The power of engagement
CSR at KPMG

KPMG CHINA
At the opening of the August 2008 Operation Smile mission in Urumqi, a father stood waiting with his young daughter. I had seen them earlier. They had trekked from a small village near Kashgar, driven by the hope that this simple but valuable operation would bring. The father put his arms around his daughter as they listened. He knew that because of the volunteers’ work, his daughter would soon smile freely for the first time, and her life would be easier without the judgments that people used to make. He pulled her closer so she could nestle more comfortably in his arms.

Cover photograph by Malcolm Parker, English Editor – Audit Translation, Guangzhou
This first CSR review, ‘The power of engagement’, is dedicated to our chairman, John Harrison, for championing this initiative at KPMG China.
## Contents

Chairmen’s messages .................................................. 2
Leading by example ................................................. 4
Executive summary .................................................. 9

### Section 1: CSR in the 21st century

CSR as a vehicle of change ........................................ 12
Leading CSR from China ......................................... 16

### Section 2: CSR at KPMG China

Message from our CSR Director ................................ 21
Global corporate citizenship ...................................... 22
Being an Employer of Choice ..................................... 23
The KPMG Foundation ............................................ 24
Our “3Es” approach .................................................. 25
The people who make it happen .................................. 26
Putting our skills to work .......................................... 28
Global Green Initiative ............................................. 35
Recognising excellence ............................................. 36

### Section 3: Values in action

What difference can you make in one second, one hour, one day? 41
What can you achieve in one week, one month, one year? 47

### Appendix

Glossary
Throughout the years, KPMG China has been actively involved in many activities supporting the community. Our commitment to corporate social responsibility (CSR) is reflected in our core values and represents the belief that we, as a firm and as individuals, have a responsibility towards the greater community.

I am proud to see the enthusiasm of our people in helping others. CSR offers a platform for our people to contribute in a structured manner. It not only helps the firm build upon our Employer of Choice agenda by promoting a sense of belonging and work-life balance but also helps raise our people’s awareness of our collective responsibility to our community. As our CSR programme has evolved, especially after the launch of the KPMG Foundation, we have expanded our reach to three crucial areas – empowerment, environment and education – so that our people can get involved in areas that they feel passionately about. In all, being socially responsible benefits the firm, our people and our communities.

I therefore look forward to the day when all businesses will take up this good practice and embed CSR in their corporate values.

Governments around the world see mounting social and environmental pressures and recognise the role business has to play in helping to alleviate them. In this report, we have outlined how KPMG provides a platform and how we use our professional skills to make sustainable contributions.

Many years ago, my wife and I had the fortune to adopt our son, Chi Tat, who has special needs. Through him, I have learnt to appreciate the kindness of those who give unconditionally. The opportunities given to him have critically shaped his growth and helped him become the young man he is today. I have seen first hand that when given a chance, everybody can realise their potential, which is the backbone of many of our CSR programmes. I therefore personally share the passion of helping others. I hope you do too.

Carlson Tong
Chairman, KPMG China
Globally, CSR is a major agenda item for KPMG. Business leaders now realise that their CSR agendas have become essential to their business strategies and to employee engagement and satisfaction.

At the recent World Economic Forum in Davos, I was invited to share my experience of spending 24 hours as a “Slum Survivor” in an event organised by Crossroads. Even though that was over a year ago, I still remember what it felt like to be a powerless refugee, many of whom live under the constant threat of violence and eviction. This situation may be similar to how many may feel now about the global financial crisis.

Change is never easy but, looked at positively, this financial crisis may actually allow us to show leadership, make difficult choices, seek new opportunities and be more creative, realistic and intuitive in creating a better 21st century. Through the power of engagement, I personally believe that leaders can drive powerful social, economic and environmental changes that shape the world we live in.

In a recent staff survey conducted at KPMG China, 97 percent of our people indicated that they want to contribute to the community, so our role as a firm is to facilitate such opportunities for them. We launched the CSR department and the KPMG Foundation in 2007 to empower our people and to enable them to engage with communities in a sustainable way. I find it very rewarding whenever I see our talented people getting involved in our programmes. Their speed to react and their eagerness to help, along with the unity I witnessed in both our local and global responses to the recent Sichuan earthquake and the cyclone in Myanmar, make me very proud of them.

Although I will be moving into my new role as Deputy Chairman of KPMG International, I will continue to help drive our CSR agenda globally. I am committed to taking CSR to the next level – not only within KPMG but also with other leaders in the international business community.

We all have only 24 hours in a day but our people have proven that even if you have one hour or one afternoon, you can choose to do something positive. After all, doesn’t the power of engagement for a better world start with you and I?

One of our firm’s seven core values is: “We are committed to our communities.” It is great to see so many of our people actively applying this, and all the other KPMG values, not only at work but also in their daily lives.

John Harrison
Deputy Chairman, KPMG International
Chairman, KPMG China
Carlson could have spent his Sunday morning on a golf course, but instead he chose to wake up at 4:00 am and run alongside 250 KPMG employees to raise funds for a good cause.

"I have always been impressed by what KPMG does in the area of CSR and how it leads by example. CSR is reflected in the way you conduct your business and how your organisation contributes to the community. All of this is underpinned by the belief that good corporate citizenship will ultimately lead to better and more sustainable performance. To me, KPMG has all of these attributes and I congratulate your firm for your fine efforts."

Benjamin Hung • Executive Director and Chief Executive Officer • Standard Chartered Bank
Not your typical Sunday...

4:00 am  Wake up, get dressed, and prepare for the race
5:30 am  Meet with 250 KPMG people and get everybody pumped for the challenge ahead
6:30 am  Start of his first race – the 10K marathon
9:30 am  Rush to the second race – the 2K Leaders Cup
10:00 am Get changed and warmed-up behind the starting line
10:15 am On the mark with 40 C-level executives and community leaders
11:00 am Complete the race and take a well-deserved rest!
“KPMG is SoCO’s most-valued corporate partner and a true friend of children in need. For the past six years, KPMG has consistently shown its care for migrant children by helping them feel they are truly a part of society. These monthly programmes help broaden their horizons and rebuild their self-esteem. KPMG people are great role models because everything they do, they do it with passion and integrity.”

Ho Hei Wah • Director • Society for Community Organisation (SoCO)
Santa’s got no time for jetlag...

5:00 am  Arrive in Hong Kong on a red-eye flight from Sydney
12:30 pm  Work in the office
1:30 pm  Dress as “KPMG Santa” – in a red suit, black boots and a white beard!
2:00 pm  Make grand entrance to meet the SoCO kids
2:30 pm  Receive a Thank You card from the kids as the games begin!
3:00 pm  Presents time – the kids receive Christmas gifts from Santa
5:30 pm  Time to go – the kids say goodbye as they head home
5:45 pm  Tired but happy, KPMG Santa thanks the helpers for throwing a great party
Executive summary

Our interdependent world
As businesses operate across borders and economies become interdependent, the world we live in is becoming deeply intertwined. Governments, non-governmental organisations (NGOs) and companies around the world are showing increasing concern about the impact of human and business activities on mankind and our environment. Above all, they are beginning to initiate Corporate Social Responsibility (CSR) dialogues to engage each other on social, economic and environmental issues and to leverage resources to deliver sustainable solutions.

