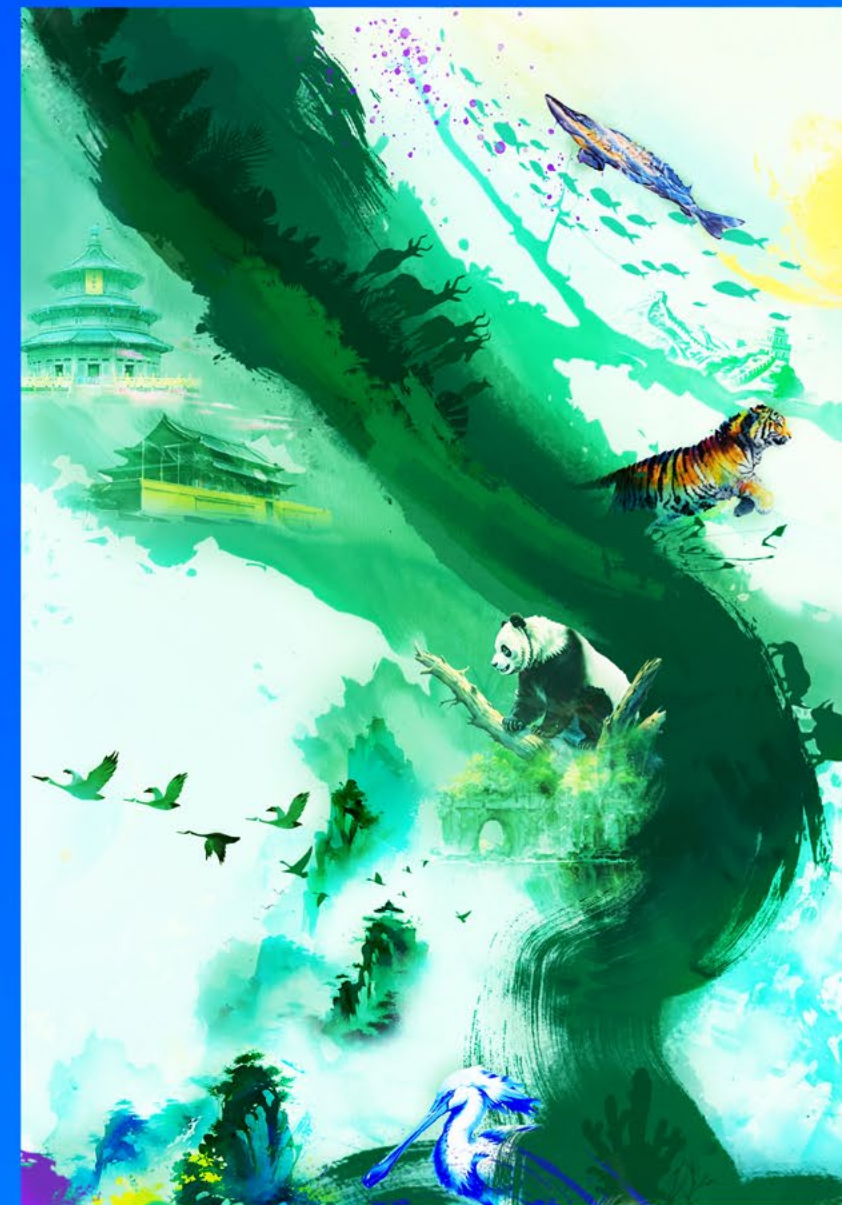




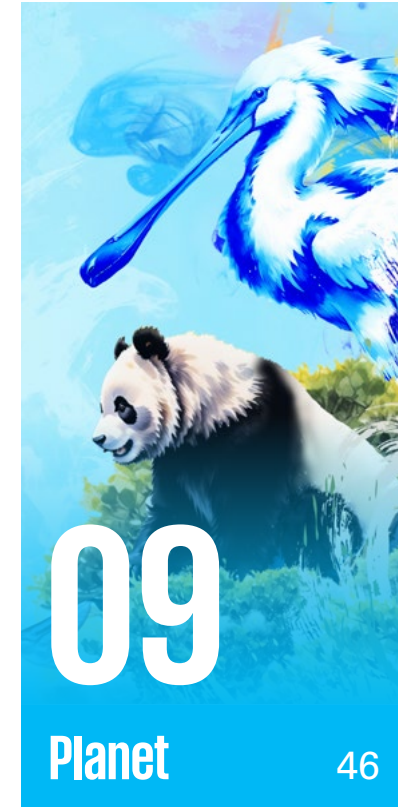
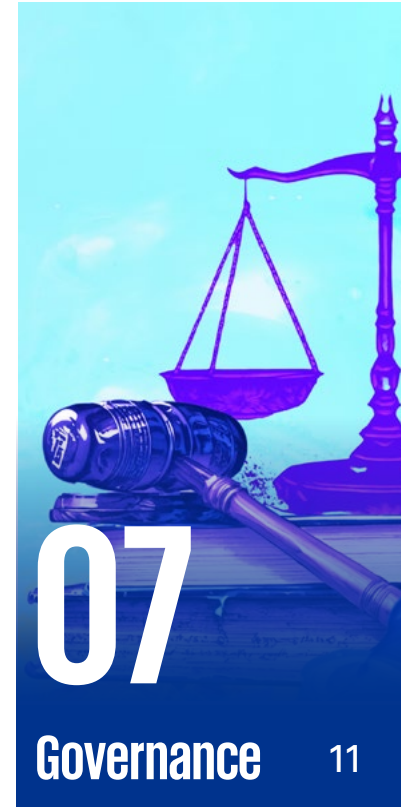
# KPMG China Our Impact Plan

FY2024



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# Chairman's message

On behalf of everyone at KPMG China, it is my pleasure to welcome you to our fiscal year 2024 (FY24) 'Our Impact Plan' (OIP) report. This year marks the release of our fifth annual environmental, social and governance (ESG) report and a key milestone towards our 2030 climate journey to net-zero.

Over the past five years, the world has faced unprecedented challenges and uncertainty, with complex geopolitical dynamics, and increasingly severe changes in climate causing frequent natural disasters. But out of crisis comes opportunity. With the official release of the Corporate Sustainability Disclosure Standards in China, the country has begun to develop a unified system for sustainability disclosures. At the same time, as new technologies such as big data and artificial intelligence emerge and reshape the business landscape, they are being integrated with different industries at an accelerated pace and gradually becoming new drivers of development.

Over the years, we have stayed true to our Purpose, fully aware that we have the capabilities and responsibility to use our solutions and services to help our clients, communities and stakeholders address the many challenges facing our planet and society. With a commitment to quality, ethical conduct and professional prudence, KPMG China is constantly striving to empower sustainable development and help its clients create long-term value. In our effort to actively explore the forefront of innovation, we have launched a number of new technological applications to make sure our people are future-ready and provide our clients with more forward-looking, intelligent, targeted solutions that will help them succeed in the future.

We are now entering a special period in which the 14th Five-Year Plan is coming to an end, and the torch of development will be passed to the 15th Five-Year Plan. We are also at a critical stage in the effort to build China into a modernised socialist country and prepare for the achievement of the Second Centenary Goal. The year 2025 also marks the 20th anniversary of the introduction of the 'lucid waters and lush mountains are invaluable assets' concept. Looking back at our ESG reports over the past five years, we can see a clear reflection of how our environmental, social, and governance efforts have aligned with the country's development. This includes actively embracing green development and responding to the 'dual carbon' goals by promoting the sustainable use of resources and reducing carbon emissions. We've also prioritised the growth and development of our people, fostering an inclusive, diverse, and equitable culture. Furthermore, we have actively contributed to our communities to help build a brighter future, all while strengthening our corporate governance in pursuit of our goal to be the most trusted and trustworthy professional services firm.

From our initial exploration of ESG to today's systematic and in-depth practices, we have witnessed not only our own progress in sustainable development, but also the growing attention and actions of society in this important area. Going forward, we will continue to forge ahead and take concrete actions to fulfil our ESG commitments, and work hand-in-hand with our stakeholders to usher in a new chapter of sustainable development.

**Honson To**

Chairman  
KPMG Asia Pacific and China

# Key highlights in FY24

## Governance

Fully implemented the **CARE Ethical Decision-Making framework** to strengthen our ethical and collaborative culture



Promoted our **Trusted AI framework** to help use AI solutions in a safe, responsible and ethical manner



Achieved a **100%** completion rate of our anti-corruption training by our board and executive committee members



Launched a **'Supplier Code of Conduct'** to enhance supply chain management



<sup>1</sup> Partners and directors

<sup>2</sup> Senior managers and managers

## People

Progress in advancing gender equality:

**46%** of leadership<sup>1</sup> were women (↑**2%** from FY23)

**60%** of management<sup>2</sup> were women (↑**2%** from FY23)



Established the **IDE Committee** in Hong Kong SAR, incorporating Inclusion, Diversity and Equity into business planning



The second cohort of the **Next Generation Council** successfully graduated, contributing ideas and actions to Our Impact Plan



Continuously **optimised office facilities** by setting up baby care rooms in several offices to create an inclusive office environment



Delivered an average of **78 training hours** for full-time employees, with a total of nearly 1,160,000 hours covering leadership development, digital skills and ESG





# Planet

Net greenhouse gas emissions: 73,721 tCO<sub>2</sub>e  
(↓ **7.9%** vs FY23)



Continued to fulfil our

**100% renewable electricity**

commitment first made in FY21



Increased the proportion of office floor area located in buildings with green and/or wellness-related certifications to **90%**



Launched a **new travel booking platform** which reflects emissions to encourage our people to make more eco-conscious travel choices



Launched the first **GBA ESG Biodiversity Corporate Recognition Award** to promote biodiversity leadership in the region



Rolled out the **'Protect the Future – Action for the Planet'** volunteer programme to engage staff in advancing environmental causes



<sup>3</sup> Data as at 31 December 2024

# Prosperity

27 representatives from the firm served in the **national and local People's Congresses and the Chinese People's Political Consultative Conference (CPPCC)**,



contributing their professional expertise to the high-quality development of the country

Continued to invest in our communities, upholding our core Value 'For Better':

- Contributed **-RMB 25.4 million** in financial value
- Reached **98,000+** direct beneficiaries
- Devoted **15,800+** volunteer hours
- Contributed **10,400+** pro bono professional service hours



Launched the **KPMG Smart Classrooms project** in 24 rural schools, fostering digital literacy and bridging the digital gap<sup>3</sup>





Carried out diversified capacity building and training, with a focus on rural revitalisation, empowering **new rural collective economic organisations**



# Awards and recognition

Major awards and recognition recently received by KPMG China include the following:

<b>China's Top Employers (for seven consecutive years)<sup>4</sup></b>	<b>Best Companies to Work for in Asia (for eight consecutive years)</b>	<b>Certificate of Appreciation</b>	<b>Member of the Yuexiu District Juvenile Care Alliance</b>
Top Employers Institute	HR Asia	Hong Kong Education Bureau's Business-School Partnership Programme	Guangzhou Yuexiu District Juvenile Rescue and Protection Centre
<b>'Excelling' performance rating in the 'Thriving at Work' Survey</b>	<b>Inclusive Employer 2024<sup>5</sup></b>	<b>2024 Cailianshe Zhiyuan Award - ESG Pioneer Award<sup>6</sup></b>	<b>Green Practice Performance Award – 2023 Corporate Carbon Neutrality Performance Ranking</b>
City Mental Health Alliance Hong Kong	CareER Disability Inclusion Index	Under the guidance of Shanghai United Media Group, hosted by the Cailianshe, and organised by the Centre for Politics & Economy of Cailianshe	YiCai, Shanghai Jiao Tong University's Research Institute of Carbon Neutrality and the Shanghai Environment and Energy Exchange
<b>'Long-term Partnership and Contribution' Certificate</b>	<b>Certificate of Appreciation<sup>7</sup></b>	<div>  <p><b>Over the past five years, KPMG China has embedded ESG principles into our practices. Driven by long-term value creation and through OIP-related initiatives, we have turned our ESG commitments into tangible results. Looking ahead, we will continue to uphold our responsibility and accountability, and actively engage with employees, clients and stakeholders. By advancing new quality productive forces and empowering high-quality development, we are dedicated to co-creating a sustainable and promising future.</b></p>  </div>	
Shenzhen Futian District Water Affairs Bureau, Shenzhen Futian District Mangrove Forest Protection Centre and the Mangrove Conservation Foundation (MCF)	MCF · Green and Beautiful Futian Special Fund		
<b>Corporate &amp; Non-Commercial Organisation (Volunteer Hours) Bronze Award<sup>8</sup></b>	<b>Supporting Organisation Award<sup>9</sup></b>		
Hong Kong Volunteer Award	Strive and Rise Programme initiated by the Government of Hong Kong Special Administrative Region		

<sup>4</sup> Award received in January 2025 (FY25)

<sup>5</sup> Award received in October 2024 (FY25)

<sup>6</sup> Award received in November 2024 (FY25)

<sup>7</sup> Award received in November 2024 (FY25)

<sup>8</sup> Award received in December 2024 (FY25)

<sup>9</sup> Award received in January 2025 (FY25)



**Wilson Pang**

Head of Our Impact Plan  
Head of the GBA Strategy and Development Office  
National Philanthropy Steering Committee Member  
KPMG China

# Stakeholder engagement

Based on the features of our industry and operations, we have identified the following stakeholder groups as most relevant to our business. Our stakeholders encompass a wide range of groups, including employees, clients, suppliers, and regulatory bodies.

We value the concerns and expectations of our stakeholders and are committed to maintaining open, honest, and regular communication with them. We have developed and utilised multiple channels to communicate and engage with them more proactively, working together towards sustainable development.



## Staff

- Annual Global People Survey (GPS)
- Annual performance review
- Staff engagement programmes and platforms
- Volunteering activities
- Training programmes
- In-depth discussions and meetings 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



## Government, regulators and professional bodies

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



## Non-profit organisations (NPOs)

- Community programmes
- Fundraising activities and sponsorships
- Appointments to the boards of NPOs



## Potential employees and alumni

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



## Suppliers and other business partners

- CDP Supply Chain programme
- Sustainability supplier check
- Supplier Webinar



**82%** of our people shared valuable feedback in KPMG's annual Global People Survey

Source: KPMG China's Global People Survey results 2024



**81%** of our people indicated that they have a good understanding of KPMG China's Our Impact Plan

Source: KPMG China's Global People Survey results 2024



# Materiality assessment

Using a structured five-part materiality assessment, we reviewed and analysed the issues of most relevance to our stakeholders. These material topics were further validated by our Executive Committee, which will help align our OIP strategies and related reporting practices with our ESG focus.

## | Peer-based norms

- We conducted peer reviews of material topics identified by other professional services firms.

## | Societal norms

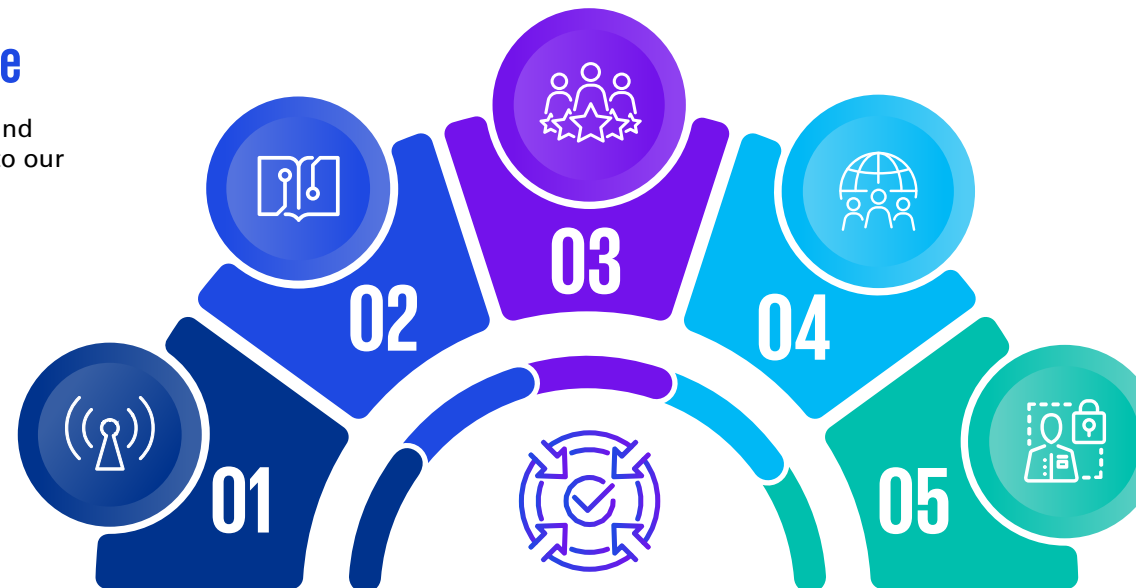
- We referenced the latest international and national standards and guidelines including IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, IFRS S2 Climate-related Disclosures, and China's first Corporate Sustainability Disclosure Standards—Basic Standards (Trial).

## | Policy-based performance

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

## | 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 national policies and initiatives, as well as new laws and regulations that have been enacted or that are slated to be enacted in China.



## | Stakeholder behaviour and concerns

### Internal:

- We conducted our annual Global People Survey to understand staff concerns and receive feedback.
- We held regular meetings and interviews with department heads and other representatives to collect their feedback and hold discussions.
- We referenced and studied the materiality assessment results identified by KPMG International and other member firms in our global network.

### External:

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

# Our key ESG focus

Based on our materiality assessment, the 16 existing material topics remain relevant to our business and stakeholders. We have only refined three topics for better clarity and to reflect the evolving strategic priorities. The changes are as follows:

- ‘Relevant, quality services in the public interest’ has been renamed to ‘High-quality client services’.
- ‘Sustainable supply chain management’ has been revised to ‘Responsible supply chain’.
- ‘Technology and innovation’ has been expanded to ‘Technology, innovation, and AI’.

## Governance



### ● Purpose, culture and values

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.

### ● High-quality client services *(updated)*

Providing high-quality client services that align with the public interest allows us to create a positive impact for our clients and other 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 transparent and open communication with our stakeholders, and 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.

### ● Public policy engagement and alignment

We actively participate in the public policy process, fostering trusted relationships with government authorities and regulators by sharing recommendations and insights that address societal and industry challenges. Our strategies and efforts are closely aligned with national policies and directions.

### ● Responsible supply chain *(updated)*

We commit to sourcing goods and services in a responsible, fair and sustainable manner, and we expect our suppliers to operate lawfully, professionally and with fair practices that integrate respect for basic rights, business ethics and the environment.

## 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 of 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 across our value chain.

### Circularity and sustainable operations

Integrating circular economy principles into our operations optimises resource use efficiency, curbs consumption and improves end-of-life treatment, reinforcing our commitment to operational sustainability and advancing our climate goals.

### Nature and biodiversity

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



## 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, innovation, and AI (updated)

Embracing the benefits of technology, innovation and artificial intelligence 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.



**“As an organisation deeply committed to sustainable development, our efforts are grounded in the belief that true progress is made when corporate responsibility and national vision work hand in hand, enabling us to drive impactful, lasting change. By aligning our ESG strategy with key national policies, we not only contribute to the country's long-term goals but also demonstrate leadership in fostering a sustainable business ecosystem.”**

Head of Corporate Affairs  
Senior Partner, Eastern and Western Region  
KPMG China

**Tracy Yang**





# 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



# Purposeful business

## Development driven by purpose and a future built on trust

### Our commitment: Always act with a clear purpose

In times of change, our Purpose and Values are the beacons that guide our path, ensuring we always perform our work to the highest standards. KPMG China is always striving to become the most trusted and trustworthy professional services firm. We cultivate strong bonds with our clients and stakeholders through trust and our commitment to providing excellent services.

When we face a challenge, we uphold our Values, giving us the strength to move forward, navigate the complex and ever-changing environment, and drive innovation. It is these beliefs, which are deeply rooted in our corporate culture, that lead us to achieve breakthroughs, create lasting value and impact, and bring about positive changes to our clients, people, and society as a whole.

### 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**



***In the rapidly changing market, a clear sense of purpose keeps us focused, while trust serves as the bridge between us and our clients and stakeholders. We are committed to driving innovation and growth with purpose, ensuring that every action and decision upholds our promises and builds a foundation of lasting trust.*** 



**Ivy Cheung**

Senior Partner, Hong Kong SAR  
KPMG China



## 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.

#### Global Values Week: A worldwide celebration of KPMG's shared culture and behaviours

From 6 to 10 November 2023, KPMG held the Global Values Week for the first time, a worldwide celebration to promote our Values and demonstrate how our actions are guided by these Values. Throughout the week, we focused each day on one of our five Values, and hosted inspiring online sessions in which renowned guests shared their views and experience. Employees from around the world also actively participated in these immersive and thought-provoking events. Among the global speaker events, KPMG China collaborated with member firms in Singapore and Thailand to host the 'Together' Value session, which discussed the importance of collaboration and teamwork.

It has long been KPMG's tradition to commend outstanding individuals and teams that adhere to and practise the firm's Values in their work. The 'Values Heroes & Heroines of the Year' award and the 'Values Recognition Wall' are designed to continuously recognise role models who lead by example and demonstrate our Values, thereby further reinforcing our Values-led culture and behaviours.



# 81%

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

Source: KPMG China's Global People Survey results 2024



# 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,' the 'firm' 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

At KPMG China, governance is upheld by the Board and the Executive Committee. The Board, serving as the principal governance and oversight body, comprises elected partners from diverse business sectors and holds the primary responsibility for overseeing and advising on the firm's strategic direction and related matters. Meanwhile, the Executive Committee, composed primarily of partners leading our four key regions and core business functions in China, acts as the core management body of the firm to ensure the effective implementation of the Board's strategies. Together, they work closely to drive the long-term development of the firm.

Our Board comprises partners with expertise in ESG-related domains such as energy and natural resources, complementing their professional qualifications and industry knowledge in relevant fields. Crucial ESG-related knowledge enriches the Board's discussion and business domains. Moreover, members of both the Board and the Executive Committee hold significant positions within the firm and actively engage in external roles and activities, such as industry associations, professional bodies and non-profit organisations.



