



# Our Impact Report 2022

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KPMG in Romania & Moldova | 2023









# Letter from Country Managing Partner

Dear Reader,

I'm very pleased to introduce you to our KPMG in Romania & Moldova ESG Report, which is published in line with the Global Reporting Initiative (GRI) 2021 Guidelines.

As a global organization, KPMG has publicly declared that it is determined to have a positive impact on the world through the way we conduct our business and interact with communities.

What we aim for is simple: we do not want to just be part of history but to

reshape it for the better for generations to come.

Consequently, in 2020 we launched the **KPMG Impact Plan**, which aims to clarify our commitments across four key areas: Planet, People, Prosperity, and Governance.

We made a commitment to protect the environment, with a specific target in mind: achieving carbon neutrality by 2030.

We constantly strive to improve our working environment to support the flourishing of talent in a diverse and inclusive way.

We want to promote prosperity in a way that is both sustainable and also upholds good corporate citizenship.

Finally, we continuously enforce rigorous ethical standards by putting into practice well-defined Governance requirements.

This report sets out the progress we have made on our ESG journey, including how we apply ESG principles internally, the checks and balances we have put in place to ensure that ESG policies are effectively implemented, and also how we make efforts to promote high ESG standards among our clients and in the wider community. I am pleased that there is a strong commitment to ESG from KPMG in Romania & Moldova's employees,

many of whom are closely involved in taking our ESG strategy forward, whether by helping our clients develop effective sustainability policies or by their involvement in various community projects.

It is clear to me that KPMG in Romania & Moldova makes a positive impact on the economy and society of the two countries.

I invite you to read more about the progress we have made and the impact we've had on our stakeholders, and we look forward to hearing your feedback on our ESG Report.

## Ramona Jurubiță

**Country Managing Partner,  
KPMG in Romania & Moldova**





# Our values & 2022 achievements





# Values

## Integrity

ESG is the right thing to do

## Excellence

We will strive to make our approach to ESG the best it can be

## Courage

We will talk about ESG and advocate action

## Together

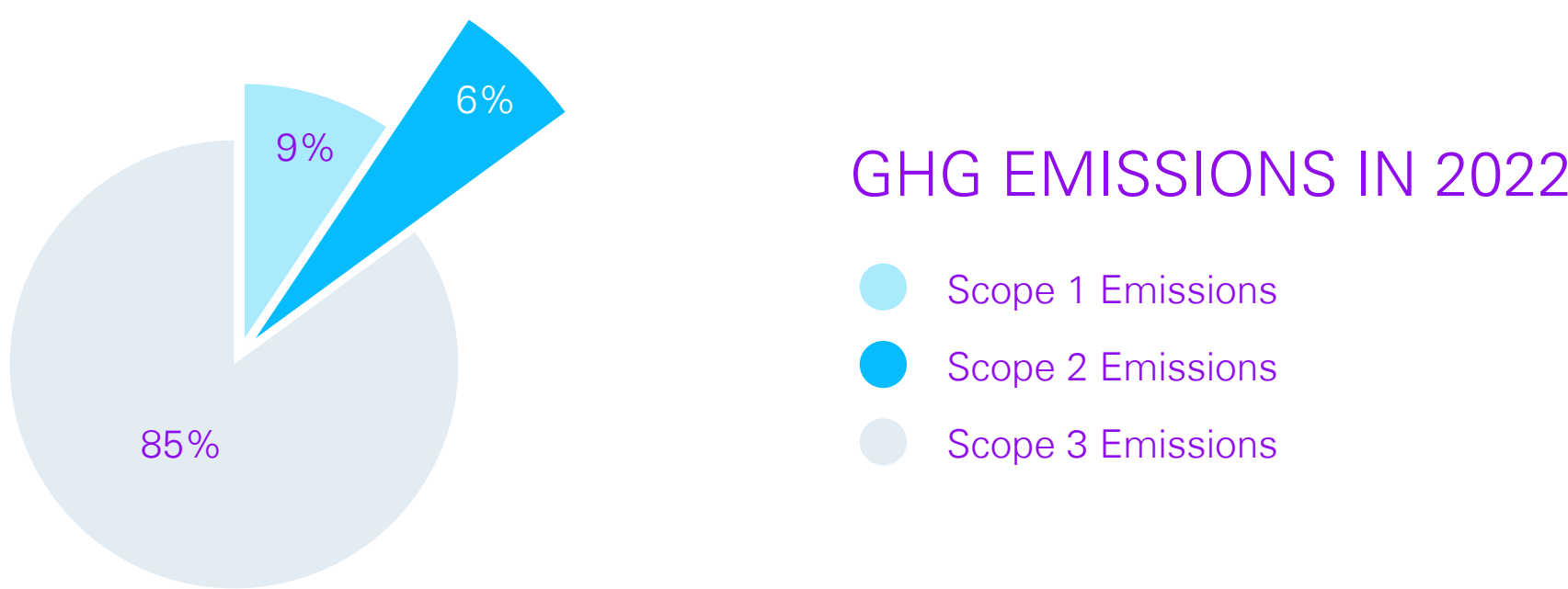
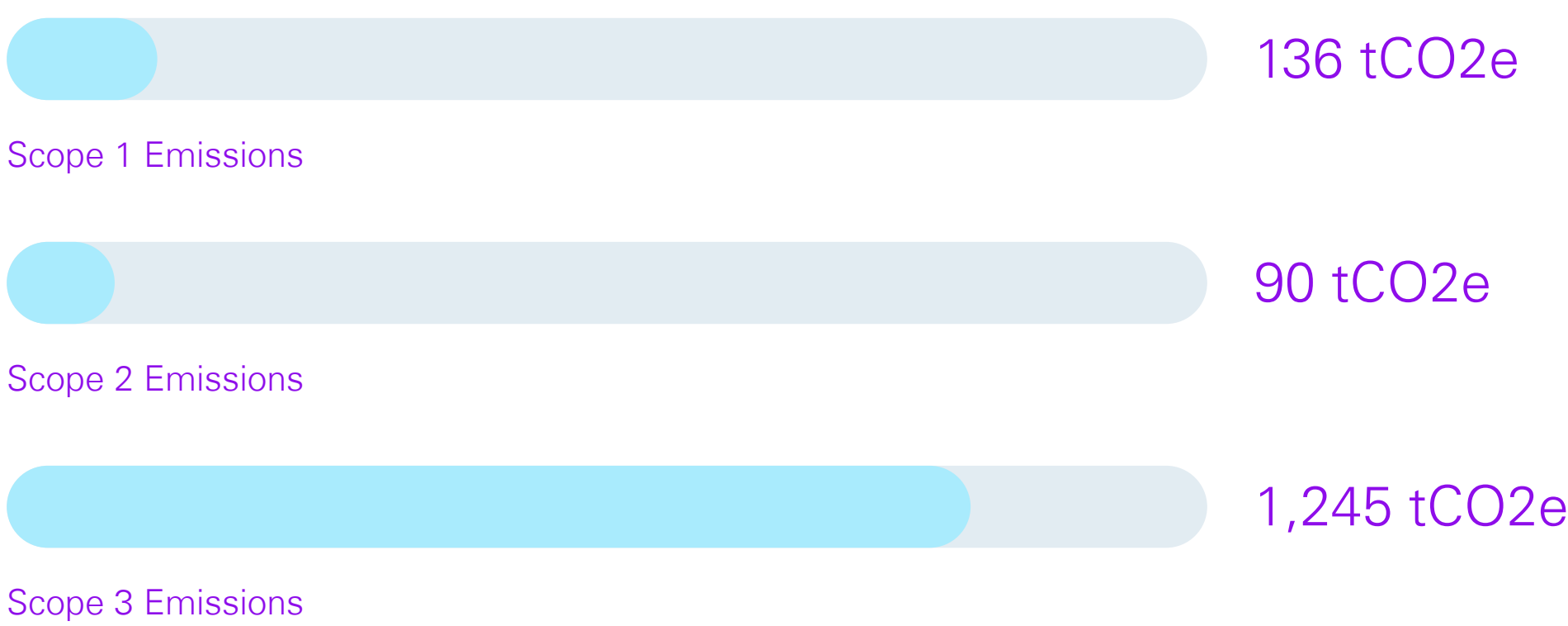
We see ESG issues from a different perspective and work together to find solutions

## For better

We will implement our ESG strategy to help make a difference in the world, and to help our clients do the same

# 2022 key achievements

## Planet

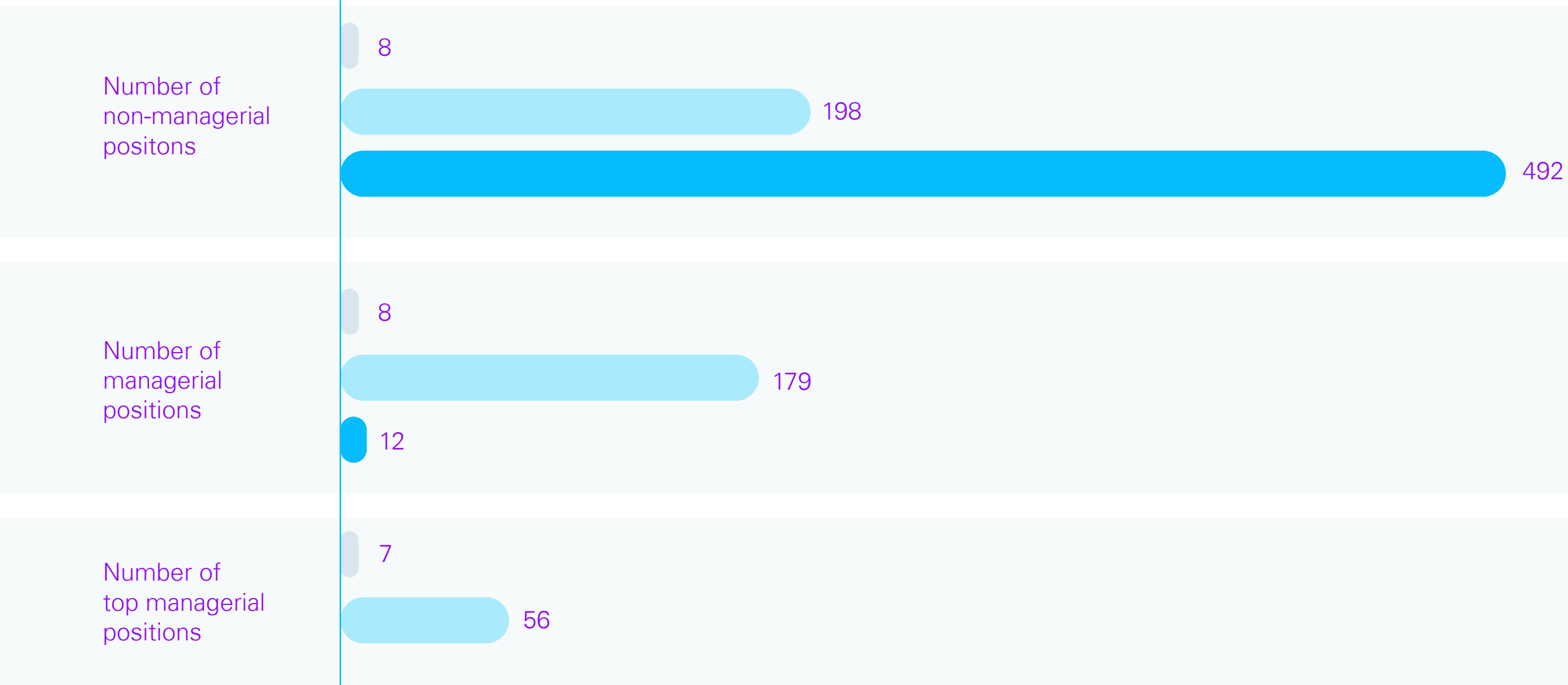




## People

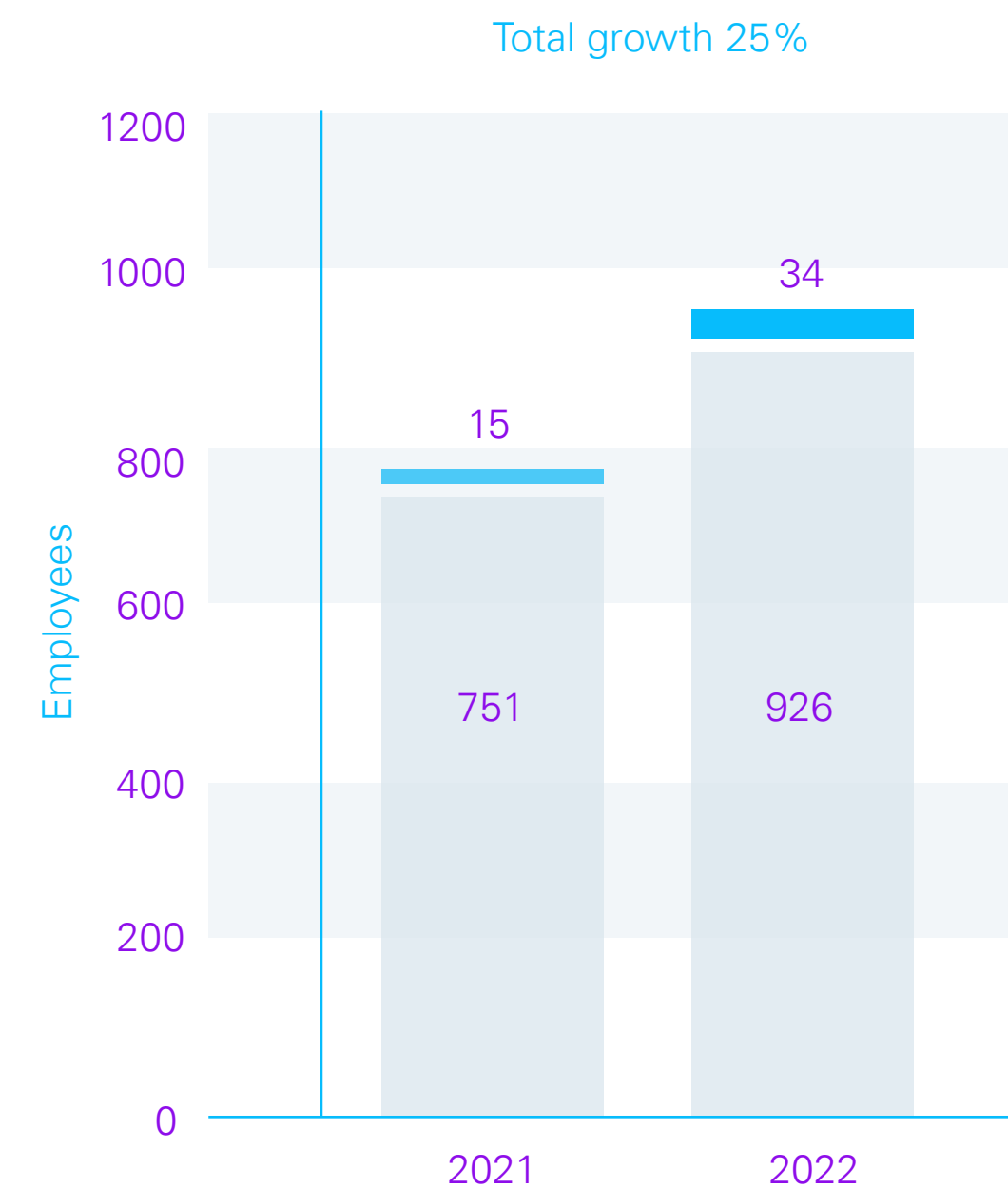
### 960 employees (926 Full-Time, 34 Part-Time)

Breakdown of employees according to age groups by employee category



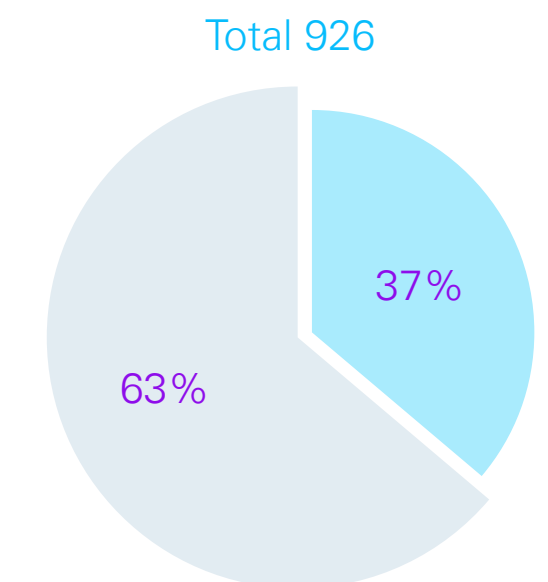
● o/w over 50 years old
 ● o/w between 30-50
 ● o/w below 30 years old

