



KPMG China in the Community

**Corporate Social
Responsibility
Programme**

kpmg.com.cn/CSR



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Advancing Sustainability



Lifelong Learning



Promoting Inclusive Development



Inclusion and Diversity

CHAIRMEN'S MESSAGE

At KPMG China, we believe that we should use our skills and resources to empower change and make a difference for our people, our clients and our community. Every day, we use our expertise to create sustainable solutions for our clients, with the aim of improving the community where we live and work. Corporate social responsibility (CSR) is at the heart of KPMG's culture, and we are therefore pleased to share the progress of our CSR developments in China.

Our efforts are united across KPMG China's 17 offices to address environmental and social issues. Under the 3Es – Environment, Education and Empowerment – we focus on our four CSR pillars:

1. Advancing Sustainability
2. Lifelong Learning
3. Promoting Inclusive Development
4. Inclusion and Diversity.

On the environmental front, our annual firm-wide carbon audit showed a significant drop of 11.9 percent in net carbon emissions per full-time employee from 2010 to 2014. KPMG China is committed to continuously

developing and implementing innovative green strategies to further reduce emissions across all our offices.

On the social front, our employees leverage their business expertise and skills to give back to their communities by contributing thousands of volunteer hours to charitable causes. In addition, they provide over 10,000 hours of pro bono audit services annually to non-profit and non-governmental organisations in China. In the aftermath of the devastating earthquakes that affected our neighbours in Nepal in 2015, KPMG China also raised HKD 1.5 million – staff donations of HKD 750,000 which the firm matched dollar-for-dollar – channelling all donations towards emergency relief.

This report highlights the efforts we are making to ensure that corporate responsibility flows through KPMG in our day-to-day interactions with each other, our clients and our communities. We will continue to have a positive impact on our communities while inspiring and empowering change so we can build a better world together.



KPMG FOUNDATION

In 2015, we celebrated the seventh anniversary of KPMG Foundation, a charitable entity that aims to engage our employees, alumni and stakeholders in the community to bring about systematic change that addresses environmental and social issues.

The foundation is governed by a board, which meets regularly to review grant proposals, select grantees and manage the partnership's contributions to

strategically allocate funds in line with the firm's four CSR pillars. The board also works with KPMG China's 14 local CSR Committees to identify volunteer opportunities and potential community partners.

This structured giving platform complements our firm's CSR goals and helps ensure that all our programmes are needs-driven, scalable and sustainable in the long term.

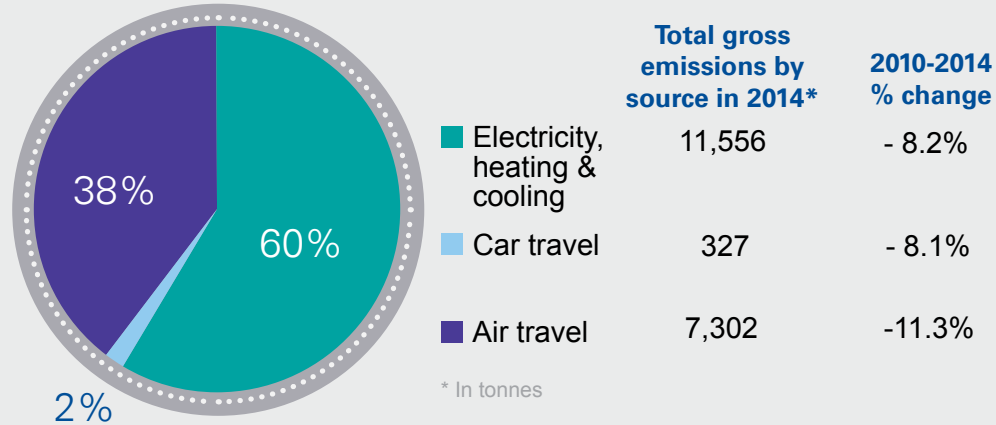


Honson To
Chairman, KPMG China

Benny Liu
Chairman, KPMG China

KPMG AT A GLANCE

KPMG China carbon emissions in 2014



Reduced net emissions per full-time employee by **11.9%** in 2014 compared to 2010



