



Sustainability Report 2015







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Introduction

Managing Partner Statement

KPMG in Singapore continues to forge ahead in co-creating sustainable community initiatives. Together with our clients, we are committed to improving the lives of people and the ecosystem we live in. With passion and purpose, we work shoulder-to-shoulder to empower our communities and inspire confidence through our actions and investments.

For communities to grow sustainably and develop for the future, we believe that companies must recognise the role they play in social responsibility and accountability, and act on it.

KPMG in Singapore has stayed focused through the years, dedicating time and empowering our people to engage communities of their choice – demonstrating leadership in identifying the individuals or causes to support or help.

In 2015, we re-affirmed our commitment and launched a new community engagement programme - “KPMG Cares - Corporate Tokens Project”. Beneficiaries of this programme are groups and individuals from low-income families, and people who are physically challenged or recovering from mental and emotional distress. The programme seeks to help these individuals and groups harness their talents, with the long-term aim of equipping them to create high-quality, sought-after corporate tokens to inspire confidence and help them achieve greater financial independence.

To work towards a more sustainable workplace with eco-friendly practices, we signed a ‘Green Lease Pioneer Tenant Agreement’ with developer City Development

Limited (CDL) for KPMG offices in the City House building. We worked with CDL to monitor, manage, and reduce energy consumption, and to occupy the building in a sustainable manner. In recognition of our efforts, KPMG received the Building and Construction Authority Green Mark Gold award for office interiors in 2015.

Another notable achievement is the significant reduction of 27% in ‘Net’ carbon emissions per full time employee (FTE), on the baseline year in 2010 despite having a 26% increase in headcount over the same period. This reduction is more than the target of 8 percent reduction against 2010 emissions.

The 2015 Sustainability Report showcases how we have enhanced existing programmes and developed new initiatives to advocate our stakeholder engagement strategy for lasting and inclusive growth.

We have also taken important steps towards this understanding by deepening our analysis of material topics (enhanced by our transition to GRI G4) and describing the inputs and outputs from our business.

Beyond what we have contributed in 2015, we will continue to sustain and grow the commitment to our communities by acting as responsible corporate citizens and broadening our skills, experience and perspectives to lead change in our society.

Tham Sai Choy

Chairman of KPMG’s Asia Pacific Region and Managing Partner, KPMG in Singapore

“Despite our headcount increasing by 26%, we achieved a significant reduction of 27% in ‘Net’ Carbon Emissions Per Full Time Employee, on the baseline year in 2010.”



Organisation Profile & Vision

Today, KPMG in Singapore has more than 2,700 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 and goods & services 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.

The KPMG vision is to be the Clear Choice to



Our people – who are extraordinary,



Our clients – who see a difference in us,



The public – who trusts, values, and respects us.



Corporate Governance

KPMG in Singapore is part of a global network of professional services firms providing Audit, Tax, and Advisory services. The KPMG network operates in 155 countries, with more than 174,000 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.

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.

As at 31 December 2015, KPMG in Singapore has 98 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.

Leadership Team KPMG in Singapore



Tham Sai Choy
Managing Partner



Peter Chay
Deputy Managing Partner



Ong Pang Thye
Deputy Managing Partner



Tan Wah Yeow
Deputy Managing Partner



Roger Tay
Head of Audit



Tay Hong Beng
Head of Tax



Bob Yap
Head of Advisory



Irving Low
Head of Markets



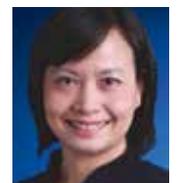
Eng Chin Chin
Quality & Risk



Quek Shu Ping
People



R. Satyanarayan
Clarity



Gan Kwee Lian
Offshoring

KPMG GRI G4 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 economic, environmental and social changes initiated by KPMG in Singapore. Based on the discussions, we were able to conclude that our employees, clients, industry associations, professional bodies and our communities would be most affected.

Materiality Determination Process

We identified the material Aspects and their Boundaries which we would report on based on RobecoSAM's Sustainability Yearbook 2015, GRI's Sustainability Topics for Sectors and the GRI G4 Principles for defining report content.



