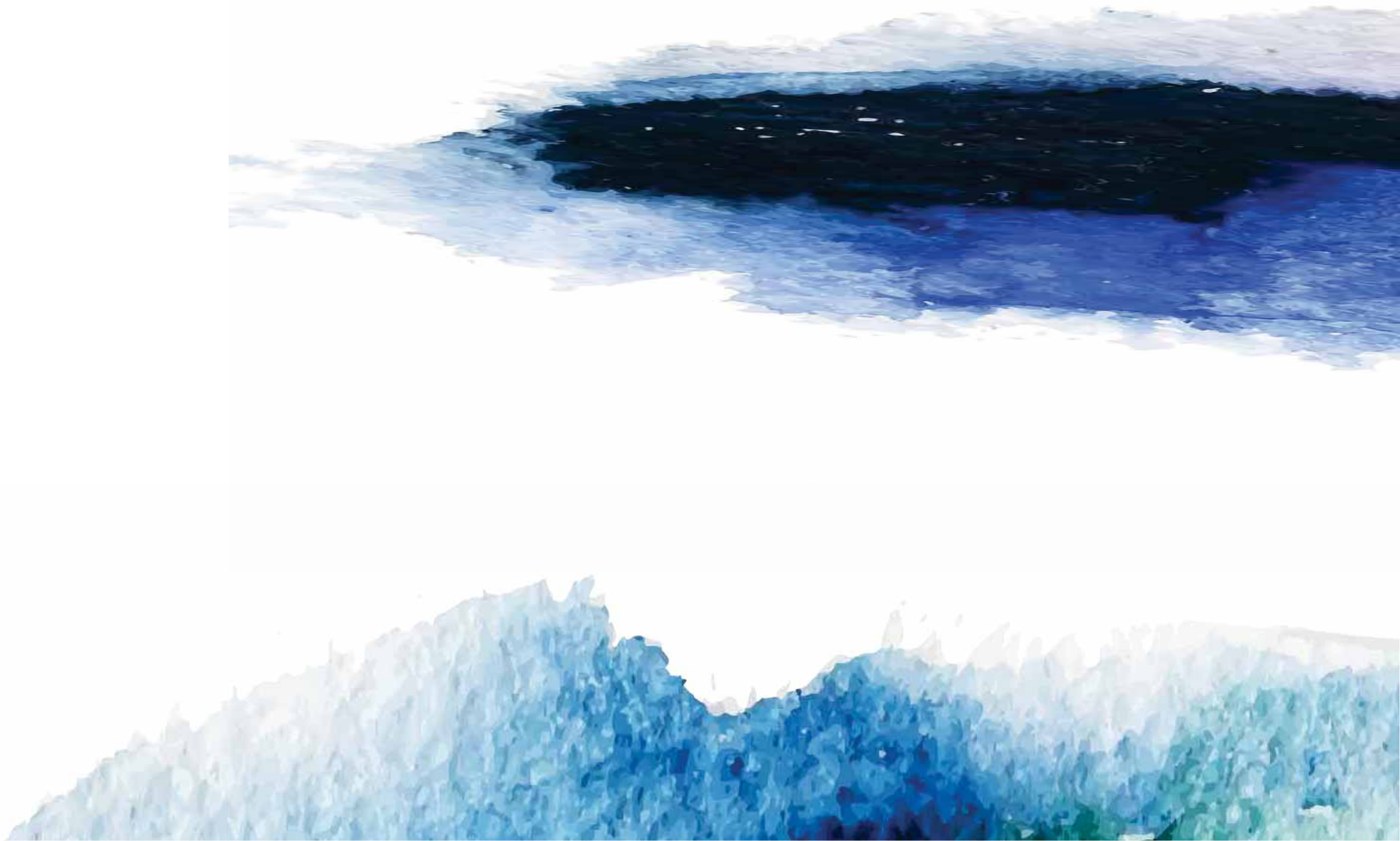




# Sustainability Report 2016





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A vibrant blue watercolor splash or ink blot that starts from the top left and spreads across the middle of the page, leaving a white background at the bottom and right. The splash has irregular, feathered edges and varying shades of blue, from deep cerulean to a lighter, more transparent blue.

# INTRODUCTION

# Managing Partner's Message

## Our Story, Our Purpose

2016 was a significant milestone year for KPMG Singapore – it was the year we celebrated our 75<sup>th</sup> anniversary. We celebrated the KPMG story by remembering that our purpose in our community is to inspire confidence and empower change. At KPMG, the foundation of the progress in our business, environmental, and social practices, was our clients, community and people. Our 2016 sustainability report will focus on these key pillars.

Guided by our values, we live out our purpose through our professional work – where we inspire the confidence of our clients and their investors, strengthening the capital markets and economies in which they operate, building and restoring trust.