Employment Growth YoY

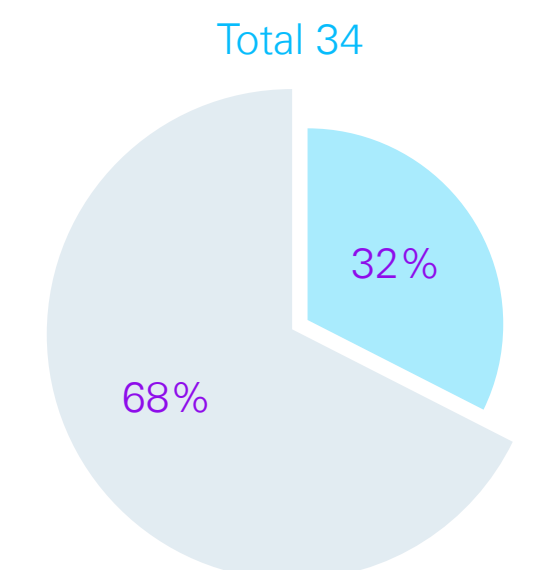


● Full time
 ● Part time

Full time employees



Part time employees

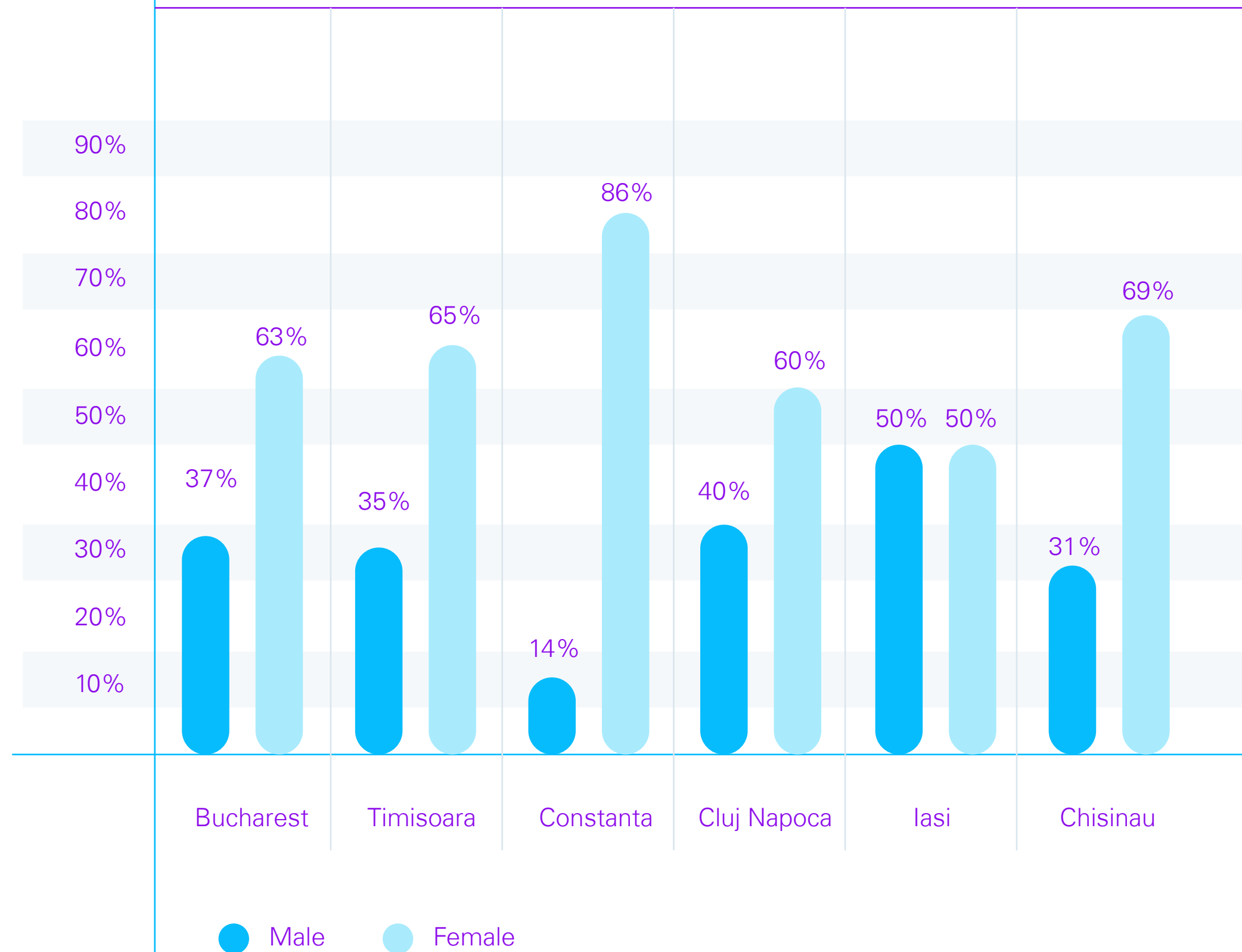


● o/w Female
 ● o/w Male

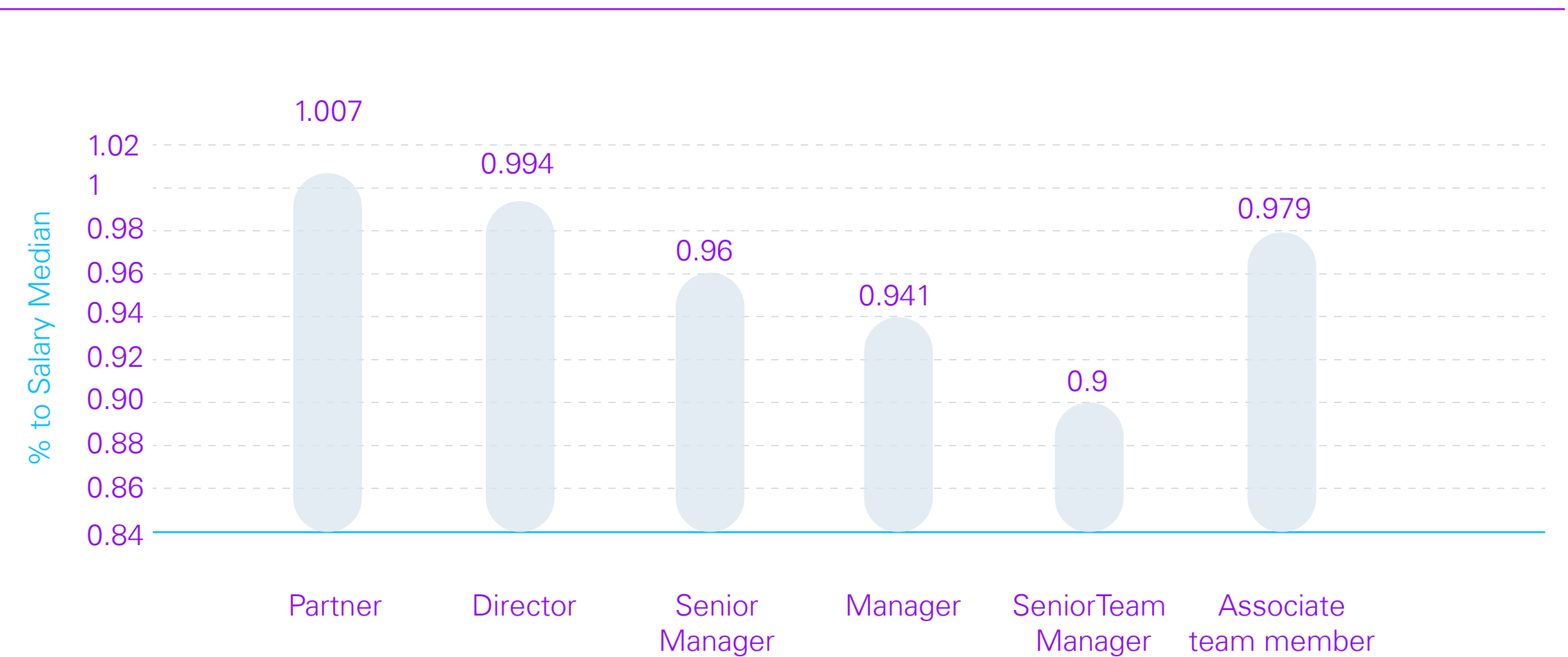


## People

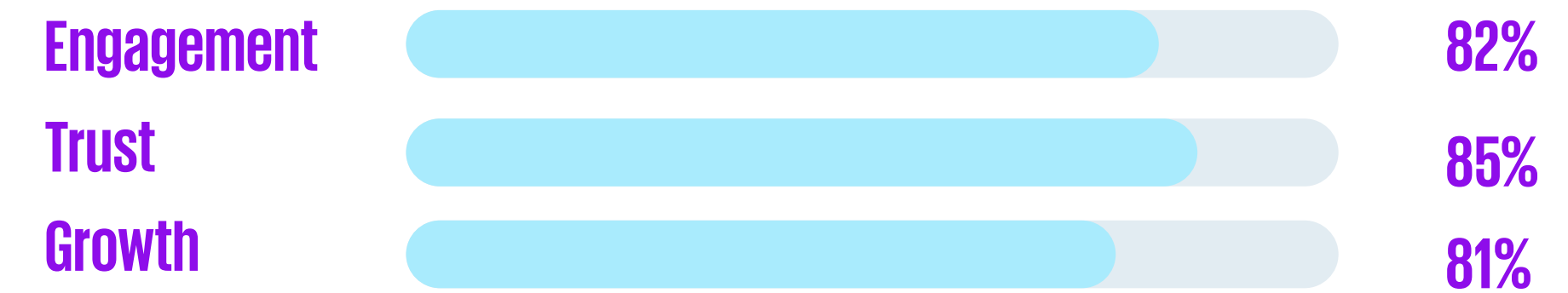
Office breakdown male/ female



Rate of average base salary of women to average base salary of men in each employment category



### People Survey Results results





# Prosperity

In financial year 2021-22, our financial performance remained on an ascending trend: KPMG in Romania & Moldova posted aggregated gross revenues of EUR 56.5mil. which represents a

17% increase over the previous year

Total taxes paid by the firm, its Partners and staff on income generated from the firm totaled

EUR 15,098,618

Over 50 NGOs and associations were supported during the year

double compared to the last financial year

In total, KPMG in Romania & Moldova staff carried out over

1,000 hours of volunteering

almost three times more than last year

23 NGOs benefited from almost

1,900 hours of pro-bono work

provided by 10 teams of KPMG specialists from our Tax&Legal and Audit departments

An overall financial investment of

EUR 430K was made in CSR activities



# Our approach to sustainability reporting





Sustainability is one of our core values, and we have been publishing detailed sustainability reports for several years. This sustainability report will be of interest to KPMG in Romania & Moldova's clients and employees as well as our broader stakeholders. It shows KPMG in Romania & Moldova's financial and

non-financial performance for the financial year starting 1 October 2021 and ending 30 September 2022.

The frequency of our sustainability reporting is on yearly basis.

It presents our progress against KPMG in Romania & Moldova's Impact Plan. The Impact Plan was

the organization's first-ever global environmental, social, and governance (ESG) plan that brought together new and existing ESG commitments under one umbrella, focusing on four central categories:

**Planet, People, Prosperity, and Governance.**

To ensure that it is meaningful, comparable and transparent, this report is based on a number of globally recognized reporting frameworks and standards, such as the Global Reporting Initiative (GRI) 2021 standard, International Financial Reporting Standards (IFRS) and WEF IBC Stakeholder Capitalism Metrics

SDGs, for evaluation of our progress in achieving the United Nations Sustainable Development Goals.

As KPMG has its carbon targets endorsed by the SBTi, we have also used the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3)

Accounting and Reporting Standard published by the Greenhouse Gas Protocol to calculate our GHG emissions.

The disclosure is also aligned with the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD).

After reviewing the 'materiality assessment' conducted at the end of 2021, we identified that People and Governance continue to be the most material topics for our stakeholders.

**Moreover, we also believe it is crucial to maintain our focus on lowering our carbon footprint and our goal of becoming carbon neutral by 2030.**

The content of this report is available online at <https://bitly.ws/X2EA>. For more information, please contact us **here**.



# Corporate strategy

## Our ESG Plan





# People, Prosperity & Planet

next steps & targets

One of KPMG’s core values is Purpose – we want to inspire confidence and empower change in our clients, our employees, and every other stakeholder.

We strongly believe that finding solutions to global challenges requires cooperation and a willingness to do what is right across all parts of society.

We are determined to make a positive impact and help shape and lead on current critical issues, and we see our firm as having the capabilities to make a difference.

We also believe it is important to develop ESG policies in a coordinated way, because this improves efficiency and

accountability. We have consequently gathered our firm’s environmental, social, and governance (ESG) commitments under one umbrella: Our ESG Plan.

This tool guides our efforts to establish an inclusive and fair workplace, drive sustainable and purposeful growth for our clients, build trust in and harness the power of the capital markets to spur needed innovations, empower disadvantaged members of society, and help preserve our planet for future generations.

People		Prosperity		Planet	
What we need to do	KPI to measure progress	What we need to do	KPI to measure progress	What we need to do	KPI to measure progress
01 Reduce Workload	<div>20 %</div> <div>&lt;20% Turnover per team/ group</div> <div>80 %</div> <div>&gt;80% GPS results</div>	01 Volunteering programme	<div>Number of skilled/ non-skilled volunteering hours</div> <div>Number of employees involved in volunteering initiatives counted as unique contributors</div> <div>Number of external beneficiaries (impact)</div> <div>No. of entities supported</div>	01 Calculate our carbon footprint	<div>The carbon footprint for both Romania and Moldova calculated annually</div>
02 Increase sense of belonging	<div>Minimum 1</div> <div>CSR activity with the team (includes social, health, environment, etc.)</div>			02 Prepare our decarbonization plan	<div>By the end of the FY 2023</div>
03 Increase the skills of the future	<div>By the end of FY23 all functions should identify at least 3 skills of the future as part of the Auditor/Consultant of the future projects (of which ESG is one)</div> <div>Rate of Degreed implementation in FY23 ~ 50%</div> <div>ESG related education program established</div>	02 Donation programme	<div>Amounts donated by KPMG entities in various forms: charity runs, collections for school, Christmas campaigns etc.</div> <div>Number of people supported through the donations made by our employees.</div>	03 Additional actions	<div>Reduction by 50% of single use plastic by purchasing glass bottles for guests and encouraging the use of water fountains in the office</div> <div>Digitalization to <b>reduce printing by 20%</b></div> <div>Reduce gas &amp; electricity consumption by applying organizational measures</div>



Our ESG Plan is closely interlinked with our business strategy, and we see them as one commitment.

As such, all the local targets, are supported by a detailed action plan and we established a set of ESG key performance indicators that were linked with our employee performance process.

KPMG in Romania & Moldova is committed to the sustainable development of the wider community, and we are pleased that our sustained efforts are contributing directly to the achievement of 8 United Nations Sustainable Development Goals (SDGs) (please see page 50 for the list of indicators).



By the nature of our business, which entails engaging with a broad spectrum of clients from different industries and backgrounds, we also make an indirect contribution to the other nine SDGs.



# About us & our reporting boundaries





KPMG is a global network, comprised of independent professional services firms providing Audit, Tax, and Advisory services, present in

## 143 countries and territories

During the financial year, 2021-2022, close to

## 265,000 people

worked in member firms around the world.

Each KPMG firm identifies itself as a separate, legally independent entity. KPMG International Limited is a private English company limited by guarantee, and its linked entities do not provide services to clients.

Although the disclosure of sustainability data is not compulsory for our operation in Romania and Moldova, we choose to share this information with our stakeholders in the

interests of transparency and to demonstrate our position as professionals driven by ethics and as leaders in our field.

KPMG in Romania includes the following limited liability companies and member firms:

- KPMG Romania SRL,
- KPMG Audit SRL,
- KPMG Tax SRL,
- KPMG Advisory SRL,
- KPMG Restructuring SPRL,
- KPMG Accounting,
- KPMG Delivery Center,
- KPMG Business Tax,
- Fundatia KPMG and TMO Attorneys at Law SPRL and
- ÎCS KMPG Moldova SRL (hereinafter referred to as “KPMG in Romania & Moldova” or KPMG in Romania).

All the entities listed above are part of the global KPMG network.

We operate in six different locations: Bucharest, Cluj-Napoca, Constanta, Iasi, Timisoara (in Romania), and Chisinau (Republic of Moldova). Our first office, was opened in 1995 in Bucharest.

At the end of financial year 2021-22 we had 960 employees (933 in Romania and 27 in Moldova), including local and expatriate staff; 830 were permanent employees, and 130 were working with us on fixed term contracts.

Most of our work force (926 people – 900 in Romania and 26 in Moldova) were full time employees and only 34 people were on part time contracts. KPMG does not have any employees hired on non-guaranteed hours contracts.

Compared to the previous reporting period, we had an increase of 179 in the total number of employees, and consequently in the number of employees working on fixed term contracts and on part-time contracts.

We occasionally subcontract services from other KPMG offices or local vendors for specialized work requirements.

At the end of 2021, we relocated our Bucharest office (the headquarters) to

## Miro Building

on DN 1 no. 89A, PO Box 18-191, District 1, PC 013685. The new building had to satisfy certain criteria, so the selection process was time-consuming, involved many procedures, and included participation from our staff.

Among the crucial factors determining our decision were sustainability aspects and well-being facilities.

As such, the building we have chosen is BREEAM and WELL-certified and in 2022 it became the first building in Romania to achieve both certifications.

It offers numerous features designed to increase our employees’ health, well-being, job satisfaction and engagement, while protecting the planet’s natural resources.

Some of the welfare features offered by the building are:

- state of the art air quality through improved filtration and ventilation systems, water filtration and treatment;
- optimal comfort through adjustable room temperatures and humidity control;
- excellent lighting provided throughout the day due to the design which harvests the maximum daylight possible, while also being highly efficient because of the LEDs which drastically minimise electricity costs.

The office furniture and all the interior design elements were carefully selected to give particular consideration to sustainability.

For example:

- Most chairs are 99% recyclable. They contain 41 % recycled material and they can be disassembled in 5 minutes with common tools (<https://cos.ro/product/think/>).
- The carpet backing is made from a non-vinyl and non-bitumen material, with a bio composite, containing bio-based and recycled fillers. These materials, when measured on a standalone basis, are net carbon negative.

In terms of our professional activity, we work with clients from a wide range of sectors and industries, including finance, energy and manufacturing, transportation, automotive, logistics, and retail.



Our expertise in Romania covers a wide range of services such as:

- [Audit & Assurance](#)
- [Tax & Legal services](#)

The tax areas we cover include: indirect taxation, customs and international trade, transfer pricing, global mobility services, employment and payroll taxation, private clients, international corporate taxation, mergers and acquisitions tax, R&D incentives, global compliance management services, dispute resolution & controversy services, local taxes;

- [Advisory services](#)

**Deal Advisory:** Mergers and acquisitions, valuation, due diligence, corporate finance, turnaround and restructuring services;

**Consulting strategy** and operations, risk & compliance services, regulatory authorizations, public sector consulting, major projects

[advisory, financial management, forensic services, cyber security, business intelligence, accounting and reporting services, culture & organizational engagement, The Romania Outsourcing Hub, customer experience.](#)

We prioritize reporting and transparency as part of our efforts to promote sustainability.

While we are aware that there are areas for improvement, we intend to address them in the future. As such:

## 01

We recognise that third-party assurance is a desired practice of corporate reporting and will soon become a legal requirement in the EU. Consequently, we are working to implement the right tools to collect sustainability data, have the right control mechanisms in place for issuing the report and be ready for an assurance process in the near future.

## 02

Integrity is one of our core values. Therefore, as we promised in last year's report, we have expanded the scope of reporting to include both Romanian and Moldovan operations. Hence, unless otherwise specified for certain indicators, the figures disclosed in this report cover all KPMG locations in Romania and Moldova.

## 03

There are no restatements included in this report.

The KPMG International network is part of the United Nations Global Compact (UNGC), the World Business Council for Sustainable Development (WBCSD), the World Economic Forum (WEF), and the International Integrated Reporting Council (IIRC).



# Overview of the macroeconomic & industry environment





As the global economy was on its way to recovery from the COVID-19 pandemic during the first months of 2022, another major systemic shock struck. Russia's invasion of Ukraine marked a tectonic shift in geopolitical risk.

Beyond triggering a terrible humanitarian crisis in Eastern Europe, the economic effects of the conflict, and the associated sanctions, were felt across the world, slowing down growth while adding to already nascent inflationary pressures.

One of the biggest pressure points was that, although Russia and Ukraine together represent a relatively small part of the world's economy, they account for a large share of global energy exports, which has a significant impact on energy availability and consequently on energy prices in the region.