Embedding CSR into corporate DNA
For businesses to effect meaningful change, strong leadership and strategic engagement with stakeholders’ involvement is essential. This entails a good understanding of the significant CSR issues, as well as the ability to focus on the core problems, identify corporate strengths and transform professional skills to help people help themselves. Most importantly, businesses can create a culture of “employee giving” which is both sustainable and meaningful.

Power of engagement
This book is themed “The power of engagement” because at the core of our CSR programmes is the drive to engage all of our people, partners, clients, beneficiaries and even potential employees to deliver positive change to the community we all live in. You will learn about our approach, our areas of focus and our leadership commitment. You can also read our volunteer stories as they give first-hand experiences. We hope that everyone who reads this will be inspired to use their own skills to have a positive effect on the world around them and realise that it only takes one second, one hour or one day to make a difference.

Enjoy!
CSR as a vehicle of change

Companies are facing increasing pressure to demonstrate that they recognise, define and measure their practices in relation to stakeholder interests. The financial meltdown which began in 2008 may turn out to be the catalyst that accelerates the transformation of social, economic and environmental challenges into innovative opportunities for everyone. Many companies who tend to use CSR as a public relations platform will be challenged while the ones who are truly committed will come out stronger and further enhance their business sustainability.

**More collaborative partnerships**

Businesses will likely take a more strategic role when investing in communities, and to build trust across a wide spectrum of stakeholders including NGOs, local communities and governments, companies will engage in stakeholder dialogues which are more structured and ongoing. By respecting each other’s views and allowing these views to influence decisions being made at each company’s board level, the governance of business operations will be enhanced.

**Transparency and accountability**

Being truly responsible and accountable requires a brand new mindset. Companies unwilling to disclose an accurate account of their activities – displaying both the positive and negative aspects – will quickly lose the trust of their shareholders and other stakeholders.

---

**Sustainability reporting is the norm**

<table>
<thead>
<tr>
<th></th>
<th>G250</th>
<th>N100</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR report</td>
<td>80%</td>
<td>45%</td>
</tr>
<tr>
<td>Only for own operations</td>
<td>41%</td>
<td>3%</td>
</tr>
<tr>
<td>For own operations plus value chain</td>
<td>48%</td>
<td>8%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not at all</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Combating poverty**

By 2050, the world population is expected to balloon from the current figure of 6.7 billion to 9 billion. It is estimated that 95 percent of this growth will come from developing countries. According to a 2006 report issued by the World Institute for Development Economics Research, the richest 1 percent of the world’s population owned 40 percent of the total household wealth while those at the bottom of the wealth pyramid had barely 1 percent. Ten percent of the people in China live on less than USD1 a day (UNDP, 2005).

Because a widening wealth gap could potentially threaten social stability on a global scale, the private sector’s role in working with governments and NGOs to alleviate poverty is more critical than ever.

**New skills for new challenges**

In today’s increasingly complex operating environments, companies will be looking to engage people who can make ethical decisions and act in ways which reflect globally responsible leadership. It may even be the source of tremendous social progress as new CSR leaders emerge to inspire hope and confidence in our shared future. People who can bring innovative ideas, respect different cultures and diversity, lead by example and effect sustainable business approaches with shareholder value will be the heroes.

**Ideas that drive growth**

Meanwhile, the business world will have to figure out how to launch innovative programmes which align corporate core competencies with community interests while facing tighter budgets and fewer staff. Successfully implementing new ideas can effectively transform an organisation or even lead to new social venture start-ups.
The Big Issue
Degree of priority given to corporate responsibility

From risk management to value creation
Even though globalisation exposes businesses to new risks and challenges, CSR is moving away from risk management or value protection towards value creation. New opportunities may include product or service innovation, new business models, as well as organisational and institutional systems and structures that better align cost/energy efficiency and green procurement.

New supplier partnerships will also be based more on shared CSR values as large companies will opt to rationalise supply chain partners and cut ties with companies with questionable practices that violate their codes of conduct. For companies in the supply chain, the move from audit to capacity-building and the ability to better track products and components to ensure product responsibility is inevitable.

CSR governance
Governments play a critical role in the development of new laws, standards and guidelines to enable more meaningful public-private partnerships. This has already extended to institutions such as stock exchanges and accountancy bodies in Europe, setting a precedent for China to follow. When the International Organisation for Standardisation publishes ISO 26000 in 2010, it will provide a guidance standard of CSR requirements for companies to follow on a voluntary basis. New projects, developments and investments by corporations will also be subject to a more transparent and accountable due diligence procedure. A renewed emphasis on fair competition and anti-corruption is still vital, particularly in areas of business operations where governance is often very poor.

“One percent of global GDP is required to be invested in order to avoid the worst effects of climate change... Failure to do so could risk global GDP being up to 20 percent lower than it otherwise might be.”
Stern Review • Economics of Climate Change
Climate change is not purely an issue for scientists and environmentalists nor is it the issue of a specific region or country. It affects all of us today and will impact our future generations. It is important that we all take a responsible part in protecting the earth and its resources. As this will be one of the world’s greatest challenges, KPMG educates and develops future leaders by equipping them with the knowledge, experience and vision to deliver practical and innovative approaches and engage other stakeholders in our community.

John Harrison and Carlson Tong • Chairmen • KPMG China

---

The economic impact of climate change

With the world population growing steadily, non-renewable resources are being depleted at unsustainable levels. In addition, global warming has become one of the greatest challenges facing businesses today. At a macro level, these issues depict a planet on a collision course to environmental disaster.

There is a need to develop and implement climate change strategies, reduce carbon emissions and develop new sources of renewable energy. In China, for instance, the Eleventh Five-Year Plan set an obligatory target to reduce energy intensity per unit of GDP by 20 percent between 2005 and 2010. Water shortages and water contamination are also high on China’s environmental agenda. Opportunities for companies include reviewing their raw material sources, managing waste and toxic substances, addressing the health impacts of environmental degradation, protecting biodiversity and reducing their carbon footprints.

One effect of climate change is an increase in sea levels. This occurs for three reasons: the expansion of ocean water as it warms, the melting of glaciers and the melting of sea ice. With the continued rise in sea levels, scientists are predicting a potential rise of more than half a metre by the end of the century.

What should your company do to address environmental, social and governance issues?

![Performance gap, percentage points diagram]

<table>
<thead>
<tr>
<th>Performance gap, percentage points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy and operations</td>
</tr>
<tr>
<td>Strategy and operations of subsidiaries</td>
</tr>
<tr>
<td>Investor-relations strategy</td>
</tr>
<tr>
<td>Global supply-chain management</td>
</tr>
</tbody>
</table>

- What they say their companies actually do
- What respondents say their companies should do

Source: McKinsey, February-April 2007 survey of CEOs participating in UN Global Compact

---

Source: Environmental Protection Agency. Future sea level changes.
Leading CSR from China

In China, CSR has become closely aligned with governmental policies of creating a “harmonious society.” With a growing number of foreign companies investing in China and local companies going global, improved quality and higher standards have become the norm for success.

Increasing governmental support for CSR
The Chinese government has launched a number of initiatives to engage companies in tackling the daunting challenges of the 21st century. There are strong indications that the Chinese government and policy makers are also seeking to establish China’s own standards and accreditation criteria for CSR.