Our commitment to establishing trust extends beyond the professional work that we do. This is because at KPMG we recognise that without the wider trust of the public, we will not be able to build strong, long-term and sustainable relationships. In 2016, we championed several Public Trust programmes. We took, more publicly, positions on issues that we are passionate about, where we can take practical steps to actively change things, including influencing others around us.

The Inclusive Employment Initiative was one such effort. We believe that companies have the power to look after the financial needs of persons from marginalised communities. By re-designing our

business processes with the community in mind, we harness existing corporate gifting needs to create social impact at no additional cost to the business. The Inclusive Employment Initiative provides training for persons from the deaf community, and persons recovering from mental health illnesses, to create customised corporate gifts with the specialised skills of glass making and silk screen printing. This provides meaningful employment in a supportive environment, and additional income, to the program participants.

KPMG also initiated the Progressive Wages Pledge to address the widening wage gap faced by many workers in Singapore. The essence of the Pledge is to get organisations to take more ownership for looking after their lower wage staff. With this initiative, KPMG hopes to raise awareness of the low-end wage sector through disclosures, so that more help in terms of training, re-skilling and job innovation can be given to this group of staff, leading to consequential wage increases.

2016 was also a year of celebrating our people and our clients. We have always focused on developing the best talent to serve our clients, and it is encouraging to hear our clients and staff respond favourably to these efforts. Our Global People Survey results showed improvement in Employee Engagement Index and Performance Excellence Index as compared to 2015. This result reflects our ongoing commitment and efforts to enhance the quality of staff engagement and retention. Client Insights activity was enhanced during the year with the addition of the Service Champions

programme to nurture the firm's service culture, raise awareness of the importance of service, drive collaboration and teamwork and thank the teams which received the highest-scoring client feedback.

Building Public Trust through working with our clients, community and people, will always be an integral part of our KPMG story. It is what will make KPMG an even stronger, better and more sustainable firm for the future.



Ong Pang Thye  
Managing Partner, KPMG in Singapore



# Organisation Profile



Today, KPMG in Singapore has more than 2,900 employees providing services in the following core areas:



Audit – services include financial statement audits, acting as reporting accountants, and providing other assurance and attestation services, including sustainability reporting and assurance.



Tax – compliance and advisory services in the areas of corporate income tax, international corporate tax, global transfer pricing, personal income tax, goods & services tax and customs and excise tax.



Advisory – services include providing transactions and restructuring advice, management consulting, risk consulting and climate change and sustainability advisory.

Our clients include local, regional and global business corporations, governments, public sector agencies and not-for-profit organisations. They look to us for a consistently high standard of service and our professional capabilities, industry insight and local knowledge.

# KPMG GRI Standards Methodology Adoption Process

In order to identify our material stakeholders, we undertook external research and conducted internal dialogues for individuals who would be most affected by significant environmental, social and governance changes initiated by KPMG in Singapore.

## Materiality Determination Process

We identified the material Aspects and their Boundaries which we would report based on GRI Standards for defining report content.

### Material Aspects

At KPMG, our Purpose is to 'Inspire Confidence. Empower Change'. Living by this Purpose we become the Clear Choice for the public, our clients and our people.



Stakeholders	Focus Areas	Boundaries
Community	Professional Trust – Corporate Governance – Risk Management, Ethics, Independence, and Quality – Anti-corruption	Within and outside of Organisation
	Commitment to community – Our Social Environment – Our Physical Environment	Within and outside of Organisation
Clients	Putting our clients' interests first	Within and outside of Organisation
People	Inclusion and diversity	Within Organisation

# Stakeholder Engagement Approach

At KPMG in Singapore, we deal with a variety of people who are our stakeholders, and who are fundamental to our success. Our stakeholders expect our actions to be reflective of a responsible organisation. Our key stakeholder groups are:



## The Community

Our purpose is to inspire confidence and empower change by investing in and improving the communities we work with.



## Our Clients

Our clients expect us to add credibility, share insights and provide innovative solutions. Thus it is crucial to deliver quality work and enhance the experience that our teams provide to our clients.



## Our People

We recognise that our people are unique individuals with diverse strengths, and they are encouraged to discover their personal purpose at work. We place significant emphasis in developing, motivating and equipping them with the right tools and skills.



The background is a watercolor-style wash of colors, primarily in shades of blue and white. The colors are blended and textured, with darker blues on the left and lighter blues and whites on the right. The overall effect is soft and artistic.

# ■ PUBLIC TRUST

KPMG believes that public trust is at the core of our business. This includes adding credibility through our professional work and also through our commitment to the community.

