



Our Impact Plan

FY2023 update

KPMG. Make the difference.

KPMG in Malaysia

kpmg.com.my/ourimpactplan



About Our Impact Plan

At KPMG in Malaysia, we are dedicated to embedding ESG (environmental, social, and governance) principles throughout our organization, empowering our workforce to drive positive change and delivering innovative solutions to our clients to support their ESG objectives.

We are pleased to unveil our inaugural annual ESG report, entitled '**Our Impact Plan**', which outlines KPMG in Malaysia's initiatives across four core pillars: **People, Planet, Prosperity** and **Governance**. This report underscores our pledge to enhance transparency and responsibility by showcasing the impact we have on the environment and society.

Reporting period

This report covers the period from 1 October 2022 to 30 September 2023, abbreviated as 'FY2023' or 'FY23'.

Reporting scope

The reporting scope includes KPMG in Malaysia's ESG performance and progress across all KPMG offices in Malaysia, unless otherwise stated.

Reporting frameworks and standards

The report is developed in reference to:

- Global Reporting Initiative (GRI) Standards (2021 update);
- Bursa Malaysia's Sustainability Reporting Guide (3rd Edition);
- World Economic Forum's International Business Council (WEF IBC) Core Metrics;
- United Nations Sustainable Development Goals (UN SDG); and
- United Nations (UN) Global Compact Principles.

Your feedback

The report is available on our website at kpmg.com.my/ourimpactplan

We welcome any suggestions, comments and questions about our report and ESG performance. To get in touch with us, please contact impact@kpmg.com.my

Highlights at a glance

People



response rate of Global People Survey FY23



48% of the leadership level (Partners and Directors) are women

193,140

total learning hours, including ESG 101 training for all employees



decrease in employee turnover rate from 39% in FY22 to 30% in FY23

Planet



of total Greenhouse Gas (GHG) emissions, achieving a

21% reduction in Scope 2 emissions from baseline year FY19

Approved the Internal Carbon Price (ICP) to drive low-carbon operations and support decarbonization initiatives

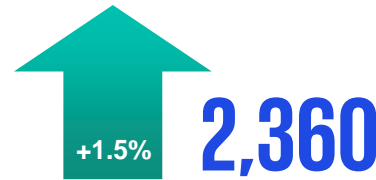


volunteering hours in environmental conservation efforts and projects

Organized firm-wide sustainable initiatives that supported

10 Environmental NGOs

Prosperity



1.5% growth in workforce population across KPMG in Malaysia from FY22

RM5mil

injected into KPMG Education Trust Fund to support KPMG's global 10by30 strategy

191 total beneficiaries, including those economically disadvantaged and indigenous communities

Community investment impact

- RM563,750 in community investments
- 5,717 volunteering hours
- 1,300+ volunteers participated

Governance



of our people completed the annual anti-bribery and corruption training



of our business operations have been assessed for corruption risk

Taking a rigorous approach to the

Enterprise Risk Management (ERM)

process to identify and manage potential top risks



A message from the Managing Partner

How we make the difference

KPMG in Malaysia stands as a leading professional services firm today in testament of the contributions from those before us who shared a common purpose. The firm's history in Malaysia can be traced to the inception of the first office in Ipoh in 1928, and our progress through the decades is intricately woven into the tapestry of the nation's economic and social fabric. For us, making a difference is not just something we say; it's what we do.

Embedded in our core values and actions is a steadfast commitment to effect meaningful change. At KPMG in Malaysia, we assist clients on their transformation journey by delivering insights and actionable solutions that pave the way for a better future. Our Environmental, Social, and Governance (ESG) commitments serve as the watermark running throughout the firm. Our initiatives, underpinned by a strong governance structure, encompass a range of activities, from reducing our carbon footprint through energy-efficient practices to championing community development projects that uplift marginalized communities. We believe that through collective efforts, we can drive measurable change and continue to make a tangible difference in our society.

The establishment of the KPMG Education Trust Fund further demonstrates the firm's commitment to lifelong education and community empowerment. By nurturing the next generation of leaders and equipping them with the tools they need, KPMG contributes to their long-term prosperity and well-being, enabling them to make a positive difference in an ever-changing world.

The same commitment to nurture the next generation is practiced within KPMG with our own people, who represent the beating heart of the firm. United by a shared purpose to inspire confidence and empower change, they are not only instrumental to KPMG in Malaysia's success but are also the catalysts for positive change. For this reason, we continue to prioritize our people, cultivating a supportive and inclusive workplace culture that empowers them to realize their full potential personally and professionally.

I'm proud of everyone at KPMG in Malaysia for their unwavering passion to make the difference. Thank you for being true champions of positive change! It has been my privilege to lead the firm, and I'm confident that our legacy of strength will continue under the leadership of Foong Mun Kong when he takes on the Managing Partner role in January 2025. KPMG is at our best when all of us are working together shoulder-to-shoulder to be part of the solution the world needs. This is what has driven us for almost 100 years in Malaysia, and we're determined to keep learning and improving to enable a better future for all.

“I'm proud of everyone at KPMG in Malaysia for their abiding passion to make the difference. KPMG is at our best when all of us are working together shoulder-to-shoulder to be part of the solution the world needs. This is what has driven us for almost 100 years in Malaysia, and we're determined to keep learning and improving to enable a better future for all.”

Datuk Johan Idris

Managing Partner
KPMG in Malaysia

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KPMG International Our Impact Plan 2024 Update [\(Read\)](#)

KPMG International Climate Risk Report 2024 [\(Read\)](#)

KPMG in Malaysia Transparency Report 2023 [\(Read\)](#)

Material topics

Identifying what matters to us

Embarking on a transformative journey, our primary objective is to integrate ESG principles as fundamental pillars anchored on **People**, **Planet**, **Prosperity** and **Governance** throughout all facets of our organization, thereby empowering our people to drive positive change and deliver quality services to our clients.

This is underpinned by KPMG's comprehensive global ESG strategy, which is centered on five key priority areas: Solutions, talent optimization, fostering growth in developing economies, fostering collaboration and partnerships, and proactive engagement and responsiveness. Leveraging the expertise of our dedicated ESG specialists within the firm, we are not only committed to aiding our clients but also to implementing industry-leading practices across our service lines. This endeavor enables us to establish a robust framework of commitments in alignment with the GRI Standards, Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), WEF IBC Core Metrics, UN SDG, and the UN Global Compact Principles.

Our ESG fundamental pillars

People



Creating a caring, inclusive, Purpose-led and Values-driven culture for our people.

Planet



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

Prosperity



Making a positive social and economic impact.

Governance



Our Purpose and Values guide everything we do.

Materiality approach

At KPMG in Malaysia, we recognize the importance of engaging with a diverse range of stakeholders, each with unique perspectives and interests. Our stakeholders encompass our people, esteemed clients, local communities, regulators, the broader public, and individuals invested in the capital markets. Understanding and addressing their concerns is integral to our commitment to responsible and sustainable business practices.

In FY23, we identified a list of material topics taking into account both internal and external factors as well as inputs gathered from various stakeholder engagement channel to prioritize the material topics that have a significant impact on both our future business operations and the well-being of our stakeholders. To gain deeper insights into the concerns and priorities of our diverse stakeholder groups, we conducted research initiatives. By aligning our business strategies with the interests and expectations of our stakeholders, we can create shared value and contribute to a more sustainable and prosperous future for all.



Leverage on the outcome of our annual Global People Survey (GPS) and employee engagement initiatives to understand our people's concerns and receive feedback



Held meetings with our Executive Committee (EXCO) and Impact@KPMG Partners to collect feedback on our internal ESG priorities.



Held regular meetings with Department heads or representatives to collect their feedback and hold discussions with them from time to time.



Conducted peer review of the material topics identified by other professional services firms and KPMG network firms.



Established Voice of Client (VOC) as an integrated firm-wide approach to better understand our client's needs and perceptions of our performance.

Material topics

We identified a list of material topics associated with each of our ESG Fundamental Pillars, meticulously considering internal and external factors like business strategies, risks, stakeholder expectations, and emerging industry issues in line with international standards. Our ongoing dialogue with internal and external stakeholders allows us to assess the significance of these topics to our firm.

| Pillars | Material topics | Our commitments |
|-------------------|---|---|
| People | <ul style="list-style-type: none"> Talent attraction, development and retention Inclusion, diversity and equity (IDE) Health, well-being, workload and job security | <ul style="list-style-type: none"> Inclusion, diversity and equity (IDE) Health and well-being Continuous learning |
| Planet | <ul style="list-style-type: none"> Environmental sustainability | <ul style="list-style-type: none"> Decarbonization Climate Risk Nature and biodiversity |
| Prosperity | <ul style="list-style-type: none"> Financial, operational and brand resilience Technology and innovation Impactful community initiatives | <ul style="list-style-type: none"> Economic contribution Support the communities in which we operate in |
| Governance | <ul style="list-style-type: none"> Ethics, integrity and independence Transparency and accountability Relevant, quality services in the public interest Information protection Purpose, culture and values | <ul style="list-style-type: none"> Purposeful business Acting transparently with accountability and integrity Respect human rights |

The table above summarize the firm’s material topics and commitments undertaken to manage the material topics. Further details of how we manage each material topic are depicted in the following sections of this report.

Material topics

Understanding the material topics relevant to our business and our stakeholders.

People

Talent attraction, development and retention:

By fostering an environment that values continuous learning and development, we empower our people with the tools they need to help them succeed and make their mark. We're focused on growth and upskilling our talent with leading technologies and future-proof skills.

Inclusion, diversity and equity (IDE):

Unique experiences and perspectives enhance our global organization and help create the drive for a fairer, more equitable society that includes everyone. We're committed to embedding and improving IDE – encouraging people to come as they are. Drawing on the experience and capabilities of our People and Change professionals, we also support our clients in meeting their own commitments and targets and, by doing this, help to drive wider impact across the business environment.

Health, well-being, workload and job security:

To create opportunities for themselves and others, our people should be at their best, both physically and mentally. Our responsibility is to help our people be healthy and to feel secure and supported through the challenges they may face in their personal and professional lives – enabling them to thrive.

Planet

Environmental sustainability:

We're committed to driving a culture of sustainable practices within our firm, across our entire business ecosystem including our suppliers, alliance partners, and through the work that we do for clients. By taking a wider outlook, we aim to drive impact beyond just the boundaries of our business and help to ensure a healthy planet for generations to come. KPMG in Malaysia is actively engaged in fostering a transition toward nature positivity. We are dedicated to influencing positive change in how businesses around the world comprehend and manage their relationship with nature. We are also committed to improving the sustainability of both our own operations and those of our clients.

Material topics

Prosperity

Financial, operational and brand resilience:

Through a diverse and multi-disciplinary business model that emphasizes strong and agile processes and practices, we're well positioned to remain resilient in increasingly complex and volatile environments – promoting wider economic growth and prosperity.

Technology and innovation:

Our continual investment in technology and innovation, in collaboration with our alliance partners and other stakeholders, helps ensure that we're keeping up with the accelerating pace of technological change, positioning us for future success so we can meet stakeholder expectations and achieve our collective growth objectives. We work side-by-side with clients to help them embrace technological change, improve organizational efficiency, drive increased return on investment and enrich the skills required for a digital world.

Impactful community initiatives:

We are committed to having a positive impact on the communities we serve, and we're increasing our investment in a wide range of social initiatives, with an emphasis on education and employment for youth and under-represented populations.

Governance

Ethics, integrity and independence:

We are committed to the highest standards of personal and professional behavior in everything we do. Ethics and integrity are core to who we are and why everyone at KPMG is responsible and accountable for their conduct.

Transparency and accountability:

All KPMG firms are committed to our shared Purpose and Values, professional standards and service quality expectations. Our clear governance and practice management standards help ensure we're driving consistency and accountability across our entire global organization.

Relevant, quality services in the public interest:

We have a fundamental commitment to serve the public interest and build trust. We do this by leading in audit quality, driving responsible tax practices and advising clients on ways in which they can transform their business to help create sustainable value – embedding ESG into client services.

Information protection:

We have policies, processes and controls in place that address confidentiality, information security and data privacy. We provide and mandate annual training on confidentiality, information protection and data privacy requirements. Our clients and stakeholders entrust us with sensitive information, and we're committed to observing applicable laws and regulations and investing in systems to help keep information safe and secure.

Purpose, culture and values:

We're led by our Purpose – to inspire confidence and empower change – and driven by our Values in creating a caring and inclusive culture that provides our people with opportunities to make an impact, solve challenges and tap into their passion for doing work that matters.

ESG as the watermark:

How we make an impact at KPMG

In today's challenging environment, KPMG acknowledges the vital importance of our Purpose — instilling confidence and driving impactful change. This recognition underscores the significance of confidence in navigating complexity and embracing change for sustainable progress. This journey begins with our exceptional personnel, who embody strong values and diverse skills, forming the foundation of our organization. Motivated by our Purpose and guided by core principles, they address pressing global issues with expertise and determination.

KPMG's collaborative efforts involve a vast network of professionals working with clients, partners, and stakeholders worldwide. Together, we leverage innovative technology and global insights to drive progress across various sectors, supporting businesses, governments, NGOs, and communities.

Engaging in crucial discussions, we contribute to shaping both our profession and society, emphasizing the importance of sustainability and public interest.

Amidst our endeavors, we prioritize the resilience and sustainability of our own business practices, aligning with global standards and commitments to sustainable development. Through minimizing our environmental footprint and embedding ESG considerations, we aim to empower those we serve to overcome challenges, reaffirming our dedication to being part of the solution for a better future.

| | | | | | | |
|-----------------------|--|---|--|--|-------------------------------|--|
| Aspiration | Make ESG the watermark underpinning everything we do while striving to achieve our ambition of driving growth across our business and of becoming the most trusted and trustworthy professional services firm | | | | | |
| Our Impact | Clients and supply chain <ul style="list-style-type: none"> Impact through the services we provide Offer insights and analysis to help inform the decision making of clients Sustainable, ethical and fair practices | People <ul style="list-style-type: none"> Create an inclusive culture where our people come as they are Commitment to offer the skills needed for the future world of work Do work that matters Support the communities we live in | Society <ul style="list-style-type: none"> Bring together multi-disciplinary skills and our geographic breadth to help build a fairer and more equitable future Reflect the communities we operate in | Environmental <ul style="list-style-type: none"> Reduce our impact on the planet to build a more sustainable and resilient future Support conservation and protection programs of nature and biodiversity | | |
| Our Foundation | Our Purpose Inspire confidence. Empower change. | Our Values Integrity, Excellence, Courage, Together, For Better. | | | | |
| What we offer | Commitment to drive meaningful, sustainable change | Professional excellence and quality services | Scale of reach and expertise | Innovative solutions | Protection of capital markets | Shaping of public policy and regulations |

People

Creating a caring, inclusive, Purpose-led and Values-driven culture for our people.

Our commitments

Inclusion, diversity and equity (IDE)

Have an inclusive culture, built on trust

Continuous learning

Develop a continuous learning culture

Health and well-being

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

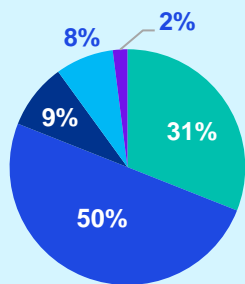
| | | | | |
|--|---|---|---|--|
| <p>3 GOOD HEALTH AND WELL-BEING</p>  | <p>5 GENDER EQUALITY</p>  | <p>8 DECENT WORK AND ECONOMIC GROWTH</p>  | <p>10 REDUCED INEQUALITIES</p>  | <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>  |
|--|---|---|---|--|