Global attention on China’s efforts
In light of the Sichuan earthquake in May 2008 and the current global financial turmoil, companies in China are much more receptive to accepting accountability for their economic, societal and environmental impacts. More significantly, the world is also starting to take a closer look at China’s economic model as it seems to be weathering the financial storm differently to the rest of the world under the macro-economic planning of the Central Government. With all eyes on China, this is a chance for the nation to be a driver of change and become a global CSR leader.

"From a strategic perspective, CSR is all about risk and opportunity. Companies that want to benefit from CSR have to be patient in making CSR a part of their DNA. It is a whole-system approach ranging from employee engagement and corporate governance to business services. This publication is another great step towards the fulfilment of KPMG’s CSR commitment.”

Dr. Guo Peiyuan • General Manager & Co-Founder • SynTao Co., Ltd.
The evolution of CSR in China: Key milestones

2006
- The Shenzhen Stock Exchange releases a set of guidelines on social responsibility for its listed companies (深圳证券交易所上市公司社会责任指引)

Jan 2008
- The State-owned Assets Supervision and Administration Commission (SASAC) of the State Council issues CSR guidelines for centrally owned and managed enterprises (关于中央企业履行社会责任的指导意见)

May
- The Shanghai Stock Exchange issues guidelines on strengthening listed companies’ assumption of social responsibility and their environmental performance disclosure (关于加强公司社会责任承担工作的通知) • 《上海证券交易所上市公司环境资讯披露指引》

Nov
- The UN announces the Beijing Declaration on Climate Change
- The Shanghai Municipal Bureau of Quality and Technical Supervision issues the first local CSR guidelines, effective from 1 January 2009 (《上海 市企业社会责任地方标准》)

2003
- The State Environmental Protection Administration (SEPA) issues a bulletin regarding information disclosure of corporate environmental performance

Jan 2009
- The China Banking Association releases CSR guidelines for China’s financial institutions (中国银行业金融机构企业社会责任指引)
- The Shanghai National Accounting Institute releases its first CSR Index (中国首个针对上市公司的企业社会责任指数)

Jun
- The China National Textile and Apparel Council launches guidelines on sustainability reporting for apparel and textile enterprises in China (《中国纺织服装企业社会责任报告纲要》)
- The Ministry of Environmental Protection and the China Securities Regulatory Commission set out requirements for enterprises to undergo environmental assessment before initiating an IPO or obtaining refinancing

April
- 11 national industrial federations and associations issue guidelines on social responsibility for industrial corporations and federations (《中国工业企业和行业协会社会责任指南》)
We believe...

...in a genuine and long-term commitment, led by our chairmen and partners.

...that the collective actions of our people will create a positive impact in acting responsibly to reduce the environmental pressures on the Earth.

...in creating a strong platform for our people to become good global citizens in an organised, structured and sustainable way of giving, both as a firm and as individuals.

...in offering innovation and professional expertise to help build our communities and protect the environment in China.

...in empowerment and helping others to help themselves.
Message from our CSR Director

Because CSR covers so many different aspects, from economic sustainability to social and environmental impacts, some great opportunities to benefit communities may have been missed because efforts were disjointed. However, this paradigm is changing and CSR is becoming more focused and refined. Essentially, CSR helps create greater value for our communities. Going beyond philanthropy and volunteerism, it has evolved to encompass the entire business organisation through issues such as employee relations, responsible supply chain management, corporate governance, conflict of interest, health and safety, work-life balance, diversity, the environment and sustainability.

At KPMG China, our leadership and our people are committed to CSR and we will continue to look for innovative ways to make a positive impact on our community and our environment. We can achieve this by working together with our partner NGOs and engaging other stakeholders such as our clients, suppliers, alumni, the government and the public at large.

This visionary approach has worked well at KPMG China. By mobilising our resources and using our core skills, we have provided a platform for our people to give back to their communities. Rather than a magic solution for change, CSR is based on a few simple beliefs that we uphold. We believe education can change people’s lives. We believe in helping people to help themselves. We believe in using our own skills and professional knowledge to help build communities and help protect the environment. Going forward, we believe CSR will become more about how businesses can impact society, based on stakeholder and community engagement.

In this book, we share how we have applied our resources, knowledge and insights to engage our stakeholders and inspire our own pool of talented people to create sustainable value for a better world.

Join us?

Diana Tsui
CSR Director, KPMG China
Global corporate citizenship

Global organisations which operate in both developed and developing economies have a responsibility to act as good corporate citizens. Around the world, our member firms have developed a wide variety of sustainable programmes which support our communities and inspire our people to use their energy and skills in a positive way to make a difference to those most in need.

While many of our programmes are often tailored to the needs of individual countries, there are always common themes – poverty reduction, environmental protection, education, health and sustainable development. Whether it is one afternoon or one year, KPMG people across the globe give their time to work together in all these areas. Our firms are working together to tackle the impact of climate change with the development of the KPMG Global Green Initiative, which include an ambitious target to reduce our global carbon footprint by 25 percent by 2010.

Uniting our member firms under a common corporate citizenship strategy offers many opportunities to strengthen corporate culture and values, inspire leadership and enhance internal communications. There are also challenges as different countries have different regulations as well as various cultural sensitivities. However, despite the apparent difficulties of creating corporate citizenship and social responsibility policies that can be applied across all offices, KPMG International is committed to incorporating CSR into the DNA of our member firms across the globe.

“Climate change is now widely regarded as one of the most serious challenges the world faces, with consequences that go far beyond its effects on the environment. We observe around the world that the subject is steadily moving up the executive agenda. KPMG member firms and their clients recognise that climate change has strategic and financial implications for businesses, presenting both risks and opportunities. I am convinced that organisations which take the initiative to improve their carbon footprint will innovate for the better - both for their own prosperity and for the world as a whole.”

Michael Hastings • Lord Hastings of Scarisbrick CBE
Global Head of Citizenship and Diversity • KPMG International
Being an Employer of Choice

According to the 2008 Universum survey of university students across China, “Commitment to the community” was the eighth most important factor in choosing an employer. In the same survey, KPMG was ranked the best employer in the accounting industry. In 2008, ChinaHR.com also recognised us as a Top 50 employer.

CSR plays an important role in making KPMG China an Employer of Choice. From tutoring kids to participating in charity runs, our people are proud to represent KPMG and show the world who we are as a company. We celebrate diversity by embracing our differences and encourage our people to use their unique skills in areas that they are passionate about. The firm does its best to take care of our people and to create opportunities for us to take care of the community and the environment. Through this power of engagement, KPMG has created a workplace where people feel connected and valued.

Ninety-five percent of KPMG employees who participated in the survey responded favourably to the firm’s commitment to communities while 97 percent welcomed clear opportunities to use their skills to support NGOs and charities.

Results of the 2008 Global People Survey for KPMG China (including Hong Kong and Macau)
The KPMG Foundation, officially chartered as a charitable entity in February 2008, manages the partnership’s contributions and strategic allocation of funds to complement our firm’s CSR goals through structured and organised giving. The Foundation’s goal is to engage our people, stakeholders and brand to create a “multiplier” effect through the matching of grants and partnerships which we review and finalise at quarterly board meetings.

