



Our Impact Plan



KPMG in Malaysia

KPMG. Make the Difference.

kpmg.com.my/ourimpactplan

FY2024 update

About Our Impact Plan

We are excited to announce the release of the second edition of our annual ESG report, **Our Impact Plan**, which highlights KPMG in Malaysia's initiatives and achievements throughout FY2024. This report demonstrates our dedication to transparency and accountability, illustrating the positive influence we aim to have on both society and the environment.

Grounded in four fundamental pillars – **Governance, People, Planet, and Prosperity** – Our Impact Plan outlines our path towards fostering trust and effecting positive change. We continue to prioritise the well-being of our people while assisting our clients in reaching their ESG objectives.

At KPMG in Malaysia, we maintain a clear vision to integrate ESG principles into the heart of our business operations. In doing so, we are devoted to promoting sustainable growth throughout all facets of our work and making a significant impact in the communities we serve.

Reporting period

This report covers the period from 1 October 2023 to 30 September 2024, abbreviated as 'FY2024' or 'FY24'.

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 with 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);
- United Nations (UN) Global Compact Principles;
- IFRS S1 *General requirements for Disclosure of Sustainability-related Financial Information*; and
- IFRS S2 *Climate-related Disclosures*.

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

Governance

100%

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

100%

of our business operations have been assessed for corruption risk

Our System of Quality Management (SoQM), aligned with

ISQM¹ and **IESBA Code of Ethics²**

supports transparency and readiness for emerging standards like ISSA 5000³ and IESSA⁴

¹ International Standard on Quality Management 1, *Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (ISQM 1)

² *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code)

³ International Standard on Sustainability Assurance 5000, *General Requirements for Sustainability Assurance Engagements* (ISSA 5000)

⁴ International Ethics Standards for Sustainability Assurance (IESSA)

People

97%

response rate of Global People Survey FY24, sustaining the strong engagement seen in FY23

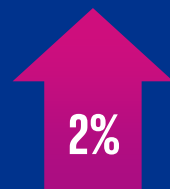


50% of leadership (Partners and Directors) are women

More than **1,400 hours** invested in

KPMG Citizen Developer Programme

fostering culture of digital innovation



improvement in **employee retention rate** from 68% in FY23 to **70%** in FY24

Planet

7,362.0 tCO₂e

of total Greenhouse Gas (GHG) emissions, achieving a reduction of

10% in GHG emissions per individual from FY19 baseline

Developed our proprietary

Climate Flood Risk Model

to assess flood risk exposure, enabling us to develop an effective climate mitigation plan

Collaboration project with Shah Alam Community Forest Society on a

Malayan Tapir Conservation Effort

Prosperity

RM1,082,000

invested into KPMG Education Trust Fund (ETF) since 2022 to support KPMG's **10by30** programme

183

total beneficiaries under ETF, including those from economically disadvantaged communities

Community investment impact (inclusive conservation projects under 'Planet' pillar)

- More than **RM257,000** in community investments
- More than **6,000 beneficiaries** benefitted
- Nearly **6,000 volunteering hours**

Nearly **3,300** volunteering hours under 'Planet' pillar

Nearly **2,700** volunteering hours under 'Prosperity' pillar

A message from the Managing Partner

Purposeful progress: A year of driving meaningful outcomes



Since the launch of Our Impact Plan (OIP) one year ago, KPMG in Malaysia has achieved notable progress in aligning our services with **Environmental, Social & Governance (ESG) principles**. The OIP provides a foundation for translating our purpose—to inspire confidence and empower change—into meaningful and measurable outcomes.

We are pleased to report that our team continues to make meaningful progress towards our impact objectives while strengthening trust with our clients. Anchored by these four pillars—**Governance, People, Planet, and Prosperity**—and guided by our Core Values, we bring our expertise to promote a more inclusive and sustainable future for the communities we serve.

Our people remain integral behind this progress. In FY24, our people at KPMG in Malaysia collectively contributed nearly 6,000 hours to volunteer service, reinforcing our unwavering commitment to effecting positive change wherever we operate.

In pursuit of equal opportunity, our educational programmes enable individuals from adverse backgrounds to engage fully in society. Since 2022, the **KPMG Education Trust Fund**, established through our local partners' pledge, has awarded over RM1 million to more than 500 recipients. This initiative supports KPMG's global 10by30 programme, which aims to expand education and economic opportunities for 10 million disadvantaged youth by 2030.

As part of our dedication to addressing climate change and preserving biodiversity, we have partnered with Reef Check Malaysia since 2007, with our internal certified divers annually monitoring the coral reef health under this long-standing collaboration. We have also supported endangered sea turtle conservation through our partnership with Sea Turtle Research Unit (SEATRU), which began in 2014. Most recently, in 2024, we initiated a Malayan Tapir conservation project in collaboration with the Shah Alam Community Forest Society, further demonstrating our dedication to biodiversity protection.

We are also leveraging technology and innovation to advance our ESG agenda. Through AI adoption and digital transformation, we aim to enhance transparency, strengthen governance, and support clients in navigating complex sustainability challenges. While prioritising growth and competitiveness, we remain focused on managing risks, protecting trust, and ensuring compliance throughout the adoption process.

Thank you for your interest in learning about KPMG in Malaysia's ongoing efforts to become a more sustainable business. We hope you find this update informative and look forward to continued collaboration.

“Our people remain integral behind this progress. In FY24, our people at KPMG in Malaysia collectively contributed nearly 6,000 hours to volunteer service, reinforcing our unwavering commitment to effecting positive change wherever we operate.”

Foong Mun Kong

Managing Partner
KPMG in Malaysia

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Governance

Our Purpose and Values guide everything we do.

23

People

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

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Planet

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

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Prosperity

How we're making a positive social and economic impact.

Contents

Our Material Topics

This year, we conducted a comprehensive review and update of the material topics initially outlined in our previous report, with the goal of enhancing our impact to the community. Some of the initiatives involved consultations with senior leadership and industry experts, analysis of significant internal data and documents, as well as an evaluation of current and emerging ESG risks and opportunities.

To ensure alignment with the needs and expectations of our stakeholders—including employees, clients, regulators, communities, the public, and capital market participants—we carried out structured research and engagement activities. These efforts enabled us to pinpoint the topics that are most vital for our business sustainability and the welfare of our stakeholders.

Access the appendix that supports Our Impact Plan, 2024 update.

Further insights

KPMG International: Our Impact Plan 2025 Update ([Read](#))

KPMG International: Climate Risk Report ([Read](#))

KPMG in Malaysia: Transparency Report 2024 ([Read](#))

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

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Purposeful business

Our commitment

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

At KPMG in Malaysia, we recognise that trust is foundational to our business. Our strong governance and structure underpin a shared responsibility to uphold quality in the services we deliver to clients and society, while fostering a culture of accountability and integrity among our own people. Guided by the KPMG Values and Purpose, we proactively address 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 dedicated to purposeful business, delivering value through integrity, accountability, and high standards while creating positive impacts for society and the economy. As we work to encourage sustainable growth, create meaningful career opportunities, and support national development, we are committed to being the most trusted professional services firm, fostering responsible growth for all stakeholders. Guided by trust and transparency, we remain focused on building a better future for our people, clients, and communities. This vision drives us to continually improve.

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

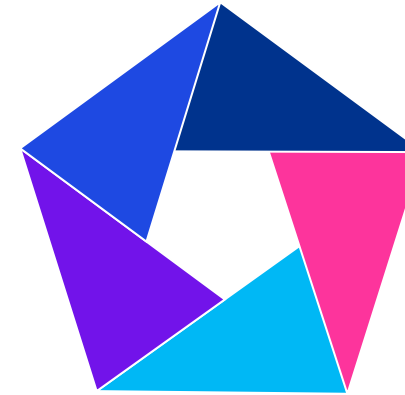
We are a people business. Our people want opportunities to do meaningful and impactful work while developing a thriving career in an inclusive, diverse, rewarding and caring culture.

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 and sustainability 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.



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.

Our Values define who we are

At KPMG, our Values are at the core of everything we do. They guide our behaviours, shape our decisions, and influence how we engage with each other and the communities we serve. By living our Values, we are a purpose-driven firm, fulfilling the expectations of our clients and stakeholders while contributing to the broader social and economic well-being of the people and places in which we operate.

Shared across more than 140 countries and territories, our Values create a consistent and trusted identity for KPMG globally and are ingrained in every stage of the employee experience. In FY24, nearly every country across the KPMG global network participated in **Global Values Week**, a time when our professionals worldwide came together to celebrate the firm's shared culture and Values.

Global Values Week

From 6 to 10 November 2023, KPMG in Malaysia celebrated Global Values Week through a series of thoughtfully curated activities, each day dedicated to one of our five core Values. The initiative aimed to deepen our collective understanding of what these Values mean in practice, and how they guide our behaviours, decisions, and culture.

This year's celebration also marked the launch of the Values Immersion Initiative, a platform for open dialogue facilitated by our leaders. These sessions encouraged reflection on how we embody our Values, particularly in moments that challenge our integrity, courage, and collaboration.

The week began with *Integrity*, featuring a trick scavenger hunt and blind drawing to promote trust and ethical awareness. *Excellence* followed with a virtual plane crash simulation that encouraged critical thinking and teamwork. On *Courage*, participants engaged in a sensory test and the “Cup of Courage” activity to inspire boldness and stepping outside comfort zones. *Together* was celebrated through Pictionary, a human knot exercise, and a yoga session to foster collaboration and team bonding. The week concluded with *For Better*, featuring a virtual talk focused on purpose-driven impact and continuous improvement.



Structure and Governance

KPMG upholds a strong governance framework to manage its operations, establish policies, and align its strategies with our Purpose. KPMG International Limited[^] serves as the coordinating entity for the benefit of the KPMG member firms, supported by governance bodies such as the Global Council, the Global Board and its committees, the Global Management Team (GMT), and the Global Steering Groups.

KPMG in Malaysia

KPMG is a global organisation of independent member firms affiliated with KPMG International, delivering professional services worldwide. In this report, the member firms and affiliates operating in Malaysia are collectively referred to as “KPMG in Malaysia”, “we”, “us” or “our”, unless otherwise stated.

KPMG in Malaysia traces its origins back to 1928. We offer professional services in Audit, Tax, and Advisory to a diverse range of organisations across the public and private sectors. We operate within the framework of our membership in KPMG International, aligned with the obligations, responsibilities, and rights stipulated in our network agreement.

Executive Committee (EXCO): The principal oversight body for business operations at KPMG in Malaysia is the Executive Committee (EXCO), which provides strategic leadership to drive long-term growth, operational excellence, and sustainability. The EXCO is responsible to set and execute business strategy, monitor performance, and uphold the firm's values and brand integrity. The EXCO also plays a vital role in fostering a culture of accountability, innovation, and ethical conduct, ensuring the firm remains resilient and responsive to evolving market and stakeholder expectations.

[^] 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.

Governance Bodies Supporting the EXCO

In addition, two primary bodies support the essential aspects of the firm's governance:

The Board: The Board consists of five members: the Managing Partner, one EXCO member nominated by the Managing Partner, and three non-EXCO partners. It plays a key role in reviewing and providing input to the EXCO on selected matters related to the management of KPMG in Malaysia. The Board convenes twice a year.

SoQM Oversight Governance Body (SOGB): Formed by the EXCO, the SOGB comprises three members – chaired by an experienced Audit partner, alongside experienced partners from Tax and Advisory functions. The SOGB is tasked with overseeing the firm's controls and processes related to engagement quality and the System of Quality Management (SoQM), in line with the International Standard on Quality Management 1 (ISQM 1) requirements. Its primary responsibilities include providing policy recommendations to the EXCO on matters concerning engagement quality and the SoQM framework. This committee meets four times a year.

Our Impact Plan (OIP)/ Sustainability and Climate Governance

KPMG's Global Board reviews the progress of KPMG's global climate strategy annually. The Global Board retains ultimate responsibility and oversight for environmental matters within KPMG International.

At KPMG in Malaysia, the EXCO provides strategic oversight of Our Impact Plan (OIP) and drives progress on key KPMG International sustainability initiatives. The Impact team, led by the Head of Impact and supported by four Impact Partners who each champion one of the pillars of Our Impact Plan, reports directly to the Managing Partner and EXCO. They lead the sustainability agenda and are responsible for reporting significant developments or progress related to the firm's sustainability strategy.

The Head of Impact, supported by the Impact team, oversees the collection and reporting of sustainability data, ensuring consistency, accuracy, and alignment with global reporting standards.

Client confidentiality, information security and data privacy

At KPMG, we prioritise client confidentiality by strictly following our Global Code of Conduct and adhering to applicable laws and regulations. The KPMG global organisation has established clear policies that govern confidentiality, information security, personal data, and data privacy.

To ensure all personnel understand and comply with internal policies, KPMG in Malaysia mandates annual training covering key topics such as confidentiality, information protection, and data privacy compliance. For FY24, we achieved a **100% completion rate for the Information Protection and Data Privacy Fundamentals** training.

In addition, KPMG has implemented a robust framework designed to safeguard personal data and privacy rights, which aligns with both global and local regulations, including the General Data Protection Regulation (GDPR) and the Personal Data Protection Act (PDPA). Our framework also incorporates specific provisions and measures to protect the international transfer of personal data among KPMG entities, reinforcing our commitment to client confidentiality and data protection.

As trusted professional service providers, we remain committed to safeguarding the confidentiality, integrity, and availability of the data entrusted to us.



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substantiated complaints concerning breaches of customer privacy and losses of customer data were recorded by KPMG in Malaysia in FY24

Cybersecurity and digital trust

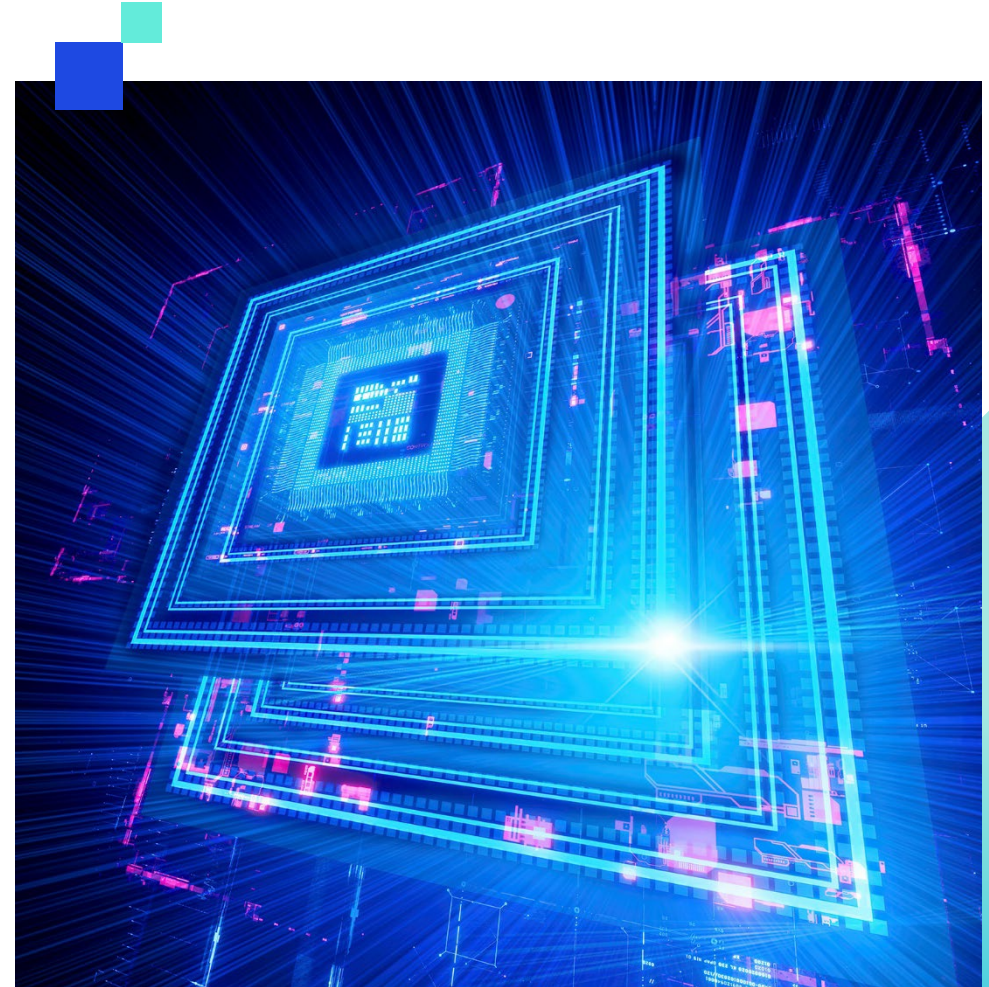
To uphold the trust of our clients, KPMG in Malaysia actively monitors cyber threats and adapt security protocols to address emerging risks, including those from technologies such as generative AI. Our firm's National Information Technology Security Officer (NITSO) plays a key role in managing and overseeing the effective information risk and security implementation of strategic activities in KPMG in Malaysia, aligned with directives from KPMG Global. Through this strategic function, we deliver comprehensive security oversight while adapting to emerging threats and regulatory requirements.

KPMG's cybersecurity experts, leveraging deep expertise across digital transformation, IT, compliance, and forensics, help organisations embrace a comprehensive and strategic approach to cybersecurity. Through specialised client-facing teams, they deliver a broad suite of services, including managed cyber detection and response, cloud security, security operations, risk quantification, digital identity and zero trust, third-party security, AI and advanced analytics, Internet of Things (IoT), and operational technology (OT) security. As cyber threats grow increasingly sophisticated, KPMG combines cutting-edge technology with business insight to help clients build resilient and secure digital environments.

Risk management

KPMG in Malaysia adopts the **Enterprise Risk Management (ERM)** process policy required of all member firms, to establish, maintain and conduct and ERM process to identify, assess, and manage enterprise risks. The ERM process utilises defined risk taxonomies covering strategic, compliance, operational, and financial risks. Risk responses to key risk indicators (KRIs) are deliberated biannually by the EXCO, with outcomes reported to the Global ERM Group annually. This structured, ongoing process strengthens oversight and accountability across the firm. While each member firm manages local risks independently, KPMG International provides coordination to ensure global alignment.

Recognising the cross-cutting impacts of climate and ESG across our global organisation, KPMG enhanced its ERM framework to formally embed ESG, including climate, into our business-as-usual risk management. This integration is reflected in our client and engagement acceptance and continuance policies, which are designed to identify and evaluate potential risks, including relevant ESG risks, prior to entering into or continuing a client relationship or engagement.



Lead the profession in audit quality

At KPMG, we are committed to fulfilling our public interest role by delivering robust audit and assurance services that build confidence among investors and stakeholders. This commitment extends beyond financial reporting to encompass sustainability disclosures, which are increasingly vital in shaping stakeholder trust and long-term value. We believe sustainability disclosures deserve the same level of professionalism, quality, and trust as financial disclosures, enabling stakeholders to understand the connectivity between the two and confidently rely on the information to shape critical decisions.

