Our Impact Report - Supporting Information

The information in this document is intended to be read in conjunction with KPMG New Zealand's Impact Report for the year ending 31 December 2024.

Tāmaki Makaurau | Auckland

Material Topic Definitions

Long term economic resilience	Ensuring the successful long-term financial performance of KPMG NZ through achieving operational and brand excellence, and working with clients that align with our commitment to create positive outcomes, resilience and prosperity for Aotearoa New Zealand.
Quality, ethics and integrity	Our commitment, driven by our leaders, to embody the highest standards of personal and professional behaviour and to demonstrate accountability in everything we do.
Climate change and sustainability	Our contribution to mitigating and adapting to the impacts of climate change on society and the environment through supporting the transition to a sustainable, low emissions, climate-resilient future through our own operations and through the impact we make via our client work.
Talent attraction, career development and people retention	Our intention of attracting and retaining purpose-driven top talent and our commitment to deliver on our People Promise - our people will do work that matters, they will thrive and grow and they'll feel that they belong.
Relevant, quality and purpose-led services in the public interest	How we stay true to our values and, through relevant work in the public interest, build confidence and trust in capital markets and support a prosperous, functioning and resilient economy.
Diversity, equity and inclusion	Ensuring our people have an equal opportunity to not only succeed, but feel like they belong in the workplace, regardless of characteristics such as gender, race, sexual orientation, neurodiversity or disability. This will allow KPMG to embrace and grow a range of perspectives through a diverse workforce, that also reflects the diversity of wider society and our clients.
Purpose, culture and values	The degree to which our people connect with and deliver on our purpose of 'fuelling New Zealand's prosperity', the way we create and protect a caring and inclusive culture and uphold our values of Integrity, Excellence, Courage, Together and For Better.
Data security, privacy and cyber security	The quality of the KPMG policies, processes and controls that address confidentiality, information security and data privacy requirements so that our stakeholders can place their trust in us. This includes investment in systems, observation of applicable laws and regulations and provision of training so that our people can deliver on these requirements.
Te Tiriti o Waitangi and Māori outcomes	Supporting enduring and successful outcomes for Māori and the Māori economy now and in the future. This involves understanding how Te Tiriti is relevant to stakeholders and our role as a responsible operator including, where appropriate, applying the treaty principles of partnership, protection and participation.
Impactful community initiatives	Engaging and supporting the communities our people and clients work in as behaving as a responsible corporate citizen. This includes using resources such as our people (i.e. volunteering time), charitable donations, and brand to support positive community initiatives, as well as embedding and delivering social equity outcomes through all client services.

ESG Management and Governance Structure

Management and Governance Approach

ESG Governance

Climate change governance

NEC

The NEC is accountable for the firm's ESG response.

- ESG is an enterprise-level risk that is reported twice annually to the NEC.
- As the risk owner of the ESG enterprise-level risk, the COO/CFO is accountable for managing and monitoring ESG risk.
- The Chief Executive (as part of the ESG SteerCo) reports the progress of the ESG SteerCo to the NEC.

The priority for 2025 is to embed the governance structures set up for other material topics beyond climate change.

The CEO and CFO/COO (as part of the NEC) are accountable for the firm's climate change performance.

- The NEC approves the firm's GHG and IMPACT targets and receives updates on progress against GHG targets twice yearly and IMPACT quarterly.

ESG SteerCo

The ESG SteerCo (a subcommittee of the NEC) are responsible for the firm's annual ESG work programme.

- This group was set up in late 2023 to coordinate our ESG response across the organisation.
- In order to equip those with governance responsibilities with the necessary skills and competencies to effectively oversee the firm's ESG response, a mentoring programme was completed in 2024.
- In 2024, the ESG Steering Group met twice. In 2025, the SteerCo plans to meet 7 times.

The Head of IMPACT (as part of the ESG SteerCo) is responsible for the firm's climate change performance.

- The Head of IMPACT was involved in the scenario analysis process to identify and assess climate-related risks and opportunities.
- The ESG SteerCo provided oversight over the identification and assessment of climate-related risks and opportunities.
- The ESG SteerCo is responsible for approving the firm's emission reduction initiatives.

The priority for 2025 is to assign responsibility to individuals for managing the climate-related risks and opportunities identified in 2024.