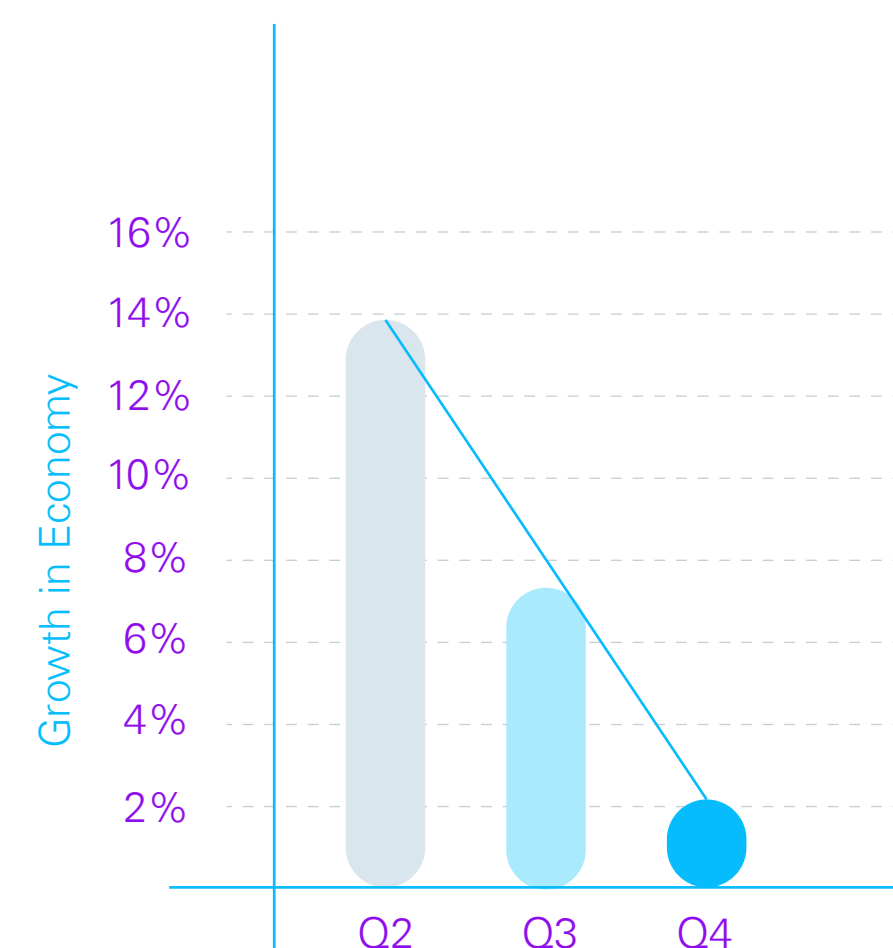
Thus, in the first three quarters of 2022, Europe was faced with additional challenges, which resulted in tighter financial conditions. To ease the burden on the population (especially disadvantaged people), and to relieve some of the pressure on the corporate sector, the

Romanian government adopted a series of emergency ordinances during this period. According to the governor of the National Bank of Romania (NBR), some of the factors that contributed to lowering the inflation rate were the electricity and natural gas bills support scheme, the compensation scheme for fuel prices, and the decline of the Brent oil price.

The third quarter of 2022 ended with slightly lower inflation compared to the predictions made by the NBR; however, a peak was reached at the end of 2022, and inflation has remained high in 2023. The inflation level YoY ("year on year") published by the NBR was 15.9% as at 30 September 2022.

At the same time, by the end of 2022, national economic growth had deteriorated more than expected (2.2% YoY in Q4, down from 7.4% YoY in Q3 and 13.9% YoY in Q2), with rising energy prices being probably the main culprit for the slow economic growth during this period.

## Economic Growth in Romania - Year 2022



Alongside the bottlenecks in global supply chains (even though these have gradually eased), the energy crisis eroded the performance of domestic industry.

The largest production adjustments were made by energy-intensive sub-sectors, the contractions seen in base metals, chemicals, and the manufacture of wood ranging between 11% and 21%.

The higher costs of materials also hindered the development of construction projects, contributing to a relative slowdown in the annual dynamics of GVA ("Gross Value Added"), down to 3.6%.

By contrast, the geographical proximity to the war zone created opportunities in the services sector. Specifically, the reconfiguration of water transportation routes from Ukraine, as a result of Russia's Black Sea blockade, boosted the traffic of commodities in local ports.

The volume of (water and land) transportation and storage activities expanded in 2022.

In five of the first six months of 2022, the industrial output index posted negative annual performances, and for the first 9 months of 2022, it posted a 1.2% YoY contraction (only 0.1% for the manufacturing industries).

As more industrial companies curtail or even stop operations amid rising energy prices and scarce natural gas, industrial performance is likely to deteriorate further.

Romania's economy is set to slow down with real GDP growth at around 2% in the coming years due to higher inflation, tighter financial conditions, and the fallout from Russia's war of aggression against Ukraine.

Inflation peaked at the end of 2022, but remains high in 2023, while a decline is expected in 2024. The forecasts for 2023 predict an unemployment rate of around 5-6%, while the general government deficit is forecast to decrease to 5% from 6.5% of GDP in 2022 and 7.1% in 2021.

### Resources:

- Economic forecast for Romania – European Commission
- Inflation Report, November 2022, National Bank of Romania
- <https://www.romania-insider.com/romania-industry-negative-growth-2022>
- [https://www.gov.ro/fisiere/stiri\\_fisiere/Romania\\_Survey\\_2022\\_VRD.pdf](https://www.gov.ro/fisiere/stiri_fisiere/Romania_Survey_2022_VRD.pdf)
- <https://economy-finance.ec.europa.eu>



# Risk management & our sustainability governance model





To ensure the firm's long-term success, KPMG in Romania has a comprehensive system for risk management. The system is mandatory for all KPMG member firms, thus ensuring compliance with laws and, regulations as well as contributing to maintaining high professional standards.

At KPMG in Romania, we conduct a formal Enterprise Risk Management ('ERM') process, which is critical to establishing sustainable operations for us as a firm and is integral to our vision to be the most trustworthy firm for our people, our clients, and our communities.

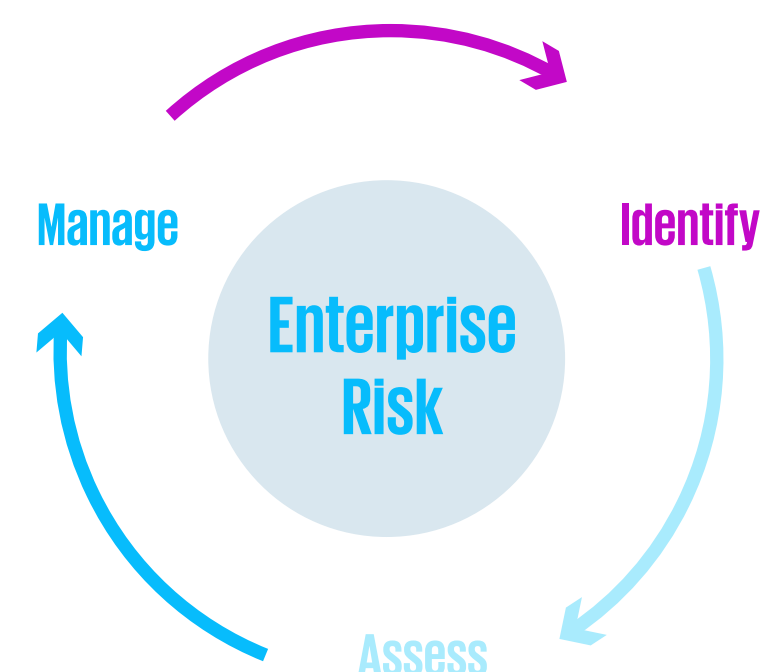
Following our ERM framework, inherent risks, including ESG risks, are continuously identified, assessed, measured, managed, monitored, and

reported. In turn, the risk information helps us improve our decision-making and create the appropriate risk management plans in relation to our clients.

In this respect, the senior leadership of our company assigns risk owners, examines the major risk profiles on a regular basis, and monitors the completeness and robustness of the process, including the success of risk mitigation measures.

The objective of the ERM process is to ensure that KPMG has a relevant framework implemented that helps to identify, assess, manage, and communicate risks to support the firm in achieving two of our strategic objectives: Trust and Growth.

## Overview of the ERM process



### Manage

Assessment of the overall adequacy of risk mitigation using consistent criteria

Periodic (at least annual) review by senior leadership of the firm's risk assessment, including the adequacy of risk response

### Identify

Use of a consistent Global Risk Taxonomy

Minimum list of significant risks

### Assess

Use of consistent risk rating criteria (i.e., impact and likelihood)

Carrying out of a risk assessment at least annually

To pursue our strategic objectives and ensure quality, we have established a robust control mechanism that helps us maintain an

## objective, independent, and ethical mindset.

Across KPMG, we have quality monitoring and compliance programs. These include our regular Quality Performance Reviews (QPRs) and our KPMG Quality & Compliance Evaluation (KQCE) program.

Our professionals must live up to the highest ethical standards. Independence is built into professional standards and regulations.

KPMG International's detailed independence policies and procedures incorporate the IESBA Code of Ethics. These are set out in the KPMG Global Quality & Risk Management Manual, which applies to all KPMG firms.

Automated tools, which are required to be used for every prospective engagement to identify

potential independence and conflict of interest issues, facilitate compliance with these requirements.

These policies are supplemented by other policies and processes to ensure compliance with the standards issued by the Authority for Public Supervision of Statutory Audit Activity ("ASPAAS") and other relevant regulatory bodies.

These policies and processes cover areas such as firm independence (covering, for example, treasury and procurement functions), personal independence, firm financial relationships, employment relationships, partner rotation and approval of audit and non-audit services.



## Zero tolerance of bribery and corruption

We have zero tolerance of bribery and corruption. Further information on KPMG in Romania & Moldova's anti-bribery and corruption policies can be found on the anti-bribery and corruption [site](#).

## Onboarding clients

We conduct thorough assessments before accepting new clients and engagements. These assessments include background checks on management and ownership, possible conflicts of interest, potential issues of independence, as well as any breaches of laws or regulations, including those related to corruption and human rights. If necessary, we ask for additional safeguards, or decline a client if issues cannot be resolved or if we do not receive sufficient information to carry out our assessment.

## Information handling and protection

KPMG in Romania is dedicated to protecting the safety and confidentiality of the information entrusted to us. As part of this fundamental obligation, KPMG is committed to day-to-day diligence when handling information concerning our colleagues, clients or providers.

We have information security and privacy policies, aided by our information technology systems and also dedicated professionals to ensure data confidentiality.

External facing statements, recurrent internal training sessions and permanent active involvement in available developments and updates reinforce the security and privacy protocols. In the case of any incidents, we have protocols in place which ensure identification, isolation, remediation and lessons to be learned to improve our framework.

The result of all our actions taken on a daily basis to ensure compliance with the privacy and security framework is that we maintain the trust of our clients and the public in general.

During the financial year, we have not registered any substantiated complaints, concerning breaches of customer privacy and losses of customer data.

## Decision-making process

The principal local executive officer at KPMG in Romania is the Country Managing Partner. The oversight body of our firm, including governance, is the All Partners Board.

The key responsibilities of this Board include approving long-term strategy, business plans, protecting and enhancing the KPMG brand, as well as approving policies and internal regulations, including those related to sustainability.

As leaders of their business lines, the members of the Board continue to exercise their responsibilities related to the services provided to our clients. Consequently, the Board does not include independent members. ESG Strategy and associated actions/budget allocation are also approved by the Board.



# Materiality assessment



The material topics on which our sustainability strategy and reporting are based results from our purpose, our vision and values, the impact we aim to have on society, and the opinions of our internal and external stakeholders.

For this year's report, we have internally revisited our materiality assessment conducted at the end of 2021 to identify whether new risks and opportunities may influence our business and ESG strategy.

To identify any potential new material topics, our internal Sustainability Task Force, comprising various members of each business function, reviewed the previous list of topics identified as material against relevant benchmarking across our industry and applicable global standards and frameworks.

The most relevant topics we identified are still closely linked to the governance measures KPMG implements to ensure that:

A  
B

**our professional reputation is improved and supported by the right procedures, and**

**our clients receive professional services of the highest calibre.**

To demonstrate how we bring our skills to have an impact at scale, we have highlighted our work in these areas across the relevant sections of the report, along with other areas that have a major impact.

By directly communicating with our stakeholders and closely monitoring trends around the world, we will continue to refine/hone our material topics.

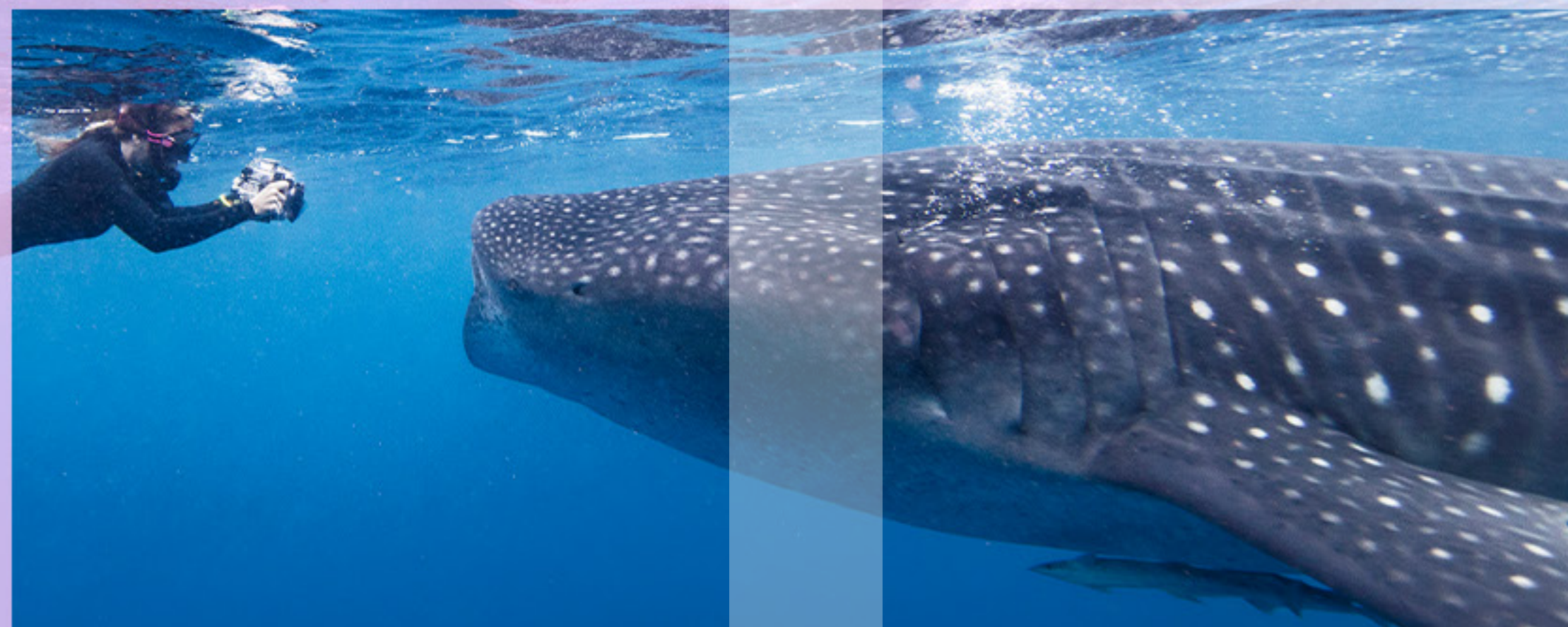
Please visit <https://bitly.ws/U6ud> where in our 2021 Impact Report the materiality assessment process is described in more detail.



# Areas of impact

For the purpose of comparison, this Impact Report illustrates the actions we took across the four categories: Planet, People, Prosperity and Governance.

# People





# Targets

01

To reduce workload

02

To increase a sense of belonging

03

To increase the skills of the future

The period since the pandemic has led to a new approach to working, and so we have tried to adapt, prepare, and reinvent our organization to be in line with current realities.

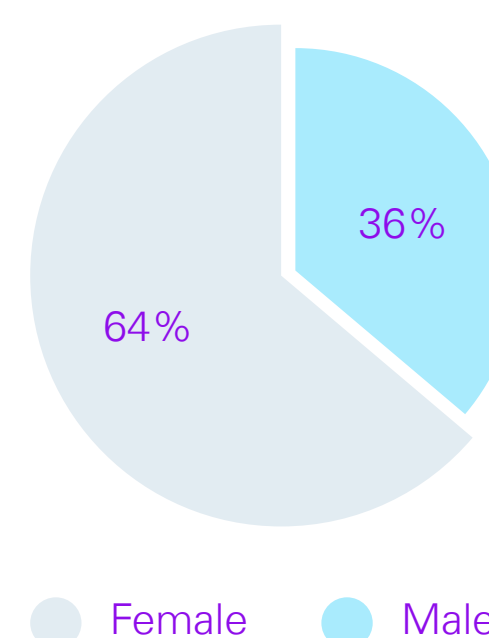
After the restrictions ended, we decided to allow our people to continue working in a hybrid format, while also ensuring optimal office conditions.

At KPMG, we are aware that both working scenarios have advantages and disadvantages, so we took all possible measures to ease the burden on our people and provided tools and strategies so our employees could adapt to manage either situation.

At the end of financial year 2021-22, we had a total of 960 employees, out of which 610 were women and 350 men.

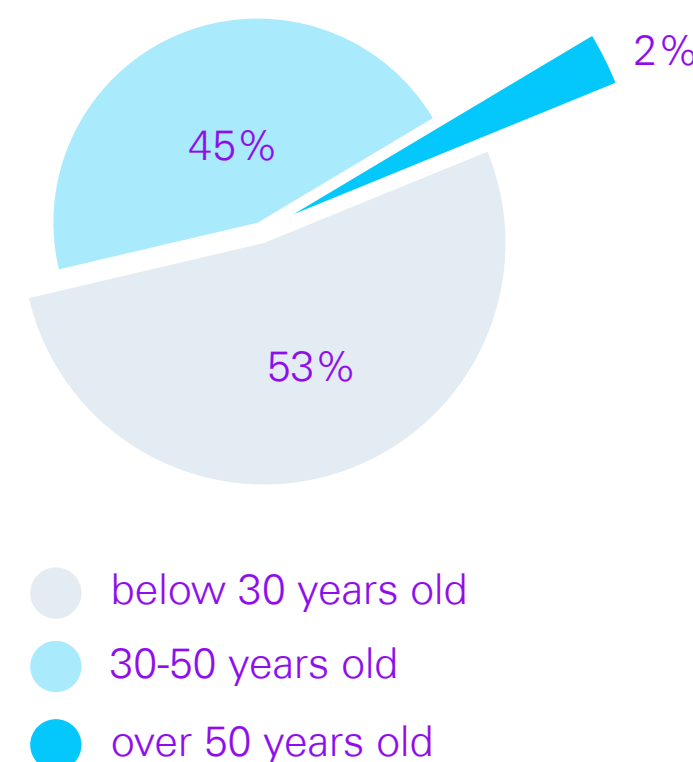
More than half of our employees (504) are younger than 30 years old, almost half (433) are between 30 and 50 years old, and 23 are over 50 years old.