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



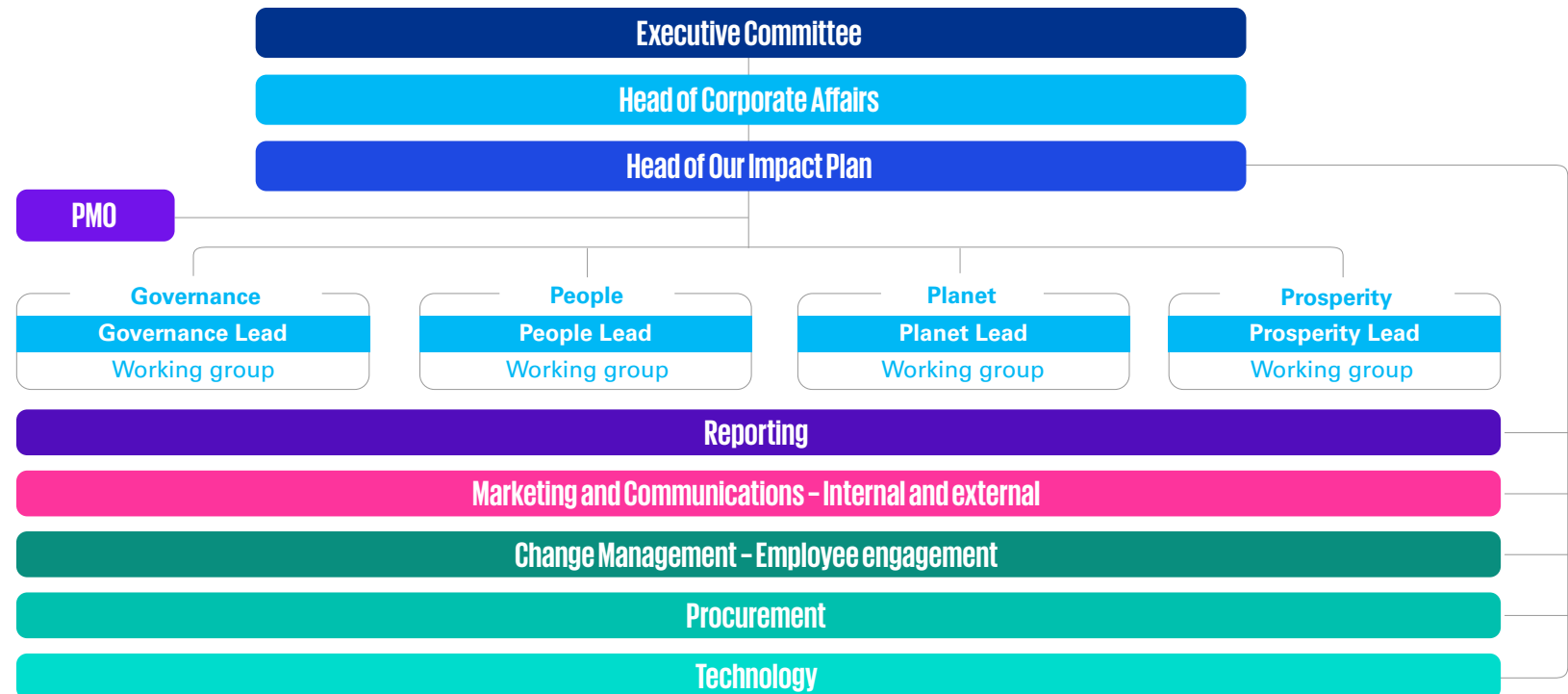


## Our Impact Plan department

In FY21, the Our Impact Plan (OIP) governance structure was established at KPMG China. As part of this structure, the OIP department was formed to smoothly plan and implement OIP strategies.

The OIP department, under the Corporate Affairs function overseen by Tracy Yang, is led by Wilson Pang as the Head of OIP and is responsible for driving the implementation of KPMG China's OIP strategies. The OIP team reports regularly to the Executive Committee and also works closely with our four OIP pillar leads, relevant departments and other key stakeholders to drive and fulfil our ESG commitments. Each OIP pillar lead focuses on driving strategic actions related to their corresponding focus areas, such as anti-corruption, inclusion, diversity and equity (IDE), decarbonisation, and community engagement.

In recent years, the OIP team has actively promoted the implementation of ESG strategies across the firm, while our client-facing ESG service team focuses on providing diversified services to empower clients' ESG governance, assurance, strategies, transformation, implementation and other diversified service areas. The joint efforts of the two teams are not just about strategy setting or branding, but also about putting words into actions to achieve KPMG China's ESG commitments and deliver a positive impact for our clients and stakeholders.





# Risk management

At KPMG China, we take a rigorous approach to the Enterprise Risk Management (ERM) process, which enables us to identify the top risks that may impact the achievement of the firm's strategic objectives. Our Executive Committee, as the owner of the ERM process, leads and implements ERM to identify and manage the top risks, while the Board provides oversight and monitors the robustness of the ERM process. In this way, the Executive Committee and the Board can acquire the information they need to best determine if, and to what extent, firm resources should be reallocated, and strategy reassessed.

A consistent ERM approach is also adopted for Functional Risk Profiling conducted in Audit, Tax and Advisory, which helps functional leadership identify the top risks that affect the achievement of their strategic objectives and business plans. This process includes the development and implementation of action plans to address the top risks identified at the functional level, as well as the identification of any risks that should be aggregated to the firmwide level. Sector-focused Risk Profiling has also been initiated using a tailored ERM approach, with the aim of identifying sector-specific critical risks.

All of our functions and people at KPMG China are obliged to identify, assess and manage risks, as well as to ensure the quality of our work. To drive consistency and accountability, we have established a central team (the 'Central Team') that is composed of dedicated professionals who have been assigned key responsibility for overseeing and promoting a culture of quality and integrity across the firm. The Central Team is led by the Head of Quality and Risk Management, who reviews and enforces compliance through policies and procedures related to professional risk management, ethics and independence, quality control, and compliance.

The Central Team also considers the impact of key findings from integrated quality monitoring and compliance programmes, as well as the adequacy of recommended remedial actions. In addition, the Central Team offers continuous guidance related to quality monitoring/compliance, regulatory inspection liaison, information protection and data privacy, contracting, ethics and independence, client and engagement acceptance, and general quality and risk management. The Central Team develops policies and guidelines that enable KPMG professionals to assess the risk level of a client or an engagement before accepting business engagements or relationships, while also supporting our daily operations and enabling the business to manage risks proactively.

***“We are committed to becoming the most trusted and trustworthy professional services firm. In the ever-evolving business landscape, effective quality management is particularly fundamental to fostering trust and maintaining our competitive edge. The integrated quality monitoring and compliance programmes enable us to identify quality deficiencies in a timely manner, perform root cause analysis, and develop, implement and report remedial action plans, both in respect of individual engagement and the overall system of quality management.”***

Partner, Head of Quality and Risk Management  
KPMG China

**Terry Chu**



## Nationwide Quality and Risk Leaders community

KPMG China has been running the Quality and Risk Leaders (QRLs) Programme since 2016, as part of the firm's efforts to promote proactive risk management and drive more efficient, high-quality and timely decision-making across the business. Selected from various business teams, more than 140 QRLs have joined this programme since its inception, forming a National QRLs community.

In 2023, we established the National QRLs Committee, comprising QRLs from different service lines and regions, as well as some members of the Central Team. By holding regular meetings and activities, the committee leads the National QRLs community in the development and implementation of action plans in key areas related to risk management pain-points and challenges. As QRLs serve as a bridge between the business and the Central Team, this Programme and the National QRLs Committee advance our QRLs' career development and equip them with the quality and risk mindset to be trustworthy leaders of the firm and contribute to the firm's Trust and Growth goals.



## Information protection

In today's digitalised world, data security and privacy protection are key priorities at KPMG China. In this regard, we have implemented rigorous management policies and measures and adopted advanced data security and information protection technology, and we have continued to review and optimise our information protection strategies in order to effectively tackle ever-changing security threats. In parallel, to address the opportunities and risks associated with generative AI, we have promoted the Trusted AI framework to help use AI solutions in a safe, responsible and ethical manner.

### Certifications



- Multi-Level Protection Scheme (MLPS) 2.0 Level 3 Accreditation
- ISO/IEC 27001:2022 Information Security Management System Certification
- ISO/IEC 27017:2015 Security Controls for Cloud Services Certification
- ISO/IEC 27701:2019 Privacy Information Management System Certification
- ISO 9001:2015 Standard Quality Management System Certification

### Data security

We strictly comply with internationally recognised information security and data protection standards. Our information security management and cloud security service management process controls have received the ISO/IEC certification, with related core business systems and support systems achieving Level 3 filing and testing under the Multi-Level Protection Scheme (MLPS 2.0). These certifications and filings demonstrate the firm's commitment and our ability as a professional service provider to protect the client information entrusted to us.

Security controls have been put in place at multiple levels—from endpoints, network infrastructure, servers and cloud infrastructure, down to the application layer—and we offer the option of hosting engagements on separated on-premises servers. These controls, apart from being policy enforcement points, also enable logs of activity to be collected to facilitate potential incident detection through data analytics.





To address complex and ever-changing cybersecurity threats, we remain vigilant in monitoring evolving risks within the digital environment, continuously enhancing our response protocols and leveraging a variety of channels to monitor cybersecurity threats to our information processing infrastructure. We also regularly update our information security strategies to keep up with the latest conditions in the technology and risk environment. In 2024, we updated the firm's policies and guidance for generative AI, software use, information protection, information transmission, and security when working in public areas. These updates are designed to strengthen our overall data security protection capabilities and defend against potential risks.

In respect of people management, we require all partners and staff to strictly comply with laws, regulations and internal policies related to data security and confidentiality, and complete training courses on data security each year. In addition, we use internal communication channels to provide our people with the latest information about security risks and raise their awareness of the importance of data security, with a view to helping them effectively respond to information security challenges and protect the data of our clients and stakeholders.

## Data privacy

We steadfastly uphold our commitment to safeguarding the personal information of our staff and clients. We strictly ensure compliance with privacy protection laws and regulations through our privacy risk management processes and robust control measures, safeguarding the effective and efficient operation of our privacy protection management. We apply technical and organisational measures to ensure the firm's privacy risk management process covers the entire engagement lifecycle. We regularly review and update relevant data privacy policies and/or statements, which demonstrate our commitment to treating the personal information we collect in accordance with applicable data privacy laws.

We continue to optimise privacy control measures and strictly comply with privacy and data protection laws and regulations in order to ensure that our personal information processing activities comply with the latest laws, regulations and industry standards. We have obtained the ISO/IEC 27701:2019 certification for the firm's privacy information management system.

All of our partners and staff are required to take the firm's mandatory training course on data privacy annually. Each person must also comply with KPMG China's privacy policy and guidelines as well as the firm's Code of Conduct.

## Trusted AI framework

To maintain the trust of our clients, people, communities and regulators, KPMG China is committed to designing, building, deploying, and using AI solutions in a way that is safe, responsible and ethical, guided by the [KPMG Trusted AI Framework](#). The KPMG Trusted AI Framework serves as an anchor, aligning our actions and services with our Values while championing the principles of transparency, fairness and accountability, thereby strengthening our unwavering commitment to trust and integrity in every AI-related decision.

With the promotion of this framework, KPMG China released firm-approved generative AI tools that undergo comprehensive internal reviews to ensure strong data protection and compliance with the firm's policies. Through internal communications and training courses, we actively educate our people on the key responsibilities and obligations of using generative AI tools and develop their understanding of collectively managing the associated risks.





# Actively contributing to the development of public policies

Guided by the principles of open and transparent communication, we maintain strong working relationships with both domestic and international regulatory bodies, standard-setting organisations, and other industry groups. We actively engage in dialogue, exchanging professional expertise, practical experience, and relevant initiatives.

Through the publication of forward-thinking thought leadership, the hosting of forums, and other strategic initiatives, we provide valuable insights on emerging technologies, key industry trends, and pressing issues, offering robust support for the development of public policies. For more information about how we leverage our professional expertise and engage with stakeholders, please refer to the Prosperity chapter of this report on page 62.

## Case study

### Helping enterprises address the challenges of going global and pursuing global growth

On 25 October 2024, KPMG China hosted the '2024 Greater Bay Area Annual Summit: Going Global, Unlocking Growth – Enterprises' High-quality Global Expansion Forum' in Guangzhou. The forum gathered government officials, trade association representatives, academics and C-suite executives from the Greater Bay Area (GBA) to discuss how Chinese enterprises are navigating cultural, regulatory and legal challenges in today's complex international environment. The objective of the forum is to assist enterprises in identifying appropriate strategies for global expansion in a high-quality, compliant and sustainable manner.

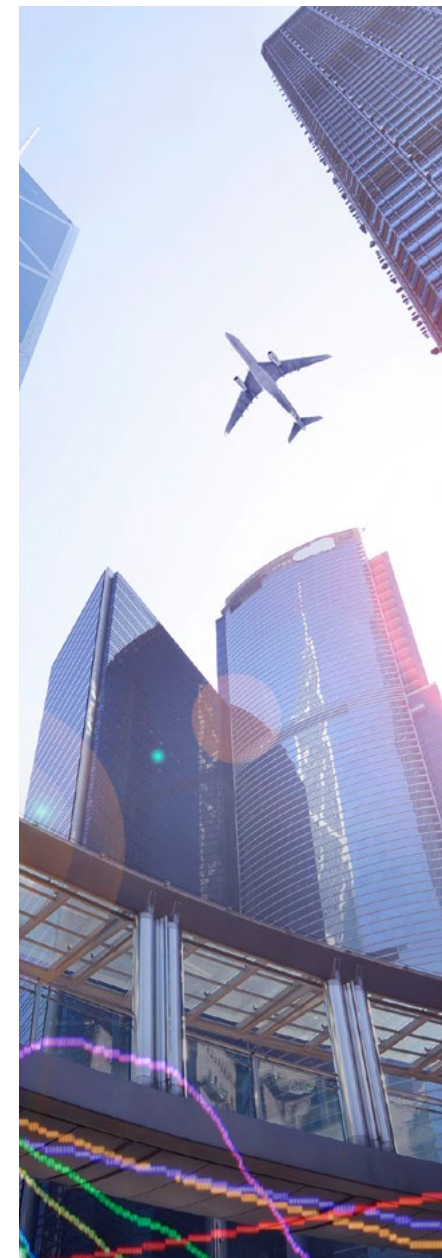
During the event, KPMG released the 'Insights Report for Chinese Enterprises Going Global and the Related New Trends Discussion for Enterprises in the GBA,' providing insights for enterprises going global. In addition, KPMG China also signed a Memorandum of Understanding (MOU) with the Chinese Enterprises 'Going Global' Comprehensive Service Base in Nansha, Guangzhou. The signing of the MOU shows the two parties' commitment to deepening future cooperation in the areas of investment promotion, finance and taxation, risk prevention and other areas, and to providing diversified support and services for enterprises that are going global through resource integration and seminars.

### Helping enterprises achieve compliance to jointly build and optimise the business environment

KPMG China was honoured to be invited as an expert judge to support the Shanghai Corporate Legal Skills Competition. Concluded in December 2024, the event was jointly organised by a total of 12 government bodies, industry associations, and media outlets, such as the Shanghai Municipal Commission of Economy and Informatisation, and the Shanghai Corporate Counsel Association.

The theme of the competition was to 'support corporate development via compliance, and promote business winning via optimised business environment', which aims to further encourage enterprises to strengthen the construction of their compliance system and improve the management of operational compliance. This competition has had a wide-ranging impact across the country, attracting over 150,000 contestants.

KPMG China was invited to serve as the judge for the finals, leveraging our professional expertise and industry experience to enhance the competition's professionalism and impact. By supporting this event, we have showcased our in-depth knowledge of corporate compliance and optimised the business environment through concrete actions, reflecting the roles and responsibilities taken by the firm to support the legal system.



## Strengthening the 'lifeline' of audit quality

### Our commitment: Lead the profession in audit quality

At KPMG China, we are committed to achieving excellence in audit quality. Throughout 2024, we continued to comply with the requirements set by the 20th National Congress of the Communist Party of China (CPC), the Two Sessions, and the Central Economic Work Conference. We have made steady progress in enforcing the requirements outlined in the General Office of the State Council's 'Opinion on Strengthening Regulation, Preventing Risks, and Promoting High-Quality Development of the Capital Market', as well as the 'Opinions on Strengthening Financial Accounting Supervision and Enhancing the Quality of Accounting Information'. In line with these directives, KPMG China strictly adheres to the requirements set by regulatory authorities for financial statements audit and firm audit quality. We are committed to meeting our responsibility as the 'gatekeeper' of the market, and we focus on enhancing audit quality as our core objective, with the aim of serving the development of the national economy.

We consistently assess and refine our audit processes, methodologies, and quality management systems to ensure our work meets both KPMG's standards and industry expectations. Over the past year, we have made continuous efforts to strengthen the consistency and robustness of our internal quality management system. This includes the implementation of a System of Quality Management (SoQM) that complies with International Standard on Quality Management (ISQM) No. 1 and 2, the Quality Management Standards for Accounting Firms (No. 5101 and No. 5102), as well as KPMG's global network requirements. Based on the annual evaluation of the firm's quality management system as of 30 September 2024, we are confident that it effectively supports the achievement of its objectives.

In the realm of technology and digital transformation, we continue to advance the digitalisation of audits, with a focus on improving employees' technological skills. We are also investing in digital infrastructure, such as information systems and cybersecurity. Our audit methodologies and workflows, including KPMG Clara, our smart audit platform, are constantly evolving. These efforts not only increase the efficiency and transparency of our audits but also further reinforce our ability to deliver high-quality services. We have also released the '[2024 KPMG Huazhen Audit Quality Report](#)', which outlines the actions and investments we are implementing to promote audit quality.

## Upholding responsible tax practices

### Our commitment: Drive a responsible tax practice

KPMG China's tax services are guided by the firm's Values, and governed by the [Principles for a Responsible Tax Practice](#) and the Global Quality Framework. Driven by our Purpose to inspire confidence and empower change, we are committed to delivering customised, comprehensive and high-quality tax services to a range of enterprises and governmental authorities. When liaising with tax authorities and clients, our staff are required at all times to act with integrity and in compliance with relevant legal, regulatory and professional requirements.

In 2024, the KPMG Responsible Tax Programme reached its tenth anniversary, which served as a convener to bring together different stakeholders to discuss complex issues, exchange ideas and find improved solutions, covering emerging issues such as climate change and AI. Taxation affects every aspect of our lives, from personal to societal and from global macroeconomics to individual households. Moving forward, we will continue to bring together diverse stakeholders to foster informed dialogue and discussion.





# Empowering enterprises' high-quality development with ESG expertise

As ESG (Environmental, Social, and Governance) transformations continue to reshape the business landscape, embracing its opportunities and challenges has become imperative for companies pursuing high-quality development. Integrating sustainability into core strategy is no longer optional. KPMG has established a leading ESG service team, with our deep expertise, global network, and extensive experience to deliver tailored and efficient ESG solutions and services. We support businesses to convert ESG vision into tangible actions, demonstrating its strategic value.

## Award



### KPMG recognised as a leader in Asia Pacific Sustainability/ESG Program Management Services

KPMG was recognised as a leader in the IDC MarketScape: Asia Pacific Sustainability/ESG Program Management Services 2024 Vendor Assessment. The report states, "KPMG possesses one of the strongest adjacent digital tools in the market. Its wide range of software offerings that supplement its service engagements have empowered KPMG clients even after the service engagements ended. In Asia Pacific, there were customer case studies confirming this as well." The report adds, "KPMG was recognised by its Asia Pacific clients for its industry-specific expertise and ability to provide personal, localised assistance, with clients highlighting that KPMG has the human capital needed to walk into their office the next day to sort out issues."



*Over the years, the concept of ESG has gained significant momentum globally, evolving beyond mere regulatory compliance into a strategic value creation driver for businesses. In China, ESG has become particularly integral to corporate strategy and operational decision-making amid the nation's deepening commitment to green transition and sustainable development. For Chinese enterprises planning overseas expansion, embracing ESG is not only a critical lever for enhancing international competitiveness, but also an indispensable pathway towards sustainable growth. We are committed to supporting businesses in navigating these challenges while seizing opportunities, combining global vision with local practices, and injecting new impetus into high-quality development.*



Head of Environmental, Social and  
Governance (ESG)  
KPMG China

**Daisy Shen**





## Case study

## 1. Supporting a world-renowned global retail group with sustainable supply chain solutions

We assisted the client in conducting a baseline survey for its private brand products. By thoroughly assessing the packaging components and materials of over 500 stock-keeping units (SKUs), KPMG China's team delivered an innovative recyclable, reusable and compostable (RRC) baseline for the client, as well as the underlying rating criteria and calculation logic.

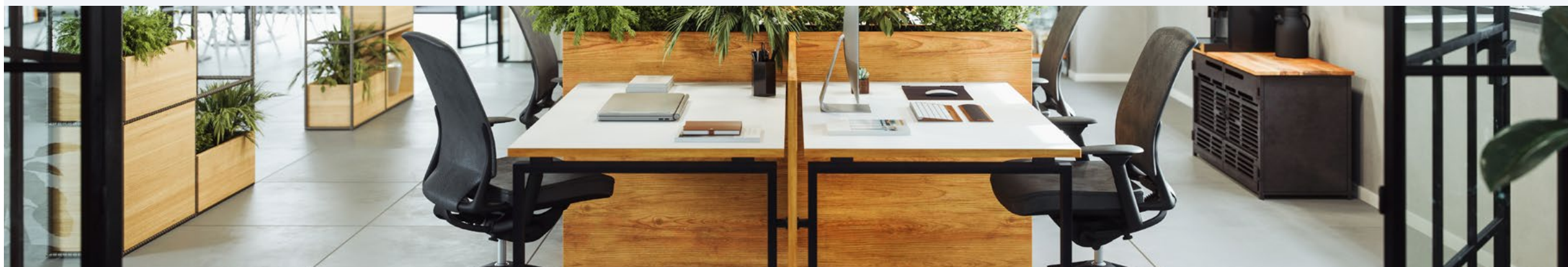
In accordance with the above methodology, the engagement team formulated a quantitative RRC research report on the three aspects of the client's private brand packaging: (1) the number and percentage of packages, and the list of specific products, complying with the RRC, (2) the number and percentage of packages, and the list of specific products, that need to be optimised in terms of sustainable packaging design, and (3) the number and percentage of packages, and the list of specific products, that need to be replaced/eliminated. Based on this survey, the client will be able to pursue various other sustainability initiatives, such as packaging supplier engagement.