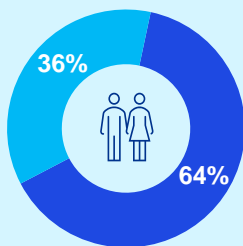
Our workforce: FY23 snapshot

Workforce composition

Age Group

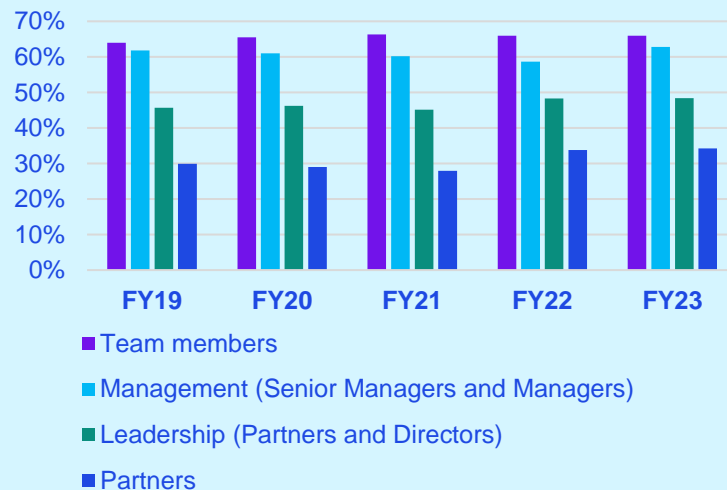


Gender Group



- <25
- 25-34
- 35-44
- 45-54
- 55+
- Female
- Male

Female representation by level



Labor practices in FY22

Contractors/ Temporary Staff



Employee Turnover



Management - 110
Non-management - 794

Labor practices in FY23

Contractors/ Temporary Staff

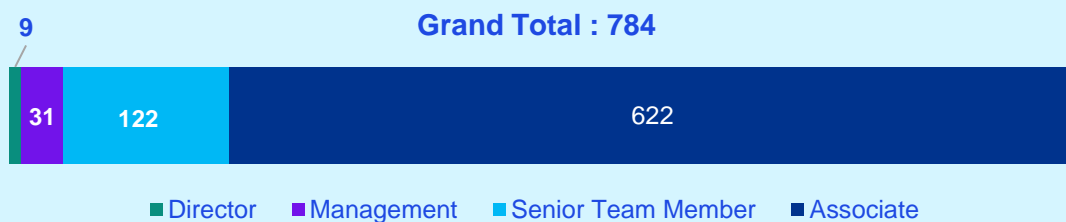


Employee Turnover

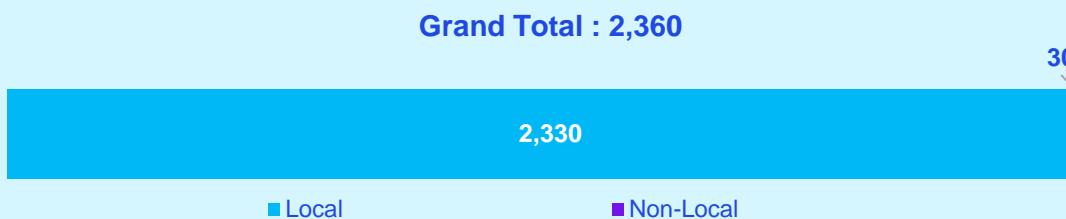


Management - 79
Non-management - 638

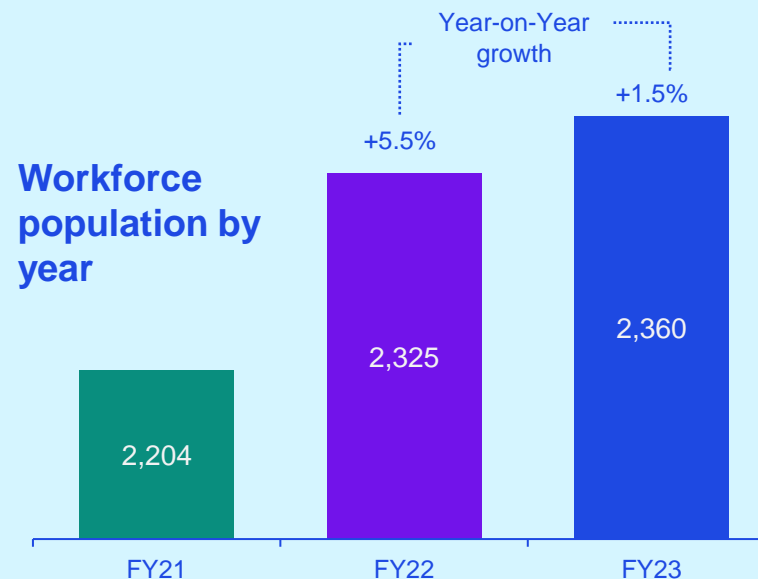
New hires by level



Workforce by nationality:



Workforce population by year



Our people strategy

At KPMG in Malaysia, we prioritize our 2,360 workforce, investing in their development and creating an inclusive workplace. Our people-centric approach aims to make us a preferred employer, emphasizing skills, aspirations, and perspectives to build a dynamic environment. Our strategy focuses on attracting, retaining and developing talent, fostering an inclusive culture, empowering employees, and facilitating growth. With the best people driving our success, we thrive together, benefiting colleagues, clients and the communities we operate in.

Given the competitive landscape for top talents, it's imperative for our business and expansion strategy to attract leading-edge professionals. Our People Promise underscores a commitment to recognize each individual's value and care for their well-being. We're dedicated to providing a people-centric experience, making KPMG in Malaysia not only a home for top performers but also the clear choice for the best talents.

Employee Value Proposition

KPMG's Employee Value Proposition (EVP) is a promise of the people experience we will create for and with each other. Our comprehensive EVP framework allows us to attract amazing talents and retain our extraordinary people.

Through the implementation of the five pillars of our EVP framework, we reinforce our ambition to become the most trusted and trustworthy professional services firm. This sends a clear message to all current and prospective KPMG personnel that the firm is committed to embody a corporate ethos of integrity, inclusivity and excellence.

KPMG's EVP is built on five core pillars, each emphasizing distinct commitments and focus areas:



Do work that matters

Each day, we strive to make meaningful and positive impacts for our clients, employees, and communities, navigating through a complex world. Our purpose-driven approach focuses on client impact and addressing their challenges with our core values at heart.



Come as you are

All differences and unique perspectives belong here. Individually and as a team, we stand united and understand, it is our differences that lead to stronger insights and innovation. To be diverse, inclusive and provide equal footing to drive innovation.



Thrive with us

We forge strong bonds within the KPMG community, offering support for personal and professional growth, and promoting collaboration and well-being to adapt to evolving work styles.



Learn for a lifetime

Thrive in a culture of continuous learning. Collaborate with industry leaders, embrace emerging trends, and leverage advanced technology for ongoing development.



Make your mark

Your aspirations and initiative make KPMG better. Be recognized for the impact you make, the leadership you show, and the success you create with others. To empower and drive impact by bringing focus to reward, recognition as well as career progression.

Inclusion, diversity and equity (IDE)

Our commitment

Have an inclusive culture built on trust

We aim to create an inclusive culture at KPMG in Malaysia through various Inclusion, Diversity, and Equity (IDE) initiatives. We continue to focus on gender equality and other diversity dimensions, seeking to expand our programs' impact and measurement. Our goal is to achieve greater representation of women in leadership roles by 2025.



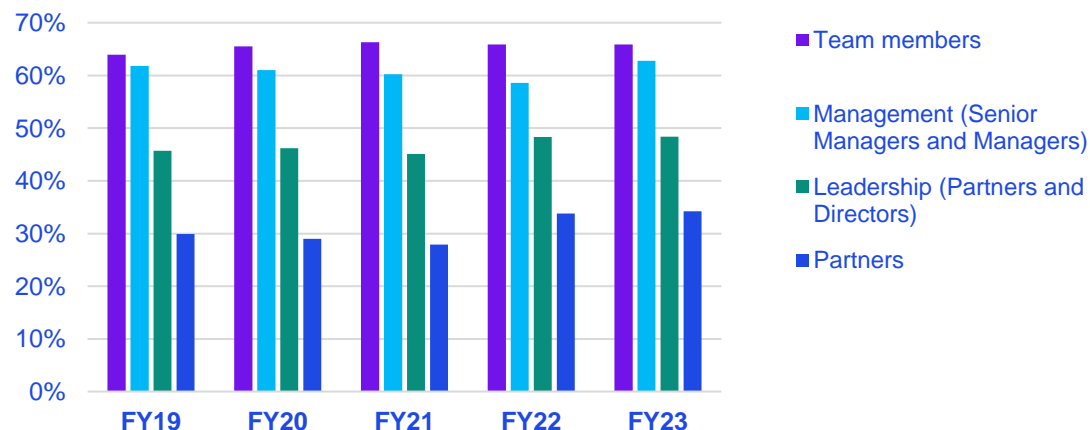
KPMG in Malaysia is committed to building a diverse and equitable firm that is inclusive to all. Inclusion, diversity and equity (IDE) is core to our very existence – helping us build great teams with diverse views that represent the world we live in. It leads to better decision making, drives greater creativity and innovation, and encourages us to stand up, live our Values, and do what is right. At the heart of our success lies our unwavering dedication to fostering an inclusive workplace culture that values the contributions of every individual. One of our key focus areas has been enhancing people engagement through various initiatives aimed at creating a sense of belonging and empowerment among our workforce.

Advancing in gender equality

KPMG in Malaysia places a high importance on gender equality and advocates for equal access to opportunities for all talents. For the past 4 years, we have seen positive trends in gender diversity in female representation across the board, with a growth from 62% to 64%.

Surpassing the target set by KPMG International of 33% for women in leadership positions – including partners and directors – by 2025, KPMG in Malaysia takes great pride in achieving 64% female representation in our workforce, with 48% female representation in leadership roles, as of September 2023.

Female representation by level



Gender representation in Malaysia (FY19 to FY23)

| | FY23 | | | FY22 | | | FY21 | | | FY20 | | | FY19 | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Gender by Level | Total | Women | Men | Total | Women | Men | Total | Women | Men | Total | Women | Men | Total | Women | Men |
| Leadership | 213 | 48.4% | 51.6% | 207 | 48.3% | 51.7% | 182 | 45.1% | 54.9% | 186 | 46.2% | 53.8% | 184 | 45.7% | 54.3% |
| Partners | 73 | 34.2% | 65.8% | 68 | 33.8% | 66.2% | 68 | 27.9% | 72.1% | 69 | 29.0% | 71.0% | 67 | 29.9% | 70.1% |
| Directors | 140 | 55.7% | 44.3% | 139 | 55.4% | 44.6% | 114 | 55.3% | 44.7% | 117 | 56.4% | 43.6% | 117 | 54.7% | 45.3% |
| Management (Senior Managers and Managers) | 274 | 62.8% | 37.2% | 278 | 58.6% | 41.4% | 304 | 60.2% | 39.8% | 313 | 61.0% | 39.0% | 304 | 61.8% | 38.2% |
| Team members | 1,873 | 65.9% | 34.1% | 1,840 | 65.9% | 34.1% | 1,718 | 66.3% | 33.7% | 1,701 | 65.5% | 34.5% | 1,750 | 63.9% | 36.1% |
| Senior associates | 867 | 68.9% | 31.1% | 755 | 67.7% | 32.3% | 821 | 67.0% | 33.0% | 849 | 68.4% | 31.6% | 843 | 67.7% | 32.3% |
| Associates | 1,006 | 63.3% | 36.7% | 1,085 | 64.6% | 35.4% | 897 | 65.7% | 34.3% | 852 | 62.6% | 37.4% | 907 | 60.4% | 39.6% |
| Total partners and employees | 2,360 | 63.9% | 36.1% | 2,325 | 63.4% | 36.6% | 2,204 | 63.7% | 36.3% | 2,200 | 63.2% | 36.8% | 2,238 | 62.2% | 37.8% |

Strength through diversity

Talent diversity

At KPMG in Malaysia, our workforce is deliberately diverse, welcoming professionals and non-professionals from varied educational backgrounds such as business, economics, law, computer science, and engineering. This inclusive approach goes beyond traditional accounting realms, highlighting our commitment to providing job opportunities that recognize diverse skill sets and talents. We prioritize meritocracy in recruitment and offer comprehensive support for career growth, enabling individuals from diverse backgrounds to thrive within our organization. Through collaborative multidisciplinary teams, we effectively tackle complex challenges, delivering exceptional value to our clients and communities.

Similarly, we also recognize and celebrate the vital contributions of our business support employees, who make up 12.9% of our workforce. Their dedicated efforts serve as the backbone of the firm's operations, ensuring the seamless execution of daily tasks and the successful delivery of services to clients. Their diverse talents and unique contributions are deeply valued and welcomed as part of our inclusive culture, which extends to all areas of our organization to fuel innovation, creativity and excellence.



Festive celebrations

Throughout the year, the firm produced festive videos tailored to each festive season, celebrating the diverse backgrounds of our people and fostering inclusivity in the workplace. These videos feature trivia, personal experiences during the festivities where our people are encouraged to dress in traditional attire. Embracing multiculturalism, departments also organize their own gatherings during festive seasons. To welcome the Chinese New Year, the firm organized lion dance performances at selected offices including Petaling Jaya and Penang. Additionally, we honored the sacred month of Ramadan with a management-level Iftar event.



International Women's Day

The firm hosted a special in-house shopping event featuring local businesses at the KPMG Bazaar, alongside distributing themed items like badges and vouchers. Staff were encouraged to wear purple and share their support on social media. A complimentary yoga session promoted well-being, while a video showcased diverse talents in alignment with the theme "Embrace Equity." An Embrace Equity contest invited participants to offer written advice to women, with submissions featured on the firm's Instagram page throughout the week.



International Men's Day

The firm dedicated International Men's Day to honoring the vital contributions of our male colleagues through a video production centered on the theme "Helping Men and Boys", featuring male personnel sharing inspiring stories of overcoming obstacles, expressing emotions, and the impact of male role models. In addition to the in-house bazaar, we offered complimentary massage sessions and organized talks on mental health and prostate cancer awareness to support our men's well-being and mental health initiatives.



Cultural Day

Conducted yearly, KPMG's Cultural Day is a focal point for embracing the diverse pot of cultures within our workforce. This day of unity featured 10 country-hosted booths showcasing delightful cuisines from activities that encourage our people to network with fellow colleagues while enriching their knowledge of the various cultures.

Talent retention

We recognize that retaining talent is paramount to our continued success and growth. In response to this imperative, we have implemented a range of initiatives aimed at recognizing and appreciating the contributions of our people. These initiatives stand as testament to our unwavering commitment to nurture and retain top talent within our organization.

In FY23, our turnover rate stood at 30%, marking a significant improvement from the previous fiscal year's rate of 39% in FY22. This notable reduction in turnover reflects our proactive approach to addressing retention challenges and underscores the effectiveness of our talent retention strategies.

It's worth mentioning that the turnover rate in FY23 includes the retirement of 6 personnel who were non-Partners of the firm. Our approach encompasses continuous support in succession planning as well as retirement planning as they transition to their next chapter in life.

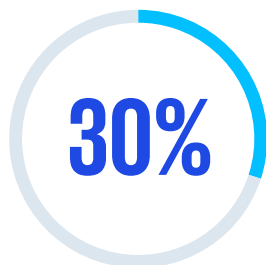
Turnover rate in FY22



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Turnover rate in FY23



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Recognition and Appreciation



Long Service Awards

Our people remains at the heart of everything we do. To celebrate our people's dedication and continuous support, our Long Service Awards program is held annually to recognize those who have been with KPMG in Malaysia for 25 years and have contributed to the firm's progress.

In FY23, we awarded 4 personnel for reaching this monumental milestone with cash tokens.

KPMG Values Awards

The KPMG Values Award is open to all personnel year-round, and it recognizes outstanding individuals who consistently exemplify KPMG's core values. The program features two categories: Spot Award and Team Award.

In FY23, a total of 32 individuals and teams across KPMG in Malaysia were nominated and received the Awards.

Spotlight on: Recruitment strategy to being the clear choice

KPMG in Malaysia's recruitment strategy prioritizes inclusivity and equal opportunities for all applicants. Our process is fair and structured, considering qualifications over factors such as race, gender, age, disability, or marital status. In our commitment to providing individuals with opportunities, KPMG in Malaysia collaborates with universities to support talent development. Additionally, we actively participate in various career-building initiatives, including GRADUAN Aspire, Graduate's Choice Award (GCA), The Malaysian Career Fair (UKEC), Talent Bank Career Fair, and Mega Careers & Study Fair. These platforms allow us to personally engage with prospects from diverse backgrounds, contributing to our notable awards and reinforcing our industry standing in 2023.

2023 Awards

1. GRADUAN Brand Awards 2023 - Champion (Professional Services Firm of the Year)
2. Graduate Choice Awards 2023 - First Runner Up in Accounting and Consulting Categories
3. M100 Awards 2023 - Champion in Accounting Category and First Runner Up in Consulting Category

2021 – 2022 Awards

1. GRADUAN Brand Awards 2022 - #1 Winner Most Preferred Employers in Professional Services and #4 in Overall Ranking
2. Graduate Choice Awards 2022 - First Runner Up in Accounting and Consulting Categories
3. M100 Awards 2022 - Second Runner Up in Accounting & Consulting Category
4. Graduate Choice Awards 2021 - #1 Winner in Accounting Category, and #2 in Consulting Category
5. M100 Awards 2021 - Second Runner Up in Accounting & Consulting Category
6. Sustainability & CSR Malaysia Awards - Champion (Professional Services Firm of the Year)



University engagements



Health and well-being

Our commitment

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

Physical and mental well-being are integral to enabling individuals to thrive and deliver high-quality work to our clients. At KPMG in Malaysia, we're dedicated to fostering a culture where individuals feel empowered to prioritize their well-being. This includes creating an environment where they can openly discuss their well-being and seek support when needed. We recognize that supporting our team members' well-being is crucial for their success and our collective effectiveness in serving our clients.



Enhancing well-being metrics and understanding

In 2023, KPMG's annual Global People Survey was expanded in scope of questions to ensure more precise and consistent measurements across all KPMG firms. These results complement any additional in-depth surveys conducted by individual firms, providing a comprehensive understanding of our employees' well-being.

According to the 2023 results, an encouraging 72% of KPMG professionals affirm that the global organization demonstrates care and concern for its employees, reflecting positively on our commitment to fostering a supportive work environment. Additionally, 71% indicated that the well-being support provided adequately meets their needs, signaling effective initiatives in place.

While these results are promising, they also reveal areas for further development. With this established baseline, the firm is dedicated to leverage these insights to identify additional opportunities for improvement of our well-being programs.

Health and Safety

KPMG in Malaysia recorded **zero work-related fatalities** and maintained **a zero lost time incident rate in FY23**. We also have safety measures internally, including an eLearning program on Workplace Health and Safety. This equips employees with vital skills to identify and address hazards, handle lifting tasks safely, understand fire safety, and apply ergonomic principles in their work environment. This eLearning program is accessible to all our people as an optional training initiative.

Acknowledging the importance of this training, KPMG in Malaysia has decided to mandate its completion for all employees in the upcoming fiscal year. This strategic move aims to cultivate a proactive and safe work culture, ensuring comprehensive awareness and preparedness across our firm.