## Professional Trust

### Corporate Governance

KPMG is a global network of professional services firms providing Audit, Tax, and Advisory services. We operate in 152 countries and have 189,000 people working in member firms around the world. In the ASEAN region, member firms operate across all 10 countries of this regional grouping providing professional services supporting the growth, compliance and performance objectives of our clients.

KPMG International's key governance and management bodies include:

The *Global Council* that focuses on high-level governance tasks and facilitates discussions with and between member firms. It elects the Chairman and approves appointments of Global Board members.

The *Global Board* is the principal governance and oversight body of the network of firms. The key responsibilities of the Board include approving KPMG's long-term strategy, protecting and enhancing the KPMG brand, and approving policies and regulations. The Board includes the Chairman, and the Chairman of each of the three regions where KPMG has presence: the Americas, Asia Pacific, and Europe, Middle East and Africa as well as representatives from the larger practices, including Singapore.

The *Global Executive Team* is the primary management body of KPMG International, driving the strategy execution developed by the Global Board, and overseeing the management of KPMG International's policies and regulations.

*Supporting Committees* assist the Board in its oversight and governance responsibilities. The Committees include a Governance Committee, an Audit, Finance and Investments Committee, Compensation and Nomination Committee, a Quality & Risk Management Committee, and a Professional Indemnity Insurance Committee. Global Steering groups provide support to the Global Executive team by executing strategies and business plans.

KPMG in Singapore draws guidance from the policies set by KPMG International.

As at 31 December 2016, KPMG in Singapore has 102 partners. The Managing Partner is an executive position supported by the Operations Committee. The Operations Committee comprises senior representatives from KPMG's various functional areas and market segments. The Operations Committee representatives are responsible for the leadership of their respective market segments or functional areas. They set the strategic direction of the segment or area within KPMG, and manage the strategic progress.

## Our Values

### We lead by example

At all levels, we act in a way that exemplifies what we expect of each other and our member firms' clients.

### We work together

We bring out the best in each other and create strong and successful working relationships.

### We respect the individual

We respect people for who they are and for their knowledge, skills and experience as individuals and team members.

### We seek the facts and provide insight

By challenging assumptions and pursuing facts, we strengthen our reputation as trusted and objective business advisers.

### We are open and honest in our communication

We share information, insight and advice frequently and constructively, managing tough situations with courage and candour.

### We are committed to our communities

We act as responsible corporate citizens by broadening our skills, experience and perspectives through work in our communities and protecting the environment.

### Above all, we act with integrity

We are constantly striving to uphold the highest professional standards, provide sound advice and rigorously maintain our independence.



# Leadership Team

KPMG in Singapore



Ong Pang Thye  
Managing Partner



Tay Hong Beng  
CFO & Head of  
Infrastructure



Roger Tay  
Head of Audit



Chiu Wu Hong  
Head of Tax



Bob Yap  
Head of Advisory



Eng Chin Chin  
Head of Quality  
& Risk



Quek Shu Ping  
Head of People



Irving Low  
Head of Markets



R. Satyanarayan  
Head of Clarity



Gan Kwee Lian  
Head of Offshoring



## Quality, Risk Management, Ethics and Independence

Delivering quality work is our top priority, we ensure that our services comply with international professional standards and meet regulatory expectations.

We have a structured Quality Performance Review (QPR) programme which monitors the quality and risk management effectiveness of the Audit, Tax, and Advisory businesses within each KPMG member firm.

Innovation and technology continue to contribute to audit quality, an important area of investment for KPMG. We are advancing our audit tools, platforms and skills in areas such as data analytics, and automation to provide insights into audit and business risks.

At KPMG, we manage risks intelligently and in a balanced way that recognises and addresses differences in the risk profiles of different clients, industries, services, and legal environments.

We employ various proprietary systems for client and engagement evaluation (CEAC) purposes, identification and management of potential conflicts of interest and engagement independence issues (Sentinel™) as well as the tracking of personal investment transactions (KICS).

Audits of information provided by a sample group of partners and professionals are regularly carried out, and partners and employees, where relevant, are required to maintain a record in KICS of all investments. KICS automatically notifies users if their investments subsequently become restricted.

Sentinel™, our proprietary risk management information system, facilitates compliance with both KPMG and regulatory policies and procedures. Sentinel™ governs the provision of non-audit services to our audit clients and helps to identify and manage any potential conflicts of interest. It also helps to ensure that we uphold the International Federation of Accountants (IFAC) principles, as well as locally applicable regulations.

We also promote and reinforce a strong ethics and compliance culture through our Risk Compliance Programme and independent Global Compliance Review Programme.