The client commented that collaborating with KPMG China on the baseline research project has significantly boosted its sustainable packaging transformation in China. The firm's contributions have laid a robust foundation that has been crucial for the client. From the outset, the project team exhibited strong enthusiasm for sustainability and maintained a high level of professionalism and tenacity in the face of unforeseen challenges during the project. What impressed the client the most was our ability to quickly grasp new concepts and apply them effectively to real-world business situations. The client considers its partnership with KPMG China to have been a success.

## 2. Assisting a leading commercial bank with its decarbonisation and neutrality journey

In 2023, our client, a leading commercial bank, decided to embark on an ambitious carbon neutrality journey. The client, recognising the urgent need to address climate change, needed a professional team with robust decarbonisation capabilities to help them achieve their environmental targets. Our ESG team was selected for this critical project due to our proven credentials and solutions in the field, as well as our broad scope of work that covers crucial areas such as carbon management, carbon accounting, carbon emissions reduction, carbon offsetting and carbon neutrality.

Our team of professionals worked cohesively, bringing together partners, managers, and operational and carbon finance specialists to deliver a seamless and effective solution. Our technical solutions were designed to address the client's specific pain points, ensuring that its decarbonisation efforts were both practical and impactful. Throughout the project, we provided continuous support, leveraging our deep knowledge and experience to guide the client on its journey towards carbon neutrality. Our comprehensive approach and tailored solutions were instrumental in helping the client not only set realistic carbon reduction targets but also implement the necessary measures to achieve them. The success of this collaboration underscored our commitment to supporting clients in their sustainability initiatives and showcased our ability to drive meaningful environmental change.



### 3. Supporting the development and implementation of a Hong Kong SAR regulatory body's ESG strategy

KPMG China has been engaged by a prominent regulatory body in Hong Kong SAR (Hong Kong) to assist with the development and implementation of its ESG strategy. For this project, we are tasked with providing comprehensive advice and support to facilitate the integration of ESG considerations into every aspect of the organisation's corporate framework. Specifically, KPMG China's role involves aiding in the development of corporate strategies, updating and formulating new policies, and optimising processes and systems to align with ESG principles. Additionally, we are helping implement specific measures that will embed sustainability and governance into the organisation's operational DNA.

One of the key drivers for this initiative is to enable the regulatory body to align its operations with the Hong Kong SAR Government's ambitious target of achieving carbon neutrality by 2050. This effort involves not only reducing the organisation's carbon footprint but also enhancing transparency, accountability and sustainability across all activities.



### 4. Providing limited assurance for a leading power business in Asia Pacific

The client is a leading investor-owned power business in Asia Pacific with investments and operations in markets such as Hong Kong, the Chinese Mainland, Australia, India, Southeast Asia and the Taiwan region. It was seeking limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3000 over selected ESG performance indicators and materiality assessment processes, and limited assurance in accordance with ISAE 3410 over greenhouse gas (GHG) emissions. In preparing the ESG information, the client took multiple reporting frameworks into consideration, including the more recently launched International Sustainability Standards Board (ISSB) standards and the European Sustainability Reporting Standards (ESRS). The client, which aimed to understand its conformity with the standards, was operating on a tight deadline between the finalisation of the year-end ESG data and the publication of its Sustainability Report.

KPMG China put together a collaborative team of specialists in Australia, India, the Chinese Mainland and Hong Kong with expertise in the energy sector and carbon accounting. The team included experts in both financial and non-financial reporting frameworks and assurance and was up to date on the latest developments in the field. The team developed an understanding of the processes and controls used to prepare the ESG information and designed assurance procedures that were appropriate in the circumstances. The team performed data analysis and document reviews at the group, regional and asset levels, and fostered a close working relationship with the group sustainability team and the business units, facilitating quick responses to issues that arose during the assurance engagement.

By incorporating energy sector and carbon experts into the assurance process, KPMG China was able to target key assurance risks related to the assured metrics, thereby enhancing the effectiveness and efficiency of the assurance work. By harnessing our team's collective expertise in financial and non-financial reporting, we were able to offer the client valuable insights regarding its alignment with multiple new reporting standards and frameworks. Our assurance supported the credibility of the relevant ESG information disclosed and gave the board, investors and other stakeholders confidence in it.

## Cooperating with allies to build a greener future

KPMG China aims to deepen strategic alliances in the 'dual carbon' field, leveraging our industry-specific experience to promote information-sharing and cooperation along the industrial chain and across different sectors, with the goal of empowering the green and low-carbon economic and social transformation.

### Joining the Yangtze Delta Alliance of Enterprises, Universities and Research Institutes for Carbon Neutrality

In April 2024, KPMG China officially joined the Yangtze Delta Alliance of Enterprises, Universities and Research Institutes for Carbon Neutrality, becoming the first large accounting firm and professional services organisation to join the alliance. In November 2024, Dr Cherry Hu, ESG partner, and Rebecca Bei, associate director of Corporate Affairs, attended the alliance members' meeting as representatives of KPMG China.



The alliance, composed of universities, leading state-owned enterprises, and regulatory bodies, aims to accelerate the achievement of the 'carbon peak and neutrality' goals in the Yangtze River Delta region. It also strives to build a 'modern economic system and ecological civilisation with green development as the core value and driving force', while fully leveraging the collective advantages of the region in the aspect of talent, economy, and innovation vitality. Through robust cooperation and constant exploration among industries, academia and research institutes, the alliance will provide solutions for the green and low-carbon transformation of the region and even across the whole country.

In the future, KPMG China will fully support the development of the alliance by serving as the talent, technology, and service platforms, offering our insights and expertise to advance the 'dual carbon' strategy and ecological civilisation.

### Promotion to be the Executive Council Member of the China Carbon Neutral Action Alliance

In March 2024, the Third Member Conference of the China Carbon Neutral Action Alliance and the Carbon Neutral Seminar for Enterprise were successfully held. These events were organised by the Shanghai Environment and Energy Exchange and the China Carbon Neutral Action Alliance (CCNAA). During the conference, a member promotion review for the CCNAA was also conducted.



Through a rigorous evaluation process, all members unanimously approved KPMG China's promotion to be the Executive Council Member of the CCNAA. This recognition not only acknowledges our contributions to environmental stewardship but also underscores our unwavering commitment to driving sustainable development and addressing climate change.

KPMG China will actively participate in the alliance's initiatives, strengthen collaboration and knowledge exchange with other members, and jointly explore efficient pathways for low-carbon development and carbon neutrality. As a leading professional services firm with extensive experience and specialised expertise in carbon neutrality, we will also further leverage our strengths in carbon markets, carbon finance, and related fields to deliver professional support for achieving China's 'dual carbon' goals.

### Signing a strategic cooperation agreement with the Guangzhou Emissions Exchange

In April 2024, KPMG China and the Guangzhou Emissions Exchange signed a strategic cooperation agreement. In the spirit of shared success and complementary advantages, the two parties will work together to promote the coordinated and sustainable development of ecological civilisation, support the comprehensive green transformation of the nation's economy and society, and achieve the carbon neutrality vision. They also plan to deepen professional cooperation, particularly in the EU carbon market and ecological protection, jointly addressing industry challenges and fostering win-win development.





# Acting transparently with integrity and accountability

**Our commitment: Act lawfully, ethically and in the public interest**

At KPMG China, we treat integrity and accountability as lifelines of professional services. By translating these principles into concrete actions, we safeguard KPMG China's professional standing and foster lasting trust with clients and partners. We are committed at all times to acting lawfully, ethically and in the public interest, and working against corruption in all its forms.

## Code of Conduct

Based on our Purpose and Values, the [KPMG China Code of Conduct](#) describes clearly how KPMG people are expected to treat each other and our clients, and our duty to uphold the public interest. The Code of Conduct demonstrates how our Values inspire our goals and guide all of our behaviour and actions. Everyone at KPMG China must follow the Code of Conduct and confirm their compliance annually.

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





## Strengthening our ethical culture

KPMG China strives to cultivate an ethical and collaborative culture that inspires trust. Trust is earned by doing the right thing. Our decisions form our conduct and shape our culture, so we must strive to always make ethical decisions.

Everyone at KPMG China is expected to be able to make sound, ethical decisions to drive responsible behaviour on a daily basis and reinforce our ethical and collaborative culture. Therefore, when KPMG China's people come across any decisions made which are not consistent with our Values or which are contrary to our Code of Conduct, or if they suspect certain actions have been taken (or not taken) that are improper, they are encouraged to live the Value of Courage and raise their concerns. The firm takes seriously such incidents that have been substantiated, including by exercising its zero-tolerance policy for certain misconduct, no matter the circumstances around such misconduct and regardless of the individual's grade, level or title.

Maintaining a high degree of integrity in professional learning and development is an integral part of our Code of Conduct, our Values and ethical culture. To reinforce this expectation, KPMG China has put in place a policy to establish and maintain a risk-based programme to periodically monitor completion of training assessments to identify potential instances of inappropriate conduct, including answer sharing, which would be seriously dealt with.

### CARE Ethical decision-making framework

KPMG's CARE ethical decision-making framework was designed to enable our people to make ethical decisions that are aligned with our Purpose, Values and Code of Conduct, as part of our effort to strengthen our trust and ethical culture. Through the dimensions of Consider, Assess, Respond and Evolve, the CARE framework helps us consider thoroughly different options and implications before making ethical decisions, when faced with a challenging situation or an ethical dilemma.

In FY24, KPMG China fully implemented the CARE framework through mandatory online training courses, supplementary toolkits and guidance, and integrating the framework into key processes, such as client management, engagement acceptance, the procurement process and talent management, in order to embed the CARE framework into our daily processes.

#### Consider

what is the issue



#### Assess

options to  
address the situation



#### Respond

with decision



#### Evolve

and reflect



# People story

I'm Luke Lu, and I first joined KPMG China in 2009. Currently, I am a partner in Deal Advisory. As a member of a leading professional services firm, I must effectively identify, assess and manage risks while upholding service quality in my daily work. These abilities serve as the cornerstone of the high-quality services that we provide to our clients and stakeholders.

When working on mergers & acquisitions transactions, I often encounter complex business environments where tough decisions must be made. I always bear in mind that, by adopting a rigorous professional mindset and effective methods, we can manage risks and quality effectively, enabling us to make better business decisions amid ever-changing complexities. For instance, when assisting clients in going global, we help them tackle challenges, such as the complex cross-border regulatory environment and the dynamic geopolitical landscape. Taking into account their specific situations, we assist them in evaluating potential risks at various stages throughout the lifecycle of their investment. Based on this assessment, we craft effective pre-investment strategies, identify risks during the investment phase, and enhance post-investment management and control to help clients achieve their objectives and maximise value. With the engagement team, we focus on enhancing our skills and reflecting potential outcomes and lasting impact of our decisions on the team, firm and clients. As advocated by KPMG's ethical decision-making framework CARE, we should 'Pause and Think' before making tough decisions. This valuable framework not only helps front-line engagement staff comprehensively consider facts of the situations, assess risks and different solutions when undertaking new business, but also supports ethical and informed decision-making.

Guided by KPMG's ethical culture, several years ago when the firm first launched the Quality and Risk Leaders (QRL) Programme in the Advisory business line, I signed up without hesitation. This programme provided me with the opportunity to systematically learn the core elements of Quality Monitoring and Compliance procedures. As an integral part of these procedures and for delivering services, the Quality Performance Review process helps us identify key risks throughout a project, ensuring that all aspects of our work adhere to the firm's high-quality standards. By closely collaborating with the Central Team for risk management, I gained a deeper understanding of how to identify and assess potential risks at different stages throughout the project lifecycle. This experience taught me that quality control procedures embedded in key project phases are crucial for safeguarding our professional values.

Thanks to the guidance of the CARE framework, the ethical culture at KPMG, and the insights gained from the QRL Programme, I am better equipped to 'Pause and Think' when a case requires the involvement of our internal risk management team. This approach allows me to make thorough and informed decisions, enabling me to offer specific recommendations when consulting with the Central Team for risk management, and communicate effectively about managing potential risks. I also encourage my team to apply the CARE framework in our daily actions, enrol in the QRL Programme, and diligently understand the requirements of our quality and risk control policies. This practice enhances our awareness of risk management. I believe that fostering open and collaborative communication, along with utilising the CARE framework, allows us to navigate market dynamics and respond to demands effectively, resulting in more informed decisions and better service delivery to our clients.

At KPMG, our culture encourages us to keep learning, sharing and growing. I hope my experience will inspire more colleagues to support our quality and risk management. Today, in every overseas investment project I work on, I keep risk management top of mind, ensuring alignment with best practices, and collaborate with my team to maintain the highest standards of professionalism.



**Luke Lu**



## Speaking up responsibly

At KPMG China, every one of us has a responsibility to speak up – be it our views, our ideas or our concerns. In certain situations, such as suspected or identified violations of KPMG Values and policies, applicable laws and regulations or professional standards, speaking up is not merely encouraged – it is our professional obligation to do so.

Through transparent communication and strong leadership accountability, we foster an environment built on trust and ethics, to ensure all voices are valued. We provide clear guidance and multiple communication channels, enabling our people to choose the method that best suits their needs – whether through a direct dialogue with their manager, a written report, or using a hotline, including but not limited to the [KPMG China Ethics Hotline](#) and the [KPMG International Hotline](#).

We prohibit retaliation against anyone who, in good faith, reports a possible violation or who participates in an investigation, even if sufficient evidence is not found to substantiate the concern. This is detailed in policies such as the KPMG China Staff Handbook and the Code of Conduct.

## Maintaining independence

Maintaining independence is crucial to our business. At KPMG China, we maintain our objectivity in all the work that we do, and we do not allow bias, conflicts of interest or undue influence to override our professional or business judgments at any time, including when deciding to accept or continue with clients or engagements.

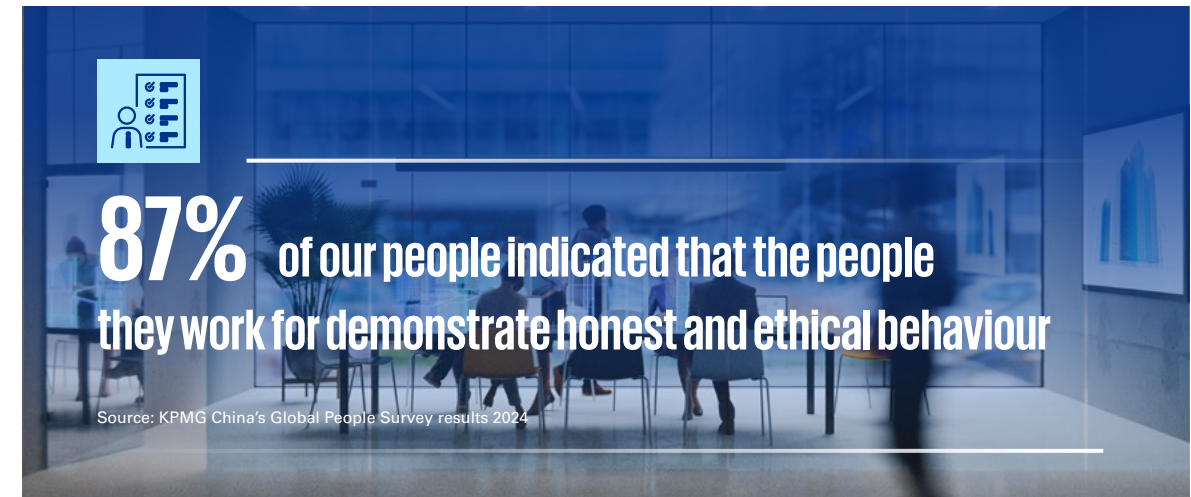
Our independence policies and procedures include the independence requirements issued by regulators. The firm's Ethics & Independence Partner is responsible for supervising and implementing these policies and procedures, including independence requirements for personal economic interests, partner rotation, avoidance of conflicts of interest and non-audit services.

All partners and staff must follow the firm's policies and procedures related to professional ethics and independence. We provide relevant guidance, communications and training courses, and have developed and released a range of digital tools to assist them in achieving these ends and building public trust.

## KPMG China Disciplinary Policy

The KPMG China Disciplinary Policy (the 'Disciplinary Policy') outlines the disciplinary processes in cases involving personal misbehaviour and misconduct. It aims to provide KPMG China's management and staff with clear, transparent and consistent guidelines for managing disciplinary processes in a procedurally fair and legally compliant manner. The Disciplinary Policy also aims to ensure that reported misconduct issues with preliminary evidence and reports made in good faith are properly reviewed and investigated, that the root cause of identified issues is ascertained, and that mitigation measures are implemented, where appropriate, to reduce the chance of recurrence.

In 2024, in order to provide a framework and guidance with enhanced clarity and specificity and improve the efficiency and consistency of investigation cases handling, we updated the Disciplinary Policy through enhancing the firm's investigation processes, fine-tuning the classifications of misconduct, and streamlining the review and decision-making process.



# Acting with integrity and demonstrating zero tolerance for corruption

## Our commitment: Work against corruption in all its forms

At KPMG China, we uphold the highest ethical standards and have zero tolerance for bribery and corruption in any form. We have enacted our Code of Conduct and comprehensive anti-bribery and corruption requirements to ensure that the highest standards of integrity are maintained across the firm.

Every year, all partners and staff are required to complete the 'We Do What is Right: Integrity at KPMG' mandatory training course to enhance their understanding of anti-bribery laws and regulations and our firmwide policies, and maintain transparency and compliance in the business activities. We also periodically remind our people of our strict requirements and reporting procedures regarding gifts and entertainment. These stringent approval processes and reporting mechanisms are designed to prevent potential conflicts of interest, ensuring KPMG Values are consistently upheld.



# Respecting human rights

## Our commitment: Respect human rights

At KPMG China, we respect human rights and continuously monitor and evaluate our operational processes to ensure they align with legal requirements and our human rights commitment. The firm not only strictly abides by our human rights commitment in our own business operations, but also pays close attention to the behaviour of our suppliers, business partners and clients to promptly assess whether they can fulfil the same commitment and responsibilities. As stipulated in the Code of Conduct, we do not tolerate behaviour that is illegal or unethical or that otherwise breaches human rights standards, whether by KPMG people or by clients, suppliers or stakeholders with whom we have working relationships.

## Supplier Code of Conduct

In 2024, KPMG China enacted the Supplier Code of Conduct to accentuate our support for fundamental rights, business ethics, and environmental practices, as well as enhance the management of the supply chain. The Supplier Code of Conduct outlines our expectations for suppliers and specifies the principles that suppliers shall adhere to in key areas such as governance and ethics, labour rights, wages and working hours, work, health and safety, inclusion, diversity and equity, environment, and business conduct. We expect suppliers to integrate these key principles into their business practices and to take responsible actions.



# 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



# Inspire change and find opportunity everywhere

In today's uncertain world, we are deeply aware that alongside every challenge lies an opportunity, and that great transformations have always been led by talented individuals.

At KPMG, we care for our people and see them as our most valuable asset. In this chapter, you will gain an understanding of how we live this philosophy in the new era, and how we take concrete measures to cultivate, retain and ignite the innovative potential of our people, with the aim of creating an environment where they can grow and achieve success. We are continuously striving to collaborate with one another to cultivate a thriving environment to enable our people and our firm to make progress.

## Awards



- China's Top Employers for seven consecutive years
- Best Companies to Work for in Asia for eight consecutive years
- 2024 MostIn Global Talent Magnet Employer



*In this rapidly changing world, talent is key to addressing challenges and seizing opportunities. We have witnessed the enormous potential our people can unleash when they confidently pursue self-development and innovation. At KPMG China, we not only provide a wealth of training and development opportunities, but also cultivate a culture that fosters inclusivity and innovation, where opportunities can take root and thrive. We firmly believe that by truly embracing a people-first approach and focusing on the comprehensive development of our people, we can stand out in an era of transformation and achieve shared success for both the firm and our people.*



Linda Lin

Partner, Head of People, Performance and Culture  
KPMG China

# Inclusion, Diversity and Equity

## Our commitments:

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

KPMG is committed to delivering a positive impact on our people, clients and society through purpose-driven actions that align with our Values. Diversity and inclusion are an integral part of our culture, and we strive to build a workplace where our people can discover and reach their true potential. Recognising the uniqueness of each individual enables us to become more diverse and create extraordinary value, which is also the driving force for our continued success.

## Putting Inclusion, Diversity and Equity (IDE) into action



## Award



- Disability Inclusive Employer 2024 award from CareER



*“Every individual brings a unique perspective and value, and it is this diversity of perspectives that forms the cornerstone of KPMG's commitment to inclusion, diversity and equity. We embrace the power of different ways of thinking, believing that diverse perspectives spark innovation and unlock boundless opportunities. At KPMG China, we uphold inclusive values, celebrate differences and empower people's potential, thereby enabling our colleagues to thrive in a supportive environment and pursue a vibrant and promising career journey.”*

Director, Inclusion, Diversity and Equity  
KPMG China

Faye Yuen





# A corporate culture centred on diversity and inclusion

As a key component of our Employee Value Proposition and KPMG Values, the IDE concept is deeply rooted in KPMG's culture. We firmly believe that each unique experience and idea has the potential to inspire innovation and progress. As one of our KPMG Values, 'Together' encourages us to respect differences and encourage collaboration, so that each employee can pursue innovation and reach their full potential in a diverse environment. [#ComeAsYouAre](#)

While striving to improve inclusion and diversity in our workplace, we also work externally with other organisations and business partners in the community to promote equity and build an inclusive corporate culture outside the firm. We believe that diversity breeds innovation, and inclusiveness shapes future development.