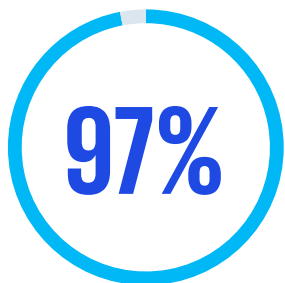


Listening channel: Global People Survey

Our annual well-being survey, the Global People Survey (GPS), stands as a cornerstone of our commitment to enhance the employee experience at KPMG firms worldwide. The GPS provides a comprehensive overview of results, encompassing both quantitative data and qualitative feedback, which is then analyzed at both firm-wide and team-specific levels. This initiative represents a significant stride towards promoting transparency, safety and trust within the workplace, empowering individuals to voice their opinions openly and without reservation.

For KPMG in Malaysia, the high **response rate of 97%**, a notable 3% increase from the previous year, underscores the effectiveness of our approach. This remarkable engagement level reflects the culture of openness and inclusivity that we strive to cultivate at the firm. Through the GPS, we have gained valuable insights into various aspects of our organization, enabling us to identify areas for improvement and implement targeted initiatives to address them. This feedback loop not only fosters continuous improvement but also demonstrates our people's willingness to actively engage in shaping the future direction of our firm.

Out of this survey, we discovered that **85% of our people agreed that the firm's leadership executes a clear business strategy to achieve Trust and Growth in the market we operate in**, up from 76% in 2022.



**Response rate in the 2023
Global People Survey**

Source: KPMG in Malaysia FY23 Global People Survey



Work-life balance

At KPMG in Malaysia, we prioritize our people's well-being, recognizing the impact of their mental and physical health on job satisfaction. Therefore, we are committed to enhancing their overall well-being through a variety of initiatives and activities aimed at providing holistic support.

Mental & emotional



- **Employee Assistance Program (EAP)** was launched in June 2021 to support employee well-being through confidential counseling services, financial planning assistance, and support for personal challenges. This ongoing program helps our people navigate difficult situations and manage stress.
- **Wellness talks and activities**

Physical



- **Aktif@KPMG** - bi-weekly sports activities with over 400 participants.
- **Inter-department Games (IDG)** is an annual event where teams are formed comprising various departments to compete in various sports. In 2023, IDG involved 414 KPMG athletes participating in 14 competitive sports.
- **Health screening at special rates**
- **Comprehensive medical insurance**
- **Corporate discounts on wellness packages and gym memberships**

Social



- **KPMG Annual Dinner**
- **Networking groups** offer opportunities for our people to connect and network through shared interests such as Toastmaster, Cycling, Pegasus (motorbikes), Art, and Vikings (dragon boat).
- **Rest, Refresh, and Rejuvenate Fund (3R Fund)** is a dedicated pool of resources allocated for each department to support our people's well-being and work-life balance.
- **KPMG Bazaars** are organized in-office where our people can explore various goods and services from different vendors at promotional prices.

Cross-cutting initiatives



3-day MC free leave: Our people receive three leave days without needing a medical certificate.



We Treat, You Eat: Bi-weekly complimentary breakfasts for our people to enjoy fruits, hot meals and beverages.



Snack Smart Initiative: Nutritious pantry snacks were supplied three times a week from September to December 2023.



Golden Week: A pioneering initiative by KPMG in Malaysia, which offers our people 9 consecutive days of break in September 2023 to unwind from work-related stressors, indulge in leisure activities, and spend quality time with family and friends.



Casual Fridays: Allows our people to dress down and embrace smart casual attire every Friday.



Support through various life circumstances

Parental leave

In our ongoing commitment to foster an inclusive and supportive workplace for new parents, effective 1 January 2023, KPMG in Malaysia enhanced its leave entitlement policies.

Maternity leave: The duration of maternity leave is extended from 90 calendar days to 98 consecutive calendar days for each confinement, with a limit of 5 confinements.

Paternity leave: Paternity leave is increased to 7 consecutive calendar days for each confinement, up to a limit of 5 confinements.

These enhancements underscore the firm's dedication to support our people through their parenthood experience.



Marriage tokens

KPMG in Malaysia provides marriage tokens to commemorate this life event for our people, as they embark on a new journey with their partner. By celebrating the personal milestones of our people, we strive to create a workplace where they feel valued, supported, and motivated to achieve their professional and personal goals.

Maternity tokens

As additional support for mothers, KPMG in Malaysia initiated this initiative where mothers are presented with essential items such as diapers, baby wipes, relaxing oil and diaper tape. This serves as a powerful gesture of support as we join our people in celebrating a new milestone in their life.

Bereavement tokens

During times of loss, we extend heartfelt condolences to our people and their families through an offering of bereavement tokens. These tokens serve as a tangible expression of the firm's support so that they may find solace and comfort during this difficult time.

Our people in action: Inter-Accounting Firm Games (IAFG) 2023

Following a pandemic-induced hiatus, the Inter-Accounting Firm Games (IAFG) made a triumphant return in September 2023, bringing together Accounting firms in Malaysia for a thrilling showdown across 16 sporting events. KPMG in Malaysia was represented by 162 dedicated athletes and 1,008 enthusiastic supporters. Our triumph as the IAFG 2023 Overall Champion – securing 7 Gold, 2 Silver, and 5 Bronze medals – is a testament to our people’s teamwork to achieve excellence.



Continuous learning

Our commitment

Develop a continuous learning culture

Rapid advances in technology underscore the heightened significance of reskilling and upskilling. Offering our people avenues for continuous learning and career advancement stands as a fundamental tenet of KPMG's people strategy. Alongside our extensive array of training programs, we are cultivating leaders adept at coaching and facilitating discussions around diverse career pathways, emblematic of our multi-disciplinary model.



Accelerator Learnings

Introduced in Q4 2022, the Accelerator Learnings initiative aims to enhance employee development across all functions. One key component is the Digital & Data Foundations program on Pluralsight, which offers a deep dive into contemporary technology trends such as Big Data, Cloud Computing, Cybersecurity, and Blockchain, crucial for navigating the evolving business landscape.

Kaltura serves as our primary virtual classroom platform, facilitating remote learning for learners nationwide with high-quality video streaming, interactive sessions, and engaging content. It brings the classroom experience to life, enabling learners to achieve their objectives effectively. Additionally, integrated features allow for the direct recording of Continuing Professional Education (CPE) credits into KPMG's Global Learning Management System (GLMS).

In FY23, total training hours

193,140 hours

of formal learning firmwide

In FY23, average spend of

RM342

in internal training per individual

1. Includes continuous professional education, but excludes professional designation training, such as training to become a certified public or chartered accountant.
2. Includes instructor classroom-led training as well as digital and virtual training.
3. Includes training development, licenses, administration, and delivery. The opportunity cost of completing training is not included.
4. Includes travel and venue costs, including KPMG dedicated training facility location costs.
5. "Per individual" is based on average total partner and employee headcount

Sponsorship for Professional Examinations Agreement (SPEA)

We sponsor up to RM18,000 for our people interested to pursue a certified professional qualification. Sponsorship includes up to five study leave days per exam paper, plus one exam day leave per paper. Additional study leave and incentives for outstanding performance are also offered.

Global Secondment opportunities

KPMG offers Global Secondment opportunities for career advancement and cross-border exposure. In FY23, we deployed 15 secondees to Australia, USA, Canada, Taiwan, and New Zealand via programs such as the Audit Career Enhancement (ACE), US Mobility Program and Global Opportunities (GO) mobility programs.

The firm continues to foster global talent development, exemplified by the deployment of 218 secondees on outbound international assignments since 2006. Upon their return, these secondees are promoted to management roles thereby enabling them to leverage on their international exposure and experience to further develop their teams.

Talent Development

Manager Ready Assessment Program

This is our program specifically designed for newly promoted Managers, which aims to equip our future leaders with the necessary skills and insights to excel in their new management position. A key component of the program entails the personnel to deliver presentations on leadership and career development topics to a panel of three to four Partners representing various functions. This unique opportunity allows them to receive valuable feedback from senior leaders of the firm and gain insightful perspectives to help enhance their readiness for the responsibilities of their new role.

Environmental, Social and Governance (ESG) focus

As announced in 2021, KPMG International will spend over US\$1.5 billion over 3 years to accelerate our ESG journey. As we continue to help our clients to achieve their ESG ambitions, it is vitally important that we lead by example.

Aligned with KPMG's global commitment to scale up our ESG offering and to make ESG the watermark that runs through our organization, ESG training is provided to our people across the global network. ESG 101 – Foundations was released in Q4 2022 via GLMS to equip our people with a clear understanding of ESG matters and to empower them to be agents of positive change.

ESG 201: Cambridge ESG Transformation Curriculum was then introduced in July 2023 – a collaboration between KPMG and the Judge Business School at the University of Cambridge. The curriculum helps furnish our people with the essential ESG knowledge and tools needed for confident client conversations, enabling KPMG to achieve impact on a global stage.

Empowering talent: Advancing digital and data foundations

In FY23, KPMG's workforce across member firms dedicated 126,000 hours in the Digital and Data Foundations training program, with a notable 19,000 hours specifically allocated to artificial intelligence (AI) training. This program plays a pivotal role in bolstering our people's proficiency in AI, enabling them to deliver enhanced insights to clients.

Through a collaboration with leading learning provider Pluralsight, KPMG has expanded the program to encompass an additional 200 courses aligned with our business objectives. These courses encompass diverse areas such as Python, PowerBI, cloud computing, cybersecurity, automation, and disruptive technologies, facilitating deep learning and skill development among our people.

Furthermore, our annual KPMG Global Cyber Day initiative serves as a dual-purpose event, benefiting both our professionals and the wider community. With a mission to promote cyber awareness, this program aims to train over 120,000 individuals globally. Special emphasis is placed on reaching out to youth and fostering safer online practices, thereby contributing to the establishment of a more secure digital ecosystem.

Planet

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

Our commitments

Decarbonization

Achieve net-zero carbon by 2030

Climate risk

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

Nature and biodiversity

Understanding and improving our impact on nature and biodiversity

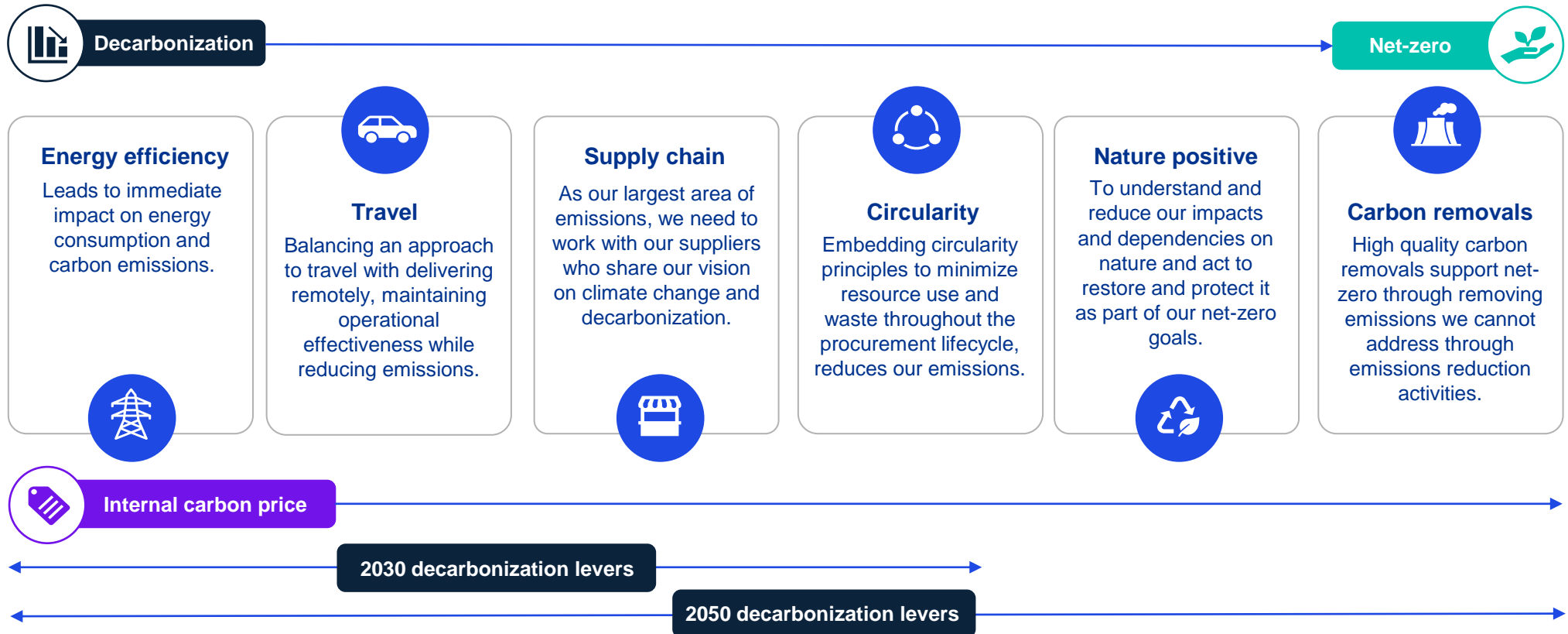
| | | | | |
|---|---|---|---|---|
| 7 AFFORDABLE AND CLEAN ENERGY  | 11 SUSTAINABLE CITIES AND COMMUNITIES  | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | 13 CLIMATE ACTION  | 14 LIFE BELOW WATER  |
| 15 LIFE ON LAND  | 17 PARTNERSHIPS FOR THE GOALS  | | | |



Decarbonization

Net-zero carbon emission by 2030

Globally, KPMG is committed to reach net-zero carbon emissions by 2030, a goal based on a 1.5°C Science Based Target initiative (SBTi). This entails KPMG in Malaysia to reach a 50% reduction of our greenhouse gas (GHG) emissions by 2030 (against a 2019 baseline) — while continuing to look at how we address climate change, water pollution, deforestation, and biodiversity loss. Our strategy centers on halving carbon emissions through a multifaceted approach. This framework encompasses energy efficiency, optimized travel, supply chain transformation, circular economy principles, nature-positive initiatives, carbon removal strategies, and internal decarbonization efforts, including the implementation of an internal carbon price mechanism.



Decarbonization

Our commitment

Achieve net zero carbon emissions by 2030

Decarbonization is pivotal in combatting the adverse effects of climate change, driving our pledge to reduce net-zero carbon emissions by 50% across all scopes by 2030. While positive strides have been made, we acknowledge the intricacies of this journey. Recognizing our responsibility in shaping a sustainable future, we are dedicated to implementing eco-friendly practices, reducing our ecological footprint, and actively contributing to global environmental efforts.



FY23 climate performance

Annually, we report our climate performance to KPMG International following Greenhouse Gas (GHG) Protocol standards. As a professional services provider with high human capital, we monitor emissions on a per individual basis to effectively manage environmental impact relative to our workforce size. This metric helps us to identify sustainability practices improvements and ensures that our growth of human capital does not disproportionately increase the firm's carbon footprint. In FY23, we achieved a 4% reduction in GHG emissions per individual compared to the FY19 baseline and a 5% reduction compared to FY22. In FY24, we aim to achieve an additional 5% reduction. Despite the marginal 1% increase in total GHG emissions from FY22 to 7,036 tCO₂e in FY23, this uptick is largely attributable to the essential normalization of our workforce and business operations following the global pandemic.

2.94 tCO₂e

GHG emission per individual in FY23

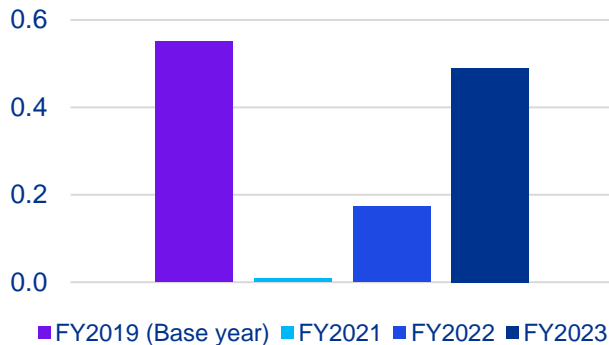
↓ **5%**

reduction in GHG emission per individual from FY22

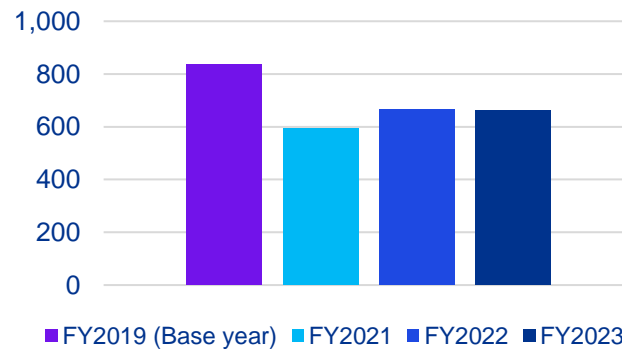


KPMG in Malaysia's operational GHG footprint (unit of measure tCO₂e)

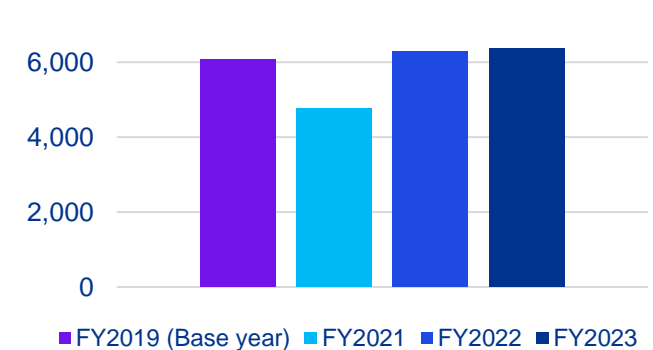
Scope 1



Scope 2 (location-based)



Scope 3



Committed to change: The path to net zero

GHG emissions are categorized into Scope 1, 2, 3 emissions, assessing our operations' environmental impact.

