



cutting through complexity

KPMG SUSTAINABILITY REPORT 2014



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Managing Partner Statement

KPMG, as a network of member firms, looks at sustainability from a business point of view – can KPMG sustain our operations for the next 10, 50, 100 years? How can we do so? Who do we need on board with us? What do we need to do, or to do better?

By consulting the people who work for us, and with whom we work closest, as well as with reference to research conducted by external focus groups, we have identified our key stakeholders and what they look for in a quality service provider. We must keep KPMG a brand that is in tune with, and trusted by, our clients. We must also strive to have and keep employees who are dedicated and trained to serve our clients.

This engagement with our people has been vital to our business. Based on our Global People Survey (GPS) in 2014, our employees have said that KPMG Singapore made significant improvements in our overall Employee Engagement Index (EEI) and Performance Excellence Index (PEI) scores against our 2012 results. Of interest, the EEI improved a significant 10% from 2012. This result reflects the Firm's focus, commitment and efforts to enhance the quality of employee engagement across the board. The improvements are also observed across all EEI-related items and drivers of engagement. The most significant improvements observed are items such as "I would recommend KPMG as a great place to work" and "Overall, I am extremely satisfied with KPMG as a place to work".

These were achieved by having a new look and a concerted and progressive approach to encourage, reward and recognise our people and their individual contributions. Looking ahead, we target to better our GPS results by

achieving 69% overall positive feedback from our employees for the 2015 EEI as compared to 65% in 2014.

Another key achievement is the significant reduction in emissions in 2014. Given that our environmental footprint was already low to begin with, instead of applying the KPMG global standard reduction target of 15% of 'Net' carbon emissions per full-time employee (FTE), against 2010 emissions, KPMG Singapore set an 8% reduction target. Despite the number of FTEs increasing by more than 14%, we exceeded our target and achieved a 15% decrease in 'Net' carbon emissions per FTE by 2014, ahead of the scheduled 2015. This was possible because of the effort put in by our employees, particularly in using less paper and reducing air travel to only when necessary. In 2015, we will assess one of our office spaces under the BCA Green Mark Office Interior scheme and are confident that our good environmental practices will be reflected well in the assessment.

KPMG Singapore published our first Sustainability Report in 2011 with the intention of sharing with our stakeholders the measures we take to reduce our environmental footprint. In 2012, when it was uncommon for service providers to do so, we published our report according to the GRI G3.1 reporting guidelines. This year, we continue to push ourselves to be ahead of the trend and have transitioned to the GRI G4 reporting guidelines, achieving 'In accordance – Core'. This report details our current engagement plans with our material stakeholders and the action steps we intend to take in the future as we aspire to be the Clear Choice for our clients, our people and the public.

Tham Sai Choy
Managing Partner, KPMG in Singapore

“ DESPITE OUR HEADCOUNT INCREASING BY MORE THAN 14%, WE EXCEEDED OUR TARGET AND ACHIEVED A 15% DECREASE IN ‘NET’ CARBON EMISSIONS PER FTE BY 2014, AHEAD OF THE SCHEDULED 2015. ”



Organisation Profile & Vision

Today, KPMG Singapore has more than 2,500 employees providing services in the following core areas, with Singapore being the principal market we operate in:

- Audit – services include financial statement audits, acting as reporting accountants, and providing other assurance and attestation services, including sustainability reporting
- Tax – compliance and advisory services in the areas of corporate income tax, international corporate tax, global transfer pricing, personal income tax and goods and services tax
- Advisory – services include providing transactions and restructuring advice, management consulting, risk consulting and climate change and sustainability advisory.

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

The KPMG vision is to be the Clear Choice to

- Our People – who are extraordinary,
- Our Clients – who see a difference in us, and
- The Public – who trusts, values and respects us.

Corporate Governance

KPMG Singapore is a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss

entity. KPMG member firms are represented in over 155 countries with around 162,000 employees.

KPMG International’s key governance and management bodies include:

The Global Council that focuses on high-level governance tasks and facilitates discussion 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.

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, a 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.

94

current number
of partners in
KPMG Singapore

The Managing Partner, an executive position held by Tham Sai Choy, is 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.

Partners and Executive Directors Operations Committee



Tham Sai Choy
Managing Partner



Tan Wah Yeow
National Markets



Owi Kek Hean
Enterprise Markets



Peter Chay
Corporate Markets



Ong Pang Thye
Head of Audit



Tay Hong Beng
Head of Tax



Ho Wah Lee
Head of ASEAN
Collaboration



Bob Yap
Head of Advisory



Eng Chin Chin
Quality and Risk



Quek Shu Ping
People



R. Satyanarayan
Clarity Support



Philip Lee
Member

KPMG GRI G4 Methodology Adoption Process

In order to identify our material stakeholders, namely those who would be most impacted by significant economic, environmental and social changes within KPMG Singapore, we undertook external research and conducted internal dialogues. From there, we were able to conclude that our employees, our clients, industry associations and professional bodies, and our communities would be most affected by changes in KPMG Singapore.