Total number of employees

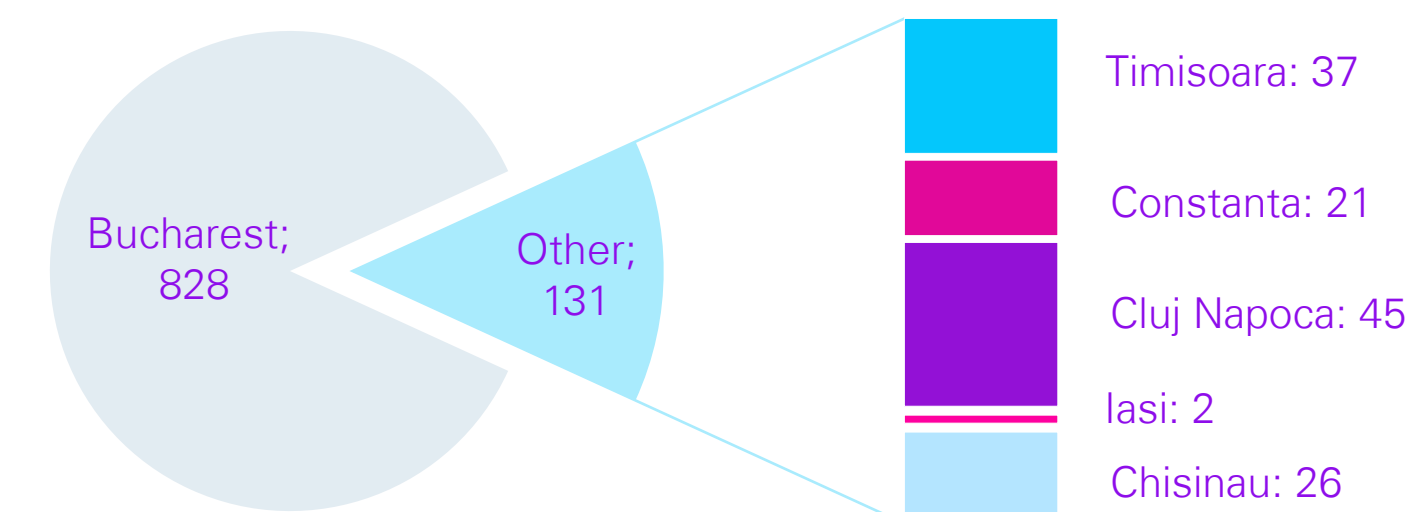


Most of our workforce is concentrated in our Bucharest office (86%), while the rest of our workforce, in descending order by number of employees is located in: the Cluj Napoca office (5%), the Timisoara office (4%), the Chisinau office (3%), the Constanta office (2%) and the Iasi office (less than 1%).

Breakdown of total employees by age groups

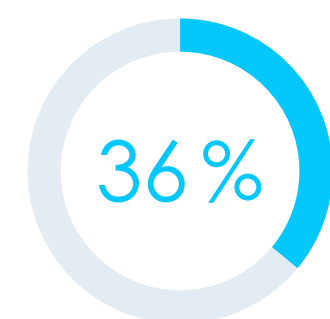


Breakdown of employees by office





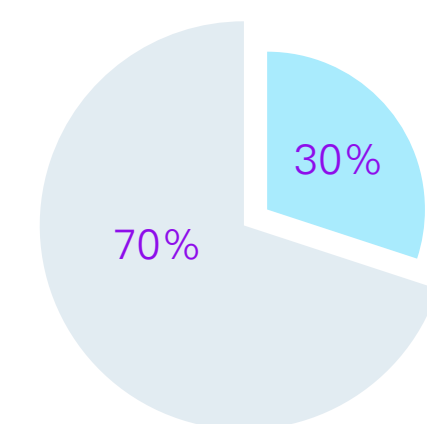
KPMG in Romania & Moldova is continually strengthening its team, and hence, during the financial year 2021-22 we welcomed 476 new joiners (461 in Romania and 15 in Moldova) who chose to bring their expertise to help consolidate our position on the market.



## Rate of new joiners

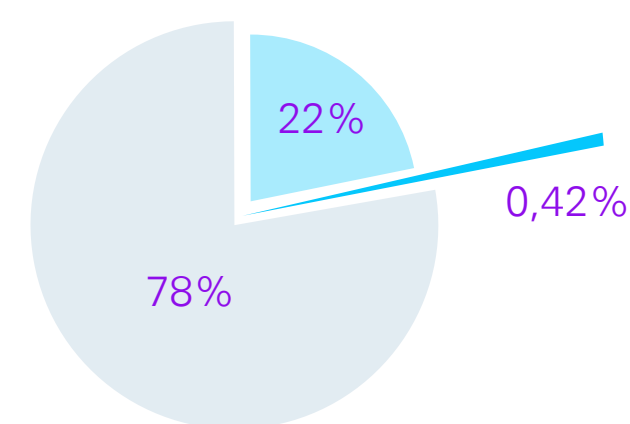
In the financial year 2021-22 we welcomed 136 more new joiners than in the financial year 2020-21. We have included below a breakdown by gender, age group and region.

New hires by gender



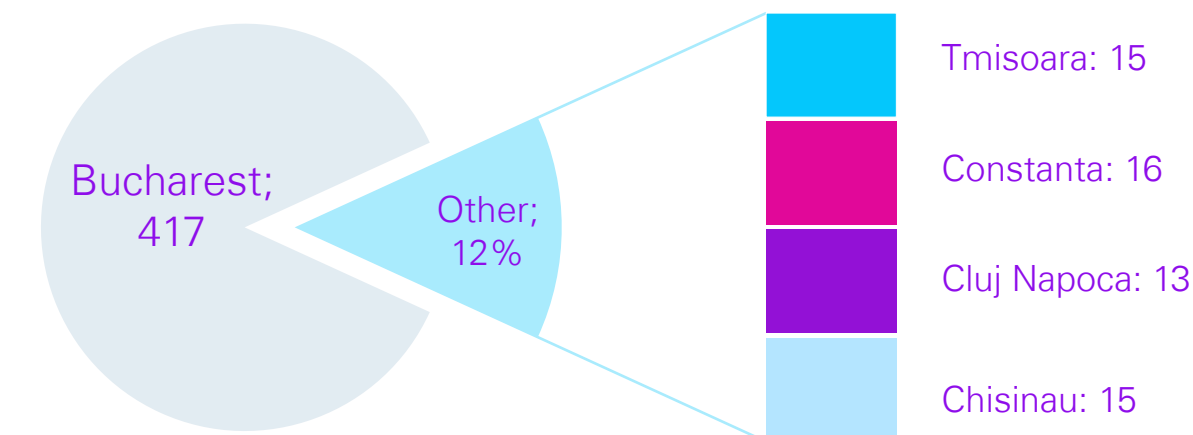
● Female ● Male

Breakdown of new hires by age group



● below 30 years old ● 30-50 years old ● over 50 years old

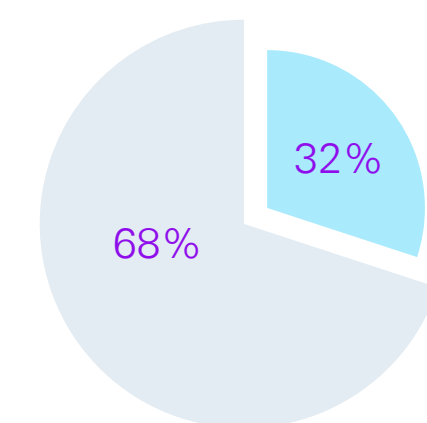
Breakdown of new hires by office



## Turnover

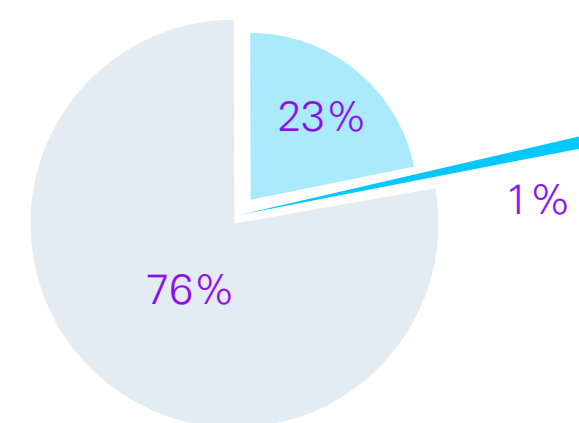
During the financial year 2021-22, 329 employees left the company. Three quarters of them were younger than 30 years old and almost 90% of the turnover was registered at our Bucharest office.

Turnover by gender



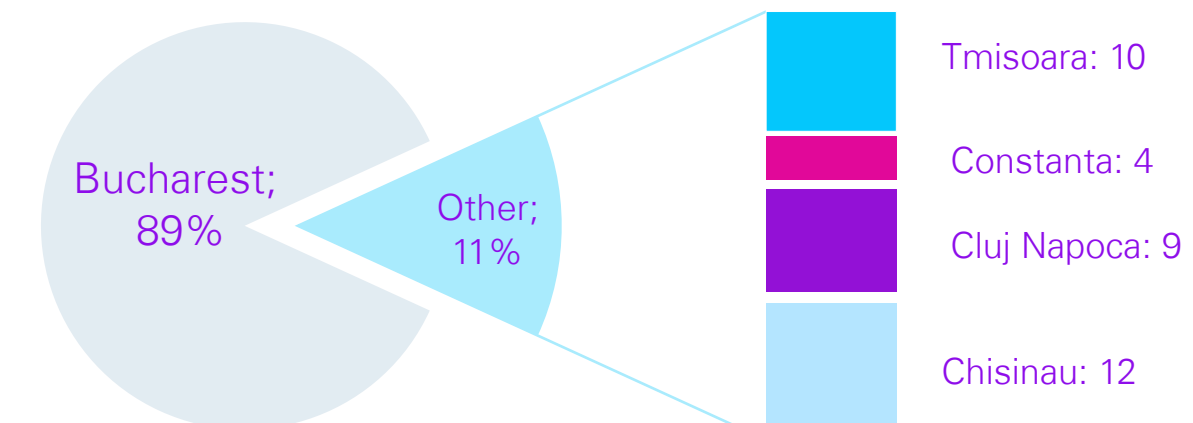
● Female ● Male

Turnover by age group



● below 30 years old ● 30-50 years old ● over 50 years old

Turnover by office





The exceedingly volatile and dynamic business sector in which we operate adds a certain amount of pressure to professional quality.

This pressure translates into a need to hire, train, and retain individuals with the appropriate knowledge and expertise while also connecting with KPMG's values and strategic goals.

KPMG values and cultivates the leadership skills of young people. In 2019, we created the

## Next Gen Board

a non-executive Board that mirrors the All Board Meeting of KPMG in Romania. The Board continued to exist during the financial year 2021-22.

At its core, the role of this Non-Executive Board is to offer feedback and solutions to various issues which have

an impact on our business and on our people and it is organized based on the same principles as the All Partners Board.

Equally, the Seniors Board created in 2021 in the Audit department to gather timely and direct feedback from people below manager level has proven to be an effective measure as the inputs received have been translated into well-being, training, and recognition initiatives and it has contributed to an increase of the engagement level as shown by the Global People Survey.

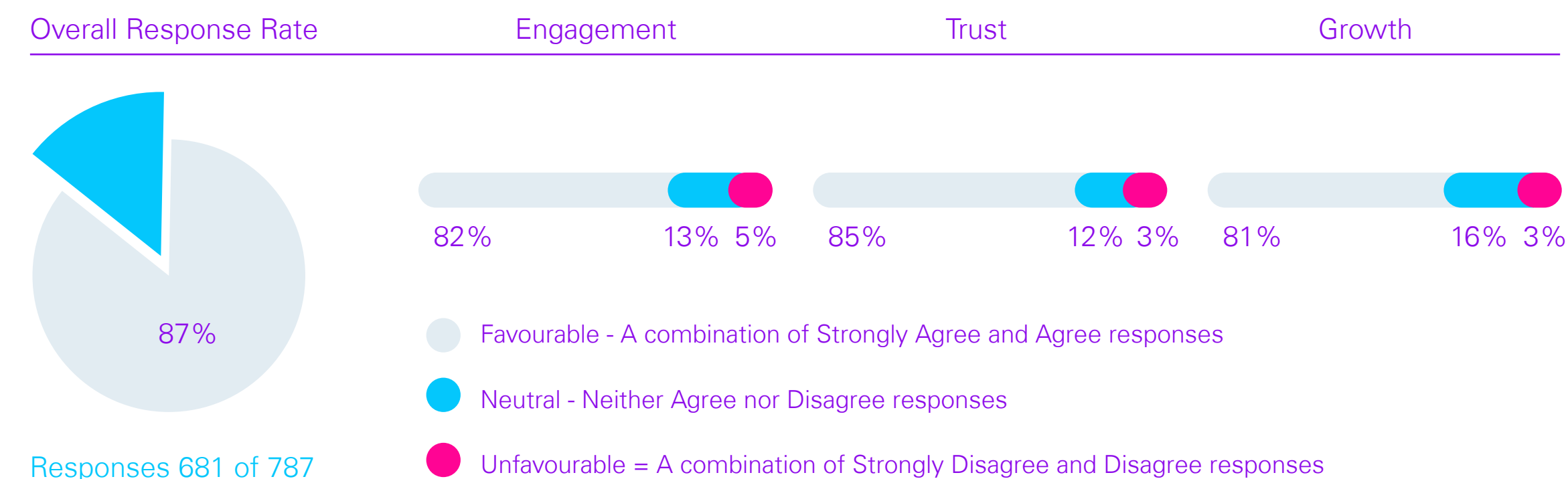
The Global People Survey is a tool which aims to gather feedback from our employees on 19 areas:

- Engagement,
- Trust,
- Growth,
- Career Growth,
- Collaboration,
- Communication,
- Corporate Citizenship,
- Inclusion & Diversity,
- Innovation,
- Leadership,
- Learning,
- Performance,
- Quality & Risk,
- Reward & Recognition,
- Values,
- Vision & Strategy,
- Well-being,
- Work Environment & Enablement,
- Audit Quality,
- Intention to stay.

The 19 areas are grouped around 3 satisfaction Indexes: Engagement, Trust, Growth.

## The 19 areas are grouped around 3 satisfaction Indexes: Engagement, Trust, Growth

The results for 2022 show positive trends in all areas assessed, from the response rate (87% as compared to 83% in 2021), to the Engagement Index which is 82% as compared to 79% in 2021. The Trust Index is 85% as compared to 80% in 2021, while the Growth Index is 81% as compared to 77% in 2021.



## Remuneration and reward

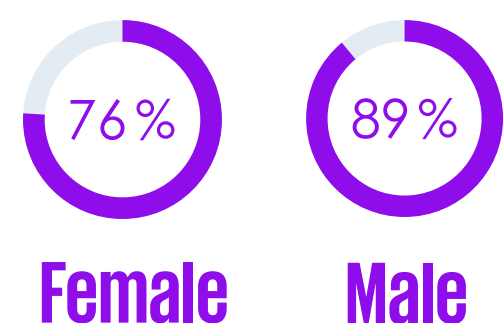
It is clear that financial remuneration alone does not ensure employee satisfaction and that a number of other benefits are also expected. The benefits that most appeal to employees are parental leave, health and life insurance, exam day leave, support for physical and emotional well-being etc.



Parental leave is highly appreciated among employees worldwide, and for the financial year 2021-22 within KPMG in Romania we had:

- 70 employees who took parental leave, out of which:
  - 61 were women and 9 were men
- 30 employees returned to work last year after their parental leave had ended.
- 27 employees who returned to work last year after parental leave ended were still employed 12 months after their return to work.

Return to work and retention rates of employees who took parental leave, by gender.



In Romania, access to the public healthcare system is granted to all persons who are working under an employment contract.

In addition, our employees have the option to benefit from a medical subscription to a private healthcare service provider of their choice.

In order to ensure our employees have quick access to medical services or if there is a need for a second opinion on a particular situation, at the beginning of the financial year we started a supplementary collaboration with a specialised healthcare service provider.

In addition, our employees have access to a flexible benefits scheme through which they can choose from a wealth of options, offers and discounts on services and products such as gift vouchers, private pensions, fitness club subscriptions,

tickets for cultural activities, discounted access to various leisure facilities across the country etc.

According to Romanian law, all workers are covered by health and safety management system.

During the last financial year there were no work-related accidents or injuries.

## Well-being

For KPMG in Romania & Moldova the well-being of our employees is a strategic priority. This is why in 2021, our firm designed a holistic well-being program covering 3 dimensions of human existence: brain, body, soul.

The program is built on 7 pillars: intellectual wellness, financial wellness, social wellness, emotional well-being, physical wellness, spiritual wellness, and kindness well-being.

## Your Wellness

Brain fit  
Body fit  
Soul fit

### Intellectual wellness

staying curious and engaged in learning new things.

### Financial wellness

taking steps to live within your financial means and planning for future financial health.

### Social wellness

having a strong social network to provide you with support and guidance when stressed or in need of stress relief.

### Emotional well-being

managing your stress level, staying on top of workload, getting enough rest, asking for help or seeing a therapist.

### Physical wellness

being active, eating well balanced meals, sleeping, managing stress, receiving preventive medical care.

### Spiritual wellness

a process of understanding beliefs, values and ethics that help guide your life.

### Kindness well-being

the balance you gain while being involved in charitable actions.



The first pillar:  
intellectual wellness.  
Training and education aspects

The professionalism of our people is what makes KPMG stand out in the marketplace and why our clients appreciate working with us.