Scope 1 Emissions

In FY23, Scope 1 emissions totaled 0.49 tCO₂e, representing 0.01% of the total emissions. There is a twofold increase in Scope 1 emissions compared to FY22, as our people are returning to the office following an extended period of remote-working necessitated by the COVID-19 pandemic.

Despite increased office attendance, there is a 11% reduction comparing to our baseline year, FY19, which may be attributable to factors such as shifts in behaviors in using our office shuttle van. The MRT Kajang Line, of which one of the stations is situated near our Petaling Jaya office, has provided a less carbon intensive transportation option, reducing the need for vehicular shuttle services and contributing to the decrease in emissions.

Scope 2 Emissions

In FY23, Scope 2 emissions, which encompass indirect emissions from purchased electricity, accounted for 9.4% of the firm's total emissions, totaling 661 tCO₂e. There was a 1% decrease in Scope 2 emissions in FY23 compared to the previous year.

Additionally, this marks a noteworthy 21% decrease from FY19 baseline year. The significant decrease in Scope 2 emissions could be attributed to various energy-saving initiatives, including the transition to LED lights, implementation of SmartSwitches and energy-saving campaigns. SmartSwitches efficiently manage energy usage, while reminders posted around the offices prompt our people to switch off lights and equipment when not in use.

Scope 3 Emissions

Scope 3 emissions encompass all other indirect emissions not included in Scope 1 and Scope 2 emissions. These arise from activities not controlled by KPMG in Malaysia but is associated with its operations, including emissions from purchased goods and services, fuel and energy-related activities, employee commuting and business travels. It is worth noting that emissions from purchased goods and services are calculated based on financial spend rather than direct emission measurements. In FY23, Scope 3 emissions totaled 6,374 tCO₂e, constituting 90.6% of the total emissions.

In comparison to FY22 and FY19 baseline year, Scope 3 emissions increased by 2% and 5%, respectively. The uptick in emissions can be attributed to several initiatives, including investments in IT hardware to support the expansion of our workforce and our efforts to strengthen client relationships, and more frequent travels as part of the firm's continuous client engagements.

Nevertheless, we remain dedicated to addressing our Scope 3 emissions in the future. Our approach will extend to implement sustainable practices such as optimizing travel and advocating for eco-friendly commuting options for our people.

0.49 tCO₂e
Scope 1

661 tCO₂e
Scope 2

6,374 tCO₂e
Scope 3

KPMG in Malaysia's operational GHG footprint (unit of measure tCO₂e)

| Category and Source | FY19 (base year) | FY21 | FY22 | FY23 |
|---|------------------|-----------------|-----------------|-----------------|
| Scope 1 – Vehicle (diesel consumption) | 0.55 | 0.01 | 0.17 | 0.49 |
| Scope 2 – Purchased electricity | 834.81 | 594.71 | 665.19 | 661.32 |
| Scope 3 – Purchased goods and services (category 1) | 2,312.82 | 2,673.25 | 3,720.84 | 3,264.28 |
| Scope 3 – Business travel (category 6) | 1,921.54 | 716.38 | 975.91 | 1,314.03 |
| Scope 3 – Employee commuting (category 7) | 1,732.92 | 1,237.15 | 1,416.06 | 1,584.36 |
| Scope 3 – Others | 106.70 | 122.85 | 160.43 | 211.32 |
| Total Scope 3 | 6,073.98 | 4,749.63 | 6,273.24 | 6,373.99 |
| Total emissions | 6,909.34 | 5,344.35 | 6,938.60 | 7,035.80 |
| GHG emissions intensity | | | | |
| tCO₂e per individual | 3.06 | 2.41 | 3.08 | 2.94 |

- The calculation of tCO₂e per individual is derived from the average total partner and employee headcount.
- In FY21, there was a reduction in Scope 3 emissions from business travel due to travel restrictions and limitations on non-essential trips. This temporary decrease has notably contributed to KPMG in Malaysia's lower carbon footprint during the pandemic.
- Scope 3 – Others encompass Scope 3 category 3A (upstream emissions from purchased fuels, such as Diesel used on company-owned vehicles), Scope 3 category 3B (upstream emissions of purchased non-renewable electricity), and Scope 3 category 3C (transmission and distribution losses associated with purchased non-renewable electricity).
- Historical data, including base year, is adjusted to reflect changes in emission factor methodology in FY23. Refer below for sources of emission factors used:
 - Scope 1 and Scope 3 Category 3C, 6 and 7 were based on United Kingdom Department of Environment, Food and Rural Affairs (UK Defra) GHG Conversion Factors;
 - Scope 2 and Scope 3 Category 3A and 3B were based on International Energy Agency (IEA) Emission Factors;
 - The methodology used for Scope 3 Category 1 incorporates allocated emissions from suppliers (specific to KPMG) based on CDP (formerly the Carbon Disclosure Project) data.

Driving sustainable behavioral change in our workplace

In line with global efforts towards decarbonization, KPMG in Malaysia aims to achieve our net-zero target by 2030 and offsetting any remaining emissions that could not be removed from our operation and supply chain by investing in externally accredited carbon removal projects. Over the past year, we have taken several initiatives to decarbonize our operation and promote sustainability in our workplace and have successfully encouraged our people to take part in climate actions.

Efficient Energy Management

In FY23, KPMG in Malaysia achieved a significant 20% reduction in energy consumption, totaling **1,065.79 MWh** compared to FY19 baseline which was 1,339.16 MWh. Recognizing this accomplishment, we are committed to further improving energy efficiency to reduce emissions. Understanding that electricity usage contributes significantly to emissions, energy-efficient initiatives have been implemented to minimize our environmental footprint:

- **LED lights installation:** The transition to LED lighting at our office premises enhances energy efficiency, hence, reducing energy consumption and operational costs.
- **SmartSwitch:** Launched in September 2023, this initiative reduces energy consumption by automatically turning off lights in our offices at midnight, promoting environmental sustainability and achieving a significant 20% reduction in electricity consumption in the first month.
- **Cloud migration:** We transitioned from physical servers to cloud infrastructure to reduce electricity consumption and minimize the need for extensive cooling facilities.
- **Office space optimization:** Completed in Q2 2023, we executed an office space optimization strategy via the implementation of hot desking to maximize efficiency within the workspace.
- **Building sustainability partnerships:** We took proactive steps by engaging with the building landlord of our Petaling Jaya office to explore renewable energy projects and adoption.



1,065.79

MWh of energy consumption in FY23

20%

Reduction in consumption compared to FY19

Sustainable Printing Guidelines

Aligned with our strategic objective to achieve Net Zero Carbon emissions by 2030, KPMG's Sustainable Printing Guidelines were instituted in March 2023. This initiative has yielded a commendable 5% reduction in paper consumption compared to FY22. The guidelines establish standardized print default settings across the office printer system, which advocates for double-sided printing to mitigate waste and electricity consumption and restrict printing to essential business necessities.

Setting an Internal Carbon Price (ICP)

In 2022, KPMG's Global Board decided that all Board member firms should implement an Internal Carbon Price (ICP), while other member firms are encouraged to adopt an ICP to factor GHG emissions into the firm's operational decision-making processes.

The Global Board has set a minimum price of US\$15 per tCO₂e to cover Scope 1 and Scope 2, including emissions from gas, electricity, fleet cars and Scope 3 Category 6 which is emissions from business travel. The other Scope 3 categories will be considered at a later phase. KPMG in Malaysia has endorsed and implemented a local Internal Carbon Pricing (ICP) scheme, setting the price at RM80 per tCO₂e.

ICP serves as a financial incentive and funding source for initiatives to help accelerate KPMG's net-zero transition. Actual fund would be allocated based on the GHG emissions and utilized to support initiatives focused on reducing our carbon footprint, including decarbonization initiatives and reforestation projects, thereby advancing our commitment to environmental sustainability.

Circularity

KPMG in Malaysia is committed to practices anchored on the circular economy principles. Our initiatives span waste reduction programs, recycling campaigns, circular procurement practices and resource management. Collaborating with partners, we drive awareness and action on circularity, such as donating refurbished laptops to schools out of the Young Star program under the KPMG Education Trust Fund. In 2020, the firm adopted the DocuSign service, enabling the administration of electronic documents digitally instead of printing hard copies. This initiative resulted in the avoidance of printing 42,840 pages of paper in FY23.

Conserving water resources: In FY23, KPMG in Malaysia consumed **1.33 megaliters of water**. Faucet aerators will be installed in office pantries in 2024 to help in increasing pressure and reduce water usage.



1.33

**Megaliters of
water in FY23**

Reporting

Employee commuting survey

In July 2023, we conducted a firmwide survey to gather insights into our people's commuting preferences, which received 68% in response rate. This initiative aimed to address data gaps and also capture and manage emissions data more proactively. With plans for annual surveys to be conducted, we expect these results to significantly enhance KPMG in Malaysia's ongoing efforts to promote sustainable practices within the firm.

Carbon tracker platforms

In 2023, we initiated the development of two platforms to monitor carbon emissions for firmwide tracking and the integration of individual GHG emissions into the People Scorecard (PSC). This ensures compliance with Global Climate Response (GCR) standards, offering real-time visibility of Scope 1, 2, and 3 emissions. The PSC provides personalized data on personnel's carbon footprint, fostering accountability and encouraging efforts to minimize emissions in alignment with our net-zero goals.

Looking ahead

In the pipeline are forthcoming projects focused on decarbonization initiatives, laying the groundwork for documenting advancements and results in the upcoming fiscal year reporting for KPMG in Malaysia.

Green Transportation Incentive Policy: The firm implemented a new policy regarding electric vehicle (EV) incentives as a staff benefit, which will be reported in greater detail in FY24. This initiative aims to encourage the adoption of green transportation among our management team.

Refining waste management practices: Recycling bins are installed in office premises to educate employees on waste segregation and promote a zero-waste culture. We are currently working on implementing an effective record tracking system to monitor progress and adopt waste management solutions aligned with our sustainability goals, including responsibly recycling e-waste products.

Sustainable Travelling Guidelines: In the upcoming fiscal year, we are implementing Sustainable Travel Guidelines to encourage eco-friendly transportation choices, thus minimizing our collective carbon footprint.

As our Petaling Jaya office is situated near an MRT station, we strongly advocate for public transport as a greener commuting option, in line with Malaysia's National Transport Policy 2019-2030, promoting a modal shift from private vehicles to public transport. The proposed LRT Line 3, also known as the MRT3 or Circle Line which is projected to be fully operational by 2030[^], will offer expanded sustainable commuting options for our people.

[^] Source: [First phase of MRT3 expected to open in 2028; overall project to complete in 2030](#). New Straits Times, 15 March 2022





Green initiatives and awareness

At KPMG in Malaysia, we continue to provide our people with the opportunities, education and tools to learn and respond to pressing sustainability issues. Throughout FY23, we organized a diverse range of internal events, occurring approximately every 2 to 3 months, to champion sustainability and raise environmental awareness:

- **Veganuary challenge and talk:** We hosted the "Veganuary Challenge," encouraging our people to submit photos of their vegan meals for a chance to win prizes. Additionally, we welcomed the Malaysian Vegetarian Society to provide a talk on "Veganism as a Sustainable Lifestyle."
- **Recycling drive:** Our recycling drive promotes awareness and responsible disposal of old clothes, toys, and electronic wastes.
- **Zero Waste Challenge:** We organized a month-long Zero Waste Challenge aligned with Plastic Free July, where participants were engaged in daily tasks to learn about and implement zero waste practices in their daily lives.
- **KPMG Eco Bazaar:** In August 2023, we hosted our second Eco Bazaar with the goal of promoting sustainable shopping as a daily habit. The event featured local sustainable businesses and workshops focused on upcycling plastic waste and clothes swapping. This initiative showcased a diverse range of environmentally conscious foods, products, and activities.

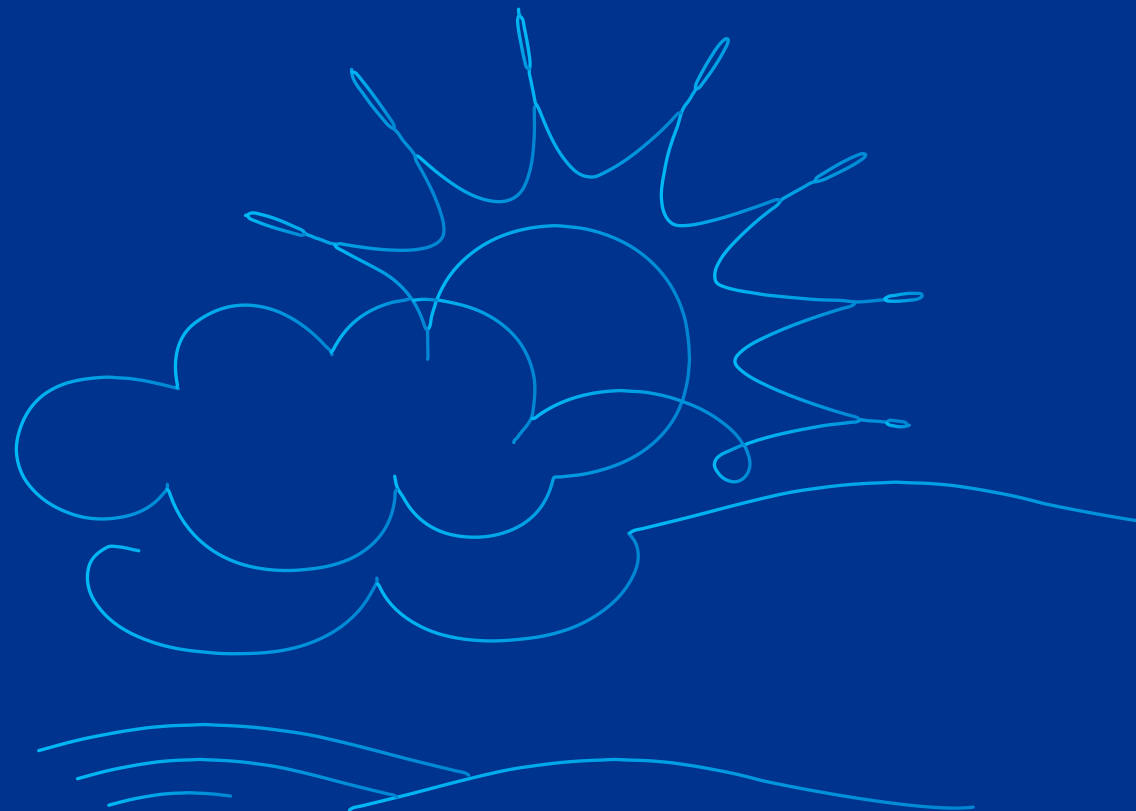
In the upcoming fiscal year, KPMG in Malaysia will launch a more structured and consistent series of environmental initiatives and green programs. Dubbed the "Know Your Impact" campaign, these initiatives will be ongoing throughout the year and centered around targeted themes aligned with our environmental concerns. This campaign highlights our dedication to advancing sustainability practices within our organization and reaffirms our commitment to fostering a positive environmental impact.

Climate risk

Our commitment

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

KPMG recognizes climate change as a key business risk and we are already experiencing its impact. Like many other global organizations, we are on a journey when it comes to climate change. A key milestone in this journey is the publication of our first Climate Risk Report — aligned with Task Force on Climate-related Financial Disclosures (TCFD) recommendations.



Climate risk refers to the challenges and consequences associated with the impacts of climate change, encompassing the likelihood, consequences, and adaptive responses within the business' entire value chain.

KPMG professionals play an active role in ESG risk management, offering training, benchmarking studies, and ensuring regulatory compliance. KPMG in Malaysia also assists clients in integrating climate change factors into investment decisions, reflecting the growing significance of environmental sustainability in financial markets.

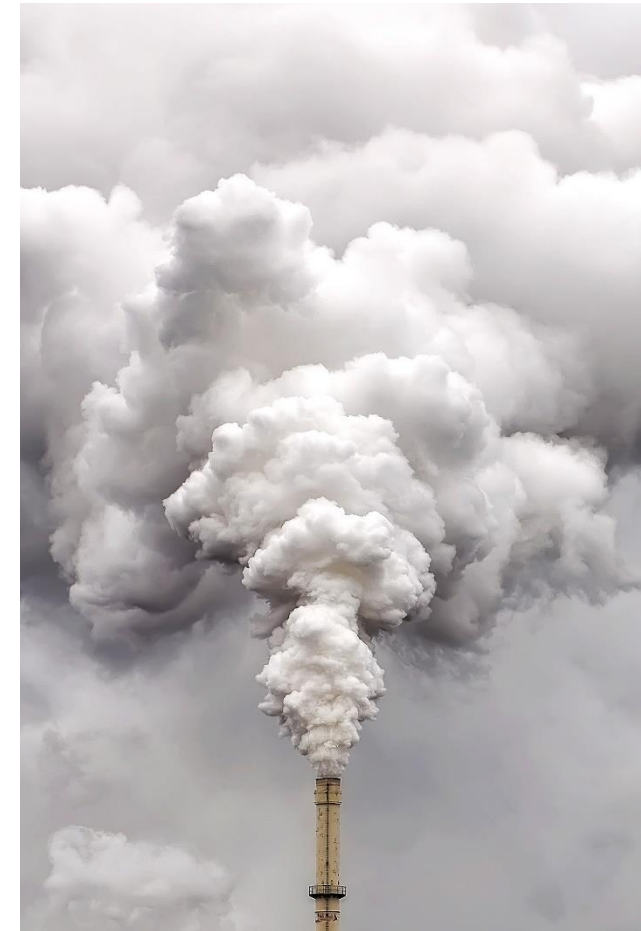
On 26 September 2022, Bursa Malaysia Securities Berhad announced the implementation of enhanced sustainability requirements for listed issuers in Malaysia, necessitating standardized disclosures on sustainability management and its performance data. KPMG in Malaysia is committed to adhering to these requirements and supporting our clients in meeting these obligations through advisory and assurance services.