## Establishing the Inclusion, Diversity and Equity Council to integrate IDE into business planning

In order to meet our commitment to inclusion, diversity and equity, we formally established the Inclusion, Diversity and Equity Council in Hong Kong in 2024. Led by the firm's senior management, the council works closely with all functions to ensure that IDE is not only implemented in daily operations, but is also deeply integrated into the firm's business planning and strategy.

The council is responsible for formulating and driving the firm's internal IDE policies and action plans in order to build a work environment that accommodates people with different backgrounds, experiences and capabilities. In 2024, the council comprehensively assessed the firm's internal IDE practices and identified key areas for action. In addition, council members are at the forefront of driving IDE in their own functions, not only championing IDE activities but also getting personally involved in related matters in day-to-day work, setting an example for cultural transformation.

## Partnering with other institutions to advance broader IDE cultural development

As an employer, we are committed to recruiting in an open and inclusive manner. Job applicants are selected using merit-based criteria regardless of individual backgrounds and differences. While bringing IDE to life in our workplace, we also work with external institutions to promote IDE across the wider business community.

KPMG China has supported the '30% Club Boardroom Series' from The Women's Foundation in Hong Kong for a number of years. This programme is committed to advocating gender parity in boards and promoting gender diversity in the business community in Hong Kong. In addition, we have been working with CareER, a disability inclusion non-profit organisation, to improve public awareness and understanding of people with disabilities, promote their integration into society and create a more inclusive future. For details of our collaboration with CareER to promote workplace inclusiveness, please refer to page 39.

### Case study

#### KPMG supports The Women's Foundation in Hong Kong to advocate for gender diversity in the boardroom

A balanced gender structure enhances diversity and innovation capabilities within organisations, and a diverse leadership team can provide more varied perspectives and forward-looking insights to address complex business environments. KPMG China is proud to support The Women's Foundation's 30% Club Boardroom Series as a Contributing Sponsor. This initiative is committed to empowering women leaders to excel and lead with impact. By supporting this programme, we hope to see more women at the senior management level and boards, with a view to breaking through traditional gender barriers and advancing gender equity across the business landscape.





# Advocating equal opportunities

Equal opportunity is a key component of KPMG China's IDE concept. We are committed to empowering gender parity in the workplace, the China market and our communities through career development, personal well-being and other approaches, with the goal of providing equal opportunities for a sustainable future. At KPMG, each individual is empowered to make their mark and demonstrate their value. [#MakeYourMark](#)

## Building an equal workplace that empowers female leadership

KPMG China strives to build an inclusive, diverse and equal working environment. To fulfil this commitment, we have set out IDE policies in our employee handbook, covering recruitment, training, career development and promotion processes, which strictly require equal treatment in every aspect of the firm's processes regardless of gender, race, age, social background or other factors. In addition, our KPMG China Inclusive Interview Guide provides a set of guidelines for hiring managers and interviewers, helping them mitigate unconscious biases when interviewing and recruiting professionals so that they can select talent in a more objective and fair way.

Globally, we have set a target for at least 33% of partners and directors to be female. As a signatory of the UN Women's Empowerment Principles (WEPs), KPMG China strives to enable and empower women and has upheld this goal for many years, reflecting our long-term efforts and commitment to advancing gender equity.

**68%**  
of partners and  
staff are female  
(**↑2%** from FY23)

**46%**  
of partners and  
directors are female  
(**↑2%** from FY23)

**69%**  
of new hires  
are female  
(**↑3%** from FY23)



Data above as at 30 September 2024.

## Creating an inclusive office environment

In line with the principle of equal opportunity, we are committed to creating an inclusive and supportive work environment for our people and their families. We have set up nursing rooms in multiple offices to provide a private and comfortable nursing space for working mothers, helping them better balance work and family.

We have also continued to optimise our office facilities. For example, we have carried out a series of renovations at our Plaza 66 office in Shanghai, including adjusting the restrooms according to the proportion of male and female staff and adding facilities that meet more diverse gender needs. We hope to create a caring and respectful environment where each individual feels empowered to reach their full potential.



## Fostering an educated, empathetic workforce

Fostering an educated and empathetic workforce is key to achieving our inclusion and diversity agenda. Our KPMG China Inclusion Guide provides practical tips and guidance on how to use inclusive language and exhibit inclusive behaviour, helping colleagues bring these to life in their daily work. We also encourage our people to become 'Everyday Allies' of others to actively contribute to the development of an inclusive and diverse workplace.

Through systematic training and awareness-raising activities, we aim to improve our people's understanding of inclusive culture and build a work environment that values the distinct voice of each individual, so that all our people can be true to themselves and tap into their full potential.

### Next Generation Council

The second cohort of the Next Generation Council (NGC) was launched in April 2023, and successfully graduated in the autumn of 2024. As our flagship IDE programme, the NGC brought together 30 next-generation colleagues from across different functions and regions of China, giving representation to the diverse voices of the younger generation in our firm.

Over the 18-month period, NGC members have contributed to the ideation and implementation of various strategic initiatives of the firm, covering the three pillars of Our Impact Plan: People, Planet and Prosperity. Through close collaboration with other teams, the NGC has not only contributed fresh perspectives and insights to the firm's strategic development, but also driven the implementation of a number of key initiatives through dedication and teamwork.

The performance and contributions of the NGC members in these projects demonstrate the young generation's creativity and ability to bring ideas to life, a testament to a diverse culture that IDE aims to achieve. Their efforts and passion are driving KPMG China's diverse and inclusive culture, giving new momentum to the firm's sustainable growth.





# People story

As a member of KPMG, I believe in the firm's core employee value proposition—'Find opportunity everywhere with KPMG,' and my career path is a testament to it.

I started with KPMG China in 2019 as an Audit intern and later joined the Deal Advisory team. While advising clients on energy, chemicals and finance, I realised sustainability was becoming a major driver of transformation. ESG, I came to understand, was not just about compliance – it was about long-term value and purpose. That clarity ignited my passion and led me to join the firm's newly established ESG Advisory team in 2021.

To broaden my global perspective, I took on a secondment with KPMG Singapore's ESG team in 2024. Here, I not only gained exposure to a broader range of industry clients, but also actively engaged in international collaboration, which gave me the opportunity to integrate my low-carbon experience in the Chinese market with international best practices. This experience deepened my understanding of cross-market ESG challenges and the potential of bridging China's decarbonisation insights with global best practices. In addition to my daily work, I also actively participate in leadership initiatives within the firm, including KPMG China's second Next Generation Council (NGC) and the Leaders 2050 programme.

As a member of NGC, I worked with my team on Our Impact Plan to promote green travel, with the aim of reducing the firm's carbon footprint. Leveraging my ESG expertise, I helped develop a data-driven roadmap for greener business travel, aligning ESG goals with tangible actions. When I saw my ideas turn into real action, I really felt that the firm respects and embraces the diverse voices of the younger generation.

As a core member of the Leaders 2050 programme, I've led over 10 ESG learning sessions, reaching over 2,000 colleagues and connecting with young client leaders to spark joint sustainability efforts.

At KPMG, I believe that 'Passion and growth nourish each other.' Looking back on my career journey over the years, with the support and trust of the firm, I was empowered to pursue my passion and take actions to drive change. I also gain a stronger sense of responsibility whenever I witness the positive impact of ESG. Looking ahead, I hope to continue building cross-border ESG dialogue and empower more young professionals to find their voice in this space. The road towards sustainability is not easy—but it is a path I embrace with conviction, fuelled by the belief that passion and growth go hand in hand.



Luna Hou

## The power of diversity and inclusion: Raising awareness to lead the future

We held awareness-raising activities for International Women's Day, the International Day of Persons with Disabilities, Pride Month and other global festivals, helping our people better understand the importance of diversity and inclusion.

- In 2024, we celebrated **International Women's Day** with the theme 'Invest in women: Accelerate progress,' demonstrating our commitment to empowering women's development. We held a series of female empowerment seminars, including an external speaker session on the theme 'Inclusion igniting growth: Unleashing our possibilities.' We hope that through such exchanges of ideas, female employees will be inspired and motivated to bravely pursue their dreams and open up new horizons. In addition, the firm's leadership actively participated and shared their views in external activities that focused on gender equity, demonstrating our support and commitment to gender equity in the public arena.
- Similarly, to celebrate International Women's Day, the '**Dongcheng | International Financial Sector Female Leadership Sharing**' was also held at KPMG's Beijing office. This event was hosted by KPMG China and guided by the Beijing Dongcheng District Financial Office and Dongcheng District Women's Federation, which invited female leaders from the financial sector, who shared their career achievements, challenges, and ways to promote gender equality and inclusion in the business environment.
- Also, during our annual **IDE Month**, we focused on the theme 'Diversity Matters' and held a series of interactive activities, including a discussion on what our workplace would look like without inclusion and diversity. This creative exercise allowed us to reflect on how unconscious biases impact us and raised our awareness of diversity issues. This progressive and innovative educational approach not only helps our people understand the value of diversity, but also encourages them to consider how to practise inclusiveness in their daily work.



- We honoured **International Day of Persons with Disabilities** by hosting a discussion around neurodiversity and disabilities with speakers from CareER and Diverse Minds, allowing colleagues to share their personal stories and explore what we can do as individuals and as an organisation to support people with disabilities.
- In conjunction with the **CareER Disability Inclusion Index Forum** that was organised in October 2023, the CareER Inclusive Recruitment Fair for people with disabilities was also held in parallel. In addition to being recognised as an Inclusive Employer by CareER, we also joined the fair to recruit talent. KPMG is committed to actively participating in initiatives that foster the seamless integration of talented individuals with disabilities into society, creating increased job opportunities and a more inclusive future.
- The **ASPAC Pride Summit 2024** attracted over 350 colleagues from across the KPMG Asia Pacific region to celebrate Pride Month. During the summit, KPMG China leaders shared their insights and observations at the Leadership roundtable. Colleagues from different regions also passionately discussed topics related to pride and IDE issues.



## The power of leadership

At KPMG's first Global Inclusion, Diversity & Equity Super Summit, the chairman of KPMG China participated in a roundtable with other key leaders from the KPMG network, and the attendees discussed current topics in IDE and what we can expect in the future.

The summit featured our colleagues' voices and stories from across the global network. The attendees examined thought-provoking themes such as intersectionality, acceptance and transparency, and recognised champions and leaders of equity and belonging. Events like these empower us to take action and become better everyday allies and inclusive leaders who create safe spaces where everyone can thrive.

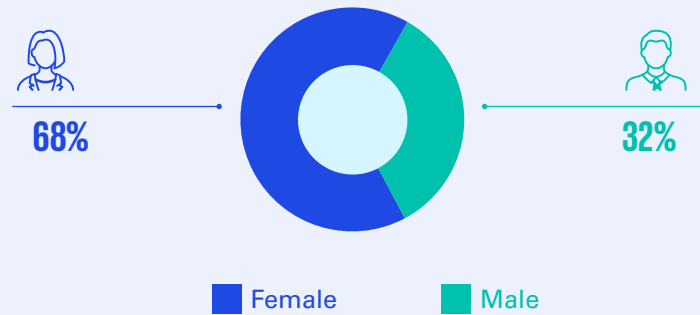
The summit reaffirmed the firm's responsibilities and commitment to IDE, demonstrating our commitment to promoting a diverse culture and inclusive development.



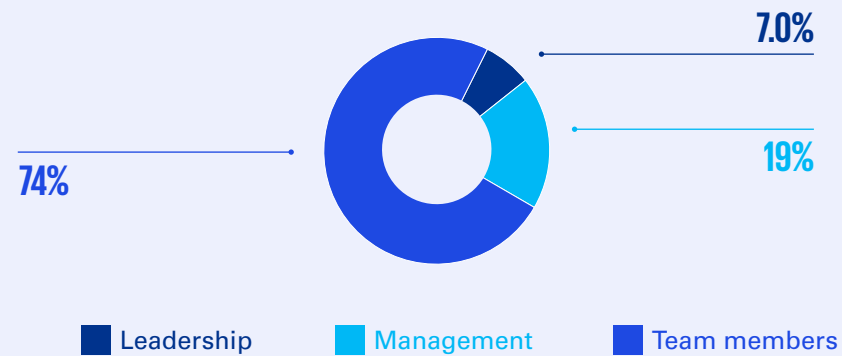
# Our workforce snapshot for FY24

Total workforce in FY24 **13,614** employees

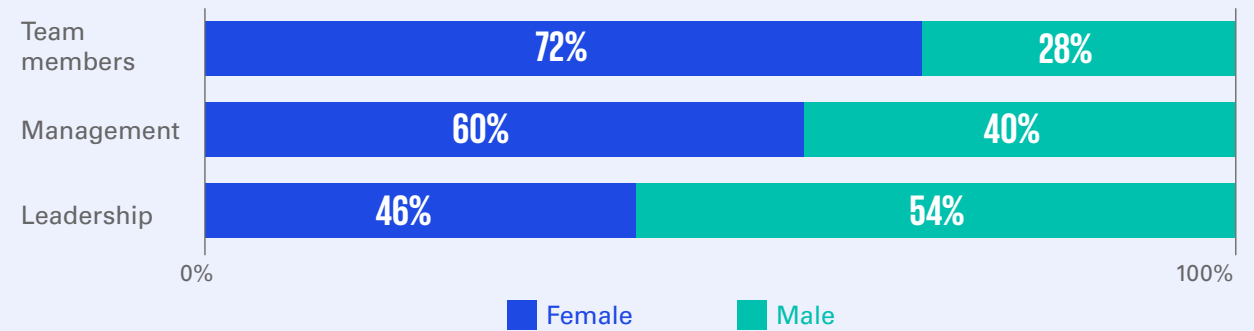
## Workforce by gender



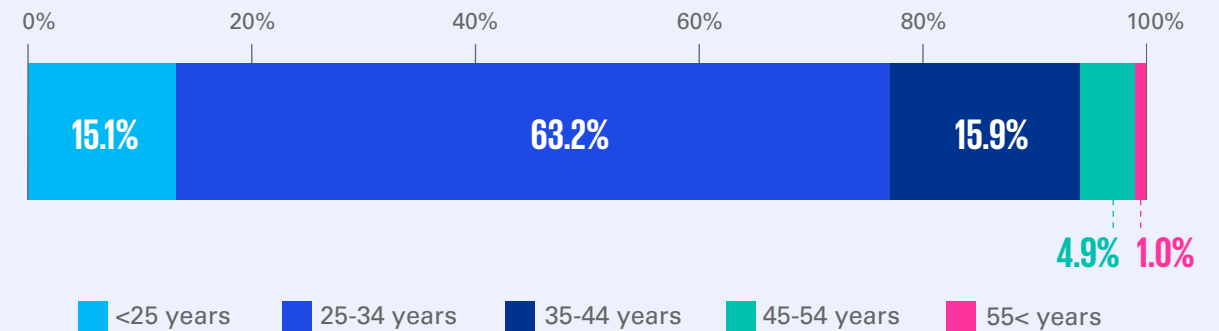
## Workforce by level



## Workforce by gender and level



## Workforce by age





# Health and well-being

**Our commitment: Protect the health of our people—both physically and mentally—and enable them to be effective and productive**

KPMG China is committed to creating a caring, supportive and dynamic work environment for our people.

On the basis of fully complying with local social security laws and regulations, we provide robust benefits in areas such as salary, welfare and medical care to constantly improve the health and well-being of our people, so that each of our colleagues can realise their full potential and stay healthy.

## Comprehensive health and wellness benefits

We are continuously strengthening our health and safety management, and we have obtained the internationally recognised ISO 45001:2018 Occupational Health and Safety Management System Certification. The firm offers a number of health and wellness benefits, including the Everyone Agile initiative and the Flexible Wellness Plan, and we hold various wellness campaigns and activities throughout the year.

KPMG China provides the following support for our people:

### Well-being channel

Provides health-related knowledge, covering common disease prevention, mental health, nutrition and health care, among other areas.

### Interest groups

In order to enrich our staff's lives outside work and promote communication and interaction among employees, we actively support various interest groups. The firm funds over 50 staff-led interest groups, which run different activities across the country, including frisbee, tennis and photography.

### Human-centred workstation design/provision

Optimises our office facilities and environment by introducing human-centred furniture and equipment, such as adjustable desks and computer monitor mounts, to support our people's physical well-being and productivity.

### Certification



- ISO 45001:2018 Occupational Health and Safety Management System Certification

### Award



- 'Excelling' performance rating in the 'Thriving at Work' assessment

### Employee Assistance Programme (EAP)

Provides a 24-hour support hotline offering professional and confidential counselling services.

### Wellness campaigns and activities

Regularly organises wellness activities, such as running, shoulder and neck massages, and Sanfu medicinal patches, to improve our staff's health and their awareness of self-care.

### People's welfare

Offers comprehensive insurance coverage for our people in the areas of medical, life, personal accident and business travel. Meanwhile, we continue to explore and offer diversified wellness options, such as the Flexible Wellness Plan, which offers a wide range of benefit options, enabling colleagues to customise health benefit plans according to their own conditions and family needs.

## Flexible work arrangements and staff safety in extreme weather

In the face of extreme weather, KPMG China always puts the health and safety of our people first. To cope with the challenges brought by frequent extreme weather events to the firm's operations and staff safety, in accordance with national regulations, we have formulated guidelines on how to arrange work locations in the face of such conditions or upon receiving alerts, such as those for typhoons and heavy rain, with a view to ensuring our people's safety in adverse weather conditions. When, for example, super typhoon Yagi landed in Hainan in September 2024, we immediately activated an emergency plan to protect our people's safety, and carried out post-disaster recovery work as soon as the typhoon had passed, offering necessary support to employees while safeguarding the continuity of business operations.

In addition, our 'Everyone Agile' policy allows staff to work in an agile way, with Agile Location and Agile Dress Code based on varying business needs. This policy not only allows us to respond to bad weather, but also facilitates our people's work-life balance.

## Safeguarding our people's physical and mental well-being

Each year, KPMG China organises a range of wellness activities to celebrate World Health Day and Work-Life Balance Week in order to demonstrate appreciation to our employees for their effort and provide them with opportunities to explore different kinds of well-being activities amid their busy schedules. In addition, in 2022, we launched a one-stop Well-being platform that gives our people access to various wellness and interest group activities, including the aforementioned well-being activities.

The newly opened KAMPUS office space has a well-equipped gym, providing our people with different fitness options, such as Pilates and dynamic cycling courses. This amenity enriches our staff's wellness activity options and underscores our commitment to their well-being. Through these comprehensive measures, we actively advocate a healthy lifestyle, helping our people balance physical and mental health amid their busy schedules.



# Continuous learning

## Our commitment: Develop a continuous learning culture

At KPMG, we are committed to fostering an environment that empowers our people to take ownership of their personal and professional growth. We offer a variety of learning and development programmes and emphasise the importance of ethics in learning, such that our people can truly benefit from the knowledge and skills acquired through our programmes. We believe that by investing in our people, we can drive collective success and create a workplace in which our people can thrive with us and make a difference.

## Equipping our people with ethical decision-making skills

To enable our people to navigate the complexities in the business world and make better ethical decisions, we launched the 'Exercise CARE' Campaign, which includes an interactive scenario-based e-learning programme. Rooted in our CARE ethical decision-making framework, the Campaign aims to enhance our people's critical thinking abilities, enabling them to adeptly navigate ethical dilemmas, and make sound and ethical decisions everyday.



**"Remember to pause and think and exercise 'CARE' when making ethical decisions!"**

***Continuous learning is vital for fostering innovation and preparing for the future. At KPMG, our strong learning culture empowers everyone, regardless of their background, to continually develop their skills and realise their potential. In doing so, we contribute to high-quality social development through the creation of new driving forces.***



Partner, Head of Organisation and Talent Development  
KPMG China

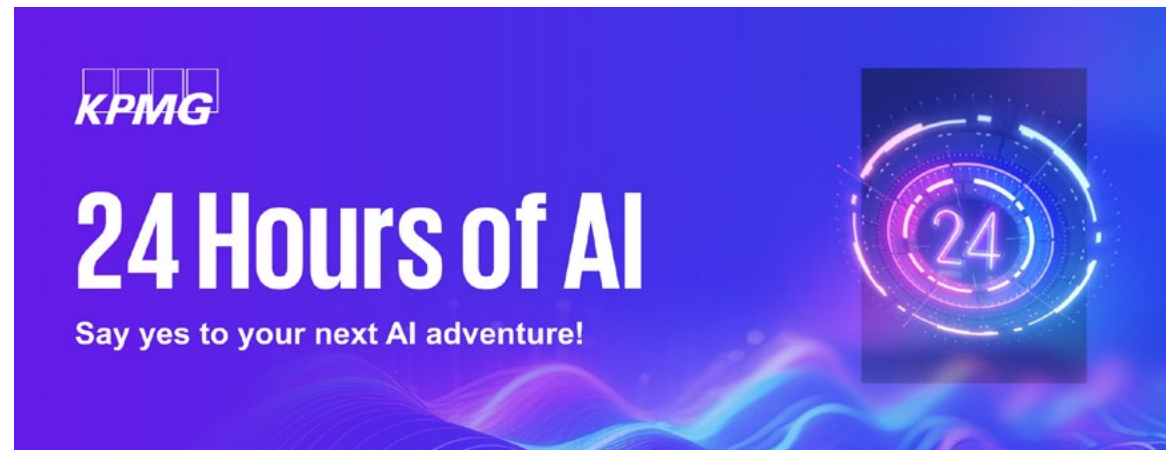
**Carmen Ting**





## Developing digital skills that enable our people to stay ahead in the digital world

Amid the rapid development of AI, KPMG China continues to strengthen our digital skills and capabilities. In 2024, we expanded our digital literacy initiatives, offering scenario-specific AI learning programmes and practice sharing sessions. These programmes are instrumental in elevating our people's digital capability, empowering them to spearhead digital transformation and excel in a rapidly evolving digital landscape.