Stakeholder Engagement Approach

At KPMG in Singapore, we deal with a variety of people and organisations who are our stakeholders. They are fundamental to our success as they help us drive our sustainability strategies and initiatives. Our stakeholders expect our actions to reflect those of a responsible organisation. They expect to engage with us and hold us accountable for our actions. Our key stakeholder groups are:

- **Our Employees**

People are our greatest asset. Our employees are at the heart of our business and significant emphasis is placed on recruiting talents, and developing, motivating and equipping them with the right tools and skills in order to provide quality service to our clients.

- **Our Clients**

KPMG works with clients who value objective advice delivered by people who are committed to professionalism and integrity.

- **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.

- **Our Communities**

Commitment to the communities is one of our core values; it unites our people, strengthens our reputation and keeps integrity at the centre of what we do.



Figure 1: KPMG's Four Pillars of Environment

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

| | |
|---|---|
|  <p>Work environment Work-life balance and talent management</p> | <p>We treat our people with respect and provide a diverse and conducive work environment with equal opportunities for everyone.</p> <p>We advocate a healthy balance between work and personal life and invest in our people by providing training and encouraging continuous learning.</p> |
|  <p>Corporate environment Ethics and integrity, creating a culture of service excellence</p> | <p>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.</p> <p>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.</p> |
|  <p>Physical environment Environmental impact and carbon footprint</p> | <p>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.</p> |
|  <p>Social environment Communities</p> | <p>We support social and professional communities. We encourage our people to take leadership to use their skills and time to volunteer on a professional and social basis.</p> |

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 | | | | ● |

Based on this engagement, 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 organisation |
|  | Local presence in corporate governance body |  | Market presence | Within and outside of organisation |
|  | Giving back to the community |  | Community outreach | Within and outside of organisation |



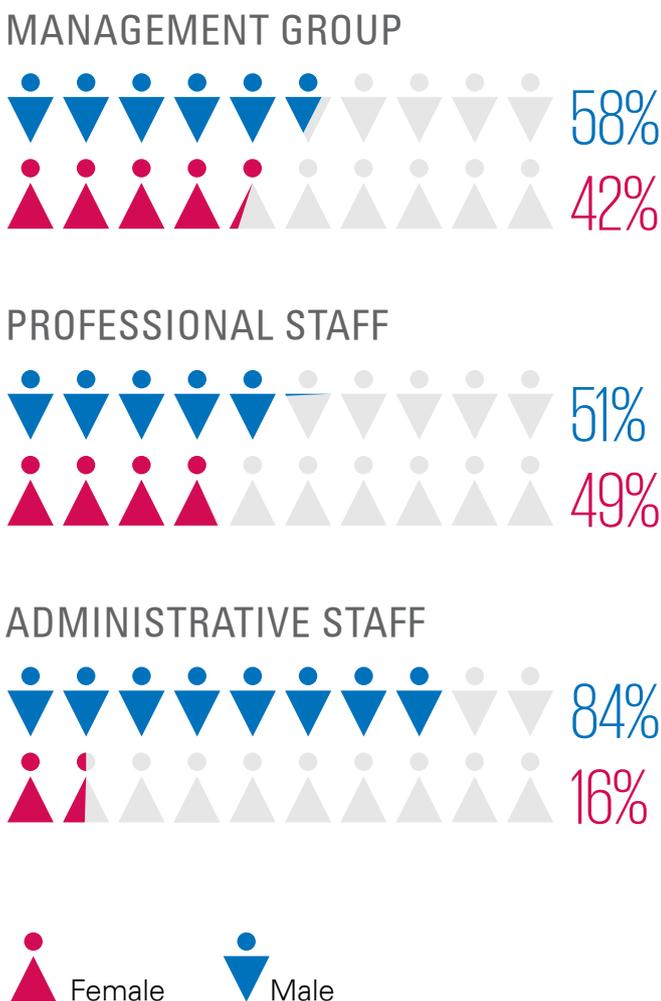
Work Environment

Our People

As of December 2015, the number of employees working in KPMG in Singapore was more than 2,700¹. This is a staff increase of 11 percent as compared to the previous year, in line with the firm's growth. Most of our employees are permanent hires (97 percent), while the remaining are contract employees.

The overall ratio of female to male employees is 55% to 45%. [Figure 3](#) shows the breakdown of male and female employees across different grades. KPMG has committed to meet the global target of 25 percent of female partners and aim for one-third women slate for director and above. We have met the targets with 28 percent of female partners and 35 percent of women for directors and above.