All new joiners (partners and professional staff, excluding temporary staff) are required to complete mandatory trainings on the four topics: (i) global independence; (ii) compliance with law and regulations; (iii) data privacy; and (iv) information security. Existing staff are required to complete the updated global independence training periodically. Trainings on risk management policies and procedure updates are conducted annually for certain staff level. KPMG has established Centres of Excellence to address the specific needs of our clients.

As outlined in our anti-bribery policy, KPMG does not condone bribery and corruption. We are signatories to the World Economic Forum's Partnering Against Corruption Initiative (PACI), a set of principles for countering bribery and corrupt behaviour.

Additionally, our KPMG Code of Conduct commits us to:

- Act lawfully, ethically and in the public interest
- Prohibit bribery and corruption by our people
- Not tolerate illegal or unethical behaviour by our clients, suppliers or by public officials
- Follow high standards of ethical conduct around the world, including aspiring to the 10 principles of the United Nations Global Compact (UNGC), including anti-corruption.



# Commitment to Community

## Our Social Environment

At KPMG, we are committed to our communities. Through KPMG Cares, we continue our work in the community to not only help marginalised individuals and communities, but to empower them. We apply our skills, expertise, passion and resources to enable change and find sustainable solutions together with the community and our stakeholders. During the year, we launched the following public trust initiatives.

## KPMG Cares

### Inclusive Employment Initiative

We believe that companies like ours have the power to look after the financial needs of persons with disabilities. By re-designing our business processes with the community in mind, we harness corporate gifting needs, already present in a business' ordinary spending, to create social impact at no additional cost to the business. Participants of KPMG Cares come from the deaf community, or are persons recovering from mental illnesses.

In line with KPMG's mission to embrace lifelong learning, we work with KPMG Cares participants to develop their talents and learn new skills with the long-term aim of equipping them with the capacity to independently create corporate gifts. We support them by sponsoring their training with various artists who practice different art forms, such as glass art and silk screen printing. Once they learn the skill, we commission their creations as limited edition gifts for clients and employees. We also work with

external partners or clients who would like to purchase these works.

Through this KPMG Cares program, the participants gain employment, personal confidence and hope as the larger community view them in light of their strengths, talents and capabilities.

We will continue to reach out to sponsor more participants so that they will also be given opportunities to learn new skills and encourage other partners or clients to support this program.

More information can be found on [kpmgcares.com](http://kpmgcares.com).



### Progressive Wages Pledge

We initiated the Progressive Wages Pledge (PWP) with the mission of promoting business responsibility for

lower-end wages, through transparency of company policies. The Pledge is designed to be an aspirational, voluntary, business-led initiative.

Participating companies acknowledge their responsibilities in looking after their lower-waged staff. The companies are encouraged to publish and share information relating to lower-paid employees and the company's policies in relation to these employees.

They commit to adopting the recommendations of the National Wages Council (NWC), and are encouraged to upgrade the skills of such employees. The target group is full-time employees in Singapore with gross monthly wages of less than \$2,000, which is the income eligibility threshold for the Workfare Income Supplement Scheme, through which the Singapore Government supplements the incomes of low-wage workers.

It is our policy to actively manage lower-end wage policies to reduce the proportion of such employees. We have commenced our review of their job scope and are in the process of making changes to enrich or enlarge their nature and scope of work, where applicable. We are working on publishing our first Progressive Wages Pledge disclosure in 2017. Moving forward, we will also be reviewing our purchasing arrangements and encouraging our suppliers to support the Pledge.

We recognise we cannot accomplish the mission alone and will need to work with our clients and the wider business community.

## Give Time

Give Time gives each staff member up to 40 hours per year to contribute meaningfully towards a community of their choice. In 2016, over 9,000 Give Time hours were used by staff to volunteer on various projects spread across Thailand, Myanmar, Cambodia, Malaysia and Singapore.

## Make a Difference Day (MADD)

MADD gives employees a day to spend with beneficiaries of selected voluntary welfare organisations. In 2016, close to 13,000 volunteer hours were contributed by employees reaching out to more than 4,800 beneficiaries through the MADD programme.

## Regional Outreach Programme (ROP)

KPMG sends volunteer teams throughout the year to help enrich the learning curriculum of a village school tucked away in a remote and rural area on Elephant Mountain in Dalat, Vietnam. More than 270 employees have taught in Elephant Village School.

## Industry Associations and Professional Bodies

Our partners and staff actively contribute back to the profession and the industries we service through representation on committees, work groups and a range of thought leadership activities so as to provide leading insights to strengthen the profession, capital markets and the business community.

## Volunteers in Action

Over **9,000**



Give Time hours contributed by staff



**13,000**

volunteer hours contributed by employees reaching out to more than 4,800 beneficiaries through the Make a Difference Day programme



**270** staff participants to Elephant Village School since 2013



**2,250**

pro-bono hours to the Shared Services For Charities, a not-for-profit charitable organisation



Our people are members of a number of associations representing various industries and societal areas, where they serve on boards, executive committees and working groups for specific topics. A list of external initiatives and association memberships that KPMG International (and thus KPMG in Singapore) endorses can be found in Table 1.