The Securities Commission Malaysia established the Advisory Committee on Sustainability Reporting (ACSR) in May 2023. On 15 February 2024, ACSR issued its inaugural public consultation paper on the Malaysia's National Sustainability Reporting Framework to adopt International Sustainability Standards Board's (ISSB) Standards for sustainability-related financial information and climate-related disclosures, including assurance requirements.

KPMG professionals formed multi-disciplinary teams to help accelerate our clients' transition towards achieving net zero by delivering services tailored specifically for ESG considerations.

A team from KPMG in Malaysia secured a prestigious victory at the KPMG ASPAC Chairman's Awards 2023. This triumph stems from a client engagement in a pioneering project commissioned by a leading ASEAN power company, which sought to evaluate Malaysia's grid emission factor. Tasked with conducting a comprehensive life cycle analysis of various electricity generation technologies across the country, our professionals aimed to provide crucial insights into Malaysia's progress toward achieving its ambitious goal of reducing GHG emissions intensity by 45% by 2030, as outlined in the Nationally Determined Contributions (NDC) under the Paris Agreement. Comprising advisory specialists from Infrastructure, Strategy and Operations (ISO), Sustainability Services, and IT-enabled Transformation (ITET) departments, our engagement team executed the project with precision and expertise.

The outcomes of this rigorous analysis hold immense value, not only for consumers seeking to accurately account for the life cycle GHG emissions from their electricity consumption but also for stakeholders who are keen to identify and mitigate environmental risks associated with electricity generation. This engagement and subsequent award recognizes the firm's unwavering commitment to advance sustainability and environmental stewardship on the national and global levels.



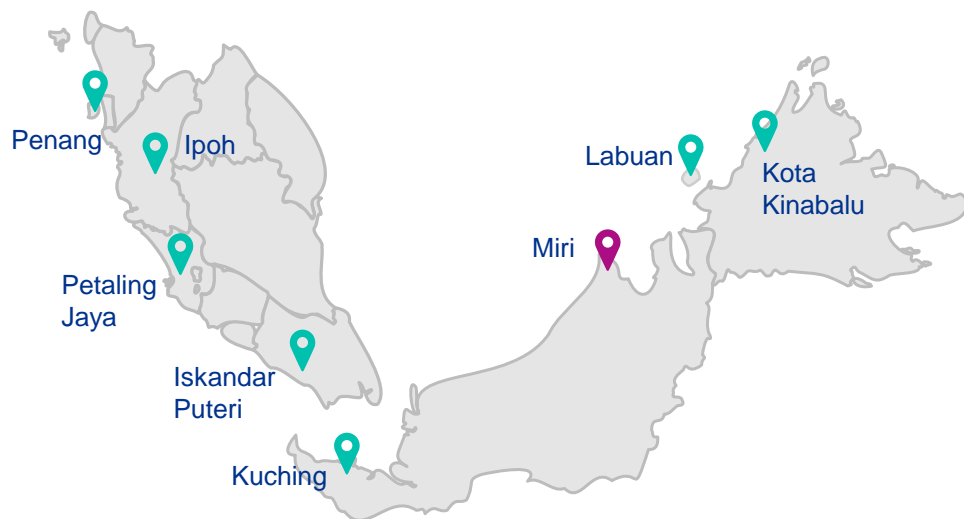
Climate risk

KPMG in Malaysia developed a proprietary Climate Flood Risk Model to help our clients assess the flood risk exposure to their physical assets through scenario analysis workshops and climate risk assessment exercises. Internally, we have utilized this Climate Flood Risk Model to assess the flood risk exposure for our eight offices across Malaysia, which enabled us to develop an effective mitigation plan.

Note: RCP 8.5 Short-Term Acute Physical Risk

- 📍 Low Risk Exposure

- 📍 Moderate Risk Exposure



| Office Locations | Flood Risk Profiling RCP4.5 * | | | Flood Risk Profiling RCP8.5 * | | |
|-------------------------|-------------------------------|----------|----------|-------------------------------|----------|----------|
| | Baseline | 2030 | 2050 | Baseline | 2030 | 2050 |
| Ipoh, Perak | Low | Low | Low | Low | Low | Low |
| Iskandar Puteri, Johor | Low | Low | Low | Low | Low | Low |
| Kota Kinabalu, Sabah | Low | Low | Low | Low | Low | Low |
| Labuan | Low | Low | Low | Low | Low | Low |
| Kuching, Sarawak | Low | Low | Low | Low | Low | Low |
| Miri, Sarawak | Moderate | Moderate | Moderate | Moderate | Moderate | Moderate |
| Penang | Low | Low | Low | Low | Low | Low |
| Petaling Jaya, Selangor | Low | Low | Low | Low | Low | Low |

* Representative Concentration Pathways (RCP) are climate change scenarios to project future greenhouse gas concentrations. These pathways (or trajectories) describe future greenhouse gas concentrations (not emissions) and have been formally adopted by the Intergovernmental Panel on Climate Change (IPCC).

Nature and biodiversity

Our commitment

Understanding and improving our impact on nature and biodiversity

KPMG in Malaysia believes in striving to gain a better understanding of our impact on nature while improving our focus on nature and biodiversity. Our goal is to raise our people's awareness of conservation and involve half of our workforce in climate-related initiatives so as to empower them in making nature-positive impacts.



Empowering our people to act on climate

In FY23, more than 250 KPMG personnel engaged in nature and biodiversity conservation efforts. Our collective dedication has led to a remarkable total of 1,944 volunteering hours invested across the four main conservation efforts adopted by the firm.

KPMG in Malaysia collaborated with accredited nature and biodiversity conservations, protection programs and organizations such as Universiti Malaysia Terengganu via Sea Turtle Research Unit (SEATRU), Reef Check Malaysia, Global Environmental Centre (GEC) and Zoo Negara.

Coral comeback: Protecting the rainforests of the sea

KPMG in Malaysia's Eco Dive program, which was initiated in 2007, serves as our signature Corporate Social Responsibility (CSR) program in an enduring collaboration with Reef Check Malaysia for over 18 years. Through this initiative, we empower certified scuba divers with educational exposure and hands-on experience in coral reef conservation.

In FY23, 8 divers earned their Eco Diver Certification. They also actively contributed to various conservation efforts including conducting coral reef surveys, providing crucial support to researchers monitoring reef health, performing maintenance tasks at reef rehabilitation sites, and successfully removing the predatory crown-of-thorns starfish at two of KPMG in Malaysia's adopted reefs; Soyak and Renggis in Tioman Island. Since its inception, the KPMG Eco Dive program has funded over 80 divers among our people to earn their certification so they can be trained to carry out important coral conservation work.





Protecting the ancient mariners

SEATRU (Sea Turtle Research Unit) is a regional sea turtle conservation volunteering program, which KPMG in Malaysia has worked with since 2014. In our 10th year of involvement, a dedicated group of 12 volunteers from the firm joined the SEATRU Volunteering Program organized by Universiti Malaysia Terengganu at Chagar Hutang, Redang Island in September 2023. This seven-day initiative included training in sea turtle nest excavation, nightly patrols, hatchling releases, and mother sea turtle monitoring for nesting spots.

Daily routines comprised patrolling shifts, daytime nest excavation, and recreational activities. The program culminated in the successful rescue and release of 2,731 endangered turtle hatchlings from 42 nests, significantly contributing to SEATRU's long-term sea turtle monitoring and conservation efforts. Between the 2022 and 2023 period, a total of 28 KPMG volunteers have released 3,500 hatchlings and adopted 8 green turtle nests.



Spotlight on: Ocean stewards in action



Animal welfare with the National Zoo

The Zoo Negara (National Zoo) 3G Program, which includes the Grow, Glow, and Green Projects, actively involves volunteers in diverse initiatives such as horticulture, landscaping, special projects, exhibit cleaning, husbandry, and food preparation.

In March 2023, 150 KPMG volunteers showed their dedication by contributing 600 CSR hours to this program. Their efforts included enhancing the zoo's greenery, refurbishing the amphitheater, and tending to the needs of the resident giraffes and tapirs. This program takes a holistic approach to support the zoo's objectives while instilling a sense of environmental responsibility among volunteers.

Trees for the future

As part of our nature-positive initiatives, KPMG in Malaysia conducts tree planting programs with NGOs to reduce carbon emissions and promote environmental awareness.

Global Environment Centre (GEC): The GEC, a non-profit organization dedicated to global environmental issues, annually conducts tree planting programs to raise awareness about forest protection, particularly in peat swamp forests. In June 2023, KPMG in Malaysia sent 20 volunteers to replant native trees at Raja Musa Forest Reserve (RMFR), part of the North Selangor Peat Swamp Forest (NSPSF), which had suffered from forest fires and illegal encroachment.

Kuala Langat Forest Reserve (KLNFR): In October 2023, 18 KPMG volunteers replanted native trees at KLNFR, another peat swamp forest affected by forest fires due to rapid development. Both forests are crucial for biodiversity conservation and carbon sequestration.

Johor National Park Corporation: Collaborating with the Johor National Park Corporation at Tanjung Piai National Park, we deployed 50 KPMG volunteers to plant mangrove seedlings and replant mangrove trees.

KPMG in Malaysia's initiatives demonstrate our commitment to sustainability not just internally, but also externally. Through engagement with clients and the wider community to address biodiversity impacts, we can contribute to building a sustainable future. We believe that by equipping organizations with tools for the green transition, we empower them to protect biodiversity and meet stakeholder expectations amidst growing environmental awareness.



Prosperity

Making a positive social and economic impact.

Our commitments

Economic contribution

Making a positive social and economic impact

Support the communities in which we operate in

- Support education and lifelong learning
- Driving good corporate citizenship

| | | | |
|---|---|-----------------------------------|---|
| <p>1 NO POVERTY</p> | <p>2 ZERO HUNGER</p> | <p>4 QUALITY EDUCATION</p> | <p>8 DECENT WORK AND ECONOMIC GROWTH</p> |
| <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> | <p>17 PARTNERSHIPS FOR THE GOALS</p> | | |

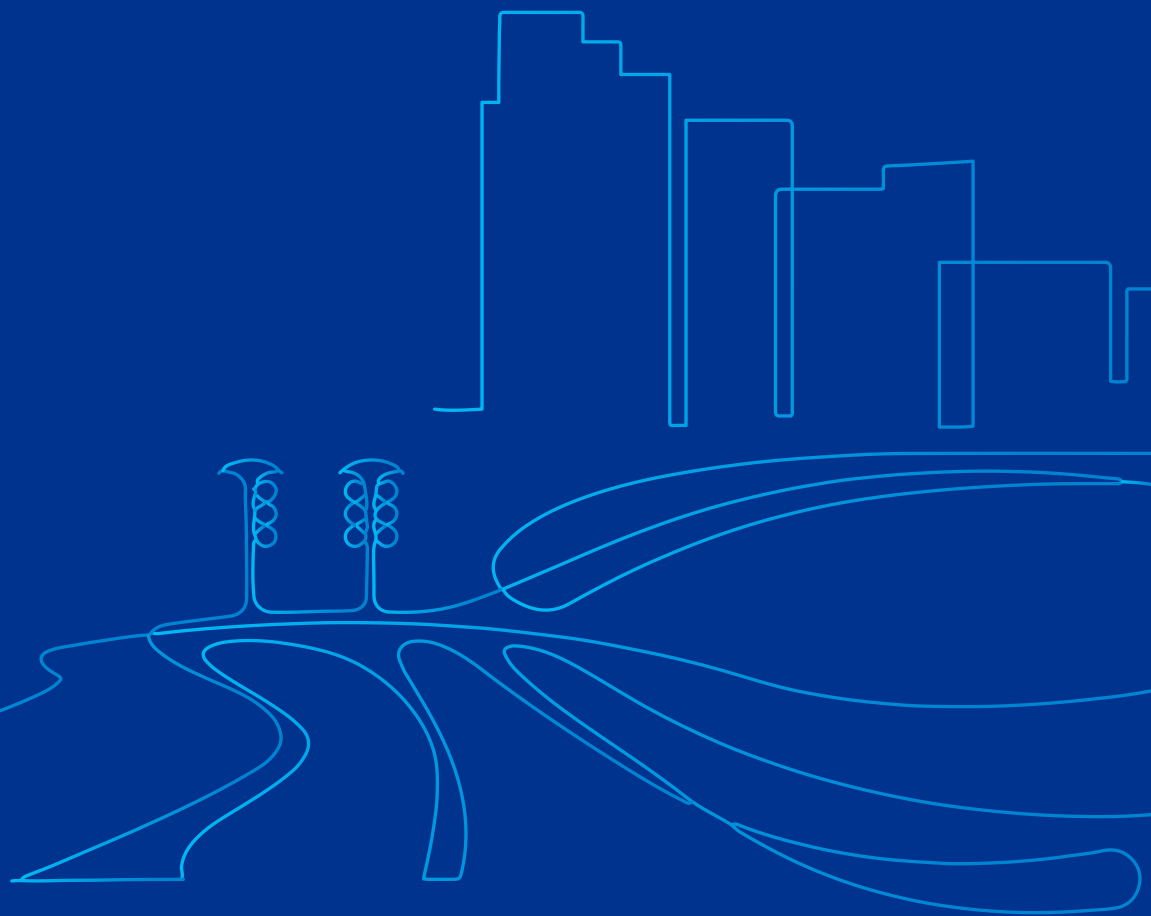


Economic contribution

Our commitment

Making a positive social and economic impact

At KPMG in Malaysia, we take great pride in our role as job creators and contributors to the growth of the local economy. We recognize that investing in our people's development empowers them to drive economic prosperity and sustainable growth within the community we operate in. This commitment underscores our dedication to foster a thriving corporate environment while making meaningful contributions to the broader economy.



Economic contribution

By prioritizing responsible and sustainable growth, we make a positive impact, fostering prosperity and enabling expansion despite economic uncertainties. As we grow, so does our ability to strengthen our community support.

Revenues and tax paid

In FY23, KPMG reported robust global revenues of US\$36.4 billion, 8% increase from FY22. Notable growth was seen across sectors, with Audit revenues up by 9%, Advisory by 7%, and Tax & Legal Services by 10%. Looking forward, KPMG's strategic focus for the next three years includes investments in quality, technology, talent, and ESG initiatives, with a collective investment of US\$4 billion to address client challenges and drive sustainable growth.

Our tax contribution

KPMG firms contribute significantly to communities by generating and paying taxes in the regions they operate, which support vital government functions, public benefits, and infrastructure such as healthcare, education, and transportation networks. In FY23, KPMG firms paid a total of US\$2 billion in operational taxes, encompassing various tax categories like employer payroll and sales taxes.

KPMG International has established robust policies and practices to ensure tax transparency and compliance, aligning with global tax principles. By adhering to these standards, KPMG in Malaysia upholds the highest levels of integrity and professionalism in all tax-related matters. KPMG in Malaysia provides extensive tax advisory services to ensure compliance with local regulations.



Gross revenue by function

- Audit \$12.6 billion
- Tax & Legal \$7.9 billion
- Advisory \$15.9 billion



Gross revenue by region

- Americas \$14.6 billion
- Asia Pacific \$6.1 billion
- EMA \$15.7 billion

Notes:

1. Gross revenue data presented for the relevant financial years ended 30 September for KPMG firms.
2. Reflects KPMG's financial performance expressed in US dollars. Based on gross revenues, including travel and other client reimbursable expenses.
3. The financial information set out represents combined information of the independent KPMG firms, affiliated with KPMG International Limited, that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International Limited performs no services for clients nor, concomitantly, generates any client revenue.

Employment

In FY23, KPMG in Malaysia secured 784 new personnel hires across the country comprising of experienced professionals from various industries and fresh graduates hired via our graduate pipelines.

Out of the new hires, the firm recorded 537 graduate hires from varied educational and socio-economic backgrounds. These graduates will reap the benefits of our structured development programs and seamless role transition support. As our firm continues to progress, we remain steadfast in aligning our workforce with anticipated changes in the market.

The firm also appointed 8 new partners during the year, 4 of which are females, recording the highest number of partnership appointments in the previous 5 years. This is in line with the firm’s inclusion and diversity commitment at top decision-making positions.

In totality, our workforce has grown from 2,325 people in FY22 to 2,360 by 30 October 2023, up by 1.5%. This expanding hiring trend emphasizes a positive outlook of the future for KPMG in Malaysia.

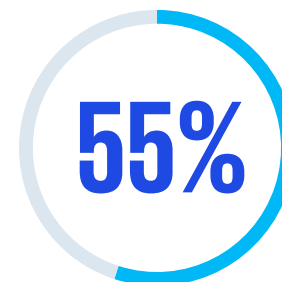


Our approach to local sourcing

We strongly believe in supporting local businesses to drive economic growth in the communities we operate in. To achieve this, we prioritize sourcing from local suppliers and provide business opportunities to small and medium enterprise (SMEs) vendors. Our commitment extends beyond mere transactions; we aim to cultivate long-term partnerships that mutually benefit both parties.

In FY23, 55% of the firm’s total procurement was sourced from local suppliers, while the rest mainly consists of expenses to KPMG International and KPMG offices for specialists and regional costs.