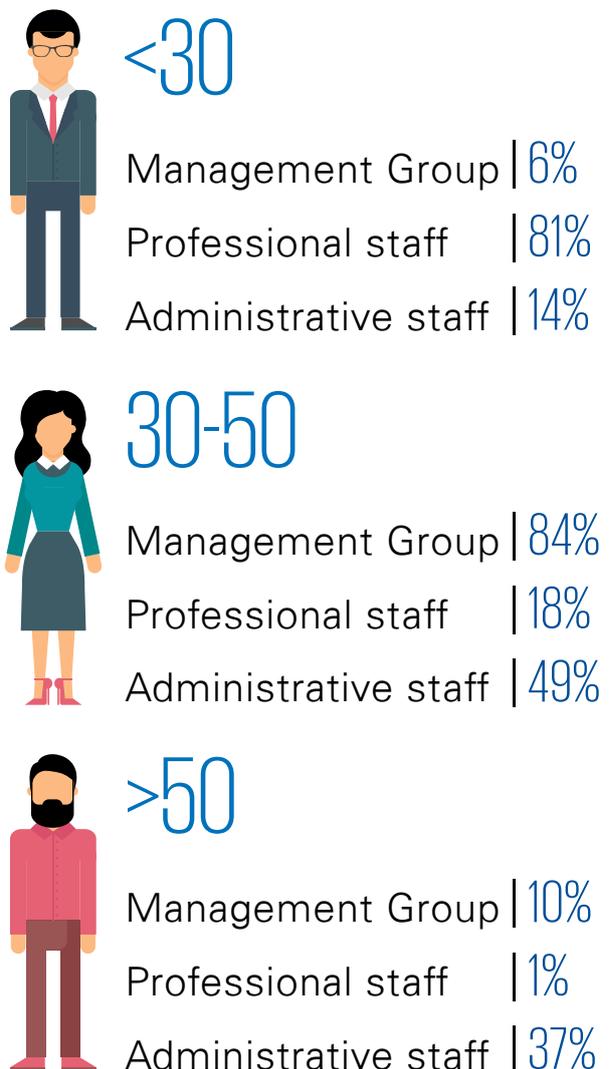
Figure 3: Gender by Employee Category (%)



At KPMG, we recruit people across all levels, from fresh graduates to experienced hires, with the majority of our people below 30 years old ([Figure 4](#)).

Given the significant and vast experience required in KPMG's governance body, 56 percent of the Operations Committee is between 30 and 50 years of age, while the rest are above 50. All the members of the Operations Committee are hired within the local community, and comprise 10 males and 2 females. The minority group is represented by approximately 11 percent of the Operations Committee, which is a similar proportion to that for the whole firm.

Figure 4: Age by Employee Grade





People Engagement

Our primary measure of engagement with our employees is through the Global People Survey (GPS) which is conducted across all KPMG member firms once every 2 years. Performed by an external consultant, the GPS invites employees to tell us how they feel about KPMG. In addition, a Pulse survey (an abridged version of the GPS) is offered to track our progress on driving engagements in alternate years.

The results of the GPS and Pulse surveys facilitate identification of trends and measurement of performance against internal and external benchmarks². Results focus on the drivers of engagement, which help KPMG identify the right strategies to improve engagement.

In 2015, 1,432 employees participated in the survey. 74 percent of the respondents said that they are “proud to work for KPMG.” Across the firm, there was an increase in the percentage of respondents who felt there was

a promising future for them at KPMG and that their contributions were valued by the firm.

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. For example, staff have asked for more coaching for their career, and plans are underway to equip our staff with coaching skills. We recognise that this will be a continuing process of improvement as we continue to develop and nurture our people. We seek to develop our people to be caring and courageous and to have lasting pride in KPMG.

Besides the GPS, there are other feedback channels such as the Spontaneous Feedback tool for the myPD system, Rapid Feedback, the 360-degree anonymous feedback channel - ‘Tell Me How I’m Doing’, as part of our belief of having open and honest communication within the firm.

Corporate Environment

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. Our Quality & Risk Management Department is responsible for driving compliance with the firm's risk management, ethics, independence and quality policies and guidelines.