The Foundation’s objectives are to support underprivileged and disadvantaged youth in China through projects focusing on education and empowerment. We collaborate with NGOs, alumni, stakeholders and local governments to deliver cohesive, sustainable approaches to social, economic and environmental issues. The Foundation works with Social and Environmental Action Teams (SEATs) in the 12 KPMG China offices through our CSR department to gather ideas, and to identify CSR opportunities and potential community partners. The Foundation complements our overall CSR objectives through strategic giving to NGO programmes that fall under our “3Es”: Education, Empowerment and Environment.

Up to January 2009, our people has contributed an astounding 13,880 hours to community services. This also means 55 percent of our people participated in community service activities or contributed donations. Monetary donations from the KPMG Foundation, our PRC staff and the firm totalled HKD 9,194,561. In kind donations included donating 797 PCs to various charitable organisations and pro bono services worth up to HKD 19.5 million to 85 not-for-profit organisations.
Our “3Es” approach

Education
The future is in their hands

We support underprivileged youths through education to help them unleash their potential to achieve their future goals. We are involved in fundraising to help support their tertiary education. Apart from monetary support, our volunteers work with a number of NGOs as mentors, including helping migrant children understand basic business theories, inviting high school students experience the corporate world and coaching undergraduates on their career goals.

Empowerment
The future is in our hands

KPMG China has a talent pool with a number of specific skill sets that can be used to empower people. Through our partnership with NGOs, we have funded student businesses, medical missions, community outreach programmes and other initiatives which allow our people to help others, so that they too can go on to improve the lives of those around them.

Empowerment
The future is now

In April 2008, KPMG International made a commitment to reduce all member firms’ combined carbon emissions by 25 percent by 2010 from a 2007 baseline. In China, we have completed our internal carbon emission assessment for the calendar year 2007. We are also implementing numerous environmental initiatives to reduce our carbon footprint across all our offices. Later this year, KPMG China will roll out the “Living Green” campaign with a detailed green strategy for 2009 and 2010.

“KPMG’s commitment to CSR in Hong Kong is impressive. They have put structures in place to make CSR an integral part of their firm by creating a CSR department, appointing a director, launching a foundation and expanding their employee engagement. KPMG understands the value of CSR and we are proud to work with them.”

Shalini Mahtani, MBE • Founder & CEO • Community Business
The people who make it happen

Social and Environmental Action Teams

Each office has a Social and Environmental Action Team (SEAT) made up of committed volunteers and led by a partner in charge. Our CSR team works with SEATs to gather ideas and identify and implement local community programmes. SEATs are also encouraged to identify funding opportunities and potential community partners and to submit proposals for the KPMG Foundation board to consider.

This structure empowers our people to take ownership of the firm’s commitment to CSR. For our more junior colleagues, this enables them to interact with senior level colleagues.

Using SEATs as an internal springboard has helped us utilise our people’s wide variety of skills, including IT, audit, advisory, office administration and many, many more on projects that they would otherwise not have the chance to be part of!
Passion from our SEAT partners in charge

Through the New Great Wall project, I feel rewarded when I see the people I helped enter university, graduate from school and go on to start their careers and families. The project really gives us opportunity to see people's lives changed for better.

Sherry Hao, Partner – Markets, Beijing

A successful life is about building a legacy for the next generation. We can do this today by changing bad habits and making an effort to do the right thing. We must pass on our passion for CSR to those around us, including our families and friends, so that we can work together for a better future!

Lilly Li, Partner – Tax, Guangzhou

Our CSR activities allow me to build stronger bonds with my colleagues and live a more fulfilling life. CSR also helps us work better together by building trust and loyalty, which are both critical in successful teamwork.

Vincent Pan, Partner – Tax, Qingdao

We have made significant progress in the past couple of years, and now, in light of the current economic situation, it is even more critical for us to stay committed to our CSR initiatives. We need to continue to expand our reach, as good corporate citizenship is a long-term commitment.

Li Fern Woo, Partner – Audit, Shanghai

Taking part in CSR events is a great chance to see how our contributions can make a difference and have a positive impact on our communities. It also brings our people together to work as a team, regardless of their function, grade or background.

David Ko, Senior Partner – Audit, Chengdu
Putting our skills to work

Rebuilding Sichuan

In the aftermath of the Sichuan earthquake, KPMG China responded immediately to provide disaster relief to people affected. In a matter of weeks, our staff had raised nearly RMB 3.6 million in cash donations, which was matched dollar for dollar by the KPMG Foundation. As a result, our total contribution reached RMB 7.2 million. Our people also dedicated approximately 6,600 volunteer hours to assist NGOs with various relief efforts. During the initial stage, KPMG China donated RMB 4 million to the China Foundation for Poverty Alleviation (CFPA) to provide immediate relief to victims, such as purchasing daily necessities and building temporary housing in Woolong.

Let us take you through our earthquake action journal

**Contributions from KPMG China**

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2008</td>
<td>12 May  A massive earthquake erupts, affecting a large part of Sichuan. KPMG China responds to the earthquake by contacting various NGOs to identify what relief efforts are required.</td>
</tr>
<tr>
<td></td>
<td>15-28 May  KPMG provides over RMB 4 million to the CFPA for immediate relief efforts. The funds are used to provide food, water, medicine and temporary shelters in Woolong and help affected farmers to harvest their crops again.</td>
</tr>
<tr>
<td></td>
<td>24 May  David Ko, senior partner from our Chengdu office, visits the CFPA's Deyang operations site and the Hongbai township in Shifang, one of the worst hit areas.</td>
</tr>
<tr>
<td>June 2008</td>
<td>20 June  The Foundation decides to contribute RMB 500,000 to sponsor 80 university students affected by the earthquake.</td>
</tr>
<tr>
<td></td>
<td>24 June  Diana Tsui, our CSR director, visits Jiulong, Mianzhu, Yinghua and Shifang to assess the area’s long-term needs and determine how KPMG can help.</td>
</tr>
<tr>
<td>September 2008</td>
<td>28 September  The 156 temporary houses in Woolong funded by KPMG are built and evaluated, allowing over 600 people to have proper shelter again.</td>
</tr>
<tr>
<td>November 2008</td>
<td>12 November  KPMG signs an agreement to partner with Sowers Action to rebuild two primary schools in Gansu by 2010.</td>
</tr>
<tr>
<td></td>
<td>28 November  KPMG signs an agreement to partner with the China Children and Teenagers’ Fund to build two community centres in Sichuan by end of 2009.</td>
</tr>
<tr>
<td>December 2008</td>
<td>17 December  KPMG staff donate winter clothes and accessories to earthquake victims.</td>
</tr>
</tbody>
</table>