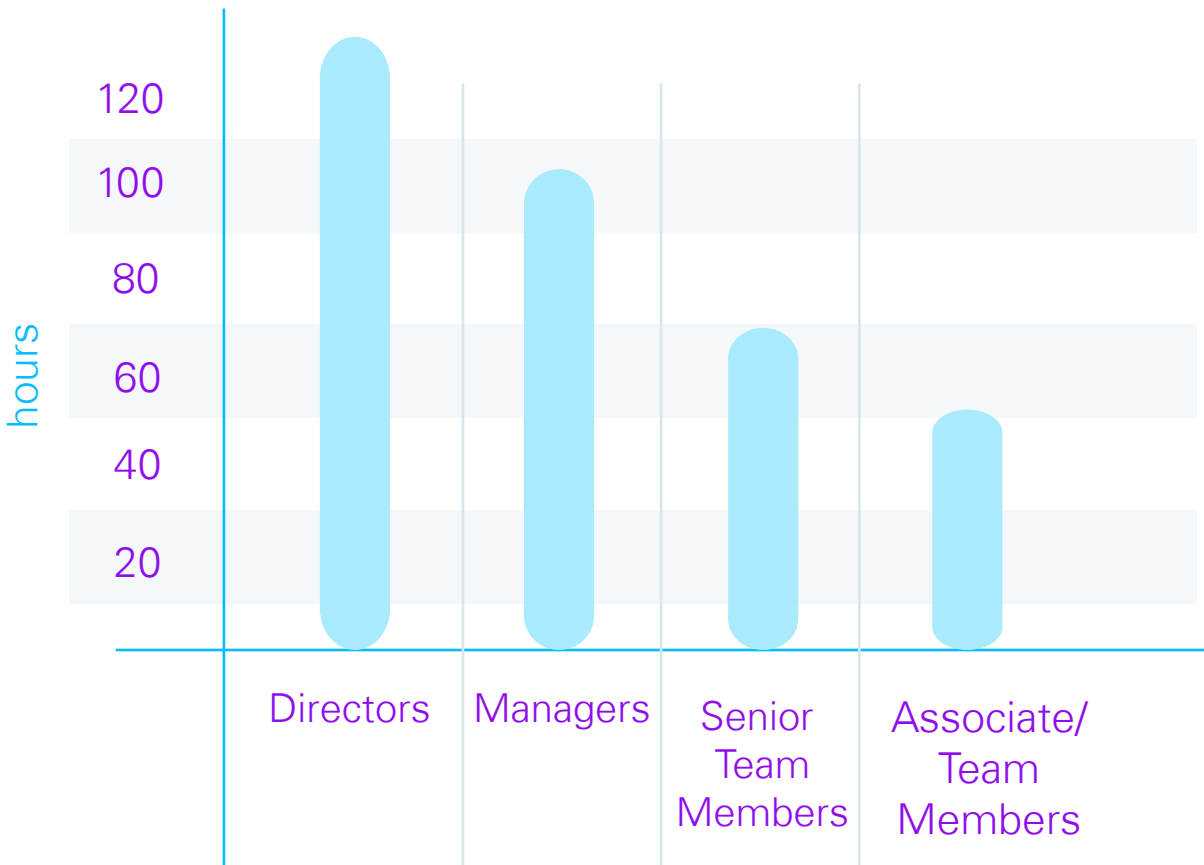
Our employees stand out by demonstrating their forward-thinking, global mindset and enthusiasm in what they do.

To stay ahead of the game, continuous learning is crucial for both new joiners and experienced professionals, and so we offer national and international, as well as internal and external training courses to give each of our employees the finest individualized learning experience.

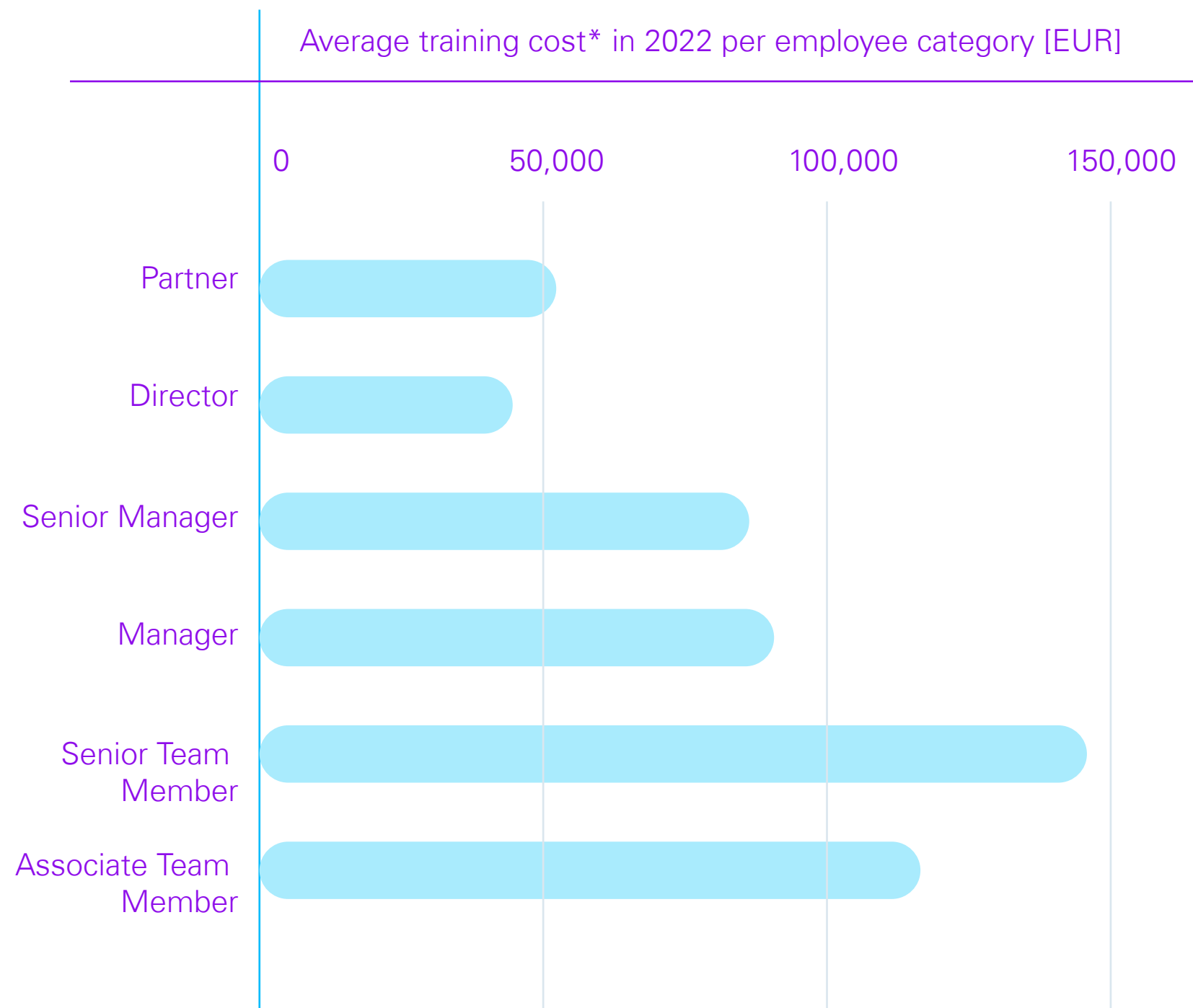
Average hours of training per employee category [RO, 2021-2022]



Average hours of training per employee category [MD, 2022]







\* figures cover only offices in Romania.

# Forming the future workforce

With our substantial investment in training and professional development, we contribute to the wider community by increasing the pool of people with specialized skills available on the market.

Whether they remain at KPMG or go elsewhere, we want to ensure we help individuals build fulfilling life-long careers and equip them to embrace future workplace challenges.

Learning and development are integral to who we are at KPMG. We help our people to thrive and reach their full potential because we recognize that there are no limits to their talent when they are fostered and supported.

All employees must complete basic training comprising courses relevant for their position within KPMG, assigned to them at the beginning of their contract. Key training courses are reassigned on a yearly basis to refresh knowledge, as well as to include updates on existing tools and policies, and other new developments.

We always look for ways to adapt to new learning patterns and needs because we want to improve the way knowledge is conveyed and embodied.

We provide face-to-face, online, blended and e-learning courses, as well as virtual classrooms. While we emphasize the importance of on-the-job training, these learning opportunities are available on-demand.

We encourage open communication with our staff with respect to their training and development experience. We consequently ask for timely

feedback at the end of each training course, through ongoing conversations with performance managers and the Learning & Development team, as well as through our yearly Global People Survey.

According to our professional development policy, every employee must commit at least 20 hours per year, and 120 hours over the course of three years, to appropriate professional development and learning activities.

We monitor closely the range of courses available and refresh the curricula to keep our employees updated in their specialized area.

However, we understand that effective cooperation requires more than just technical know-how. Soft skills are equally essential to our employees' development. So, we have expanded our range of courses to equip our employees with strategies that bolster their emotional

intelligence. Examples of such courses include effective listening, neuro-mindfulness, presentation skills and public speaking, management, and leadership learning journeys.

In Romania, there are several professional organizations whose fields of activity align with ours, including the Authority for Public Supervision of Statutory Audit Activity (ASPAAS), the Organization of Expert and Licensed Accountants of Romania (CECCAR), the Romanian Chamber of Tax Consultants (CCF), the National Association of Authorized Valuers in Romania (ANEVAR), the National Union of Insolvency Practitioners (UNPIR) and the Association of Chartered Certified Accountants (ACCA).

Additionally, employees can opt to obtain relevant qualifications such as the Advanced Diploma in International Taxation (ADIT),



GRI certification, or certification as a Chartered Financial Analyst (CFA), Financial Risk Manager (FRM), Project Management Professional (PMP), cyber security specialist etc.

Not only do we encourage our staff to become members of these organizations, or obtain relevant qualifications, but we also support them along the way by offering relevant study material and study leave days according to each employee's needs.

The other 6 pillars of the well-being program; financial wellness, social wellness, emotional well-being, physical wellness, spiritual wellness, and kindness well-being have involved more than 540 employees who have participated in one or more programs. We have delivered 8 consolidated well-being programs related to nutrition, physical health, financial education, and mental & emotional wellness, as well as 11 awareness and well-being

webinars on parenting and healthy relationships, work-life integration and self-care, and other areas.

Over 6,000 hours were spent engaging in well-being activities and more than 430,000 EUR have been invested by KPMG in Romania & Moldova in these programs.

Compared to the previous reporting period, during this financial year we re-designed our well-being activities to create programs on different topics.

Last year, the number of participants increased by 16%, while the number of hours spent attending the programs quadrupled. Our people's efforts are celebrated on a more regular basis through our Encore! program. Encore! Awards publicly honor and reward individuals who break new ground in offering higher standards of service to our clients and who achieve high levels of quality in fulfilling professional responsibilities.

In terms of performance, our general framework –

# Open Performance Development (OPD)

allows us to focus our efforts on a two-sided relationship with our staff.

Specifically, it allows us to provide them with the tools and resources they need to perform well, and it enables them to improve upon their performance by strengthening competencies, taking on new challenges, and building a network of peers and mentors who can help.

The framework helps us assess the following:

## 01 Values

Does the employee reinforce the company's values in their professional activities and daily performance?

## 02 Competencies

Does the employee demonstrate the competencies expected of someone at their level and within their function?

## 03 Contributions

Does the employee contribute to the business objectives specific to their role, and against any key metrics that are applicable to their level and function?

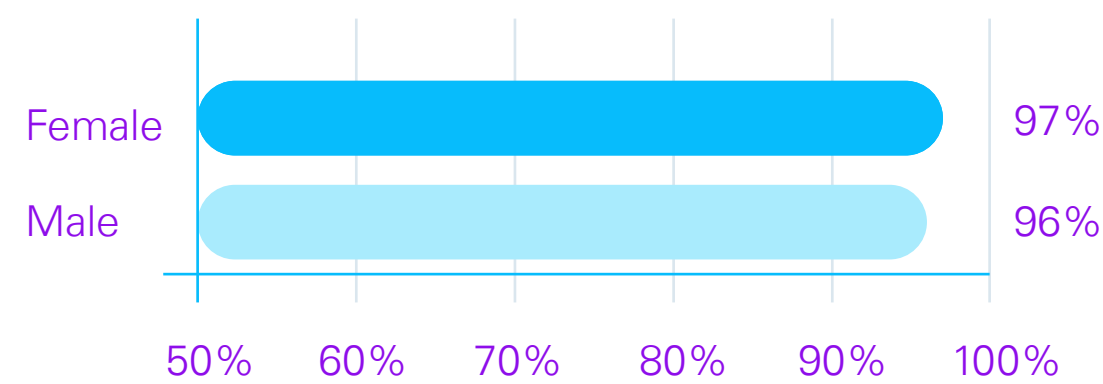
## 04 Capabilities

Is the employee working towards achieving new capabilities, whether for their current position or for the next one?





\*Performance appraisal process figures cover only our employees working in offices in Romania. For our office located in Moldova, during 2021 and 2022 we had 100% coverage for all employee categories.



The performance development process in KPMG is a complex one. First of all, it focuses on ensuring alignment between the individual goals and the strategy of the firm.

Secondly, it helps us make sure that current performance meets the standard quality requirements our clients, the market, regulators and the general public expect from us. Thirdly, it helps us align individual performance with reward, by directly impacting decisions related

to reward and promotions. Last but not least, the performance development process supports our efforts to develop the future leaders of KPMG.

The performance development process starts with goal setting at the beginning of the financial year and ends with the year-end review of performance.

It also includes one or two progress discussions during the year. All KPMG employees with an active labor contract which spans

at least 6 months within a financial year must go through the full performance development process.

Every KPMG employee (i.e. regardless of span of labor contract within the year) has a Performance Manager who supports their current performance and their career path.

Performance Managers are people who are at least one level higher, but, generally, at least two levels higher, in order to have the relevant knowledge and soft skills to allow them to guide, motivate and develop their appraisees.

As the rating from the performance development process is taken into consideration for all yearly decisions affecting reward and promotions, and the performance rating for the last three years is taken into consideration for promotion to leadership

positions, all KPMG employees finalize their performance process.

Consequently, the differences in compliance in this area come from delays in finalizing the forms. Even though we are not yet at a 100% compliance level in this area, a significant increase in compliance with the process and related deadlines at all levels is clear from the data from one year to another.

In financial year 2021-22, at the reporting date, 97% of our employees had finished their yearly performance process, a rise from 87% in 2021. A significant increase in compliance with the process was observed at Partner level, where the adherence to process deadlines increased from 22% in financial year 2020-21 to 71% in financial year 2021-22. A 12% increase was recorded at manager level, from 86% in financial year 2020-21 to

98% in financial year 2021-22. Smaller increases (between 8pp and 10pp) were observed at the other levels too.

In the area of performance development, we set two goals for financial year 2022-23. The first was to maintain the good compliance level scores we obtained in financial year 2021-22 at all levels and to increase to 90% the scores for Partner level.

The second goal was to further build Performance Manager skills in order to improve the experience of our employees with this process and use the process to achieve best results for the employee and for the firm, for the short term and the long term.

This second goal will also help us with the overall goal of increasing a sense of belonging for our people.

# Diversity, Equity, and Inclusion

For us, diversity is having a culture that values uniqueness: people of various backgrounds, cultures, genders, and races.

Equity entails treating people based on their success-related needs. Inclusion refers to inviting diverse groups of people to take part in the company's life.

Why do all these issues matter to us? We are confident that having a diverse workforce generates numerous business advantages. Moreover, diversity is a key element of the society we wish to live in, now and in the future.



Building a culture that welcomes everyone, without exception, does not happen overnight. It takes purposeful work, which KPMG in Romania & Moldova is committed to carrying out.

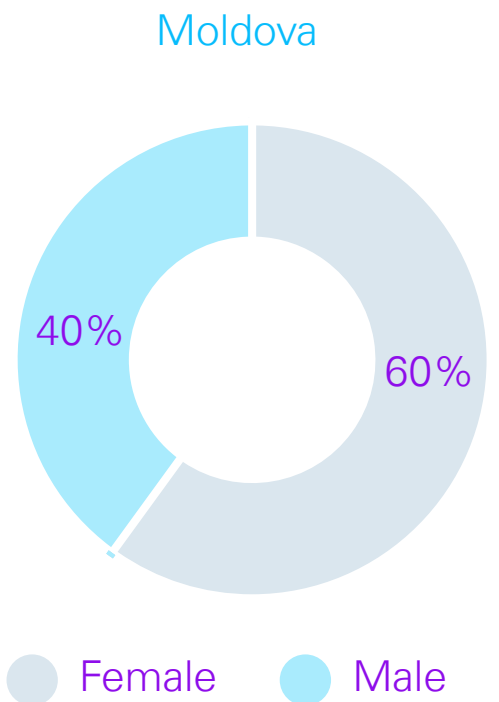
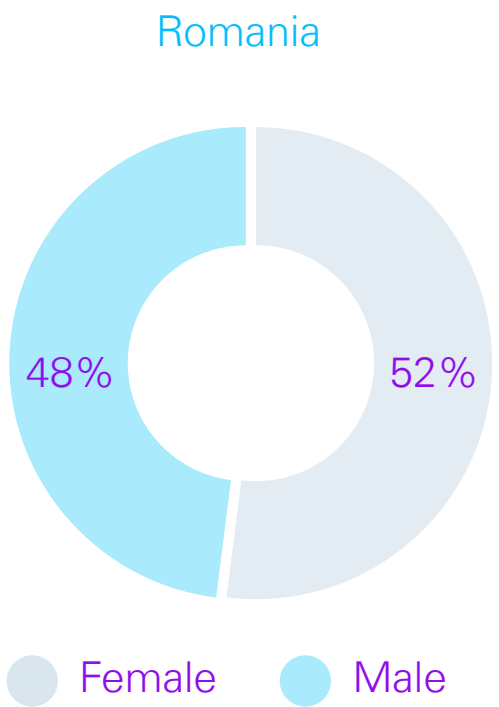
A group of KPMG employees with a genuine interest in the subject have been working to put in place an actionable plan and inspire everyone in KPMG in Romania & Moldova to pay more attention to these matters.

As a result, we have in place a solid team of Diversity, Equity & Inclusion Ambassadors and working groups for the following relevant topics:

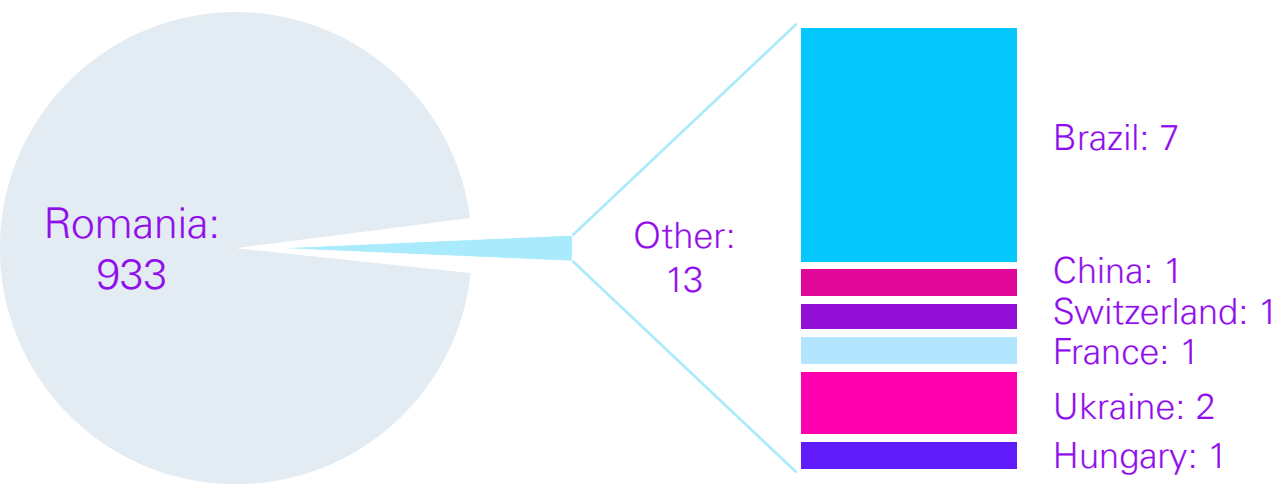
- **Cultural diversity**
- **Racial diversity**
- **Sex / Gender diversity**
- **Disability**
- **Parents at work**
- **Neurodiversity**
- **Body size diversity**

Each team is developing its own action plan with specific activities designed to educate and raise awareness in relation to these 7 topics.

