



Our Impact Report

KPMG New Zealand



**We believe in fuelling prosperity
for all New Zealanders**

**Tītokona tō tātou tōnuitanga,
mō Aotearoa, mō tātou**



Planet

People

Prosperity

Governance

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About this report

We are pleased to present KPMG New Zealand's second "Impact Report"

Our inaugural report was published December 2022 and was a first for us - representing our commitment to our purpose and to greater transparency and accountability. It was aligned with the KPMG global framework in measuring and reporting the impact of our work across four key areas: Planet, People, Prosperity and Governance.

It was our stake in the ground, stating our commitments and enabling us to establish benchmarks for our key indicators. In it, we gave an undertaking that we would continue to measure and share our impact with our audience - and noted that our report would evolve over time.

In this latest Impact Report, we take the opportunity to share our learnings and progress for the year ending 31 December 2023. Consistent with our first report we have grouped our reporting into four key areas: Planet, People, Prosperity and Governance - highlighting our achievements and acknowledging the areas in which we can do better.

We also share our commitment to embedding ESG (Environmental, Social and Governance considerations) as the watermark throughout our organisation – working with our people and helping our key stakeholders, including our clients, build a more sustainable and resilient future - and our plan for increasing the robustness of the way we'll report our impact in coming years.

About us

KPMG in New Zealand has more than 1,500 professionals - including 107 partners – operating in seven offices across Aotearoa New Zealand.

We are a member of the KPMG global organisation of independent member firms, and part of a network of more than 270,000 employees, operating in 143 countries and territories.

Our national team works with private businesses, publicly listed companies, corporate entities, government and public sector organisations, iwi and not-for-profits. We provide our clients with accounting, audit and assurance, tax, and business advisory services across a range of areas including digital transformation, data and analytics, deals, risk management, sustainability and climate change.

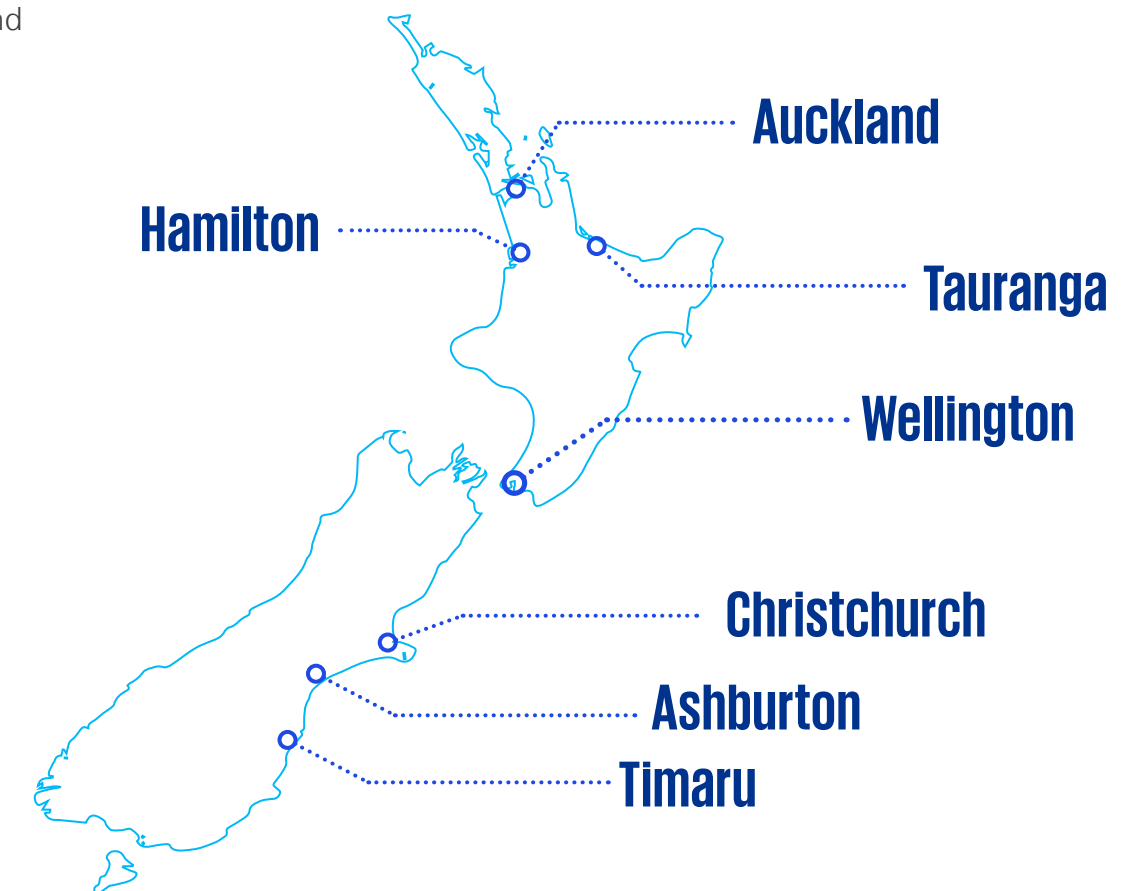
This work is supported by our Corporate Shared Services team who provide essential services, data and insights, which also help inform decision-making by our Board and Executive team.

Our growth strategy is sector-led and sees us deliver in-depth specialist knowledge, relevant and timely market insights, and expertise to our clients in key sectors.

We strongly believe that the work we do with businesses, government, iwi, and community organisations positively impacts on the health, wealth and wellbeing of New Zealand and all New Zealanders.

We believe in fuelling prosperity for all New Zealanders.
Titokona tō tātou tōnuitanga, mō Aotearoa, mō tātou.