*I learned the latest tech solutions I could immediately apply on my engagements and was able to provide first-hand user feedback to co-create solutions that would benefit the wider team.*

— Participant feedback from Audit Tech Pioneer Workshop

## Leaders 2050: fostering the next generation of ESG leaders

We are proud to announce the inauguration of the China Chapter of Leaders 2050, a KPMG worldwide initiative driven by a talented group of young professionals from various functions and sectors, to exchange innovative ideas on the delivery of our social impact. These young leaders play a crucial role by contributing their voices and insights to collectively drive our ESG agenda throughout the firm. This programme is a testament to our dedication to ESG as well as our commitment to empowering the next generation of leaders to drive positive global impact.



FY2024



Total ESG-related training exceeded  
**39,000+** hours

# Strengthening collaboration between industry, academia, and research institutes to cultivate talent

School-enterprise collaboration is an important aspect of close collaboration among enterprises, academia and research institutes. By combining academic knowledge and industry experience, we can effectively bridge the gap between theory and practice, mobilise and integrate complementary resources from both sides to drive the deeper integration of technological innovation and industrial practice. KPMG China has actively responded to the talent-oriented national strategy by promoting comprehensive, multi-dimensional cooperation between universities and enterprises in order to cultivate professionals, with a view to accelerating the development of new quality productive forces and activating new growth momentum.

In FY2024, as part of our effort to further facilitate the integrated development of enterprises, academia and research institutes, we launched the following key projects for school-enterprise cooperation:

- KPMG China is collaborating with **Tsinghua University** to cultivate sustainable development talent. As part of this cooperation, we are exploring cutting-edge technologies and innovative ideas in sustainable development, with a focus on cultivating professionals, developing solutions and curricula, and constructing platforms to make a positive contribution to the achievement of sustainable development goals.
- KPMG China and **HKU Business School** signed their third Memorandum of Understanding to further strengthen mutual collaboration in nurturing accounting and business analytics professionals in Hong Kong, marking a new chapter in their partnership, which commenced in 2018.
- KPMG China and **Shanghai University of Finance and Economics** signed a strategic cooperation agreement. The two sides aim to commence a new chapter of in-depth, all-round strategic cooperation in key areas such as talent cultivation, scientific research, advanced training, internships and on-the-job training, employment guidance, academic awards, rural revitalisation, and Party building.
- KPMG China signed a cooperation agreement with the **School of Mathematics and Physics of the University of Science and Technology Beijing**, and held a licensing ceremony for the two parties' Employment Practice Basecamp. Under this agreement, both sides will strengthen their cooperation in talent cultivation, curriculum development, practical work, and student employment and internships.



## Award



- KPMG China received the 'University-Enterprise Collaboration Award' from Beijing Jiaotong University's School of Economics and Management



# 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



## Decarbonisation

- Become a net-zero business (KPMG Global ambition)
- Source 100% renewable electricity through purchasing renewable energy certificates (RECs) and sourcing renewable energy supply
- Report our climate performance
- Drive behavioural change to improve environmental practices in our workplace



## Climate risk

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



## Nature and biodiversity

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

# Our management approach and progress

In our ongoing journey towards a sustainable future, we recognise the vital importance of aligning our strategies with our global climate goals. As part of our journey to net-zero, KPMG has established a validated near-term Science-Based Target (SBT), aiming to reduce our emissions by 50% by 2030 across all scopes compared to our FY19 baseline. This goal guides our decarbonisation efforts, which include implementing sustainable practices across our organisation, evaluating our supply chain for climate impacts, and innovating to reduce our environmental footprint.

On a national level, KPMG China continues to align our efforts with China's key national and regional policies and initiatives, including the 'dual carbon goals', which call for carbon emissions to peak before 2030 and for carbon neutrality before 2060, as well as the 'Beautiful China' initiative.

In addition, as introduced by President Xi Jinping in September 2023, the concept of 'new quality productive forces' has gained attention, emphasising the need to drive high-quality, sustainable development. The CPC Central Committee and the State Council have also issued several new national guidelines to further ramp up the green transition in all areas of economic and social development, and promote the development of a 'Beautiful China'. KPMG China will continue championing positive change, supporting key policies and proactively integrating ESG into corporate practices, aligning different parties to support our journey to net-zero.

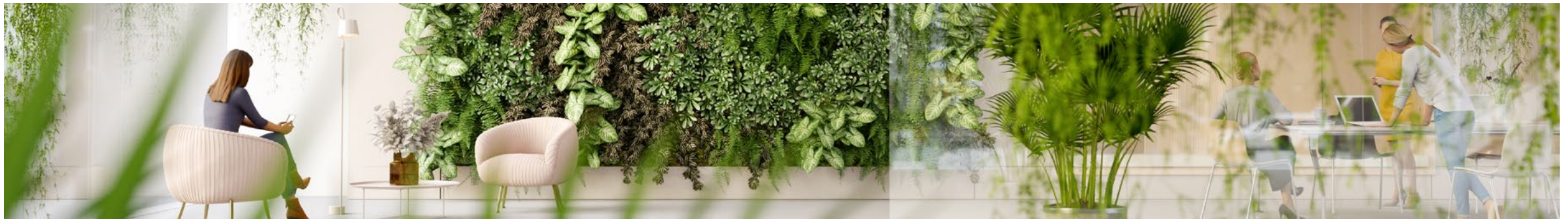
We also aim to extend these values beyond our internal practices by helping clients address climate challenges through tailored ESG services. By striving to embed sustainability in everything we do, from our own operations to the solutions we provide, we are actively contributing to the transition towards a resilient, low-carbon, nature-positive future.

## Certification

- ISO 14001 Environmental Management System certification

## Awards

- Green Practice Performance Award in the 2023 Corporate Carbon Neutrality Performance Ranking from YiCai, Shanghai Jiao Tong University's Research Institute of Carbon Neutrality and the Shanghai Environment and Energy Exchange
- Our Hong Kong office was recognised as a Hong Kong Green Organisation
- Green Office Label & Eco-Healthy Workplace Label awarded by the World Green Organisation (Hong Kong)





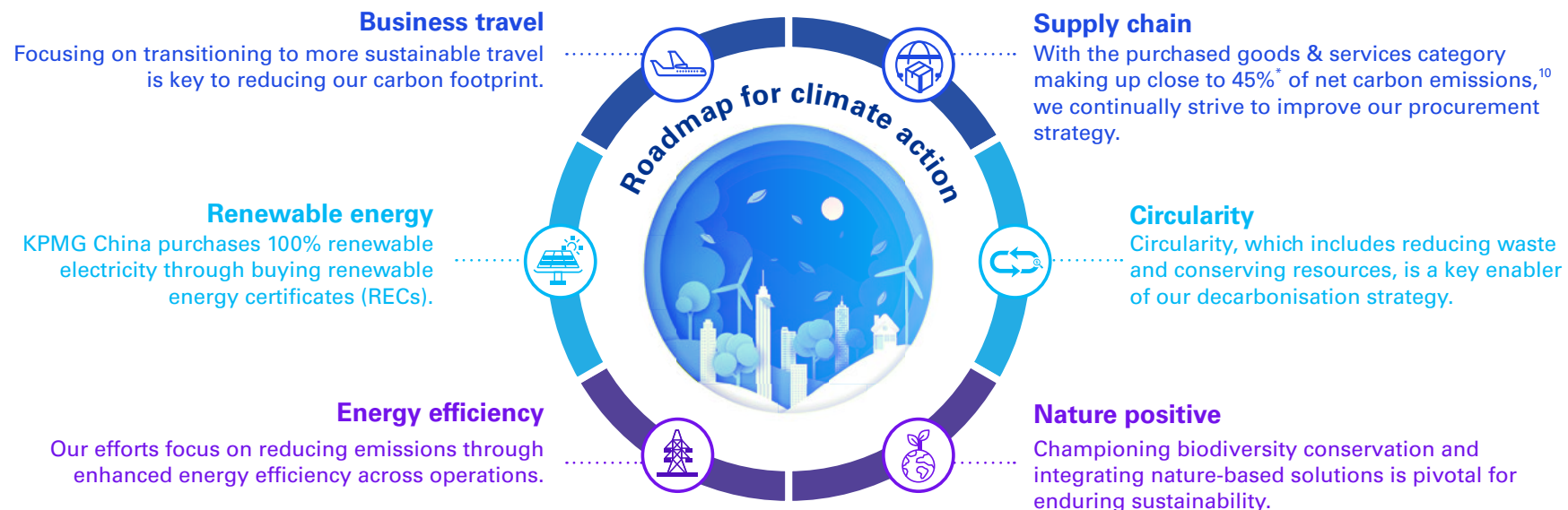
# Decarbonisation

## Our global commitment: Become a net-zero business

Our climate strategy takes into account the key contributors to carbon emissions within our operations, aiming to halve our global emissions by 2030 compared to our FY19 baseline. This ambition drives our efforts and shapes our decision-making processes.

To ensure our approach remains adaptive and effective, we conduct an annual scenario analysis of our carbon performance with the support of our ESG Advisory team, which allows us to refine our strategies and ensure accountability. A vital element of our approach is the implementation of an internal carbon price (ICP), which guides our resource allocation and encourages sustainable practices across the organisation.

We acknowledge the significant challenges posed by our two largest sources of emissions: business travel and purchased goods and services. Tackling these areas is critical to realising our net-zero ambition. Through targeted initiatives and resource commitments, we aim to catalyse impactful change and address climate challenges. Our approach reflects our dedication to environmental responsibility and our determination to contribute positively to a sustainable future.



### Internal carbon price

KPMG China implemented an internal carbon price on 1 October 2022 (see page 54 for details).

### Internal environmental policy

To support our climate targets and commitment to reducing our environmental impact, KPMG China developed a dedicated Environmental Policy in 2021, which sets out the principles and requirements for our stewardship in key environmental areas such as energy, GHG emissions, waste, water and our supply chain.

<sup>10</sup> Net carbon emissions are the total GHG emissions after deducting RECs.

\* Based on FY24 GCR data



# Climate risk

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

At KPMG, we are deeply committed to understanding and addressing the evolving risks and opportunities posed by climate change. For details about how we support our clients in navigating these impacts, please refer to page 23.

As an active participant in the Task Force on Climate-related Financial Disclosures (TCFD), KPMG closely aligns its work with industry best practices for transparent reporting on climate-related financial risks. On behalf of KPMG globally, KPMG International has published our '[Climate Risk Report](#)' in line with TCFD recommendations. This report provides a detailed examination of our processes for identifying, evaluating and managing climate risks and opportunities. It highlights our disciplined approach to understanding how climate change impacts our operations, enabling us to respond proactively to both risks and emerging opportunities.

With the TCFD's integration into the International Financial Reporting Standards (IFRS) and the International Sustainability Standards Board (ISSB), we will continue to advance our disclosures. IFRS S2 Climate-related Disclosures underscores the critical importance of providing clear, high-quality information on climate-related risks – something we remain committed to delivering. Globally, KPMG also submits annual disclosures on our collective performance to CDP (formerly the Carbon Disclosure Project), further emphasising our commitment to transparency in climate-related performance.



*In a world facing unprecedented environmental challenges, our commitment to sustainability is not just a responsibility – it is a transformative opportunity. We recognise that our actions today shape the world of tomorrow. By embedding sustainability into our core operations, we are not only reducing our environmental footprint but also fostering a culture of innovation that drives us towards a resilient and sustainable future.*



Chief Operating Officer  
KPMG China

Jeffrey Wong



# People story

I'm Daisy Shen, and I have been working at KPMG for 25 years since I graduated from college in 2000. Although I've been with KPMG for almost my entire career, I have taken on multiple roles—from initially delivering transaction services, to my secondment in the UK, during which time I applied to work in the KPMG Global Chairman's Office and the KPMG Energy Centre of Excellence. Afterwards, I helped set up KPMG China's Energy Advisory team and ESG Advisory team. By constantly stepping out of my comfort zone, I've actively embraced change, accumulated diverse expertise, and grown alongside exceptional teams in China and experts across KPMG's global network. I like to think my professional trajectory stands as a blueprint for creating lasting impact.

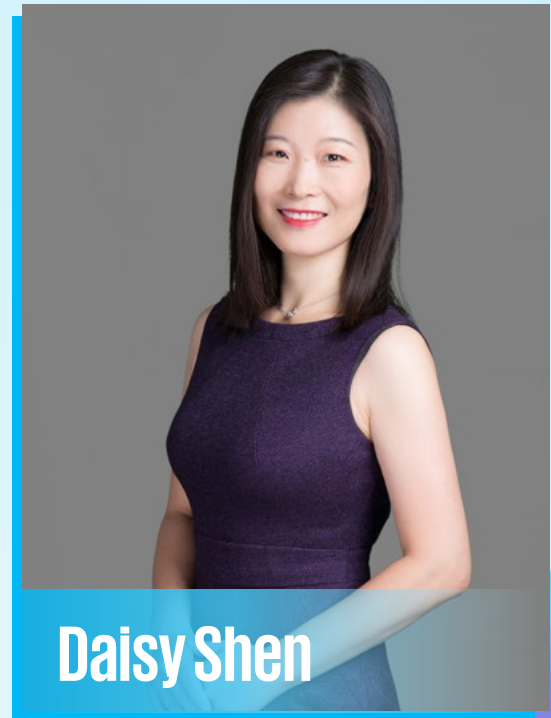
Since 2021, I have played a leading role in setting up KPMG China's ESG Advisory team, and in November 2024, I became head of ESG at KPMG China. Climate change has become a global challenge that presents both risks and opportunities for enterprises. Analysing climate-related risks and opportunities, developing and executing transformation plans, and incorporating them into corporate strategies have become key to achieving long-term sustainability.

Take our engagement with a leading multinational retailer as an example. As a large listed company in Hong Kong, the client is expected to disclose its 2025 ESG report in 2026 to meet the requirements of the Hong Kong Stock Exchange, including mandatory disclosure of climate-related information. To help the client, we started by identifying climate-related risks and opportunities, and analysed the physical impact of asset losses, supply chain disruptions and operational disturbances that may be caused by extreme weather events. We then prepared a report based on the results. At the same time, we also identified climate-related opportunities and offered recommendations to assist the company in improving its energy efficiency, developing low-carbon products and services, and devising climate adaptation solutions. Moving forward, we will support our client in evaluating related financial impacts, incorporating climate factors into its strategy, assessing the sustainability of existing business models and exploring paths to low-carbon transformation. Through these efforts, we aim to help the client seize market opportunities, enhance transparency and disclosure, and bolster investor confidence.

The ESG report is not only a summary of business performance in environmental, social and governance, but also a reflection of corporate strategy and value. In the context of climate change and sustainability, regulators, market participants and stakeholders are expecting more from the business community, and green transformation has become indispensable for corporate sustainability. By creating long-term value and integrating sustainability into corporate strategy and operations, enterprises can better position themselves to meet more stringent regulatory and compliance requirements, become more competitive, and achieve long-term success.

At KPMG China, we lead by example and firmly believe that ESG is more than a written report. It is also a core component of our corporate strategy. We are committed to making ESG a watermark running through our organisation. For example, 'circularity' is a key decarbonisation lever, and KPMG's ESG Advisory team has accumulated industry-leading experience in respect of the circular economy. To create lasting impact for our client, we have developed a ground-breaking 'Recyclable, Reusable and Decomposable' framework that delivers circularity solutions in the short term, while reducing costs and improving the recycling rate. In the long run, the framework also lays a solid foundation for the implementation of a sustainable packaging transformation programme. At the same time, we also identify new opportunities for our client so that they can scale the project impact. Internally at KPMG China, we have effectively reduced waste and optimised resource usage and management by integrating circularity into aspects of our operations, such as in office renovation projects, procurement practices and other recycling initiatives.

In this fast-changing world, we need to champion long-term value creation and continue to learn, focus and explore new value propositions. For example, as climate change drives the transformation of global supply chains, technological innovation has become a key force shaping the future of ESG. Leveraging technologies like artificial intelligence and big data, we can help clients identify risks and opportunities, support decision-making and develop more forward-looking sustainability plans. KPMG's continuous efforts in ESG reflect our dedication to integrating social values into professional services to meet evolving needs in these times. Going forward, I will continue to uphold this proposition and work with others to forge ahead.



# Reporting our climate performance

## Our commitment: Report our climate performance

Our annual Global Climate Response (GCR), which is aligned with the Greenhouse Gas Protocol, highlights our ongoing commitment to transparent, science-based reporting and helps us maintain disciplined oversight of our emissions profile.

To further strengthen the rigour and credibility of our disclosures, and to support KPMG’s global plan to work towards a hybrid approach to ESG assurance over key selected metrics (including decarbonisation), we are working with our internal professional team to help conduct an ESG assurance readiness assessment. This will be based on FY24 data, enabling us to identify gaps and areas for enhancing data reporting processes.

Over the past year, our focus has remained on embedding long-term decarbonisation strategies throughout our operations and value chain, and we have continued to make progress in managing our carbon footprint. In FY24, our total net emissions decreased to 73,721tCO<sub>2</sub>e, a 7.9% decrease from FY23. While FY24 has seen a reduction in overall emissions, we remain committed to further reducing our emissions.

Looking ahead, we will continue to improve collaboration with our stakeholders across the value chain and leverage data-driven insights to accelerate progress. In addition, the ESG assurance readiness assessment mentioned above will help better align our reporting with global best practices, enhancing transparency and accountability.

The summary outlines our climate performance in FY24 against FY23, highlighting progress, operational efficiencies, and strategic priorities:

### Scope 1 emissions

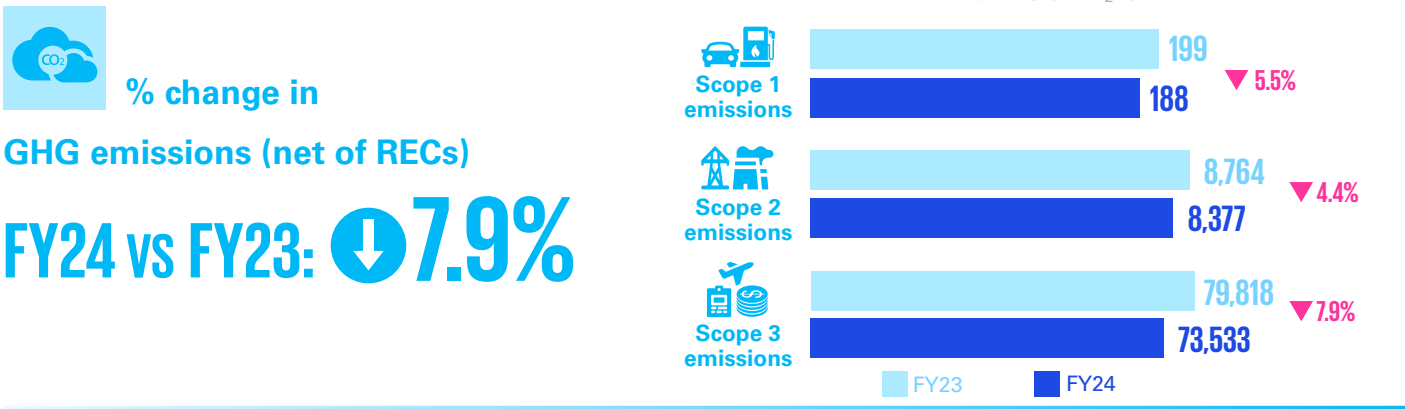
This year-on-year reduction was due to a reduction in the number of owned and leased cars, as well as a transition to some electric models.

### Scope 2 emissions

We have purchased 100% renewable electricity through International Renewable Energy Certificates (I-RECs) for the fourth consecutive year. Under the market-based method, our net Scope 2 emissions amounted to zero.

### Scope 3 emissions

Consistent with our industry profile, the purchased goods and services and business travel categories remained our two largest emissions contributors. While our overall Scope 3 emissions declined from FY23, these categories remain critical levers for long-term reduction. We are actively engaging with our suppliers and refining travel policies to drive further reduction where appropriate.

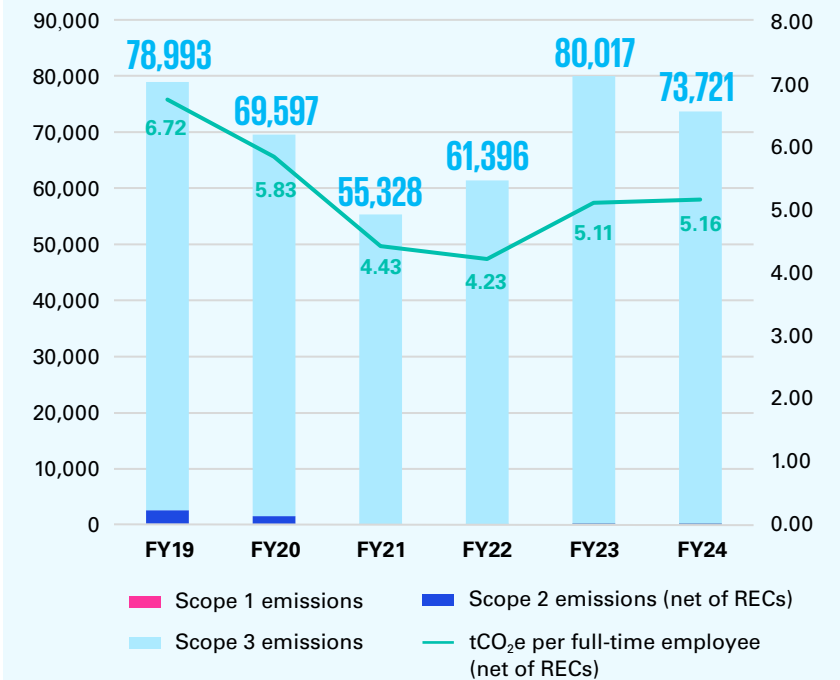




## Greenhouse gas (GHG) emissions (tCO<sub>2</sub>e)

	FY19	FY20	FY21	FY22	FY23	FY24
Total GHG emissions (location-based)	85,700	76,198	63,980	69,910	88,781	82,098
Total GHG emissions (net of RECs)	78,993	69,597	55,328	61,396	80,017	73,721
Scope 1 emissions	146	130	142	133	199	188
Scope 2 emissions (location-based)	9,092	7,998	8,653	8,515	8,764	8,377
Scope 2 emissions (net of RECs)	2,385	1,397	0	0	0	0
Scope 3 emissions	76,462	68,071	55,185	61,263	79,818	73,533
tCO <sub>2</sub> e per full-time employee (location-based)	7.29	6.38	5.12	4.82	5.67	5.74
tCO <sub>2</sub> e per full-time employee (net of RECs)	6.72	5.83	4.43	4.23	5.11	5.16

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





## Improving energy efficiency

As part of our ongoing journey towards net-zero, we remain dedicated to enhancing energy efficiency within our operations. Our approach focuses on strategic infrastructure upgrades, including the implementation of energy-efficient lighting solutions, such as transitioning to LED fixtures and installing motion and light sensors.