Reduced net emissions by over **1,900 tonnes** in 2014 compared to 2010



>20,000 hours spent on voluntary services in 2015



>1,000 students reached in school missions in 2015



>10,000 hours spent on pro bono work annually



>350 social enterprises & NGO representatives attended KPMG China training sessions from 2010 to 2015



Partnered with **>50 NGOs** in 2015



Sponsored **>5,000** patients treated by BEAM International Foundation (formerly Operation Smile) from 2004 to 2015

HKD 1.5 million donated for emergency relief after the Nepal earthquakes in 2015

Approx. **HKD 10 million** in charitable donations in 2015, of which **HKD 4 million** was raised by colleagues

CSR FOUR PILLARS UNDER THE 3Es APPROACH

KPMG's CSR strategies focus on the 3Es – Environment, Education and Empowerment. Under this framework, we rolled out different sustainable initiatives that focus on Advancing Sustainability, Lifelong Learning, Promoting Inclusive Development, and Inclusion and Diversity. With CSR at the heart of KPMG's culture, our efforts are united to address different environmental and social issues through thought leadership and stakeholder engagement.



“ When we engage in any CSR activities, it is important for us to consider KPMG's identity in society. As a trusted professional services firm, we aim to harness our core competencies to serve the community and lead by example, with the belief that we can do well and do good at the same time.

Pat-nie Woo
Principal, Corporate Social Responsibility, KPMG China

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KEY CSR PROGRAMMES

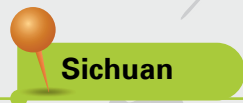


📍 KPMG China office

KPMG Hope Schools & mission trips



- KPMG Zhang Qi Hope Primary School
- KPMG Gao Qiao Hope Primary School



- KPMG-CCTF Community Centre



- KPMG Fang Niu Chang Hope Primary School



Emergency relief

- Nepal Earthquake relief in 2015 (HKD 1.5 million)
- Ya'an Earthquake relief in 2013 (HKD 1.15 million)
- Japan Earthquake relief in 2011 (HKD 1.48 million)

Nationwide CSR programmes

Environment

- Carbon audit
- Global Green Initiatives
- WWF Earth Hour

Education

- Enactus
- KPMG Hope Schools and mission trips (Yunnan, Gansu and Sichuan)
- New Great Wall programme
- Project WeCan partnership
- SoCO kids' programme

Empowerment

- BEAM International Foundation
- Global Dignity Day
- Pro bono audit services
- Professional training for social enterprises and NGOs
- Qi Chuang Social Work Service Center
- Shanghai Adream Charitable Foundation



World Wide Fund for Nature (WWF)

KPMG was one of the first members of WWF-Hong Kong's Low-carbon Office Operation Programme (LOOP), and has become an active supporter of WWF's various initiatives such as Walk for Nature and Earth Hour. Since 2014, we have been a Silver Member of WWF.

'Living Green' initiative

The 'Living Green' initiative examines various aspects of our operations, with the aim of making our offices more environmentally friendly. Furthermore, we raise our people's awareness on climate change and promote a low-carbon lifestyle by sharing green tips and offering vegetarian meals at our brown bag lunch seminars.

ADVANCING SUSTAINABILITY

Carbon emission reduction target

In 2008, KPMG launched the Global Green Initiative (GGI) as a global response to the challenges of climate change. Our global target is a further 10 percent reduction in global net greenhouse gas (GHG) emissions by 2020 against a 2015 baseline. Part of our commitment to reducing our environmental impact is to measure, reduce and report KPMG's combined GHG emissions inventory. Furthermore, KPMG promotes sustainability by contributing to our communities and the marketplace, as well as by raising awareness and engaging our people.



Green building and facilities

In 2012, KPMG moved 40 percent of its Hong Kong office space to the LEED Platinum-certified Hysan Place, saving a significant amount of energy and strengthening our dedication to environmental protection. We reduce lighting power by using LED bulbs and T5 lamps, and by maximising the use of natural light using glazed partitions.