**KPMG staff contributions**

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 May</td>
<td>KPMG staff are informed of a fundraising initiative for the earthquake with donations being matched dollar for dollar by the KPMG Foundation.</td>
</tr>
<tr>
<td>15 May</td>
<td>Staff donations reach RMB 1.5 million.</td>
</tr>
<tr>
<td>18-25 May</td>
<td>Over 130 KPMG staff across China assist with ongoing relief efforts. These include full-time missions with the CFPA, donations and fundraising activities in Beijing, Guangzhou, helping NGOs to collect and load aid materials and daily necessities in Chengdu and Hong Kong, as well as provide blood donations.</td>
</tr>
<tr>
<td>31 May</td>
<td>Approximately RMB 8 million is raised from KPMG staff (with dollar for dollar matching from the KPMG Foundation) and KPMG member firms globally.</td>
</tr>
<tr>
<td>16-25 June</td>
<td>KPMG staff in different offices donate blood to the Red Cross. Our people in Shenzhen also help the Red Cross with entry of cash contributions.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPMG’s commitment to Sichuan earthquake (as of Mar 2009)</th>
<th>RMB</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Foundation for Poverty Alleviation (CFPA)</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Immediate relief and transitional housing</td>
<td></td>
</tr>
<tr>
<td>China Children and Teenagers' Fund (CCTF)</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Construction of two community centres</td>
<td></td>
</tr>
<tr>
<td>Sowers Action (SA)</td>
<td>2,085,216</td>
</tr>
<tr>
<td>Construction of two schools</td>
<td></td>
</tr>
<tr>
<td>New Great Wall (NGW)</td>
<td>500,000</td>
</tr>
<tr>
<td>Sponsorship to affected college students</td>
<td></td>
</tr>
<tr>
<td>Hope School</td>
<td>300,000</td>
</tr>
<tr>
<td>Co-fund the construction of a primary school with SZICPA*</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,885,216</strong></td>
</tr>
</tbody>
</table>

*Shenzhen Institute of Certified Public Accountants
Innovative developments in rural China

In November 2008, KPMG China signed an agreement with the China Children and Teenagers’ Fund to build two modern community centres in Sichuan. The first centre will be built in Cifeng, Pengzhou which was among the worst quake-affected areas and about an hour and a half drive from Chengdu.

Likely to set new standards for community construction in rural China, these centres will integrate green building principles and quake-resistant technology. Environmentally friendly and locally-sourced materials, such as processed bamboo, rammed earth, straw bale and recycled timber, will be used in their construction. The first community centre is expected to open in the winter of 2009.

Both centres will be equipped with a kindergarten, a library, classrooms and training rooms. They will serve as a pivotal social point for the townships to conduct after-school activities, vocational skills training and village meetings. Our people will participate in the construction and, upon their completion, will become active volunteers in these communities.

We are especially grateful for the pro bono support we have received from INTEGER China for coming up with such an innovative and cost-efficient centre design, as well as for the construction work from many other advisory groups such as Intelligent & Green Systems. This collaborative project is an effective demonstration of “the power of engagement”.

© 2009 KPMG, a Hong Kong partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. All rights reserved.
Standing the test of time

When it was discovered that the schools in Sichuan previously built by Sowers Action had withstood the earthquake, we were impressed. We reached out to Sowers Actions and quickly agreed to help rebuild two schools based on a needs-driven approach. In November 2008, KPMG China signed a memorandum of understanding (MOU) with Sowers Action to undertake the rebuilding of two primary schools in Cheng County, Gansu province.

Our RMB 1.98 million contribution to the reconstruction of the Gao Qiao Primary School and Zhang Qi Primary School will be matched on a 60-40 percent basis by the local governments. Sowers Action has also been able to leverage support from the Hong Kong Institute of Engineers and we are thankful to FARRELLS for helping review the school design and for providing our NGO partner with their professional advice. Once the schools are built, our people will continue to play an active role in supporting the schools through visits, summer teaching and mentoring.

We anticipate that 532 students will benefit directly from the construction of these two schools.

Timeline for reconstruction of two primary schools

<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 2008</td>
<td>Discuss partnership with Sowers Action</td>
</tr>
<tr>
<td>Oct 2008</td>
<td></td>
</tr>
<tr>
<td>Nov 2008</td>
<td></td>
</tr>
<tr>
<td>Dec 2008</td>
<td></td>
</tr>
<tr>
<td>Feb 2009</td>
<td></td>
</tr>
<tr>
<td>Mar 2009</td>
<td></td>
</tr>
<tr>
<td>Apr 2009</td>
<td></td>
</tr>
<tr>
<td>May 2009</td>
<td></td>
</tr>
<tr>
<td>June 2009</td>
<td></td>
</tr>
<tr>
<td>July 2009</td>
<td></td>
</tr>
<tr>
<td>Aug 2009</td>
<td></td>
</tr>
<tr>
<td>Sep 2009</td>
<td></td>
</tr>
<tr>
<td>Oct 2009</td>
<td></td>
</tr>
<tr>
<td>Nov 2009</td>
<td></td>
</tr>
<tr>
<td>Dec 2009</td>
<td></td>
</tr>
<tr>
<td>Jan 2010</td>
<td></td>
</tr>
<tr>
<td>Feb 2010</td>
<td></td>
</tr>
<tr>
<td>Mar 2010</td>
<td></td>
</tr>
<tr>
<td>Apr 2010</td>
<td></td>
</tr>
<tr>
<td>May 2010</td>
<td></td>
</tr>
</tbody>
</table>

“Thanks to KPMG’s unwavering support, the two school rebuilding projects in Gansu province are becoming a reality. They came to us and expressed their willingness to help the school children in the areas hit by the May earthquake. We are also impressed by their initiative to leverage the support we need from other stakeholders.”

Louie Lui • Chairman • Sowers Action
We believe in education

The New Great Wall (NGW) is an initiative started by the China Foundation for Poverty Alleviation (CFPA) in 2002 to provide financial aid and support services for college students in China. For many families and students living on less than USD1 per day, pursuing a higher education is something they cannot even imagine. The additional tuition fees and living expenses can be an enormous burden for such families.

KPMG China began supporting the NGW in 2005 through Sherry Hao, a partner in Beijing, and enthusiasm spread across the firm like wildfire. In just three years, our involvement has become nationwide, involving staff from all 12 offices. We are currently sponsoring 430 students, including 80 students affected by the Sichuan earthquake, to attend 42 universities during the 2008/09 academic year.

Our assistance to these students is not limited to financial support; our staff also mentor these students on a personal level. They maintain regular contact, sharing their experiences and providing guidance. Through these relationships, the students get help with their daily lives. Over time, our staff volunteers have seen these students develop their self-esteem and become more confident, outgoing individuals. The NGW initiative demonstrates that while the future is in their hands, we can help to get them there.
We believe in unleashing young people’s potential

Students in Free Enterprise (SIFE) operates in more than 40 countries. Working in partnership with businesses and schools, SIFE establishes student teams on university campuses to develop entrepreneurship and implement programmes to create economic opportunities in their communities. At the end of each academic year, the student programmes are judged by a group of corporate executives in regional competitions, followed by a national final and the SIFE World Cup.

Globally, KPMG has been a major SIFE sponsor since 1990, while KPMG China’s collaboration with SIFE in China and Hong Kong began in 2004. In addition to financial support, our professionals act as business advisors to SIFE students and our senior staff serve as judges for the competitions. The programme has quickly become popular with our staff: the number of senior staff serving as competition judges went from just three in 2004 to 25 in 2008, including 14 partners, and by 2008, we had 28 business advisors from six offices providing advice to 22 SIFE teams.

Working with SIFE, we have not only watched these young entrepreneurs bring their business ideas to life by providing real, sustainable benefits to their local communities, but we have also helped develop business ethics and social responsibility in the workforce of the future. If the students we have worked with are any indication of what is to come, our future is in safe hands.