We continue to assess our systems and practices to identify opportunities for future improvements and ensure we are well-positioned to integrate the latest technologies, when feasible.



## Sourcing renewable electricity

### Our commitment: Source 100% renewable electricity

Since FY21, we have upheld our commitment to sourcing 100% renewable electricity through the purchase of renewable energy certificates (RECs). In FY24, we continued to purchase International Renewable Energy Certificates (I-RECs).

Looking ahead, we are optimistic about the growth of the green electricity market in China and are actively exploring opportunities to purchase Green Electricity Certificates (GECs) to further support national renewable energy initiatives.



## Implementation of an internal carbon price

### Our commitment: Drive behavioural change to improve environmental practices in our workplace

Launched on 1 October 2022, our internal carbon price (ICP) initiative plays a crucial role in advancing our decarbonisation efforts. By applying the 'polluter pays' principle, a fee is charged to responsible departments based on emissions from business travel, including air travel, rail travel and hotel accommodation.

The ICP effectively integrates carbon considerations into our business decisions, and collected funds are directed towards impactful decarbonisation projects. We have established several eligible spending categories, including decarbonisation solutions, net-zero solutions and internal behavioural change programmes, all of which support our sustainability commitment. To oversee the allocation and effectiveness of these funds, we have implemented a governance mechanism that reviews the usage of ICP funds annually, so as to help drive emissions reduction.



# A greener approach to business travel

As a people-centric business, we recognise the value of in-person collaboration, while remaining aware of the environmental impact of our travel. To address this, we have implemented initiatives that encourage more sustainable travel choices, allowing us to maintain strong connections while being mindful of our carbon footprint.

In 2023, we introduced our Green Routes initiative, which prioritises rail travel for shorter distances instead of air travel. In addition, we advocate for virtual meetings whenever feasible, providing our people with the tools to reduce unnecessary travel and lower carbon emissions.

In 2024, we launched a new online travel booking tool – a digital platform that simplifies the booking process and displays the estimated carbon footprint of each trip. By raising awareness of the environmental impact of travel, we aim to empower employees to make greener travel decisions that align with our commitment to sustainability.

Through these efforts, we are actively working to reduce emissions associated with business travel, while fostering collaboration that can drive our success.



When searching for flights on routes defined as Green Routes, the system will prompt our staff to consider rail travel instead of flying.



# Sustainable supply chain

Our sustainable supply chain strategy aims to embed sustainability into our existing procurement processes. This involves monitoring and enhancing the sustainable performance of our suppliers, while cultivating stable relationships that foster long-term, sustainable value.

To implement this strategy, we have a dedicated Global Procurement ESG Working Group that works closely with key stakeholders at the global and local member firm levels to assess sustainability risks in procurement and identify key priorities. This group has developed clear, defined objectives, which guide the implementation of our action plan and enable effective performance measurement.



## Supplier engagement

Our approach to supplier engagement emphasises collaboration, working closely with suppliers to uncover opportunities for reducing the carbon footprint of our supply chain. This includes our participation in the CDP Supply Chain Programme, which promotes transparency and accountability among suppliers. Additionally, we have standardised our sustainability check process for critical sourcing projects and organised annual supplier webinars to share insights and best practices.





## Promoting circularity

Our circularity strategy focuses on enhancing sustainability in different aspects of the business. By identifying opportunities for improvement, we aim to integrate circular practices across more facets of our operations. This involves circular procurement practices to reduce waste, as well as optimising material usage and ensuring effective end-of-life treatment for various items. We have pinpointed three key areas to drive this strategy:

### IT equipment

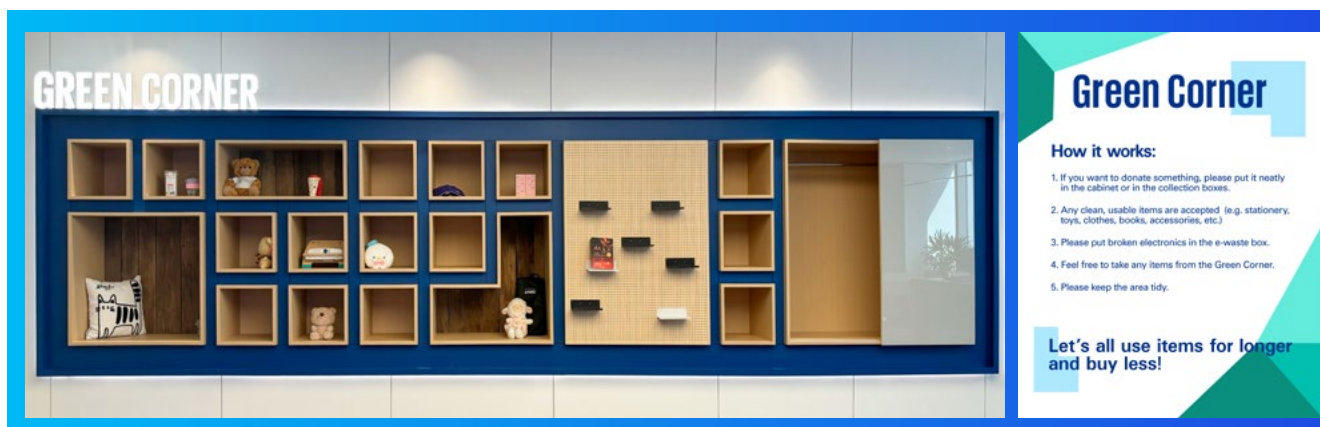
We aim to ensure responsible management and disposal of IT hardware, including refurbishment and recycling initiatives, among other programmes.

### Offices

Guided by our Green Fit-Out Guide, we are committed to sustainable practices in property management, including building selection and renovation, with a view to creating environmentally responsible workspaces. Our flagship Green Corner initiative helps champion circularity by offering spaces in our offices where our people can exchange and donate items that are in good condition, including books, clothes and household goods.

### Events and catering

By following our Green Events & Souvenirs Guidelines, we aim to reduce waste and align the firm's event management and catering selections with our sustainability goals.



## FY2024 highlights



**90%** of our office floor area is located in buildings with green and/or wellness-related certifications ( **↑ 23%** vs FY23)

- 22 office buildings with LEED certification
- 2 office buildings with BEAM Plus certification
- 7 office buildings with WELL certification



**15 Green Corners** currently set up in our offices nationwide ( **↑ One** from FY23)



**100%** of laptops are recycled, resold or donated



**100%** of renovated or new office projects consult our Green Fit-Out Guide



**1,512** printer and toner cartridges were collected for recycling in FY24



**2,797** pieces of furniture were reused, donated or given to resellers in FY24



## Case study

### Working together to drive change: Green tenancy pledges

In line with our commitment to sustainable practices in property management, we are proud to participate in sustainability initiatives with two of our property management companies. These include Hang Lung's Changemakers: Tenant Partnerships on Sustainability Programme in our Shanghai office and Hongkong Land's Tenant Sustainability Partnership Programme in Hong Kong. Both programmes aim to foster community well-being and contribute to a greener future by encouraging responsible resource management and environmental stewardship.

As an office tenant, we actively support these efforts to promote sustainable practices and a greener future. By engaging in these pledges, we reinforce our dedication to working with stakeholders to create long-term value through responsible resource management and community engagement.

### KAMPUS achieves LEED Platinum certification

Located in a LEED-certified Gold building, our KAMPUS office in Shanghai is proud to have also achieved the LEED Green Building Platinum certification for its interior spaces. In addition, the office furniture, decoration materials and air purification methods fully comply with the GREENGUARD certification standards. We also received a carbon report on the KAMPUS project to help us measure the environmental impact of the office fit-out.



## Empowering communities through circularity

In addition to promoting circularity to transform our own operations, we are also extending our circularity efforts to the wider community. By donating retired laptops to non-profit organisations, we are able to promote the circular economy while also providing educational support for school children or those in need. Remaining laptops, as well as monitors, are sent to resellers, helping ensure they have a second life.

In September 2024, 'KPMG Green IT Classrooms' were set up in Malipo, Yunnan province to provide digital infrastructure and support the digitalisation of three rural schools. For this project, KPMG donated 150 second-hand laptops, as well as funds received from recycling office furniture, to Shanghai Zhonggu Youth Development Centre, which helped build the green IT classrooms. KPMG volunteers also conducted school missions and taught tailored courses to enhance the rural students' digital literacy and help them develop future-ready skills. This initiative demonstrates our dual commitment to promoting a circular economy while supporting our 10by30 strategic goal.

To learn more about how our 10by30 strategy is driving impact, see page 72.





# Nature and biodiversity

**Our commitment: Understand our impact on nature and biodiversity, and make positive improvements**

In October 2024, KPMG globally signed on to be an adopter of the Taskforce on Nature-related Financial Disclosures (TNFD) to align with best practices in the industry and to help deliver a nature positive future together with key stakeholders.

At KPMG, we are dedicated to protecting nature and biodiversity, recognising the essential role ecosystems play in the planet's health and in our business sustainability. We mobilise our resources for projects that preserve and restore ecosystems, working collaboratively with organisations such as the Mangrove Conservation Foundation (MCF) and the World Wide Fund for Nature (WWF), among others.



## Awards and recognition

- Long-term Partnership and Contribution certificate from the Shenzhen Government and MCF



- Certificate of appreciation from MCF in recognition of our support for the Green and Beautiful Futian Special Fund



- KPMG China has been a Silver Corporate Member of WWF-Hong Kong since 2014



## The Guangdong-Hong Kong-Macao Greater Bay Area ESG Biodiversity Corporate Recognition Award

Biodiversity is the foundation of ecosystem health and sustainability. To recognise the business community's efforts in promoting environmental stewardship and biodiversity conservation, we launched the Guangdong-Hong Kong-Macao Greater Bay Area ESG Biodiversity Corporate Recognition Award, in partnership with multiple renowned organisations, including the One Planet Foundation, MCF, the Guangdong Provincial Academy of Environmental Sciences, the Shenzhen Finance Institute of the Chinese University of Hong Kong (Shenzhen), the Guangzhou Emissions Exchange and Hong Kong Commercial Daily.

By recognising outstanding enterprises in biodiversity conservation, the award aims to leverage the influence of corporate pioneers to establish an industry benchmark and ultimately encourage corporate leadership and innovation in biodiversity initiatives. We hope that more enterprises will join forces to promote ecological and environmental protection in the GBA, and even across the country.

The award recognition ceremony took place in October 2024, aligning with the celebration of the 'Franco-Chinese Month of the Environment – Prospering by the Water' event, 'The 7th Futian Spoonbill Festival', and 'The 4th Mountain-Sea Vistas & Natural Shenzhen Life Festival', and highlighted the importance of collective action in the effort to nurture our planet's ecosystems.



## Collaborating with MCF to promote ecological protection in the GBA

Building on the success of the two-year 'Protecting Shenzhen Bay' ecosystem restoration programme launched in 2020, we are proud to announce the 'Green Bay Area Pioneer Action – Habitat Enhancement of Futian Mangrove Ecological Park' project, which was launched in September 2024 in partnership with MCF. In this new phase of our partnership, we aim to promote ongoing local ecological protection in the GBA and enhance the health of the mangrove ecosystems by improving the habitats of local wetland organisms, especially in Futian Mangrove Ecological Park.

On 6 November 2024, an agreement to establish the world's first International Mangrove Center was officially signed in Shenzhen. In parallel, the Shenzhen local government authorised the 'Green and Beautiful Futian Special Fund' initiative, which was launched by MCF. KPMG China was part of the first group of companies to support the initiative, and our continued collaboration with MCF reflects our shared vision of fostering biodiversity and creating a vibrant, sustainable environment for the region. Alongside habitat enhancement, the initiative also includes activities to raise environmental awareness among employees and the public. Furthermore, we plan to harness the experience gained from this project and apply it to other protected areas across the GBA.



## Joining hands for the planet: The impact of environmental volunteering

Our people are key drivers of our sustainability efforts, and their participation is crucial to the success of our environmental initiatives.

In 2024, we launched a new brand for planet-related volunteer opportunities – **‘Protect the future – Action for the planet’** (**‘Protect the future’**) – which aims to encourage more of our people to take part in nature-positive projects and contribute to the creation of a more harmonious balance between humans and nature. This initiative is also an important part of our effort to respond to China’s commitment to environmental conservation and green, low-carbon and high-quality development, as well as the goal of building a ‘Beautiful China’. From habitat restoration to community education on biodiversity, the ‘Protect the future’ initiative empowers our people to take direct action in protecting the planet.



### Protect the future

Action for the Planet





## 5,600+

hours devoted  
to environmental volunteer work







### Earth Day 2024

To celebrate Earth Day 2024, which had the theme of 'Planet vs Plastics', we organised 13 events in 11 cities, bringing together over 200 volunteers to help improve the environment. We leveraged the opportunity to raise awareness of plastic pollution and its effects on the environment and our health, and called for action to reduce plastic use in our daily lives.

### World Environment Day 2024

This is the third year that KPMG China has celebrated this important day nationwide. As part of the celebration, we mobilised our people to participate in the 'Protect the future' initiative by organising a variety of nature positive volunteer activities, sharing sessions and green challenges across the firm. From 9 May to 5 June, we hosted 20 events in 13 cities, with 259 colleagues participating and contributing 1,360 volunteer hours.



### United GBA effort

To celebrate our new partnership with MCF, we leveraged International Coastal Cleanup Day during the migratory bird season to bring together 30 volunteers from KPMG's GBA offices along with their families and friends at Futian Mangrove Ecological Park, where we removed over 1,250kg of invasive plants, covering an area of 160m<sup>2</sup>. This collaborative initiative marked the official launch of the new project and showcased the impact that joint volunteer efforts can make in the GBA. Looking ahead, we are excited to organise more joint events to support ecological and biodiversity restoration in the GBA.

### Other key actions

Our people have been invited to speak at a variety of key events, giving them the opportunity to share the firm's insights publicly, discuss the importance of protecting nature and biodiversity, and encourage more people to advance sustainability. For example, KPMG colleagues were invited to speak at the 6th and 7th Spoonbill Festival in Shenzhen, and our people also participated in the second China Mangrove CEPA International Symposium. In addition, we joined the Symposium on Cities and Biodiversity, where we shared information about how KPMG integrates ESG concepts into daily business decisions, as well as the firm's efforts in wetland conservation.





# 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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# Contributing to high-quality development

## Our commitment: Contribute to the economic development of China

2024 marked the 75th anniversary of the founding of the People's Republic of China, and it was also a crucial year for achieving the objectives and tasks laid down in the 14th Five-Year Plan. Recently, new guidance and agendas have been proposed for innovative development to meet the needs of the new era. Against this backdrop, KPMG China will continue to follow the national development strategy, maintain the highest service quality, and keep strengthening our expertise and professional practices, with a view to contributing to the high-quality development of the country.

## Keeping pace with the times and performing our role in advising the government

KPMG China has a total of 27 professional representatives serving as deputies in the national and local National People's Congress (NPC) and as members of committees of the Chinese People's Political Consultative Conference (CPPCC) at the national and local levels. Based on their professional expertise, these representatives have been given the opportunity to discuss matters that affect the public interest and contribute their advice to government leadership, with the aim of deepening China's reform and promoting high-quality development in various regions.

### ► KPMG representatives:

- Wilson Pang, member of the Guangdong Provincial Committee of the CPPCC and head of the GBA Strategy and Development Office of KPMG China, was awarded the title of 'Outstanding Member of the Guangdong Provincial Committee of the CPPCC' in 2023.
- Wayne Tan, member of the Sichuan Provincial Committee of the CPPCC and senior partner for KPMG in Sichuan and Chongqing, was recognised by the Sichuan Provincial Committee of the CPPCC as a 'Leading Member' in the 'Working Together for the Modernisation of Sichuan' programme in 2023.
- Dennis Yeung, member of the Qingdao Municipal Committee of the CPPCC and senior partner of KPMG China's Shandong office, wrote the 'Proposal on Industrial Development and Optimising the Business Environment', which was awarded the title of 'Outstanding Proposal in 2023' by the Qingdao Municipal Committee of the CPPCC.
- Frank He, member of the Wuchang District Standing Committee of the CPPCC in Wuhan, and head of National Markets in the Eastern and Western region for KPMG China, was awarded the title of 'Outstanding CPPCC Member in 2023' in Wuchang District, Wuhan.



A total of 48 proposals related to government and political affairs have been submitted, covering topics such as capital markets, the business environment, digitalisation, ESG, medical care and regional development.



## Sharing cutting-edge insights and unlocking new opportunities through collaboration

As a leading professional services firm, KPMG China actively leverages its strength in audit, tax and advisory to conduct industry research and deliver industrial and strategic insights, with the goal of facilitating industrial upgrading and sharing development opportunities.

### China Development Forum 2024

Themed 'The Continuous Development of China', this year's forum staged a series of panel sessions on different topics. KPMG China partners participated in several of the panel sessions, including those on AI development and governance, the healthcare industry, and digital empowerment transformation, holding discussions with other guests on industry development prospects and providing professional insights on the high-quality growth of the Chinese economy.

### Boao Forum for Asia Annual Conference 2024

KPMG China was invited to attend the Boao Forum for Asia Annual Conference 2024, where our representatives shared their professional insights and views on industry development trends in areas such as the digital economy, scientific and technological innovation, financial services, and the macroeconomic environment.

### China International Consumer Products Expo 2024 (Hainan Expo 2024)

KPMG China attended the Hainan Expo 2024, where we took the opportunity to showcase various achievements and release our latest tourism retail white paper. We also signed strategic cooperation agreements with multiple parties and organised a parallel session at our new Hainan office to facilitate discussions on important topics related to the expo.

### World Economic Forum's Annual Meeting of the New Champions 2024 in Dalian (15th Summer Davos forum)

KPMG China was invited to attend the 15th Summer Davos forum. At the event, we held discussions with guests on how to strengthen business partnerships amid today's complex and uncertain global landscape, and we explained how our innovative and impactful solutions can accelerate the global economic recovery.

### China International Fair for Trade in Services (CIFTIS) 2024

This year's CIFTIS highlighted the theme of 'new quality productive forces'. During the event, KPMG China shared its latest achievements and insights through various models, including online and offline events, on-site and off-site programmes, and cooperation initiatives. KPMG China also released several key industry reports and tools, including a white paper on 'Empowering the Future: New Engines Revolutionising the Smart Manufacturing Industry', the '2024 Chinese Fintech CEO Survey Report' and a demonstration of the Xuanyuan AI Platform 2.0 independently developed by KPMG China.





## Strengthening integrity education to solidify trust

In order to implement President Xi Jinping's important instructions for the public accounting profession, which calls for us to 'adhere to the theme of serving national construction and the priority of integrity-building', and further strengthen the disciplinary awareness of the firm's CPC members, KPMG China's local Party committees organised a series of Party-themed activities to help the firm's CPC members cultivate a stronger sense of Party discipline. These activities included teaching sessions featuring negative examples to improve trainees' awareness, so that they can provide professional services in full compliance with laws and regulations. These sessions provided robust support for our efforts to achieve the firm's high-quality development goal, while also showcasing KPMG's Value of acting with 'integrity' in the new era.



In 2024, KPMG China had over  
**1,000** Party members

## Helping enterprises go global and meet international challenges

With the acceleration of global economic integration and the normalisation of cross-border investment and trade, going global has become a strategic imperative for enterprises to enter international markets, drive innovation and achieve sustainable growth. However, amid the complex cross-border regulatory environment, the ever-changing geopolitical landscape, and challenges around cultural differences and compliance, Chinese enterprises face many uncertainties in their expansion into the global market.

By leveraging our global network and resources, KPMG China is committed to providing enterprises with comprehensive overseas services, ranging from market admission analysis and tax planning to risk management, with the aim of strengthening enterprises' global presence, helping them grasp opportunities in the global market and achieve sustainable growth. Over the past year, KPMG China has helped enterprises go global through the following measures:

- **Special seminars:** We held several special seminars focusing on going global, with a number of foreign partners sharing their insights into how Chinese enterprises go global as well as how to attract foreign investment in a more efficient manner.
- **A high-quality global expansion forum:** The firm held a high-quality global expansion forum, gathering industry leaders, government representatives, experts and scholars to discuss global market trends and cooperation opportunities, and promote resource sharing, cooperation and communication. For details, see page 21.
- **Going global-themed reports:** We published multiple in-depth and forward-looking themed reports to provide enterprises with industry insights and strategic guidance for overseas expansion, covering market trends, policy interpretation and case analysis.



## Strengthening our presence in key economic regions to facilitate future growth

Amid China's continuous reform and development, KPMG China has set up offices in more than 30 cities in China, and the firm has more than 13,000 employees. In 2024, in response to the national strategy of 'coordinated regional development', KPMG China adjusted and optimised its regional presence, with a view to better serving the development of state-level economic zones and key regions:

- In March 2024, KPMG Campus (KAMPUS), KPMG China's new office in the Shanghai Hongqiao International Central Business District, officially opened. The establishment of the new office is a key step in KPMG China's regional development strategy. By forming a 'dual engine' structure with our existing office at Plaza 66 Tower II, KAMPUS will become a core hub for us to connect with different regions across the country. It will also serve as a national talent centre and regional innovation hub, facilitating our effort to better meet client needs and pursue business development.
- During the Hainan Consumer Expo, KPMG China's Hainan office officially moved to China Merchants Tower in Haikou, marking a new milestone in our regional development. The relocation, which took place during a period when Hainan was accelerating its Free Trade Port programme, represented a significant step in our effort to enhance our presence in Hainan. Through this move, KPMG China will consolidate regional resources to expand our workforce, business scope and office space, enabling us to provide more comprehensive services to Hainan and the rest of the country.