“

Today, the overconsumption of natural resources poses a serious threat to our planet. WWF-Hong Kong hopes that everyone understands conservation messages, and encourages the public to change their lifestyles to help sustain the earth.

”

Irene Chu

*Partner and Head of High Growth Technology & Innovation, KPMG China
Chair of Finance Committee and Member of Executive Committee, WWF Hong Kong*



LIFELONG LEARNING

Student sponsorship programmes

We are committed to developing potential and creating well-rounded educational opportunities for underprivileged primary- to tertiary-level children and youths. The KPMG Foundation provides annual financial aid to students in need through different charities such as the China Foundation for Poverty Alleviation (CFPA), China Care Fund and Plan International.

KPMG-CCTF Community Centre

In December 2008, the KPMG Foundation reached an agreement with the China Children and Teenagers' Fund (CCTF) to build a community centre in Sichuan, and our foundation continues to support its operation. The design of the centre combines green building principles, renewable energy and resources, and quake-resistant technology. It is a community gathering place, providing after-school activities and vocational training, where our people play an active role.

Enactus

Enactus works with leaders in business and higher education to mobilise university students. The aim is for these students to impact lives and promote sustainability by initiating and implementing community projects. Every year since 2004, our staff volunteers have assisted as business advisors and judges in various student projects and competitions.

KPMG Hope Schools

In 2010, three school rebuilding projects in Yunnan and Gansu were completed under the partnership between the KPMG Foundation, Sowers Action and local governments. Since then, volunteer missions have been organised every year to give staff and students the opportunity to interact and connect. The KPMG Foundation continues to look at enhancing facilities at these schools.

Society for Community Organization (SoCO)

Since 2003, we have partnered with SoCO to sponsor and assist local underprivileged children, organising an average of 10 events per year. From large-scale English learning programmes to other activities such as community visits, we provide both funding and staff volunteer services to support SoCO.

“

I was really fortunate to have the opportunity to participate in a meaningful school mission in Sichuan. In addition to teaching textbook knowledge, we tried to be role models, which is even more important. We inspired the children to dream about the future too.

”

Jan Woo
Senior Consultant, IT Advisory Services, KPMG China

CFPA - New Great Wall Programme



50

new university students supported annually



44

universities in China involved



740

students sponsored since 2005

China Care Fund Student Sponsorship



30

students sponsored annually

Plan International Children Sponsorship



30

children in rural China supported annually



PROMOTING INCLUSIVE DEVELOPMENT

Pro bono audit services

Using our professional specialist knowledge and skills to help civil society enhance its accountability, credibility and performance is one of our key commitments and contributions to our communities. We provide pro bono audit and advisory services to charities and NGOs of all sizes, supporting their efforts to address social issues. Our service also gives assurance to both donors and the public that donations to these organisations are well spent.

The Hong Kong Council of Social Service – HSBC Social Enterprise Business Centre (SEBC)

As a strategic partner, we have been working with the SEBC to advance social entrepreneurship and mobilise social innovation. A team of our volunteers formed a Social Enterprise Advisory Board to provide a series of training workshops that equip social enterprises for possible accounting and financial problems. In addition, our volunteers participate in a one-on-one mentorship programme called 'Social Angel' to provide business consultation and advisory services for various social enterprises.



“

One way we have made good use of our talents is by providing pro bono audit services to a number of charitable organisations. This gives charities access to professional advice and services, while also helping them keep their administrative costs to a minimum to ensure that funds raised can be applied as far as possible to the respective chosen cause.

Peter Wong
Partner, Audit, KPMG China

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KPMG makes a valuable contribution by providing professional training and consultation. This is truly beneficial to social enterprises, helping them build capacity and create shared value for society.

Jessica Tam
*Head of Social Enterprise Business Centre,
The Hong Kong Council of Social Service*

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INCLUSION & DIVERSITY

We encourage our people to make use of the benefits that inclusion and diversity bring to our business. We also sponsor and participate in research that aims to improve our understanding of inclusion and diversity in the workplace and marketplace.