KPMG in Malaysia is committed to supporting local businesses through various initiatives that integrate them into our internal engagements, events, and operations. This commitment is reflected in multiple ways:



55% of total procurement was sourced from local suppliers in FY23



Vendor Partnerships

We actively invite local businesses to participate as vendors in our internal events, giving them a platform to showcase and sell their products and services to our employees. Additionally, we place orders from these vendors for our internal needs, including food and beverages (F&B), gift vouchers, and free gifts for our people. This not only enhances our events but also provides these businesses with valuable exposure and opportunities for revenue generation.



Employee Perks Program

As part of our Employee Perks Program, we collaborate with local businesses to offer exclusive promotions and discounts to our employees. By disseminating these offers, we ensure that our people can enjoy special benefits while simultaneously supporting the local economy. This initiative helps local businesses increase their brand awareness and customer base among our workforce.



Local Sourcing

We prioritize sourcing our operational needs locally whenever possible. This includes purchasing office supplies, insurance, and other essential items from local suppliers. By doing so, we contribute to the growth and sustainability of the local business community.



Community Engagement

Through these efforts, KPMG in Malaysia fosters a strong connection with the local business community, creating a mutually beneficial ecosystem. Our support helps local businesses thrive, while our employees enjoy the unique offerings and benefits provided by these enterprises.

Support the communities in which we operate in

Our commitment

- Support education and lifelong learning
- Driving good corporate citizenship

Upholding our reputation as a trusted professional services firm means living up to our Values — Together and For Better. KPMG in Malaysia works with impactful NGOs, community organizations and leaders, leveraging our people's collective skills, passion, expertise and time to help create meaningful and lasting positive change in our communities. Since 2019, with a refreshed community impact strategy in alignment with the UN Sustainable Development Goals (SDGs), we aim to make the biggest collective impact by reducing inequalities, championing good health and well-being, advancing quality education and taking actions to combat climate change.



In FY23, KPMG in Malaysia demonstrated its commitment to community welfare through community investments totaling **RM563,750**. Additionally, our people contributed over 5,717 volunteering hours to various causes across Malaysia, benefiting **191 beneficiaries**.

Food from the heart

KPMG in Malaysia partnered with Kechara Soup Kitchen (KSK) to address food insecurity in the Klang Valley. For over 13 years, KSK has been supporting the homeless and urban poor by providing much needed food, medical aid, and counseling.

In FY23, we mobilized more than 120 volunteers that included the firm's Partners, to pack and distribute meals, benefiting between 200 to 300 individuals with every distribution. This year, the firm sponsored over 1,000 nutritious meals, complemented by ongoing volunteer food distribution support and organized a drive for our people to donate their medicinal supplies to support the medical team's endeavors.



| | |
|--|--|
| <p>191 total beneficiaries benefited (182 individuals and 9 NGOs)</p> | <p>5,717 volunteering hours by our people</p> |
| <p>1,300+ volunteers participated</p> | <p>RM563,750 invested in community programs</p> |

Empowering the indigenous communities

In our ongoing commitment to support disadvantaged schools and foster conducive learning environments, we continued our partnership with Sekolah Kebangsaan Bukit Lanjan (SK Bukit Lanjan), an indigenous (*orang asli*) school in Selangor that will cover the holistic development of over 100 students.

Iftar gathering

In March 2023, we organized an iftar dinner with the Desa Temuan Orang Asli community, located near Bukit Lanjan. It was a moment of communal harmony that enabled students from SK Bukit Lanjan to engage with KPMG Partners and personnel during the blessed month of Ramadhan.

Bridging the gap with KelasKita

Developed in partnership with Teach for Malaysia and FrogAsia, KelasKita is an online learning program that enables volunteer tutors to deliver English lessons to local communities, in alignment to the Malaysia Education Blueprint 2013-2025. In collaboration with YTL Foundation, 20 KPMG volunteers provided weekly English lessons to 20 *orang asli* students from SK Bukit Lanjan over five months. To enrich their learning, students also received sponsored meals and 28 laptops were also donated to the school.

Investing in sports and infrastructure

The firm sponsored 40 rugby jerseys for the athletes at SK Bukit Lanjan, enriching their participation in district tournaments.

Building hope with Epic Homes

Undoubtedly, our initiatives in 2023 for the *orang asli* community are a continuation of the momentum generated by KPMG's project with Epic Homes in 2022. Through the Epic Homes endeavor, we provided safe housing solutions for families in Sungai Kelubi Village, where approximately 100 volunteers constructed three houses.





Supporting the national blood bank

For the third consecutive year, KPMG in Malaysia partnered with the National Blood Centre to host blood drives in February and August at the KPMG Tower in Petaling Jaya. A total of 227 people donated, potentially saving up to 607 lives. These events aim to raise awareness of how blood donation saves lives.

Nourishing the next generation of leaders

In 2023, KPMG in Malaysia continued its 13-year partnership with the Kiwanis Club of Bukit Bandaraya to support underprivileged school children through the Breakfast A Child (BAC) program. This initiative provides a hot meal and warm drink to students for an entire school year. Our people sponsored 40 children from the underprivileged community (B40 families). This long-term partnership aims to address the issue of children attending school hungry. Through our collaboration, we strive to improve the health, well-being, and academic performance of vulnerable Malaysian school children.

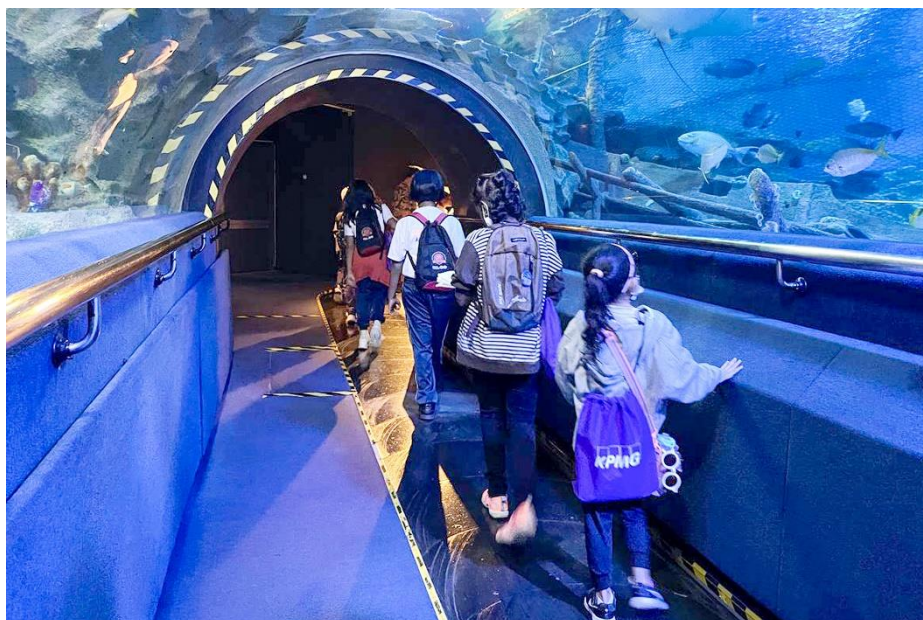
Lace up for a great cause

According to the Department of Statistics Malaysia, cancer affects 1 in 4 Malaysians, ranking as the fourth leading cause of death in 2022.[^] KPMG in Malaysia, in collaboration with VSure, sponsored 100 personnel to participate in the Pink Trail Run & ESG Treasure Hunt 2023 in October. This event combined fitness with entertainment and supports a noble cause with funds channeled to the National Cancer Council of Malaysia (MAKNA) which provides curative, research, preventative, and support services to cancer patients and their families.

Filling the tank of lifelong learning

KPMG in Malaysia collaborated with the Nicol David Organization (NDO) to sponsor a group of school children, known as Little Legends, on an educational field trip to The Aquaria KLCC. The aim was to enhance their knowledge of marine life and ecosystems. Founded by former World Number 1 female squash player, Datuk Nicol David, and Mariana de Reyes, NDO empowers children through education and squash to achieve their full potential. 17 KPMG volunteers guided the children on the adventure of exploring the wonders of the sea.

[^] [Health minister: Stats Dept 2023 report shows cancer fourth leading cause of death in Malaysia – malaymail.com](https://www.malaymail.com/news/health/2024/02/05/health-minister-stats-dept-2023-report-shows-cancer-fourth-leading-cause-of-death-in-malaysia), 5 February 2024

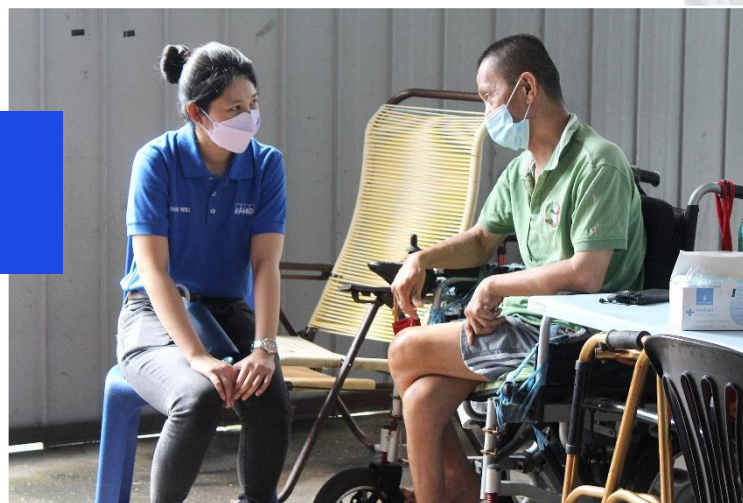


KPMG volunteer month *

In October 2023, KPMG in Malaysia introduced our inaugural Volunteer Month to promote and celebrate volunteerism across the firm. During this month-long initiative, our people were empowered to organize CSR activities using the allocated budget provided by the firm.

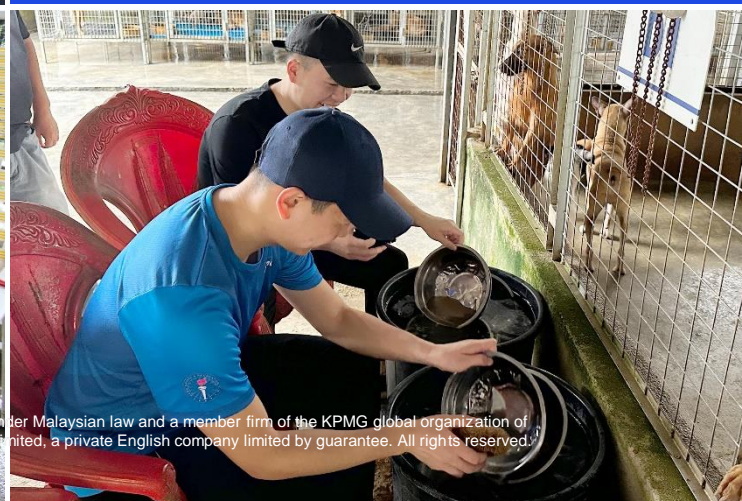
This initiative received enthusiastic participation from over 300 volunteers across nearly 20 departments and 4 offices. From tree-planting in mangrove forests to spending time at orphanages and elderly care centers, our people contributed over 1,600 hours of volunteer service, benefiting more than 17 non-governmental organizations (NGOs) across Malaysia, including Sabah and Sarawak. The chosen NGOs supported various causes including nature conservation, animal welfare, environmental protection, community outreach and support, care for the elderly, children's welfare, and general social welfare.

* The FY23 reported data does not include data arising from KPMG volunteer month (i.e. number of volunteers participated, total volunteering hours and number of beneficiaries) as the initiative does not fall within the reporting period of this report.





KPMG volunteer month



Quality education

Our global goal: 10by30

KPMG's global 10by30 program aims to help economically empower 10 million disadvantaged young people by 2030. It includes bespoke, local programs created and run by individual KPMG firms, as well as broader network-wide initiatives that address the three key themes that we believe are key to improving the life chances of young people:

- **Education:** Supporting educational institutions and upskilling teachers.
- **Employment:** Helping young people to access gainful employment.
- **Entrepreneurship:** Equipping young people with skills they need for the future.



KPMG Education Trust Fund

The [KPMG Education Trust Fund](#) ("the Trust") was established in 2022 through a pledge by the Partners of KPMG in Malaysia to commit RM5 million over 10 years to champion lifelong learning and quality education for young Malaysians.

The Trust aims to disburse RM500,000 annually for 10 consecutive years to fund the education and development of eligible applicants through four programs:

- KPMG Young Spark Sponsorship
- KPMG Young Star Scholarship
- KPMG Young Excellence Sponsorship
- KPMG ASEAN Scholarship

This initiative is aligned with the aspirations of KPMG's 10by30 program and contributes towards the UN SDG 4 Quality Education goal.

FY23 highlights

350

total beneficiaries since 2022

RM724,460

total amount invested since 2022

182

total beneficiaries across 8 states in Malaysia including Sabah and Sarawak.

81%

total beneficiaries come from the underprivileged background (B40 community)



RM5 million

committed over 10 years to champion lifelong learning and quality education for young Malaysians.

KPMG Education Trust Fund

KPMG Young Spark Sponsorship program

The Trust extends financial aid to primary and secondary schools, specifically supporting economically disadvantaged students aged 7 (Standard 1) to 17 (Form 5) studying in public schools via the KPMG Young Spark Sponsorship program.

This program is designed to socially uplift not only the individual beneficiaries but to also support the schools in alleviating school dropouts and improving the students' learning environments. The Trust offers one-off sponsorship up to RM1,000 with supplementary educational engagement activities annually, such as KPMG's Global Cyber Day.

Under this program, each KPMG office across Malaysia supports a local school in their community. Since the Trust's inception, 266 students across 10 schools were sponsored, totaling RM220,000 in sponsorships.

The firm has also initiated a laptop donation program and has since donated a total of 200 laptops to 15 selected Young Star primary and secondary schools in 7 states across Malaysia. With a long-term goal of donating the firm's refurbished laptops, we aim to alleviate students' challenges to access technology tools, all while minimizing the firm's environmental footprint through responsible disposal of technology hardware.

We also continue to maintain long-term relationships through in-kind donations for the schools' activities. In 2023, the firm donated approximately RM12,000 to 2 schools for their School Carnival and World Children's Day celebrations under this program.

KPMG Young Star Sponsorship program

This program aims to support students in local public higher education institutions with a one-time financial assistance of RM8,000, specifically to support those from the B40 income households. In addition to financial aid, sponsored students receive access to a professional development program to enhance their skills.

Since 2022, the firm has sponsored over 30 students in accounting and computer science fields. We aim to increase the number of beneficiaries to 40 by 2024.

Internship opportunities are also available, offering students valuable industry exposure and practical experience. Through these internships, students work alongside professionals to gain industry exposure.

KPMG Young Excellence Sponsorship program

KPMG in Malaysia extends the support for our people through this program that offers an award to their children too. Our Academic and Sports Achievement Awards (ASAA) acknowledges outstanding academic and extracurricular achievements of our people's children attending public educational institutions.

Awards are granted based on academic performance, categorized as the High Achievers Award and the Merit Award, along with recognition for sporting achievements through the Sports person's Award. A total of 27 recipients were awarded in FY23.

KPMG ASEAN Scholarship program

First established in 2015 and incorporated under the Trust in 2022, this regional scholarship is available to exceptional undergraduate students from any Malaysian higher education institution. It offers successful scholars RM12,000 annually, guaranteed post-graduation placement at KPMG in Malaysia, and 2 internship placements. A 1:1 mentoring program pairs scholars with KPMG's Partners to develop core competencies and career-building skills. In 2023, the firm awarded this scholarship to 4 undergraduates from 3 universities, benefiting 47 scholars since inception.

KPMG Ambassadorship program

The KPMG Ambassadorship program was established in 2020 to keep undergraduates in Malaysia engaged with industry professionals, thus narrowing the gap as they transition from the academic stage to the professional workplace.

This program has recorded exponential growth, expanding from an initial cohort of 90 Ambassadors to 150 Ambassadors each enrollment year. Our Ambassadors are given the opportunity to be in leadership positions to organize relevant initiatives and activities in their respective universities that would benefit their peers, and support projects organized by KPMG in Malaysia.

Through this experience, the KPMG Ambassadors are empowered to gain valuable exposure that will be advantageous post-graduation. Benefits also include guaranteed internship placements at the firm, access to exclusive masterclass training sessions, opportunities to network with various stakeholders, and personalized guidance and support from seasoned professionals within KPMG in Malaysia through our structured mentorship programs.

By investing in the development of the next generation of leaders, this is one way KPMG in Malaysia contributes towards nation building.

Governance

Our Purpose and Values guide everything we do.

Our commitments

Purposeful business

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

Respecting human rights

Respect human rights

Acting transparently with accountability and integrity

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

| | |
|---|---|
| <p>8 DECENT WORK AND ECONOMIC GROWTH</p>  | <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>  |
|---|---|

Purposeful business

Our commitment

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

At KPMG in Malaysia, we recognize that trust is foundational to our business. Our strong governance and structure support a shared responsibility to uphold quality in the services we deliver to clients, society, and our own people. Guided by the KPMG Values and Purpose, we continually consider emerging risks and seek to maintain the trust of our clients through responsible business practices and policies.



Always act with a clear purpose

We are committed to operating with a clear purpose at KPMG in Malaysia. Our focus is on delivering the highest quality of work that contributes to society today and in the future. We strive to promote inclusivity and profitability, ensuring that our initiatives result in fulfilling careers for current and future generations of Malaysians.

Our ambition is to drive growth across our business and to become the most trusted and trustworthy professional services organization that delivers sustainable growth to all our stakeholders. It's an ongoing process that we are fully committed to.

Our Purpose

Inspire confidence. Empower change.

By inspiring confidence in our people, clients and society, we help empower the change needed to solve the toughest challenges and lead the way forward.