Newly hired in FY24: **3,135** people



Percentage of headcount newly hired: **22%**

*To align with the national strategy for regional coordinated development, we are actively adjusting and optimising our business layout. By gaining deeper insights into local market demands and opportunities, we are not only enhancing our influence in key economic areas, but also laying a solid foundation for sustainable growth in the future. We look forward to partnering with our clients to create greater value and opportunities together.*

**Ivan Li**

Senior Partner, Southern Region  
KPMG China





# Driving change and growth through technological innovation

Technological innovation is driving the transition of China's growth engine, and the country's economic development is presenting critical and strategic opportunities. In the process of China's pursuit of high-quality development, new industries, new business models and new growth drivers are emerging, accelerating the construction of new quality productive forces. As an industry leader, KPMG China is actively driving business and technological innovation to help clients improve their competitiveness.

KPMG China has cultivated a trusted professional team that is dedicated to promoting digital transformation and driving the development of China's technological innovation ecosystem. Our Digital Transformation team is committed to constructing business and technological ecosystems, with the goal of helping Chinese enterprises unleash the power of digitalisation, develop competitive advantages and secure a winning position amid global industrial restructuring.

**Rapid advancements in AI and digital transformation are redefining industries at an unprecedented pace, and enterprises must embrace these technologies to engage in strategic upgrading, become more resilient and thrive. In driving intelligent transformation, we focus not only on pioneering technological innovation, but also on deeply embedding digital solutions into the core of business operations, fuelling growth and sustainability. In this era of both opportunities and challenges, technology stands as the accelerator for strategic progress, and our mission is to provide expertise and support to lead the way forward.**



**Reynold Liu**

Partner, Head of Technology and Innovation  
Head of Advisory  
KPMG China

## Empowering industrial upgrading through AI

With the transformation of technology reshaping core competitiveness across industries, AI has become a key component of KPMG's Global Strategy 3.0. KPMG China is fully committed to developing its proprietary AI capabilities. With inclusive AI as its target, KPMG is promoting a top-level design that is market-, deliverable- and internal-oriented, starting from internal applications and delivery model transformation, and adopting a gradual and steady approach in promoting external market opportunities. Going forward, we will prioritise low-risk, high-yield AI applications to improve efficiency, promote innovation and achieve excellence.



Against this backdrop, KPMG China and the ZGC

Industry Institute jointly released the 'Prospects for the global transformation of artificial intelligence (2023)' report, which represents the product of in-depth industry research and expert interviews conducted by both parties. This report points out 10 major trends in the future development of the AI industry based on observations about China's and the world's AI development and markets, with in-depth analysis of each trend and their core drivers, and it provides insights for the AI industry on how to anchor opportunities and address challenges.

## KPMG China's Xuanyuan AI Platform 2.0

Leveraging its extensive industry data resources, rich business experience and AI platform innovation, KPMG has built an industry-specific large language model (LLM) for key industry verticals such as finance, medical care, automobiles, energy and manufacturing. The Xuanyuan AI Platform 2.0 launched by KPMG China adopts the logic of 'shop at the front and factory at the back + AI expert consulting service', providing end-to-end one-stop solutions. The AI platform's core functions include document analysis and review (data assetisation and automation), risk compliance (risk prevention and control), productivity tools (cost reduction), and smart robots (sales support), with the aim of providing clients with more targeted and efficient smart tools to help them succeed amid fierce market competition.

## Establishing strong partnerships to embrace the digital future

Over the years, KPMG China has established long-term strategic partnerships with well-known technology companies at home and abroad, including Microsoft, IBM China, Tencent, Kingdee and Laiye. In the face of current technological disruptions, KPMG China is working with our partners to push the boundaries of innovation and integrate digital technologies, creating new opportunities for our clients through intelligent and interconnected solutions.

### KPMG China deepens strategic collaboration with Tencent Cloud

At the 2024 Tencent Industry Partner Conference, KPMG and Tencent Cloud announced that they would engage in further strategic cooperation, with the two parties jointly releasing an intelligence analysis platform solution for the industrial manufacturing industry. In this next step of their cooperation, the two parties will concentrate on key areas such as data, AI, and cloud intelligence, and focus on in-depth cooperation in joint solutions and joint products, with the aim of working together to use emerging technologies to drive digital transformation for clients.

## Delivering insights into industry trends to guide technological innovation

### Mobile World Congress Shanghai 2024

KPMG China's delegates were invited to attend Mobile World Congress Shanghai 2024. At the conference, we released the 'From telco to techco: Towards tomorrow's telecom' report and delivered a speech on the topic 'Industrial large models and smart manufacturing'.



### World AI Conference 2024

KPMG China was invited to the World AI Conference (WAIC) 2024, where the firm shared new insights on AI empowerment with experts, industry leaders and business executives, jointly marking a new chapter in digital and intelligent transformation. At the conference, Qingjie Zhang, head of AI and head of Digital Enablement at KPMG China, gave a keynote speech on AI empowerment.



## Organising the 2024 Global Tech Innovator China Competition to promote the development of science and technology innovation ecosystems

KPMG China pays close attention to the development of innovative technologies, and strives to provide opportunities for technology leaders across various sectors to share resources and services, with a view to supporting the growth of innovative Chinese technology enterprises. On 14 August 2024, we successfully held the final round of the 2024 Global Tech Innovator China Competition. The event attracted a number of technology start-ups and future technology giants, showcasing the strength and vitality of China's technological innovation.





# Serving as a responsible corporate citizen

## Our commitment: Support the communities in which we operate

At KPMG, we are committed to making a positive impact on society through our professional skills and volunteer services. In line with the KPMG Value 'For Better', we support our communities and rural revitalisation initiatives, making use of our resources and skills to innovate and improve how we address society's current needs.

## Corporate Social Responsibility (CSR) strategy

Based on our strengths and our communities' actual needs, KPMG China has developed a CSR strategy that aligns with national policies and focuses on three critical areas: Advancing Sustainability, Lifelong Learning and Promoting Inclusive Development. We also cooperate with non-profit organisations (NPOs) to engage in social responsibility campaigns, and harness our professional capabilities, resources and passion to narrow inequality, 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 protect nature and biodiversity

For details, please refer to the Planet chapter.



### Lifelong Learning

Help youths in need to acquire future-ready skills and work-based learning experience to enable them to be adaptive and competitive in their future careers



### Promoting Inclusive Development

Support rural revitalisation and promote inclusive social economic development through professional capacity building to rural grassroots organisations and collective economies

At KPMG China, we encourage our people to engage in CSR initiatives through volunteering services, contribute to our communities and make a broader impact in society. Their concrete actions are a driving force to help achieve our three key CSR priorities, which can also help address some of the most urgent environmental and social issues, creating a sustainable future for our communities.

FY2024



**98,000+**  
direct beneficiaries



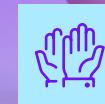
**15,800+**  
volunteer hours



**10,400+**  
pro bono professional  
service hours



**5,300+**  
skills-based  
volunteering hours  
contributed



**1,500+**  
volunteers

# Lifelong learning

Under this global strategy, KPMG China has adopted a needs-based approach to better serve disadvantaged young people. We have refined our Lifelong Learning educational empowerment strategy to focus on equipping disadvantaged youths with future-ready skills and school-to-work transition support, fostering resilience and competitiveness so they can be prepared for their future careers.



## Future-ready skills training



Improve students' future-ready skills through knowledge sharing, skills training and other approaches to enhance their competitiveness in the labour market



## School-to-work transition



Support students in their transition from school to work by sharing career information and offering mentorships and internships, among other opportunities



## KPMG's global 10by30 strategy

Economically empower 10 million disadvantaged young people by 2030 through education, employment and entrepreneurship

## Awards



- Corporate & Non-Commercial Organisation (Volunteer Hours) Bronze Award in the Hong Kong Volunteer Award
- Supporting Organisation Award from the HKSAR Government's Strive and Rise Programme
- Recognition from the HKSAR Education Bureau for our efforts in the Business-School Partnership Programme (BSPP)

**KPMG China has taken practical actions to demonstrate its commitment to corporate social responsibility. Going forward, we will continue to work with our people, clients and communities to actively explore, pilot and scale the coverage of our social responsibility efforts, with the goal of contributing to a better society through innovation and actions.**

Chairman-elect, KPMG China  
Chairman, KPMG China National Philanthropy Steering Committee

**Jacky Zou**







## Future-ready skills training

Education empowers individuals and illuminates the path to a brighter future. Recognising the gap between urban and rural on digital literacy, environmental sustainability and other future-oriented skills, KPMG China has in recent years taken action to deliver innovative educational programmes that focus on future-ready knowledge and skills training.

We have so far rolled out more than eight key future-ready skills training programmes across the country, focusing on improving students' essential skills and digital literacy. We are committed to introducing diversified and high-quality educational resources to disadvantaged areas, so that children in these areas have better access to a quality education and learning opportunities.

### Case study

#### Improving digital literacy in rural education to bridge the gap between urban and rural areas

The digital revolution – as represented by big data and generative AI – is accelerating, and digital technologies are being further integrated into the economy and society. As a result, digitalisation is changing the future of work. Digital literacy has become essential for young people to succeed in the future.

To help improve public education in digital literacy and skills, and narrow the gap between the urban and rural, KPMG China launched the Pad for Hope Smart Classroom programme for rural schools. As part of this campaign, we have upgraded and renovated schools' digital infrastructure and introduced digital courses, effectively improving the quality of rural education and contributing to the national rural revitalisation strategy. By the end of 2024, we had set up smart classrooms in 24 rural schools.

Lijiabao Rural School, located in Suizhong county, Huludao city, Liaoning province, received support from the programme in the spring semester of 2023. Li Qiuting, a teacher who has worked at the school for five years, said that in recent years, digital devices and online courses have become an integral part of teaching. Li explained that smart classrooms provide an entirely new set of tools and perspectives for teachers who are exploring how to improve students' digital literacy and related skills.

At the hardware level, smart classrooms give teachers the resources needed to teach courses on information technology, giving children in rural areas access to the same courses offered to students in urban areas. For example, under the programme, students can use the facilities to transform their creative ideas and imagination into vivid visuals, which brings the classroom to life and improves the students' communication and collaboration skills. At the software level, Lou Hongzhou, vice principal of the local school, said that the smart classrooms have helped transform the school's educational philosophy, making it more digitalised, while also upgrading their teaching model. The programme has not only enriched the school's teaching content and approaches with better quality and efficiency, but has also enhanced students' enthusiasm and interest, improving their ability to learn independently, while helping them build confidence and develop a vision for the future.

KPMG's Pad for Hope Smart Classrooms Programme Phase I has empowered **over 6,700** rural teachers and students.





## Case study

## Empowering young people to build a green future

At a time when educational reform and social development are closely intertwined, KPMG is committed to helping young people achieve integrated development and cultivating individuals who are capable of lifelong learning. To this end, we are developing innovative teaching models and curricula to help young people grow. In 2024, centred on the concept of ‘Caring for the planet’, we launched the ‘Youth Environmental Sustainability Curriculum’, which covers topics such as carbon emissions, the need to reduce our carbon footprint and how to practise green habits in our daily lives. This gives primary and secondary school students a better understanding of the importance of environmentally friendly behaviours and their impact on the planet.

The Yuexiu District Juvenile Rescue and Protection Centre (‘the Centre’), located in Guangzhou, Guangdong province, aims to promote children’s integrated development through broadening their perspective and exposure to the world. In November 2024, while Guangzhou was experiencing unusually high temperatures, KPMG China’s ‘Youth Environmental Sustainability Curriculum - Helping the Earth Cool Down’ series was selected for inclusion in the ‘Small Eyes on the World’ themed event.

During the event, volunteers from KPMG China offered three themed activities for children in Yuexiu district, including educational courses, interactive sessions and craft classes, garnering the attention and active participation of a number of children. In addition to teaching the students new knowledge, the event also aimed to plant new ideas. The courses prepared the children to act as change-makers in their own homes, where they can teach their families about green habits.

Mr Zhu Jianbin, a social worker at the Centre, said, “Under the careful guidance of KPMG China’s volunteers, the children better understand global warming and carbon emissions reduction, and the concept of sustainable development has been planted in their hearts, where it will blossom and grow.” In the future, KPMG will continue to empower young people and support environmental protection initiatives, with the aim of creating a better tomorrow.







## School-to-work transition

As an employer, KPMG understands the importance of comprehensive career planning education, and we have launched several school-to-work transition programmes to better support disadvantaged youths to have a smoother transition from school to work.

Leveraging our corporate resources and advantages, KPMG aims to provide students with systematic and tiered career development support – from early vocational education for youths to higher education – to help students thrive in their future careers.



### Early vocational education lays the foundation for future career development

Providing vocational education to students during the early educational stage encourages them to explore their interests, values and abilities, and helps them better plan for their future careers. KPMG China has long supported Project WeCan in Hong Kong and the Business-School Partnership Programme (BSPP) launched by the Education Bureau of Hong Kong SAR, which provide secondary school students with work experience and job shadowing opportunities and help them build a preliminary understanding of the workplace. Also, we continue to provide steadfast support for the 'Shishiyoudao' migrant youth programme, which helps migrant youths gain a more comprehensive understanding of future job requirements, while improving their awareness and abilities in career planning.

In addition, KPMG China and its partners have jointly developed the Career 101 for Youth, which focuses on improving students' understanding of work across three dimensions by introducing different types of jobs and emerging positions, and the relationship between personal interests and careers. Under a teaching model that pairs college students with KPMG volunteers, students gain a better understanding of the social impact of different careers and are able to improve their awareness and skills in career planning.



### Employability skills training to facilitate the school-to-work transition

KPMG China is dedicated to cultivating employability skills of young people and providing them with professional training related to business operations, data management and finance. These professional skills can enhance their ability to manage workplace challenges. To improve their innovation and entrepreneurial skills, we also support related educational activities.

We prioritise the integration of theoretical knowledge and hands-on experience for higher education students, and have initiated several flagship projects including the GBA Financial Career Trainee Programme, the Career Up programme and the STEM is HER Future programme. These programmes aim to provide students with real-world exposure where they can apply what they have learned to deepen their understanding and employability skills, and effectively build up their soft skills such as communication, leadership and critical thinking.

## In FY24, we empowered over 8,000 students through our school-to-work portfolio.

“ Through the passion, professionalism and kindness of the firm’s mentors, I can feel the warmth and strength of the KPMG family. I truly appreciate the firm’s culture and people-centred perspective, which made me interested in working at KPMG. I have identified my future career goals, and also realised that I should never stop learning and growing over the course of my career. In the years ahead, I will continue to seek out new experiences, improve my learning and practical abilities, and work diligently to realise my dreams. ”

—Luo Siwei, School of Economics and Management, Shanghai Institute of Technology

“ KPMG’s Career Up programme empowers students’ career development by deepening their understanding of their future career. It also provides students with access to real business scenarios and industry information, which supports more effective career planning. Throughout the programme, students were given the opportunity to form teams and explore different subjects, express their opinions and perform various tasks under the guidance of mentors. During the company visit, students actively contributed to their respective teams, showing early glimpses of team spirit. This valuable learning experience should leave them with a fond memory that will guide their future studies and career. ”

—Professor Lv Boyan, International Business School, Shanghai University of International Business and Economics



In November and December 2023, the Career Up programme hosted company visits at the KPMG Delivery Centres (KDCs) in Foshan, Chengdu and Nanjing. The company visits strengthened students’ understanding of the market demand for talent through job-based skills workshops, staff sharing sessions and other activities.



After the training sessions, industry insight sharing and business mentoring, participants in STEM is HER Future 2024 attended the final conference in Shanghai. Twelve teams competed at our KAMPUS office, of which four teams stood out and were offered internship opportunities.



The GBA Finance Career Trainee Programme, co-organised by KPMG China, Standard Chartered Bank and the CFA Institute, concluded in April 2024. Under the programme, 100 shortlisted trainees across the country formed 20 teams and delivered impressive presentations on the themes of ‘Artificial intelligence’ and ‘ESG – Climate change’.





# Promoting inclusive development

In response to the national strategy for rural revitalisation, KPMG China continues to leverage our professional expertise and core competencies to tackle managerial and operational challenges of social organisations and rural cooperatives in underdeveloped areas. We aim to improve grassroots organisations' financial management, organisational governance and project management capabilities by building their capacity in areas including financial operations planning, institutional governance and strategic planning, as well as talent cultivation and institutional empowerment services.



## Empowering new rural collective economic organisations

Rural cooperatives bear essential responsibility for the construction, development and revitalisation of rural industries. China is currently making progress towards achieving the Long-Range Objectives Through the Year 2035, which include 'deepening the reform of the rural collective property rights system and developing a new rural collective economy'.

As a traditional agricultural city in Guangdong province, Shaoguan has been focusing on developing a new rural collective economy in its most disadvantaged rural areas since 2023. This initiative is also part of Guangdong province's 'High-quality Development Project for Hundreds of Counties, Thousands of Towns and Myriads of Villages' ('the High-quality Development Project'). Under this new development philosophy, talent is the core driver of development. And as emphasised in the 'Opinions on Accelerating the Revitalisation of Talent in Rural Areas', the development of human capital in rural areas should be a top priority.

With the goal of facilitating the implementation of the High-quality Development Project, and helping rural cooperatives enhance their management systems and improve their tax knowledge, volunteer teams from KPMG have provided capacity-building training sessions – with the theme of 'internal control and tax management'. These include key management personnel from 105 rural cooperatives and Agriculture and Rural Affairs Bureaus in Shaoguan.

“ This training provided a valuable opportunity for us to interact with and learn from professionals. KPMG volunteers are very professional, and their lessons deepened our understanding of internal control and tax management, which can help us do a better job in the future. I look forward to applying what I have learned to my work and helping our company develop in a more standardised and efficient manner. ”

—Student representative from the 'Powerful town and wealthy village' Company in Shaoguan

“ As a professional services organisation, KPMG China is committed to following the spirit of the 20th National Congress of the CPC and the important guidance of President Xi Jinping on the work of 'agriculture, rural areas and farmers'. In the future, KPMG China will continue to work with stakeholders to actively explore the sustainable path of public welfare, with the volunteering spirit featuring dedication, friendship, mutual help and progress, and actively use our own competitive advantages and professional skills, to strengthen the rural collective economy and promote the implementation of the 'High-quality Development Project'. ”

—Tina Wang, Secretary of the Party Committee and Senior Partner of KPMG Huazhen's Guangzhou branch, KPMG China







### Enhancing digitalisation in rural areas

Since 2022, KPMG China has supported the Running Water Plan initiated by the China Foundation for Rural Development as the capacity-building partner. Through specialised research and farmer household visits, we have gained insights into the financial difficulties faced by grassroots social organisations. We have also developed training courses and regularly held financial training sessions to help these organisations improve their financial operations. The programme has so far helped build capacity for over 100 underserved social organisations.

Over the past year, KPMG China's volunteers travelled to Leshan city, Sichuan province and Zheng'an county in Zunyi city, Guizhou province, where they provided financial management and digital training to social organisations in underdeveloped areas. In addition to helping social organisations improve their financial accounting systems, KPMG volunteers provided professional guidance to the management personnel on how to address challenges in the adoption of digital solutions in their daily work by demonstrating and analysing various digitalisation scenarios. These training sessions effectively enhanced management's understanding of digital solutions, improving their ability to harness digitalisation in different scenarios and promoting the development of digitalisation in rural areas.

Going forward, we will continue to focus on the development needs of rural areas, leverage our professional advantages and cooperate with NPOs and local governments to consistently empower rural areas, with the aim of bringing more opportunities and positive changes to these regions and supporting the rural revitalisation strategy.

## People-powered impact: joining forces for the greater good

At KPMG, we believe that serving the public good goes beyond financial support—it is the dedication and commitment of every volunteer that truly amplifies the impact. That is why we actively encourage our people to engage in volunteer services. Through our KPMG Community Day, each year, we provide our people with at least eight working hours to volunteer, which supports them to serve the public good with their expertise and passion. Additionally, we established the Chairman's Award to recognise outstanding individuals and teams who have demonstrated sustained commitment or made a significant impact to drive social or environmental change. Since its inception in 2007, a total of 223 individuals and teams have received this honour.

Compared to traditional volunteering models, KPMG has developed a skills-based volunteering model which utilises our people's professional skills. Transforming core competencies such as finance, tax and risk management into practical drivers for social service opportunities creates a deep synergy between personal expertise and corporate social responsibility. With a focus on promoting inclusive development, our people take on the role of professional mentors and create tailored training courses for NPOs on financial management system optimisation and strengthening operational efficiency through digital tools and professional solutions which enhance the organisations' operational sustainability.

Looking forward, KPMG China will continue to deepen its skills-based volunteer model by leveraging professional skills to support community development, using concrete actions to support communities, and ultimately striving to create positive change.





# People story

I'm Frank Wu, director of Cyber Security and Data Protection at KPMG China. My volunteer story with KPMG started with the platform developed by our CSR team, which organises a diverse range of volunteer programmes across the China offices. In addition to taking part in general volunteering on weekdays or weekends, I use my experience and professional knowledge to empower those in need. As an expert in cybersecurity and data protection who understands the value and critical role these areas play, I joined the Global Cyber Day initiative launched by KPMG, which aims to enhance primary and secondary school students' awareness of cybersecurity. I also volunteered as a mentor for college students, sharing my knowledge of project management and business value creation to help them start their own businesses and find success in the future.

Among the many volunteer programmes I have joined, the one that impressed me the most was when I volunteered as a teacher for a school mission. KPMG's school missions are designed with a long-term mindset and aim to empower disadvantaged youth with future-ready skills. From supporting infrastructure construction for rural primary schools to providing ongoing support, we tailor each programme to the evolving needs of rural education, broadening children's horizons and helping them envision the vast world beyond. When I see the spark of hope light up in their eyes through education, I feel strongly that philanthropy benefits both those who give and those who receive. While the children gain knowledge and a broader vision, I am in turn inspired and enriched by their virtue and resilience.