Ratio of female and male managers in top management and management positions



Diversity of the workforce

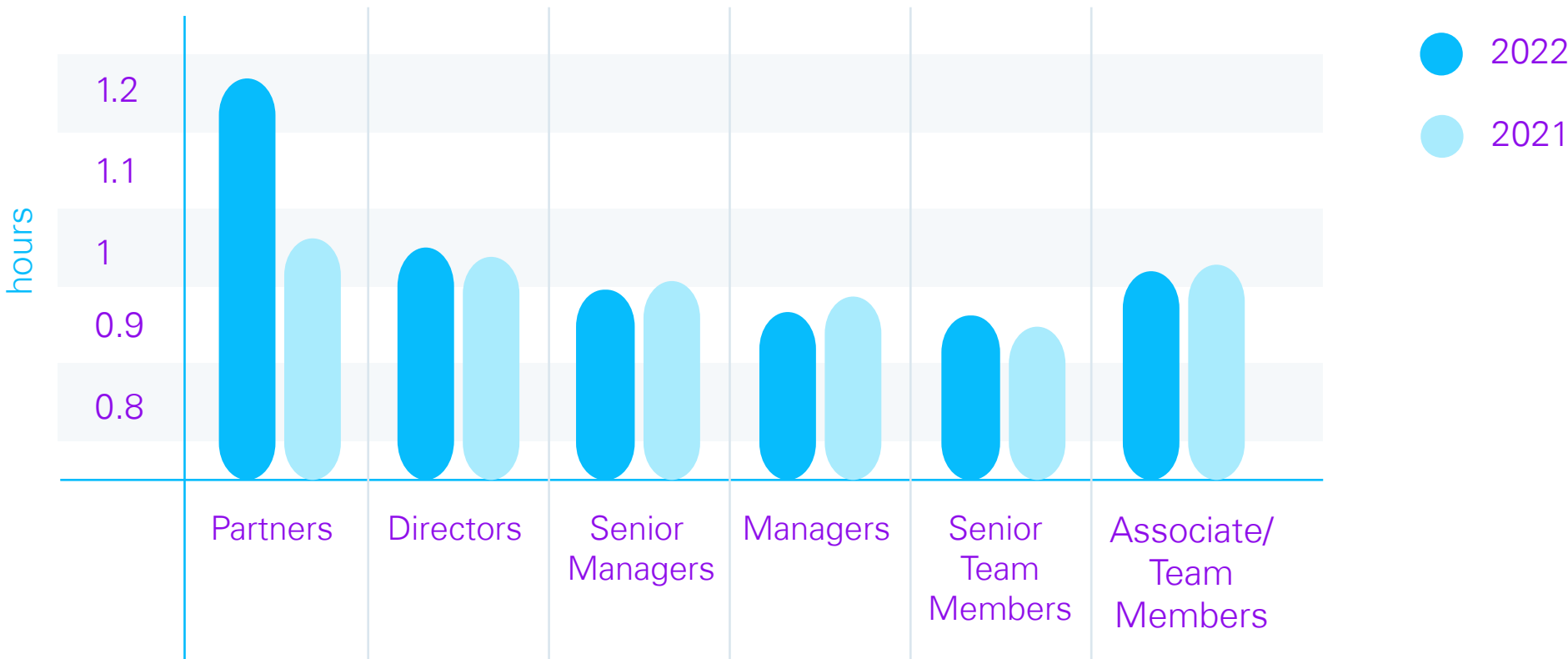


Equitable remuneration

The remuneration granted to our people reflects their level of experience, knowledge, and degree of responsibility as well as competences specific to each position.

These elements are the only ones considered when designing the remuneration and bonus scheme for our staff.

Ratio of average base salary of women to average base salary of men in each employment category





# Areas of impact

For the purpose of comparison, this Impact Report illustrates the actions we took across the four categories: Planet, People, Prosperity and Governance.

# Planet





# Target:

## Net-zero carbon by 2030

At KPMG, we strongly believe that climate change affects us all, and robust action is required. Climate change has been KPMG’s focus since 2008 when we launched our Global Climate Response.

Over the years, we have been seeking ways to reduce our environmental impact by setting ambitious targets at a global level. Starting in 2020, KPMG International made a new commitment to achieve net-zero carbon emissions by 2030, including a 1.5°C science-based target alignment with a 50%

decrease in our gross greenhouse gas emissions (GHG) which was endorsed in 2021 by SBTi.

Although, due to the nature of our activity, Planet related aspects are not deemed significant by our stakeholders in Romania & Moldova, we view this topic as highly relevant to the worldwide efforts to reduce climate change.

Moreover, in a factsheet published in February 2021, researchers argue that the biosphere is the foundation of economies and societies and the basis of all SDGs. The result of their research is

### The SDG ‘Wedding cake’

a ranking and hierarchical structure of all SDGs in which the biodiversity-focused SDGs are at the base of the

structure (“cake”) due to their essential role in achieving global sustainability.

This publication supports our assumptions and further justifies our choice to include Planet as one of our areas of impact, even though our stakeholders have not identified this topic as material for us.

Consequently, we will continue to align our efforts to reach carbon neutrality. Last year, we committed to improve our data collection and calculate our carbon footprint more accurately.

As compared to last year, we have expanded the scope of data for our carbon footprint calculation to cover all our operations for this year’s report.



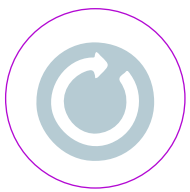
Scope 1 Emissions  
**136** In tCO2e



Scope 2 Emissions  
**90** In tCO2e



Scope 3 Emissions  
**1,245** In tCO2e



Total Carbon Emissions  
**1,471** In tCO2e



tCO2e Per Individual  
**1.53**

In the financial year 2021-22, 44% of the electricity we used was generated from renewable sources.

Our biggest environmental impact is generated from gas and electricity consumption at our offices, and the fuel consumption for our business trips.

Consequently, our starting point is to direct our efforts to reduce the environmental impact of these three categories. We continue to monitor our water consumption and waste generation, as well as our waste recycling rate.

To have a more accurate overview of our carbon footprint, during financial year 2021-22 we collected the necessary data to make a calculation following the GHG Protocol.

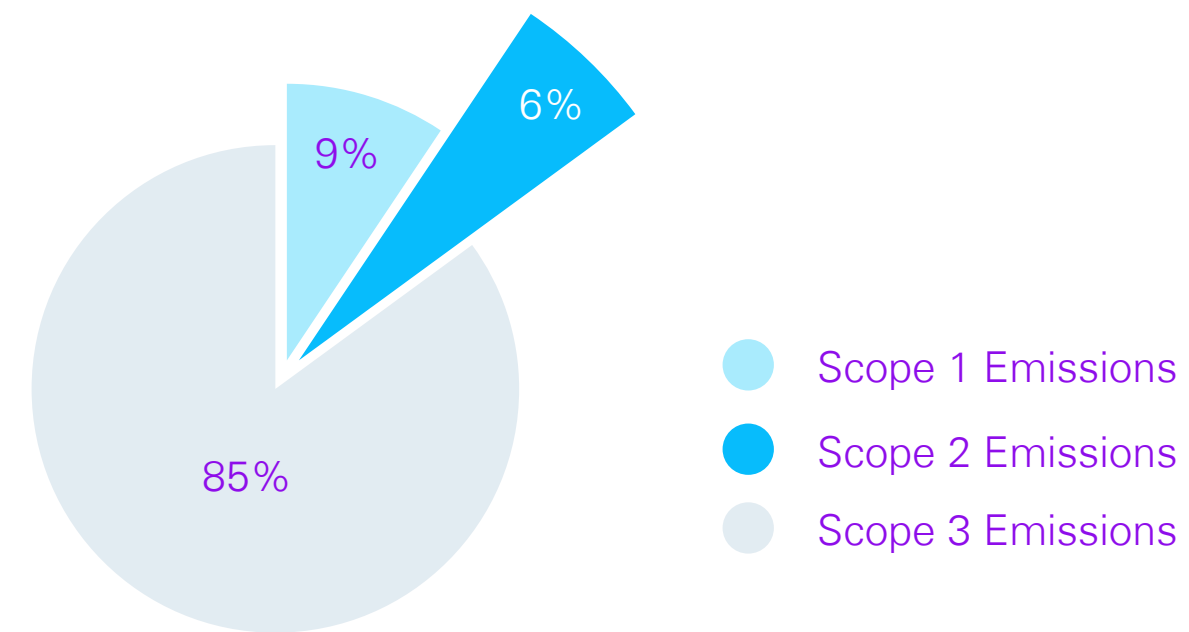


According to the GHG Protocol, the total carbon footprint of a company comprises 3 main sources:

- Direct emissions (Scope 1): includes stationary and mobile combustion;
- Emissions from purchased or acquired electricity, steam, heat and cooling (Scope 2);
- Value chain emissions (Scope 3): includes emissions from the entire value chain of a company, both downstream, as well as upstream.

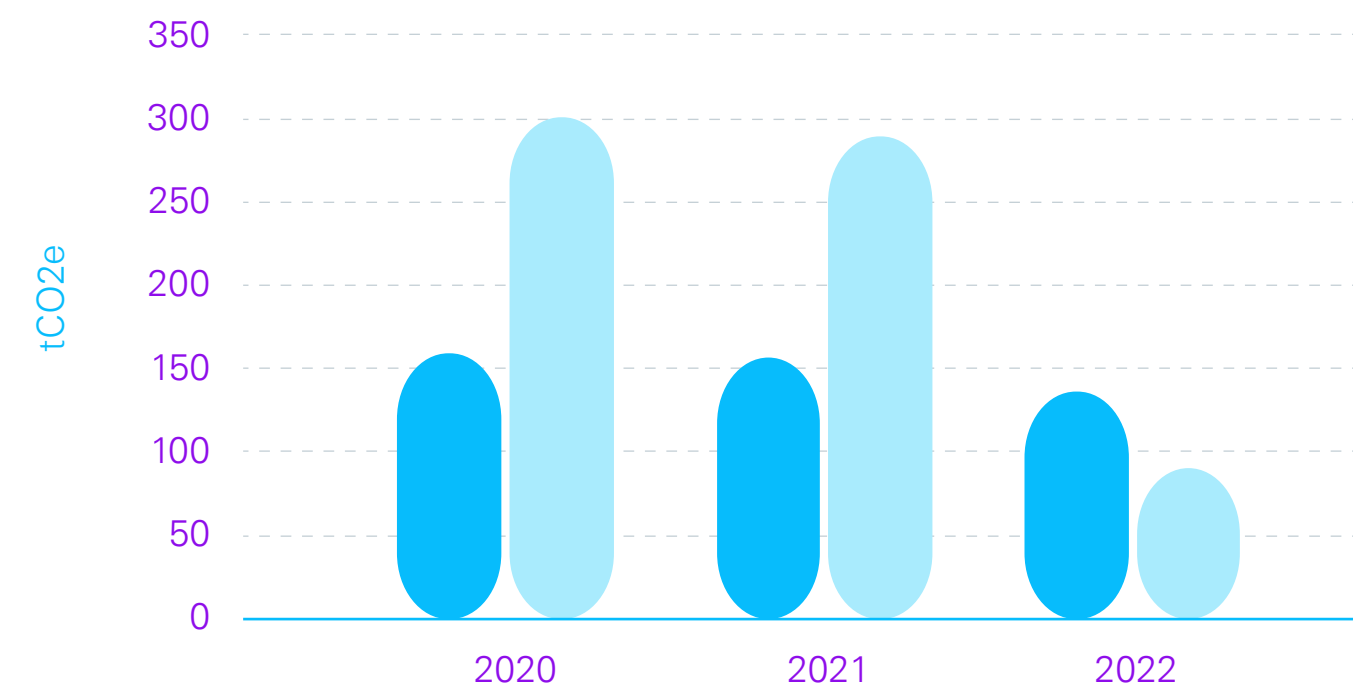
As such, our carbon footprint for financial year 2021-22, illustrated in the figure below, shows that most of our emissions were generated from our corporate value chain (85%), whereas our direct emissions and those resulting for purchased or acquired energy account for 15%.

CO2 emissions for 2022



Compared to the previous years, a decreasing trend can be noticed both with our direct emissions (Scope 1), but most significantly in the emissions resulting from purchased or acquired electricity, steam, heat and cooling (Scope 2).

Scope 1 and 2 CO2 emissions



As this was the first year in which we made a more extended calculation for Scope 3 emissions, we believe that a comparison with previous reported figures would not be representative.

We continue to monitor our water consumption and waste generation, as well as our waste recycling rate.

Our waste generation normally comes mostly from domestic waste (over 90%). However, in financial year 2021-22, due to the office change, we generated a significant amount of

furniture waste (25% of our total waste generation for financial year 2021-22), which was fully recycled.

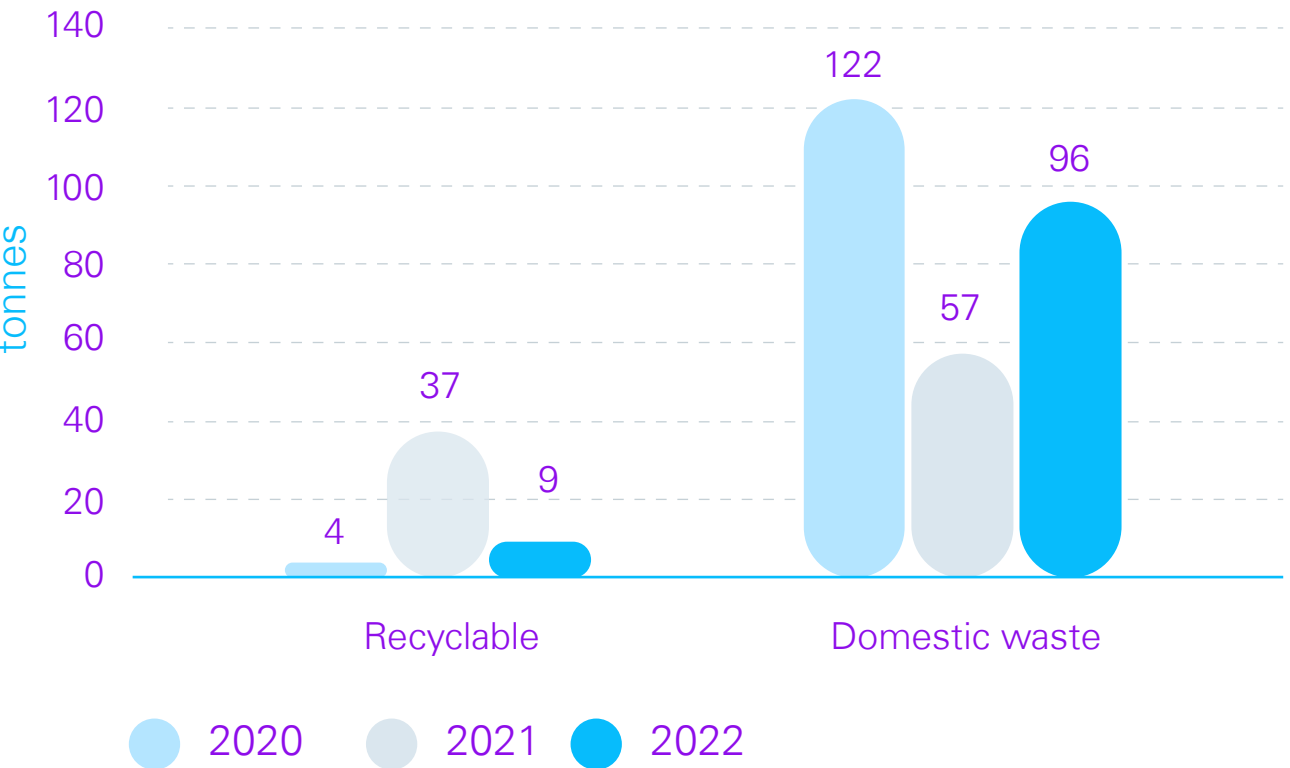
Other types of waste generated from our business activity, included in the recyclable category, are: paper, plastic, DEE equipment and metal.

During financial year 2021-22 we managed to reduce the total waste generation by 20% compared to financial year 2019-20, but we had an increase of 10% compared to financial year 2020-21.

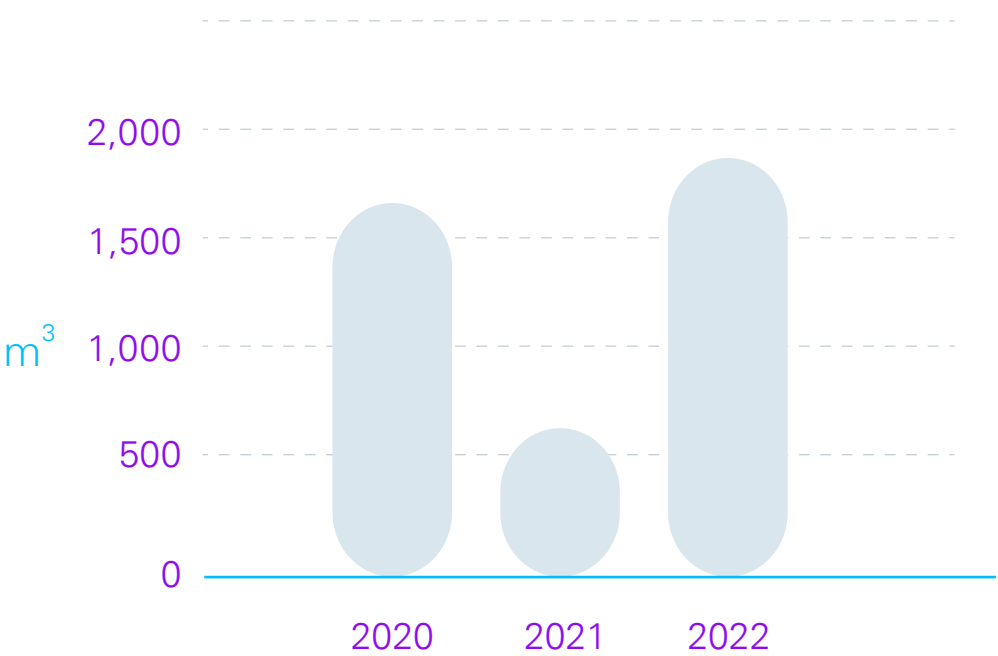
This increase can be attributed to the expansion of our workforce, as well as to the rise in days our employees chose to come to the office.