The audit and assurance landscape is evolving rapidly, driven by the growing demand for high-quality ESG-integrated reporting and the transformative potential of AI. Climate risk is no longer a peripheral consideration—it is becoming integral to our audits as we assess its impact on financial statements and help organisations navigate the complexities of a changing world.

As a technology-driven organisation, we are continually enhancing our approach to audit quality by embracing innovative solutions that enable us to deliver assurance with deeper insights, greater efficiency, and enduring value for stakeholders.

Audit Platform: KPMG Clara, our multi-billion-dollar, cloud-based audit platform, reflects our commitment to innovation and audit quality. Designed to integrate globally consistent audit and assurance methodologies, it empowers more than 95,000 audit professionals in more than 140 countries to deliver high-quality, insights-driven audits with greater efficiency and confidence.

KPMG in Malaysia are actively integrating AI into ESG assurance and reporting processes through platforms such as KPMG Clara – automating data analysis, identifying risk patterns, and streamlining reporting workflows. These advanced capabilities allow clients to meet complex disclosure requirements with greater confidence while reinforcing governance through intelligent, scalable solutions. Our approach reflects KPMG's commitment to ethical AI adoption and aligns with global standards for responsible innovation.

Quality Management: KPMG firms operate under a consistent, risk-based System of Quality Management (SoQM), aligned with ISQM 1 and the International Ethics Standards Board for Accountants (IESBA) Code of Ethics. This framework reinforces accountability and transparency across all member firms and positions us for emerging standards including the International Standard on Sustainability Assurance 5000 (ISSA 5000) and the International Ethics Standards for Sustainability Assurance (IESSA).

Through continuous innovation, we leverage advanced technologies, including AI, to enhance audit quality with insights grounded in data intelligence. Strategic alliances with tech partners such as MindBridge helps us generate value for clients of all sizes, reinforcing our commitment to consistently delivering superior audit and assurance services to our clients.

KPMG in Malaysia's [Transparency Report 2024](#) and [Statement on SoQM effectiveness](#) provide details on how the firm delivers professional excellence and quality continuously.

ESG Assurance: A key emphasis continues to be placed on enhancing ESG assurance to meet the growing demand for reliable and meaningful sustainability disclosures. Committed to promoting trust and transparency, KPMG in Malaysia's assurance practitioners have been actively engaged in conversations with local regulatory and professional bodies to help establish a benchmark for sustainability assurance quality.

We believe ESG reporting should be held to the same standards of rigour and trust as financial reporting, which is why we've deployed a dedicated assurance methodology, KPMG Clara Assurance workflow, and ESG learning curriculum to build teams that help clients deliver credible and decision-useful ESG disclosures.

We are dedicated to strengthening our collaborations with clients to improve the integrity of ESG data, governance practices, and reporting readiness. By utilising advanced audit technologies and interdisciplinary expertise, we help businesses navigate evolving regulatory landscapes and build stakeholder confidence.

Drive a responsible tax practice

We are committed to helping clients approach tax responsibly, guided by transparency and strict compliance within the jurisdictions in which they operate. Tax has become both a commercial and societal issue, with stakeholders expecting businesses to contribute their fair share under increasing scrutiny.

As sustainability moves to the forefront, we are focusing on advising clients in areas such as tax corporate governance, e-Invoicing, green incentives, and the anticipated carbon tax. With carbon-related policies rapidly taking shape, this area is becoming a vital lever in enabling the low-carbon transition driven by governments, regulators, and broader society.

Embedding our Global Tax Principles: Our [Global Tax Principles](#) are designed to guide our tax practice responsibly. We continue to emphasise them in the advice we provide to clients and in our engagements with governments and the broader community. They align closely with our Values.

Investing in technology: KPMG in Malaysia continues to leverage 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-Profiteering \(PCAP\) online calculator](#).

Through investments in the [KPMG Digital Gateway](#), powered by Microsoft Azure and built on the cloud, our platform enables clients to manage, monitor, analyse, and report on tax data and related information. Featuring an expanding suite of AI-enabled capabilities, the platform significantly enhances analytical depth, helping clients convert data into meaningful insights and tangible value.

Building trust: At KPMG in Malaysia, fostering open relationships with regulators and tax authorities is central to our commitment to tax transparency and compliance. Through ongoing dialogue and engagement, we serve as a trusted advisor, providing insights on tax policies and sharing critical updates with the public. We also demonstrate our dedication to knowledge sharing by organising events throughout the year.

Carbon pricing and carbon tax: As the global energy transition accelerates, carbon taxation and pricing mechanisms are gaining traction. The European Union's Carbon Border Adjustment Mechanism (CBAM), for example, is already in its transitional phase ahead of full implementation in 2026. In Malaysia, the government has signaled its intent to explore carbon pricing frameworks, as outlined in the 12th Malaysia Plan (RMK-12), the National Energy Transition Roadmap (NETR), and the proposed introduction of carbon tax in 2026 for selected industries.

Tax strategy with national investment priorities: In 2024, KPMG in Malaysia continued to prioritise investment facilitation over incentives, in alignment with national policy shifts under the RMK-12 and broader government direction. With the Ministry of Investment, Trade and Industry (MITI) and the Ministry of Finance (MOF) driving reforms to attract high-value investments and improve ease of doing business, our tax advisory services have evolved to support these goals. Amid global geopolitical tensions and shifting supply chains, we enabled clients to navigate Malaysia's regulatory landscape through strategic tax structuring, optimisation, and advisory on company setup.

Our work extended beyond compliance, delivering value through benchmarking, active engagement with authorities such as the Inland Revenue Board of Malaysia (IRB) and Royal Malaysian Customs Department, and by leveraging Malaysia's ecosystem to strengthen global connectivity. These efforts reinforce Malaysia's position as a competitive, transparent, and responsible investment destination.

Global Minimum Tax: As Malaysia prepares to implement the Organisation for Economic Co-operation and Development's (OECD) Base Erosion and Profit Shifting (BEPS) 2.0 framework—specifically the Global Minimum Tax under Pillar Two—effective from 1 January 2025, KPMG in Malaysia is actively supporting clients in navigating the resulting complexities. In-scope Malaysian-headquartered multinational enterprises are being guided through impact assessments, group structure reviews, safe harbour evaluations, and readiness for new data and compliance requirements. Leveraging global tools such as the KPMG BEPS 2.0 Automation Technology (KBAT) and the KPMG Digital Gateway, we are helping clients manage the transition while aligning with international standards of tax transparency and fairness.

Advisory with purpose

KPMG firms globally are embedding sustainability into the core of their Advisory services, helping clients integrate ESG considerations into transformation and change initiatives. Technology is a key enabler in this journey, allowing organisations to meet sustainability obligations and enhance long-term business value. KPMG's Advisory practices worldwide continue to deliver innovative, technology-based solutions that support clients in achieving their ESG goals.

Environmental, Social and Governance (ESG) Reporting: KPMG firms assist clients in navigating the growing complexity of ESG reporting frameworks. With advanced technology tools, clients are supported in capturing, managing, and reporting ESG data with clarity and confidence. The [KPMG Global Corporate Reporting Institute](#) provides resources and insights to support connected financial and sustainability reporting.

In the local regulatory landscape, KPMG in Malaysia supports clients in meeting Bursa Malaysia's sustainability disclosure requirements while aligning with global standards and frameworks, including those issued by the International Sustainability Standards Board (ISSB), as well as the Global Reporting Initiative (GRI) and others. We deliver ESG maturity assessments, double materiality analysis, financial impact assessments of sustainability-related and/or climate-related risks and opportunities, and assurance readiness services – supported by digital tools that enhance reporting transparency and stakeholder confidence.

Clear on Climate: KPMG's global [Clear on Climate Reporting Hub](#) offers centralised guidance to help organisations achieve clarity on how to reflect climate-related risks and opportunities in their financial reporting. It includes guidance to support emissions reporting and green finance disclosures.

Aligned with Malaysia's national priorities, we help Malaysian businesses develop climate strategies aligned with Bank Negara Malaysia's Climate Change and Principle-based Taxonomy (CCPT) and global standards. Our services include GHG emissions baselining, climate scenario analysis, and net-zero planning. We also support financial institutions in integrating climate risk into credit assessments and regulatory disclosures.

KPMG in Malaysia remains steadfast in guiding clients through these changes by delivering multidisciplinary ESG advisory and assurance services that enable organisations to comply with evolving regulations, strengthen governance, and progress towards their net zero goals. In doing so, we uphold the highest standards of independence and objectivity, ensuring our advisory services are delivered with full transparency and without conflict—reinforcing trust in the integrity of our work and the value it delivers.

Social Sustainability Analytics: KPMG works with our alliance partners to develop a suite of tools to help clients assess their performance on social metrics. These include Inclusion IQ, Talent 4.0, human rights due diligence tools, and a forced labour dashboard. AI capabilities are being integrated to enhance the depth and value of these insights.

In Malaysia, we apply these tools to help clients to address social sustainability challenges like inclusive growth, equitable development, workforce well-being, and human rights risks. We conduct social impact assessments and supply chain due diligence, including forced labour risk mapping aligned with Malaysia's National Action Plan on Forced Labour (NAPFL). Our analytics are aligned with national development goals and Sustainable Development Goals (SDGs).



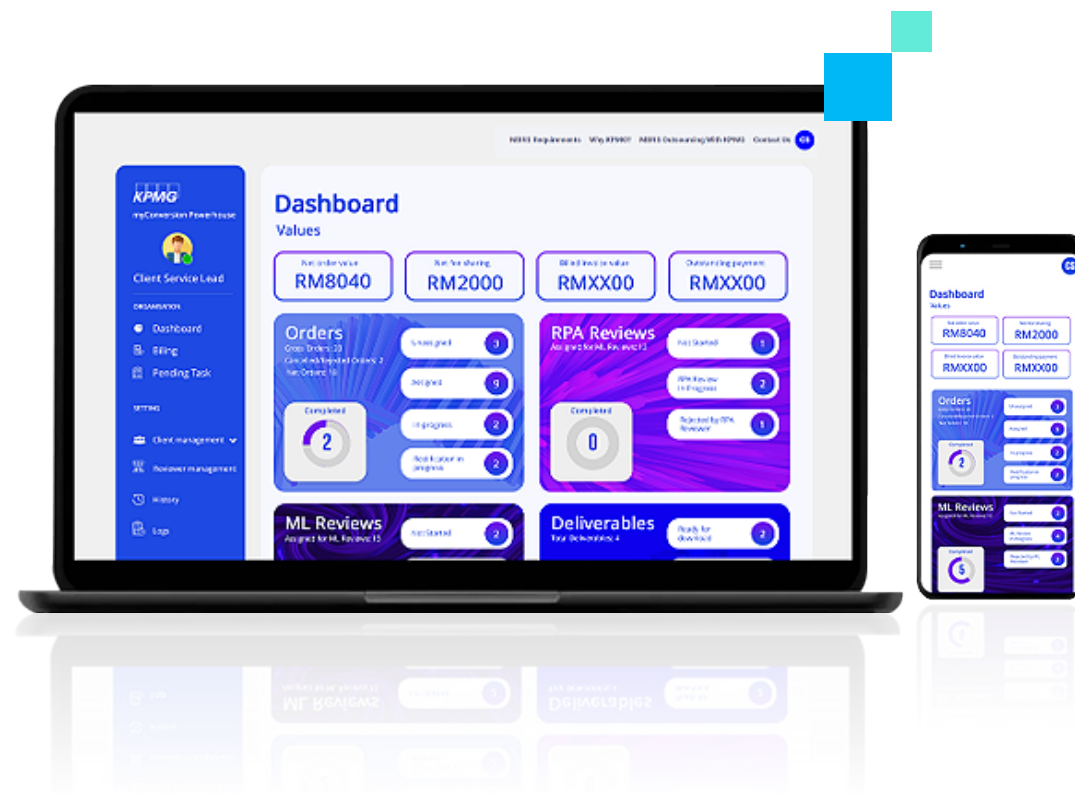
Digital Transformation & Emerging Technologies: KPMG in Malaysia helps clients embed ESG principles into their digital transformation strategies by leveraging truly emerging technologies and innovation-driven approaches. Through our KPMG Connected Enterprise framework, we guide organisations in building agile, customer-centric operating models that support long-term value creation. Our services include crafting ESG-aligned digital transformation roadmaps—strategic plans that integrate sustainability goals with technology investments, alongside implementing advanced analytics and intelligent automation to enhance operational efficiency and stakeholder trust. This enables clients to evolve into future-ready enterprises that meet both regulatory and sustainability expectations.

Enabling Digital Compliance Through MBRS Advisory: As part of our commitment to supporting regulatory compliance and corporate transparency, KPMG in Malaysia provides comprehensive advisory services for the Malaysian Business Reporting System (MBRS), the digital platform mandated by the Companies Commission of Malaysia (SSM) for filing annual returns, financial statements, and exemption applications in XBRL format. MBRS 2.0 is fully mandatory effective 1 June 2025.

Since 2017, KPMG has served as the Master Developer of the SSM Taxonomy for Financial Statements and is the sole Master Trainer certified by SSM to conduct Train-the-Trainer module for MBRS trainers including nationwide MBRS trainings for preparers.

Our MBRS Services are delivered through KPMG myConversion Powerhouse (myCPH) – a technology solution that combines Portal, Machine Learning (ML) and Robotic Process Automation (RPA) capabilities designed and developed in-house, aimed at helping clients ensure compliance, accuracy, and efficiency in digital reporting to SSM.

Looking ahead, we continue to support clients in adapting to MBRS 2.0 through trainings and readiness assessments. This reflects our broader commitment to advancing digital transformation, regulatory alignment, and sustainable corporate reporting in Malaysia.



Spotlight on:

Empowering climate action through National Carbon Market Advisory



A key milestone is our engagement as lead consultant to the Ministry of Natural Resources and Environmental Sustainability (NRES) to develop the National Carbon Market Policy (Dasar Pasaran Karbon Kebangsaan – DPKK). This policy will serve as a foundational guide for Malaysia's carbon market ecosystem and its implementation of Article 6.2 and 6.4 under the UNFCCC, supporting the nation in meeting its Nationally Determined Contribution (NDC).

This engagement builds on our ongoing collaboration with the World Bank and Ministry of Finance in conducting the macroeconomic impact analysis of the implementation of carbon pricing instruments and designing Malaysia's national carbon registry framework.

Under the World Bank's Partnership for Market Implementation (PMI), KPMG also contributes to developing Malaysia's Carbon Registry (Lot 2A) framework, assessing infrastructure readiness and advising on registry solutions aligned with global standards.

Further reinforcing our commitment to sustainable development, KPMG is supporting an energy transition study for the State Utilities of Sabah and Labuan. This initiative focuses on charting a strategic, just, and financially viable roadmap to advance clean energy, while evaluating socio-economic impacts, renewable potential, and institutional preparedness.

These engagements reflect KPMG professionals' commitment to driving systems-level change and enabling Malaysia's pathway to a low-carbon, climate-resilient future.

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 behaviour.



At KPMG, we uphold the highest standards of personal and professional conduct in all our activities. Our [Global Code of Conduct](#) (the Code) delineates the commitments and responsibilities that every KPMG professional holds towards one another, our clients, and the wider community. It reflects how our Values and Purpose drive our ambitions and shape our actions and behaviours.

The Code defines what it means to be part of the KPMG global organisation, outlining both individual and collective responsibilities. We regularly review our Code to ensure it accurately represents these principles and expectations. Additionally, all KPMG personnel are expected to be accountable for their actions in alignment with our Code and must confirm their adherence to it.

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

To ensure firmwide adherence, all personnel are required to complete the *"We Do What is Right: Integrity at KPMG"* training, which covers our Values, Global Code of Conduct, ethical decision-making framework, and illustrated with case studies on confidentiality, AI, bribery, insider trading, and retaliation. The course also highlights channels for reporting misconduct and provides access to key policies. In FY24, we recorded a **100% firmwide completion rate**, demonstrating our strong and consistent commitment to ethical conduct.

As signatories to the United Nations (UN) Global Compact and active participants in the World Economic Forum's Partnering Against Corruption Initiative (PACI), we are dedicated to eradicating corruption in all its forms, such as extortion and bribery. Our Code explicitly enforces a zero-tolerance policy towards illegal or unethical behaviour, whether it originates from KPMG or from clients, suppliers, or public officials we engage with. We consider bribery and corruption unethical, even in contexts where such actions may not be illegal. KPMG in Malaysia has established processes to evaluate potential clients, third parties, and suppliers concerning bribery and corruption. More information can be found in the 'Be independent and ethical' section of our [Transparency Report 2024](#).

Ongoing enhancement of ethical culture

Within the KPMG organisation, we are committed to maintaining the highest levels of integrity and professionalism. Any incident that deviates from our Code or Values is addressed with the utmost seriousness. In instances of lapses, we take decisive action by reviewing our policies, strengthening our controls, and leveraging technology to mitigate the risk of future occurrences.

All KPMG firms within our global network are expected to take appropriate measures when our standards are not upheld. We understand that trust, which is built through ethical behaviour, quality service, and contributions to society, is vital to our ongoing success and our identity as a purpose-driven organisation.

Embedding ethics into our decision-making processes has been further strengthened through the implementation of our **CARE framework: Consider, Assess, Respond, Evolve**. This framework provides our employees with a systematic method for navigating complex situations and ethical dilemmas confidently. Backed by extensive resources and guidance materials, the CARE framework is now applied across the firm and has begun to yield significant improvements in ethical decision-making.

Our Code of Conduct, Values, and policies highlight the critical nature of ethical behaviour, supported by mandatory training and assessments. To maintain these standards, KPMG firms adopt a risk-based approach to regularly monitor the completion of training and the integrity of assessments. This includes identifying potential misconduct, such as sharing answers during assessments. When such behaviours are identified, firms take appropriate corrective actions, which may involve disciplinary measures, to uphold accountability and reinforce a culture of integrity.



Combat corruption in all its forms, including bribery and extortion

To uphold the highest standards of professional integrity, KPMG has established robust global policies supported by mandatory training, compliance protocols, and reporting channels. In Malaysia, we maintain policies and procedures in line with the Guidelines on Adequate Procedures under Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009. These apply to all partners, employees, and third parties engaged in our operations.

In FY24, we reported **zero corruption-related incidents** within KPMG's operations in Malaysia, reflecting the continued effectiveness of our internal controls, ethical culture, and zero-tolerance stance on corruption. To reinforce this, we **conducted corruption risk assessments across 100% of our business activities**, enabling proactive identification and mitigation of potential risks.