KPMG New Zealand office locations



Executive summary

Welcome to the second edition of our Impact Report

When we launched our inaugural report in December 2022, it was against a backdrop of uncertainty and significant global and local change – environmental, social, economic and political. Little did we know the challenges the next 12 months would bring.

2023 saw our country experience some extreme weather events, an official recession, the soaring cost-of-living and a change in government. From an industry point of view, there was increasing scrutiny, (deservedly so), on professional services firms as transparency, ethics and values came under the spotlight.

While the year was challenging on many fronts, it also presented our firm with the opportunity to reinforce and uphold our own values, implement change and, through our work, play our role in building trust and raising confidence in the information that was both utilised and reported by New Zealand organisations.

In this report we assess our impact across our key focus areas of Planet, People, Prosperity and Governance for the year to 31 December 2023. We reveal the areas where we've made good progress that we can be proud of, and the areas where further work is required to live up to the commitments we've made, and to meet the expectations of our stakeholders – our people, our clients and our community.

Highlights in this report include: Planet - the progress we've made in establishing internal climate-related governance and leadership structures and the publication of our first [Climate Disclosure Statement](#); People - 88% of our people are proud to work for KPMG; Prosperity - the launch of "Project Money" - our financial literacy programme for children; Governance - upholding our values and Code of Conduct which were put to the test during the year.

You'll find additional information about these highlights and more in the report, and we note that whilst we have kept the structure of this report similar to our first one, like many of our clients we are in the process of embedding ESG throughout our organisation, further developing and refining our strategy, and increasing the robustness of our reporting framework – so the shape and content of this report will evolve over time.

We would also like to note that as a firm we are committed to making the changes needed to deliver a positive impact, and we are committed to working with our people, our clients and the wider community to support the broader change needed - aligned with our purpose of fuelling New Zealand's prosperity.

Ma whero ma pango ka oti ai te mahi.



Kay Baldock

National Managing Partner,
Brand & Growth
KPMG New Zealand



Jason Doherty

Chief Executive
KPMG New Zealand



Matt Prichard

Executive Chair
KPMG New Zealand

Planet

People

Prosperity

Governance

Planet

**Manaaki whenua, manaaki
tangata, haere whakamua**

Care for the land, care for the people, go forward

Planet

Reducing our impact on the environment for a more sustainable and resilient future

Our Progress

Our commitment: Decarbonisation

We recognise that the way we do business has a direct impact on the environment and we are working on embedding climate response more deeply into our business processes long term, to meet reduction goals as set by KPMG International initiatives. We will continue to explore opportunities for emission reductions in our business and, combined with enabling (through education and engagement) a carbon conscious culture within KPMG, we aim to balance our environmental and financial priorities.

As long-standing members of New Zealand's Climate Leaders Coalition (CLC), we are committed to not only meeting the 2022 Statement of Ambition but going above and beyond to accelerate our transition towards a zero-carbon and climate resilient future

You'll find information on how we're working to accelerate our transition to a zero-carbon and climate resilient future in our Climate Disclosure Statement, which is aligned with the objectives of the External Reporting Board's Aotearoa New Zealand Climate Standards. During 2024 we'll be refreshing our areas of focus through a materiality assessment and revised scenario analysis process. This will

help guide our transition planning, including how we can best measure our progress. Our aim is to then develop an impact measurement framework to hold ourselves accountable and understand how we are making a difference. This new information and framework will inform the shape and content of our next Impact Report and will help direct our focus to the areas where we can and should be going above and beyond.

We have aligned with KPMG International's approved 1.5°C aligned Science-Based Target by committing to achieve a 50% reduction in scope 1, 2 and 3 emissions by 2030 from a 2019 base year

Our main focus areas for reducing emissions during 2023 were travel optimisation, the purchase of renewable energy, improved energy efficiency through equipment replacement and increased use of technology that has reduced some business travel.

Planet

OUR COMMITMENTS



Decarbonisation - Achieve a 50% reduction in scope 1, 2 and 3 emissions by 2030 from a 2019 base year.



Climate Change Response - Integrate climate risks and opportunities into key governance and management processes and forums, and provide clear, high-quality information on the impacts of climate change through the work of our KPMG IMPACT team.

While our overall emissions have increased for the second year in a row, due primarily to a rise in travel, as noted under our travel commitment in 2023, we achieved a 36% reduction in total gross GHG emissions per full time employee against a 2019 base year (2,191 tCO2e versus 3,407 tCO2e).

In our goal to reach net-zero, we are also making use of verified offsets and, in addition, we are aiming to reduce absolute scope 1, 2 and 3 emissions 50% by 2030 from a 2019 baseline.

Our scope 1 emissions include the purchase of petrol and diesel for leased vehicles, as well as natural gas. Meanwhile, our scope 2 emissions consist of electricity, and our scope 3 emissions encompass business travel – accommodation, air travel, mileage, taxis, rental cars, disposal of solid waste (landfill), water, electricity and gas related transmission and distribution losses, and paper use.

Carbon Emissions Comparison

	tCO2e				
	FY19 <i>(base year)</i>	FY20	FY21	FY22	FY23*
Total gross emissions^	3,407	1,128	869	1,695	2,191
Scope 1	109	64	76	60	83
Scope 2 (market-based)	122	43	32	35	31
Scope 3 - business travel	2,877	883	662	1,500	2,037
Scope 3 - other	298	138	99	100	39

*A third-party provider verifies our GHG emissions inventory annually. with our 2023 GHG emissions inventory confirmed as certified by the provider, on 24 July 2024.