People

We are a people business. Our people want opportunities to do meaningful and impactful work while developing a thriving career in an inclusive, diverse, rewarding and caring culture.

Clients

We build trust and confidence in business and the capital markets. Our clients seek our expertise to overcome the challenges ahead and to grow sustainably. We help safeguard the integrity of financial reporting and the capital markets.

Society

We have a responsibility to build a sustainable future. Society demands a fairer and more equitable future that doesn't come at such a significant cost to its people and our planet.



Our Values and what we stand for

Our Values guide our day-to-day behaviors at KPMG, informing how we act, the decisions we make, and how we work with each other. They are embedded across the entire employee journey, in our business processes and in our stakeholder interactions.

By living our Values and considering the impact of our work from a broad range of perspectives, we aim to be a purposeful business, fostering prosperity and helping to address some of the key issues facing our people, clients, stakeholders and wider society.

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 draw strength from our differences.

For Better

We do what matters.

Structure and governance

KPMG maintains a robust governance structure to oversee activities, set policies, and align strategies with our Purpose. KPMG International Limited[^] acts as the coordinating entity for the overall benefit of the KPMG member firms, with governance bodies comprising the Global Council, the Global Board and its committees, the Global Management Team (GMT), and the Global Steering Groups.

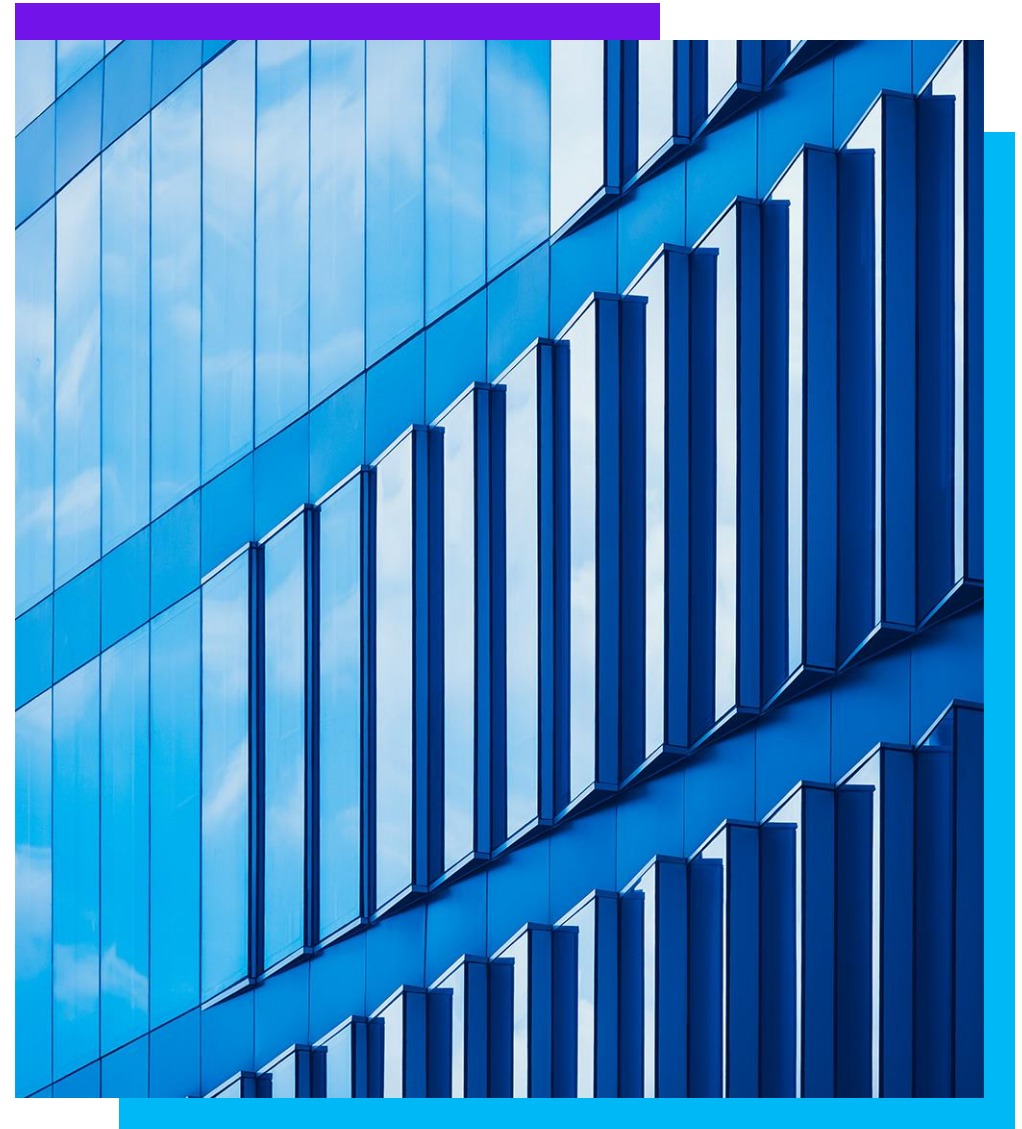
KPMG in Malaysia

KPMG is the brand under which the member firms of KPMG International operate and provide professional services. KPMG's member firms and affiliates operating in Malaysia are collectively referred to as "KPMG in Malaysia" or "we" throughout this report, unless specified otherwise.

The history of KPMG in Malaysia can be traced back to 1928. We provide professional services in Audit, Tax and Advisory to a broad range of organizations in the public and private sectors. Fundamentally, KPMG in Malaysia is bounded by our membership to KPMG International and the associated obligations, responsibilities and rights of our network agreement.

The principal oversight body of the business operations at KPMG in Malaysia is the Executive Committee (EXCO). The executive chair of the EXCO is the Managing Partner (MP) and the EXCO comprises senior representatives from various service functions (i.e., Audit, Tax and Advisory). Our strategy is set by KPMG in Malaysia's EXCO and demonstrates a commitment to quality and trust. Our focus is to invest significantly in priorities that form part of the global strategy execution.

[^] KPMG International Limited provides services and support to, or for the benefit of, KPMG firms and does not provide professional services directly, or indirectly, to clients. Professional services to clients are exclusively provided by KPMG firms who remain solely responsible for and liable in respect of these services.



Cybersecurity, creating a trusted digital world

Maintaining the trust of our clients demands vigilant monitoring of cyber risks and flexible adaptation of our security measures. At KPMG, we place a high priority on client confidentiality through strict adherence to our Global Code of Conduct along with local regulations. Within the KPMG global organization, well-defined policies are in place that govern information security, confidentiality, personal data, and data privacy.

To ensure understanding and compliance with these policies, every member of the KPMG team undergoes an annual training session, which covers confidentiality, information protection, and data privacy compliance.

To further enhance our commitment to data privacy, a strong legal framework is in place within the KPMG global organization to protect personal data and privacy rights, aligning with global and local regulations such as the General Data Protection Regulation (GDPR) and the Personal Data Protection Act (PDPA).

Specific provisions and measures are also included in our framework to safeguard international transfers of personal data between KPMG entities, reinforcing our promise to client confidentiality and data protection.

**0**

substantiated complaints concerning breaches of customer privacy and losses of customer data were recorded by KPMG in Malaysia in FY23

KPMG's cybersecurity professionals, with their diverse backgrounds in digital transformation, IT, regulatory, and forensics, continue to enhance efficiency across the global organization, and drive key investments in areas such as managed detection and response, cloud security, security operations, risk quantification, digital identity and zero trust, third-party security, advanced analytics and more.

As cyber threats grow more sophisticated, KPMG combines technological expertise and deep business knowledge to help clients in creating a resilient and secure digital environment. As trusted professional service providers, we remain steadfast in our commitment to ensure the safety and integrity of the data entrusted to us.



Lead the profession in audit quality

KPMG is committed to fulfilling our public interest role in providing robust audit and assurance quality that benefits investors and other stakeholders. We believe the same level of professionalism, quality, consistency and trust should apply to ESG disclosures as it does to financial statement data.

Delivering robust audit and assurance services is essential for upholding stakeholder trust. The audit and assurance landscape is transforming significantly, driven by the increasing emphasis on high-quality ESG disclosures and the implications of AI advancements. Climate risk is becoming a more significant issue that is being embedded into our scope of work. We are committed to continuously evolving our approach to quality and, as a technology-driven organization, are harnessing innovative solutions to deliver high quality audit and assurance services.

[KPMG Clara](#) represents a significant leap forward in our global audit service delivery, the culmination of a substantial, multi-year investment. It is a globally consistent methodology and workflow, and a web-enabled, cloud-based technology that is used by more than 90,000 audit professionals in more than 140 countries in each audit engagement. KPMG Clara is a transformative innovation in the audit sector, empowering our auditors to offer deeper insights and improved audit quality to hundreds of thousands of entities we audit.

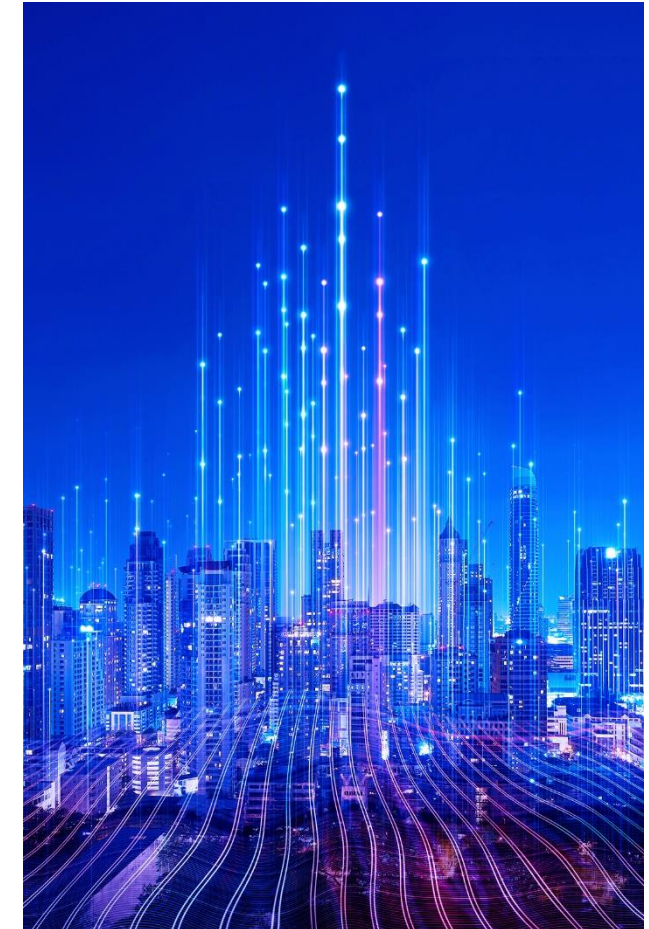
Our ongoing initiative, KPMG Clara 2.0, demonstrates our commitment to continual innovation, enhancement and digitization of the platform powered by artificial intelligence, deeper data analysis and automation.

Through continuous innovation, our goal is to consistently deliver superior quality to audited entities. Across the global organization:

- KPMG firms have implemented a consistent risk-based approach to their system of quality management to drive audit and assurance quality, enabling them to meet the requirements of the International Standard on Quality Management (ISQM) 1.
- We are utilizing powerful technologies on client engagements around the world, including artificial intelligence, and leveraging our alliances with technology leaders such as MindBridge to further enhance quality and provide even more value through deeper analysis of businesses, no matter their size.
- We believe the same level of rigor, quality, consistency, and trust that is applied to financial statement information by companies should also apply to ESG reporting. Therefore, we have deployed, across the global organization, an assurance methodology, KPMG Clara workflow and learning curriculum to upskill and build teams for purposes of providing assurance on ESG reporting that helps our clients build a more sustainable future.

Providing high-quality services is what allows people at KPMG to continuously earn and re-earn the trust that has underpinned KPMG's progress in Malaysia for more than 96 years since 1928.

KPMG in Malaysia's [Transparency Report 2023 and Statement of Quality Management \(SoQM\) effectiveness](#) provide details on how the firm delivers professional excellence and quality continuously.



Drive a responsible tax practice

KPMG in Malaysia continues to invest in our Tax practice so as to offer a comprehensive suite of tax services valued by our clients. These investments are geared towards enhancing tax transparency and aiding our clients meet their current and future tax obligations.

We strive to offer a tailored approach through our tax services, enabling KPMG tax leaders to deliver real results for clients and society at large. We do this by helping clients ensure they are taking a responsible approach to tax rules and obligations. We also help clients to better understand new tax rules emerging in ESG-related areas such as carbon taxation and pricing — an increasingly important feature of the new, low-carbon world that governments, tax authorities and stakeholders are aspiring to create.

In FY23, our tax endeavors encompassed the following initiatives:

Embedding new Global Tax Principles: Our [Global Tax Principles](#) are designed to steer our tax practice in a responsible direction. We continue to emphasize these principles in the advice that we provide to clients and in our relationships with governments and the broader community. These principles are consistent with the KPMG Values.

Investing in technology: KPMG in Malaysia continues to leverage on technology to enhance our tax offering. Our investments include the creation of the [Tax Risk Evaluator](#), the [Personal Budget Widget](#), and the [Price Control and Anti-Profititeering \(PCAP\) online calculator](#).

Through investments in the [KPMG Digital Gateway](#), powered by Microsoft Azure and built on the cloud, we also empower clients to turn ESG data into value at an increased level of quality, speed and scale so they can respond faster to emerging tax issues related to ESG.

Building trust: For KPMG in Malaysia, fostering open relationships with regulatory authorities and tax authorities is a cornerstone of our commitment to tax transparency and regulatory compliance. Through sustainable dialogues and engagement efforts, our firm serves as a trusted advisor, offering insights and feedback on tax policies, and facilitating the dissemination of critical tax updates to the public. Our dedication to knowledge dissemination is further demonstrated through the events we organize throughout the year.



Acting transparently with accountability and integrity

Our commitment

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

We regularly review our Global Code of Conduct to make sure it clearly reflects our Values and the commitments and responsibilities that our people have to each other, our clients and the public. Aligned with this code, we strongly support a speak-up culture and set out a clear process for advice on, or the reporting of, illegal or unethical behavior.



At KPMG, we are committed to the highest standards of personal and professional behavior in everything we do.

Within our [Global Code of Conduct](#) (our Code), we outline the commitments and responsibilities all KPMG people have to each other, our clients and the public. It shows how our Values and Purpose inspire our greatest aspirations and guide our behaviors and actions. It defines what it means to work at, and be part of, the KPMG global organization, as well as our individual and collective responsibilities. Our Code is reviewed regularly to make sure it's a clear reflection of these principles and expectations. In addition, everyone at KPMG can expect to be held accountable for their behavior, consistent with our Code, and are required to confirm their compliance with it.

KPMG in Malaysia's ethical principles and expectations are in alignment with the International Code of Ethics for Professional Accountants, including International Independence Standards issued by the International Ethics Standards Board for Accountants (IESBA).

Partners and employees of KPMG in Malaysia receive regular training covering various topics including our Code and anti-corruption protocols, emphasizing the significance of making ethical choices even in challenging situations. Our culture encourages individuals to ask questions, respectfully challenge, and voice concerns when uncertain or when faced with situations that seem inappropriate.

Consistent with being signatories to the United Nations (UN) Global Compact and participants in the World Economic Forum's Partnering Against Corruption Initiative (PACI), we actively combat corruption in all of its forms, including extortion and bribery. Our Code clearly states a zero-tolerance of illegal or unethical conduct within KPMG or from clients, suppliers, or public officials with whom we work. Bribery and corruption are unethical, even in situations where it might not be considered illegal in a particular jurisdiction.

KPMG in Malaysia has in place processes to assess prospective clients, third parties and suppliers in relation to bribery and corruption. Further details are published in the 'Be independent and ethical' section of our [Transparency Report 2023](#).

Continuous strengthening of ethical culture

Across the KPMG organization, we take very seriously any incidents that are inconsistent with our Values or contrary to our Code. When KPMG firms fail to meet the high standards we set for ourselves, or those set by the organizations that regulate us, we address those challenges by taking steps to strengthen our ethical culture. This includes reviewing our policies and controls and leveraging technology.

At KPMG in Malaysia, we remain committed to taking all appropriate actions to address incidents that are inconsistent with our Values. We understand that the trust of clients and the public is crucial for our future growth and success. We acknowledge that trust is built on professional excellence, integrity and societal impact.

Work against corruption in all its forms, including extortion and bribery

In upholding the highest standards of professional integrity, we have established detailed policies applicable to all KPMG personnel, as well as training, compliance procedures and an international whistle-blowing hotline. In FY23, we recorded **zero corruption-related incidents** across KPMG in Malaysia’s business operations, and we have performed corruption risk assessment on all (100%) of our business operations.

Anti-corruption training

To mitigate the risk of our people getting involved in bribery, internal controls and due diligence process have been put in place including internal policies and training. Every year, our partners and personnel are educated on KPMG’s organization-wide anti-bribery policy through the "We Do What is Right: Integrity at KPMG" course, emphasizing the necessity of abiding by applicable laws, professional standards, and regulations. In FY23, **100% of our employees have completed the annual corruption-related training**, indicating compliance for management and non-management staff.

Our performance in FY23 is presented as follows:



Anti-bribery and corruption in our supply chain

When maintaining existing or building new client relationships, Know Your Client (KYC) procedures will be performed to understand and manage probable associated risks with our ethical code and professional standards.

Suppliers are required to adhere to KPMG’s Anti-bribery and Corruption policies, encompassing our principles and guidance to procurement practices. The policies are integrated into the firm’s vendor agreements, ensuring compliance with terms related to confidentiality, data protection, and liability. By upholding these standards, we mitigate risks and uphold the integrity of our procurement processes.