“In my experience, SIFE brings a lot of value to everyone it touches: the students who apply their learning in real-life situations, and the communities which benefit from being taught practical skills that they can carry forward into their business and personal lives. I am proud to be the vice chair of the SIFE China Board and long-term participant - from both a business and a personal perspective.”

Andrew Thomson • Vice Chair of SIFE China Advisory Board
Deputy COO • KPMG Asia Pacific
We believe every child has the right to smile

In 2008, 33 staff from 11 KPMG China offices participated in four one-week missions with Operation Smile, a non-profit organisation which performs free reconstructive surgery for children with cleft lips and palates in lesser-developed areas of China. The firm not only gave each volunteer five working days off but also reimbursed all their expenses, including air tickets, hotel accommodation, local transportation and meals.

During these four missions in Guizhou, Harbin, Xinjiang and Guangdong, our volunteers acted as interpreters and counselors to patients and their families, and assisted doctors and nurses with onsite coordination, photo-taking and patient treatment for over 400 children. All of our volunteers came back with a great sense of accomplishment, pride and satisfaction.

Since 2004, KPMG China staff have participated in 11 successful surgical missions and helped transform the lives of over 1,000 patients. Operation Smile has also become one of the most popular and highly competitive volunteer initiatives. For example, for the mission to Qian Xi county, Guizhou province in April 2008, over 90 volunteers in our Shanghai office applied for six volunteer spaces within hours of the announcement.

“KPMG does much more than just deliver a range of professional services to the world. As partners, Operation Smile and KPMG have worked together since 2004 to restore smiles and improve the lives of Chinese children who need help.”

Dr. Han Kai • Founder & CEO • Operation Smile China
Our pro bono contributions

Using our professional specialist knowledge and skills to help civil society organisations enhance their accountability, credibility and performance is one of KPMG’s key commitments and contributions to our communities.

As Loren Tang, Audit partner in Hong Kong, says, “I feel that auditing charitable and non-profit organisations allows us to broaden our horizons and meet people from different backgrounds. It is also a great opportunity for us to build strong relationships with these organisations and contribute to their success and sustainability.”

During the fiscal year 2007/2008, KPMG China provided pro bono audit services worth approximately HKD 19.5 million to 85 non-profit and non-governmental organisations, both large and small.

According to Audit partner Joan Ho, “Doing pro bono work is a unique and appropriate way for a professional firm to be a good corporate citizen. Our service can give assurance to both donors and the public that their donations are well spent and help make the biggest impact in society.”

Ayesha Macpherson, a Hong Kong partner, is particularly noteworthy for her pro bono work as she serves on a number of government committees, including the Women’s Commission, the Lump Sum Grant Independent Review Committee and the recently formed Task Force on Economic Challenges, created specifically in response to the financial crisis. Her involvement in the public sector and her drive to engage other community and business leaders in addressing some pressing issues in our community is a great example of creating value through the utilisation of professional skills.
Global Green Initiative

KPMG member firms are committed to a global ambition to reduce our overall carbon footprint by 25 percent by 2010 from a 2007 baseline through emission reduction schemes and renewable energy.

KPMG China fully supports the Global Green Initiative and we have just completed our internal carbon emission assessment for the calendar year 2007. We have set a goal to reduce our carbon footprint from our 2007 levels and, over the next two years, we will explore, develop and implement our green strategies to reduce emissions across all of our KPMG China offices.

So far, energy consumption has already been reduced through environmental education and tips, replacing paper cups with ceramic mugs, installing double-sided printers and recycling bins, purchasing hybrid company cars and using LED lights in newly renovated areas. To reduce business travel, we have built Halo video conferencing facilities in our Hong Kong, Beijing and Shanghai offices and installed personal video conferencing capacity on all partner and director computers.

To further support the Global Green Initiative, KPMG International has accepted the nomination of two KPMG employees – one from China and one from the US – to join renowned polar explorer, Robert Swan, OBE, on his expedition to the Antarctica from 14 to 27 March 2009. Our KPMG ambassadors will learn first hand the impact of climate change on Antarctica’s fragile ecosystems and wildlife and return to share their experiences with us.

Ways to reduce our carbon footprint

- Change behaviour
- Use technology
- Improve carbon efficiency
- How to reduce your footprint
- Reduce consumption

"Climate change is one of the biggest environmental challenges we face but WWF believes that companies can be part of the solution. We salute KPMG’s participation in the pilot phase of our Low Carbon Office Operation Programme to help companies reduce their carbon footprint. We hope more companies will follow KPMG’s example.”

Karen Ho • Business Engagement Leader • WWF Hong Kong
Recognising excellence

We recognise our people’s contributions

The Chairmen’s Awards, now in its sixth year, is the brainchild of Chairman John Harrison. It was created specifically to identify people and groups who show an exceptional commitment to CSR, devoting their time, energy and skills to help others.

Recipients of the Chairmen’s Awards are honoured for their valuable contributions and commitment to upholding our CSR values in their daily lives. In the past, we have rewarded our colleagues for contributing to many worthy causes such as the NGW, SIFE, SoCO and a variety of other initiatives inside or outside of KPMG. These people have demonstrated continuous commitment or made a significant impact for an NGO or a social/environmental cause. Their achievements not only reflect KPMG’s core values but also remind us all that our people are KPMG’s true strength.

Every year, the award is presented at the KPMG Annual Dinner in Hong Kong, one of the firm’s biggest events of the year, to inspire more people to get involved. In a world where people always say they “don’t have enough time”, the nominees and winners are role models as they show that regardless of how much time you have to give, every action can make a difference and have a positive ripple impact.
Being recognised

KPMG China has been honoured to receive a number of CSR awards for the hard work of our people and the value of their contributions.

Seven years in a row, KPMG has received the Hong Kong Council of Social Service’s (2002-2008) Caring Company Award, which recognises private companies in Hong Kong that demonstrate good corporate citizenship. Under this scheme we were also awarded the Outstanding Partnership Project Award in 2006 and 2008 for our partnerships with SoCO and Youth Business Hong Kong (YBHK).

In 2009, we sept the People Management Awards 2008, jointly organised by the Hong Kong Institute of Human Resource Management and South China Morning Post. We were also awarded the CRF China Award for being a top employer in the East China region.

At the first Shanghai Philanthropy Conference on 6 January 2009, KPMG won the “Special Award for Earthquake Contribution” from the Shanghai Civil Affairs Bureau. The award was the first of its kind from the Shanghai government.

“KPMG has a sound CSR strategy and is particularly strong in the field of corporate governance. It has made a good start on environmental issues and runs some impressive community outreach programmes. We hope KPMG can further extend these promising initiatives to their clients.”

Oliver Ye Yang • Manager of Corporate Social Responsibility & Government Relations • American Chamber of Commerce in Shanghai
Values in Action
“What difference can you make in one second, one hour, one day?”
In one second, I can save precious energy

“...I remember the fresh air, clear blue skies and cool summer nights when I was a teenager. These are now such a rarity that people actually rejoice and talk about them when they appear. Unless we do something now, those days may be gone for good. KPMG’s green initiatives will help us get back on the right track.”

Bon So • Director - Private Office • KPMG Hong Kong

In my line of business, I am always looking for ways to increase efficiency with limited resources. So when I read our green initiative announcement in 2008, I was inspired to do something in my own office to contribute to the success of the programme.