We identified the material Aspects and their Boundaries which we would report on based on RobecoSAM's Sustainability Yearbook 2014, GRI's Sustainability Topics for Sectors and the GRI G4 Principles for defining report content. The material Aspects identified are as follows:

Material Issues Identified	Corresponding GRI Aspects	Boundaries
Development of employees	Training and education	Within organisation
Fair and equal hiring	Diversity	Within organisation
Integrity of business	Anti-corruption	Within organisation
Energy consumption	Emissions	Within organisation
Quality service delivery	Product and service labelling (customer satisfaction survey)	Within and outside of organisation
Local presence in corporate governance body	Market presence	Within and outside of organisation
Giving back to the community	Local communities	Within and outside of organisation

KPMG Sustainability Report Approach

At KPMG Singapore, our stakeholders are fundamental to our success, helping us to form our strategies and initiatives and also drive our business. Our stakeholders expect our actions to reflect those of a responsible organisation. They expect to engage with us and that we will be accountable for our actions. Our key identified stakeholder groups are:

Our Employees

KPMG Singapore's greatest asset is our people – our employees are the heart of our business and significant emphasis is placed on recruiting the right talents, developing, motivating and equipping them with the right tools and skills, in order to provide quality service to our clients.

Our Clients

Our clients' engagement with us allows the ongoing success of KPMG Singapore. Our clients look to us for a consistently high standard of service based on our professional capabilities, industry insight and local knowledge.

Industry Associations and Professional Bodies

Our people contribute back to the industries we service through a range of thought leadership activities, such as providing relevant and timely inputs to professional and industry bodies. A number of partners also sit on boards of a variety of these associations and bodies as well as on government statutory boards.

Our Communities

KPMG Singapore is committed to the communities in which we operate and the issues that affect them. This commitment is one of the key, enduring qualities of our people and our brand. It is a core part of our Employer of Choice strategy and the way we express this commitment defines what it means to be a part of KPMG Singapore. Our involvement includes representation on boards of schools and non-governmental organisations.

Figure 1: KPMG's Four Pillars of Environment

KPMG Singapore's stakeholder engagement approach is categorised into four pillars of environment – Work, Corporate, Physical and Social

Work environment | Work-life balance and talent management

We treat our people with respect and provide a diverse and conducive work environment with equal opportunities for everyone. We advocate a healthy balance between work and personal life and invest in our people by providing training and encouraging continuous learning.

Physical environment | Environmental impact and carbon footprint

We strive to reduce the environmental impact of the Firm. We help to educate staff at the Firm and individual level, and take positive action. We adopt environmentally friendly practices that conserve energy and increase efficiency of our resources. Our green initiatives are active throughout KPMG Singapore.

Social environment | Communities

We support local and professional communities. We encourage our people to take initiatives to use their skills and time to volunteer on a professional and social basis. Our corporate outreach effort, Make a Difference Day, is a business day dedicated to the community and celebrated in KPMG member firms around the world.

Corporate environment | Ethics and integrity, creating a culture of service excellence

Accountability and the practice of good governance apply to and are upheld by our people. We have a dedicated partner for Ethics and Independence and conduct regular independence audits and ethics training for all professionals.

Our Code of Conduct guides the way we operate and behave. We have a dedicated partner-led team, to educate and support our people in providing service excellence to clients. The Service Excellence Panel, with representation from the business functions within the Firm acting as champions, help shape initiatives and embed a service culture.

They play an important role in critiquing cases of nominations in our annual Service Excellence Team Awards, which recognises outstanding client service by employees based on client feedback.

Figure 2: Stakeholder Engagement Plan According to KPMG's Four Pillars of Environment

	Engagement Plan			
	Work Environment	Corporate Environment	Physical Environment	Social Environment
Employees	✓	✓	✓	✓
Clients		✓		
Industry Associations and Professional Bodies		✓		
Communities				✓

KPMG Employees

As of December 2014, the number of employees working in KPMG Singapore was 2,517.¹ This is an increase of 6% as compared to the previous year, in line with the Firm's plans of expanding headcount to meet expanding business needs. Most of our employees are permanent hires (96%), while the remaining are contract employees. The proportion of females amongst permanent hires is 58% and about 1% of permanent hires are hired on a part-time basis.

Within the Firm, the ratio of male and female employees is on average equally distributed, with 57% of total employees being females. Figure 3 shows the breakdown of male and female employees across different grades. At KPMG, we recruit people across all levels, from fresh graduates to experienced hires, and the majority of our people are between the ages of 30 and 50 years old (Figure 4).

Given the significant and vast experience required for the governance body, 42% of the Operations Committee is between 30 and 50, while the rest are above 50. All the members of the Operations Committee are hired within the local community, and comprise of 11 males and 1 female. Approximately 10% of the Operations Committee is considered minority, which is similar to that for the whole Firm.