100%

of our business operations have been assessed for corruption risk



0

corruption-related incidents recorded across our operations

Anti-corruption training

Each year, our partners and employees receive education on KPMG's comprehensive anti-bribery policy through the "*Anti-Bribery and Corruption*" training. In FY24, **100% of our people**, including leadership, management and non-management, completed the annual anti-corruption training, reinforcing our collective commitment to ethical conduct and regulatory compliance.



100%

of our people completed the annual anti-bribery and corruption training in FY24

Anti-bribery and Corruption across our supply chain

In the process of nurturing existing or establishing new client relationships, we implement Know Your Client (KYC) procedures to identify and manage potential risks related to our ethical guidelines and professional standards.

All suppliers must comply with KPMG's Anti-bribery and Corruption policies, which include our principles and procurement guidance. These policies are incorporated into the firm's vendor agreements, ensuring adherence to confidentiality, data protection, and liability terms. By maintaining these standards, we reduce risks and preserve the integrity of our procurement activities. Furthermore, we are committed to ensuring fairness and transparency in our procurement processes, partnering with socially responsible and reputable suppliers.

Speaking up safely

Speaking up is fundamental to KPMG's culture. We have clear policies, procedures, and channels for reporting conduct that is illegal or in violation of our Values, KPMG policies, professional standards and applicable laws or regulations. Retaliation against individuals who speak up in good faith is strictly prohibited.

To safeguard this principle of accountability, KPMG personnel and third parties can make inquiries about, raise concerns in relation to, provide feedback on, and notify reportable matters, without fear of reprisal, in accordance with applicable laws and regulations.

At KPMG in Malaysia, we uphold this commitment through our internal reporting mechanisms, which include access to a confidential hotline and our dedicated Ethics and Independence resources. These channels are designed to ensure confidentiality and support individuals in raising concerns responsibly and safely.

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 labour in line with the United Nations Guiding Principles on Business and Human Rights. We recognise we have an important role to play in managing potential harm to people and, as part of KPMG's Global Quality & Risk Management processes, we 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.



Aligned with our ambition to lead in the global economy, KPMG strives to set the standard for ethical business conduct and the respect for human rights, serving as a role model within the broader business community. We remain committed to respecting and upholding human rights across all facets of our business, guided by the United Nations Guiding Principles on Business and Human Rights and aligned with our longstanding support for the UN Global Compact.

This commitment is embedded in our Business and Human Rights Statement and our Global Code of Conduct, which set clear expectations for our people and those we do business with. We actively promote:

- The elimination of all forms of forced, compulsory and child labour;
- Inclusive, respectful and harassment-free workplaces;
- Ethical and lawful behaviour in line with public interest; and
- Zero tolerance for unethical conduct by clients, suppliers or public officials.

Our global approach reflects internationally recognised frameworks including the UN Declaration of Human Rights, the International Labour Organisation's Core Conventions, and the OECD Guidelines for Multinational Enterprises.

At KPMG in Malaysia, we operationalise these global commitments through local initiatives, enforcing supplier compliance in accordance to our Values, our Code of Conduct, and compliance with all applicable laws and regulations, conducting regular awareness trainings, maintaining ethical recruitment practices, and fostering a safe, inclusive workplace.

**0**

substantiated human rights complaints in FY24



People

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

Our commitments

Inclusion and access to equal opportunity

Have an inclusive culture built on trust

Health and well-being

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

Continuous learning

Develop a continuous learning culture

3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES

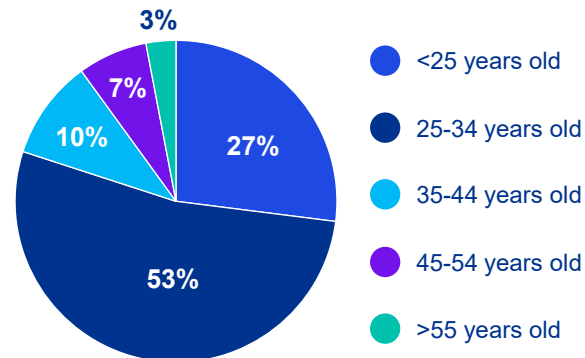


16 PEACE, JUSTICE AND STRONG INSTITUTIONS

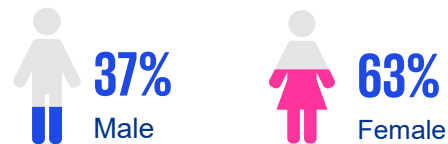


Our workforce: FY24 snapshot

Workforce composition



Gender group



FY24 People overview by role



Total: **2,228**

Headcount reported is based on partners and employees employed by KPMG in Malaysia as of 30 September 2024

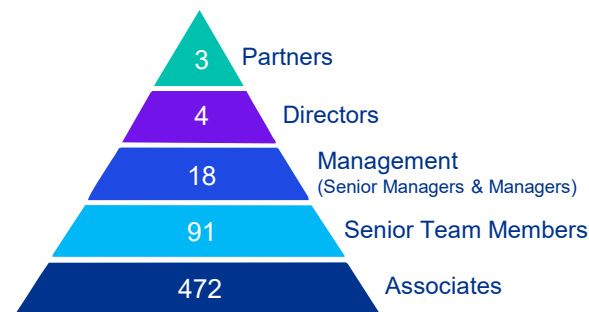
Labour practices in FY24 (% of workforce)



Contractors/
Temporary Staff

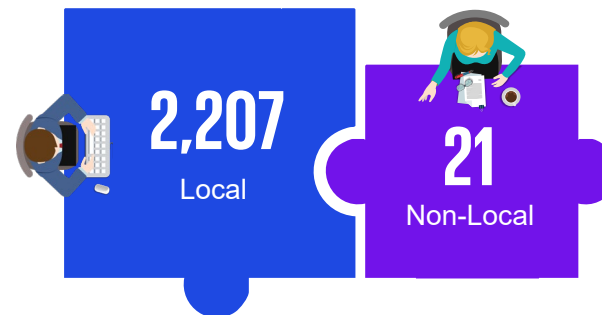
2%

New hires by level

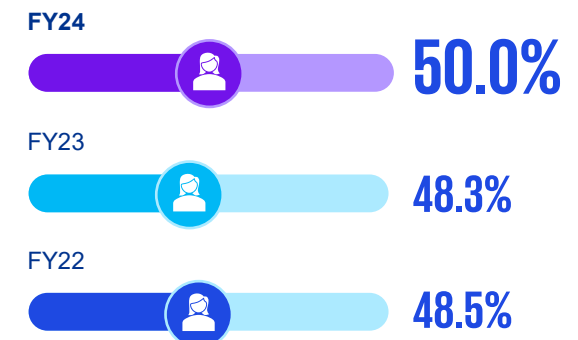


Total in FY24: **588**

Workforce by nationality



Women in leadership roles (Partners & Directors)



Inclusion and access to equal opportunity

Our commitment

Have an inclusive culture built on trust

KPMG is committed to fostering an inclusive culture that reflects the diversity of the communities we serve. Rooted in our Values and business strategy, we aim to build a workplace where everyone feels a sense of belonging and where diverse perspectives strengthen how we serve our people, clients, and society. Having surpassed KPMG's global target of 33% women in leadership ahead of 2025, we continue to strengthen and scale our efforts to promote gender equity across all levels of the firm.



At KPMG in Malaysia, our people are at the heart of everything we do. With a strong and diverse workforce, we place them at the centre of our business strategy, recognising that their passion, expertise and dedication are the driving force behind sustainable growth and lasting value— for the firm, our clients, and the wider community.



Anchoring People at the Core of Our Strategy

We are fundamentally a people-centric organisation. Our strength lies in creating an environment where every individual feels respected, supported, and empowered to thrive. We believe that meaningful impact starts with a workplace culture that embraces diversity, promotes belonging, and nurtures continuous learning. This foundation enables our people to engage in purposeful work, sharpen their skills, and build rewarding, long-term careers.

To remain future-ready, we continue to invest in our people's development, well-being, and holistic growth. Our commitment extends to providing equal access to opportunities and fostering a psychologically safe workplace — especially vital in a world where mental health, resilience, and work-life balance are growing priorities.

Equal opportunity remains a cornerstone of our People agenda. We are committed to promoting social mobility and removing barriers to inclusion, ensuring that everyone regardless of background has the chance to succeed and grow. Our talent strategy focuses on attracting, retaining, and developing high-performing individuals through meaningful progression pathways and leadership opportunities.

Guided by our Values, our **Employee Value Proposition (EVP)** sets out a clear promise to our people, defined by five core pillars:



Do work that matters



Come as you are



Thrive with us



Learn for a lifetime



Make your mark

These foundational principles support our goal of becoming a trusted professional services firm, where every person is encouraged to lead with intention. We value the diversity of our workforce, which encompasses a wide array of academic and professional backgrounds, including business, computer science, economics, engineering, environmental science, forensic studies, information technology and law. This purposeful diversity allows us to transcend conventional accounting practices, revealing distinct viewpoints and innovative solutions that cater to the changing needs of our clients and the communities we serve.

We uphold a merit-based approach to recruitment and advancement, reinforced by structured development pathways and cross-functional collaboration. By fostering inclusive growth and multidisciplinary learning, we are building a resilient, high-performing workforce — ready to navigate complexity, drive innovation, and deliver impact that lasts.

Gender equality: Women in Leadership Goal

As of 30 September 2024, we are proud to report that women make up **50% of our leadership team** (encompassing partners and directors) at KPMG in Malaysia — a milestone that exceeds KPMG's global target. This achievement reflects the strength of our inclusive talent strategy, supported by equitable promotion pathways, leadership development programmes, and a firm-wide commitment to merit-based advancement. Our goal is not just to reach gender balance at the top, but to sustain it through structural enablers and inclusive leadership practices.

More broadly, gender equality remains a longstanding commitment embedded in the fabric of our culture. We actively promote equal access to opportunities across the firm and work to ensure inclusivity is the norm at all levels. Women have consistently represented **over 63% of our total workforce** over the past three years — **63.3% in FY24**, **63.8% in FY23**, and **63.2% in FY22**. This underscores our continued progress in maintaining fair representation and advancing equity across the organisation.

KPMG in Malaysia's Women in Leadership Roles FY19 – FY24

| | FY24 | FY23 | FY22 | FY21 | FY20 | FY19 |
|---|--------------|--------|--------|-------|-------|-------|
| Percentage of women in leadership roles (i.e., as partners and directors) | 50.0% | 48.3%^ | 48.5%^ | 45.1% | 46.2% | 45.7% |

^ Comparatives have been restated to exclude workforce from KPMG Delivery Network T&L (Malaysia) Sdn. Bhd, ensuring consistency in reporting boundary across reporting periods. FY21, FY20 and FY19 have not been represented for this change of basis.

Fair Compensation

At KPMG in Malaysia, our compensation philosophy is anchored in fairness, meritocracy, and market alignment. We apply a structured framework where pay is determined based on job grades, benchmarked against industry standards, and consistently applied across the organisation. This ensures that individuals performing similar roles at the same level are rewarded equitably, regardless of gender. Our internal practices are designed to uphold pay equity within each grade. Through regular reviews, pay calibration exercises, and oversight from People and Reward teams, we continue to monitor consistency and mitigate potential bias in pay decisions. These measures reflect our broader commitment to equality, ensuring that our people are recognised and rewarded fairly for the value they bring.

Celebrating Inclusion: From Festivities to Advocacy

At KPMG, we recognise equality as the cornerstone of an inclusive and high-performing workplace. In FY24, our people engaged in firmwide inclusion initiatives focused on cultural appreciation, gender equality, and inclusive well-being, fostering meaningful dialogue, representation, and a stronger sense of belonging across the firm.

Now in its fifth year, **KPMG Cultural Day** is KPMG in Malaysia's firmwide flagship initiative celebrating the rich diversity of our people. The 2024 edition featured 10 cultural booths representing the home countries of our expatriate community, including China, India, Indonesia, Japan, Korea, South Africa, Thailand, the United Kingdom, and Vietnam. The event included a traditional fashion showcase, booth tours where more than 300 of our people sampled 30+ cultural dishes, and cross-cultural trivia games. Participation from our Global Internship Programme (GIP) interns from the United States added to the event's international spirit.

We continued to advance gender equality through firmwide observances of **International Women's Day (IWD)** and **International Men's Day (IMD)**, both anchored to the year's theme of empowering holistic well-being and inclusive leadership.

IWD 2024, themed "Inspire Inclusion", brought together over 300 colleagues for a powerful Fireside Chat featuring KPMG leaders and external speakers who shared perspectives on equity, resilience, and leadership. The celebration also included wellness-focused experiences along with a marketplace showcasing women-led businesses, all designed to uplift, empower, and connect.

IMD 2024 placed a spotlight on men's mental health and overall well-being, engaging more than 250 colleagues through health screenings, fitness challenges, and mindfulness workshops, encouraging open conversations and healthy habits in support of a more balanced and inclusive work environment.

We continued to foster a sense of belonging by **celebrating key cultural and religious festivities**, brought to life through team-led office décor, food experiences, and inclusive activities across our offices. These celebrations reflect our commitment to a workplace where equality is not only upheld, but actively lived, empowering every individual, regardless of background, gender, or belief, to feel valued, included, and inspired to thrive.



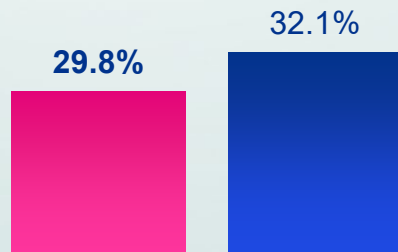
Talent retention

Retaining top talent is essential to sustaining performance, preserving institutional knowledge, and ensuring long-term continuity across the organisation. Our people strategy continues to prioritise initiatives that foster engagement, recognise contributions, and provide meaningful career pathways.

In FY24, our turnover rate declined to 29.8%, an improvement from 32.1% in FY23. The number of departures also decreased from 736 to 665, indicating stronger workforce stability. This reduction in actual exits is a positive indicator of the continued impact of our retention strategies and highlights meaningful progress in strengthening engagement and sustaining talent across all levels of the firm. We will continue to measure and analyse trends to protect equal opportunity.

KPMG in Malaysia's turnover rate FY24 vs FY23[^]

■ FY24 ■ FY23



Note: Turnover rate is calculated by dividing the number of leavers in the year by the total headcount as of the relevant financial years ended 30 September.

[^] FY23 have been restated to exclude workforce from KPMG Delivery Network T&L (Malaysia) Sdn. Bhd, ensuring consistency in reporting boundary across reporting periods.



Positioning for Excellence: Our Approach to Attracting Talent

Our recruitment strategy is grounded in the belief that diverse talent drives better outcomes. We are committed to a fair, inclusive, and merit-based selection process that evaluates individuals based on their qualifications and potential, regardless of race, gender, age, disability, or marital status. This reinforces our commitment to inclusion, diversity, and equity while enriching the perspectives within our teams. To strengthen our talent pipeline, we actively collaborate with universities and engage in strategic platforms such as GRADUAN Aspire, Graduates' Choice Award (GCA), The Malaysian Career Fair (United Kingdom Education Centre (UKEC)), Talentbank Career Fair, and the Mega Careers & Study Fair. These touchpoints allow us to connect with diverse talent early, promote equitable access to opportunities, and reinforce our standing as an employer of choice in 2024.

2024

- **Champion** in Accounting & Professional Services Category for Graduates' Choice Award
- **First Runner Up** in Consulting Category for Graduates' Choice Award
- **Top 1%** in Overall Ranking of Graduates' Choice of Employer To Work For in 2024 for Graduates' Choice Award
- **Second Runner Up** in Accounting & Professional Services Category for Malaysia's 100 Leading Graduate Employers
- **First Runner Up** in Professional Services Category of Malaysia's Most Preferred Employers for GRADUAN Brand Awards
- **Top 8** in Overall Ranking of Malaysia's Most Preferred Employers for GRADUAN Brand Awards



2023

- First Runner Up in Accounting & Professional Services Category for Graduates' Choice Award
- First Runner Up in Consulting Category for Graduates' Choice Award
- Top 1% in Overall Ranking of Graduates' Choice of Employer To Work For in 2023 for Graduates' Choice Award
- Champion in Accounting & Professional Services Category for Malaysia's 100 Leading Graduate Employers
- First Runner Up in Consulting Category for Malaysia's 100 Leading Graduate Employers
- Second Runner Up in Graduate Employer Of The Year for Malaysia's 100 Leading Graduate Employers
- Winner in Professional Services Category of Malaysia's Most Preferred Employers for GRADUAN Brand Awards
- Second Runner Up in Overall Ranking of Malaysia's Most Preferred Employers for GRADUAN Brand Awards

2022

- First Runner Up in Accounting & Professional Services Category for Graduates' Choice Award
- First Runner Up in Consulting Category for Graduates' Choice Award
- Top 25 Most Preferred Graduate Employers in Malaysia for Graduates' Choice Award
- Second Runner Up in Accounting & Professional Services Category for Malaysia's 100 Leading Graduate Employers
- Second Runner Up in Consulting Category for Malaysia's 100 Leading Graduate Employers
- Winner in Professional Services Category of Malaysia's Most Preferred Employers for GRADUAN Brand Awards
- Top 4 in Overall Ranking of Malaysia's Most Preferred Employers for GRADUAN Brand Awards

Health and well-being

Our commitment

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

At KPMG in Malaysia, we believe well-being is essential to unlocking the full potential of our people. We are committed to building a culture where individuals feel confident prioritising their physical and mental health and are supported every step of the way. By encouraging open dialogue and providing meaningful resources, we empower our people to thrive personally and professionally, driving lasting impact for our clients and the firm.



Health and Safety

In FY24, KPMG in Malaysia recorded **zero work-related fatalities** and maintained a **zero lost time incident rate**. This continues our strong track record, with no reported incidents in our comparative years. These outcomes reflect our ongoing commitment to maintaining a safe and healthy work environment for all our people.

To further strengthen workplace safety and ensure firmwide compliance, we implemented a structured Workplace Health and Safety eLearning module, designed with local workplace scenarios and regulatory context in mind. The training equips employees with the skills to:

- Detect and manage safety hazards and risks with proficiency;
- Apply essential fire safety principles effectively; and
- Define and integrate ergonomic practices to enhance comfort, safety, and efficiency in daily work environments.

In FY24, we are proud to report a **97% completion rate** of the training module, demonstrating a shared commitment across all levels of the firm to workplace safety.

By tailoring health and safety education to our operating context and embedding it into core learning, we continue to safeguard our people, reinforce operational resilience, and support sustainable performance across the firm.