KPMG in Singapore believes that good service plays a crucial role in creating strong, sustainable relationships with our clients, which enable us to maintain a sustainable business. Our Client Care team works on a range of initiatives to raise standards to encourage and support our people to continually deliver high quality services.

Employees receive regular training 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 in Singapore periodically reaches out to our clients to seek feedback on our services.



Our values suggest:

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 independent Global Compliance Review Programme.

All new joiners (professional staff and partners, 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.

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 in 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 as well as money laundering and terrorist financing. Evaluations that are deemed to be high risk will be escalated for review by the Risk Management Department to determine if they should be proceeded with, with mitigating steps 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 and to meet business needs, employees are provided with training opportunities. Employees can also choose other training programmes that are necessary to their work, as well as those that interest them.

Performance appraisal and improvement

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.

There are also various feedback channels to enable employees to provide quick and anonymous feedback either upwards, downwards or on a peer to peer basis.

Training

In KPMG in 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. The average training hours completed by employee grade are categorised in Figure 6.

Figure 6: Average Training Hours by Employee Grade



Retirement and Transition Assistance

6 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 retirement or re-employment options with the employee. Where appropriate, KPMG in Singapore may offer re-employment contracts (till age 65) to employees or, in the instance where a suitable job opening is unavailable, offer a one-off Employment Assistant Payment (EAP) for employees who satisfy the criteria for re-employment. Employees who do not meet the re-employment or EAP payment criteria will be informed at least 3 months before they reach retirement age.

Finding Out What Our Clients Think

Knowing how our clients would like us to work with them is essential to our service delivery. Thus, gathering client feedback is a key initiative which helps to enhance the client experience and value-add that we bring to clients.

We gather client feedback through surveys and interviews. In the past few years, we have seen good levels of client satisfaction, received valuable insights that have helped us improve and delivered a higher quality of service to our clients.

In 2015, over 800 clients were invited to take part in our online engagement surveys and have provided a wealth of valuable insights to us. To understand client satisfaction, the questions explored the experience of the service delivered, whether the team added value, the strength of their relationship with KPMG and whether they would recommend KPMG to others. We also adopted a new client loyalty methodology known as the Net Promoter Score (NPS®).

The top positive themes related to communication, with clients finding the firm and its people responsive, with the "ability to listen and understand clients' needs". Clients also shared that teams were "professional and committed", "proactive in providing solutions" and "willing to collaborate". The survey showed continued satisfaction with the strength of our client relationships, whilst service delivery and value-added services were highlighted as areas where we have more opportunities to do more for our clients. Areas for enhancement included team composition and a more proactive outreach.

Physical Environment

In 2015, KPMG in Singapore introduced a Green Lease Agreement with one of our landlords and participated in the Conference of the Parties (COP 21) meeting led by the United Nations (UN) to further advocate KPMG's commitment to environmental sustainability.

KPMG Global Green Initiative

The KPMG Global Green Initiative (GGI) has three main strategies to address climate change:

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

As a professional services firm, we may have a smaller scope to manage compared to other entities when assessing the environmental impact and footprint of our operations. In June 2012, KPMG member firms committed to manage and reduce our environmental impact, seeking to reduce our net greenhouse gas emissions per full-time employee (FTE) by 15 percent in 2015. The target set for KPMG in Singapore was to achieve an 8 percent reduction in net emissions (against a 2010 baseline) per FTE by the end of 2015.

We are pleased to announce that in 2015, KPMG in Singapore significantly exceeded the target by achieving a 27³ percent reduction in net emissions per FTE, despite an increase in total staff count by 26 percent since 2010. Our initiatives included responsible energy use and supporting our staff to make sustainable choices. A significant contribution to this was our internal policy of reducing air travel and paper usage.