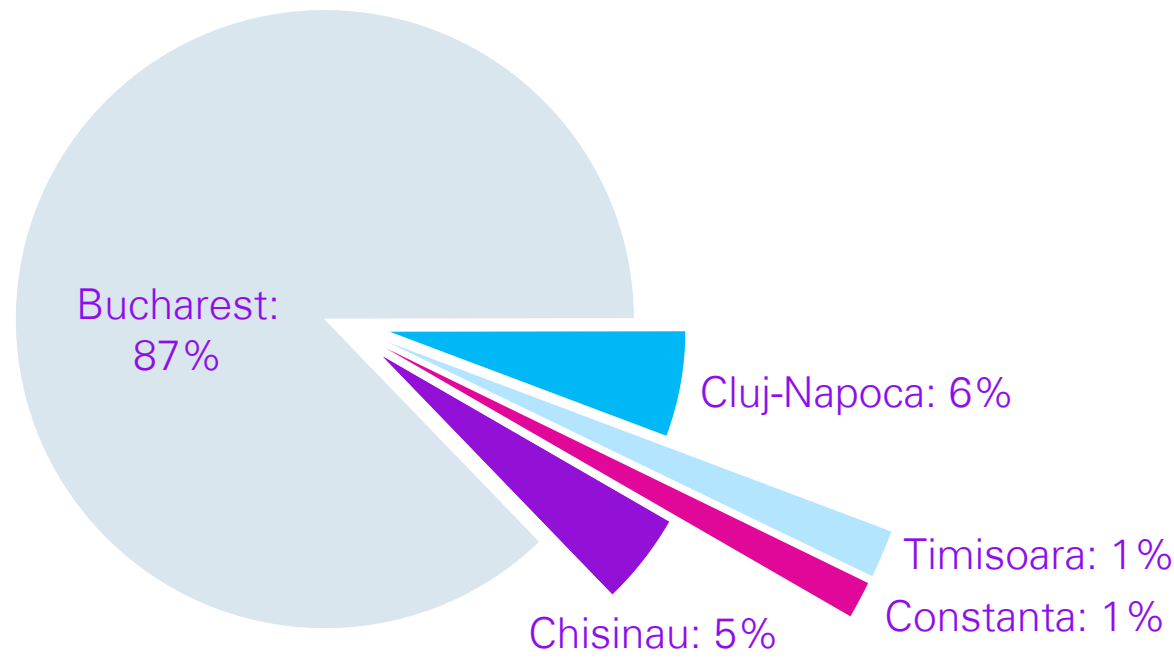
Waste generation



Water consumption



Water consumption by location, 2022



Following a 60% drop in our water consumption during financial year 2020-21, when our employees were still working mostly remotely, during financial year 2021-22 we registered an increase of 12% in our water consumption compared to financial year 2019-20.

Through the work we do and our efforts to provide insights and resources to our clients, we

contribute to shaping business models, products and services that address climate change, and help reduce carbon emissions.

Our Energy, Sustainability & Climate Change Services support the transition to a decarbonized society by assisting clients in minimizing their adverse environmental impact.

By doing this, we contribute to the future resilience of their companies,

clients, and workforce. We play a significant role in influencing the renewables sector by offering guidance to all parties involved.

We believe that a key element in our efforts to address our impact on the environment is for each of our employees to be informed and conscious of our goals. During financial year 2021- 22, we started our employees’ so-called “ESG

journey”. Specifically, KPMG in Romania & Moldova made available a series of three modules to equip each employee with a clear understanding of ESG topics, how KPMG is responding and what they can do to support our clients and our own internal ESG commitments.

As a company, we believe that we should contribute to tree-planting campaigns as they represent a

simple and effective way to restore nature. Consequently, during financial year 2021-22, we continued to support tree planting campaigns organized together with the NGO Plantam Fapte Bune in Romania.

At the end of March 2022, a team of 20 volunteers planted 1,500 trees on a closed green landfill located near the city of Ploiesti.



# Areas of impact

For the purpose of comparison, this Impact Report illustrates the actions we took across the four categories: Planet, People, Prosperity and Governance.

# Prosperity





# Target:

## Driving purposeful business practice and good corporate citizenship: our volunteering and donation programme.

KPMG is committed to facilitating the development of the wider community by serving the public interest and fostering trust.

We strive to conduct high-quality audits, promote responsible tax practices, and work side-by-side with clients towards becoming more effective and resilient in the face of increased volatility and complexity.

To ensure that our collective actions ultimately lead to better economic growth and prosperity, objectivity, independence, ethics, and integrity govern everything we do.

## Direct economic contribution

External conditions shifted and evolved over the financial year 2021-22. Businesses, in turn, needed to be agile and prepared to face a rapidly changing environment prone to macroeconomic uncertainty and geopolitical instability. However, despite precarious market conditions at times, the combined efforts of our 960 employees led to a solid financial position.

KPMG in Romania & Moldova had gross revenue of EUR 56.5mil – up from last year’s EUR 48.4 mil (a 17% increase).

Total taxes paid by the firm, its partners, and staff amounted to EUR 15.1 mil. This includes profit tax, payroll tax, local tax, and tax payable by partners on the generated income. We did not receive from or make any financial

contributions to the government or political parties.

By the nature of our business, the main procurement categories are human resources, IT & technology, marketing, professional services, hospitality, property & operations, as well as global mobility & travel.

We conduct annual evaluations of suppliers and subcontractors based on their performance and the standards outlined in the Supplier’s Code of Conduct.

We apply a sustainability strategy to the way we source our goods and services with a focus on promoting economic development in Romania. Consequently, we continue to favor Romanian suppliers where possible.

We obtained 59% of our goods and services from Romanian sources and 41% from the external market.

## Indirect economic contribution

We strongly believe that the nature of our work enables us to make further contributions to Romania’s economic progress.

Through our Audit and Assurance line of business, we build confidence in the information that fuels the economy in the following ways.

We help clients meet standards, requirements, and expectations concerning the transparency and reliability of their financial and non-financial reports. We also validate the quality and integrity of the disclosed information to provide confidence in the capital market and its agents. Finally, we assist businesses to grow and succeed by helping them identify and successfully manage their risk profile.

Our Deals and Tax & Legal practices seek to safeguard people’s rights

and add value to businesses, society, and beyond through the appropriate and efficient use of legislation. In times of a rapidly evolving domestic and global business landscape, we facilitate the creation of synergies that benefit the wider community, including, but not limited to, employees, governments, and suppliers.

Through our Advisory practice, we leverage our knowledge to help businesses succeed. We challenge current thinking to facilitate the implementation of innovative solutions to complex problems. We bring together agility, customer-centricity, and operational excellence needed to thrive in dynamic markets and, most importantly, to help Romania prosper.



# Community

At KPMG in Romania, we are committed to the sustainable development of the wider community and Equal Access to Opportunities is a core element of our strategy.

We envision a society where social inequalities diminish, and social cohesion prevails, and we know that assisting in making this happen is one of our responsibilities. Our aim is for all citizens to have the opportunities they deserve, and believe this will enable our country to reach its full potential.

To support a broader Environmental, Social, and Governance (ESG) agenda, and deliver a positive impact in line with the UN Sustainable Development Goals (SDGs), our strategy is focused on:

## Education and skills:

improving the chances of individuals from less fortunate backgrounds to receive a quality education and supporting exceptional talents.

## Strategic philanthropy, volunteering, and pro bono engagements:

combating marginalization through appropriate charity partnerships, funding, and expertise.

We understand the impact that our voices and actions can have. Thus, we advocate for those in need and strive to lead by example by using the range of skills within our organization.

During financial year 2021-22, while strengthening our kindness wellness pillar mentioned above, we provided support to several community projects.

### Examples of Projects:

Our aim is to invest in the promotion of a high level of education in Romania, using our educational and cooperation programmes.

### Projects to support Higher Education:

- KPMG Professorship - Sponsorship of a well-established scholar in the field of governance and administrative sciences, with dual affiliation to a Romanian and Western university. Currently the KPMG Professor is based at the University of Bucharest.

- KPMG Mitrany Fellowship - A program to support the extra-curricular activities of undergraduate and graduate students from the University of Bucharest related to research and training.

The fellows receive a monthly stipend equivalent to a standard merit-based scholarship offered by the University and become part of a mentorship program.

Sponsorship of projects run by students' associations, universities and professional bodies - [These included the Young Accountants' Association, the Law Students' Association, ASLS, the Mathematics Students' Association, the Cybernetics Students' Association \(SISC\), the Business and Administration Students' Association, the Volunteers for Ideas and Values Association, Timisoara West University Foundation, the OEconomica Timisiensis Foundation, as well as Bucharest University of Economic Studies and the University of Bucharest.](#)

Every year, we offer apprenticeship opportunities to students from different

Romanian and international universities from Bucharest, Cluj-Napoca, Constanta and Timisoara and the United States of America through KPMG's partnership with Indiana University.

During this financial year 2021-22 we had 178 Romanian students and 9 international students. The apprenticeships lasted for six weeks, were organized on-line/hybrid/ onsite and were designed to train relevant skills with the aim of increasing the level of employability of the students.

During the summer holiday, KPMG in Romania & Moldova organised traineeship programs for high school students from 10 schools in Bucharest, Otopeni, and Gherla. As a result, 40 KPMG volunteers mentored 54 high school students for a total of 350 hours.



## Other community projects

### ● Scoala de Vara Eco 2.0

In addition to our participation in the tree planting campaign, KPMG was the main sponsor of an environmental project organised by the NGO Nature Talks, designed for children aged 8-12 years old.

The project consisted of the organization of a series of free workshops on the topics of recycling, food waste, pollution, and sustainable behaviors during summertime, which 400 children attended over a period of 4 weeks.

### ● Back to school campaign

As education is one of the key elements of a healthy society, we try to find every opportunity we can to support its advancement.

Consequently, during financial year 2021-22, through the NGOs Fabrica de Daruri and Un Pas spre Educatie, KPMG employees supported some disadvantaged children with school supplies for the beginning of their school year. As result, over 30 KPMG volunteers fully equipped 55 children for their first day of school.

### ● Participation in Bucharest (half) Marathon

By tradition, every year a KPMG team runs for a good cause. During financial year 2021-22, we partnered with United Way and HOSPICE Casa Sperantei to support them in their journey of enhancing the living conditions of those in need via progress to education, income, and health.

### ● Race for a cure

During financial year 2021-22, we partnered with Renasterea Foundation to support them in their journey of raising awareness of the high incidence of breast cancer among women in Romania and highlighting the importance of frequent medical check-ups. 61 KPMG runners, supported the cause as well as our KPMG Legal practice which provided pro-bono legal services.

### ● Blood Donation Campaign at KPMG premises

Every year, we host several blood donation campaigns at the KPMG premises. KPMG

employees know that blood is a scarce and precious resource, with no other substitute. Consequently, through the blood donation campaign, we give the precious gift of life. We give blood to save lives as part of our support for our communities. 40 eligible donors donated 18 litres of blood.

### ● Cyber Day in Schools

The annual KPMG Global Cyber Day initiative aims at educating young people on the importance of cyber security and internet risk.

Since 2019, during October, we have hosted in-person and virtual classroom sessions that address topics such as social media, online identity protection, cyberbullying, online gaming, and cyber threats. Due to the nature of our business, we have a detailed understanding of how crucial information protection is.

So we want to educate young people on these issues and help our communities to avoid digital threats. In financial year 2021-22, we reached 3,015 students and teachers.

### ● Candidates selection for G(eneration)9

Our partner in education programs, Teach for Romania, conducts training for new generations of future educators. To interview and assess the candidates, every year they are looking for the best recruiters.

As such, in financial year 2021-22 they chose to involve us in their candidate selection and evaluation teams, thus offering us the opportunity to have a direct impact in education. 6 KPMG volunteers offered 336 hours of involvement in the process (the equivalent of 42 full working days) and, in addition:

- 26 volunteers donated over 40 books as presents to children in different counties in Romania, so that they could properly celebrate Ziua Cititului Impreuna (Reading Together Day) together with the teachers in their schools;
- 7 volunteers participated in the Chitila Summer School; they spent half a day with the children playing and involving them in themed educational activities;



- 1 volunteer participated in the Summer Leadership Academy (LSA) as a speaker. LSA is the Training Academy of Teach for Romania, designed for the new generation of teachers.

#### ABC Taxe si Impozite project

Though our partnership with Junior Achievement (JA), KPMG specialists delivered interactive webinars on a wide area of topics such as: business language skills, time management, income taxation and social contributions, etc. 11 volunteers delivered 10 webinars on 6 topics covering both soft and hard skills. The project reached 2,508 participants.

Additionally, KPMG specialists offered 2 consulting sessions for the business plans competing in the JA BuzzFactory competition.

#### Literation Project

United Way's Lecture for Adventure project aimed at reducing functional illiteracy in vulnerable communities, especially in rural areas, by providing opportunities and involving beneficiaries in specific educational activities.

KPMG volunteers were involved in evaluating the NGOs' applications received by United Way for the purpose of having

their social projects funded. Our 12 volunteers read the projects, evaluated them, and participated in field trips.

#### Result:

- 120 beneficiary children in vulnerable communities were selected to participate in the program, out of which 86 were tested at the beginning and at the end of the intervention with BRIO standardized tests.
- Several teachers benefited from development programs customized on literacy skill development and working with vulnerable groups.
- 2 book clubs were arranged in secondary schools in Plataresti village and Tamasi.

#### Charity Tennis Tournaments

10 KPMG tennis enthusiasts jumped at the first call to enrol in a charitable tennis tournament organised by The Social Incubator.

Through their involvement, 2 projects were supported: #TineriDeViitor and social entrepreneurship, both designed to help vulnerable young people get their first job by facilitating access to vocational

counselling, psychotherapy, as well as to provide support in covering medical and housing expenses. The Social Incubator's mission is to support vulnerable young people across Romania in the process of social and professional integration.

#### Renovation works at Casa Florian Day Care Centre

Another way we decided to get involved in our communities was by carrying out renovation work at a children's day care centre, while also spending some time with the children and involving them in educational activities.

So 15 KPMG volunteers, with the support of United Way, helped Fundatia Joyo, with United Way's support, by spending a day at the center.

#### Santa's Elf Campaign

Every year, we join forces for a purpose: to bring the Christmas light into every child's eye.

We acknowledge that not everyone has the same resources to live. We also know that lack of resources is an issue that has a number of negative effects, including on opportunities and physical and emotional

health. As a result, our Christmas campaign is part of our philanthropic program that ensures a more equitable and balanced future for our society.

#### Result:

Over 110 colleagues managed to bring a little joy to 140 beneficiaries (children and old people), via four NGOs – Inocenti Foundation, Un Pas spre Educație, Ana si Copiii and United Way.

#### Team building (bicycle donations)

2022 was the year when our firm registered a record for participation in a teambuilding event, 818 participants.

This event was once again an opportunity to give back to our community as the teambuilding activity consisted of a team challenge – to assemble bikes.

At the end of the exercise, the 80 bikes were donated to 80 Romanian and Ukrainian children, hosted by two Romanian NGOs, Asociatia "Pro Vita pentru nascuti si nenascuti and Asociatia Banca de Haine.



# To summarise, financial year 2021-22 meant:

- ① **Over 280 volunteers from KPMG in Romania & Moldova**
- ② **More than 50 NGOs and Associations supported**
- ③ **Over 6,500 direct beneficiaries**
- ④ **1,000 volunteering hours**

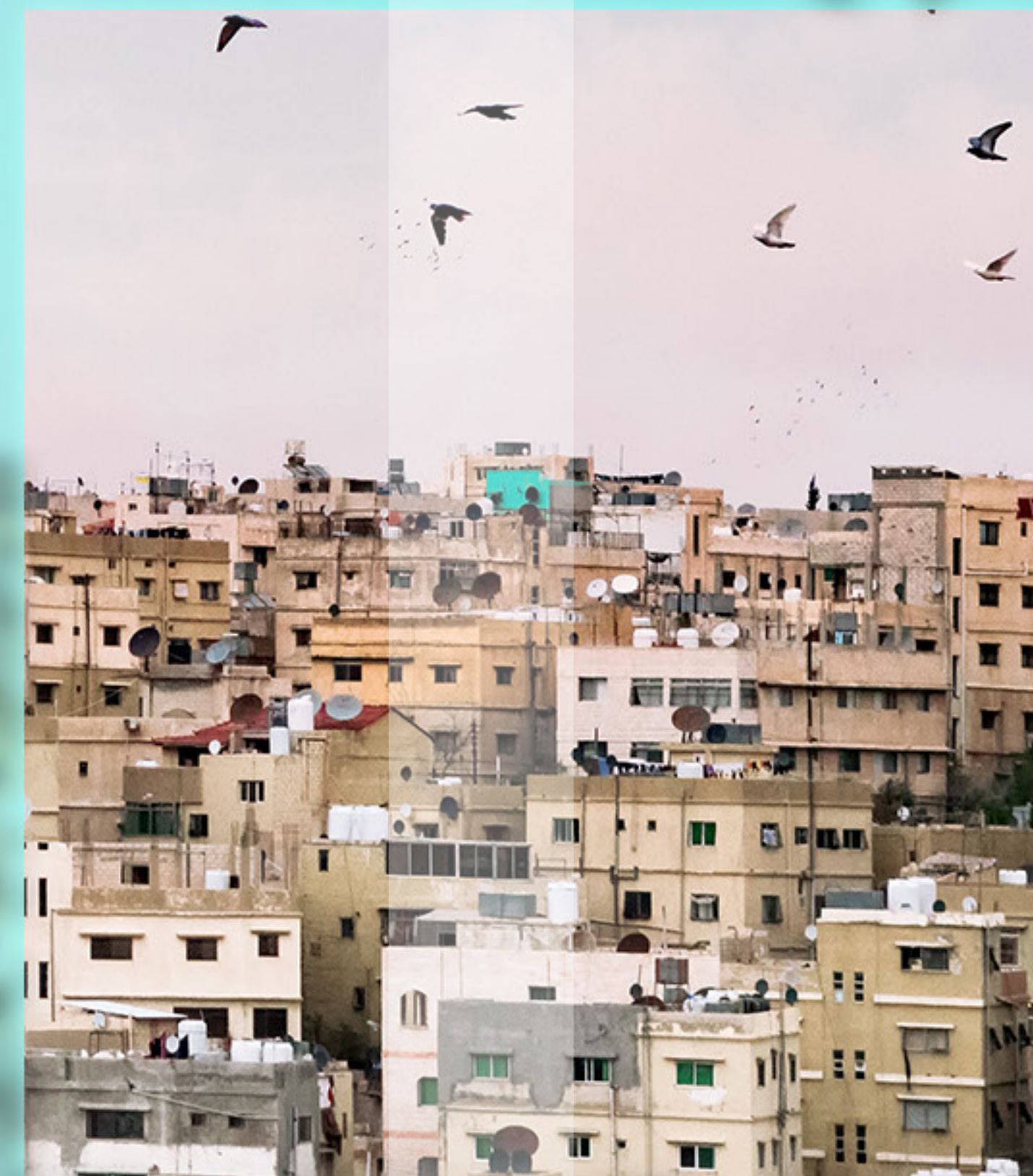
CSR	2021	2022	
Volunteers	220	287	27% ▲
Volunteering (hours)	350	1,000	286% ▲
Direct beneficiaries	>9,300	>6,500	30% ▼
Number of NGOs and Associations	>20	>50	150% ▲
Cost (EUR)	320,000	430,000	34% ▲



# Areas of impact

For the purpose of comparison, this Impact Report illustrates the actions we took across the four categories: Planet, People, Prosperity and Governance.