0 work-related fatalities and lost time incident rate in FY24



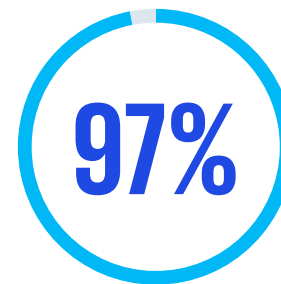
97% of our people completed the Workplace Health and Safety training

Listening channel: Global People Survey

Our annual Global People Survey (GPS) is a key mechanism in strengthening our people's experience across KPMG firms. It captures both quantitative insights and qualitative feedback, offering a comprehensive view of our people's sentiment at both firmwide and functional levels. The GPS reinforces our commitment to transparency, psychological safety, and continuous improvement by providing a safe platform for individuals to share honest perspectives. These insights directly inform actions that enhance engagement, well-being, and trust within the workplace.

In FY24, KPMG in Malaysia achieved a **97% response rate** in the Global People Survey (GPS), sustaining the strong engagement seen in FY23 and marking a continued upward trend from previous years. This exceptional level of participation reflects a workplace culture where voices are not only heard but valued, demonstrating our deep commitment to openness, inclusivity, and shared accountability.

Insights from our FY24 Global People Survey show that **85% of our people feel they have opportunities to improve and develop new skills**. This reflects our strong commitment to continuous learning as a core element of well-being. By empowering individuals to grow through structured development, digital tools, and on-the-job learning, we nurture a sense of purpose, build confidence, and strengthen institutionalised engagement, creating the conditions for our people to thrive.



**response rate in the 2024
Global People Survey**

Source: KPMG in Malaysia FY24 Global People Survey

Work-life balance

We recognise that well-being is not just a support function, but a strategic priority that underpins performance, retention, and a thriving workplace culture. At KPMG in Malaysia, we are deeply committed to fostering an environment where our people feel safe, supported, and empowered to care for their mental, emotional, and physical health. Through intentional policies and firmwide initiatives, we embed well-being into the everyday experience of our people, ensuring they are equipped not only to perform, but to flourish, both personally and professionally.

Mental and Physical Well-being – Anchored in Awareness & Accessible Support

In support of mental and physical well-being, we observe global health days such as World Health Day and World Mental Health Day, offering our people a variety of resources and activities to care for their overall health.

- **Wellness Booths** offering biometric, vision, musculoskeletal, and fitness screenings, as well as wealth coaching and free massage sessions.
- **Health Talks** in collaboration with our insurance provider and wellness partners, promoting awareness of available entitlements and resources.
- **Financial Fitness Talks**, raising awareness on the impact of financial stability on mental health.
- **Employee Assistance Programme (EAP)**, providing confidential counselling, financial guidance, and support for personal challenges.
- **Comprehensive health coverage**, like annual screenings, specialist care, and corporate discounts on wellness services and gym memberships.

Physical Activity and Team Sports – Fostering Connection and Vitality

Regular physical activity is a key enabler of work-life balance. By integrating movement into the flow of the workweek, we create space for our people to recharge, connect, and maintain a healthy balance between professional demands and personal wellness.

- **Aktif@KPMG**, our bi-weekly fitness series, attracted more than 400 participants across a range of inclusive activities, including futsal, badminton, yoga, and strength training.
- **The Inter-department Games (IDG) 2024** brought together over 400 athletes from across functions to compete in more than 14 different sports, fostering interdepartmental camaraderie, teamwork, and a sense of collective pride.
- **Fun Fit Fridays**, introduced in FY24 as a quarterly initiative, engaged over 200 of our people in energising group workouts and wellness challenges, thoughtfully timed on Fridays to promote balance and a revitalising end to the workweek.
- **Officelympic**, our in-office sports event, united nearly 200 colleagues across all departments within Petaling Jaya office in a friendly competition. Teams, divided by floor, competed in 5 mini-games inspired by KPMG's core values. The winning team earned the honour of displaying the Champion Trophy until next year's event.

Social Well-being – Rooted in Connection, Culture, and a Sense of Belonging

We believe social connection is essential to holistic well-being. By fostering inclusive spaces beyond daily work, we promote a culture of belonging, engagement, and emotional wellness, celebrating individuality and strengthening community.

- **KPMG Annual Dinner**, a flagship firmwide celebration that brings together colleagues to honour collective achievements and nurture a sense of unity.
- Employee-led **interest groups** offering spaces for connection through shared passions and networking.
- **KPMG Bazaars and Marketplaces**, held in-office, provide opportunities to support local vendors while encouraging informal social interaction among colleagues.
- **Rest, Refresh, and Rejuvenate (3R) Fund**, a flexible pool of resources allocated to teams to organise wellness and social activities that reflect their unique dynamics and needs.

Spotlight on:

Recognition Reimagined with KICA

In September 2024, we unveiled the **KPMG Inspiring Confidence Award (KICA)**, a newly established recognition framework evolved from the former KPMG Values Award. This initiative marks a strategic shift in how we honour our people: anchored in appreciation, driven by collaboration, and aligned with our firm's long-term priorities.

KICA offers a more structured and frequent recognition cycle, allowing for consistent appreciation throughout the year rather than ad hoc acknowledgements. We also doubled the token of appreciation awarded to recipients, underscoring the value we place on those who go above and beyond in service to the firm, their colleagues, and our shared purpose.

To support transparency and efficiency, KICA is embedded into our internal performance and feedback platform. This digital integration allows for easier nominations and promotes a feedback culture that recognises efforts in real time while building a shared language around values-led behaviour and collaboration.

At its essence, KICA reinforces a key belief: that authentic recognition fuels well-being. When individuals feel valued, celebrated, and empowered, they are more engaged, resilient, and inspired, strengthening the foundation of a purpose-led, people-first organisation.



Life-aware Support That Champions Equity And Well-being

Inclusion means supporting our people through every stage of life, recognising that personal milestones, transitions, and challenges are deeply connected to overall health and well-being.

- **Parental leaves:** KPMG in Malaysia continues to prioritise the well-being of our people through enhanced parental leave benefits. Since FY23, maternity leave has been extended to 98 consecutive days per confinement (up to five), supporting maternal health and early bonding. Paternity leave remains at 7 calendar days, reinforcing our commitment to shared caregiving and gender equity. These policies, maintained in FY24, reflect our ongoing support for working families.
- **Compassionate leaves:** Provides compassionate time off to support our people through personal loss of an immediate family member or during natural disasters. It has been vital during events like Malaysia's severe floods, allowing affected employees to focus on family, safety, and recovery.
- **Marriage leaves:** Offers paid time off, allowing our people to celebrate, rest, and reconnect, reinforcing our commitment to a people-first culture that values emotional wellness alongside professional growth.

Beyond leave entitlements, KPMG in Malaysia extends additional gestures of care through tokens, tangible expressions of our commitment to well-being and inclusive support.

- **Parental Token:** Introduced in FY24 as a cash allowance, replacing the previous maternity care package. This shift promotes inclusivity and gives parents flexibility to meet their family's unique needs.
- **Bereavement Token:** Provided to our people who experienced loss of an immediate family member, offering tangible support and compassion in times of grief.
- **Marriage Token:** Given to newlyweds in celebration of their union, as a gesture of support and recognition during this meaningful life transition.

Caring Beyond Moments That Matter

Beyond statutory leaves and life-stage support tokens, KPMG in Malaysia champions cross-cutting initiatives that promote holistic well-being and psychological safety. Our people are entitled to **3 medical certificate (MC)-free leave days** annually, designed to encourage proactive rest and self-care without administrative barriers.

Additionally, our signature initiative, **Golden Week**, offers days of paid leave. As a first-of-its-kind programme in the firm, Golden Week reflects our commitment to addressing burnout, enabling meaningful downtime, and reinforcing a culture that values balance, rejuvenation, and human connection.



Continuous learning

Our commitment

Develop a continuous learning culture

The accelerating pace of technological change continues to increase the need for reskilling and upskilling. Providing our people with continuous learning opportunities remains a fundamental part of our talent strategy. In addition to offering a wide range of development programmes, we are focused on building leaders who can coach, guide, and inspire others across diverse career pathways. This approach reflects the strength and adaptability of our multidisciplinary workforce.



At KPMG, we are committed to cultivating a culture of continuous learning that empowers our people to expand their capabilities, pursue meaningful career paths, and drive innovation and quality for our clients. This commitment is a cornerstone of our Employee Value Proposition, encapsulated by our promise to Learn for a Lifetime. We believe that lifelong learning is fundamental to achieving excellence throughout every phase of our people's careers and personal growth.

The accelerated adoption of generative AI across our service offerings underscores the need for our people to build fluency in emerging technologies. Proficiency in AI, alongside strong communication, collaboration, and critical thinking skills, is increasingly critical to delivering differentiated value and impactful outcomes for clients.

Our learning strategy is built around three core dimensions:



Technical learning, which fosters deep subject matter expertise in our core service lines: Audit, Tax, and Advisory.



Ethical learning, which reinforces our Values and guides our people to act with integrity in all situations.



Accelerator learning, which equips our professionals with capabilities in fast-evolving areas such as sustainability, digital literacy, and advanced technologies like AI.

From the AI-enabled KPMG Clara platform in Audit, to the Digital Gateway in Tax, and the use of AI-powered analytics across Advisory, our learning programmes are closely aligned with the practical demands of each role. Training initiatives are tailored to ensure our professionals remain agile, capable, and ready to meet the evolving needs of our clients, while continuing to uphold the highest standards of service across the organisation.

Empowering talent: Advancing digital and data foundations

As part of our commitment to investing in our people and equipping them for the future, KPMG has prioritised the development of digital and AI capabilities across the global organisation. Recognising the growing demand for technology-driven services, we have established structured learning pathways that provide consistent, accessible training to support upskilling, career mobility, and innovation.

In FY24, as the pace of AI and digital integration accelerated, we expanded our Digital and Data Foundations training programme to meet the evolving needs of our workforce. KPMG professionals across the globe dedicated **over 150,000 hours** to the programme, up from 126,000 hours in FY23, completing **more than 210,000 training modules** in areas critical to modern service delivery.

To further strengthen our technology learning ecosystem, we scaled up our partnership with Pluralsight, a leading web-based technology education platform. This expansion increased the availability of curated courses from 200 to over 10,000, catering to all proficiency levels, from foundational to expert.

The curriculum spans key areas such as Python, Power BI, cloud computing, cybersecurity, automation, and disruptive technologies, empowering our people to deepen their expertise and remain agile in a rapidly changing landscape.

Additionally, we introduced a tailored learning pathway aligned with KPMG's Trusted AI framework, which reinforces our commitment to the ethical and responsible use of AI. To drive global engagement, we launched three interactive "24 Hours of AI" learning events in 2024, accessible to all KPMG professionals worldwide. These efforts reflect our sustained focus on nurturing a future-ready workforce through continuous learning and meaningful development opportunities.

Digital Empowerment in Action - KPMG Citizen Developer Programme

At KPMG in Malaysia, we recognise that fostering a culture of continuous learning, innovation and digital empowerment is essential in preparing our people for the future of work. In line with our commitment to invest in upskilling, the firm launched the **KPMG Citizen Developer Programme (CDP)** in January 2022, a strategic initiative led by our Information Technology Services (ITS) department.

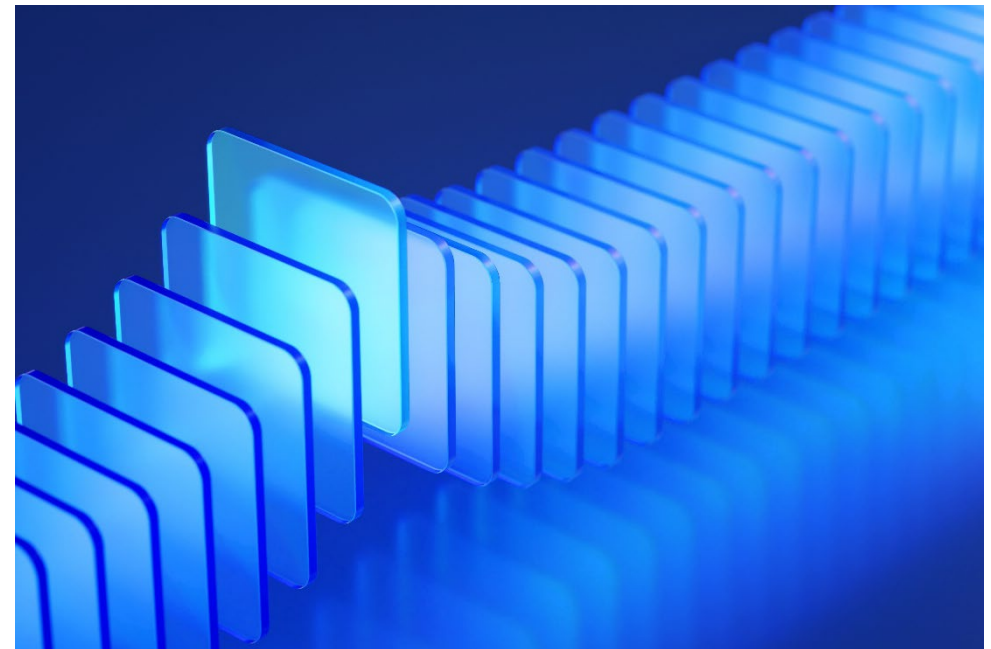
This initiative is tailored to equip KPMG professionals with low-code/no-code capabilities, enabling them to automate routine tasks, streamline workflows, and develop innovative digital solutions, regardless of their technical background. In FY24, the programme has attracted more than 200 of our people who have collectively invested time in learning how to digitise and enhance their day-to-day processes. The CDP is delivered through a comprehensive 6-hour training framework which covers the following key areas:

- **Power Automate:** Participants learn to build automated workflows between applications and services, enabling them to synchronise files, receive real-time notifications, collect data efficiently, and eliminate repetitive manual tasks.
- **Power Automate Desktop:** This module focuses on robotic process automation (RPA) for desktop-based tasks, empowering users to increase productivity through automation of repetitive on-screen actions.
- **Power Apps:** Trainees are introduced to building custom low-code applications that connect to various data sources, allowing them to address business needs quickly, without the need for complex coding or third-party tools.
- **Power BI Dashboard:** Participants are guided on how to transform raw data into meaningful dashboards and data visuals, which enables informed decision-making through data storytelling and insights.

By equipping our people with these tools, the CDP reflects our broader ambition to nurture a digitally confident and innovation-driven workforce. The CDP is one of many initiatives aimed at enabling our people to lead with purpose, adapt with agility, and create value through technology.

Tax Knowledge Sharing App

Our people from Tax function who attended the CDP training have independently developed the Tax Knowledge Sharing App from conceptualisation to launch without requiring any intervention from the ITS team. Now adopted across the entire Tax function, this initiative exemplifies how the CDP has empowered our people with minimal coding skills to deliver practical, business-driven solutions.



Sponsorship for Professional Examinations Agreement (SPEA)

To foster a culture of continuous learning and professional excellence, we offer the Sponsorship for Professional Examinations Agreement (SPEA), a structured financial and academic support programme for employees pursuing globally recognised certifications. Under SPEA, our people receive sponsorship of up to **RM20,000**, covering tuition, examination fees, and relevant materials for qualifications such as the ACCA, ICAEW, CIMA and others aligned with their professional growth paths.

Support goes beyond funding. Our people are granted up to 5 days of study leave per exam paper and one day per exam sitting. Our people may also receive additional leave and performance-based incentives, reinforcing our merit-based learning culture. SPEA is a strategic investment, ensuring our people remain skilled and certified, while easing financial and time-related barriers to lifelong learning.

Global secondment opportunities

In FY24, our high-performing professionals were deployed to Australia, Hong Kong, Japan, Taiwan, and the United Kingdom through structured Global Secondment programmes, including Audit Career Enhancement (ACE), Direct Placement, Tax Trek, and Global Opportunities (GO). These programmes are designed to enhance technical capabilities, foster cross-border experience, and build cultural agility. Since 2006, a total of 225 KPMG in Malaysia professionals have participated in outbound secondments. Many have returned to assume management roles, applying international insights to lead high-performing teams and contribute to the firm's growth and innovation agenda.

Amplifying voices of the next generation

KPMG's Next Gen Council serves as a global platform for emerging leaders under 35, selected from high-performing individuals across all service lines and Reporting KPMG Firms. The Council provided strategic input to global leadership, including contributions to the firm's ESG materiality assessment and perspectives on responsible AI use. KPMG in Malaysia was represented through the ASPAC region, ensuring regional priorities were reflected in shaping the firm's long-term direction.

In FY24, total training hours

175,562 hours

of formal learning firmwide

In FY24, average spend of

RM230

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" amount is calculated by dividing the total spent by our total headcount as of 30 September 2024.

Planet

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

Our commitments

Decarbonisation

Becoming a net-zero business

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



Decarbonisation

Our commitment

Becoming a net-zero business

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



Shaping a low-carbon future

KPMG in Malaysia is committed to playing an active role in accelerating the nation's transition to a low-carbon and climate-resilient future. As part of the KPMG global network, we share a collective ambition to achieve net-zero emissions responsibly, and we recognise that our actions, both locally and globally, carry weight in shaping meaningful outcomes for our planet and future generations.

Guided by our approved near-term Science-Based Targets (SBTs), the KPMG global network has pledged to reduce greenhouse gas emissions by 50% across all scopes by 2030, using FY19 as the baseline. In Malaysia, we are aligned with this vision and are currently working to re-baseline our carbon footprint, in accordance with the Science-Based Targets initiative (SBTi) requirements. This enables us to track, refine and intensify our decarbonisation efforts based on science-backed methodologies, while contributing to Malaysia's broader climate agenda and sustainable development goals.

In accordance with the Greenhouse Gas Protocol, KPMG in Malaysia applies the operational control approach in determining the organisational boundary for emissions reporting. Our Scope 2 emissions are calculated using two distinct methods: location-based and market-based. Currently, both values align as we have not entered into any contractual arrangements or made procurement decisions that would result in a differentiated market-based value.

At the global level, the KPMG network reported a 22% reduction in total location-based emissions and a 23% reduction in market-based emissions in FY24 compared to the previous year. Against the FY19 baseline, this reflects a 39% and 41% reduction respectively, demonstrating continued progress in overall emissions reduction. While significant strides have been made in Scope 1 and Scope 2 emissions, our focus is increasingly shifting towards Scope 3 emissions, particularly in relation to business travel.



We are also deeply committed in supporting the wider ecosystem. Through our advisory and assurance work, we help clients navigate the complexities of decarbonisation, identify, assess and manage climate-related risks and opportunities, and strengthen climate disclosures in line with evolving global standards. Whether advising on low-carbon transition strategies or providing assurance to drive confidence, our professionals bring the right mix of technical expertise and purpose-driven insights to guide organisations on their sustainability journeys.

Decarbonisation is not just a climate imperative; it is a business imperative. At KPMG in Malaysia, we are embedding climate action into the way we operate, serve clients and engage stakeholders. As we look beyond 2030, we remain steadfast in supporting the global network's journey towards a long-term net-zero target by 2050, recognising that sustainable progress demands continuous action, innovation, and accountability.