^ Rounding has been applied.

We have aligned with KPMG International to source 100% renewable electricity by 2030

In September 2023 the last of our offices which purchase electricity directly, signed on with Ecotricity, a New Zealand certified climate positive electricity provider. This leaves only two offices (Hamilton and Ashburton), which pay for electricity via an operating lease with their landlord, not currently purchasing certified climate positive or renewable electricity. We are investigating options for these two remaining offices.

We have aligned with KPMG International to offset any remaining emissions we cannot remove from our operations, by investing in externally accredited carbon removal projects

KPMG International is currently working to develop further guidance for KPMG firms on best practices and principles to inform a unified global approach for carbon credits and Beyond Value Chain Mitigation (BCVM). In the interim we continue to offset remaining emissions. While our preference

is to continue to increase our use of removal credits over avoidance credits, our carbon credit provider no longer offers New Zealand removal credits (New Zealand carbon sink projects). We are actively investigating supply and availability of verified credits that meet our standards.

We will reduce our domestic / international short-haul air travel and international long-haul air travel by 30% per FTE and 50% per FTE respectively by 2025

Although our air travel increased again compared to 2022 as expected post-Covid, our 2023 figures (shown in the accompanying table) are below our pre-Covid, 2019 baseline - noting our team has grown by 40% over this period - and the types and volume of travel we undertake are actively being managed across the firm. Supporting that, we've committed to reducing travel budgets for 2024 by 5%, and we are in the process of completing the refresh of our internal travel policy (to be launched in the second half of 2024) to include sustainability principles and encourage behaviour change.

Scope 3 metric and targets:

Scope 3	2019 (tCO2e)	2019 (tCO2e per FTE)	2023 (tCO2e)	2023 (tCO2e per FTE)	% change (tCO2e per FTE)	Targets (against 2019 baseline)
Air Travel (domestic)	1,261.97	1.17	1,041.80	0.68	42% reduction	Reduce our domestic air travel 30% by 2025 (tCO2e per FTE)
Air travel (international)	1,360.65	1.26	720.81	0.47	62% reduction	Reduce our international air travel 50% by 2025 (tCO2e per FTE)
Land transport	289.07	0.27	196.75	0.13	52% reduction	Reduce our use of motor 30% by 2025 (tCO2e per FTE)

Setting a Carbon Budget / Internal Carbon Price

In our previous Impact Report we listed one of our priority actions as “Working towards establishing an agreed Carbon Budget to manage the reduction in our carbon footprint each year (with the aim of having a formal process in place from 1 January 2024).”

Noting that while an Internal Carbon Price (ICP) can be an effective tool in incentivising changes in behaviour and ensure climate is integrated into our decision-making process, we have not met our deadline and are still investigating the ICP floor price that will drive genuine behaviour change within our organisation. Therefore, we are yet to formally set our ICP. We recognise that one of the primary objectives for the ICP within KPMG is to support a reduction in business travel which is a significant contributor to our carbon emissions. Hence, to establish the foundations for implementing an ICP, we are progressing by refining how we measure emissions from business travel at an individual and divisional level, and will report back on our progress in setting an ICP in our next Impact Report.

Addressing data gaps

Another of our 2023 priority actions was to address data gaps so that emissions data can be captured and managed more proactively. The main data gap that we are still to address (due to resourcing challenges) is a full assessment of our scope 3 emissions so that we can determine the appropriate data to collect – particularly around our supply chains. This work is scheduled for late 2024.

Our commitment: Climate Change Response

We continued our climate response work guided by our Integrated Climate Action Plan, which was developed to identify and address key gaps, including how to embed leading climate governance, strategy, and risk management systems and processes into the core activities of our firm. Our progress is detailed below.

Integrating climate risks and opportunities into key governance and management processes and forums

One of the priority actions in our Integrated Climate Action Plan for 2023, was to establish climate-related governance and leadership structures and responsibilities, including strategic and operational ownership of climate-related risks and opportunities.

We have therefore put in place an ESG Steering Committee whose purpose is to synchronise and mobilise our ESG (including climate) response across the organisation and to coordinate our strategic and operational climate-related activities. You’ll find more information about this in our Governance section.

In mid-2024, we will launch the KPMG ACCEPT framework which is complementary to our existing client and engagement acceptance process, and factors in ESG considerations to help ensure we are doing the right work, with the right clients, for the right reasons.

As we progress our strategic and operational climate response, including transition planning, we will also refresh our climate-related risks and opportunities through a scenario-based risk and opportunity assessment and review our metrics and targets in alignment with the outcomes of this process.

Although not bound by the External Reporting Board’s climate disclosure standards, we committed to releasing a Disclosure Statement that aligned with these standards within the year

Another priority action in our Integrated Climate Action Plan was to publish our first climate-related disclosure. We initially disclosed our climate change risks and opportunities through our [Climate Risk and Opportunity Disclosure](#) in June 2023 (in accordance with CLC requirements) and have now released our first [Climate Disclosure Statement](#), (albeit later than intended) alongside this Impact Report.

Our Climate Risk and Opportunity Disclosure has been prepared in alignment with the objectives of the Aotearoa New Zealand Climate Standards and demonstrates our commitment to hold ourselves accountable in playing our part to help drive change towards a sustainable and resilient future - and being transparent and open about our journey. This Statement highlights areas where we have made progress and, just as importantly, where we need to do more.

Give financial markets, clients and our leaders clear, comprehensive, high-quality information on the impacts of climate change

The deep climate change expertise we have in our KPMG IMPACT team, means we have the skills, experience, tools and methodologies to advise and guide our clients, stakeholders and wider communities in climate change modelling, adaptation and resilience. We do this through working groups, thought leadership, events and client and community engagements.