Figure 3: Gender by Employee Category (%)

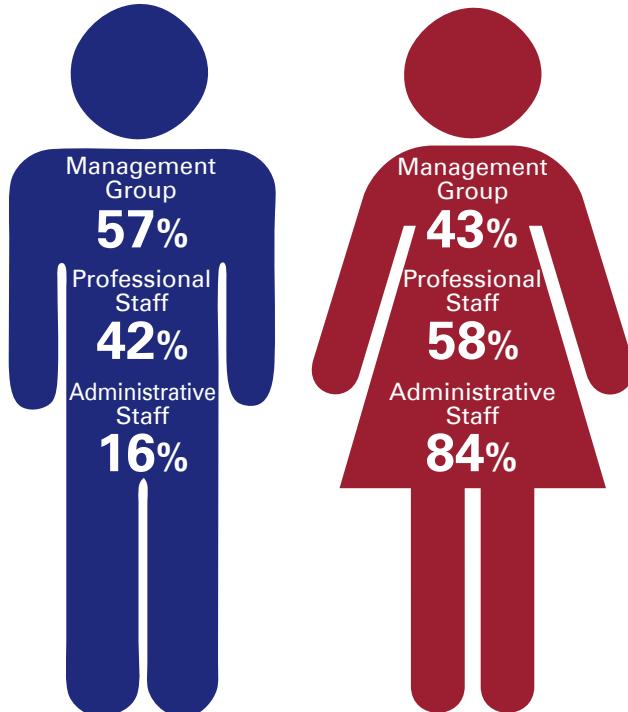


Figure 4: Age by Employee Category (%)

	<30	30-50	>50
Management Group	5	84	11
Professional Staff	73	26	1
Administrative Staff	14	50	36



KPMG Employee Engagement

Our primary engagement with our employees is through the Global People Survey (GPS) which is conducted across all KPMG member firms once every two years. An external consultant is engaged to perform this exercise to measure the levels of engagement and progress against our key priorities. The GPS invites employees to tell us how they feel about KPMG Singapore. In alternate years, a Pulse survey (which is an abridged version of the GPS) is offered to track our progress on driving engagements.

The results of the GPS and Pulse surveys facilitate KPMG Singapore in considering trends and performance against internal and

external benchmarks². Results focus on the drivers of engagement, which help KPMG identify the right strategies to improve engagement.

The results of the surveys are analysed and conveyed to the respective Business Unit heads who will then develop action steps to address the issues raised. In 2015, we will be conducting a Pulse survey and we hope to see a 4% improvement in our employee's positive feedback on Employee Engagement from 65%. We recognise that this will be a continuing process of improvement as our people develop within the Firm and fresh faces join us. We seek to develop our people to be caring and courageous and to have lasting pride in our Firm.

In the 2014 GPS



Employees said that the Firm showed improvement against the benchmarks in the following areas:

- Communicating about matters that affect employees
- Collaboration between teams in Singapore
- Remuneration package
- Career opportunities at KPMG
- Supervisors supporting personal growth and career development of employees
- Employees being encouraged to contribute to the community
- Good matching of employees' skills and abilities to their job scope
- Availability to appropriate resources



Employees identified the following as areas where improvement is needed:

- Management demonstrating KPMG values in their behaviours and actions
- Regular feedback about performance, providing suitable remuneration and rewards compensation
- Advancement opportunities



KPMG Singapore believes that good service plays a crucial role in creating strong, sustainable relationships with our clients which enables us to maintain a sustainable business. Thus, our Service Excellence (SE) team works on a range of initiatives to raise standards to encourage and support our people to continually deliver high quality services.

We also have an employee code of conduct and a core set of values (Figure 5) which employees are expected to adhere to when dealing with all parties.

Our Risk Management Department is responsible for driving compliance with the Firm's risks, ethics, independence and quality, policies and guidelines, all of which are critical for KPMG International and the network of independent firms. Enhancing and protecting our brand, our reputation, and having the confidence and trust of our key stakeholders are at the heart of KPMG's approach to quality and risk management. This means that we aim to have quality employees who will provide quality service and act with integrity at all times.

Employees are trained periodically to improve their service delivery capabilities, identify potential risks and develop mitigating strategies. To ensure that the development of our employees is in line with our clients' needs and expectations, KPMG Singapore periodically reaches out to our clients to seek feedback on our services.

Figure 5: KPMG Values

Our core 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.

Risk Management, Ethics, Independence and Quality

KPMG is focused on managing risks intelligently and in a balanced way that recognises and addresses differences in the risk profiles of different clients, industries, services, and legal environments.

At KPMG, 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.

KPMG International's structured Quality Performance Review (QPR) programme monitors the quality and risk management effectiveness of the Audit, Tax, and Advisory businesses within each KPMG member firm. There is special focus placed on ensuring that audit services comply with international professional standards and meet regulatory expectations.

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

All new joiners at KPMG Singapore are required to undertake certain mandatory risk awareness training courses and all partners and professionals undergo annual independence training. Training covering compliance with laws, regulations and professional standards must be completed by employees twice a year for all Assistant Managers and above. New hires from Senior Associate levels onwards, as well as newly promoted Partners, are required to complete this within three months from date of hire or date of promotion. A refresher course is provided to all newly promoted Managers. KPMG has established Centres of Excellence (which are small responsive groups of highly mobile specialists with deep industry knowledge) to address the specific needs of our clients. The Centres of Excellence do so by supporting our diverse group of professional staff locally and within the KPMG network to bring even higher quality industry and technical expertise into our service offerings.