FY24 climate performance

Annually, we report our climate performance to KPMG International in line with Greenhouse Gas (GHG) Protocol standards. As a professional services provider with a high human capital component, we monitor emissions on a per-individual basis to effectively manage our climate impact relative to workforce size. This metric helps us identify opportunities to enhance operational sustainability and ensures that workforce growth does not disproportionately increase the firm's carbon footprint. In FY24, KPMG in Malaysia achieved a 10% reduction in GHG emissions per individual compared to the FY19 baseline, representing a meaningful step forward.

3.30 tCO₂e

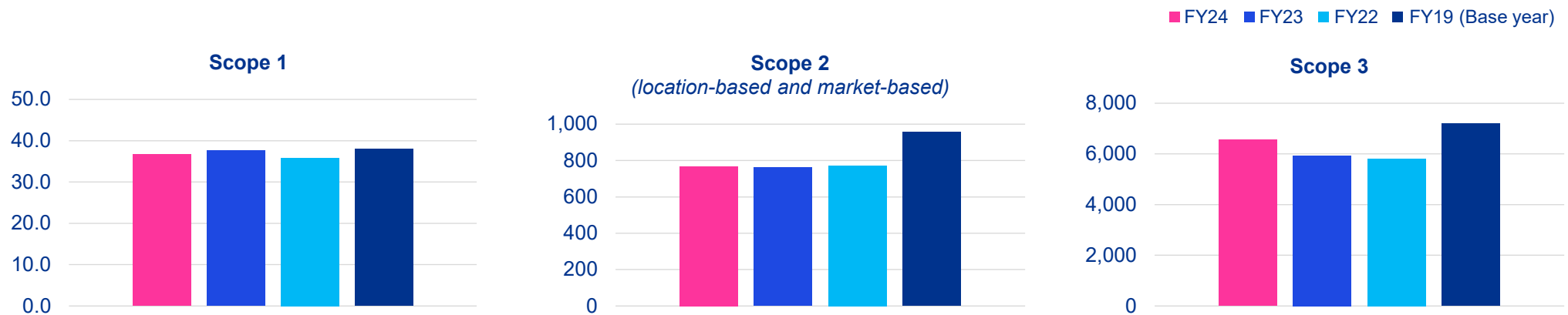
per individual in FY24

(FY23: 2.94 tCO₂e per individual)

10% reduction in GHG emissions per individual (tCO₂e) in FY24 compared to FY19



KPMG in Malaysia's operational GHG footprint (unit of measure in tonnes of CO₂ equivalent (tCO₂e))



* Comparatives have been restated (including base year), as a result of our commitment to continuous improvement in our emissions data quality, ensuring a more accurate and reliable emissions reporting. Refer to page 44 for further details on the restatement made.

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

| Category and Source | FY24 | FY23 | FY22 | FY19 (base year) |
|--|----------------|----------------|----------------|------------------|
| Scope 1 – Stationary combustion, mobile combustion and fugitive emissions | 36.7 | 37.6 | 35.9 | 38.0 |
| Scope 2 (location-based and market-based) – Purchased electricity | 768.9 | 762.4 | 771.7 | 956.6 |
| Total Scope 3 | 6,556.4 | 5,932.7 | 5,807.1 | 7,198.0 |
| <i>Category 1 – Purchased goods and services</i> | 1,182.6 | 1,283.3 | 1,120.8 | 1,258.6 |
| <i>Category 2 – Capital goods</i> | 837.1 | 485.0 | 511.7 | 392.9 |
| <i>Category 6 – Business travel</i> | 1,196.8 | 1,097.5 | 861.1 | 1,797.8 |
| <i>Category 7 – Employee commuting</i> | 1,780.7 | 1,578.2 | 1,438.9 | 1,820.5 |
| <i>Category 8 – Upstream leased assets</i> | 1,392.3 | 1,323.5 | 1,708.6 | 1,718.3 |
| <i>Scope 3 – Others</i> | 166.9 | 165.2 | 166.0 | 209.9 |
| Total emissions | 7,362.0 | 6,732.7 | 6,614.7 | 8,192.6 |
| GHG emissions intensity | | | | |
| tCO₂e per individual | 3.30 | 2.94 | 2.93 | 3.66 |

Notes:

- The tCO₂e per individual is calculated using the total partner and employee headcount as of relevant financial years ended 30 September.
- Scope 3 – Others encompass Scope 3 category 3A (upstream emissions from purchased fuels, such as diesel used on company-owned vehicles and generator sets), 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).
- Scope 1, Scope 2 and Scope 3 category 6 and 7 emissions, have been restated (including base year) following a refinement of the activity data used and revision made to reflect the most relevant emission factor in emission estimations. This update reflects our commitment to continuous improvement in emissions data quality and ensures more accurate and reliable emissions reporting.
- Refer below for sources of emission factors used:
 - Scope 1 emissions arising from stationary combustion and mobile combustion, as well as Scope 3 emissions Category 3A, 6 and 7, were calculated based on United Kingdom Department of Environment, Food and Rural Affairs (UK Defra) GHG Conversion Factors. For Scope 1 arising from fugitive emissions, the Global Warming Potential (GWP) values applied were based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). Emissions from air travel (Scope 3 Category 7) include the impact of radiative forcing (RF).
 - Emissions from purchased of non-renewable electricity (Scope 2 and Scope 3 Category 8) were based on the grid emission factor as published by the Energy Commission of Malaysia on 25 November 2024.
 - Scope 3 Category 3B and 3C were based on International Energy Agency (IEA) Emission Factors 2024.
 - The methodology used for Scope 3 Category 1 and Category 2 incorporates a spend-based approach, applying sector-specific emissions factors.

Addressing climate change requires a clear understanding of the sources of our greenhouse gas (GHG) emissions. By categorising emissions into Scope 1, Scope 2 and Scope 3, we gain deeper insights into our climate impact—from direct operations to indirect activities across our value chain.

Scope 1 Emissions

In FY24, Scope 1 emissions totalled **36.7 tCO₂e**, accounting for 0.5% of total emissions. These direct emissions are generated from stationary combustion, mobile combustion and fugitive sources. Stationary combustion is associated with the operation of generator sets, while mobile combustion arises from the use of company-owned vehicles. Fugitive emissions result from unintentional leakage of refrigerants used in air conditioning systems and refrigeration units, as well as emissions from fire suppression equipment. Compared to FY23 and the FY19 baseline, this reflects a reduction of 2% and 3% respectively.

While emissions from stationary combustion and fugitive sources remained relatively stable, the overall downward trend was primarily driven by reduced emissions arising from mobile combustion sources. This reduction is largely attributed to shifts in commuting behaviours among our people. With our Petaling Jaya office located near the MRT Kajang Line, we strongly advocate for public transport as a greener alternative to private vehicles. This proximity has encouraged reduced reliance on our internal shuttle van service, supporting our broader decarbonisation efforts by lowering direct emissions from fuel consumption.

Aligned with Malaysia's National Transport Policy 2019–2030, which promotes a modal shift to public transport, we view this behavioural shift as a step in the right direction. Looking ahead, the upcoming MRT3 (Circle Line), which is expected to be fully operational by 2030[^], will further expand 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

Scope 2 Emissions

In FY24, Scope 2 emissions, which encompass indirect emissions from purchased electricity, totalled **768.9 tCO₂e**, accounting for 10.4% of KPMG in Malaysia's total emissions.

There is notable progress as the result of strategic investments in energy efficiency across our operations, leading to a substantial 20% reduction from the FY19 baseline:

- **LED lighting upgrade:** We have replaced conventional lighting with energy-efficient LEDs at our headquarters, with plans to roll this out Malaysia-wide.
- **SmartSwitch automation:** Introduced in September 2023, SmartSwitch automatically powers down office lights at midnight. This helped reduce energy use by approximately 20% in FY24 compared to FY19 baseline.
- **Cloud migration:** By shifting from physical servers to cloud-based infrastructure, we reduced electricity usage by approximately 2% compared to FY19 baseline.
- **Office space optimisation:** Renovated internal spaces (such as Level 6) into more energy-efficient setups, smaller modular rooms and streamlined onboarding sessions reducing venue usage and contributing to lower electricity consumption.
- **Behavioural nudges:** Awareness campaigns and visual reminders have helped reduce unnecessary power consumption.



Scope 3 Emissions

Scope 3 emissions encompass all other indirect emissions not included in Scope 1 and Scope 2, arising from sources not owned or directly controlled by KPMG in Malaysia but attributable to its broader business activities and value chain. These include emissions from purchased goods and services, capital goods, business travel, employee commuting, and upstream emissions related to leased assets and purchased fuel and energy.

In FY24, Scope 3 emissions totalled **6,556.4 tCO₂e**, accounting for 89.1% of the firm's total emissions. This represents an 11% increase from FY23 largely due to a rise in employee commuting as more of our people returned to office. This shift was driven by the need for closer in-person collaboration and real-time engagement with teams and clients. Such interactions are essential for maintaining quality, accelerating learning and fostering a culture of shared accountability.

Despite a year-on-year increase in Scope 3 emissions, primarily driven by the nature of our operations and business growth, overall emissions remain below the FY19 baseline. We continue to encourage responsible commuting practices and leverage virtual collaboration tools, where possible, to balance operational needs with environmental stewardship.

Advancing circular economy practices

KPMG in Malaysia remains firmly committed to embedding circular economy principles into our operations, with a strong focus on responsible consumption, waste reduction and resource efficiency. Our approach is grounded in practical, measurable actions that drive both environmental impact and stakeholder awareness. Key initiatives include:

E-waste management & resource redistribution

- Donated a cumulative total of 300 end-of-lease laptops and laptop bags to underserved schools through the KPMG Education Trust Fund, extending the lifecycle of electronics while supporting digital inclusion.
- Offered employees the option to purchase their used laptops at discounted prices, reducing electronic waste and promoting reuse.
- Recycled 582 kg of e-waste through authorised vendors.

Paperless operations

- Adopted DocuSign in 2020 to digitise document administration, avoiding printing 39,700 pages in FY24, reflecting sustained reduction efforts and improved digital workflows.

Office waste segregation & recycling

- Installed and upgraded 10 recycling bins across office floors to accommodate increased participation in recycling practices.
- Engaged janitorial staff to clean and segregate recyclable materials, ensuring compliance with recycling requirements and minimising contamination.

Sustainable procurement & events

- Partnered with vendors who supply reusable utensils and containers for firmwide engagement activities, reducing reliance on single-use plastics.
- Incorporated circular procurement practices by prioritising products and services with reduced environmental impact.

Through these initiatives, KPMG in Malaysia continues to demonstrate its dedication to environmental stewardship while inspiring behavioural change across our workforce and stakeholder communities.

Embedding carbon costs

In 2022, the KPMG Global Board mandated that all Board member firms adopt an Internal Carbon Price (ICP) to integrate GHG emissions into operational decision-making. A minimum global benchmark of USD15 per tCO₂e was set, covering Scope 1, Scope 2 and Scope 3 (Category 6: business travel) emissions.

The ICP functions as both a financial lever and a dedicated funding mechanism, designed to accelerate KPMG's transition to net zero. Funds collected are allocated based on each firm's GHG emissions and channelled toward high-impact climate initiatives such as decarbonisation programmes and nature-based solutions like reforestation, demonstrating a tangible commitment to environmental sustainability.

Since FY23, KPMG in Malaysia has proactively implemented a locally derived ICP framework, known as the **Climate Fund**, setting the price at RM80 per tCO₂e. This applies to Scope 1, Scope 2, and Scope 3 (business travel) emissions. While still in its early phase, this initiative lays the groundwork for a fully scaled ICP. Funds collected will be directed to:

- Conservation initiatives and environmental restoration efforts;
- Green volunteering programmes to engage our people in climate action; and
- Broader firmwide activities aligned with our net-zero strategy.

This approach reinforces our commitment to embedding climate accountability into business operations, while enabling measurable, purpose-driven impact across the firm.



Green initiatives and awareness

Recognising that our people are the catalysts for meaningful change, we remain committed to equipping them with the knowledge, tools and platforms to act on pressing environmental challenges. In FY24, we curated a series of impactful internal engagements every 2 to 3 months to build environmental awareness and inspire action:

- **Know Your Impact (KYI) campaign:** A structured, biannual campaign focused on themed environmental topics such as waste and energy, featuring educational newsletters, awareness materials, and supporting activities.
- **Observation of Earth Day 2024:** Hosted a hybrid talk on plastic pollution by the co-founder of Zero Waste Earth Store and organised a 'Trash to Cash' recycling drive, collecting 166 kg of recyclables in exchange for vouchers redeemable at the Zero Waste booth.
- **Plastic Free July:** Our people completed over 260 zero-waste actions, successfully diverting more than 400 pieces of single-use plastics from the environment.
- **KPMG Eco Bazaar:** In its third year, the bazaar featured sustainable local vendors, an upcycling workshop transforming 200 plastic caps into accessories and a "Buy Nothing" session that rehomed over 80 preloved items.
- **Green Earth Run 2024:** Sponsored more than 25 of our people in a charity run championing environmental education and supporting the B40 community. Runners received potted plants as medals and upcycled goodie bags, reinforcing a message of eco-conscious living.
- **Green transportation incentive:** An Electric Vehicle (EV) incentive was introduced as an employee benefit, aimed at encouraging the shift toward greener transportation. Implemented in collaboration with partnering automotive brands, the initiative recorded a positive uptake, particularly among the management team, demonstrating growing interest and support for sustainable mobility solutions.

Climate risk

Our commitment

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

KPMG in Malaysia recognises climate change as a key business risk and we are already experiencing its impact. This year, we introduce our qualitative climate scenario analysis, underscoring our commitment to being a resilient and sustainable business by understanding our impact and integrating climate considerations into the areas where we operate, our service offerings, and how we create value.



Navigating climate risk

Climate risk refers to the potential challenges and disruptions arising from climate change across an organisation's entire value chain, encompassing the probability of occurrence, the severity of consequences, and the adequacy of adaptive responses. As investor expectations, regulatory scrutiny and stakeholder demands continue to grow, businesses are required to proactively identify, assess, and manage climate-related risks and opportunities.

In response, KPMG professionals play a pivotal role in supporting clients' climate risk management by delivering end-to-end solutions, including strategy development, capacity-building through tailored training, benchmarking studies, and advisory on climate regulatory compliance. Acknowledging the growing connection between climate change and financial performance, KPMG in Malaysia also helps clients embed climate considerations into capital allocation and investment decision-making processes, reinforcing long-term value creation and business resilience.

Malaysia's regulatory landscape continues to evolve in alignment with global sustainability standards. On 24 September 2024, the Ministry of Finance introduced the **National Sustainability Reporting Framework (NSRF)**, formally adopting IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*, issued by the International Sustainability Standards Board (ISSB), as the baseline for sustainability disclosures in Malaysia. This includes assurance expectations to enhance the reliability of reported information.

In alignment with the NSRF, Bursa Malaysia Securities Berhad revised its listing requirements on 23 December 2024, while Bank Negara Malaysia updated its *Policy Document on Climate Risk Management and Scenario Analysis* on 17 March 2025. These developments aim to enhance the consistency, transparency and comparability of climate-related disclosures across capital markets and the financial sector, enabling organisations to better assess, manage, and communicate their exposure to climate risks.

KPMG in Malaysia remains steadfast in guiding clients through these changes by delivering multidisciplinary ESG advisory and assurance services that enable organisations to comply with evolving regulations, strengthen governance, and progress towards their net zero goals.



Climate strategy and Scenario Analysis

As a firm committed to being a responsible global citizen, a sustainable and resilient business, and a market leader in ESG, it is vitally important for us to develop a detailed understanding of our climate risks and opportunities across our entire value chain. KPMG understands climate risk as the potential for climate change to cause adverse consequences for human or ecological systems, which in turn may undermine financial stability.

This includes negative impacts on lives, livelihoods, health and well-being, economic, social and cultural assets, as well as investments, infrastructure, service provision, ecosystems and species. Climate risks are typically categorised into two types: physical risks and transition risks.

- **Physical risk:** Exposure of an organisation's assets and/or value chain to climate change, including rising temperatures, adverse weather events such as flooding, drought and rising sea levels, and the impact these events have on our people, value chain, and wider society. Physical risks can be acute or chronic.
- **Transition risk:** Exposure arising from the transition to a low-carbon economy, which may manifest across existing risk types, including heightened regulatory, reputation, policy, legal, technology and market risks.

