-5</li> </ul>
<b>Stakeholder engagement</b>	<p><b>Material issues impacting stakeholders</b></p> <p>A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.</p>	GRI 2-12, GRI 2-29, GRI 3-2	<ul style="list-style-type: none"> <li>– Stakeholder engagement p. 12</li> <li>– Our key ESG focus pp. 14-15</li> </ul>

# Governance

Theme	WEF IBC SCM core metrics and disclosures	GRI reference	Section and page no.
Ethical behaviour	<p><b>Anti-corruption</b></p> <ol style="list-style-type: none"> <li>Total percentage of governance body members, employees and business partners<sup>[D]</sup> who have received training on the organisation’s anti-corruption policies and procedures, broken down by region<sup>[D]</sup>.                             <ul style="list-style-type: none"> <li>Total number and nature of incidents of corruption confirmed during the current year, but related to previous years<sup>[D]</sup>; and</li> <li>Total number and nature of incidents of corruption confirmed during the current year, related to this year<sup>[D]</sup>.</li> </ul> </li> <li>Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.</li> </ol>	GRI 205-2, GRI 205-3	<ul style="list-style-type: none"> <li>Governance: Acting with integrity and demonstrating zero tolerance against corruption p. 38</li> <li>Data table p.102</li> </ul>
	<p><b>Protected ethics advice and reporting mechanisms</b></p> <p>A description of internal and external mechanisms for:</p> <ol style="list-style-type: none"> <li>Seeking advice about ethical and lawful behavior and organisational integrity.</li> <li>Reporting concerns about unethical or unlawful behavior and lack of organisational integrity</li> </ol>	GRI 2-26	<ul style="list-style-type: none"> <li>Governance: Speaking up p. 36</li> </ul>
Risk and opportunity oversight	<p><b>Integrating risk and opportunity into business process</b></p> <p>Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship</p>	-	<ul style="list-style-type: none"> <li>Materiality assessment p.13</li> <li>Governance: Risk management p. 22</li> <li>Planet: Risk management p.64</li> </ul>

# People

Theme	WEF IBC SCM core metrics and disclosures	GRI reference	Section and page no.
Dignity and equality	<b>Diversity and inclusion (%)</b> Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity) <sup>[D]</sup> .	GRI 405-1b	<ul style="list-style-type: none"> <li>– People: Inclusion, diversity and equity pp. 43-44</li> <li>– Data tables pp. 102-103</li> </ul>
	<b>Pay equality (%)<sup>[D]</sup></b> Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	GRI 405-2	-
	<b>Wage level (%)<sup>[D]</sup></b> Ratios of standard entry level wage by gender compared to local minimum wage. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	GRI 2.21, 202-1	-
	<b>Risk for incidents of child, forced or compulsory labour</b> An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: <ol style="list-style-type: none"> <li>type of operation (such as manufacturing plant) and type of supplier; and<sup>[D]</sup></li> <li>countries or geographic areas with operations and suppliers considered at risk.<sup>[D]</sup></li> </ol>	GRI 408-1b, GRI 409-1	<ul style="list-style-type: none"> <li>– Governance: Respecting human rights p. 38</li> </ul>
Health and well-being	<b>Health and safety (%)</b> The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. <sup>[D]</sup> An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	GRI 403 9a&b, GRI 403-6a	<ul style="list-style-type: none"> <li>– People: Health and well-being pp. 49-50</li> </ul>
Skills for the future	<b>Training provided (#,\$)</b> Average hours of training per person <sup>[D]</sup> that the organisation's employees have undertaken during the reporting period, by gender <sup>[D]</sup> and employee category <sup>[D]</sup> (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees). <sup>[D]</sup>	GRI 404-1	<ul style="list-style-type: none"> <li>– People: Continuous learning pp. 53-54</li> <li>– Data tables p. 103</li> </ul>