Anti-Corruption

Ethics and integrity are crucial to our reputation and also to what we do. 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.

KPMG Singapore's local policies require the provision of anti-corruption training to all professionals and the maintenance of strict policies guiding ethical behaviour. Every potential engagement has first to be assessed for any possible conflicts of interest against existing clients in the Sentinel™. After which, the engagement will be assessed for risks related to corruption (e.g. against UN organisations and US sanction lists) as well as money laundering and terrorist financing. A risk grade is attached to each potential CEAC. Evaluations that are deemed to be high risk will be escalated for review by the Risk Management Department. Such engagements will be assessed to determine if they should be proceeded with, with mitigating step being taken, or if they should not be proceeded with at all.

Employee Training & Development

In order to improve service quality by employees to clients, employees can choose training programmes that are necessary to their work, as well as those that interest them.

Goal Setting

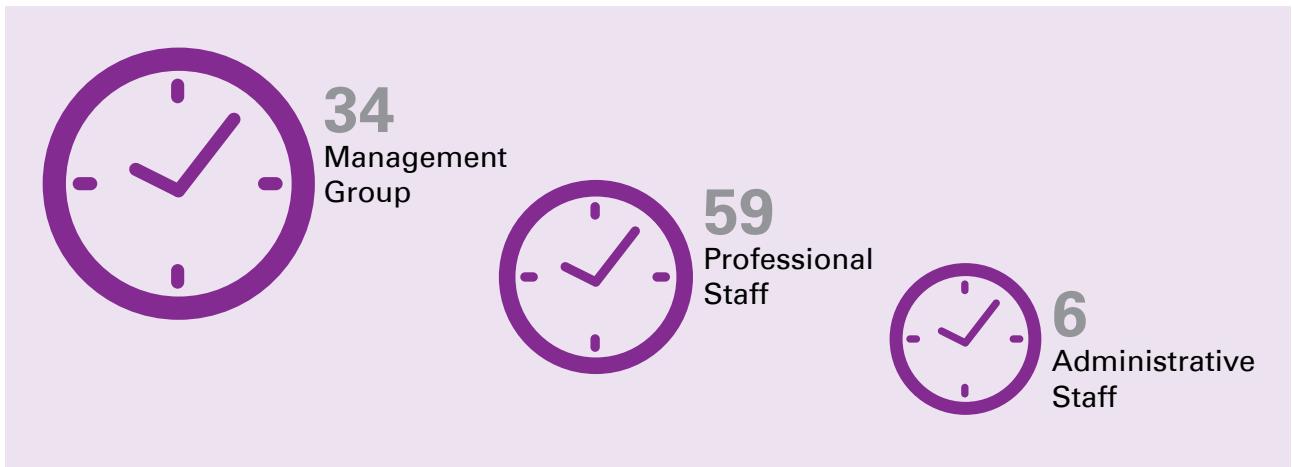
All employees are required to set goals for the year via the KPMG Global "My Performance Development" (MyPD) system. Each employee is allocated a Performance Manager who will mentor the employee and provide on-going feedback for each engagement performed. At the end of the year, the employee's performance is reviewed and charted against the goals previously set.

In 2013, KPMG Singapore introduced "Tell Me How I'm Doing" – a feedback channel to enable junior employees to provide quick and anonymous feedback to Managers and above. Feedback received goes towards the performance evaluations of the relevant managers and more senior personnel.

Training

In KPMG Singapore, training is delivered throughout the year via physical classroom courses or online electronic learning. Training is function and grade specific, and includes methodology training, technical updates based on regulatory and industry requirements, as well as non-technical training, such as presentation and coaching skills. Since training is function and grade specific, regardless of gender, we report (Figure 6) average training hours by employee grade categories.

Figure 6: Average Training Hours by Employment Category



Retirement and Transition Assistance

Six months before an employee reaches 62 years of age (Singapore's official retirement age), the Human Resource Department would identify the employee and notify his/her Partner. The Partner would then discuss with the employee about retirement or re-employment.

Where appropriate, KPMG Singapore may offer re-employment contracts (till age 65) to employees who are attaining 62 years of age, or offer a one-off Employment Assistant Payment (EAP) for employees who satisfy the criteria for re-employment but where KPMG Singapore does not have a suitable job opening. Employees who do not meet re-employment or EAP payment criteria are informed of the fact at least 3 months before they reach retirement age.

Face-to-face exit interviews are conducted by the Human Resource Department for employees who are leaving KPMG Singapore.

Finding Out What Our Clients Think

Knowing how our clients would like us to work with them is essential to the Service Excellence Team (SE Team). Thus, gathering client feedback is one of the SE Team's main initiatives.

Since 2007, we have gathered client feedback through surveys and interviews with selected clients. Throughout the past eight years, we saw good levels of client satisfaction, received suggestions on areas of improvement, and obtained valuable insights through this mode of feedback.

In 2014, our feedback programme was enhanced and re-launched as the Client Experience Index (CEI). In its first year, over 500 of KPMG's largest clients were invited to participate in a short, online survey in which they were asked about the service delivered by our teams, the strength of their relationship with our people, whether they felt value was added to their business and, for the first time, whether they would recommend KPMG's service to their peers.