# Governance





# Target:

## Everything we do stems from our ideals: to always do what is right.

Given the profile of our business, our stakeholders consider governance as being one of the most material topics.

We understand that governance plays a pivotal role in addressing the environmental and social aspects of our business.

We also believe that our strong corporate governance ensures that we conduct our businesses ethically with honesty, trust, and transparency.

## Code of Conduct

Everyone at KPMG must abide by the Global Code of Conduct ([kpmg.com](https://kpmg.com)) and confirm their compliance with it.

We want everyone at KPMG to be aware of the responsibilities we have towards one another, our clients and the general public. Consequently, we promote a culture of

## speaking-up

We value and encourage our employees to express their doubts, provide feedback, both upwards and downwards, ask questions, raise concerns, and make improvement suggestions without fear of retaliation or any other kind of repercussions.

However, being given the means to speak up is just as important as having the courage to do so. As well as encouraging direct

conversations with one another, we also offer ways to tackle these situations in indirect ways such as conversations with our Business Advisors, an exclusive email address, and completely anonymous forms.

Alternatively, employees can follow the global guidelines to file a report, or make their voice heard on a broader range of topics during our Global People Survey.

## Business and Human Rights

As stated in our International Business and Human Rights Statement Business and [Human Rights Statement](#) - KPMG Global, KPMG has officially committed to the United Nations' Guiding Principles of Business and Human Rights.

By doing so, we have made a commitment to ensuring that we avoid causing or contributing to adverse human rights impacts through our activities and to addressing such impacts if they occur.

Human Rights are a component of our due diligence procedures included in our Global Quality & Risk Management and People & Culture policies.

We monitor compliance under strict scrutiny. Business rights, such as customer confidentiality, information security, and data privacy, are outlined in stringent policies and reinforced through training courses on an annual basis.

## Anti-bribery and corruption

Our stance is straightforward: bribery and corruption are unethical, unacceptable, and inconsistent with our Values.

As part of the efforts to make this clear for everyone we work with, KPMG has designed a robust anti-bribery and corruption program, which comprises comprehensive policies, together with mandatory training courses, compliance protocols, and a global whistle-blower hotline.

## Transparency Report

Bounded by our values and desire to demonstrate respect for our stakeholders, our annual Transparency Report details our governance processes and structures.

Our 2022 Transparency Report (available at <https://bitly.ws/UCBP>) offers a thorough perspective on how we run our business. The report gives a complete overview of our governance model, structure, integrity culture, strategy, and quality control systems. It also details how we have applied the Statutory Audit Law (No. 162/2017) and Regulation (EU) No. 537/2014, which set forth specific requirements for the statutory audit of public interest entities.

Quality remains the cornerstone of our profession and thus we are committed to delivering it relentlessly. The Transparency Report and the Sustainability Report cover the same time frame, which is the reason why we recommend reading the two of them in conjunction.

During this financial year we did not register any business and human right violations or bribery / corruption incidents.



## Quality of our work

The way we conduct business plays a crucial role in Romania and in the global economy. Our Audit, Advisory, and Tax & Legal practices are fundamental in bringing investment and enterprise together and generating trust, which in turn creates confidence in our markets.

KPMG in Romania & Moldova is entirely committed to providing its clients with the highest quality of services, and we work hard to constantly go above and beyond expectations.

Our strategy depends on having great employees who can gain the right knowledge at the right time and who can apply cutting-edge expertise to every engagement. The foundation of our work is knowledge, which we continuously aim to reinvent and create to help our clients succeed in the long-term.

While serving our clients, we prioritize:

**Effective communication which adds value and consistency to the services we provide.**

Since we aim to continuously improve, we always seek feedback from the teams responsible for service delivery.

**Client satisfaction, which is enhanced through an online and automated system,**

which was in the course of development during financial year 2021-22 and which has now been implemented. Through this system, the client receives an online questionnaire to evaluate our performance and suggest areas to be improved.

**Open and honest dialogue with the client's top management.**

Specifically, when we close an engagement, the partner in charge initiates a discussion concerning the overall quality of the service provided to receive a clear understanding of our performance.

The insights obtained via these dialogues are evaluated during the yearly management meeting to identify possible areas for service quality improvement.

There are numerous policies and procedures in place to help KPMG in Romania & Moldova employees, comply with professional standards.

While many of our quality control processes are cross-capability and apply equally to Tax & Legal and Advisory, the primary focus of the requirements in place relate to our Audit services.

**Our Transparency Report further outlines the steps we take to ensure that we have a relentless focus on quality.**



## GRI content index

Statement of use	KPMG in Romania & Moldova has reported in accordance with the GRI Standards for the period 1 October 2021- 30 September 2022.	GRI 1 used	GRI 1: Foundation 2021	Applicable GRI Sector Standard(s)	N/A
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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 15-16	A red cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	Page 15-16				
	2-3 Reporting period, frequency and contact point	Page 10				
	2-4 Restatements of information	Page 16				
	2-5 External assurance	Page 16				
	2-6 Activities, value chain and other business relationships	Page 15, 16, 39				
	2-7 Employees	Page 6, 7, 25	Temporary employees Non-guaranteed hours employees	Not applicable	KPMG has not signed temporary contracts in financial year 2021-22 and nonguaranteed hours employment contracts cannot be offered in Romania according to the law	
	2-8 Workers who are not employees		N/A	Not applicable	In a except in a number of instances, where very speciaized skills are needed, KPMG in Romania may subcontract other entities to perform the work, but they will be treated as subcontractors	
	2-9 Governance structure and composition	Pages 21, 45				
	2-10 Nomination and selection of the highest governance body	Pages 21, 45				
	2-11 Chair of the highest governance body	Pages 21, 45				
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 21, 45				
	2-13 Delegation of responsibility for managing impacts	N/A				
	2-14 Role of the highest governance body in sustainability reporting	Page 21				
	2-15 Conflicts of interest	Pages 20, 21				
	2-16 Communication of critical concerns	Pages 20, 45				
	2-17 Collective knowledge of the highest governance body	Pages 29, 30				
	2-18 Evaluation of the performance of the highest governance body	Pages 31, 32				
	2-19 Remuneration policies	Pages 27, 28, 32				
	2-20 Process to determine remuneration	Pages 27, 28				
	2-21 Annual total compensation ratio	Page 33		Confidentiality constraints	Commercial competitive reasons	
	2-22 Statement on sustainable development strategy	Pages 3, 12, 13				
	2-23 Policy commitments	Pages 20, 21, 45, 46				
	2-24 Embedding policy commitments	Pages 20, 21, 45, 46				
	2-25 Processes to remediate negative impacts	Pages 20, 21, 45, 46				
	2-26 Mechanisms for seeking advice and raising concerns	Pages 20, 21, 45, 46				
	2-27 Compliance with laws and regulations	Pages 20, 21, 45, 46		Not applicable	There were no no-compliances during the year	
	2-28 Membership associations	Page 16				
	2-29 Approach to stakeholder engagement	Page 23				
	2-30 Collective bargaining agreements			Not applicable	There is no collective bargaining agreement in place at KPMG companies in Romania	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 23	A red cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	Page 51				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Pages 8, 39				
	201-2 Financial implications and other risks and opportunities due to climate change		Financial implication and other risks and opportunities due to climate change	Not applicable	The topic is not material for KPMG's activity in Romania	
	201-3 Defined benefit plan obligations and other retirement plans		Defined benefit plan obligations and other retirement plans	Not applicable	Payments towards the state pension fund are made according to the applicable Romanian law.	
	201-4 Financial assistance received from government	Page 39				
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage			Not applicable	Not a material topic	
	202-2 Proportion of senior management hired from the local community			Not applicable	This report covers Romanian operations and our recruitment process covers the entire country.	
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Pages 15, 39, 40, 41, 42 and 43				
	203-2 Significant indirect economic impacts	Page 30-34 and Page 39/40				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 49				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 21				
	205-2 Communication and training about anti-corruption policies and procedures	Page 45				
	205-3 Confirmed incidents of corruption and actions taken	Page 45				
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Pages 20, 45				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 207: Tax 2019	207-1 Approach to tax	Page 39				
	207-2 Tax governance, control, and risk management	Page 20-21				
	207-3 Stakeholder engagement and management of concerns related to tax	Page 20				
	207-4 Country-by-country reporting			Not applicable	Not material	



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	

Materials

GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 301: Materials 2016	301-1 Materials used by weight or volume			Not applicable	Not applicable for KPMG's line of business	
	301-2 Recycled input materials used			Not applicable	Not applicable for KPMG's line of business	
	301-3 Reclaimed products and their packaging materials			Not applicable	Not applicable for KPMG's line of business	

Energy

GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 302: Energy 2016	302-1 Energy consumption within the organization			Not applicable	Not a material topic	
	302-2 Energy consumption outside of the organization			Not applicable	Not a material topic	
	302-3 Energy intensity			Not applicable	Not a material topic	
	302-4 Reduction of energy consumption			Not applicable	Not a material topic	
	302-5 Reductions in energy requirements of products and services			Not applicable	Not a material topic	

Water and effluents

GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource			Not applicable	KPMG offices are located in major cities/towns across Romania and are connected to the public water distribution and sewage network	
	303-2 Management of water discharge-related impacts			Not applicable	KPMG offices are located in major cities/towns across Romania and are connected to the public water distribution and sewage network	
	303-3 Water withdrawal	Page 37				
	303-4 Water discharge			Not applicable	KPMG offices are located in major cities/towns across Romania and are connected to the public water distribution and sewage network	
	303-5 Water consumption			Not applicable		

Biodiversity

GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20-23				
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas			Not applicable	Not material	
	304-2 Significant impacts of activities, products and services on biodiversity			Not applicable	Not material	
	304-2 Significant impacts of activities, products and services on biodiversity	Page 35				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations			Not applicable	Not material	

Emissions

GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Pages 5, 35				
	305-2 Energy indirect (Scope 2) GHG emissions	Pages 5, 35				
	305-3 Other indirect (Scope 3) GHG emissions	Pages 5, 35				
	305-4 GHG emissions intensity			Not applicable	Not material	
	305-5 Reduction of GHG emissions			Information incomplete	Unable to calculate the reduction of total GHG emissions, as 2022 was the first year to calculate Scope 3 emission. We have included a graph showing the reduction of Scope 1 and 2 emissions in 2022 on page 36.	
	305-6 Emissions of ozone-depleting substances (ODS)			Not applicable	Not material	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			Not applicable	Not material	

Waste

GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts			Not applicable	Not material	
	306-2 Management of significant waste-related impacts			Not applicable	Not material	
	306-3 Waste generated	Pages 36-37				
	306-4 Waste diverted from disposal	Pages 36-37				
	306-5 Waste directed to disposal	Pages 36-37				

Supplier environmental assessment

GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 39				
	308-2 Negative environmental impacts in the supply chain and actions taken			Not applicable	Not material	

Employment

GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 26				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees			Not applicable	Same benefits are provided to all employees irrespective of their full time or part time status	
	401-3 Parental leave	Page 28				

Labor/management relations

GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes			Not applicable	If the case, we will have to follow Romanian law.	

Occupational health and safety

GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 15, 28			We follow the Romanian applicable law in this regard.	
	403-2 Hazard identification, risk assessment, and incident investigation	Page 21			We follow the Romanian applicable law in this regard.	
	403-3 Occupational health services	Page 28			We follow the Romanian applicable law in this regard.	
	403-4 Worker participation, consultation, and communication on occupational health and safety			Not applicable	Not material	
	403-5 Worker training on occupational health and safety			Not applicable	Performed according to the law.	
	403-6 Promotion of worker health	Pages 15, 28				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			Not applicable	Not material	
	403-8 Workers covered by an occupational health and safety management system	Page 28				
	403-9 Work-related injuries	Page 28				
	403-10 Work-related ill health	Page 28				

Training and education

GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 29				
	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 29-31				
	404-3 Percentage of employees receiving regular performance and career development reviews	Pages 31, 32				



## GRI content index

Statement of use	KPMG in Romania & Moldova has reported in accordance with the GRI Standards for the period 1 October 2021- 30 September 2022.		GRI 1 used	GRI 1: Foundation 2021	Applicable GRI Sector Standard(s)	N/A
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 33				
	405-2 Ratio of basic salary and remuneration of women to men	Page 33				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 45				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk			Not applicable	There are no restrictions to freedom of association and collective bargaining, but there is no trade union formed at KPMG entities in Romania.	
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor				Not a material topic	
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20-23				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor				Not a material topic	
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures			Not applicable	KPMG Romania & Moldova's offices are not situated in high security risk areas. Security services are part of the lease agreement with the office buildings landlords and are not under our direct control	
Rights of indigenous peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples			Not applicable	No indigenous people are registered in Romania	
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs			Not applicable	Not a material topic	
	413-2 Operations with significant actual and potential negative impacts on local communities			Not applicable	Not a material topic	
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 39				
	414-2 Negative social impacts in the supply chain and actions taken	Page 39				
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 415: Public Policy 2016	415-1 Political contributions	Pages 39, 40, 41, 42, 43				
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories			Not applicable	This topic is not applicable due to our business specific activities	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services			Not applicable	This topic is not applicable due to our business specific activities	
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling			Not applicable	Not a material topic	
	417-2 Incidents of non-compliance concerning product and service information and labeling			Not applicable	Not a material topic	
	417-3 Incidents of non-compliance concerning marketing communications			Not applicable	Not a material topic	
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 23				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 21 Page 45				



Goal			Sub-Goal	Indicators   Targets	How we target this	Page in the report
Goal 3	Ensure healthy lives and promote well-being for all at all ages					
		3.4	By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	3.4.1 Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease 3.4.2 Suicide mortality rate	Our internal well-beying programme	Pages 25-28
		3.8	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	3.8.1 Coverage of essential health services (defined as the average coverage of essential services based on tracer interventions that include reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases and service capacity and access, among the general and the most disadvantaged population)  3.8.2 Proportion of population with large household expenditures on health as a share of total household expenditure or income	Taxes paid for the state health care system and access to private medical services for our employees	Page 28
Goal 5	Achieve gender equality and empower all women and girls					
		5.1	End all forms of discrimination against all women and girls everywhere	5.1.1 Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex	Our hiring, rewarding and evaluation policies	Page 32
		5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	5.5.1 Proportion of seats held by women in (a) national parliaments and (b) local governments  5.5.2 Proportion of women in managerial positions	Our hiring, rewarding and evaluation policies	Page 33
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all					
		8.1	Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	8.1.1 Annual growth rate of real GDP per capita	Our hiring, rewarding and evaluation policies	Page 31
		8.4	Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead	8.4.1 Material footprint, material footprint per capita, and material footprint per GDP  8.4.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP	Our efforts to reduce water, paper consumption and decrease emissions	Page 37
		8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities  8.5.2 Unemployment rate, by sex, age and persons with disabilities	Our hiring, rewarding and evaluation policies	Page 33
Goal 10	Reduce inequality within and among countries					
		10.2	By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	10.2.1 Proportion of people living below 50 per cent of median income, by age, sex and persons with disabilities	Our hiring, rewarding and evaluation policies	Page 31
		10.5	Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations	10.5.1 Financial Soundness Indicators	Via our work and services as well as our governance model	Page 46
Goal 12	Ensure sustainable consumption and production patterns					
		12.2	By 2030, achieve the sustainable management and efficient use of natural resources	12.2.1 Material footprint, material footprint per capita, and material footprint per GDP  12.2.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP	Our Planet commitments	Pages 35-37
		12.5	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	12.5.1 National recycling rate, tons of material recycled	See our Planet commitments	Pages 35-37
		12.6	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	12.6.1 Number of companies publishing sustainability reports	Our own report as well as the reports published by our clients	
Goal 13	Take urgent action to combat climate change and its impacts	13.3	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	13.3.1 Extent to which (i) global citizenship education and (ii) education for sustainable development are mainstreamed in (a) national education policies; (b) curricula; (c) teacher education; and (d) student assessment  13.3.2 Number of countries that have communicated the strengthening of institutional, systemic and individual capacity-building to implement adaptation, mitigation and technology transfer, and development actions	Our ESG related training programmes	Pages 29-30, 40-42
Goal 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development	17.14	Enhance policy coherence for sustainable development	17.14.1 Number of countries with mechanisms in place to enhance policy coherence of sustainable development	Our participation in international and national bodies promoting sustainable development	Page 16



## The full list of material topics

01. KPMG Anticorruption practices
02. The quality of KPMG's services
03. KPMG policies for attracting, developing, rewarding and retaining employees
04. KPMG's work life balance policies
05. KPMG customer privacy procedures
06. KPMG's code of ethics, integrity and GDPR practices
07. KPMG's use of technology and innovation
08. KPMG's approach to human rights
09. KPMG Management and leadership practices
10. KPMG Audit independence procedures
11. KPMG's continuous learning program
12. KPMG labor practices
13. KPMG practices for waste management (waste reduction, recycling, waste management practices etc.)
14. KPMG occupational health and safety policy
15. KPMG risk management procedures
16. KPMG involvement in educational projects
17. KPMG's market presence
18. KPMG's responsible tax practices
19. KPMG Audit Quality practices (Getting audit quality right is what we are focused on to fulfill our role to society, serve our markets and build public trust. For more information on our approach to audit quality, see the Global Transparency Report 2020)
20. KPMG's gender equality policies
21. KPMG's economic performance
22. The KPMG well-being program
23. KPMG as a purposeful business (a purposeful business exists primarily to tackle a problem or challenge in society in some specific way, and sees the sale of its products/services as a vehicle for this positive change).
24. KPMG greenhouse gas emissions
25. KPMG community investments and projects
26. KPMG electricity consumption and its sources of production
27. KPMG's diversity, inclusion and belonging policies
28. KPMG water consumption
29. KPMG's indirect economic impact (the indirect economic impact includes the impact of KPMG in Romania buying goods and services from other local suppliers)
30. KPMG natural gas consumption
31. KPMG's procurement practices





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