# Planet

Theme	WEF IBC SCM core metrics and disclosures	GRI reference	Section and page no.
Climate change	<p><b>Greenhouse gas (GHG) emissions</b></p> <p>For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) GHG Protocol Scope 1 and Scope 2 emissions.</p> <p>Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.<sup>[MG]</sup></p>	GRI 305:1-3	<ul style="list-style-type: none"> <li>Planet: Report our climate performance pp. 65-66</li> <li>Planet: Sourcing renewable electricity p. 67</li> <li>Data tables pp. 104-105</li> </ul>
	<p><b>TCFD implementation</b></p> <p>Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation.<sup>[D]</sup></p> <p>Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement — to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C — and to achieve net-zero emissions before 2050.</p>	-	<ul style="list-style-type: none"> <li>Planet: Climate risk p. 64</li> <li>Planet: Report our climate performance pp. 65-66</li> </ul>
Nature loss	<p><b>Land use and ecological sensitivity<sup>[D]</sup></b></p> <p>Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).</p>	GRI 304-1	-
Freshwater availability	<p><b>Water consumption and withdrawal in water-stressed areas<sup>[M]</sup></b></p> <p>Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool.</p> <p>Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.</p>	GRI 303-5	-

# Prosperity

Theme	WEF IBC SCM core metrics and disclosures	GRI reference	Section and page no.
Employment and wealth generation	<b>Absolute number and rate of employment</b> <ol style="list-style-type: none"> <li>Total number and rate of new employee hires during the reporting period, by age group<sup>[D]</sup>, gender, other indicators of diversity<sup>[D]</sup> and region<sup>[D]</sup>.</li> <li>Total number<sup>[D]</sup> and rate of employee turnover<sup>[D]</sup> during the reporting period, by age group<sup>[D]</sup>, gender<sup>[D]</sup>, other indicators of diversity<sup>[D]</sup> and region<sup>[D]</sup>.</li> </ol>	GRI 2.7, 401-1a&b	<ul style="list-style-type: none"> <li>Prosperity: Creating business and employment opportunities p. 84</li> <li>Data tables p. 106</li> </ul>
	<b>Economic contribution</b> <ol style="list-style-type: none"> <li>Direct economic value generated and distributed (EVG&amp;D), on an accrual basis, covering the basic components for the organisation's global operations, ideally split out by: <ul style="list-style-type: none"> <li>Revenues<sup>[D]</sup></li> <li>Operating costs<sup>[D]</sup></li> <li>Employee wages and benefits<sup>[D]</sup></li> <li>Payments to providers of capital<sup>[D]</sup></li> <li>Payments to government<sup>[D]</sup></li> <li>Community investment</li> </ul> </li> <li>Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period.<sup>[D]</sup></li> </ol>	GRI 201-1, GRI 201-4	<ul style="list-style-type: none"> <li>Prosperity: Serving as a responsible corporate citizen p. 90</li> <li>Data tables p. 106</li> </ul>
	<b>Financial investment contribution<sup>[D]</sup></b> <ol style="list-style-type: none"> <li>Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.</li> <li>Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.</li> </ol>	-	-
Innovation of better products and services	<b>Total R&amp;D expenses<sup>[D]</sup></b> Total costs related to research and development.	-	-
Community and social vitality	<b>Total tax paid<sup>[D]</sup></b> The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	GRI 201-1	-

# Part 3:GRI Content Index

GRI Standard	Disclosure	Section and page no.
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	– About KPMG China p. 8
	2-2 Entities included in the organisation’s sustainability reporting	– About Our Impact Plan p. 3 – Governance: Governance bodies and composition p. 19
	2-3 Reporting period, frequency and contact point	– About Our Impact Plan p. 3 – Contact us p. 107 – The reporting period covers KPMG China’s 2023 financial year, from 1 October 2022 to 30 September 2023, unless otherwise stated. The report is published annually.
	2-4 Restatements of information	– In FY23, to align with KPMG’s latest global emissions methodology, there are some changes in methodology used to calculate emissions from the purchased goods and services category under Scope 3. Consequently, we have recalculated and restated the emissions for this category from FY19 to FY22. In addition, we have restated the relevant data for the upstream leased assets category and the employee commuting category for all years in accordance with the global guidelines. – Data tables p.105
	2-5 External assurance	– We recognise the importance and credibility of external assurance, and plan to undertake this arrangement when feasible.
	2-6 Activities, value chain and other business relationships	– <a href="#">About us</a> – About KPMG China p. 8 – Stakeholder engagement p. 12 – Our key ESG focus pp. 14-15
	2-7 Employees	– People: Our management approach and progress p. 41 – Data Table: People pp. 102-103
	2-8 Workers who are not employees <sup>[D]</sup>	– Relevant data available in Data table: People pp. 102-103
	2-9 Governance structure and composition	– Governance: Governance bodies and composition p. 19
	2-10 Nomination and selection of the highest governance body <sup>[D]</sup>	– Relevant information available in Governance: Governance bodies and composition p. 19