My colleagues and I set up a “green team” to promote a more eco-friendly office environment based on the “3Rs”: Reduce, Reuse and Recycle. It was surprisingly easy to make some positive changes – a quick mouse click to use double-sided printing, a simple flick of a switch to turn off computers and lights, and walking just a couple of steps to the paper recycling bin.

In mid-2008, I was asked to facilitate a carbon audit for all KPMG China offices. I was shocked to learn how much carbon dioxide an average person produces a year. While creating a greener office is a long-term commitment, it only takes one second to change our behaviour and make smarter choices. Every step we take will bring us closer to our goal of creating a more sustainable environment.

By Ernest Lo, Manager – Private Office, Hangzhou
In one afternoon, I can be a role model

My first volunteer experience with Junior Achievement (JA) was a visit to the YuXin Migrant Junior School in November 2007. We organised a number of educational games with the kids. You might think children would not be interested in finance, but you wouldn’t believe how excited they were with games like treasure searching, currency recognition and trading role plays! Although they had really limited resources at their school, the smiles on their faces touched my heart.

After just one afternoon I was hooked and volunteered to be a coordinator for more JA projects. Teaching at the migrant school is now one of our most popular CSR initiatives. Every time we look for volunteers, we get three times the number we need!

It may only be a few hours of our time, but visiting these kids really adds something special to their lives. And, whether they realise it or not, they add something special to my life too.

Jessica Jin

By Jessica Jin, Assistant Manager – Audit, Shanghai
KPMG takes CSR very seriously. For instance, John Harrison does not merely support it from behind his desk but willingly puts himself into the world of those in need by participating in Slum Survivor in Hong Kong and Refugee Run at the 2009 World Economic Forum. Ban Ki-moon, Richard Branson and other world leaders have also gotten involved and Crossroads has seen KPMG’s example inspire the rest of the business community to do the same.

Sally Begbie • Co-founder • Crossroads Foundation

In one day, I can see the world through someone else’s eyes

Back in July 2008, at the Senior Team Member Event in Ho Chi Minh City, Vietnam, before we headed out for the day of community work, we were shown an inspiring video of one of our chairmen, John Harrison, participating in Slum Survivor. This event simulates the conditions at a refugee camp where getting food, shelter and even staying alive are a challenge.

It was inspiring to see our chairman stepping into another world, living the life faced by millions of people daily. It made me realise that while we may complain about problems in our everyday lives, they are nothing compared to the very real danger and hardships that many people face. Our chairman’s participation showed that regardless of our status, walking in someone else’s shoes, even for one day, can open our eyes to different realities and remind us that we have a responsibility to those who are less fortunate.

By Young Mok, Assistant Manager – Audit, Hong Kong

© 2009 KPMG, a Hong Kong partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. All rights reserved.
In five days, I can help rebuild lives

The May 2008 earthquake that hit Sichuan province shocked the whole nation. As our Chengdu office was the closest to the epicentre, our entire office sprang into action to start helping. During the first few days, everybody contributed in any way they could – donating money, giving blood or collecting clothing and food for immediate relief operations. Some of us also volunteered with the China Foundation for Poverty Alleviation (CFPA) to begin reconstructing a temporary school building so that the kids could eventually get back to their normal lives.

We were stationed at the CFPA head office in Deyang for five days. During that time, we helped to manage, record, and receive donated goods and then delivered them to Mianzhu, Qingchuan and Shifang, the districts most seriously affected. Those were not easy days – we lived in simple tents and endured rough conditions – but it was a privilege to work side by side with the other volunteers and our NGO partner. Although it was just one week, I was proud to use my skills to contribute when it was most needed.

Paul

By Paul Wang, Accountant – Audit, Chengdu

“I’m particularly proud to see an organisation like yours reacting so quickly at all levels in raising funds and providing volunteers and advisors for our work. I hope more companies can follow the KPMG model as it is a great reflection of Corporate Social Responsibility and your commitment to the community.”

Wang Xingzui • Executive Director • China Foundation for Poverty Alleviation

© 2009 KPMG, a Hong Kong partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. All rights reserved.
“What can you achieve in one week, one month, one year?”
"I’m so happy that my son can receive the surgery. I hope he will no longer be scared or shy around other people and will do the things he always wished he could do. This operation will change his life and the lives of our whole family. We are truly grateful."

Cui Jifeng • Mother of Shang Chang Xin • Harbin

In a week, I can change people’s lives forever

Volunteering at the Operation Smile Urumqi mission was an eye-opening experience that I will never forget. I remember on the first day, a father came in with his three-day old son. The tiny child was crying with hunger because of his cleft lip. The father stood by helplessly while the nurse slowly fed the baby. The father told us that he didn’t know how his son would be able to survive in this world.

Just then, one of the foreign volunteers came over and asked me to tell the father not to worry. He explained that his own child was also born with a cleft lip but was now as beautiful as an angel. He took out his mobile phone and showed us pictures of his daughter before and after the operation. The father looked at us and smiled as he realised that there was new hope for his child to live a normal life.

When I returned to Guangzhou, I was so inspired by this experience that I wrote a poem to share with my colleagues:

If I had a magic brush, I would paint the most brilliant smile on your face.

But if magic is just a dream, let me kiss your face and lips; then smile if my kisses can soothe you.

When you feel shy and frightened, let me hold you; then smile if my heartbeat calms you.

When you want to hide, let me step forward and hold your hands;
Then smile if my touch can comfort you.

By Erica Liang, Partner Secretary, Guangzhou
In a few weeks, I can help turn a business idea into reality

Volunteering as a Business Adviser for Students in Free Enterprise (SIFE) gave me the chance to apply the old saying, “If you give people fish, they can eat for a day. If you teach people to fish, they can eat for a lifetime.”

At the first SIFE meeting, we got to meet the students and hear about their projects. To help their projects succeed, we guided them on topics like financial management, enhancing returns on investment and minimising costs. In addition, we provided skills training on teamwork, leadership, project management, presentation and negotiation.

It was very exciting to hear all the various business ideas, knowing that some of these talented students may go on to make real differences in their communities. I have faith that, with passion and energy, they can turn their plans into reality.

By David O’Connor, English Editor – Audit Translation, Shenzhen

“"Our long-standing relationship with KPMG has enabled us to create a better and more sustainable world through the positive power of business. KPMG is more than a funding partner because its people invest both time and skills to help increase SIFE’s impact. Without question, very few organisations have had such a positive impact on SIFE over the last decade as KPMG.”

Sylvester John • Senior Vice President • SIFE International
In one month, I can become a mentor

In 2008, my colleagues and I got involved with the New Great Wall (NGW) project which helps disadvantaged students in rural areas attend university by providing financial assistance and mentorship. For most of these students, even buying a train ticket into the city is too expensive so many of them never get the chance to pursue higher education.

This is why my colleagues and I volunteered with NGW to start a Student Club. Two KPMG staff members were assigned to each student and we communicated with them regularly about their school and home lives. Over time we witnessed their transformation from being shy and withdrawn to confident and outspoken. They saw that even though they faced economic difficulties, there were people out there who cared about them and would help them to succeed.

Becoming a mentor made me realise that the students not only need financial support but also friendship and guidance. This whole experience has inspired me to become a more responsible person and to appreciate all that I have.