'NET' CARBON EMISSIONS PER FULL-TIME EMPLOYEE (tCO2e)

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | % Δ '10 to '15 |
|------|------|------|------|------|------|----------------|
| 1.85 | 1.60 | 1.51 | 1.72 | 1.58 | 1.34 | -27.3% |



TOTAL 'NET' CARBON EMISSIONS FOR KPMG IN SINGAPORE (tCO2e)

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | % Δ '10 to '15 |
|-------|-------|-------|-------|-------|-------|----------------|
| 4,024 | 3,880 | 3,499 | 4,148 | 3,903 | 3,670 | -8.8% |



CARBON EMISSIONS FROM ELECTRICITY, HEATING AND COOLING⁴ (tCO2e)

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 ⁵ | % Δ '10 to '15 |
|-------|-------|-------|-------|-------|-------------------|----------------|
| 1,212 | 1,343 | 1,529 | 1,518 | 1,380 | 1,363 | 12.5% |



CARBON EMISSIONS FROM AIR TRAVEL⁶ (tCO2e)

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | % Δ '10 to '15 |
|-------|-------|-------|-------|-------|-------|----------------|
| 2,812 | 2,537 | 1,967 | 2,627 | 2,521 | 2,304 | -18.1% |



TOTAL PAPER PURCHASED (1,000 SHEETS)

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | % Δ '10 to '15 |
|--------|--------|--------|--------|--------|--------|----------------|
| 14,653 | 13,408 | 13,189 | 12,063 | 12,535 | 11,596 | -20.9% |



TOTAL EMPLOYEES

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | % Δ '10 to '15 |
|-------|-------|-------|-------|-------|-------|----------------|
| 2,173 | 2,420 | 2,323 | 2,412 | 2,479 | 2,730 | 25.6% |



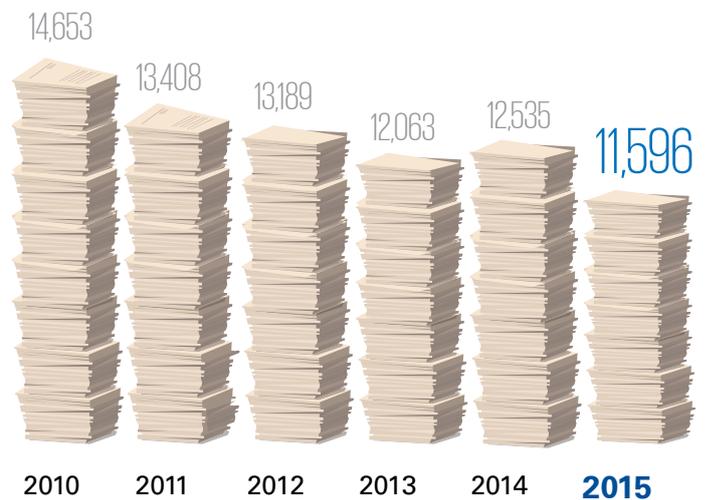
PAPER USAGE PER PERSON PER MONTH

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | % Δ '10 to '15 |
|------|------|------|------|------|------|----------------|
| 562 | 462 | 472 | 417 | 421 | 354 | -37% |

'Net' carbon emissions per full-time employee



Total paper purchased (1,000 sheets)



Green Lease Agreement

KPMG Singapore signed a 'Green Lease Pioneer Tenant Agreement' with developer City Development Limited (CDL) for KPMG office's in City House. It requires us to assess our office premises for energy consumption, monitoring and reduction planning under the Building Construction and Authority (BCA) Green Mark Office Interior scheme. In 2015, besides existing green efforts to reduce carbon emissions like using more efficient printer settings and reducing the use of paper, KPMG also replaced its office lights and water taps to more energy-efficient ones. For its efforts, KPMG received the BCA Green Mark Gold certification.

Participation in COP 21

Between November and December 2015, KPMG participated in Conference of the Parties (COP) 21

meeting aimed at getting nations to reach a global, legally-binding agreement to reduce carbon emissions. Over 190 countries met in Paris to broker a universal deal on combatting climate change, attracting over 50,000 participants. KPMG joined forces with the UN to bring the world to Paris through Climate Talks LIVE, providing a platform for KPMG to demonstrate our expertise in sustainability, showcase our client credentials, support our member firms in client outreach and deliver our corporate citizenship commitments. Participation in such an event re-affirms KPMG's commitment to invest in the communities where we live and work, and having the courage of convictions to engage clients and other stakeholders to drive down carbon emissions.



Social Environment



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 is important to us, and the accolades we have received in this area show that we are on the right track. KPMG in Singapore is committed to supporting our people to reach their full potential and maintain our position as the 'Clear Choice'.