Through our growing [IMPACT Assurance](#) team, which is empowered by a new methodology from KPMG International and a market-leading sustainability assurance workflow, we support our clients in providing high quality assured information to the markets - creating clarity and value for our clients and for New Zealand.

We are now also a Foundation Partner, and the Official Advisory Partner, of [Chapter Zero](#) in New Zealand – part of a global network of board directors committed to taking action on climate change. As well as providing resourcing for the Steering Committee and Working Group, part of our remit is to provide clear, comprehensive, high-quality thought leadership on aspects of the climate change space – an example of which is the co-produced report we released in December 2023: [What difference can directors make?](#)

A note on nature and biodiversity

While we do not have a significant direct impact on nature and biodiversity, this is an area we do try to make a positive impact through selection of carbon credit schemes that improve nature and biodiversity. We provide, and it is our intention to increase, volunteering opportunities for our people that have a direct impact in this space. In addition, we host internal seminars, via our “Green Team” (a group of active and passionate KPMG volunteers committed to having a positive impact on the environment), focussing on educating our people further in this area.

We also have a growing indirect impact, via increasingly embedding a nature focus in our client work – which is beginning to help drive improved transparency on how businesses manage their relationship with nature. We firmly believe that New Zealand will only achieve its decarbonisation ambitions if we prioritise nature positive outcomes.



Next on the agenda - our 2024 Planet priorities

In support of our ongoing commitments to our Planet, our key priorities for 2024 include:

- ▶ Helping our clients understand their environmental impact and identifying opportunities to help them improve.
- ▶ Determining which Scope 3 categories are most material to our business and developing actions to influence them.
- ▶ Conducting our second iteration of climate scenario analysis to refresh our climate-related risks and opportunities.

People

**Ki te kotahi te kākaho,
ka whati - ki te kāpuia, e kore e whati**

When we stand alone we are vulnerable,
when we stand together we are unbreakable

People

Creating a caring, inclusive, purpose-led and values-driven culture for our people

As we acknowledged in our previous report, it is our people who drive our strategy, embody our values, and deliver the mahi/work that helps our firm achieve its purpose. Our commitments to them form the basis of our People Promise – the promise KPMG makes to be an employer that supports them in doing work that matters, enables them to thrive and grow in their careers, and ensures they feel that they belong.

Our Progress

Our commitment: Our people will do work that matters

Our work has a positive impact on New Zealand, our communities and our people

Working at KPMG means playing an important part in helping achieve our purpose of fuelling New Zealand's prosperity. Whether through **audits** which ensure financial transparency and help give confidence to investors, **identifying risks and mitigation opportunities** for locally owned businesses, helping the public and private sectors with **digital transformation**, working with them to navigate **climate change**, or supporting **social transformation** with a range of tools co-designed with global and Māori knowledge – our people are here to help deliver solutions and positive outcomes.

88%

I am proud to work for KPMG

Source: KPMG Global People Survey – NZ, October 2023

Our commitment: Our people will thrive and grow

Provide a continuous learning culture

We want everyone to have the opportunity to progress and grow their career at KPMG. We have dedicated online and in-person resources available to help our people develop their skills and navigate their career, and to support our culture of high performance.

2023 saw the launch of two new learning initiatives:

► **Peer 2 Peer mentoring programme** - involving a collaboration between Tonkin + Taylor, the Royal New Zealand Air Force and KPMG. The programme pairs members of these organisations together to form a two-way mentor/mentee relationship to learn and grow from one another and act as a sounding board. Outcomes will be available in the latter part of 2024.

OUR COMMITMENTS



Our people
do work that matters



Our people
thrive and grow



Our people
feel they belong

► **Tangaroa Ara Rau**, a Māori and Pasifika experiential leadership programme designed to develop culturally competent leaders who can navigate and excel within diverse professional and cultural contexts. It was delivered to a cohort of 10 emerging Māori and Pasifika leaders at KPMG – 4 of whom have since been promoted to Associate Director or Director, and 100% of whom agreed “they feel more invested in as a Māori or Pasifika leader”.

Our investment in training was \$3.2M in 2023 and incorporated new development opportunities for Partners. This included the introduction of a three-year leadership development programme in collaboration with the University of Auckland Business School and Impact International. The programme has seen 60 of our Partners attend the inaugural year in 2023, with another 25 starting the programme in 2024. The programme aims to deepen the leadership skills of our Partners to lead our firm into the future and to enable us to meet the firm’s strategic and people priorities.

Protect the health of our people - physically and mentally

We’re committed to creating a safe and wellbeing-focused working environment and experience that enables our people to thrive. We provide resources on topics ranging from mindfulness to mental health to menopause and, in March 2023, we were pleased to introduce “Wellbeing Leave”, reflecting that there are health circumstances beyond physical illness or injury which can require rest and recovery, and increasing the entitlement from 10 to 15 days per person, per year.

We also introduced changes to social gatherings in our workplace following two drink-spiking incidents in our Auckland office. We were shocked and saddened that this type of incident could occur in what should have been a safe environment for our people. Our leaders immediately

“**Tangaroa Ara Rau was the most enriching programme I could have hoped for. I met leaders from a wide base and learned from them a range of tools and techniques to support my leadership journey.**”

“**I was able to meet and connect with leaders who looked like me and whose leadership styles resonated with what leadership feels like to me.**”

- Comments from Tangaroa Ara Rau Participants

took steps to ensure all of our people were made aware of what had happened, investigated the incidents (which we also reported to the police), and reviewed and implemented additional safety precautions for all internal social gatherings. We considered cancelling on-site social gatherings altogether, however we consulted our people and they made it very clear that they still wanted and appreciated opportunities to connect.