Key climate-related risks

| Risk | Description | Impact | KPMG approach |
|--|---|--|--|
| Physical Risk Acute/ chronic | Extreme weather having a temporary or long-term impact on a localised region or business sector | Potential direct or indirect financial loss due to disruptions affecting our offices, people, suppliers, clients and the communities we operate in. | KPMG in Malaysia implements robust operational climate resilience measures, aligned with international best practices and, where applicable, embedded into internal policies. A key mitigation strategy includes the adoption of flexible remote working arrangements, which ensure business continuity and operational agility during climate disruptions such as floods, extreme weather, or haze. |
| Transition Risk Market/ financial risk | Contraction or failure of specific industry sectors with high exposure to transition risk | Potential revenue loss from client contraction or increased costs due to delayed transitions towards a low-carbon economy, particularly for clients in high-emission sectors. | KPMG in Malaysia leverages its multi-disciplinary model to offer a comprehensive suite of ESG and climate-related services, specifically designed to support clients in navigating their decarbonisation journey, enhancing their resilience and ensuring long-term sustainability. |
| Transition Risk Market/ financial risk | Failure to appropriately decarbonise our operations, supply chain and property portfolio | Increased costs, particularly in talent acquisition, as sustainability becomes a key factor in attracting and retaining skilled professionals in the local market. | KPMG in Malaysia is taking a proactive approach to decarbonisation as part of our commitment to achieving net-zero carbon emissions by 2030. We aim to reduce GHG emissions by 50% by 2030, using 2019 as our baseline year. |
| Transition Risk Reputation | Actual or perceived failure to demonstrate the expected commitment to climate change | Potential loss of investor confidence and stakeholder trust due to the growing expectations from a broad range of stakeholders regarding our approach to climate change, transition strategies, and progress on related commitments. | Our Impact Plan, developed in collaboration with client-facing experts, ensures transparent reporting on our climate risk management and progress against transition strategies. Beyond our operations, KPMG in Malaysia regularly engages with a wide range of stakeholders including clients, regulators, governments, and employees to stay attuned to evolving climate priorities and contribute to broader climate and ESG efforts. This includes supporting the development of industry standards and funding nature-based initiatives, reinforcing our commitment to societal net-zero goals. |

Key climate-related risks (continued)

| Risk | Description | Impact | KPMG approach |
|--------------------------------------|---|---|---|
| Transition risk Regulation | Failure to comply with current and emerging regulations | Potential need to adjust our business model, affecting both internal operations and the services we provide to clients, which could lead to financial penalties and reputational damage in the event of non-compliance. | KPMG in Malaysia integrates regulatory compliance into standard business operations, supported by robust governance structures. Our compliance efforts are guided by KPMG International's policies, our Global Code of Conduct and our core values, ensuring a consistent and accountable adherence to laws and regulations across all jurisdictions. |

Key climate-related opportunities

| Risk | Description | Impact | KPMG approach |
|---|--|--|---|
| Differentiating ourselves as a market leader in climate and ESG | <ul style="list-style-type: none"> Enhancing reputation Increasing market share | Meeting rising stakeholder expectations in climate and ESG presents a strategic opportunity to strengthen trust, drive growth, and enhance competitiveness in a climate-conscious market. | KPMG in Malaysia proactively engages with stakeholders, responds to emerging regulatory developments, and supports the advancement of sustainability and assurance frameworks, (e.g. ISSB Standards, ISSA 5000), while setting and reporting clear climate targets and progress updates to build trust. |
| Products and services — Increased demand for ESG advisory/ professional services | <ul style="list-style-type: none"> New products and services Enhancing reputation Increasing market share | The rising demand for climate and ESG-related services presents a significant growth opportunity to strengthen future revenue and financial resilience. Our firm's most powerful lever for positive ESG impact lies in our work with clients, helping organisations navigate climate and ESG challenges shaped by regulation, strategy, and purpose. | KPMG in Malaysia is aligning its strategy to capture ESG-driven growth by supporting clients in meeting evolving ESG regulations and reporting requirements, leveraging ESG as a catalyst for strategic business transformation, and enabling purpose-led approaches that align with Malaysia's national sustainability goals. This integrated strategy reinforces KPMG's leadership in shaping the local ESG landscape while delivering long-term value to clients and stakeholders. |
| Sector-related growth | <ul style="list-style-type: none"> Capacity building New products and services Increasing market share | The transition to a low-carbon economy creates sector-specific opportunities for KPMG in Malaysia to grow revenue and market share by helping clients build capacity and adapt throughout the transition. | KPMG in Malaysia develops sector-specific services that support clients in their low-carbon transition. Leveraging local insights and global capabilities, we are investing in people and technology to deliver tailored solutions that drive client growth and capture emerging ESG opportunities. |

KPMG in Malaysia has developed a proprietary **Climate Flood Risk Model** to help our clients assess flood risk exposure to their physical assets through scenario analysis workshops and climate risk assessment exercises. Internally, we have applied this model to evaluate the flood risk exposure for our eight offices across Malaysia, enabling the development of an effective mitigation plan.

| 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).



Note:
RCP 8.5 Short-Term Acute Physical Risk

Low Risk Exposure

Moderate Risk Exposure

Nature and biodiversity

Our commitment

Understanding and improving our impact on nature and biodiversity

KPMG in Malaysia is committed to deepening our understanding of our impact on nature while strengthening our focus on biodiversity. Our goal is to raise awareness among our people and engage our workforce in climate-related initiatives, empowering them to contribute to nature-positive impacts.



Driving collective climate responsibility

At KPMG in Malaysia, we recognise our role in managing our environmental impact and advancing nature-positive outcomes. In FY24, we conducted a location analysis to assess our nature-related impacts and dependencies, confirming that our operations are not situated in areas that pose a threat to nature or biodiversity.

As part of our ongoing commitment to a nature-positive future, more than **3,000 volunteer hours** were contributed in FY24 through environmental and biodiversity conservation efforts, marking a substantial increase in participation compared to the previous year. By integrating nature-based volunteering into our culture and collaborating with reputable conservation organisations, we empower our people to take meaningful climate action while reinforcing our commitment to environmental stewardship.

Reefkeepers: Reviving the rainforests of the deep

Established in 2007, KPMG in Malaysia's Eco Dive programme is a cornerstone of our environmental stewardship efforts and a testament to our ongoing focus on marine biodiversity. As one of the longest-standing corporate partnerships with Reef Check Malaysia, the programme enables our certified divers to actively protect fragile reef ecosystems through research, restoration and conservation efforts.

In FY24, 12 KPMG divers, including 5 newly certified Eco Divers, were deployed to conduct reef health assessments, support scientific monitoring, and perform critical maintenance at coral rehabilitation sites. These efforts included removing crown-of-thorns starfish, a major reef predator, at our two adopted reefs in Tioman Island (Soyak and Renggis). The programme also extended to land-based conservation, with volunteers collecting over 1,800 kg of waste through coastal and beach clean-up efforts.

By protecting the biodiversity of Tioman Island, one of Malaysia's most ecologically significant marine parks, we reaffirm our commitment to preserving national environmental assets and fostering a culture of sustainability among our people.

A group photo of KPMG-certified Eco Divers, filled with excitement before their underwater adventure at Tioman Island.



Since 2007, our annual Eco Dive event has brought together KPMG in Malaysia's divers to rehabilitate coral reefs and support their preservation.

Protecting the sea's silent navigators

Malaysia is home to 4 of the world's 7 marine turtle species, with Redang Island serving as one of the most important nesting grounds for green turtles in the region. Against this backdrop, KPMG in Malaysia has partnered with SEATRU (Sea Turtle Research Unit) since 2014, contributing to marine conservation and biodiversity protection nationwide.

In FY24, a group of KPMG volunteers took part in a 7-day programme at Chagar Hutang, Redang Island, where they engaged in critical activities including nightly patrols, nest excavation, hatchling releases, and turtle monitoring, contributing over **700 volunteering hours** (more than 10% of the firm's total for the year). These efforts resulted in the successful release of **2,241 endangered hatchlings** and the protection of **61 nests**.

With Malaysia being home to several endangered turtle species, this programme reflects KPMG's commitment to ecosystem protection. In FY25, we aim to further our impact by symbolically adopting sea turtles, a meaningful initiative that underscores our ongoing dedication to preserving marine biodiversity.



Volunteers tending to turtle hatchlings before releasing them into the ocean.

KPMG's volunteers came together on International Coastal Cleanup Day to help protect our coastal ecosystems.



National action for cleaner oceans

In conjunction with **International Coastal Cleanup (ICC) Day**, a global movement launched in 1989 to combat marine debris, KPMG in Malaysia mobilised **over 160 volunteers** to protect our coastal ecosystems.

Partnering with long-standing non-governmental organisation (NGO) collaborator, Reef Check Malaysia, our firm-wide cleanup initiative demonstrated both scale and impact. 2024 marked the second beach cleanup led by our Petaling Jaya office since 2022, further expanding this commitment nationwide.

Spanning beaches from East to West Malaysia, the initiative cleared more than **10,000 pieces of waste**, weighing approximately **570 kg**, across 5 to 10 km of shoreline. In total, our volunteers contributed 805 hours of service, reinforcing our commitment to sustainability and coastal preservation in both iconic and erosion-prone areas of Malaysia.

Spotlight on:

Protecting a national treasure: The Malayan Tapir conservation effort



The Malayan tapir, a true national treasure of Malaysia, is renowned for its distinctive black-and-white markings and plays a vital role in our forests as a seed disperser, helping to maintain the delicate balance of our ecosystem. However, with fewer than 1,100 individuals remaining in Malaysia, this iconic species faces severe threats of extinction due to habitat loss and road accidents.

The Shah Alam Community Forest (SACF) is one of the last remaining habitats for tapirs in the Klang Valley, yet it remains hazardous. Since 2002, approximately 15 tapirs have been killed while crossing Persiaran Mokhtar Dahari (also known as the Puncak Alam Highway). With a new road under construction through the SACF, urgent action is needed to prevent further losses and ensure the safety of both wildlife and public safety.

This year, KPMG in Malaysia has committed to Malayan tapir conservation as part of our Corporate Social Responsibility (CSR) programme, with the aim of safeguarding this iconic yet endangered species native to Malaysia. In collaboration with the SACF Society, we embarked on a 4-month project to study Malayan tapir behaviour and develop effective strategies to prevent tapir roadkill. In addition to the study, we initiated forest clean-up efforts to create a safer habitat for tapirs, other wildlife and hikers.

Our collaborative work with SACF Society has led to several impactful outcomes, including the presentation of a wildlife protection recommendation report. Additionally, SACF Society's research was published in the *Malayan Nature Journal* (2024, Vol. 76, Issue 1, pp. 1–10). Interested parties may contact us to obtain the full version of the article.

Wildlife conservation fieldwork



91

participants



More than

350

CSR hours



11

species of
wildlife spotted in
camera traps

Community forestry exposure sessions



91

participants



More than

350

CSR hours



30kg

of trash



3km

of trails cleared,
bamboo bridge,
restored water flow

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

- Supporting education and lifelong learning
- Driving good corporate citizenship

1 NO POVERTY



2 ZERO HUNGER



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



11 SUSTAINABLE CITIES AND COMMUNITIES



17 PARTNERSHIPS FOR THE GOALS



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



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 recognise that investing in the development of our people empowers them to drive economic prosperity and sustainable growth within the communities in which we operate. This commitment highlights our dedication to fostering a thriving corporate environment while making meaningful contributions to the broader economy.



Economic contribution

At KPMG in Malaysia, responsible and sustainable growth is central to how we drive long-term value for the country. As part of the KPMG global network, our local actions reflect our collective ambition to deliver impact, enabling us to grow responsibly while contributing to economic growth and uplifting the communities we serve in Malaysia. Our impact extends beyond financial contributions; creating jobs, investing in local talent, and driving innovation through strategic hires and leadership development are closely tied to our role in contributing to Malaysia's prosperity.

Revenues and tax paid

In FY24, KPMG achieved aggregated global revenues of US\$38.4 billion, reflecting a 5.4% increase in US dollars compared to FY23. Audit services grew by 6%, Advisory services rose by 2%, and Tax & Legal services expanded by 10%, reflecting our continued contribution to global economic resilience. Aligned with our Collective Strategy and vision to build the organisation of the future, the KPMG network invested over US\$1.7 billion in FY24, strategically channelling resources into technology and AI, talent, and ESG.

Our tax contribution

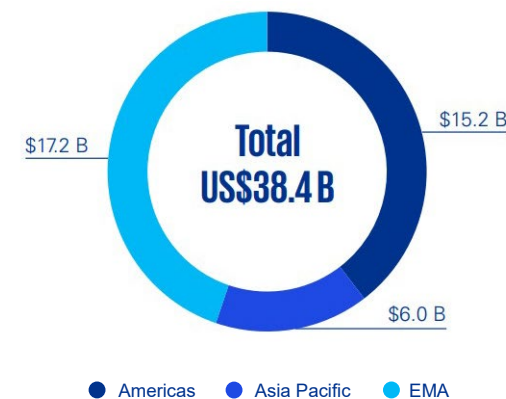
KPMG firms make significant contributions to communities by generating and paying taxes in the regions where they operate, supporting government functions, public services, and key infrastructure such as healthcare, education, and transportation networks. In FY24, reporting KPMG firms collectively paid US\$2.1 billion in operational taxes, up from US\$2.0 billion in FY23. This includes employer payroll and social security contributions, property taxes, entertainment taxes and other miscellaneous levies.

KPMG International has established robust policies and practices to ensure tax transparency and compliance, aligned 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. We provide comprehensive tax advisory services to ensure compliance with local regulations.

Gross revenue by function (FY24)



Gross revenue by region (FY24)



Notes:

1. Gross revenue data presented for the relevant financial years ended 30 September for all KPMG firms. As of 30 September 2024, KPMG firms operate in 142 countries and territories.
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.

Employment

In FY24, KPMG in Malaysia continued to strengthen its talent pipeline by securing **588 new hires** nationwide, a strategic blend of experienced professionals from diverse industries and high-potential graduates from various educational and socio-economic backgrounds. This deliberate hiring approach ensures we remain future-ready and agile in response to market shifts, client demands, and industry transformation.

Of these, 391 were graduate hires, reflecting our firm's strong commitment to developing the next generation of professionals. These young talents are now immersed in KPMG's structured development programmes, designed to support seamless role transitions, accelerate professional growth and cultivate the leadership capabilities essential for long-term success.

In support of leadership succession and continued excellence, the firm welcomed 3 new external partners and appointed 3 internal promotions to partner, including one female, reinforcing our ongoing commitment to leadership diversity. As of FY24, our total headcount stands at 2,228, a measured adjustment from 2,290 in FY23, reflecting our firm's focus on maintaining a high-performing, purpose-driven workforce aligned with business priorities and future growth.

Innovation

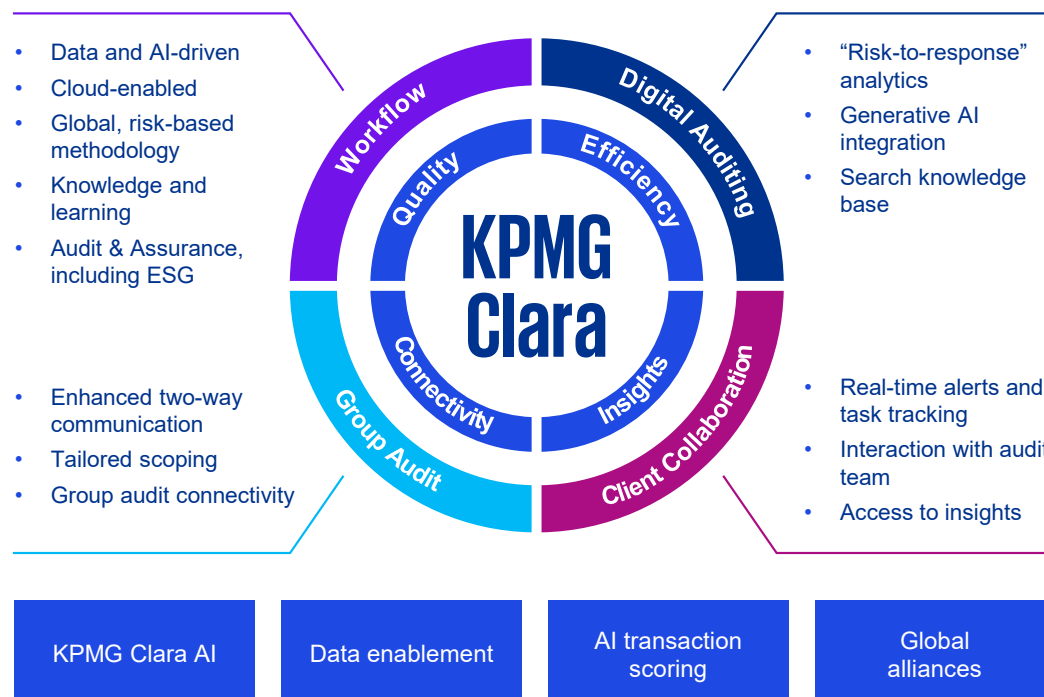
With a clear focus on innovation, KPMG is driving digital transformation by embedding cutting-edge technologies that boost productivity, streamline operations and create new value for our people, clients, and communities. Globally, we continue to invest in AI and tech-driven solutions through in-house development and strategic alliances with leading technology ecosystems such as Microsoft, Google Cloud, Oracle, Salesforce, SAP, ServiceNow, and Workday.

Our digital platforms, including KPMG Clara and KPMG Digital Gateway, are hosted on Microsoft Azure, integrating advanced AI capabilities for deeper insights and enhanced service delivery. In FY24, over 57,000 KPMG professionals globally leveraged **Microsoft 365 Copilot**, marking a significant milestone in our adoption of generative AI to enhance day-to-day productivity.

In FY25, as part of our commitment to responsible innovation, we launched the **KPMG Trusted AI** framework, setting clear standards for the ethical design, deployment, and governance of AI solutions. A dedicated **Trusted AI learning** pathway rolled out in November 2024, equips every KPMG professional with the tools and knowledge to apply AI safely, transparently and effectively.

These initiatives reflect our unwavering commitment to advancing responsible technology, future-proofing our capabilities and delivering lasting value across capital markets, all while upholding the trust placed in us by stakeholders around the world.

KPMG Clara diagram



Our iconic events

Throughout the fiscal year, we engaged with clients through more than 30 focused workshops and webinars, providing timely insights to help them navigate an evolving business landscape. Key highlights include:



KPMG Tax and Business Summit 2023: Empowering economic insight and business resilience

In support of national economic resilience, KPMG in Malaysia provided timely insights on Budget 2024 through a session featuring speakers from the Ministry of Finance, HASiL, and industry leaders. The session equipped professionals with practical strategies to navigate policy changes and strengthen business planning.



KPMG ESG Talk – Addressing the challenges in implementing ISSB™ Standards

An insights and information exchange session was held to explore how the new standards impact the Energy & Resources (ENR) industry. Targeted at Board of Directors, C-suite executives and senior leaders in Finance, Tax, and Sustainability, the session featured a panel discussion and fostered stronger trust and rapport among board members and executives.



KPMG Board Leadership Centre exclusive: Cybersecurity oversight: Board responsibilities in light of the Cybersecurity Act 2024

A webinar was held to help Board of Directors, including Audit Committees, senior management and company secretaries understand their enhanced responsibilities under new cybersecurity laws. Expert-led presentations and panel discussions provided practical guidance on governance and compliance, while raising awareness of legal risks and the importance of timely response to cyber incidents.

Support the communities in which we operate in

Our commitment

- Supporting education and lifelong learning
- Driving good corporate citizenship

Upholding our reputation as a trusted professional services firm means putting our Values of Together and For Better into meaningful action. We collaborate with NGOs, community organisations and changemakers by contributing our people's skills, expertise, and time to drive sustainable impact. Since 2019, our refreshed community impact strategy, aligned with the United Nations Sustainable Development Goals (SDGs), has focused on reducing inequalities, advancing quality education, promoting health and well-being, and addressing climate change. These efforts continue to create lasting value for the communities we serve.



At KPMG in Malaysia, we recognise that our purpose goes beyond providing professional services. It encompasses a responsibility to drive lasting and positive change in the communities where we live and work. Guided by the United Nations Sustainable Development Goals (UN SDGs), our community investment efforts align with key global priorities such as poverty alleviation, food security, access to quality education, sustainable community development and cross-sector partnerships.

Our community strategy is grounded in two key focus areas: **Quality Education** and **Community Resilience**. These core themes reflect our belief that sustainable progress begins with equitable access to learning opportunities and the empowerment of underserved communities through collaborative partnerships.

In FY24, KPMG in Malaysia contributed over RM257,000 in direct community investments (inclusive of conservation programmes), supporting educational sponsorships, food relief initiatives and NGO capacity-building programmes. Beyond financial contributions, our people engaged through firmwide and department-led initiatives, directly benefiting over **6,000 beneficiaries**, including 37 NGOs and community partners nationwide.