KPMG China strives to provide an inclusive environment for our people by offering:

- Cross-cultural awareness programmes
- Mentorship and buddy programmes
- Global onboarding and inter-office virtual classrooms
- Coaching and leadership training programmes
- A flexible Work Arrangements Scheme
- Gender equality awareness sessions
- Sponsorship to women's leadership conferences and seminars
- Support for Women on Boards initiatives
- Mothers' lactation rooms
- Kids' days organised for working parents

As at October 2015, female employees accounted for approximately 62 percent of the workforce at KPMG China.

“As our lead corporate sponsor, KPMG plays a pivotal role by providing significant financial contributions, while their staff volunteers devote their valuable time as facilitators and guest speakers in our workshops for students. KPMG also introduces us to other organisations in the community to help build a collaborative environment.”

Kent Lau
Programme Director,
Global Dignity

Global Dignity Day

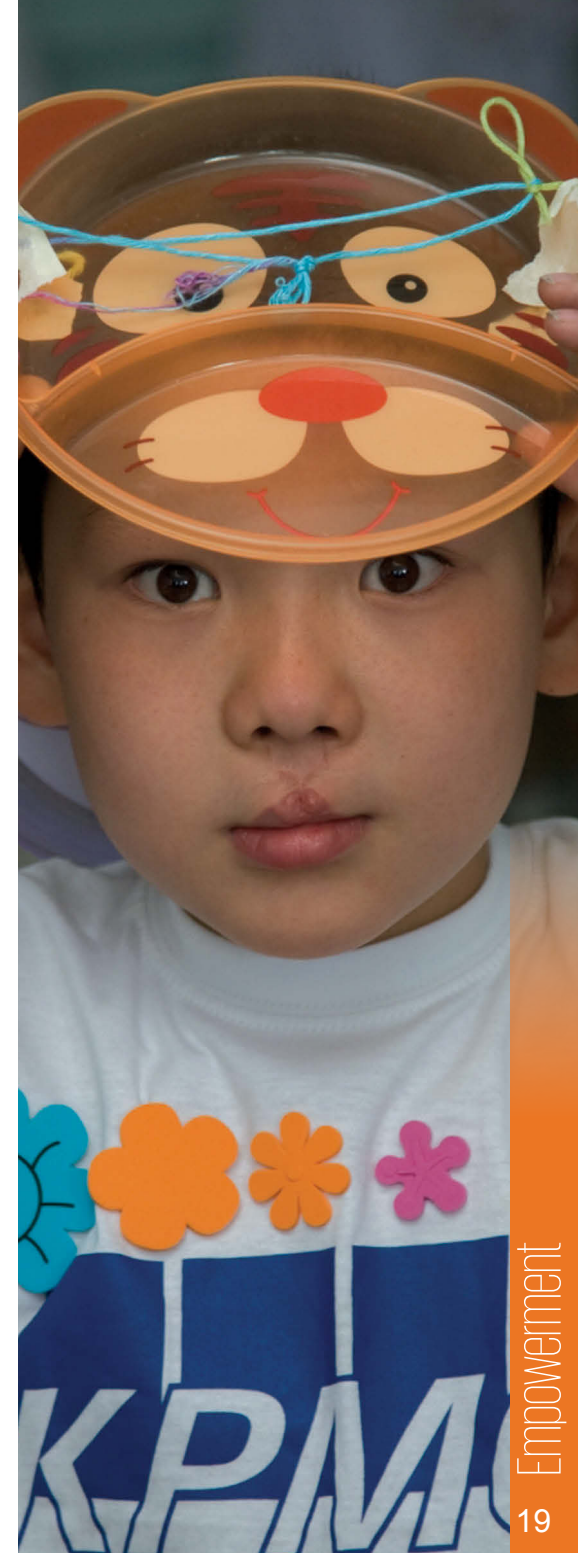
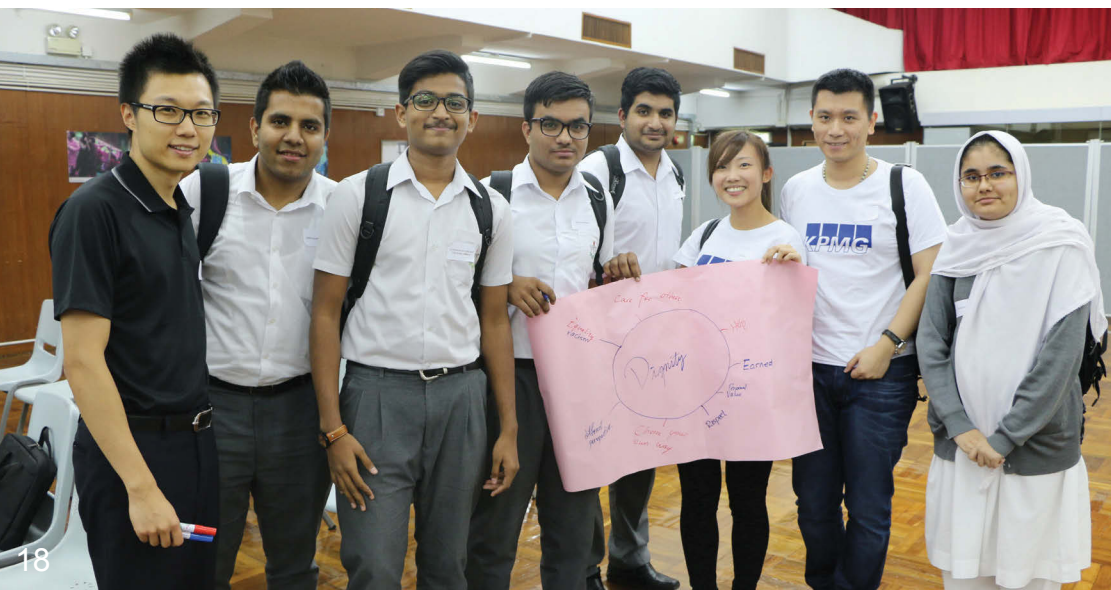
Global Dignity Day (GDD) was established in 2006 by delegates of the Forum of Young Global Leaders, an offshoot of the World Economic Forum. KPMG China volunteers visit different schools and facilitate workshops to instil a positive and inclusive sense of value in youngsters.