Our commitment: Our people feel they belong

Our journey to build an inclusive and equitable environment that reflects and represents the diverse communities of Aotearoa New Zealand – and one where people feel they belong - is a work in progress and a major focus for us.

We’re pleased to see that one of our “belong” initiatives, **Whānau Leave**, is resulting in secondary carers now taking more parental leave to spend time with their families – an increase from an average of 2.2 weeks to 12.2 weeks since it was introduced. Meanwhile our Flex@KPMG policy (flexibility around where, when and how we work) is being well-utilised by our people to support their life balance, while our paid Reservist Leave and provisions have helped result in us being

the recipient of the [2023 Minister of Defence’s Tohu Awards as the Reservist Employer of the Year](#) – for the second time.

Our five internal Affinity Networks– the [Ethnicity Network](#), Kiwa, [KPMG Accessibility Network](#), [KPMG Network of Wāhine](#), [Pride@KPMG](#) - are well subscribed to and regularly share news and provide opportunities for all KPMG people to learn and participate in.

Have an inclusive culture

We have introduced a three-year Inclusion, Diversity and Equity strategy, identifying our priorities, initiatives and KPIs based on feedback from our people through the KPMG Global People Survey, and a local internal diversity survey.

The diversity survey provided robust data about our people’s experiences and preferences, helped us understand the range of ethnicities, identify blind-spots, and enabled informed planning and decision-making for our approach to a range of areas including culture, accessibility and neurodiversity.

In September 2023, based on feedback from the diversity survey, we introduced a Cultural Holiday Swap option. Our people are now able to swap up to two specified New Zealand public holidays each year to an alternative day of significance, and there have already been a wide range of days requested, including Lunar New year, Diwali and Gudi Padwa – Maharashtrian New Year.

87%

I have opportunities to improve my skills and build new ones

Source: KPMG Global People Survey – NZ, October 2023

Examples of other 2023 priority initiatives include: Te ao Māori Strategy, Unconscious Bias Training, Inclusive Events Guide and Training, Tangaroa Ara Rau, accessibility and neurodiversity support, and mentoring and sponsorship – with our Diversity Sponsorship Programme recognised as a Finalist in [Diversity Works’ Diverse Talent Award 2023](#).

Cultural Competency – Te ao Māori

2023 also saw our Pou Ahurea / Māori Cultural Advisor, Vinnie Campbell, and supporters run KPMG “Karakia Mondays”, an internal online hui / gathering, where all are welcome to begin the week on a positive note through karakia, whakataukī and waiata / prayer, inspirational sayings and song.

We also had our second cohort attend Ngā Kākākura Pōkai, a senior executive leadership programme to prepare future leaders of our firm with the competencies – including cultural capabilities - and mindset to lead our people and business into the future.

Bespoke training was developed for our Kiwa team to help equip them with the cultural skills, (pronunciation, pepeha, tikanga and māna), needed to represent the communities we serve and to run our Māori and Pasifika mentoring programme.

Te Kete Mātauranga, our online “basket” filled with Māori knowledge, guidance, tools and resources to grow our Māori cultural confidence and capability, was updated with new resources to help everyone on their te reo journey by providing options that suit individual needs.

And we clarified the link between our purpose and our commitment to te ao Māori via firmwide communications that explained the how and the why of us engaging with te reo and tikanga in our workplace.

Advocate for equality

We continue to advocate for equality and have set goals and targets in areas such as: gender diversity where we intend increasing the percentage of women partners from 27% in 2023 to 40% by 2026 (noting the percentage was 20% in 2021); reducing and reporting on our [gender pay gap](#) which increased to 5% from 4.3% in 2022 for all employees, while decreasing to 15.8% from 23.7% in 2022 for Partners; and striving for a more representative balance of ethnicities.

We also support and/or are members of [Global Women](#), Champions for Change, [UN Women / Women’s Empowerment Principles](#), and the [Accessibility Tick Programme](#).

“KPMG’s whānau leave policy gave my family and me the time that we needed to focus on whatever was most important. I’ve been able to use this leave to support my partner with parenting duties throughout our journey as new parents, and later as we navigated her transition back to work.”

Director, KPMG

90%

I am treated with dignity and respect at work

Source: KPMG Global People Survey – NZ, October 2023



Next on the agenda - our 2024 **People** priorities

In support of our ongoing commitments to our People, our key priorities for 2024 include:

- ▶ Increasing our focus on a ‘speak up’ culture ensuring our people belong and can thrive and grow.
- ▶ Fostering greater mobility through understanding skills and leveraging opportunities.
- ▶ Acknowledging our people’s success - promoting a collaborative culture where ownership and teamwork are celebrated.
- ▶ Ensuring our people have the right access to training and technology to thrive and grow and deliver outcomes that matter.

Planet

People

Prosperity

Governance

Prosperity

I orea te tuatara, ka patu ki waho

A problem is solved by continuing to find solutions

Prosperity

Driving purposeful business practices and good corporate citizenship

Our Progress

Our commitment: Investing in talent and introducing and expanding services to contribute to purposeful business practices, which will positively impact New Zealand and New Zealanders

Investing in talent

We want to attract top talent at KPMG for both early and experienced roles. Our investment in our people, particularly in the area of learning and development, supports this. An example is our recognition that not everyone is in a position, or wants, to complete a three- or four-year programme of study before entering the workforce. Our well-established Junior Advisor Programme supports this approach, through investing in school-leavers who join our Private Enterprise team on a part-time permanent basis, providing them with the opportunity to work while completing their accounting degree. This gives them practical and useful experience, while advancing their career through study, and helps us gain and retain a wider range of talent.