**6,000+**

total beneficiaries benefited

**RM257,000+**

invested in community programmes

(inclusive of conservation programmes under 'Planet' pillar)

**5,900+**

volunteering hours by our people

(inclusive of conservation programmes under 'Planet' pillar)

Community resilience

Tackling food insecurity in urban areas

KPMG in Malaysia strengthened its long-standing collaboration with Kechara Soup Kitchen (KSK) to address the growing challenge of food insecurity in urban communities. In FY24, we mobilised over 110 volunteers, including our firm's partners, to participate in monthly food distribution efforts.

We reached an estimated **3,600 individuals** across multiple distributions, delivering nutritious meals alongside KSK's wraparound support services, such as basic medical aid and counselling. The firm also sponsored **RM7,000** worth of meals, reinforcing our commitment to creating high-impact solutions for vulnerable groups.

Supporting national blood resilience

For the fourth consecutive year, KPMG in Malaysia continued its collaboration with the National Blood Centre (NBC) by organising two firm-wide blood donation drives in March and September 2024 at KPMG Tower, Petaling Jaya. In FY24, **274 individuals** participated, an increase from 227 donors in FY23 and potentially saving approximately 800 lives, as each donation can support up to 3 recipients in need.

We have long been recognised as a go-to partner by the NBC, particularly during the fasting month of Ramadan, when national blood banks often face critical shortages. In response to this urgent need, our first blood drive was strategically scheduled in March to align with Ramadan, supporting national efforts to replenish dwindling supplies.



Lacing up for lives: Supporting MAKNA's mission

In Q4 2023, we collaborated with Vsure Group, Gamuda Land and KPJ Healthcare Berhad to sponsor 100 participants for the Pink Trail Run & ESG Treasure Hunt. This 5km event combined fitness with ESG education, featuring checkpoints that presented sustainability-related challenges. Beyond promoting health and ESG awareness, the event raised funds in support of the National Cancer Council of Malaysia (MAKNA), which provides crucial treatment, research, prevention and care services for cancer patients and their families.

KPMG Volunteer Month

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

The initiative saw enthusiastic participation from **over 300 volunteers** across nearly 20 departments and 4 offices nationwide. Our people contributed more than **1,600 hours** of volunteer service, benefiting more than 17 NGOs across Malaysia, including Sabah and Sarawak. These purpose-driven initiatives addressed real community needs through projects such as:

- Preparing and distributing meals to underserved communities through soup kitchens;
- Organising educational visits and activities for orphans;
- Supporting reforestation through nursery work and tree planting;
- Caring for shelter animals through feeding, cleaning and enrichment;
- Assisting elderly residents with companionship and housekeeping; and
- Conducting beach cleanups to promote environmental sustainability.

Spotlight on:

Quality Education: Our global goal: 10by30

Launched in 2022, KPMG's 10by30 is our flagship global community investment initiative, with an ambitious goal to positively impact 10 million underrepresented and disadvantaged youth by 2030. The programme equips young people with the skills needed to participate meaningfully in the workforce and thrive in a rapidly evolving economy. Anchored in sustainability and continual empowerment, the 10by30 strategy focuses on three core pillars:

- **Foundational skills** – Literacy, numeracy, and other basic competencies that enable entry into the labour market.
- **Future-ready skills** – Digital, green, cyber and AI-related capabilities that align with the evolving needs of tomorrow's workforce.
- **Employability skills** – Critical soft skills such as communication, adaptability and problem-solving to ensure success at work.

FY24 highlights

526

total beneficiaries since 2022

RM1,082,000

total amount invested since 2022

183

total beneficiaries across Malaysia, including Sabah and Sarawak

75%

total beneficiaries come from underprivileged backgrounds (B40 community)



KPMG Education Trust Fund

The KPMG Education Trust Fund was established in 2022 as a strategic community investment, reflecting the firm's deep-rooted commitment to building a more equitable and sustainable future through education. Funded by a RM5 million pledge from the partners of KPMG in Malaysia, the Trust aims to disburse **RM500,000 annually over 10 years** to support Malaysian youth through three flagship programmes:



KPMG Young Spark Sponsorship



KPMG Young Star Scholarship



KPMG Young Excellence Sponsorship

This initiative aligns with KPMG's global 10by30 ambition and contributes meaningfully to the UN Sustainable Development Goal 4: Quality Education, empowering future leaders through lifelong learning and inclusive development.

Scaling impact through sustained investment in education

Since its establishment, the KPMG Education Trust Fund has demonstrated measurable impact and growth, reinforcing the firm's commitment to empowering youth through sustained investment in education. Our cumulative investment has grown to **RM1,082,000** as of FY24, benefitting **526 students** since 2022, reflecting not only a strengthened financial commitment, but also our continued efforts to broaden our reach and deepen purposeful impact.

Notably, **75% of our 183 recipients come from Malaysia's B40 income group** (households in the bottom 40% of national income distribution). By prioritising support for these underserved communities, the Trust directly addresses systemic barriers to education access and helps level the playing field for young talents with limited means but limitless potential. Every Ringgit invested represents a step closer to a future where opportunity is not defined by circumstance, but by potential.

KPMG Young Spark Sponsorship programme

Through the **KPMG Young Spark Sponsorship Programme**, the KPMG Education Trust Fund channels financial aid to students aged 7 to 17 in public primary and secondary schools across Malaysia, with a focus on those from underserved socioeconomic backgrounds.

More than a sponsorship, the programme seeks to address systemic barriers to education by supporting students at risk of dropping out and enriching their learning experience through engaging, future-oriented sessions.

Each beneficiary receives a one-off sponsorship of up to RM1,000, complemented by annual educational outreach initiatives such as KPMG's Global Cyber Day, aimed at instilling responsible digital citizenship.

To strengthen local impact and cultivate sustainable relationships, each KPMG office across Malaysia is assigned to a local school within its region. Since its launch in 2022, the programme has impacted **396 students** across 10 schools, disbursing a total of **RM327,000** in direct sponsorships.

Beyond monetary support, the firm actively deepens its collaboration with beneficiary schools through in-kind contributions and co-curricular involvement, reinforcing KPMG's belief that every student deserves a fair opportunity to learn and grow, regardless of background. A notable initiative includes the donation of **over 300 refurbished laptops** to 15 selected schools in 7 states to date, bridging the digital divide while extending the lifecycle of firm-issued technology, thereby reducing electronic waste.



From tools to triumphs: Powering the next generation through purposeful tech

The donated laptops have far exceeded their role in fulfilling basic digital needs. They have become powerful tools for innovation, enabling students to compete, create and contribute meaningfully to their communities. In schools like Sekolah Menengah Kebangsaan Limbanak (SMK Limbanak) and Sekolah Kebangsaan St. Anne (SK St Anne), students have leveraged these devices to participate in advanced STEM (Science, Technology, Engineering, and Mathematics) activities, reflecting KPMG's ambition to unlock potential through access and opportunity.

At SMK Limbanak, students achieved top honours at the Sabah State Level Malaysia Techlympics 2024, winning in two categories: Sumo Robot by the Mayhem Showdown Team, and Computing and Micro Computing by the Bio Bless Team 2. Another team from the same school developed a Flood Warning System, turning classroom learning into socially responsible innovation.

Meanwhile, SK St Anne advanced to the state-level Robotica Competition, showcasing how digital inclusion can fuel creativity, confidence and community impact. These achievements exemplify the power of responsible investment, where access to technology, paired with purpose-led support, enables students to compete, create, and contribute meaningfully to society.

Through initiatives like these, KPMG in Malaysia continues to act as a catalyst for progress, aligning with our ESG priorities and the UN Sustainable Development Goal 4: Quality Education. By investing in young minds, we are not only bridging the digital divide but also building a future where every student has the tools to thrive.

KPMG Young Star Scholarship Programme

Designed to advance equitable access to higher education, the KPMG Young Star Scholarship Programme is a targeted initiative for students from Malaysia's B40 income households. Beyond the one-time financial award, which increased from RM8,000 in FY23 to RM12,000 in FY24, scholars are granted exclusive access to a comprehensive professional development journey designed to nurture both career readiness and personal growth.

Since 2022, the programme has awarded scholarships to **57 students** from local universities. The number of recipients has grown, reaching 26 in FY24. Over the same period, total investment surged from RM64,000 in FY22 to **RM248,000 in FY24**, reflecting the firm's deepening commitment to social mobility and inclusive education.

Beyond funding, the programme has undergone significant refinement to deliver a holistic scholar experience. In FY24, we formalised a comprehensive engagement framework that includes skills-building sessions, mentorship, CSR participation, and networking opportunities with KPMG professionals and fellow scholars. Each scholar is guaranteed an internship and a permanent role upon graduation, ensuring a seamless transition from academia to the workforce.

KPMG Young Excellence Sponsorship programme

This programme extends the reach of the Education Trust Fund by celebrating and rewarding the children of our people who have demonstrated exceptional academic and co-curricular achievements.

Awards are granted across two categories: Academic Achievements and Sports Achievements, honouring excellence in academics, overall effort, and sporting achievements.

In line with our people-first strategy and broader ESG agenda, 25 recipients were awarded in FY24. Each recipient was awarded a monetary prize and a certificate of recognition. This increase reflects our growing investment in nurturing excellence within our internal community, starting with those closest to us.



Catalysing lifelong impact through education

KPMG in Malaysia drives purpose-led initiatives that expand equitable access to skills and opportunities for Malaysian students. In partnership with over 10 institutions and professional bodies, our efforts focus on two key pillars: **School-to-Work Transition** and **Future-Ready Skills Development**, ensuring that no potential is left untapped due to circumstances.

School to work transition

We are deeply committed to building pathways that help students seamlessly transition from the classroom to the professional world. These initiatives target local high-potential youth, offering them a head start through real-world exposure and guided learning journeys. In FY24, we conducted **56 targeted recruitment engagements**, including career fairs, on-campus interviews and exclusive corporate visits across Malaysia.

Future-ready skills training

We believe that talent must be nurtured, not discovered. To that end, we deliver immersive, skills-focused engagements that prepare youth to thrive in an evolving global economy.

In FY24, we delivered **38 curated learning engagements** ranging from career talks and masterclasses to business simulations, forums, and innovation challenges. These included resume-building clinics, mock interviews and personal branding sessions to enhance employability; real-world audit simulations offering a glimpse into life at KPMG; guest lectures and industry panels led by our senior leaders sharing future-focused insights; and national-level business case competitions promoting innovation, collaboration, and public speaking.

These programmes are not just educational; they are transformational. They reflect KPMG's commitment not only in social mobility and youth empowerment but also to nation-building.

Empowering future leaders through the KPMG Ambassadorship Programme

Launched in 2020 in response to the COVID-19 pandemic, the KPMG Ambassadorship Programme was designed to bridge academic learning with professional readiness. It reflects our commitment to nurturing young talent and strengthening university-industry ties during times of disruption.

Since then, the programme has expanded beyond Malaysian universities to include top institutions in Australia and the United Kingdom. To date, it has onboarded **over 500 Ambassadors** and facilitated **nearly 1,000 engagements** across campuses, online platforms, and firm-wide events.

Our Ambassadors act as youth leaders, representing KPMG on campus and leading peer-driven initiatives such as forums, industry talks, competitions, and social media campaigns. Through this platform, students benefit from:

- **Leadership & exposure:** Active roles in leading and supporting initiatives that benefit peers and communities.
- **Structured career pathways:** Guaranteed internship placements for hands-on professional experience.
- **Mentorship & skills development:** Mentorship from KPMG professionals and access to curated learning opportunities.
- **Network capital:** Early access to connect with industry leaders, alumni, and global professionals, building strong social capital before entering the workforce.

Notes on basis of preparation

1. Throughout this content, “KPMG” refers to the global organisation, 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. The member firms and affiliates operating in Malaysia are collectively referred to as “KPMG in Malaysia”, “we”, “us” or “our”, unless otherwise stated.
2. Nothing stated in this document should be considered to be a statement by or on behalf of a particular KPMG firm unless it is specifically attributed to that KPMG firm.
3. Unless otherwise stated “Reporting KPMG Firms” means KPMG firms in 20 large countries and territories, including KPMG firms whose senior partner is also a Global Board member. These countries and territories are Australia, Brazil, Canada, China, France, Germany, India, Ireland, Italy, Japan, Mexico, the Netherlands, Poland, Singapore, South Africa, South Korea, Spain, Switzerland, the United Kingdom and the United States.
4. 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.
5. All metrics are for KPMG in Malaysia unless otherwise stated.
6. Statements or representations about KPMG’s emissions have not yet been independently verified. Nonetheless, data supporting our firm’s current methodologies and measurements for relevant emissions is set forth in the Planet section hereto.

Contacts

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



Foong Mun Kong

Managing Partner
KPMG in Malaysia

E: munkongfoong@kpmg.com.my



Vengadesh Jogarajah

Partner, Head of Impact@KPMG
KPMG in Malaysia

E: vjogarajah@kpmg.com.my



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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Document Classification: KPMG Public



Appendix: Index explanations and data

Our Impact Plan

KPMG in Malaysia

KPMG. Make the Difference.



kpmg.com.my/ourimpactplan

FY2024 update

Appendix

As part of our ongoing journey under Our Impact Plan, this appendix provides the foundational disclosures that support the narratives and commitments outlined in our main report. It reflects our dedication to transparency, accountability and the rigorous standards we uphold in measuring and communicating our ESG performance.

This section includes detailed tables and indices summarising our reporting against key global standards. These references are designed to guide you to the relevant disclosures and data points across Our Impact Plan, supporting our broader ambition to build trust through clear, consistent and accessible reporting.

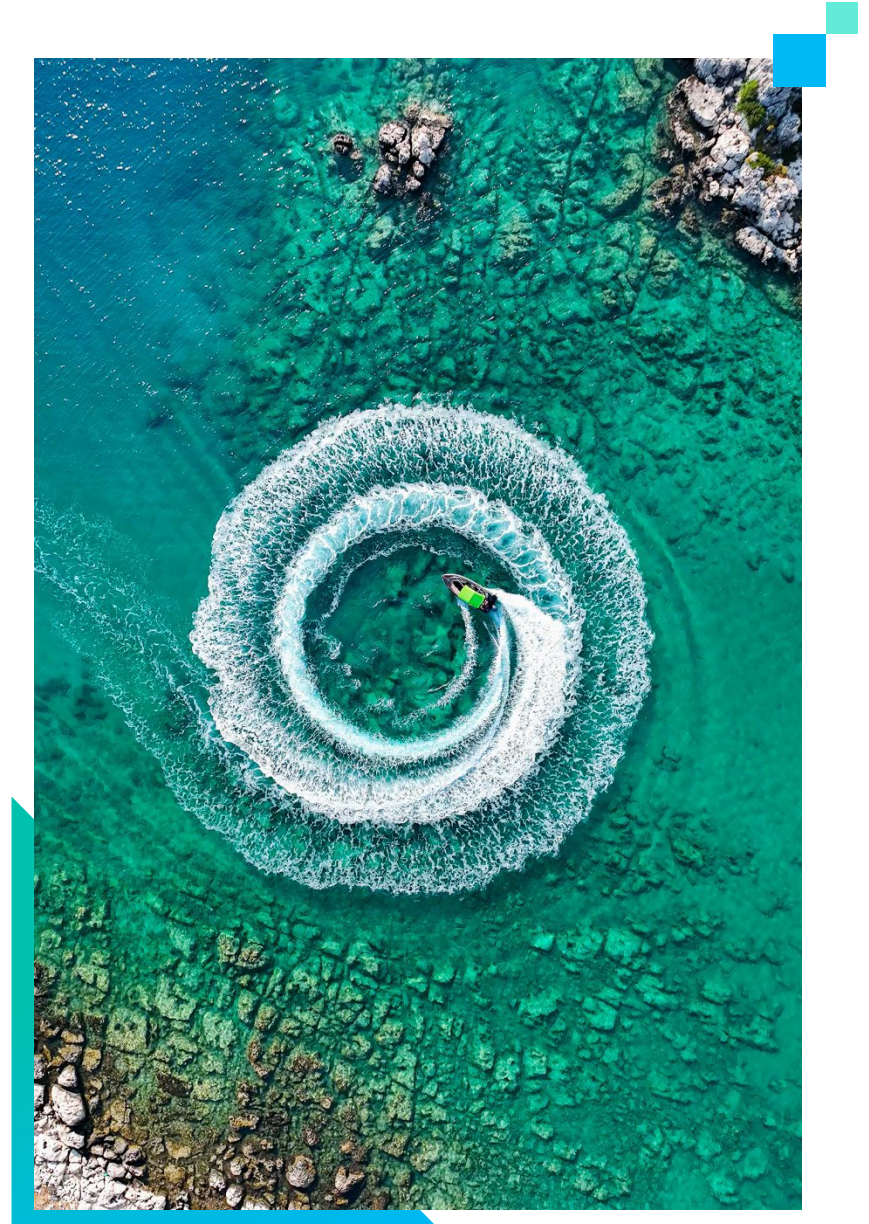
Reporting approach

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

Materiality (M): We have identified a list of material topics considering 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 leveraged various physical and virtual engagement platforms to capture stakeholders' expectations on our sustainability practices. Topics not identified as material to the firm are noted here, though we are committed to collecting data for reporting where relevant.

Data definitions, collection, and methodological development (D): In some cases, there will be limitations on the availability of data or a globally accepted methodology may not be established. We aim to enhance our methodological approach to collection and analysis and are committed to improving these areas in future reporting cycles.

Additional considerations (A): Topics subject to privacy and internal policy constraints that limit current data collection or publication have been omitted from reporting.



Materiality approach

At KPMG in Malaysia, we are committed to building a better firm by focusing our efforts where they matter most. Our materiality assessment is a key part of this commitment: it helps us evaluate the actual and potential impacts of our operations and sharpen our focus on the ESG topics that underpin Our Impact Plan. This process informs both our sustainability strategy and our reporting, ensuring that our actions are aligned with the evolving needs of our stakeholders and the communities we serve.

To supplement the overview shared in the main report, this section outlines the internal engagements and external benchmarking activities that supported our assessment. These insights help us remain responsive to shifting priorities and ensure that our impact continues to be meaningful and measurable.



Draw insights from the Global People Survey (GPS) and engagement initiatives to understand employee concerns and support continuous improvement.



Engage with the Executive Committee and Impact@KPMG partners to gather feedback on internal ESG priorities.



Conduct regular engagements with different department heads and representatives to gather feedback and align on key matters.



Review material topics identified by peer professional services and KPMG network firms for benchmarking and alignment.



Gain a deeper understanding of evolving business and societal priorities of our clients and communities amid global and local developments.