Apart from these volunteer programmes organised by the firm, I also had the unexpected opportunity to help save someone's life last year. While waiting for a traffic light, I saw a gentleman suddenly fall down, and he appeared to be unable to move. At that moment, without hesitation, I stopped my car in the middle of the road and turned on the hazard warning lights to ensure safety. Drawing on my first aid knowledge, I immediately performed CPR until the ambulance arrived. Fortunately, the gentleman was out of danger at that point, and he gradually recovered. This encounter reinforced the invaluable nature of first aid skills and made me cherish every opportunity to help others. Serving the public good is not out of reach—we can practise it through acts of kindness in our everyday lives.

I also believe that we need more people to get involved in volunteering to make a difference. As a team leader, I fully support and encourage my team members to join CSR activities. I have been pleased to see more of them take part, and I can tell they have grown and been inspired by the experience.

I have always believed that by giving to others, you forge your own strength. As I shared when I received the Chairman's Award back in 2020, those who take social responsibility and philanthropic action are laudable, but only those who keep on doing so can make a real difference. Going forward, I will strive to practise what I preach and live up to KPMG's Together and For Better values.



Frank Wu

# Data tables

## Governance: Purposeful business

### ○ Governance structure by gender

	FY24	
	Female	Male
Board members	33%	67%

### ○ Anti-corruption training

	FY24
	Percentage
Board and Executive Committee members completed anti-corruption training	100%
Partners and staff requested to complete anti-corruption training	100%

## People: Inclusion, diversity and equity

### ○ Workforce by level

By level	FY24	Percentage
Leadership	974	7%
Management	2,633	19%
Team members	10,007	74%
Partners and staff	13,614	100%

### ○ Workforce by gender and level

By gender and level	FY24		
	Total	Female	Male
Leadership	974	46%	54%
Management	2,633	60%	40%
Team members	10,007	72%	28%
Partners and staff	13,614	68%	32%



○ Workforce by age

By age	FY24				
	<25	25-34	35-44	45-54	55+
Partners and staff	2,051	8,602	2,160	669	132
Percentage	15.1%	63.2%	15.9%	4.9%	1.0%

○ Workforce by region

By region	FY24		
	Chinese Mainland	Hong Kong SAR	Macau SAR
Partners and staff	11,688	1,907	19
Percentage	85.9%	14.0%	0.1%

○ Partner promotion diversity

By gender	FY24		
	Total	Female	Male
Total	37	38%	62%

People: Continuous learning

○ Training provided

Training provided for full-time employees	FY24
	Hours
Hours per capita	78
Total hours provided	1,159,977

# Planet: Climate change performance

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

	FY19	FY20	FY21	FY22	FY23	FY24
Total GHG emissions (location-based)	85,700	76,198	63,980	69,910	88,781	82,098
Total GHG emissions (net of RECs)	78,993	69,597	55,328	61,396	80,017	73,721
By scope						
Scope 1 emissions	146	130	142	133	199	188
Scope 2 emissions (location-based)	9,092	7,998	8,653	8,515	8,764	8,377
Scope 2 emissions (net of RECs)	2,385	1,397	0	0	0	0
Scope 3 emissions	76,462	68,071	55,185	61,263	79,818	73,533
By source (location-based)						
Fuel use (car travel)	146	130	142	133	199	188
Purchased electricity	9,092	7,998	8,653	8,515	8,764	8,377
Purchased goods and services	39,102	44,334	25,396	37,460	39,619	32,998
Business travel	30,548	18,156	23,120	17,731	34,751	35,364
Employee commuting	3,311	2,497	3,745	2,106	2,182	2,488
Upstream leased assets	2,990	2,650	2,469	3,542	2,853	2,296
Others <sup>1</sup>	511	434	455	424	414	386
Renewable energy certificates purchased	6,707	6,601	8,653	8,515	8,764	8,377
tCO <sub>2</sub> e per full-time employee (location-based)	7.29	6.38	5.12	4.82	5.67	5.74
tCO <sub>2</sub> e per full-time employee (net of RECs)	6.72	5.83	4.43	4.23	5.11	5.16

<sup>1</sup> 'Others' includes Scope 3 emissions from: 1) upstream emissions from purchased fuels, 2) transmission and distribution losses, and 3) waste generated in operations.



○ Energy usage (MWh)

	FY19	FY20	FY21	FY22	FY23	FY24
Purchased electricity	14,510	12,969	13,809	13,784	14,301	13,670
Renewable electricity	10,704	10,704	13,809	13,784	14,301	13,670
Renewable electricity percentage	74%	83%	100%	100%	100%	100%

○ Circularity and sustainable operations

	FY23	FY24
Percentage of retired computers properly disposed of (including recycling, resale and donation)	100%	100%
Toner and printer cartridges recycled (units)	1,848	1,512

	FY23	FY24
Percentage of office floor area located in buildings with green and/or wellness-related certifications	67%	90%
Green corners in offices	14	15

# Prosperity: Employment generation

## ○ Number of new hires and new hire rate

New hires	FY24
Number of new hires	3,135
New hire rate	22%

## ○ New hires by gender

By gender	FY24		
	Total	Female	Male
New hires	3,135	69%	31%

## ○ New hires by level

By level	FY24	
	Total	Percentage
Leadership	12	0.4%
Management	120	3.8%
Team members	3,003	95.8%
Partners and staff	3,135	100%

# Prosperity: Community investment

	FY24
	RMB (in million)
Total community investment equivalent value	25.4

	FY24
	Number of hours
Pro bono professional services	10,424
Volunteering	15,800+

	FY24
	Number of individuals
Volunteers	1,531
Direct beneficiaries	98,000+



# Appendix

## Introduction

KPMG China's 'Our Impact Plan FY24' continues to be prepared using a core set of Stakeholder Capitalism Metrics (SCMs) to report on our most material topics, with the aim of enhancing the transparency and accountability of our 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 OIP report has also been informed by the Global Reporting Initiative (GRI) Standards (2021 update), and it discloses 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 in the next section provides details about how 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 have not prioritised capturing this data. Recognising 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 are continually developing a roadmap to improve the scope and relevance of our reporting, where feasible. In particular, this category includes data for several metrics in the Governance and Prosperity pillars that 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.

# WEF IBC Index tables

## Governance

Theme	WEF IBC SCM core metrics and disclosures	GRI reference	Location and notes
Governing purpose	<b>Setting purpose</b> 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.	GRI 2-12	<ul style="list-style-type: none"><li><a href="#">Governance: Purposeful business</a></li></ul>
Quality of governing body	<b>Governance body composition</b> 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> .	GRI 2-9, GRI 405-1a	<ul style="list-style-type: none"><li><a href="#">Governance: Governance bodies and composition</a></li><li><a href="#">Chairman's message</a></li></ul>
Stakeholder engagement	<b>Material issues impacting stakeholders</b> A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	GRI 2-12, GRI 2-29, GRI 3-2	<ul style="list-style-type: none"><li><a href="#">Stakeholder engagement</a></li><li><a href="#">Our key ESG focus</a></li></ul>
Ethical behaviour	<b>Anti-corruption</b> <div>1. 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></div> <div>2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.</div>	GRI 205-2, GRI 205-3	<ul style="list-style-type: none"><li><a href="#">Governance: Acting with integrity and demonstrating zero tolerance against corruption</a></li><li><a href="#">Data table</a></li></ul>
	<b>Protected ethics advice and reporting mechanisms</b> A description of internal and external mechanisms for: <div>1. Seeking advice about ethical and lawful behaviour and organisational integrity</div> <div>2. Reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.</div>	GRI 2-26	<ul style="list-style-type: none"><li><a href="#">Governance: Speaking up responsibly</a></li></ul>
Risk and opportunity oversight	<b>Integrating risk and opportunity into business process</b> 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.	-	<ul style="list-style-type: none"><li><a href="#">Materiality assessment</a></li><li><a href="#">Governance: Risk management</a></li><li><a href="#">Planet: Climate risk</a></li></ul>



People

Theme	WEF IBC SCM core metrics and disclosures	GRI reference	Location and notes
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><a href="#">People: Inclusion, diversity and equity</a></li><li><a href="#">Data tables</a></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: a. type of operation (such as manufacturing plant) and type of supplier; and <sup>[D]</sup> b. countries or geographic areas with operations and suppliers considered at risk. <sup>[D]</sup>	GRI 408-1b, GRI 409-1	<ul style="list-style-type: none"><li><a href="#">Governance: Respecting human rights</a></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><a href="#">People: Health and well-being</a></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><a href="#">People: Continuous learning</a></li><li><a href="#">Data tables</a></li></ul>

Planet

Theme	WEF IBC SCM core metrics and disclosures	GRI reference	Location and notes
Climate change	<b>Greenhouse gas (GHG) emissions</b> 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. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate. <sup>[MG]</sup>	GRI 305:1-3	<ul style="list-style-type: none"><li>Planet: <a href="#">Report our climate performance</a></li><li>Planet: <a href="#">Sourcing renewable electricity</a></li><li><a href="#">Data tables</a></li></ul>
	<b>TCFD implementation</b> 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> 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.	-	<ul style="list-style-type: none"><li>Planet: <a href="#">Climate risk</a></li><li>Planet: <a href="#">Report our climate performance</a></li></ul>
Nature loss	<b>Land use and ecological sensitivity<sup>[D]</sup></b> 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).	GRI 304-1	-
Freshwater availability	<b>Water consumption and withdrawal in water-stressed areas<sup>[M]</sup></b> 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. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	GRI 303-5	-



Prosperity

Theme	WEF IBC SCM core metrics and disclosures	GRI reference	Location and notes
Employment and wealth generation	<b>Absolute number and rate of employment</b> <b>1.</b> 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> . <b>2.</b> 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> .	GRI 2-7, 401-1a&b	<ul style="list-style-type: none"><li>Prosperity: Contributing to high-quality development</li><li>Data tables</li></ul>
	<b>Economic contribution</b> <b>1.</b> Direct economic value generated and distributed (EVG&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> <b>2.</b> 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>	GRI 201-1, GRI 201-4	<ul style="list-style-type: none"><li>Prosperity: Serving as a responsible corporate citizen</li><li>Data tables</li></ul>
	<b>Financial investment contribution<sup>[D]</sup></b> <b>1.</b> Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. <b>2.</b> Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	-	-
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	-

# GRI Content Index

Statement of use	<ul style="list-style-type: none"><li>KPMG China has reported in accordance with the GRI standards for the period of 1 October 2023 to 30 September 2024</li></ul>	
GRI 1 used	<ul style="list-style-type: none"><li>GRI 1: Foundation 2021</li></ul>	
GRI standards	Disclosure	Location and notes
GRI 2: General Disclosures 2021	2-1 Organisational details	<ul style="list-style-type: none"><li><a href="#">About us</a></li></ul>
	2-2 Entities included in the organisation’s sustainability reporting	<ul style="list-style-type: none"><li>The scope of the report covers the ESG performance and achievements of all operational entities within KPMG China’s offices in 31 cities across China.</li><li><a href="#">About us</a></li><li><a href="#">Governance: Governance bodies and composition</a></li></ul>
	2-3 Reporting period, frequency and contact point	<ul style="list-style-type: none"><li>The reporting period covers KPMG China's 2024 financial year, from 1 October 2023 to 30 September 2024, unless otherwise stated. The report is published annually.</li><li>This report has been published on the <a href="#">KPMG China website</a>. We welcome comments and recommendations on this report and KPMG China's ESG performance. To contact us, please email us at <a href="mailto:qip.cn@kpmg.com">qip.cn@kpmg.com</a>.</li><li><a href="#">Contact us</a></li></ul>
	2-4 Restatements of information	<ul style="list-style-type: none"><li>There is no restatement of information during the year.</li></ul>
	2-5 External assurance	<ul style="list-style-type: none"><li>We are currently undertaking an internal assurance readiness assessment as part of our commitment to enhancing the credibility and reliability of our ESG reporting. We plan to pursue external assurance in the future to align with best practices and stakeholder expectations.</li></ul>
	2-6 Activities, value chain and other business relationships	<ul style="list-style-type: none"><li><a href="#">About us</a></li><li><a href="#">Stakeholder engagement</a></li><li><a href="#">Our key ESG focus</a></li></ul>
	2-7 Employees	<ul style="list-style-type: none"><li>Relevant information available in the <a href="#">People pillar section</a></li><li><a href="#">Data Table: People</a></li></ul>
	2-8 Workers who are not employees <sup>[D]</sup>	<ul style="list-style-type: none"><li>Not applicable to KPMG China.</li></ul>

GRI standards	Disclosure	Location and notes
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	<ul style="list-style-type: none"><li><a href="#">Governance: Governance bodies and composition</a></li></ul>
	2-10 Nomination and selection of the highest governance body <sup>[D]</sup>	<ul style="list-style-type: none"><li>Relevant information available in <a href="#">Governance: Governance bodies and composition</a></li></ul>
	2-11 Chair of the highest governance body	<ul style="list-style-type: none"><li><a href="#">About our chairman</a></li></ul>
	2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"><li><a href="#">Governance: Governance bodies and composition</a></li></ul>
	2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"><li><a href="#">Governance: Governance bodies and composition</a></li></ul>
	2-14 Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"><li>KPMG China’s Executive Committee reviews and approves the ‘Our Impact Plan’ report including material topics outlined in this report.</li></ul>
	2-15 Conflicts of interest	<ul style="list-style-type: none"><li><a href="#">Governance: Maintaining independence</a></li><li><a href="#">Code of Conduct</a></li></ul>
	2-16 Communication of critical concerns	<ul style="list-style-type: none"><li><a href="#">Stakeholder engagement</a></li><li><a href="#">Governance: Governance bodies and composition</a></li></ul>
	2-17 Collective knowledge of the highest governance body	<ul style="list-style-type: none"><li><a href="#">Governance: Governance bodies and composition</a></li></ul>
	2-18 Evaluation of the performance of the highest governance body <sup>[D]</sup>	<ul style="list-style-type: none"><li>Relevant information available in <a href="#">Governance: Governance bodies and composition</a></li></ul>
	2-19 Remuneration policies <sup>[D]</sup>	<ul style="list-style-type: none"><li>Relevant information available in <a href="#">People: Health and well-being</a></li></ul>
	2-20 Process to determine remuneration <sup>[D]</sup>	<ul style="list-style-type: none"><li>Relevant information available in <a href="#">People: Health and well-being</a></li></ul>



GRI standards	Disclosure	Location and notes
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio <sup>[D]</sup>	<ul style="list-style-type: none"><li>Relevant information available in <a href="#">People: Health and well-being</a></li></ul>
	2-22 Statement on sustainable development strategy	<ul style="list-style-type: none"><li><a href="#">Chairman’s message</a></li></ul>
	2-23 Policy commitments	<ul style="list-style-type: none"><li>KPMG China’s policy commitments are described throughout the report</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</li><li><a href="#">Code of Conduct</a></li></ul>
	2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"><li><a href="#">Governance: Acting transparently with integrity and accountability</a></li><li><a href="#">Planet: Our management approach and progress</a></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><a href="#">Governance: Speaking up responsibly</a></li><li><a href="#">Code of Conduct</a></li></ul>
	2-27 Compliance with laws and regulations	<ul style="list-style-type: none"><li><a href="#">Governance: Acting transparently with integrity and accountability</a></li></ul>
	2-28 Membership associations	<ul style="list-style-type: none"><li><a href="#">Awards and recognition</a></li><li><a href="#">Governance: Cooperating with allies to build a greener future</a></li><li><a href="#">People: Partnering with other institutions to advance broader IDE cultural development</a></li><li><a href="#">Planet: Collaborating with MCF to promote ecological protection in the GBA</a></li></ul>
	2-29 Approach to stakeholder engagement	<ul style="list-style-type: none"><li><a href="#">Stakeholder engagement</a></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>

GRI standards	Disclosure	Location and notes
GRI 3: Material Topics 2021	3-1 Process to determine material topics	<ul style="list-style-type: none"><li><a href="#">Materiality assessment</a></li></ul>
	3-2 List of material topics	<ul style="list-style-type: none"><li><a href="#">Our key ESG focus</a></li></ul>
	3-3 Management of material topics	<ul style="list-style-type: none"><li><a href="#">Our key ESG focus</a></li><li>Relevant information available throughout our report</li></ul>

GRI standards	Disclosure	Location and notes
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	<ul style="list-style-type: none"><li><a href="#">Governance: Acting with integrity and demonstrating zero tolerance for corruption</a></li></ul>
	205-2 Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"><li><a href="#">Governance: Acting with integrity and demonstrating zero tolerance for corruption</a></li></ul>
	205-3 Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"><li><a href="#">Governance: Acting with integrity and demonstrating zero tolerance for corruption</a></li></ul>

GRI standards	Disclosure	Location and notes
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	<ul style="list-style-type: none"><li><a href="#">Data tables: Planet</a></li></ul>
	302-3 Energy intensity	<ul style="list-style-type: none"><li><a href="#">Data tables: Planet</a></li></ul>
	302-4 Reduction of energy consumption	<ul style="list-style-type: none"><li><a href="#">Data tables: Planet</a></li></ul>

GRI standards	Disclosure	Location and notes
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<ul style="list-style-type: none"><li><a href="#">Planet: Nature and biodiversity</a></li></ul>
	304-2 Significant impacts of activities, products and services on biodiversity	<ul style="list-style-type: none"><li><a href="#">Planet: Nature and biodiversity</a></li></ul>
	304-3 Habitats protected or restored	<ul style="list-style-type: none"><li><a href="#">Planet: Nature and biodiversity</a></li></ul>

GRI standards	Disclosure	Location and notes
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"><li><a href="#">Planet: Report our climate performance</a></li><li><a href="#">Data tables: Planet</a></li></ul>
	305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"><li><a href="#">Planet: Report our climate performance</a></li><li><a href="#">Planet: Sourcing renewable electricity</a></li><li><a href="#">Data tables: Planet</a></li></ul>
	305-3 Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"><li><a href="#">Planet: Report our climate performance</a></li><li><a href="#">Data tables: Planet</a></li></ul>
	305-4 GHG emissions intensity	<ul style="list-style-type: none"><li><a href="#">Planet: Report our climate performance</a></li><li><a href="#">Data tables: Planet</a></li></ul>
	305-5 Reduction of GHG emissions	<ul style="list-style-type: none"><li><a href="#">Planet: Report our climate performance</a></li><li><a href="#">Data tables: Planet</a></li></ul>



GRI standards	Disclosure	Location and notes
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"><li><a href="#">Planet: Sustainable supply chain</a></li></ul>
	308-2 Negative environmental impacts in the supply chain and actions taken	<ul style="list-style-type: none"><li><a href="#">Planet: Sustainable supply chain</a></li></ul>

GRI standards	Disclosure	Location and notes
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	<ul style="list-style-type: none"><li><a href="#">Prosperity: Strengthening our presence in key economic regions to facilitate future growth</a></li><li><a href="#">Data tables: Prosperity</a></li></ul>
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"><li><a href="#">People: Health and well-being</a></li><li><a href="#">Careers - Our KPMG</a></li></ul>
	401-3 Parental leave	<ul style="list-style-type: none"><li><a href="#">People: Health and well-being</a></li></ul>

GRI standards	Disclosure	Location and notes
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	<ul style="list-style-type: none"><li>KPMG China strictly complies with the relevant laws and regulations such as the Labor Law and the Labor Contract Law of the People's Republic of China, as well as the applicable notice periods based on national laws.</li></ul>

GRI standards	Disclosure	Location and notes
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<ul style="list-style-type: none"><li><a href="#">People: Health and well-being</a></li></ul>
	403-3 Occupational health services	<ul style="list-style-type: none"><li><a href="#">People: Health and well-being</a></li></ul>
	403-4 Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"><li><a href="#">People: Health and well-being</a></li></ul>
	403-5 Worker training on occupational health and safety	<ul style="list-style-type: none"><li><a href="#">People: Health and well-being</a></li></ul>
	403-6 Promotion of worker health	<ul style="list-style-type: none"><li><a href="#">People: Health and well-being</a></li></ul>
	403-9 Work-related injuries	<ul style="list-style-type: none"><li><a href="#">People: Health and well-being</a></li></ul>
	403-10 Work-related ill health	<ul style="list-style-type: none"><li><a href="#">People: Health and well-being</a></li></ul>
GRI standards	Disclosure	Location and notes
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	<ul style="list-style-type: none"><li><a href="#">People: Continuous learning</a></li></ul>
	404-2 Programmes for upgrading employee skills and transition assistance programmes	<ul style="list-style-type: none"><li><a href="#">People: Continuous learning</a></li></ul>
	404-3 Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"><li><a href="#">People: Continuous learning</a></li></ul>

GRI standards	Disclosure	Location and notes
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	<ul style="list-style-type: none"><li><a href="#">People: Inclusion, diversity and equity</a></li></ul>
	405-2 Ratio of basic salary and remuneration of women to men	<ul style="list-style-type: none"><li><a href="#">People: Inclusion, diversity and equity</a></li></ul>
GRI standards	Disclosure	Location and notes
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"><li><a href="#">Code of Conduct</a></li><li><a href="#">Governance: Respecting human rights</a></li></ul>
GRI standards	Disclosure	Location and notes
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	<ul style="list-style-type: none"><li><a href="#">Governance: Respecting human rights</a></li></ul>
GRI standards	Disclosure	Location and notes
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	<ul style="list-style-type: none"><li><a href="#">Governance: Respecting human rights</a></li></ul>
GRI standards	Disclosure	Location and notes
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	<ul style="list-style-type: none"><li><a href="#">Prosperity: Serving as a responsible corporate citizen</a></li></ul>
	413-2 Operations with significant actual and potential negative impacts on local communities <sup>[D]</sup>	<ul style="list-style-type: none"><li>Relevant information available in <a href="#">Prosperity: Serving as a responsible corporate citizen</a></li></ul>



GRI standards	Disclosure	Location and notes
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	<ul style="list-style-type: none"><li><a href="#">Governance: Respecting human rights</a></li></ul>
	414-2 Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none"><li><a href="#">Governance: Respecting human rights</a></li></ul>

GRI standards	Disclosure	Location and notes
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"><li><a href="#">Governance: Information protection</a></li></ul>

# Contacts

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Publication date: August 2025