**Table 1. External Initiatives & Association Memberships in International Organizations/Bodies**

**External Initiatives & Association Memberships in International Organisations/Bodies**

<b>United Nations Global Compact (UNGC)</b>	KPMG International is proud to be a signatory to the UNGC, a principles-based initiative that aims to influence the creation of a more sustainable and inclusive global economy. It is the world’s largest corporate citizenship initiative and its purpose is to demonstrate and build the social legitimacy of businesses and markets. By participating in the UNGC, we demonstrate our commitment to advancing the business agenda as an active corporate citizen.
<b>International Integrated Reporting Council (IIRC)</b>	KPMG International is an active participant within the IIRC in its work to promote integrated reporting to address the gap between reporting content and business value, with official representation by KPMG International as well as involvement by KPMG partners and employees across the globe.
<b>World Business Council for Sustainable Development (WBCSD)</b>	KPMG International actively participates in the WBCSD. KPMG is involved in a variety of WBCSD projects. Our involvement focuses on the Social Impact cluster, where we participate on the board, in the Redefining Value work stream, the Greenhouse Gas Management team and the Future Leaders team.
<b>World Economic Forum (WEF)</b>	KPMG International is a Strategic Partner to the WEF, working with them to help shape initiatives, projects and task forces and to give intellectual guidance through the participation of our senior executives. KPMG has a strong presence at Davos every year and regional leadership also participates in the Regional Summits that take place throughout the year.
<b>Enactus</b>	<p>Enactus is a global non-profit organisation mobilising university students to make a difference in their communities while developing skills to become socially responsible business leaders. Enactus teams develop business projects that have a positive social impact over the course of a school year and compete nationally. Winning teams are invited to compete at the annual Enactus World Cup.</p> <p>KPMG International has sponsored Enactus for over 16 years and is currently the Global Presenting Sponsor of the Enactus World Cup. With more than 2,000 students showcasing a host of inspiring projects that are transforming lives, Enactus is harnessing the power of entrepreneurial action to drive vital social enterprise projects.</p>
<b>One Young World</b>	One Young World summit is a global entrepreneurial forum for young future leaders. Hailed as a “junior Davos” the annual One Young World summit provides a global platform to develop, empower, engage and network with the best and brightest people – helping them to grow into socially responsible business leaders. Over three intensive days, our delegates joined 1,300 other young leaders to debate and formulate positive, actionable solutions for the most pressing issues facing the world today.
<b>Human Rights</b>	KPMG International’s Human Rights Statement is in accordance with the UN’s Guiding Principles on Business and Human Rights. The statement lays out our commitment to respect human rights within our sphere of influence and builds on our long-standing support for the UNGC.
<b>Women’s Empowerment Principles</b>	KPMG International is a signatory of the UN’s Women’s Empowerment Principles, a set of principles for business that offers guidance on how to empower women in the workplace, marketplace and community.

## Our Physical Environment

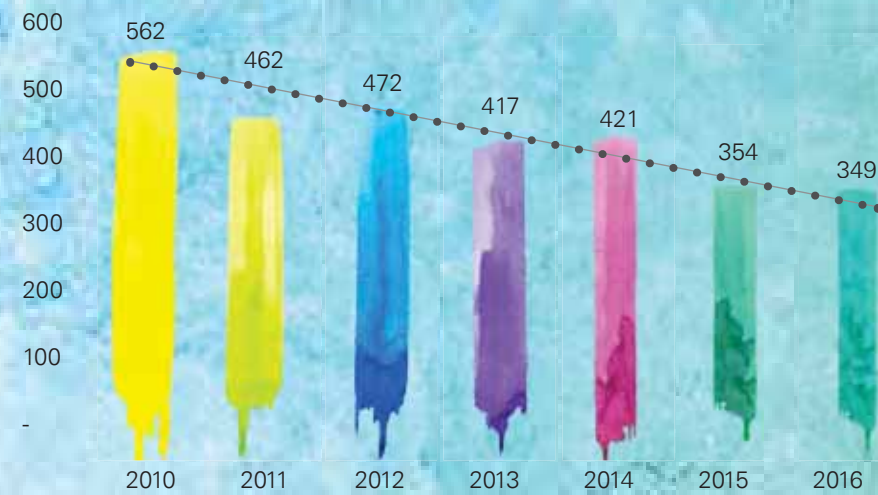
KPMG Global Climate Response (GCR) is the next evolution of the Global Green Initiative with broader goals and action on climate change. It demonstrates KPMG's commitment to reduce our impact on the wider environment whilst uniting our efforts to mirror those set out in the Sustainable Development Goals and the Paris Agreement on Climate.