KPMG Singapore is proud to be ranked 3rd in Singapore's 100 Leading Graduate Employer awards in 2015, which recognises Singapore's most popular graduate recruiters based on a comprehensive poll of university students and graduates, powered by the Singapore Graduate Barometer.

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

- **Supporting local enterprises:** The Enterprise 50 Awards recognises local, privately-held companies which have contributed to economic development in Singapore and abroad. KPMG in Singapore co-organises the

event with leading business newspaper, The Business Times, with support from International Enterprise Singapore, Singapore Business Federation, Singapore Exchange and SPRING Singapore. KPMG's involvement in the awards is a reflection of the firm's view of the important contributions such enterprises make to the economic vibrancy of Singapore.

In addition to the mid-sized and larger enterprises which typically make up the award winners list, KPMG also engages with smaller companies, particularly technology start-ups, by conducting pro-bono clinics and workshops on how to best run and grow a business.

- **Gender Equality:** In the second half of 2015, KPMG made significant contributions to Women Corporate Directors (WCD), a global organisation of 3,500 women who together serve on 8,500 boards of directors worldwide. The organisation is now known as the WCD Education and Development Foundation, Inc or the WCD Foundation. In Singapore, KPMG has been actively supporting the local chapter since its formation in 2011. KPMG in Singapore partner, Ang Fung Fung has been chapter chair since its formation.
- **Sustainability and the Environment:** KPMG in Singapore is the Knowledge Partner of the Singapore Sustainability Awards, organised by the Singapore Business Federation. In 2015, KPMG became a knowledge partner of the Singapore Apex CSR Awards and the strategic partner of Singapore Environmental Achievements Award. These Awards recognise and celebrate companies which have strongly embraced sustainability and are passionate about being more responsible and innovative in our resource-scarce environment.

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 in Singapore) endorses can be found in [Table 1](#).

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

| 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 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. |
| World Business Council for Sustainable Development (WBCSD) | 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 workstream, the Greenhouse Gas Management team and the Future Leaders team. |
| 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 our regional leadership also participate in the Regional Summits that take place throughout the year. |
| Enactus | <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 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. |

KPMG Cares: Gaining Public Trust

As a firm that serves a higher purpose, the community is a big focus. Our purpose is to inspire confidence and empower change, and the way we put that purpose into action is to invest in and improve the communities we work with.

Through KPMG Cares, we continue our work in the community to not only help marginalised individuals and communities, but to empower them. To realise these social endeavours, KPMG in Singapore has extensive programmes and initiatives in place.

KPMG Cares - Corporate Tokens Project

In 2015, we kicked off the KPMG Cares - Corporate Tokens Project (Project) by sponsoring beneficiaries from the Deaf and Hard of Hearing Federation to participate in a series of intensive classes at Goodman Glass Studio to master the intricacies of glass art.

These individuals, despite having no previous experience working with glass and being physically disadvantaged, were quick to learn. As a result of the sponsored classes and the support from KPMG staff and alumni, the beneficiaries are now able to produce beautiful works of glass art.

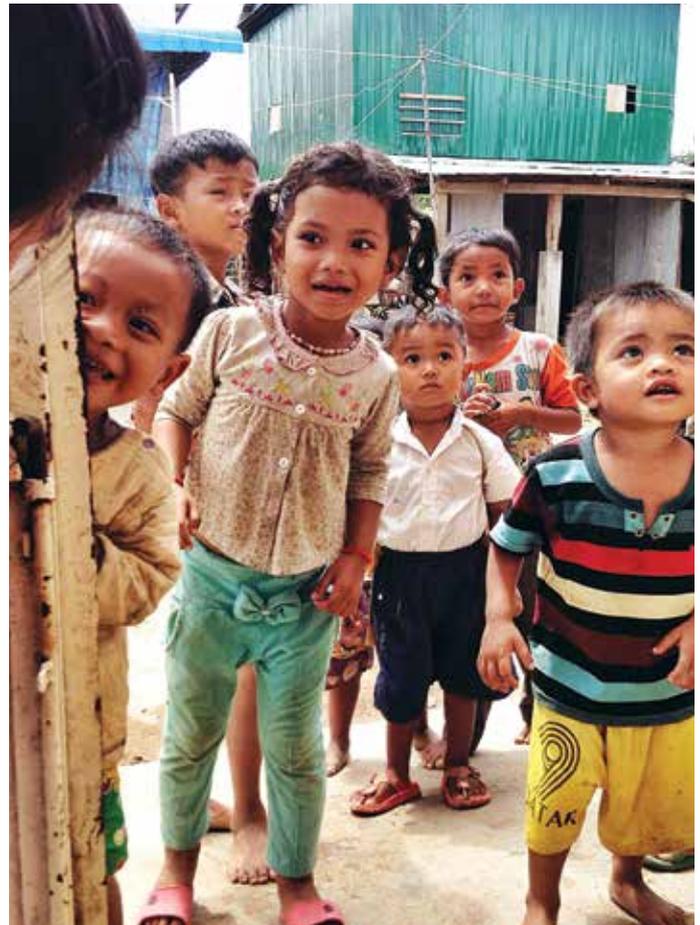
Many of the glass pieces created at those classes are being sold as corporate gifts and tokens. Participation in the Project has equipped our beneficiaries to have an alternative source of income and to help them regain personal confidence and hope.