The survey revealed continued satisfaction in the strength of our relationships (81% rating good to excellent) with clients and the service experience we deliver to them (84%). Clients highlighted good levels of responsiveness, management of timelines, and the ability to empathise and show knowledge of our clients' organisations

and their industries. Areas suggested for enhancement included value adding, for example, bringing ideas to our clients regarding efficiency enhancements and increasingly sharing of best practices.

Changes to the survey will be further enhanced in 2015 with the introduction of a client loyalty methodology known as the Net Promoter Score (NPS®). This measure is industry best practice and an organisation's score is calculated by subtracting the number of detractors (those not at all likely to recommend KPMG to their peers) from the number of promoters (those who would be extremely likely to recommend KPMG). It will provide a framework to analyse and benchmark KPMG's service performance against other businesses and industry sectors.

With service continually being an important area of focus for KPMG Singapore, our clients' views remain at the centre of the SE Team's work. Further enhancements to the survey include doubling the number of clients surveyed and integrating the survey results within partner performance reporting.

It is KPMG's priority to deliver quality that is unparalleled. The objectives of our policies around training and developing our people are to allow us to build lasting relationships and to bring leading insight and innovative solutions to our clients.



KPMG Global Green Initiative

The KPMG Global Green Initiative (GGI) was launched in 2008 utilising three main strategies to address climate change:

1. Measuring, reporting and reducing our greenhouse gas emissions,
2. Supporting environmental projects within our wider commitment to our communities, and
3. Working with our people, suppliers and clients to help them improve their climate change impacts.

Part of KPMG's commitment to responsible business is managing our environmental footprint. As a services firm, we may have a smaller scope to manage than many other entities when assessing the environmental impact and footprint of our operations.

However, we have set ourselves ambitious goals and are utilising a number of initiatives to help achieve these targets. In June 2012, KPMG member firms committed to managing and reducing our environmental impact, seeking to reduce our net greenhouse gas emissions per full-time employee (FTE) by 15% in 2015, as compared to 2010. In view of our already smaller footprint in Singapore, the target set for KPMG Singapore was to achieve an 8% reduction in net emissions (against a 2010 baseline) per FTE by the end of 2015.

We are pleased to announce that in 2014, KPMG Singapore exceeded the target by achieving a 15%³ reduction in net emissions per FTE, and this despite an increase in total staff count by 14%! Our initiatives included responsible energy use and supporting our staff to make sustainable choices. A significant contribution was also our internal policy of reducing air travel and paper usage to only what is necessary.

Even though we have already more than met our target of 8%, we recognise that more can be done to improve energy efficiency and reduce carbon emissions from electricity use. As a pilot programme, KPMG

Singapore signed a "Green Lease Pioneer Tenant Agreement" with the landlord of two of our office spaces at the end of 2014. It requires us to assess our office premises for energy consumption, monitoring and reduction planning under the BCA Green Mark Office Interior scheme. This is a good opportunity for us to evaluate our green practices while enabling KPMG Singapore to continue decreasing our emissions even when expanding our operations. We hope to update this space in the coming year.

'Net' carbon emissions per full-time employee (tCO₂e)

2010	2011	2012	2013	2014	% change
1.85	1.60	1.51	1.72	1.58	-14.9

Total 'Net' carbon emissions for KPMG in Singapore (tCO₂e)

2010	2011	2012	2013	2014	% change
4,024	3,880	3,499	4,148	3,903	-3.0

Carbon emissions from electricity, heating and cooling⁴ (tCO₂e)

2010	2011	2012	2013	2014 ⁵	% change
1,212	1,343	1,529	1,518	1,380	13.9

Carbon emissions from air travel⁶ (tCO₂e)

2010	2011	2012	2013	2014	% change
2,812	2,537	1,967	2,627	2,521	-10.3

Total paper purchased (1,000 sheets)

2010	2011	2012	2013	2014	% change
14,653	13,408	13,189	12,063	12,535	-14.5

Total employees

2010	2011	2012	2013	2014	% change
2,173	2,420	2,323	2,412	2,479	14.1

Paper usage per person per month

2010	2011	2012	2013	2014	% change
562	462	472	417	421	-25.0

As a professional services firm, our people are our most valuable asset. The energy and the passion of our people drive us to be one of the leading professional services firms in Singapore. We know that behind our success, it is our people who make the difference. The well-being, growth and health of our employees are important to us, and the accolades we have received in this area show us that we are on the right track. KPMG Singapore is committed to supporting our people to reach their full potential and maintain our position as an "Employer of Choice".

Awards

KPMG Singapore is proud to be ranked 4th in Singapore's 100 Leading Graduate Employer awards, which recognises Singapore's most popular graduate recruiters based on a comprehensive poll of university students and graduates, powered by the Singapore Graduate Barometer.

We were also ranked 8th in Universum's 2014 Ideal Employer rankings. At KPMG Singapore, we understand that each individual plays a different role in their families, and we encourage our people to claim their identity by allowing them to strive for work-life balance.