Introducing and expanding our services

In terms of expanding our services to contribute to purposeful business practices, 2023 saw the introduction of **Tōmua** – our economic and social impact framework. Tōmua assists organisations with a range of co-designed tools, to design and implement services and systems to better meet the needs of diverse communities in Aotearoa, and to embed approaches that support Tiriti o Waitangi partnerships and contribute to a more equitable society.

Our commitment: Support education and lifelong learning (UN SDG 4)

Quality Education

Our **community strategy** prioritises promoting and enabling the **United Nations' Sustainable Development Goals** with our main focus being Goal 4 – Quality Education. We believe that quality education and lifelong learning opportunities that are inclusive and equitable can help break the cycle of poverty, drive economic growth, inspire the next generation of leaders, and fuel community prosperity for generations to come.

OUR COMMITMENTS



Investing in talent and introducing and expanding services to contribute to purposeful business practices, which will positively impact New Zealand and New Zealanders.



Supporting education and lifelong learning (UN SDG 4).



Investing in our communities through achieving a minimum of 50% of KPMG people taking part in volunteering.

"10x30" strategy

This thinking ties in with KPMG's global ambition – which we have integrated into our plans - the "10by30 strategy", which is a commitment to help economically empower 10 million disadvantaged young people around the world by the year 2030 through education, employment, and entrepreneurship opportunities. KPMG is delivering on this vision through projects that aim to equip students with the skills to succeed in the labour market; support job transition by providing students with knowledge, mentorship and opportunities to access work; and help transform the education ecosystem by upskilling educational leaders and helping to create more effective education institutions.

Local communities

In our local communities, we work with several schools – helping in a variety of ways including donations and our people's time to support events, providing financial expertise and guidance at Board level and, via the Manaiakalani Education Trust, supporting children in disadvantaged communities with living and learning in a digital world. We also continue our close involvement (and our flagship community partnership) with the [Springboard Trust](#) – a charitable trust providing school principals with access to expertise to enhance their strategic leadership capability.

In 2023 our work in the lifelong learning and schools space totalled 3,331 hours – or 33% of our total volunteering, governance and pro bono work.

KPMG's Global "10x30" Strategy – examples at a local level.

Education supporting effective education institutions and upskilling teachers

Springboard Trust | Manaiakalani Education Trust | Taka Trust | School Partnerships

Employment helping young people to access gainful employment

Taita mentoring | Kiwa mentoring | StudyLink | Tupa Toa | Graeme Dingle Foundation | Shadow a Leader

Entrepreneurism equipping young people with skills needed for the future

Young Enterprise Scheme | ThinkPod

Plus: donations, governance roles and pro bono engagements within these areas

The LoVE Awards

The [LoVE Awards](#) celebrate those leaders of volunteers who inspire, manage and coordinate volunteers across Tāmaki Makaurau Auckland. The Corporate Champion Award is given to an individual that truly champions a culture of volunteering, demonstrates a commitment to the common good, and encourages and inspires their employees to do the same.

In 2023, this award went to KPMG's Justine Todd and the Auckland office in recognition of Justine's dedication, drive and determination – and the number of opportunities the office has participated in through Auckland Volunteering.

Project Money – Financial Literacy learning in schools

Managed by our Citizenship team and led by a passionate group of volunteers, the financial literacy-focused "Project Money" has been in development since 2021, with our summer interns over the last three years building content as part of what we call their Prosperity Projects.

Having been tested and refined, in late 2023 we were pleased and proud to deliver the first 90-minute interactive sessions to over 165 Year 5 and 6 learners in four schools.

Our goal is to support young New Zealanders in their journey to becoming financially self-sufficient adults, capable of making sound financial decisions, and increasing their future financial stability and prosperity.

Our commitment: Investing in our communities through achieving a minimum of 50% of KPMG people taking part in volunteering

We saw a significant increase in the number of people volunteering – from 402 in 2022 to 784 - which saw us meet our target of 50% of our people volunteering. Our increase in pro bono and community governance hours reflects our desire to offer our skills and expertise to support organisations that are involved in the betterment of society.

Local community involvement

Local community involvement is driven by our active National Communities Team - comprising members from all seven of our offices - partnering with local organisations that are significant to people in that region. Examples include marking the tenth anniversary of our Tauranga office working with Merivale School, as well as being the third consecutive year of their Workplace Giving Programme donating to local charities through the **Acorn Foundation**; and our continued support of Wellington Free Ambulance, where we have contributed to funding a rescue vehicle and rescue squad uniforms.

Pro bono hours
3,568

Volunteer hours
4,959

Governance hours
1,524

Total hours
10,051

Number of people volunteering
784 (+95% YOY)

Percentage of people volunteering
50% (+78% YOY)



Next on the agenda - our 2024 **Prosperity** priorities

In support of our ongoing commitments to Prosperity, our key priorities for 2024 include:

- ▶ Increasing adoption of community leadership roles by senior KPMG people.
- ▶ Expanding partnerships with organisations focused on building entrepreneurship skills for young people.
- ▶ Increasing the number of trained Project Money presenters and developing relevant content for older students.