BEAM International Foundation

BEAM International Foundation (formerly Operation Smile) is a medical charity which provides free surgeries for underprivileged children with cleft lips and/or palates in rural China. Since 2004, our staff have volunteered for the medical missions, assisting as interpreters, logistics coordinators, and medical record keepers. The KPMG Foundation makes an annual donation to support 50 surgeries during these medical missions.

Migrant youth programme

The KPMG Foundation offers students experiential learning programmes through Qi Chuang Social Work Service Center, while migrant schools can get facility upgrades through Shanghai Adream Charitable Foundation. In addition to modernising the hardware in migrant schools where resources are usually lacking, these programmes also help migrant students better integrate into their communities, as well as build their self-confidence.



FUNDRAISING SPORTS EVENTS



Standard Chartered Hong Kong Marathon (SCB Marathon)

Over the past few years, hundreds of KPMG staff members and their family and friends have taken part in the SCB Marathon. In 2016, KPMG China raised over HKD 300,000 to support Orbis, the Hong Kong Paralympic Committee & Sports Association for the Physically Disabled, and the Hong Kong Anti-Cancer Society.

KPMG China was proud to receive the 'Highest Donation Company' Award for the 11th year in 2016 and 'Highest Team Participation' Award for the 10th year in 2015.



Egg Walkathon

Over 100 KPMG staff members participated in this Shanghai United Foundation fundraising event, raising over RMB 600,000 to support NGOs providing services to grassroots children and teenagers in four key areas: nutrition and health, education, safety, and social integration.