2015 was the final phase of KPMG Global Green Initiative, our ambitious program to reduce environmental impact. We achieved 27 percent net emission reduction per full time employee (FTE) from a 2010 baseline, exceeding the target of 8 percent.

During the year, KPMG International revised its carbon emission calculation methodology for air travel to provide a more accurate reflection of the long term impacts of air travel related emissions. The GCR adopts the DERFA emissions factors inclusive of "radiative forcing" (RF) as of the 2016 collection year.

Applying the revised calculation methodology in Singapore, we attained 1.69<sub>1</sub> carbon emissions per FTE in 2016. With the revision in methodology, we will be recalibrating our target for 2017 to 2020. Paper usage per staff also decreased, made possible through sustainable choices and internal policies to use paper only when necessary.

Paper usage per person / per month





# OUR CLIENTS



# Putting our clients' interests first



At KPMG, we want our clients to see a difference in us. We aim to deliver quality that is unparalleled, working with clients to address their challenges by delivering deep expertise, leading insights and innovative solutions.

In 2016, we launched KPMG Digital Village, where we bring together corporates, start-ups, investors and government bodies in a collaborative ecosystem to drive innovative ideas and turn them into practical solutions. Our Digital + Innovation team helps our clients to navigate and respond to the challenges from disruptions to their business models.

We constantly challenge ourselves to respond to clients' interests and provide innovative solutions such as new investment platforms by bringing together multi disciplinary teams across tax, audit and advisory.

More information on professional trust and our delivery of quality work is set out on page 12.

Understanding our client's expectations is a crucial part of delivering the high quality work and service they expect. As part of our commitment to measuring our progress, and to enable us to work towards becoming the clear choice for our clients, we invited over 850 clients to take part in online engagement surveys and face-to-face interviews in 2016, which provided a wealth of valuable insights.

The strength of the business relationship with KPMG continued to be the category which was highest rated by clients in 2016, closely followed by technical expertise. Clients shared that they have strong working relationships with KPMG and recognised that KPMG's teams were technically strong and pragmatic. The surveys also revealed where respondents were looking for more, and in 2016 this related to value-add and sharing best practices, along with communication throughout the engagement.

Client Insights activity was enhanced in 2016 with the addition of the Service Champions programme. In its first year, Service Champions recognised the efforts of 66 teams of over 300 staff who were responsible for delivering excellent service, according to our clients' feedback.

Future enhancements to the programme include greater focus on interviews, to allow more in-depth information to be gathered from the firm's largest clients.

The background is a watercolor-style illustration. It features a mix of teal, light blue, and green washes. A dark, almost black silhouette of a person's head and shoulders is positioned in the center-right area. The overall effect is soft and artistic.

# OUR PEOPLE

# Inclusion and Diversity



KPMG strives to be an employer of choice by creating an environment where our people are clear about KPMG's purpose, to inspire confidence and empower change, for our clients and community. We recognise that our people are unique individuals with diverse strengths, and they are encouraged to discover their personal purpose at work and how it connects to KPMG's purpose, to find greater pride and confidence in their contributions, grow stronger connections with our clients and more impactful relationships with our community, so as to strengthen public trust in our profession and business.

At KPMG, we also work hard to foster an inclusive culture – we want everyone to feel a sense of belonging. KPMG believes in an inclusive culture where we strive together for equity, and where differences are valued. Inclusion & diversity are business imperatives; the issues of today call for diversity of thought and experience and we have to attract and keep the right talent, so as to be able to continually develop the right solutions to maintain relevance to our clients not just for the present time, but into the future. Our progress towards attracting and retaining the right people is measured based on indicators such as the quality of our hires the quality of their performance, and the market perception of our people.

With our people as our greatest asset, KPMG places significant emphasis on attracting and recruiting extraordinary talents. Our people are caring, passionate and take pride in our firm; are smart, curious and relish challenges; are globally minded, results focused and build enduring relationships.

We recruit persons who have skill sets different from those traditionally valued by the accounting fraternity, and increasingly look to recruiting people based on their abilities, both paper qualifications and other less tangible strengths, and on the value they can contribute to our clients. We welcome these talents for their professional expertise, and how they can enhance the diversity, innovation and creativity in the firm.

To attract talents from our targeted growth sectors, KPMG has been networking in new professional communities and participating more actively at forums and seminars to showcase our thought leadership. In the past year, special effort has been focused on raising the profile of Digital Village, KPMG Singapore's living lab for innovation that helps corporates, start-ups, investors and government bodies to collaborate on innovation solutions and deliver impactful outcomes to evolving business challenges.