Planet

People

Prosperity

Governance

Governance

Kia mau koe ki ngā kupu o ōu tūpuna

Hold fast to the words of your ancestors

Governance

**Demonstrating that our purpose and values lie at the heart of the way we do things.
To do the right thing, the right way, always**

KPMG New Zealand is driven by our purpose of fuelling New Zealand's prosperity for all New Zealanders, and we are guided by our values, which are the foundation of our behaviour and at the heart of everything we do. Our governance creates the framework and oversight that brings our purpose and values together, helps ensure we give due consideration to the economic, social and environmental impact we have, and helps us align our financial and societal performance.

Our governance and structure

Our elected Board provides governance oversight of our National Executive Committee (NEC). Matt Prichard chairs our National Board, which provides governance oversight on behalf of our New Zealand partner owners and other stakeholders.

Through 2023, the Board's focus was on the process to appoint a new CEO to succeed Godfrey Boyce on his retirement. The appointment process involved a series of stages of refining the position description, inviting applications, a comprehensive evaluation process, leading to shortlisting, further assessment and final appointment by the Board.

Jason Doherty assumed the role of Chief Executive of KPMG New Zealand on 1 December 2023, and leads our NEC who are responsible for the development and execution of our strategy – ensuring it is aligned with the needs of New Zealand's private and public sector organisations, the business community and wider society - and the management of our business in line with our purpose and values.

2023 also saw us begin embedding ESG as a watermark throughout our organisation, with the establishment of an ESG Steering Group to synchronise our ESG (including climate) response across our business. We see this as a critical step in paving the way for a deeper strategic response and in ensuring that we consider ESG risks not on a standalone basis but as part of each and every decision we make.

The group is comprised of our Chief Executive and members of our NEC. The Chief Executive will report on the progress of the ESG Steering Committee to the full NEC after each of its meetings, and to the Board through regular updates. The specific roles and responsibilities of members of the ESG Steering Committee are outlined in our [Climate Disclosure Statement](#).

OUR COMMITMENTS



Do the right thing, the right way, always.



Lead the profession in audit quality.



Act lawfully, ethically and in the public interest.



Respect human rights.

To ensure the ESG Steering Committee members have the necessary skills and resources, we have planned a mentoring programme for its members with climate and ESG leaders within KPMG. In addition, members either have completed, or will complete, a Cambridge ESG Transformation course – which is a collaboration between KPMG and the University of Cambridge to deliver environmental, social and governance education to KPMG professionals globally. This group will also be more widely supported by climate and ESG expertise from within KPMG as needed.

Governance Uplift Review

In early 2024, we completed a “Governance Uplift Review”, to identify areas where the Board’s role and other aspects of governance of the firm can be uplifted to bring them more fully into line with best practice public company governance and oversight.

Our Progress

Our commitment: Do the right thing, the right way, always

Integrity

Doing the right thing, the right way, always, is part of our ethos, and demonstrated in the way we conduct ourselves and the way we conduct our business. To ensure our people are aware of their responsibilities, in addition to expecting our leaders to set the tone, we also have mandatory Integrity training covering integrity, ethics and our general Code of

Conduct, as well as a mandatory Information Protection and Data Privacy Fundamentals module. We also require all our client-facing people to complete annual Personal Independence Training and Engagement Independence training modules.

We evaluate ourselves on doing the right thing through a combination of internal and external lenses: completion of the mandatory training; an annual internal survey run globally by KPMG; local client experience reviews; meeting regulatory and industry body requirements; and third-party research.

Global Values Week

We participated in KPMG’s first ever Global Values Week, designed to bring all KPMG people around the globe together to reinforce our values and to celebrate our shared culture and behaviours. Throughout the week, a different value was brought to life each day by inspirational speakers (internal and external), from all over the world, and which we supplemented locally with our own range of communications including our people’s views on each of the values.

84%

At KPMG we uphold our values even when under pressure

Source: KPMG Global People Survey – NZ, October 2023

Our Values

 **Integrity | Ngākau Tōtika**

We do what is right

 **Excellence | Whai Hiringa**

We never stop learning and improving

 **Courage | Kia Maia**

We think and act boldly

 **Together | Kotahitanga**

We respect each other & draw strength from our differences

 **For better | Kaitiakitanga**

We do what matters

Our commitment: Lead the profession in audit quality

Audit Transparency Report

We believe that stakeholder confidence in New Zealand businesses is essential to New Zealand's prosperity – and that high quality, independent audit is the cornerstone of that confidence. Our second annual [Audit transparency report](#) discloses our measurement of the nine key components in our Global Quality Framework to outline how we deliver quality at KPMG. In line with the report's transparency focus, the theme of our 2023 report was "Audit fees – the cost issue", where we sought to provide clarity on the cost of audits and laid bare the 'big five' drivers of audit costs over recent years, and how the profession is responding to them - arming stakeholders with the facts to judge the value they're receiving for rising audit costs.

System of Quality Management

Every audit firm operates a System of Quality Management which underpins the delivery of quality audits. As required by the International Auditing and Assurance Standards Board's (IAASB) International Standard on Quality Management (ISQM1), New Zealand External Reporting Board's New Zealand Standard on Quality Management (Professional Ethical Stand 3), and KPMG International Limited Policy, KPMG (the "Firm" and/or "KPMG New Zealand") has responsibility to design, implement and operate a System of Quality Management for audits or reviews of financial statements, or other assurance or related services engagements performed by the Firm.

Based on the annual evaluation of the Firm's System of Quality Management as of 30 September 2023, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.

Our commitment: Act lawfully, ethically and in the public interest

Code of Conduct

Our Global [Code of Conduct](#) also provides guidance for our people in acting legally, ethically and in the public interest. It outlines the responsibilities all KPMG people have to each other, our clients and our communities. If that Code of Conduct is breached, as per the drink-spiking incident at a team function mentioned previously, our leadership team undertakes to act immediately and transparently, doing everything possible to put things right, prevent further incidents and keep our people safe.