Oxfam Trailwalker

In 2015, two KPMG teams participated in the Oxfam Trailwalker, one of Hong Kong's most popular hiking fundraising events. Our teams completed the 100km trek with great determination and commitment, overcoming all the obstacles along the trail. Over HKD 500,000 was raised to support Oxfam Hong Kong's work fighting poverty and injustice worldwide.



Sedan Chair Race

KPMG China sends staff teams to join the annual Sedan Chair Race at the Matilda International Hospital, raising funds for the Sedan Chair Charities Fund which supports around 130 local charities. Staff teams design their own costumes and chairs every year.



The Community Chest Wheelock Swim for Millions

Every year, KPMG teams compete in the 400-metre swim and run on Repulse Bay Beach. All donations are channelled through The Community Chest to support 155 member social welfare agencies.



CFPA Walkathon

In 2015, the KPMG China walkathon teams completed the 50km route on the Great Wall in Beijing, raising over RMB 470,000. Proceeds from the event go towards the China Foundation for Poverty Alleviation, which supports underprivileged people in impoverished areas in China.

“

This is the fourth year I have joined our CSR sports events. It is a very good opportunity to help contribute to society and make new friends.

Marco Wong

Manager, Deal Advisory, KPMG China

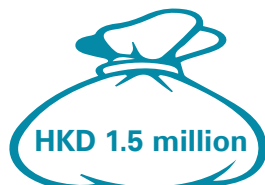
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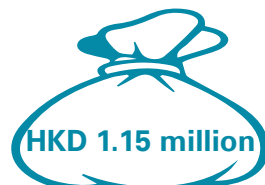
EMERGENCY RELIEF

The KPMG Foundation makes donations to help with relief efforts after natural disasters around the globe, and often matches staff donations on a dollar-for-dollar basis.

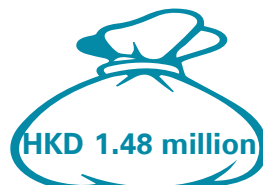
**Nepal Earthquake
in 2015**



**Ya'an Earthquake
in 2013**



**Japan Earthquake
in 2011**



CHAIRMEN'S AWARDS

Every year, KPMG people devote a lot of time and effort to serving their communities. The Chairmen's Awards are presented annually to recognise our people's hard work and achievements in helping those in need and protecting our environment. The KPMG Foundation donates HKD 10,000 to the charity chosen by each of the awardees.

AWARDS

KPMG has been recognised for its commitment to CSR in the industry. Here are some of the local and international awards we have received over the past few years:

KPMG China Awards

- Best Employer Award 2014 – National College Student Information and Career Centre
- Best Employer for Graduates Award in 2012-2013 – YingJieSheng website
- Caring Company Award from 2002 to 2015 – The Hong Kong Council of Social Service
- CSR Leadership Award and Honorable Mention for the Partnership Award in 2012 – The American Chamber of Commerce in Shanghai
- Excellence Award of Corporate Philanthropy in 2015 - Yangcheng Evening News, Guangzhou Volunteers' Union and Guangzhou Centre
- Gold Award in 2013 – Environmental Campaign Committee's Hong Kong Awards for

Environmental Excellence

- Green Office Awards Labelling Scheme (GOAL) in 2015 – World Green Organisation
- Hong Kong Green Organisation Certificate in 2016 - Environmental Campaign Committee
- LEED Platinum Certification in 2013 – The U.S. Green Building Council
- Sustained Contribution Award in 2015 – The American Chamber of Commerce in Shanghai

KPMG International Awards

- Golden Peacock Global Sustainability Awards in 2014 – Institute of Directors, India
- Sustainable Firm of the Year Award from 2012 to 2015 – International Accounting Bulletin



Mainland China

Beijing

8th Floor, Tower E2, Oriental Plaza
1 East Chang An Avenue
Beijing 100738, China
Tel : +86 (10) 8508 5000
Fax : +86 (10) 8518 5111

Beijing Zhongguancun

Room 603, Flat B, China Electric Plaza,
No.3 Danling Street, Haidian District,
Beijing 100080, China
Tel +86 (10) 5875 2555
Fax +86 (10) 5875 2558