Our efforts have been recognised by KPMG Singapore being one of the fourteen winners (out of 200 nominees) for the "Best Companies for Mums Award 2014"⁷ and the "Work-Life Excellence Award 2014"⁸.

Our employees' well-rounded lives are complemented by an active lifestyle. Through our Recreational Club, which offers more than 20 different sports groups championed by dedicated individuals, our firm encourages our people to exercise.

These sports groups represent KPMG Singapore at various competitions, such as the ISCA Games⁹ (where we were the 2014 Champion), as well as the Corporate Community Games¹⁰ where we won the Overall Winner title in 2014.



Other accolades that KPMG Singapore won in 2014 include the following:

- Human Resources Excellence Awards 2014
- Leading HR Practices in Strategic HR
- Leading HR Executive Award
- Excellence in Employee Work-life Balance (Gold)
- Corporate HR Award
- Leading HR Professional Award
- Leading HR Practices in Regional/ Global/ International HR
- Leading HR Practices in Corporate Social Responsibility
- Leading HR Practices in Quality Work-Life, Physical & Mental Well-Being Award
- HR Advocate Award (Leading HR Practices in Regional/Global/ International HR in 2014)
- Leading HR Practices (Special Mention) in Employee Relations and People Management

Championing Events and Causes

KPMG aims to be the Clear Choice to the public, valued by investors and respected in our profession. To enable greater interaction with our wider stakeholders, KPMG Singapore carefully selects the events and causes we support to ensure that they are in line with our values and culture. Some of them include:

- **Business Enterprise:** The Enterprise 50 (E50) Awards, sponsored by OCBC Bank, was first established in 1995, and recognises local, privately-held companies who have contributed to the economic development in Singapore and abroad. KPMG Singapore co-organises the event with The Business Times, with support from International Enterprise Singapore (IE Singapore), Singapore Business Federation (SBF) and SPRING Singapore. The 20th E50 Awards ceremony was held on 27 November 2014, where we acknowledged 50 promising local enterprises (Figure 7).
- **Gender Equality:** KPMG is proud to be a founding sponsor of Women Corporate Directors (WCD), a global organisation of women who together serve on more than 2,600 boards of directors worldwide. Our sponsorship provides opportunities for KPMG's women partners to connect with, and build relationships with, senior women representing many of our client companies, while still enabling them to further develop their own leadership skills through their participation in various committees and other activities. The Chairperson of the WCD Chapter in Singapore is one of our women partners, Ang Fung Fung. WCD Singapore's events are mostly organised and sponsored by KPMG Singapore. The most recent event was a one and a half days' WCD Asia Institute 2014 conference held in Singapore in September 2014, which brought together over 50 women directors from the Asian region to discuss issues faced by executive teams and boards around the world.
- **Sustainability and the Environment:** KPMG Singapore has been the Knowledge Partner of the Singapore Sustainability Awards, organised by the SBF, since 2009. The Awards recognise and celebrate companies which have strongly embraced sustainability and are passionate about not only being more responsible but also innovative in our resource-scarce environment. KPMG Singapore believes that only when companies recognise their social responsibility and accountability, and act on it, can the world be assured of sustainable growth and development for the future.
- In addition to supporting events, 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 Singapore) endorses can be found in Table 1 on the following page.



Figure 7: Winner and partners of the E50 2014 line up for a photo

Table 1: External Initiatives & Association Membership to International Organisations/Bodies

United Nations Global Compact (UNGC)	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.
International Integrated Reporting Council (IIRC)	KPMG International is an active participant within the IIRC, with official representation by KPMG International as well as involvement by KPMG partners and employees across the globe.
World Business Council for Sustainable Development (WBCSD)	KPMG International actively participates in the WBCSD. KPMG is involved in a variety of WBCSD projects, from Greenhouse Gas Management to the Future Leaders Team to the Water Working Group, providing our insight to advance the Group's mission.
World Economic Forum (WEF)	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.
Enactus	<p>Enactus is a global non-profit organisation mobilizing 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 15 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>
One Young World	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.

Human Rights	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.
Women's Empowerment Principles	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.
United Nations Declaration on the Rights of Indigenous Peoples	KPMG in Australia, on behalf of the KPMG network of member firms, participated in the inaugural taskforce and contributed as a member of the Global Compact multi-stakeholder Expert Group, which was convened to help finalize the Guide. KPMG in Australia is a recognized leader in indigenous engagement. The first major Australian accounting firm to have a Reconciliation Action Plan (RAP), the Firm is committed to addressing economic disadvantage for Indigenous Australians. The Firm supports a number of key initiatives as part of its RAP, including staff secondments with indigenous communities, a commitment to indigenous procurement and cultural awareness training.



KPMG Community Investment: Leading for the Common Good

KPMG Singapore employees are committed to support and enrich the well-being of communities by utilising our expertise for the common good. To realise these social endeavours, KPMG Singapore has extensive programmes and initiatives in place.

Give Time

Give Time gives each employee up to 40 hours of paid working time per year to contribute meaningfully as an individual or as part of a team towards a community of their choice. In 2014, 2,329 Give Time hours were used by employees to volunteer on various projects spread across Singapore, Cambodia, Malaysia (Malacca) and Myanmar. Some of the beneficiary organisations include Save the Children in Asia, Hopehaven Centre for Special Children, Riverkids Foundation, and YMCA.