GRI Standard	Disclosure	Section and page no.
<b>GRI 2: General Disclosures 2021</b>	2-11 Chair of the highest governance body	– <a href="#">About our chairman</a>
	2-12 Role of the highest governance body in overseeing the management of impacts	– Governance: Governance bodies and composition p. 19
	2-13 Delegation of responsibility for managing impacts	– Governance: Our management approach and progress pp.19-20
	2-14 Role of the highest governance body in sustainability reporting	– KPMG China’s Executive Committee reviews and approves the ‘Our Impact Plan’ report including material topics outlined in this report.
	2-15 Conflicts of interest	– Governance: Maintaining independence p. 36 – <a href="#">Code of Conduct</a>
	2-16 Communication of critical concerns	– Stakeholder engagement p. 12 – Governance: Governance bodies and composition p. 19
	2-17 Collective knowledge of the highest governance body	– Governance: Governance bodies and composition p. 19
	2-18 Evaluation of the performance of the highest governance body <sup>[D]</sup>	– Relevant information available in Governance: Governance bodies and composition p. 19
	2-19 Remuneration policies <sup>[D]</sup>	– Relevant information available in People: Health and well-being pp. 49-50
	2-20 Process to determine remuneration <sup>[D]</sup>	– Relevant information available in People: Health and well-being pp. 49-50
	2-21 Annual total compensation ratio <sup>[D]</sup>	– Relevant information in People: Inclusion, diversity and equity pp. 43-47
	2-22 Statement on sustainable development strategy	– Chairman’s message pp. 4-5

GRI Standard	Disclosure	Section and page no.
<b>GRI 2: General Disclosures 2021</b>	2-23 Policy commitments	<ul style="list-style-type: none"> <li>– KPMG China’s policy commitments are described throughout the report pp. 18-101</li> <li>– <a href="#">Code of Conduct</a></li> </ul>
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> <li>– KPMG China’s policy commitments are described throughout the report pp. 18-101</li> <li>– <a href="#">Code of Conduct</a></li> </ul>
	2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"> <li>– Governance: Acting transparently with integrity and accountability pp. 34-38</li> <li>– Planet: Our management approach and progress p. 62</li> <li>– <a href="#">Code of Conduct</a></li> </ul>
	2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> <li>– Governance: Speaking up p. 36</li> <li>– <a href="#">Code of Conduct</a></li> </ul>
	2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> <li>– Governance: Acting transparently with integrity and accountability pp. 34-38</li> </ul>
	2-28 Membership associations	<ul style="list-style-type: none"> <li>– Awards and recognition pp. 10-11</li> <li>– Governance: Promoting green development in China through partnership and collaboration p. 33</li> <li>– Governance: Supporting the founding of the Shenzhen Corporate Compliance Association p.37</li> </ul>
	2-29 Approach to stakeholder engagement	<ul style="list-style-type: none"> <li>– Stakeholder engagement p. 12</li> </ul>
	2-30 Collective bargaining agreements <sup>[D]</sup>	<ul style="list-style-type: none"> <li>– Relevant information available in <a href="#">Code of Conduct</a></li> </ul>
	<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics
3-2 List of material topics		<ul style="list-style-type: none"> <li>– Our key ESG focus pp. 14-15</li> </ul>
3-3 Management of material topics		<ul style="list-style-type: none"> <li>– Our key ESG focus pp. 14-15</li> <li>– Relevant information available throughout our report pp. 18-101</li> </ul>

# Contacts

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