Give Time

The Give Time programme allows 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 2015, over 7,000 Give Time hours were used by employees to volunteer on various projects spread across Myanmar, Cambodia,



Ms Lee (left) and Ms Ng working on their pieces.



Cheery faces of the children in Som Rong village in Cambodia.

Vietnam, Thailand, China and Singapore. Some of the beneficiary organisations include Save the Children in Asia, Foundation for the Blind in Thailand, SOS Village in Vietnam, Causes for Animals Singapore and Sea Turtle Conservation Research Unit in Malaysia, to name a few.

Make a Difference Day (MADD)

MADD gives employees a day to spend with beneficiaries of selected Voluntary Welfare Organisations (VWOs). In 2015, close to 12,800 volunteer hours were contributed by employees reaching out to more than 1,600 beneficiaries through the MADD programme. MADD activities included befriending activities at senior citizen day care centres, organising carnivals for special needs children, brightening up the walls of orphanages, and fund-raising events.

Regional Outreach Programme (ROP)

The ROP to Dalat is a long-term commitment to help improve the lives of the local community in Elephant Village. KPMG volunteers teach English and Arts and Crafts every Saturday and Sunday at the village school.

In 2015, volunteers from KPMG in Singapore, and KPMG in Malaysia, as well as a parent-and-child volunteer team

from Moms & Pops @KPMG (MAPS) participated in the ROP to Dalat.

To date, over 250 employees have been through the programme and touched the lives of the locals.

KPMG ASEAN Scholarship

KPMG's ASEAN Scholarship is a new scholarship programme established in 2015 for South East Asia students looking to get a head-start in their careers or seek diverse learning and development opportunities and cross-border exposures.

Reef Check Programme

Staff volunteers from KPMG in Singapore participated in KPMG in Malaysia's annual Reef Check programme in May 2015. Our people went to Tioman Island, Malaysia to undertake a survey of local reefs. Reef Check provides these surveys to scientists to help evaluate the global health of coral reefs and to better understand the impacts from climate change.

Disaster Response

As a member firm of a network that spans 155 countries, disaster and crises that occur within our international communities do have an impact on us and our employees who come from around the world. Our response is often driven by KPMG individuals who step up to help.

On 25 April 2015, an earthquake measuring 7.9 magnitude with a 15km depth struck in Lamjung, Gorkha district 81km northeast of Kathmandu, Nepal. Partnering with Mercy Relief, an independent non-governmental humanitarian charity based in Singapore, KPMG employees helped raise over SGD \$41,000 for the victims of Nepal Earthquake from an internal donation drive.

2015: KPMG in Singapore Volunteers in Action



7,000

Give Time hours contributed by staff.



12,800

volunteer hours contributed by employees reaching out to more than 1,600 beneficiaries through the MADD programme.



250

staff participants to teach at Elephant Village school, Dalat Vietnam.



37

Audit employees donated over 2,200 pro-bono (no-fee) work-time hours to the Shared Services For Charities, a not-for-profit charitable organisation.