To ensure that we attract top talent from new sectors, especially from the technology and start-up scenes, new ways of engaging and remuneration have been developed. To enhance the quality of our hires, an essential element to improve is the quality of interviewing. Competency-based interview training for interviewers in KPMG now focuses on candidates' thought processes and problem-solving skills in sector specific challenges, moving the focus away from traditional paper qualifications, to focus on how the candidates resolve real life situations.

As of December 2016, the number of employees working in KPMG was more than 2,900<sup>2</sup>. The large majority of our employees were permanent hires (93 percent), while the remaining were employed on contract basis.

At KPMG, we recruit people across all levels, from fresh graduates to experienced hires, with the majority of



the professional staff recruited being below 30 years old (Figure 1).

The majority of KPMG’s governance body, the Operations Committee, is between 30 and 50 years of age. This is reflective of the broad experience and skills necessary to run KPMG. The members of the Operations Committee are hired from within the local community, and comprise 8 males and 2 females. The minority group represents 10% of the Operations Committee.

Singapore’s statutory retirement age is 62, but under the law, employers are only required to offer re-employment to eligible employees who turn 62, up to the age of 65. However, in line with our ethos of inclusivity and diversity, KPMG extends employment to selected and suitable employees beyond 65 years of age. Such selections are based on merit and mutual agreement, and adds to the depth and breadth of our employee talent pool.

The overall ratio of female to male employees was 57% to 43%. Figure 2 shows the breakdown of male and female employees across different employee grades.

In 2016, we had already met, and indeed exceeded, the global target that we had committed to of 25 percent of female partners and aim for one-third women slate for director and above, by achieving 27 percent of female partners and 34 percent of women for directors and above.

Amongst our 2,900 employees, there are 41 nationalities.

**Figure 1: Age by Employee Grade**

Age group by employee grade	<30	30-50	>50
Management Group	11%	82%	7%
Professional staff	85%	14%	1%
Administrative staff	15%	53%	32%

**Figure 2: Gender by Employee Grade (%)**

Gender group by employee grade	Male	Female
Management Group	51%	49%
Professional staff	43%	57%
Administrative staff	15%	85%

After recruitment, developing and honing the myriad strengths across the firm, in order to provide quality service to our clients, is our main focus. There are two focus areas, firstly, a focus on lifelong learning as aligned with the KPMG global focus, and secondly, the efforts to constantly engage, communicate and recognise the work of our people.

The training for our people include professional qualifications and certifications by professional bodies and institutes, and soft skills development. KPMG is in the process of building an internal online training platform where staff can self-select and build their own training pathways, customised to their individual needs, so as to contribute their best efforts to create innovative work products and provide practical yet cutting-edge solutions to our clients. In this way, the firm is equipped to meet every client's progressing needs in this age of disruption and continuous change.

In terms of engagement and communication, there are multiple platforms and engagement opportunities throughout the year.

Our primary measure of engagement with our employees is through the Global People Survey (GPS) which is conducted across all KPMG member firms bi-annually. GPS is performed by an external consultant, and the GPS invites employees to tell us how they feel about KPMG. A Pulse survey (an abridged version of the GPS) is offered in alternate years to track our

progress on driving engagements. The results of the GPS and Pulse surveys enable us to identify trends and to calibrate our performance against key relevant benchmarks<sup>3</sup>.

In 2016, 2,402 employees of KPMG Singapore participated in the GPS. From the survey we noted that the Employee Engagement Index and Performance Excellence Index have improved when compared to 2015 Pulse survey indicating that issues raised last year have been acted upon and that there are improvements generally across the drivers of engagement. However we recognise that it is a continual journey to be undertaken by each and every individual in the firm, as we strive to continually improve and to develop our people to have a courageous, innovative and inclusive mind-set.

Another communication platform is the KPMG xChange, which is an informal, online forum for our people to anonymously share their concerns or discuss any topic of interest. Other modes of engagement include the on-going efforts to grow and expand the coaching and mentoring practices within KPMG, and the feedback and appraisal conversations with the performance managers of staff members.

Lastly, the basis through which our people in KPMG are recognised is constantly being reviewed and improved. Our people's work performance is evaluated on a transparent basis, and promotions are based on merit.



# LOOKING AHEAD

In KPMG we take seriously our role in building trust, thus we work towards providing the highest quality of work for our clients and all of our stakeholders. We believe in promoting innovative thinking, deep expertise, and ultimately achieving real results for clients.

Mobilizing the diverse collective hearts and minds of our people in our distinctly inclusive and respectful culture distinguishes KPMG in the marketplace, and brings us closer to achieving our goal of being the clear choice.

Building trust with high quality work and through our Public Trust programmes will continue to be our priority.