Chongqing

Unit 1507, 15th Floor, Metropolitan Tower
68 Zourong Road
Chongqing 400010, China
Tel : +86 (23) 6383 6318
Fax : +86 (23) 6383 6313

Fuzhou

25th Floor, Fujian BOC Building
136 Wu Si Road
Fuzhou 350003, China
Tel : +86 (591) 8833 1000
Fax : +86 (591) 8833 1188

Hangzhou

8th Floor, West Tower, Julong Building
9 Hangda Road
Hangzhou 310007, China
Tel : +86 (571) 2803 8000
Fax : +86 (571) 2803 8111

Qingdao

4th Floor, Inter Royal Building
15 Donghai West Road
Qingdao 266071, China
Tel : +86 (532) 8907 1688
Fax : +86 (532) 8907 1689

Shenyang

27th Floor, Tower E, Fortune Plaza
59 Beizhan Road
Shenyang 110013, China
Tel : +86 (24) 3128 3888
Fax : +86 (24) 3128 3899

Tianjin

Unit 15, 47th Floor, Office Tower
Tianjin World Financial Center
2 Dagou North Road
Tianjin 300020, China
Tel : +86 (22) 2329 6238
Fax : +86 (22) 2329 6233

Hong Kong SAR and Macau SAR

Hong Kong

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
23rd Floor, Hysan Place
500 Hennessy Road
Causeway Bay, Hong Kong
Tel : +852 2522 6022
Fax : +852 2845 2588

Chengdu

17th Floor, Office Tower 1, IFS
No. 1, Section 3 Hongxing Road
Chengdu, 610021, China
Tel : +86 (28) 8673 3888
Fax : +86 (28) 8673 3838

Foshan

8th Floor, One AIA Financial Center
1 East Denghu Road
Foshan 528200, China
Tel : +86 (757) 8163 0163
Fax : +86 (757) 8163 0168

Guangzhou

38th Floor, Teem Tower
208 Tianhe Road
Guangzhou 510620, China
Tel : +86 (20) 3813 8000
Fax : +86 (20) 3813 7000

Nanjing

46th Floor, Zhujiang No.1 Plaza
1 Zhujiang Road
Nanjing 210008, China
Tel : +86 (25) 8691 2888
Fax : +86 (25) 8691 2828

Shanghai

50th Floor, Plaza 66
1266 Nanjing West Road
Shanghai 200040, China
Tel : +86 (21) 2212 2888
Fax : +86 (21) 6288 1889

Shenzhen

9th Floor, China Resources Building
5001 Shennan East Road
Shenzhen 518001, China
Tel : +86 (755) 2547 1000
Fax : +86 (755) 8266 8930

Xiamen

12th Floor, International Plaza
8 Lujiang Road
Xiamen 361001, China
Tel : +86 (592) 2150 888
Fax : +86 (592) 2150 999

Chairmen

Benny Liu

benny.liu@kpmg.com
Tel: +86 (10) 8508 7118

Honson To

honson.to@kpmg.com
Tel: +86 (10) 8508 7055

Regional leaders

Edwin Fung

Senior Partner, Northern China
edwin.fung@kpmg.com
Tel: +86 (10) 8508 7032

William Gong

Senior Partner, Eastern and Western China
william.gong@kpmg.com
Tel: +86 (21) 2212 2999

Peter Kung

Senior Partner, Southern China
peter.kung@kpmg.com
Tel: +86 (20) 3813 8338

Andrew Weir

Senior Partner, Hong Kong
andrew.weir@kpmg.com
Tel: +852 2826 7243

Functional leaders

David Ko

Head of Audit, China
david.ko@kpmg.com
Tel: +86 (21) 2212 3866

Khoon Ming Ho

Partner-in-charge, Tax
khoonming.ho@kpmg.com
Tel: +86 (10) 8508 7082

Babak Nikzad

Partner-in-charge, Advisory
babak.nikzad@kpmg.com
Tel: +852 2978 8297