Needs assessment and supplier identification



Supplier screening (i.e., relationship assessment, risk due diligence)



Contracting – vendor agreement



Record keeping

Moreover, we are dedicated to ensure fairness and transparency in our procurement practices, thereby working with socially and reputably conscious suppliers.

Speaking up safely

KPMG has a detailed approach for monitoring and reporting any illegal or unethical acts. Our Code, policies and procedures set out a clear process for anyone seeking advice or wanting to report illegal or unethical behavior, and we openly encourage a culture of speaking up without any fear of reprisal. We prohibit retaliatory behavior when our people report ethical issues, breaches or suspected breaches in good faith.

In 2024, KPMG International will be rolling out its first-ever Global Ethical Culture Survey to gather insights and feedback from our workforce. This initiative underscores our dedication to maintaining a comprehensive framework for monitoring and addressing illegal or unethical conduct.

To reinforce accountability, each KPMG firm commits to maintaining clearly defined channels through which KPMG personnel and third parties can make inquiries, raise concerns in relation to providing feedback, and notify reportable matters without fear of reprisal, in accordance with applicable laws and regulations.

In support of our global and local speak-up culture, KPMG International has an independent hotline which is a mechanism for all of our people around the world, KPMG firms' clients and other third parties, to confidentially report any concerns they have relating to any activity by KPMG International, KPMG firms or KPMG people.



Respecting human rights

Our commitment

Respect human rights

We are committed to the protection of human rights and helping to eliminate all forms of forced, compulsory and child labor in line with the United Nations Guiding Principles on Business and Human Rights. We recognize we have an important role to play in managing potential harm to people and, as part of KPMG's Global Quality & Risk Management processes, have established a risk-based approach to human rights. A key priority is a focus on suppliers and we continue to refine our approach to addressing modern slavery risks throughout KPMG in Malaysia's supply chain.



In line with our longstanding support of the United Nations Global Compact and United Nations Guiding Principles on Business and Human Rights, we continue to evaluate and monitor our operational processes to ensure they adhere to our human rights commitments. This entails supporting human rights protection, avoiding being complicit in human right abuses, and aiding in eliminating all forms of compulsory, forced and child labor.

While the professional services industry does not typically constitute a high-risk sector when it comes to labor-related breaches, we acknowledge the significant role we play in managing potential harm to people. Our Code articulates zero tolerance for illegal and unethical behavior or breaches of human rights standards within the KPMG global organization, by clients, suppliers, or public officials with whom we work.

In FY23, KPMG in Malaysia recorded **0 substantiated complaints concerning human rights violations**.

**0**

substantiated complaints concerning human rights violations





The way forward

At KPMG in Malaysia, our Purpose is to inspire confidence and empower change. Our Impact Plan helps ensure that we consider the economic, environmental and social impact in all that we do, internally and in our work with clients.

As the pressures on business and society evolve and intensify, we believe our Purpose and commitment to quality remain as relevant as ever today. Building trust is key to the continued success of KPMG in Malaysia. With the role KPMG in Malaysia plays in business and society, our people have an opportunity to drive positive changes the world needs.

Sustainability and ethical stewardship are not mere checkboxes on our agenda; they are central to our ambition of being the most trusted and trustworthy professional services firm. Growing awareness of sustainability issues has led to strengthened governance which frames our activities and supports robust risk management, including ESG risks, when working with clients.

We apply an ESG lens across our audit, tax and advisory services, with ongoing efforts to strengthen cross-functional collaboration and reinforce governance structures. By integrating ESG considerations into our services, we also empower our clients to build a more sustainable future.

The publication of Our Impact Plan report sets the framework and standards that guide us toward our ESG goals, and ensures we are held accountable to monitor our progress. More importantly, this transparency pushes us to continuously strive to shape a better future for our people, clients, stakeholders and society.

I hope the updates shared in this report have provided insights and inspiration to guide you in your own ESG journey. We welcome your feedback and knowledge exchange to bring about the progressive transformation that is required in our ESG journey.

Foong Mun Kong

Head of Audit
Incoming Managing Partner
KPMG in Malaysia

Appendix

Reporting approach

We continue to be committed to addressing the gaps in our disclosures. Where we did not provide data for a certain statistic, we have provided an explanation for the omission using the following categories:

Materiality (M): We have identified a list of material topics taking into account both internal and external factors such as our strategies, operating risks and stakeholder expectations. Whilst we have not conducted direct engagement with external stakeholders, we have utilized various engagement platforms – physical and virtual, to obtain our stakeholders' expectations on our sustainability practices. These topics have not been identified as material to the firm though we are committed to collect data for reporting, where relevant.

Data definitions, collection, and methodological development (D): In some cases, existing data availability is inadequate. We aim to improve the methodological approach to collection and analysis. We are committed to improving these areas in the next years as we reevaluate our transparency.

Additional considerations (A): On topics where there are continuing privacy and internal policy constraints that limit current data collection or publication, we have omitted and excluded from our reporting.



UN Global Compact

| Disclosure recommendation | Disclosure |
|---|---|
| Human rights | |
| 1. Business should support and respect the protection of internationally proclaimed human rights; | Governance: Respecting human rights |
| 2. Make sure that they are not complicit in human right abuses. | |
| Labor | |
| 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; | Governance: Respecting human rights People: Inclusion, diversity and equity KPMG International and KPMG firms support freedom of association and, where applicable, recognize the right to collective bargaining. |
| 4. The elimination of all forms of forced and compulsory labor; | |
| 5. The effective abolition and child labor; | |
| 6. The elimination discrimination in respect of employment and occupation. | |
| Environment | |
| 7. Businesses should support a precautionary approach to environment challenges; | Planet |
| 8. Undertake initiatives to promote greater environmental responsibility; | |
| 9. Encourage the development and diffusion of environmentally friendly technologies. | |
| Anti-corruption | |
| 10. Businesses should work against corruption in all its forms, including extortion and bribery. | Governance: Acting transparently with accountability and integrity |

WEF IBC Core Metrics Index

| Theme | Core metrics and disclosures | Location and notes |
|--|--|---|
| Planet | | |
| Climate change | Greenhouse gas (GHG) emissions | Planet: Decarbonisation |
| | TCFD Implementation | Planet: Climate Risk KPMG International Climate Risk Report |
| Nature loss | Land use and ecological sensitivity | Planet: Nature and biodiversity Some aspects not reported due to (M)(D) |
| Freshwater availability | Water consumption and withdrawal in water-stressed areas | |
| People | | |
| Dignity and equality | Diversity and inclusion | People: Inclusion and Diversity Some aspects not reported due to (A) |
| | Pay equality | Not reported due to (A) |
| | Wage Level | Not reported due to (A) |
| | Risk for incidents of child, forced or compulsory labor | Governance: Respect human rights |
| Health & well-being | Health and safety | People: Health and well-being |
| Skills for the future | Training provided | People: Continuous learning |
| Prosperity | | |
| Employment and wealth generation | Absolute number and rate of employment | People: Our workforce: FY23 snapshot |
| | Economic contribution | Prosperity: Economic contribution Prosperity: Support the communities in which we operate in |
| | Financial investment contribution | Not reported due to (A) |
| Innovation of better products and services | Total R&D expense | Not reported due to (A) |
| Community and social vitality | Total tax paid | Prosperity: Economic contribution Some aspects not reported due to (A) |

WEF IBC Core Metrics Index

| Theme | Core metrics and disclosures | Location and notes |
|--------------------------------|--|--|
| Governance | | |
| Governing purpose | Setting purpose | Message from Managing Partner Governance |
| Quality of governing body | Governance body composition | Governance: Structure and governance |
| Stakeholder engagement | Material issues impacting stakeholders | Material topics |
| Ethical behavior | Anti-corruption | Governance: Acting transparently with accountability and integrity |
| Ethical behavior | Protected ethics advice and reporting mechanisms | Governance: Acting transparently with accountability and integrity |
| Risk and opportunity oversight | Integrating risk and opportunity into business process | Governance: Our approach to identifying risk Our Global Quality & Risk Management Steering Group (GQ&RMSG) is led by the Global Head of Quality, Risk and Regulatory who is responsible for setting risk and quality management procedures and policies for the global organization as well as providing relevant guidance. |

GRI content index

| | |
|-------------------------|---|
| Statement of use | KPMG in Malaysia has reported the information cited in this GRI content index for the period from 1 October 2022 to 30 September 2023 with reference to the GRI Standards |
| GRI 1 used | GRI 1: Foundation 2021 |

| GRI Standard | Disclosure | Location |
|---------------------------------|---|--|
| GRI 2: General Disclosures 2022 | 2-1 Organizational details | About Our Impact Plan |
| | 2-2 Entities included in the organization's sustainability reporting | About Our Impact Plan |
| | 2-3 Reporting period, frequency and contact point | About Our Impact Plan Unless stated otherwise, the reporting is for the year ended 30 September 2023. Reporting is on annual basis. Indexes and explanations: Contacts |
| | 2-4 Restatements of information | KPMG is committed to the ongoing development of its ESG data to support Our Impact Plan commitments. As we work on this data development, we occasionally have methodology or data scope improvement where comparative restatements are required. An explanatory note is provided when this is the case. |
| | 2-5 External assurance | The report has not been subjected to an external assurance process. |
| | 2-6 Activities, value chain and other business relationships | Governance: Purposeful business |
| | 2-7 Employees | People: Inclusion, diversity and equity |
| | 2-8 Workers who are not employees | People: Inclusion, diversity and equity |

| GRI Standard | Disclosure | Location |
|--------------|---|---|
| | 2-9 Governance structure and composition | Governance: Purposeful business KPMG in Malaysia Transparency Report 2023 |
| | 2-10 Nomination and selection of the highest governance body | Governance: Purposeful business KPMG in Malaysia Transparency Report 2023 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Governance: Purposeful business |
| | 2-13 Delegation of responsibility for managing impacts | Governance: Purposeful business |
| | 2-14 Role of highest governance body in sustainability reporting | Governance: Purposeful business |
| | 2-15 Conflict of interest | Governance: Acting transparently with accountability and integrity Consistent with KPMG International's policies, all personnel, including Global Board members, are required to comply with detailed policies on conflicts of interest and auditor independence, as well as our Global Code of Conduct, which includes specific additional responsibilities for leaders. Global Board members, like all our people, are prohibited from acting as the director or officer (including company secretary) of any non-KPMG entity except for a non-profit that is not an audit or assurance client; an entity established for personal family reasons that is not a client; or an appointment made in the normal course of conducting restructuring engagements. |
| | 2-16 Communication of critical concerns | Governance: Purposeful business |
| | 2-17 Collective knowledge of the highest governance body | Governance: Purposeful business |
| | 2-22 Statement of sustainable development strategy | A message from our Managing Partner Governance: Purposeful business |



| GRI Standard | Disclosure | Location |
|-----------------------------|--|---|
| | 2-23 Policy commitments | Global code of conduct KPMG's policy commitments are described throughout this document, in the KPMG International Transparency Report 2023 and on kpmg.com. |
| | 2-24 Embedding policy commitments | Governance: Purposeful business Global Code of Conduct |
| | 2-25 Processes to remediate negative impacts | Governance: Purposeful business Global code of conduct |
| | 2-26 Mechanisms for seeking advice and raising concerns | Governance: Purposeful business Global code of conduct |
| | 2-27 Compliance with laws and regulations | Governance: Purposeful business Global code of conduct |
| | 2-28 Membership associations | Governance: Purposeful business |
| | 2-29 Approach to stakeholder engagement | Material topics |
| | 2-30 Collective bargaining agreements | A message from our Managing Partner Governance: Purposeful business |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Material topics |
| | 3-2 List of material topics | Material topics |
| | 3-3 Management of material topics | Material topics |



Performance data table

| No | Sustainability matters | Indicators | FY2024 performance target | FY2023 | FY2022 | FY2021 | |
|----|------------------------|------------|---|--|---|---|---|
| 1 | Anti-corruption | 1a | Percentage of employees who have received training on anticorruption by employee category | 100% | 100% | 100% | 100% |
| | | 1b | Percentage of operations assessed for corruption-related risks | 100% | 100% | 100% | 100% |
| | | 1c | Confirmed incidents of corruption and action taken | 0 | 0 | 0 | 0 |
| 2 | Community/ Society | 2a | Total amount invested in the community where the target beneficiaries are external to the firm (RM) | Above RM600,000 | RM563,750 | RM467,611 | RM44,250 |
| | | 2b | Total number of beneficiaries of the investment in communities | 200 beneficiaries | 191 beneficiaries | 174 beneficiaries | 27 beneficiaries |
| 3 | Diversity | 3a | Percentage of employees by gender and age group, for each employee category *Management includes Managers, Senior Managers and Directors | NA | *Management: By gender: 40% Male, 60% Female By age: 12% (Under 30), 79% (30-50), 9% (Above 50) Non-Management: By gender: 34% Male, 66% Female By age: 84% (Under 30), 13% (30-50), 3% (Above 50) | *Management: By gender: 42% Male, 58% Female By age: 15% (Under 30), 77% (30-50), 8% (Above 50) Non-Management: By gender: 34% Male, 66% Female By age: 84% (Under 30), 13% (30-50), 3% (Above 50) | *Management: By gender: 41% Male, 59% Female By age: 14% (Under 30), 78% (30-50), 8% (Above 50) Non-Management: By gender: 34% Male, 66% Female By age: 83% (Under 30), 14% (30-50), 3% (Above 50) |
| | | 3b | Percentage of Partners by gender and age group | NA | By gender: 66% Male, 34% Female By age: 52% (30-50), 48% (Above 50) | By gender: 66% Male, 34% Female By age: 51% (30-50), 49% (Above 50) | By gender: 72% Male, 28% Female By age: 66% (30-50), 34% (Above 50) |
| 4 | Energy management | 4a | Total energy consumption (kWh) | 5% reduction in electricity usage compared to FY23 | 1,065,792 kWh | 1,072,019 kWh | 942,269 kWh |
| 5 | Health and safety | 5a | Number of work-related fatalities | 0 | 0 | 0 | 0 |
| | | 5b | Lost time incident rate | 0 | 0 | 0 | 0 |
| | | 5c | Number of employees trained on health and safety standards | 100% | NA | NA | NA |

Performance data table

| No | Sustainability Matters | | Indicators | FY2024 Performance Target | FY2023 | FY2022 | FY2021 |
|----|-------------------------------|---|---|--|--|--|--|
| 6 | Labor practices and standards | 6a | Total hours of training by employee category | NA | Partners: 3,909 hours Management: 19,866 hours Non-Management: 169,365 hours | Partners: 4,460 hours Management: 28,600 hours Non-Management: 177,901 hours | Partners: 5,455 hours Management: 40,876 hours Non-Management: 148,810 hours |
| | | 6b | Percentage of employees that are contractors or temporary staff | NA | 3% | 5% | 7% |
| | | 6c | Total number of employee turnover by employee category | NA | 79 – Management 638 – Non-Management | 110 – Management 794 – Non-Management | 105 – Management 789 – Non-Management |
| | | 6d | Number of substantiated complaints concerning human rights violations | 0 | 0 | 0 | 0 |
| 7 | Supply chain management | 7a | Proportion of spending on local suppliers | NA | 55% | 59% | 57% |
| 8 | Data privacy and security | 8a | Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | 0 | 0 | 0 | 0 |
| 9 | Water | 9a | Total volume of water used (Megaliters) *excludes data from branch offices | 5% reduction in water consumption usage compared to FY23 | 1.33 | 0.45* | 0.24* |
| 10 | Waste management | 10a | Total waste generated, and a breakdown of the following: | NA | Not reported due to (D) | | |
| | | 10b | (i) total waste diverted from disposal | | | | |
| | | 10c | (ii) total waste directed to disposal | | | | |
| 11 | Emissions management | 11a | Scope 1 emissions in tons of CO₂e | 5% reduction in total emission compared to FY23 | 0.49 | 0.17 | 0.01 |
| | | 11b | Scope 2 emissions in tons of CO₂e | | 661.32 | 665.19 | 594.71 |
| | | 11c | Scope 3 emissions in tons of CO₂e (at least for the categories of business travel and employee commuting) | | 6,373.99 | 6,273.24 | 4,749.63 |
| | | Total emissions in tons of CO₂e | | | 7,035.80 | 6,938.60 | 5,344.35 |

Notes and explanations

1. Throughout this content, “we”, “KPMG”, “us” and “our” refers to the global organization, to KPMG International Limited (“KPMG International”), or to one or more of the member firms of KPMG International Limited, each of which is a separate legal entity.
2. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.
3. The financial information set forth in this document represents combined information of the independent KPMG member firms, affiliated with KPMG International Limited, that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International Limited performs no services for clients nor, concomitantly, generates any client revenue.
4. As of 30 September 2023, KPMG firms operate in 143 countries and territories. All metrics are for the network as a whole unless otherwise stated.
5. Statements or representations about KPMG’s emissions and/or carbon claims have not yet been independently verified. Nonetheless, data supporting our firm’s current methodologies and measurements for relevant emissions and/or carbon claims is set forth in the Planet chapter hereto.

KPMG's ESG services

Our ESG advisory and assurance services answer your needs across the **Economic, Environmental, Social & Governance** issues, risks and opportunities. Below, we highlight some of our key services:



ESG Reporting



ESG Assurance



ESG Strategy, Transformation & Implementation



Decarbonization, Climate & Nature



ESG Tax



ESG Deals & Value creation



Sustainable Supply Chain



Circular Economy

Browse our full suite of ESG services at kpmg.com.my/esg

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Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.



kpmg.com.my/ourimpactplan

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