KPMG in 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.

| External Initiatives & Association Membership to International Organisations/Bodies | | | |
|---|---|------------|---|
| GRI 4 Index | Indicators | Disclosure | Page/Reason for Omission |
| STRATEGY AND ANALYSIS | | | |
| G4-1 | CEO Letter | Full | 1 |
| ORGANISATIONAL PROFILE | | | |
| G4-3 | Organisation name | Full | 23 |
| G4-4 | Primary brands, products, and services | Full | 3 |
| G4-5 | Headquarters location | Full | 23 |
| G4-6 | Where the organisation operates | Full | 23 |
| G4-7 | Nature of ownership and legal form | Full | 23 |
| G4-8 | Markets served | Full | 3 |
| G4-9 | Scale of the organisation | Partial | 3 & 23; 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. |
| 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 in Singapore chooses. Almost all of KPMG in 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 | 19 |
| G4-16 | Membership associations | Full | 19 |
| 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. |
| G4-18 | Process for defining report boundaries and content | Full | 5 – 8 |
| G4-19 | Material Aspects included in the report | Full | 5 – 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 | No changes. |
| STAKEHOLDER ENGAGEMENT | | | |
| G4-24 | Stakeholder groups | Full | 6 |
| G4-25 | How stakeholders were identified | Full | 5 – 6 |

| | | | |
|----------------------|--|------|---|
| G4-26 | Approach to stakeholder engagement | Full | 6 – 8, 10 – 11, 12 – 14, 15 – 17, 18 – 21 |
| G4-27 | Topics raised during stakeholder engagements | Full | 11, 14 |
| REPORT PROFILE | | | |
| G4-28 | Reporting period | Full | The reporting period is from 1 January to 31 December 2015. |
| G4-29 | Date of most recent report | Full | 2014 |
| G4-30 | Reporting cycle | Full | Annual |
| G4-31 | Report contact | Full | 23 – 24 |
| G4-32 | “In accordance” option, GRI Index and report assurance | Full | 22 – 23 |
| G4-33 | Policy regarding report assurance | Full | 22 – 23 |
| GOVERNANCE | | | |
| G4-34 | Governance structure of the organisation | Full | 4 |
| ETHICS AND INTEGRITY | | | |
| G4-56 | Code of conduct | Full | 12 – 13 |

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 | | | |
| Emissions | G4-EN16 | GHG emissions (Scope 2) | 16 |
| CATEGORY: SOCIAL Sub-category: Labour Practices & Decent Work | | | |
| Training & Education | G4-LA9 | Average hours of training for employees | 14 |
| Training & Education | G4-LA10 | Programs for skills management managing career endings | 14 |
| Training & Education | G4-LA11 | Employees receiving performance and career development reviews | 13 – 14 |
| Diversity & Equal Opportunity | G4-LA12 | Composition of governance bodies and employees | 10 |
| CATEGORY: SOCIAL Sub-category: Society | | | |
| Local Communities | G4-SO1 | Local community engagement, impact assessments and development programs | 20 – 21 |
| Anti-corruption | G4-SO3 | Risks related to corruption | 13 |
| Anti-corruption | G4-SO4 | Communications and training on anti-corruption | 13 |
| CATEGORY: SOCIAL Sub-category: Product Responsibility | | | |
| Product & Service Labelling | G4-PR5 | Surveys measuring customer satisfaction | 14 |

Footnotes

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

² Benchmarks include:

- previous year's results,
- KPMG Global results,
- Top 40 Professional Services firms worldwide, and
- Other companies in Singapore

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.

⁴ Scope 2 Greenhouse gas emissions

⁵ Emission factor obtained from Energy Market Authority (EMA).

⁶ Scope 3 Greenhouse gas emissions

⁷ Our Corporate Citizenship Team, led by KPMG in Singapore 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.

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.

⁹ We are registered as KPMG LLP, KPMG Services Pte. Ltd, KPMG Corporate Finance Pte. Ltd., KPMG Consulting 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 in Singapore' and the report only covers KPMG's operations in Singapore.

Contact us

Lee Sze Yeng

Partner

Corporate Citizenship

T : +65 6213 2257

E : szeyenglee@kpmg.com.sg

Ian Hong

Partner

Sustainability Reporting

T : +65 6213 2438

E : ihong@kpmg.com.sg

KPMG

16 Raffles Quay #22-00

Hong Leong Building

Singapore 048581

T : +65 6213 3388

F : +65 6223 3118

kpmg.com/socialmedia



kpmg.com/app



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