Make a Difference Day (MADD)

As separate business units or departments, employees participate in KPMG Singapore's MADD initiative. MADD gives employees a day to spend with beneficiaries of selected Voluntary Welfare Organisations (VWOs). Past activities include cleaning up one-room flats of the needy elderly, picking up litter from the beach, and painting murals.

In 2014, more than 8,800 volunteer hours were contributed by employees through the MADD programme. The employees cared for the environment, worked with the elderly, helped children with special needs and tended to animals at the shelter.

Regional Outreach Programme (ROP)

Since April 2013, the Firm has been sending volunteers to a remote village school in Dalat, Vietnam, as part of our ROP. With the money contributed by volunteers to the Elephant Village Community Fund, the KPMG Singapore volunteers have helped to

renovate the school and built 2 toilets for the school children.

In 2014, in addition to volunteers from KPMG Singapore, the ROP was opened to four participants from KPMG Malaysia, as well as a parent-and-child volunteer team from Moms & Pops @KPMG (MAPS). KPMG Singapore intends to continue extending the ROP and MAPS parent-and-child volunteer teams during the school holidays and to KPMG Malaysia and other regional network offices so as to foster greater bonding.

With over 160 employee participants thus far, KPMG Singapore is continuing a legacy of education in the larger community.

KPMG Corporate Citizenship Exchange Programme

Four enthusiastic volunteers from KPMG Singapore participated in KPMG Malaysia's annual Reef Check programme in May 2014. They were split into two groups, where one team took part in the Eco-Dive programme and the other helped out with the Eco Camp. They helped to perform surveys on the two dive sites and also embarked on a certification programme to become EcoDivers. At the Eco Camp, besides conducting water-confidence sessions for the children, our volunteers from KPMG Singapore also facilitated many fun-filled educational activities.



Figure 8: The KPMG Singapore team with the school children in front of the Elephant village school.

2014: KPMG Singapore Volunteers in Action

The Tax practice with more than

350

employee volunteers conducted excursions for the disabled, organised fund-raising activities and participated in a charity run.

Audit employees collaborated with the Thye Hua Kwan Moral Charities to spring clean the homes of

30

elderly residents living in Ang Mo Kio.

More than

120

employees participated in the Seashore-Life Programme, cleaning up East-Coast beach.

At KPMG, our people are encouraged to choose for themselves the organisations they want to contribute to as those would be the areas closest to their hearts and the giving of time will be most meaningful to them. We hope that by doing so, our people are empowered to take ownership of the decisions they make, and in turn inspire others to do the same.

23

Audit employees spent over

1,500

hours doing pro-bono work for Shared Services For Charities, a not-for-profit charitable organisation.

Our Audit PIC office conducted home visits and played board games with the wheelchair-bound elderly at the Kwong Wai Shiu Hospital.



Audit employees worked with the Prison Support Services to organise an outing to the Jurong Bird Park, reaching out to close to

140

beneficiaries

240

employees from the Audit Diversified Industrials & Infrastructure (DI&I) practice, celebrated Children's Day with Grace Orchard School.



KPMG SINGAPORE SUSTAINABILITY REPORT GRI G4 INDEX

This Sustainability Report has been prepared to “In accordance – Core” of the GRI G4 guidelines, and while our report is not currently assured, we will consider assurance in future editions.

GENERAL STANDARD DISCLOSURE

GRI G4 Index	Indicators	Disclosure	Page/Reason for Omission
Strategy and Analysis			
G4-1	CEO Letter	Full	4
Organisational Profile			
G4-3	Organisation name	Full	27
G4-4	Primary brands, products, and services	Full	6
G4-5	Headquarters location	Full	27
G4-6	Where the organisation operates	Full	27
G4-7	Nature of ownership and legal form	Full	27
G4-8	Markets served	Full	27
G4-9	Scale of the organisation	Partial	10 & 27 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 capitalization information available.
G4-10	Total number of employees by type	Full	10 KPMG did not hire any supervised workers during the year.
G4-11	Collective bargaining agreements	Full	None of our employees are covered by collective bargaining agreements.
G4-12	Supply chain description	Full	The procurement system is decentralised for specific items and each business unit procures its own required items. KPMG has an underlying Supplier Code of Conduct which guides us in the choice of suppliers that KPMG Singapore chooses. Almost all of KPMG Singapore's supplies are sourced locally as we value supporting local businesses.
G4-13	Organisational changes during the reporting period	Full	There were no significant changes during the reporting period.
G4-14	Precautionary principle	Full	12 – 13
G4-15	External charters, principles, or other initiatives	Full	20 – 21
G4-16	Membership associations	Full	20 – 21