By Shaka Bian, Accountant – Audit, Shenyang

"With the support and encouragement of KPMG and the New Great Wall Project, I successfully completed my first two years of university. With the hope and confidence you helped me develop, I am sure I can complete the next two and successfully graduate."

Lu Chaoyun • Third year student • Guizhou University
In a few months, I can help an NGO be more sustainable

In 2008, I was very proud to represent KPMG on the assessment committee for the second China Development Marketplace (CDM), a World Bank initiative which promotes innovative and sustainable community development projects to combat poverty by funding outstanding project ideas. At the initial stage, I had to review 30 proposals out of a total of 400 along with other professionals from the NGO and academic sector and rate them on areas such as innovation, sustainability, and cost efficiency.

This was only the beginning of my experience at CDM as I was soon involved in multiple rounds of proposal assessments over the following months. Throughout the process my CSR colleagues and I quickly realised that many of these NGOs had very limited resources and were facing various difficulties in running their projects. In additional to funding two of the 60 winning projects, we worked with CDM to organise a “Knowledge Forum” in the final round to help NGOs better understand international standards and improve their project and financial management skills. I was the trainer on the day of the final round and I was touched by the great response from the audience. NGOs in China are certainly keen to improve their organisation’s capacity, transparency and accountability.

I truly hope that CDM’s success will attract more corporations and individuals to join hands with us in building a sustainable civil society in China.

“KPMG was a key partner in the highly successful China Development Marketplace competition in 2008. The volunteers trained more than 100 NGOs and KPMG also provided funding for two winning projects. They are a great example of using both expertise and financing to support the development of NGOs in China and demonstrating a high degree of corporate social responsibility which other companies can model themselves on.”

David Dollar • Country Director & Chief of Mission • The World Bank

By Amy Zhou, Senior Manager – Professional Practice Department, Beijing
In two years, I can help build a business from scratch

The Youth Business Hong Kong (YBHK) initiative is a great example of how you may empower people to improve their lives. My involvement started with the Youth Business Initiative Annual Conference sponsored by KPMG three years ago. As part of the professional mentor group, I gave advice to young entrepreneurs who were competing for an interest-free business start-up loan. After the winners were selected, I was able to put my business skills to very good use – helping a young working mother set up a company from scratch.

Her plan was to set up a travel agency. Over two years, we had monthly meetings and I advised on various matters ranging from efficient cost structures to marketing and business management. Most importantly, we developed a friendship and I really felt like I was personally involved in the business. We went through rough patches but the business went from break-even to profitable in the first few months. It’s still growing now. I am really proud of what YBHK has achieved and it feels great to be a part of it.

By Harry Yu, Partner – Audit, Hong Kong
In five years, I can spread the spirit of helping those in need

Time flies when you’re having fun – it’s now been five years since my first visit to the Society for Community Organisation (SoCO). In that time, I have regularly led outings for underprivileged children, including sports days, visits to fun attractions and camping trips. The highlight of the year is our Christmas party – we play fun games (and make sure the kids learn something too!), invite the children to perform and give them gifts based on their letters to Santa. There’s nothing quite like the joy of these children at Christmas and it’s a real joy to see them so happy.

This year, we wanted to empower the children and put them in a position to see that they also have something to give. We began by organising visits to local elderly people and the response was incredible. Children who, just a short time ago, were naughty, shy and uncooperative were gladly offering to share their food and helping with activities like house cleaning. This really touched my heart and I encourage all of you to participate in the next SoCO event to see the kind of impact you can have!

By Margaret So, Director – Human Resources, Hong Kong

“I am very happy because KPMG organises so many fun things for us every month. I never thought that a company would do so much for me and my family – and I really enjoy spending time with the volunteers!”

Kwok Wing Kei • One of SoCO’s kids • Hong Kong
Horizons are ever changing limits marking what we seek. Goals should move, otherwise we don’t progress. CSR is about moving towards that brighter future that lies ahead.
Glossary

**Abbreviations**

<table>
<thead>
<tr>
<th>Abbreviations</th>
<th>Descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>SEAT</td>
<td>Social and Environmental Action Team(s)</td>
</tr>
<tr>
<td>NGW</td>
<td>New Great Wall</td>
</tr>
<tr>
<td>SIFE</td>
<td>Students in Free Enterprise</td>
</tr>
<tr>
<td>YBHK</td>
<td>Youth Business Hong Kong</td>
</tr>
<tr>
<td>CDM</td>
<td>China Development Marketplace</td>
</tr>
<tr>
<td>CFPA</td>
<td>China Foundation for Poverty Alleviation</td>
</tr>
<tr>
<td>JA</td>
<td>Junior Achievement</td>
</tr>
<tr>
<td>SoCO</td>
<td>Society for Community Organisation</td>
</tr>
</tbody>
</table>

**List of our strategic NGO partners**

<table>
<thead>
<tr>
<th>NGO Partners</th>
<th>Web sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Children &amp; Teenagers’ Fund (CCTF)</td>
<td><a href="http://www.cctf.org.cn/">www.cctf.org.cn/</a></td>
</tr>
<tr>
<td>China Development Marketplace (CDM)</td>
<td><a href="http://www.developmentmarketplace.org.cn/">www.developmentmarketplace.org.cn/</a></td>
</tr>
<tr>
<td>China Foundation for Poverty Alleviation (CFPA)</td>
<td><a href="http://www.fupin.org.cn/">www.fupin.org.cn/</a></td>
</tr>
<tr>
<td>Operation Smile</td>
<td><a href="http://www.operationsmilechina.org/">www.operationsmilechina.org/</a></td>
</tr>
<tr>
<td>Sower’s Action</td>
<td><a href="http://www.sowers.org.hk/">www.sowers.org.hk/</a></td>
</tr>
<tr>
<td>Society for Community Organisation (SoCO)</td>
<td><a href="http://www.soco.org.hk/">www.soco.org.hk/</a></td>
</tr>
<tr>
<td>Students in Free Enterprise (SIFE)</td>
<td><a href="http://www.sifechina.org/chi/">www.sifechina.org/chi/</a></td>
</tr>
</tbody>
</table>

**List of web sites for reference**

<table>
<thead>
<tr>
<th>Web sites</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="http://www.2041.com/antarctic-expeditions/">www.2041.com/antarctic-expeditions/</a></td>
<td>Antarctic Expeditions</td>
</tr>
<tr>
<td><a href="http://www.csr-asia.com/">www.csr-asia.com/</a></td>
<td>CSR Asia</td>
</tr>
<tr>
<td><a href="http://www.chinacsr.com/en/category/business/">www.chinacsr.com/en/category/business/</a></td>
<td>CSR China</td>
</tr>
<tr>
<td><a href="http://china-crossroads.com/">http://china-crossroads.com/</a></td>
<td>Crossroads</td>
</tr>
<tr>
<td><a href="http://www.syntao.com/E_index.asp">www.syntao.com/E_index.asp</a></td>
<td>Syntao</td>
</tr>
</tbody>
</table>

**Credits and thanks**

We would like to thank the following people for helping us put together this book:

Betty Lim, Jennifer Chung, all KPMG volunteers and all NGO partners.

© 2009 KPMG, a Hong Kong partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. All rights reserved.
The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.