# KPMG in Singapore Sustainability Report

## GRI Standards Index

This report has been prepared in accordance with the GRI Standards: Core option, and while our report is not currently assured, we will consider assurance in future editions. Additional information on KPMG global network can be found in the 2016 KPMG International Annual Review at [kpmg.com](http://kpmg.com).

GRI Standards	Disclosure	Page Number	Omission
102-1	Name of the organisation	27	
102-2	Activities, brands, products, and services	6	
102-3	Location of headquarter	27	
102-4	Location of operations	27	
102-5	Ownership and legal form	27	
102-6	Markets served	6	
102-7	Scale of the organisation		As our entities are limited liability partnership and private limited companies, we are not required to disclose our financial statements and this is in line with industry practice due to commercial sensitivity. As our entities are not listed, there is no capitalisation information available.
102-8	Information on employees and other workers	20	KPMG did not hire any supervised workers during the year.
102-9	Supply chain		The procurement system is decentralised for specific items and business unit procures its own required items. KPMG has a Supplier Code of Conduct which guides us in the choice of suppliers. Almost all of KPMG in Singapore's supplies are sourced locally as we value supporting local businesses.

GRI Standards	Disclosure	Page Number	Omission
102-10	Significant changes to organisation and its supply chain		There is no significant change during the reporting period.
102-11	Precautionary principle or approach		We do not specifically address the principles of the Precautionary approach.
102-12	External initiatives	15	
102-13	Membership of associations	15	
102-16	Values, principles, standards, and norms of behaviour	10	
102-18	Governance structure	10	
102-40	List of stakeholder groups	7	
102-41	Collective bargaining agreements		None of our employees are covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	7	
102-43	Approach to stakeholder engagement	7	
102-44	Key topics and concerns raised	7	
102-45	Entities included in the consolidated financial statements		As our entities are limited liability partnership and private limited companies, we are not required to disclose our financial statements and this is in line with industry practice due to commercial sensitivity.
102-46	Defining report content and topic Boundaries	7	
102-47	List of material topics	7	
102-48	Restatements of information		There were no restatements for the year.
102-49	Changes in reporting		No changes.

GRI Standards	Disclosure	Page Number	Omission
102-50	Reporting period		The reporting period is from 1 January to 31 December 2016.
102-51	Date of most recent report		2015
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report	28	
102-54	Claims of reporting in accordance with GRI Standards	24	
102-55	GRI content index	24	
102-56	External assurance	24	
103-1	Explanation of the material topic and its Boundary	7	
202-2	Proportion of senior management hired from the local community	21	
205-1	Operations assessed for risks related to corruption	12	
205-2	Communication and training about anti-corruption policies and procedures	12	
404-2	Programs for upgrading employee skills and transition assistance programs	22	
404-3	Percentage of employee receiving regular performance and career development reviews	22	
405-1	Diversity of governance bodies and employees	21	
413-1	Operations with local community engagement, impact assessments, and development programs	13	



# Footnotes

1. Our scope includes the use of a KPMG van, purchased electricity for our office spaces, air travel by employees for internal and client purposes. The data excludes fuel for electrical generators, electricity for common areas, and refrigerant used for cooling as the data was not available from our leasing vendors.
2. Headcount counts each permanent, contract, part-time and full-time hire as one employee.
3. Benchmarks include:
  - a. previous year's results,
  - b. KPMG Global results,
  - c. Top 40 Professional Services firms worldwide, and
  - d. Other companies in Singapore.
4. Scope 2 Greenhouse gas emissions
5. Emission factor obtained from Energy Market Authority (EMA)
6. Scope 3 Greenhouse gas emissions
7. Our KPMG Cares Team, led by KPMG in Singapore partner Lee Sze Yeng, oversees the firm's sustainability and corporate citizenship initiatives. The team monitors and manages our environmental performance, initiates volunteer projects, continuously engages our communities, champions the Public Trust programmes and galvanises our people to participate in corporate citizenship initiatives.
8. KPMG in Singapore welcomes feedback on this report and its contents from all of our stakeholders with a view of making improvements to our future disclosures and commentary. Please contact the Corporate Citizenship Team at: [sg-corp-citizenship@kpmg.com.sg](mailto:sg-corp-citizenship@kpmg.com.sg).
9. We are registered as KPMG LLP, KPMG Services Pte. Ltd, KPMG Corporate Finance Pte. Ltd., KPMG Consulting Pte. Ltd, KPMG Advisory Services Pte. Ltd. and KPMG Cares Limited, and are headquartered at 16 Raffles Quay, #22-00, Hong Leong Building, Singapore 048581. For the purpose of this report, we will collectively be referred to as 'KPMG in Singapore' and the report only covers KPMG's operations in Singapore.

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