GRI G4 Index	Indicators	Disclosure	Page/Reason for Omission
Identified Material Aspects and Boundaries			
G4-17	Entities included in 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. As 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 capitalization information.
G4-18	Process for defining report boundaries and content	Full	8
G4-19	Material Aspects included in the report	Full	8
G4-20	Descriptions of material Aspect boundaries within the organisation	Full	8
G4-21	Descriptions of material Aspect boundaries outside the organisation	Full	8
G4-22	Restatements	Full	There were no restatements for the year.
G4-23	Changes from previous reports in terms of scope and/or boundaries	Full	This is the first year of GRI G4 reporting.
Stakeholder Engagement			
G4-24	Stakeholder groups	Full	8
G4-25	How stakeholders were identified	Full	8
G4-26	Approach to stakeholder engagement	Full	8, 11, 14, 15, 16, 18 – 19, 22 – 23
G4-27	Topics raised during stakeholder engagements	Full	11, 16
Report Profile			
G4-28	Reporting period	Full	The reporting period is from 1 January to 31 December 2014.
G4-29	Date of most recent report	Full	2013
G4-30	Reporting cycle	Full	Annual

GRI G4 Index	Indicators	Disclosure	Page/Reason for Omission
G4-31	Report contact	Full	28
G4-32	"In accordance" option, GRI Index and report assurance	Full	24 – 27
G4-33	Policy regarding report assurance	Full	24
Governance			
G4-34	Governance structure of the organisation	Full	6 – 7
Ethics and Integrity			
G4-56	Code of conduct	Full	12

SPECIFIC STANDARD DISCLOSURE

Aspects	GRI G4 Index	Indicators	Page
Category: Economic			
Market Presence	G4-EC6	Proportion of senior management hired from the local community	10
Category: Environmental			
Emission	G4-EN16	GHG emissions (Scope 2)	17
Category: Social			
Sub-category: Labour Practices & Decent Work			
Training & Education	G4-LA9	Average hours of training for employees	14 – 15
Training & Education	G4-LA10	Programs for skills management managing career endings	15
Training & Education	G4-LA11	Employees receiving performance and career development reviews	14
Diversity & Equal Opportunity	G4-LA12	Composition of governance bodies and employees	10

Aspects	GRI 4 Index	Indicators	Page
Category: Social			
Sub-category: Society			
Local Communities	G4-SO1	Local community engagement, impact assessments and development programs	22 – 23
Anti-corruption	G4-SO3	Risks related to corruption	12 – 14
Anti-corruption	G4-SO4	Communications and training on anti-corruption	12 – 14
Category: Social			
Sub-category: Product Responsibility			
Product & Service Labelling	G4-PR5	Surveys measuring customer satisfaction	16

Footnotes / End Notes

¹ Headcount counts each permanent, contract, part-time and full-time hire as 1 employee.

on Work-Life Strategy confers the Work-Life Excellence Award on organisations for their excellence in Work-Life Strategies. The biennial Award pays tribute to organisations that are committed to helping employees harmonise work and personal needs.

² Benchmarks include
i. previous KPMG Singapore results,
ii. KPMG Global results,
iii. Top 40 Professional Services firms worldwide, and
iv. 71 companies within Singapore.

⁹ The three-month-long Institute of Singapore Chartered Accountants (ISCA) Games, hosted annually, features teams from audit and commercial firms who compete in sports for the ISCA Games championship title.

³ 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 use for cooling as the data was not available from our leasing vendors

¹⁰ The Corporate Community Games brought together over 45 companies across various industries to compete against one another in team sports including bowling, tennis, netball and 8-ball pool.

⁴ Scope 2 Greenhouse gas emissions

¹¹ Our Corporate Citizenship Team, led by partner Lee Sze Yeng, oversees the Firm's sustainability and social responsibility initiatives. The Team monitors and manages our environmental performance, initiates volunteer projects, continuously engages our communities, proposes new ways to conserve resources and galvanises our people to adopt green practices.

⁵ Emission factor obtained from the Ministry of the Environment & Water Resources (MEWR)'s Climate Change and Energy Efficiency statistics as of 31 March 2015 (<http://app.mewr.gov.sg/web/Contents/Contents.aspx?ContId=683>)

¹² KPMG Singapore welcomes feedback on this report and its contents from all of our stakeholders with a view to making improvements to our future disclosures and commentary. Please contact the Corporate Citizenship Team at: sg-corp citizenship@kpmg.com.sg.

⁶ Scope 3 Greenhouse gas emissions

¹³ We are registered as KPMG LLP, KPMG Services Pte. Ltd., KPMG Corporate Finance Pte. Ltd. and KPMG Advisory Services Pte. Ltd., and are headquartered at 16 Raffles Quay, #22-00, Hong Leong Building, Singapore 048581. For the purposes of this report, we will collectively be referred to as 'KPMG Singapore' and the report only covers KPMG's operations in Singapore.

⁷ The Best Companies for Mums Award is given out by the National Trades Union Congress (NTUC) Women's Development Secretariat (WDS) and Tripartite Alliance for Fair Employment Practices (TAFEP), which recognises companies that have implemented the best flexible work arrangements (FWA) to help working wives and mothers in their companies achieve work-life integration.

⁸ The Work-Life Excellence Award recognises organisations with effective Work-Life Strategies in Singapore. This biennial award presents a good opportunity for forward-thinking organisations to be recognised as great employers. The Tripartite Committee

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