Material topics

The updated materiality assessment provides a well-rounded view of internal priorities and external expectations, aligning our business strategy with areas where we can make the greatest impact. The data and disclosures in this report have been prepared with reference to the reporting frameworks and standards listed on page 2 of the main section of Our Impact Plan, ensuring our reporting is globally relevant and robust.

| Pillars | Material topics | Our commitments |
|-------------------|--|--|
| Governance | <ul style="list-style-type: none"> • Ethics, integrity and independence • Transparency and accountability • High-quality client services • Information protection • Purpose, culture and values | <ul style="list-style-type: none"> • Purposeful business • Acting transparently with accountability and integrity • Respecting human rights |
| People | <ul style="list-style-type: none"> • Talent attraction, development and retention • Inclusion and access to equal opportunity • Health and well-being | <ul style="list-style-type: none"> • Inclusion and access to equal opportunity • Health and well-being • Continuous learning |
| Planet | <ul style="list-style-type: none"> • Climate change and sustainable operations | <ul style="list-style-type: none"> • Decarbonisation • Climate risk • Nature and biodiversity |
| Prosperity | <ul style="list-style-type: none"> • Financial, operational and brand resilience • Technology, innovation and AI • Impactful community initiatives | <ul style="list-style-type: none"> • Economic contribution • Support the communities in which we operate in |

The table above summarises the firm's material topics and commitments undertaken to manage the material topics.

KPMG in Malaysia

The member firms and affiliates operating in Malaysia, collectively referred to as “KPMG in Malaysia”, as at 30 September 2024 are as follows:

| No | Name of entity | Principal business activity | Country of incorporation |
|----|---|--|--------------------------|
| 1 | KPMG PLT | Provision of auditing and assurance services | Malaysia |
| 2 | KPMG Desa Megat PLT | Dormant | Malaysia |
| 3 | KPMG Ventures PLT | Investment holding | Malaysia |
| 4 | KPMG Consulting (Malaysia) Sdn. Bhd. | Provision of training, advisory and consultancy services | Malaysia |
| 5 | KPMG Corporate Advisory Sdn. Bhd. | Provision of consultancy services | Malaysia |
| 6 | KPMG Deal Advisory Sdn. Bhd. | Dormant | Malaysia |
| 7 | KPMG Holdings Sdn. Bhd. | Dormant | Malaysia |
| 8 | KPMG Management & Risk Consulting Sdn. Bhd. | Provision of advisory services | Malaysia |
| 9 | KPMG Tax Services Sdn. Bhd. | Provision of tax compliance and tax advisory services | Malaysia |
| 10 | KPMG Corporate Restructuring PLT | Providing of liquidator and restructuring services | Malaysia |

UN Global Compact

| Disclosure recommendation | Disclosure |
|---|--|
| Human Rights | |
| Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and | Governance: Respecting human rights |
| Principle 2: Make sure that they are not complicit in human rights abuses. | |
| Labour | |
| Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; | Governance: Respecting human rights People: Inclusion and access to equal opportunity |
| Principle 4: The elimination of all forms of forced and compulsory labour; | |
| Principle 5: The effective abolition and child labour; and | KPMG firms support freedom of association and, where applicable, recognise the right to collective bargaining. |
| Principle 6: The elimination discrimination in respect of employment and occupation. | |
| Environment | |
| Principle 7: Businesses should support a precautionary approach to environment challenges; | Planet |
| Principle 8: Undertake initiatives to promote greater environmental responsibility; and | |
| Principle 9: Encourage the development and diffusion of environmentally friendly technologies. | |
| Anti-Corruption | |
| Principle 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 |
|--------------------------------|--|--|
| Governance | | |
| Governing purpose | Setting purpose | A message from the Managing Partner Governance: Purposeful business |
| Quality of governing body | Governance body composition | Governance: Purposeful business KPMG in Malaysia: Transparency Report 2024 |
| Stakeholder engagement | Material issues impacting stakeholders | Appendix: Material topics |
| Ethical behaviour | Anti-corruption | Governance: Acting transparently with accountability and integrity KPMG in Malaysia: Transparency Report 2024 |
| | Protected ethics advice and reporting mechanisms | Governance: Acting transparently with accountability and integrity KPMG in Malaysia: Transparency Report 2024 |
| Risk and opportunity oversight | Integrating risk and opportunity into business process | Governance: Purposeful business Planet: Climate Risk |
| People | | |
| Dignity and equality | Diversity and inclusion | People: Our workforce: FY24 snapshot |
| | Pay equality | People: Inclusion and access to equal opportunity Some aspects not reported due to (A) |
| | Wage level | |
| | Risk for incidents of child, forced or compulsory labour | Governance: Respecting human rights |

| Theme | Core metrics and disclosures | Location and notes |
|--|--|---|
| People (continued) | | |
| Health & well-being | Health and safety | People: Health and well-being Some aspects not reported due to (D) |
| Skills for the future | Training provided | People: Continuous learning Some aspects not reported due to (D) |
| 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 | |
| Prosperity | | |
| Employment and wealth generation | Absolute number and rate of employment | People: Our workforce: FY24 snapshot |
| | Economic contribution | Prosperity: Economic contribution Prosperity: Support the communities in which we operate in Some aspects not reported due to (A) |
| Wealth creation and employment | Financial investment contribution disclosure | Not reported due to (A) |
| Innovation in better products and services | Total R&D expenses | Not reported due to (A) |
| Community and social vitality | Total tax paid | Prosperity: Economic contribution Some aspects not reported due to (A) |

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 2023 to 30 September 2024 with reference to the GRI Standards. |
| GRI 1 used | GRI 1: Foundation 2021 |

| GRI standard | Disclosure | Location |
|---------------------------------|---|--|
| GRI 2: General Disclosures 2021 | 2-1 Organisational details | About Our Impact Plan Appendix: KPMG in Malaysia |
| | 2-2 Entities included in the organisation's sustainability reporting | |
| | 2-3 Reporting period, frequency and contact point | About Our Impact Plan 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 and access to equal opportunity Appendix: People |
| | 2-8 Workers who are not employees | People: Our workforce: FY24 snapshot |
| | 2-9 Governance structure and composition | Governance: Purposeful business KPMG in Malaysia: Transparency Report 2024 |
| | 2-10 Nomination and selection of the highest governance body | |

| GRI standard | Disclosure | Location |
|--|---|---|
| GRI 2: General Disclosures 2021 (continued) | 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 | |
| | 2-14 Role of highest governance body in sustainability reporting | |
| | 2-15 Conflict of interest | <p>Governance: Acting transparently with accountability and integrity</p> <p>Consistent with KPMG International's policies, all personnel 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. 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.</p> |
| | 2-16 Communication of critical concerns | Governance: Purposeful business |
| | 2-17 Collective knowledge of the highest governance body | |
| | 2-22 Statement of sustainable development strategy | <p>A message from our Managing Partner</p> <p>Governance: Purposeful business</p> |
| | 2-23 Policy commitments | <p>Global Code of Conduct</p> <p>KPMG's policy commitments are described throughout this document, in the KPMG in Malaysia: Transparency Report 2024.</p> |
| | 2-24 Embedding policy commitments | <p>Governance: Purposeful business</p> <p>Global Code of Conduct</p> <p>KPMG in Malaysia: Transparency Report 2024</p> |

| GRI standard | Disclosure | Location |
|--|---|--|
| GRI 2: General Disclosures 2021 (continued) | 2-25 Processes to remediate negative impacts | Governance: Acting transparently with accountability and integrity Global Code of Conduct |
| | 2-26 Mechanisms for seeking advice and raising concerns | |
| | 2-27 Compliance with laws and regulations | |
| | 2-28 Membership associations | Governance: Purposeful business |
| | 2-29 Approach to stakeholder engagement | Appendix: Materiality approach |
| | 2-30 Collective bargaining agreements | KPMG support freedom of association and, where applicable, recognise the right to collective bargaining. |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Appendix: Materiality approach |
| | 3-2 List of material topics | Appendix: Material topics |
| | 3-3 Management of material topics | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | Prosperity: Economic contribution |
| | 201-2 Financial implications and other risks and opportunities due to climate change | Planet: Climate risk |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | Governance: Acting transparently with accountability and integrity KPMG in Malaysia: Transparency Report 2024 |
| | 205-2 Communication and training about anti-corruption policies and procedures | |
| | 205-3 Confirmed incidents of corruption and actions taken | |
| GRI 206: Anti-competitive Behaviour 2016 | 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | Governance: Acting transparently with accountability and integrity KPMG in Malaysia: Transparency Report 2024 |

| GRI standard | Disclosure | Location |
|---|---|--|
| GRI 207: Tax 2019 | 207-1 Approach to tax | Governance: Purposeful business Prosperity: Economic contribution |
| | 207-2 Tax governance, control, and risk management | Governance: Purposeful business |
| | 207-3 Stakeholder engagement and management of concerns related to tax | Appendix: Materiality approach |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organisation | Appendix: Performance data table |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Planet: Decarbonisation |
| | 305-2 Energy indirect (Scope 2) GHG emissions | |
| | 305-3 Other indirect (Scope 3) GHG emissions | |
| | 305-4 GHG emissions intensity | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | People: Our workforce: FY24 snapshot People: Inclusion and access to equal opportunity Prosperity: Economic contribution |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | In FY24, 2% of workforce in KPMG in Malaysia is employed on a contingent labour basis. Benefits available to employees are in line or are above the requirements of local employment laws and regulations. |
| | 401-3 Parental leave | People: Health and well-being Benefits available to employees are in line or are above the requirements of local employment laws and regulations. |
| GRI 402: Labour/Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | KPMG in Malaysia complies with local laws and statutory requirements. KPMG in Malaysia adheres to the applicable notice periods based on national laws. |

| GRI standard | Disclosure | Location |
|---|---|---|
| GRI 403: Occupational Health and Safety 2018 | 403-3 Occupational health services | People: Health and well-being KPMG in Malaysia offers a range of health and well-being support for our people across firmwide. |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | |
| | 403-5 Worker training on occupational health and safety | |
| | 403-6 Promotion of worker health | |
| | 403-9 Work-related injuries | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | People: Continuous learning |
| | 404-2 Programmes for upgrading employee skills and transition assistance programmes | |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | People: Health and well-being |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | People: Inclusion and access to equal opportunity |
| | 405-2 Ratio of basic salary and remuneration of women to men | |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programmes | Prosperity: Support the communities in which we operate in |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | Governance: Respecting human rights |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Governance: Purposeful Business Global Code of Conduct |

SASB sustainability disclosure topics & metrics

| Topic | Metric | Unit of measure | Code | Location |
|----------------------------------|--|---------------------------|--------------|---|
| Data security | Description of approach to identifying and addressing data security risks | N/A | SV-PS-230a.1 | Governance: Purposeful business KPMG in Malaysia Transparency Report 2024 |
| | Description of policies and practices relating to collection, usage, and retention of customer information | N/A | SV-PS-230a.2 | Governance: Purposeful business KPMG in Malaysia Transparency Report 2024 |
| | Number of data breaches | Number, Percentage (%) | SV-PS-230a.3 | Governance: Purposeful business Appendix: Performance data table |
| Workforce diversity & engagement | Percentage of gender for leadership, management and non-management | Percentage (%) | SV-PS-330a.1 | People: Our workforce: FY24 snapshot Appendix: People |
| | Voluntary turnover rate of workforce | Percentage (%) | SV-PS-330a.2 | People: Our workforce: FY24 snapshot Appendix: Performance data table |
| | Workforce engagement as a percentage | Percentage (%) | SV-PS-330a.3 | People: Health and well-being |
| Professional integrity | Description of approach to ensuring professional integrity | N/A | SV-PS-510a.1 | Governance: Acting transparently with accountability and integrity KPMG in Malaysia Transparency Report 2024 Global Code of Conduct |
| Activity metrics | Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract | Number | SV-PS-510a.1 | People: Our workforce: FY24 snapshot Appendix: Performance data table |

People

Gender representation in Malaysia (FY19 to FY24)

| | FY24 | | FY23^ | | FY22^ | | FY21 | | FY20 | | FY19 | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Gender by level | Women | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women | Men |
| Leadership | 50.0% | 50.0% | 48.3% | 51.7% | 48.5% | 51.5% | 45.1% | 54.9% | 46.2% | 53.8% | 45.7% | 54.3% |
| Partners | 34.2% | 65.8% | 34.2% | 65.8% | 33.8% | 66.2% | 27.9% | 72.1% | 29.0% | 71.0% | 29.9% | 70.1% |
| Directors | 58.3% | 41.7% | 55.8% | 44.2% | 55.8% | 44.2% | 55.3% | 44.7% | 56.4% | 43.6% | 54.7% | 45.3% |
| Management (Senior managers and managers) | 60.5% | 39.5% | 62.2% | 37.8% | 58.1% | 41.9% | 60.2% | 39.8% | 61.0% | 39.0% | 61.8% | 38.2% |
| Team members | 65.5% | 34.5% | 65.8% | 34.2% | 65.6% | 34.4% | 66.3% | 33.7% | 65.5% | 34.5% | 63.9% | 36.1% |
| Senior team members | 67.7% | 32.3% | 68.9% | 31.1% | 67.6% | 32.4% | 67.0% | 33.0% | 68.4% | 31.6% | 67.7% | 32.3% |
| Associates | 63.1% | 36.9% | 63.2% | 36.8% | 64.2% | 35.8% | 65.7% | 34.3% | 62.6% | 37.4% | 60.4% | 39.6% |
| Total partners and employees | 63.3% | 36.7% | 63.8% | 36.2% | 63.2% | 36.8% | 63.7% | 36.3% | 63.2% | 36.8% | 62.2% | 37.8% |

^ Comparatives have been restated to exclude workforce from KPMG Delivery Network T&L (Malaysia) Sdn. Bhd, ensuring consistency in reporting boundary across reporting periods.

People

Workforce composition by age group

| By age group | FY24 | FY23^ | FY22^ |
|-------------------|-------|-------|-------|
| < 25 years old | 26.7% | 31.9% | 34.7% |
| 25 – 34 years old | 53.4% | 49.3% | 46.6% |
| 35 – 44 years old | 10.0% | 8.9% | 9.2% |
| 45 – 55 years old | 7.3% | 7.4% | 6.9% |
| > 55 years old | 2.6% | 2.5% | 2.6% |

New hires by level

| By level | FY24 | FY23^ | FY22^ |
|------------------------|------------|------------|--------------|
| Partner | 3 | 1 | - |
| Director | 4 | 9 | 9 |
| Management | 18 | 28 | 28 |
| Senior team member | 91 | 117 | 162 |
| Associate | 472 | 611 | 811 |
| Total new hires | 588 | 766 | 1,010 |

^ Comparatives have been restated to exclude workforce from KPMG Delivery Network T&L (Malaysia) Sdn. Bhd, ensuring consistency in reporting boundary across reporting periods.

Performance data table

| No | Sustainability matters | Indicators | FY25 performance target | FY24 | FY23 | FY22 |
|----|------------------------|---|-------------------------|----------------------------------|-----------------------------|-----------------------------|
| 1 | Anti-corruption | Percentage of workforce who have received training on anti-corruption | 100% | 100% | 100% | 100% |
| | | Percentage of operations assessed for corruption-related risks | 100% | 100% | 100% | 100% |
| | | Confirmed incidents of corruption and action taken | 0 | 0 | 0 | 0 |
| 2 | Community / Society | Total amount invested in the community, where the target beneficiaries are: a) external to the firm; b) dependents of our people. | Above RM600,000 | a) RM619,348 b) RM20,275 | a) RM545,450 b) RM18,300 | a) RM452,611 b) RM15,000 |
| | | Total number of beneficiaries of the investment in communities | N/A | 6,239 beneficiaries [#] | 191 beneficiaries | 174 beneficiaries |
| 3 | Energy management | Total energy consumption (Gigajoules) | N/A | 3,891 | 3,859* | 3,862* |
| 4 | Health and safety | Number of work-related fatalities | 0 | 0 | 0 | 0 |
| | | Lost time incident rate | 0 | 0 | 0 | 0 |
| | | Percentage of workforce trained on health and safety standards | 100% | 97% | N/A | N/A |

* Comparatives have been restated, as a result of our commitment to continuous improvement in our emissions data quality, ensuring a more accurate and reliable emissions reporting.

[#] In FY24, we have refined our methodology to identify individual beneficiaries, providing a better reflection of our impact. FY23 and FY22 have not been represented for this change of basis. Total number of beneficiaries included the beneficiaries from KPMG's 10by30.

Performance data table

| No | Sustainability matters | Indicators | FY25 performance target | FY24 | FY23 | FY22 |
|----|--------------------------------|--|--|---|--|--|
| 5 | Labour practices and standards | Total hours of training by workforce category | N/A | Leadership: 13,385 hours Management: 16,734 hours Non-management: 145,443 hours | Leadership: 10,018 hours^ Management: 13,297 hours^ Non-management: 167,391 hours^ | Leadership: 12,508 hours^ Management: 20,199 hours^ Non-management: 175,930 hours^ |
| | | Percentage of workforce who are contractors or temporary staff | N/A | 2% | 3%^ | 5%^ |
| | | Total number of turnover by workforce category | N/A | Leadership: 14 Management: 52 Non-management: 599 | Leadership: 23^ Management: 62^ Non-management: 651^ | Leadership: 19^ Management: 92^ Non-management: 781^ |
| | | Number of substantiated complaints concerning human rights violations | 0 | 0 | 0 | 0 |
| 6 | Data privacy and security | Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | 0 | 0 | 0 | 0 |
| 7 | Emissions management | Scope 1 emissions (tonnes of CO ₂ e) | 5% reduction in total emissions compared to FY24 | 36.7 | 37.6* | 35.9* |
| | | Scope 2 emissions (tonnes of CO ₂ e) | | 768.9 | 762.4* | 771.7* |
| | | Scope 3 emissions (tonnes of CO ₂ e) | | 6,556.4 | 5,932.7* | 5,807.1* |
| | | Total emissions (tonnes of CO₂e) | | 7,362.0 | 6,732.7* | 6,614.7* |

* Comparatives have been restated, as a result of our commitment to continuous improvement in our emissions data quality, ensuring a more accurate and reliable emissions reporting.

^ Comparatives have been restated to exclude workforce from KPMG Delivery Network T&L (Malaysia) Sdn. Bhd, ensuring consistency in reporting boundary across reporting periods.

Notes on basis of preparation

1. Throughout this content, “KPMG” refers to the global organisation, 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. The member firms and affiliates operating in Malaysia are collectively referred to as “KPMG in Malaysia”, “we”, “us” or “our”, unless otherwise stated.
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. All metrics are for KPMG in Malaysia unless otherwise stated.
4. Statements or representations about KPMG’s emissions have not yet been independently verified. Nonetheless, data supporting our firm’s current methodologies and measurements for relevant emissions is set forth in the main section of Our Impact Plan: Planet.

Contacts

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



Foong Mun Kong

Managing Partner
KPMG in Malaysia

E: munkongfoong@kpmg.com.my



Vengadesh Jogarajah

Partner, Head of Impact@KPMG
KPMG in Malaysia

E: vjogarajah@kpmg.com.my



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