Purposeful business

A focus area for us when it comes to acting in the public interest, is the clients we choose to work with – or just as importantly - choose not to work with. To support our client decision making evaluation process, we have developed a framework (known internally as ACCEPT) to assist us in making efficient and consistent client and engagement decisions. The framework is complementary to our existing client and engagement acceptance procedures and factors in the evolving landscape we're operating in. It will be launched mid-2024.

Our commitment: Respect human rights

In the last quarter of 2023, we began developing a Supplier Code of Conduct outlining the principles and expectations we have for our suppliers – who we view as partners. The Code is a result of our ambition to establish a proactive collaboration with these suppliers in the promotion of lawful, professional and responsible practices that integrate respect for human rights (including labour standards), as well as business ethics and the environment. (The Code of Conduct went live in Q1 2024.)



Next on the agenda - our 2024 Governance priorities

In support of our ongoing commitments to Governance, our key priorities for 2024 include:

- ▶ Uplifting our governance through leveraging our leaders' skills, identifying and filling any gaps.
- ▶ Continuing to identify ways to improve transparency with our key stakeholders.
- ▶ Introducing improvements to ensure quality features in all parts of our operating environment.

Looking ahead

As we mentioned in our inaugural Impact Report, our plan is to continue to measure and report back on our progress, and we noted this would evolve over time. Part of that evolution involves further developing our impact strategy and increasing the robustness of our reporting framework. Over the next year or so, this will involve:

Identifying and prioritising key ESG topics

We'll conduct a materiality assessment to identify the social and environmental issues that matter most to us and our key stakeholders, which will help us prioritise where we focus our impact efforts and feed into our strategy.

Reviewing our impact strategy and metrics

In 2024, we plan to evolve our strategic and operational response. We will revisit our climate-related risks and opportunities through refreshing our scenario-based risk and opportunity assessment.

We have previously developed a number of goals and objectives as part of our response - a combination of targets aligned with those of our global firm, as well as others

reflecting our local context. The metrics and targets of our KPMG IMPACT programme are a particularly high priority as these represent our work in supporting the climate responses of our clients and broader community. As we develop our response and reflect on our updates, climate-related risks and opportunities, we will enhance our metrics and targets to better monitor progress.

Impact measurement framework

We are driven by our purpose of fuelling New Zealand's prosperity. Alongside updating our metrics and targets (including our commitments), we will create an impact measurement framework to allow us to understand if, and how, we are delivering on this purpose.

Tracking and reporting

We'll ensure appropriate ongoing tracking of metrics from which we'll be able to update an annual, consistent scorecard and clearly record our longitudinal data – and we'll reassess how we verify that data.



Appendix - People numbers

These tables detail our 2023 Headcount, graduate intake, turnover, gender, job level and ethnicity splits, and pay gaps

Headcount

Year	Headcount	Annual Growth
2023	1,512	5.4%

Voluntary turnover

Voluntary Turnover	YOY % Change 2023
Voluntary turnover	-2.2%

Graduate Intake

Graduate Intake	Graduates	YOY % change	Interns	YOY % change
2023	127	-2.5	76	-5

Gender split

Firmwide Gender Split	2023
Men	46.9%
Women	52.9%
Non-Binary	0.2%
Total	100.00%

Gender | Job Level Split

Gender Job Level Split	2023		
	Non-binary	Man	Woman
Partner	0.00%	72.9%	27.1%
Director	0.00%	55.2%	44.8%
Snr Manager	0.5%	44.4%	55.1%
Manager	0.5%	48.4%	51.1%
Snr Team Member	0.00%	43.3%	56.7%
Team Member	0.2%	42.0%	57.8%
Total	0.2%	46.9%	52.9%

Ethnicity Split

Firmwide Ethnicity Split	2023
European Pākehā	64.0%
Māori	6.4%
Pasifika	4.5%
Asian	26.8%
Other	3.5%
Prefer not to say Not stated	8.1%
Total	113.3%

Note the total reflects the allowance of the selection of up to three ethnicities

Gender Pay Gap

Gender Pay Gap	Gap 2023	YOY change
All employees (excl. partners)	5.0%	16.3%
Partners	15.8%	-33.3%

Contacts



Kay Baldock

National Managing Partner
Brand & Growth
kbaldock@kpmg.co.nz



Evan Bateup

Chief People Officer
People, Performance & Culture
ebateup@kpmg.co.nz



Vinnie Campbell

Pou Ahurea | Māori Cultural
Advisor
vinniecampbell@kpmg.co.nz



Jason Doherty

Chief Executive
jasondoherty@kpmg.co.nz



Ross Eddington

National Operations Director
Operations
reddington@kpmg.co.nz



Paul Herrod

New Zealand Risk
Management Partner
ASPAC Audit & Assurance
Risk Management Partner
pherrod@kpmg.co.nz



David King

Deal Advisory Partner
Head of Citizenship
davidking@kpmg.co.nz



Sarah McGrath

Partner, CFO, COO
sarahmcgrath@kpmg.co.nz



Matt Prichard

Executive Chair
matthewprichard@kpmg.co.nz



Ian Proudfoot

Global Head of Agribusiness,
Partner - Audit
iproudfoot@kpmg.co.nz



Simon Wilkins

Head of KPMG IMPACT
swilkins1@kpmg.co.nz



Fiona Woolley

Head of Brand
fwoolley@kpmg.co.nz



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