Head of Operations

As part of KPMG's response to climate change, the Head of Operations has specific responsibility for the firm's GHG performance.

- The Head of Operations reports progress against GHG targets to the ESG SteerCo and the NEC at least twice annually.
- The Head of Operations is responsible for implementing emission reduction initiatives.

KPMG's Risk Management Process

Enterprise-Level risk management (ERM) process[1]

Identify

The NEC identifies risks to KPMG's strategic objectives through discussions, interviews and/or workshops with the Board, Executive Management and Functional Leadership. Risks are reviewed twice annually by the NEC to identify if existing risks are still relevant, as well as identifying new and emerging risks.

Assess

KPMG assesses enterprise-level risks through assessing impact and likelihood

Impact assessment: Risks are rated based on the severity of the effect on KPMG, incorporating qualitative and quantitative elements. Financial impact is assessed based on the percentage of firm revenue. Risks are rated on a residual basis (i.e. the impact assuming the level and effectiveness of the controls that are in place to address the identified risk).

Likelihood assessment: Risks are assessed based on the likelihood that a particular risk will occur, taking into consideration the likelihood over a three year time horizon. Risks are rated on a residual basis (i.e. the likelihood assuming the level and effectiveness of controls that are in place to address the identified risk).

Manage

KPMG manages and monitors its enterprise-level risks by:

1. Assigning accountability.
2. Developing, implementing, managing and overseeing an appropriate risk response, which entails key processes, activities and controls either in place or planned to manage and/or mitigate the risk and/or reduce the likelihood and/or severity of impact.
3. Assessing the adequacy of the risk response and determine if risk actions in place are appropriate.

Twice annually, the NEC review the status of the risks identified, including the adequacy of the risk response and status of process of actions to reduce the risks to an acceptable level.

Climate-related risk management is currently a stand-alone process

Climate-related risk identification

Climate-related risks and opportunities relating to our business model and strategy are identified[2] through scenario analysis[3], over the short (2025-2026), medium (2027-2030) and long term (2031-2035)[4].

Climate-related risk assessment and management

In 2024, climate-related risks and opportunities were assessed[2] based on velocity and magnitude of impact in 2024.

The financial impact of these climate-related risks and opportunities has not been quantified.

The priority for 2025 is integrating the processes for how enterprise-level and climate-related risks are assessed and managed.

1. This ERM process adheres to the KPMG Global Quality & Risk Management Manual, which ensures that all member firms, including ours, maintain effective strategies to identify, evaluate, and manage risks relevant to our strategic objectives and KPMG's overall strategy, vision, mission, and values.
2. Climate-related risks were identified and assessed by a cross-divisional group of Partners, Directors and Managers, due to the ESG SteerCo having limited capacity in 2024. The ESG SteerCo reviewed and approved the scenario analysis methodology and identified risks and opportunities.
3. This approach was chosen because it takes into account the long-term complex, and uncertain nature of climate-related risks that traditional risk identification methods may overlook.
4. The time horizons chosen align with our short to long-term planning and investment horizons for capital deployment in investments around capability, technology, and estate leasing. Focus was placed on the short and medium term given the flexibility of our business model to adapt to changes in the external environment.

GHG inventory: exclusions

Emissions category	Emissions source	Office	Reason for exclusion
Scope 1	Fugitive emissions	All offices	Limited data availability and expected to be immaterial
Scope 3 – Category 3: Fuel and energy-related emissions	Transmission and distribution (T&D) losses from purchased electricity	KPMG Cook Islands	Limited data availability and expected to be immaterial
Scope 3 – Category 6: Business travel	Business travel via e-Scooter and or e-Bikes	All offices	Expected to be immaterial
	Flights, accommodation, rental cars purchased outside of corporate travel agency arrangement	All offices	Not material to KPMG's inventory
Scope 3 – Category 7: Employee Commuting	Emissions associated with employees working from client sites	All offices	Expected to be immaterial
Scope 3 – Category 8: Upstream leased assets	N/A	N/A	Not relevant to KPMG's operations
Scope 3 – Category 9: Downstream transportation and distribution	Postal and courier services	All offices	Expected to be immaterial
Scope 3 – Category 10: Processing of sold products	Services provided by KPMG	N/A	Limited standards or generally accepted guidance currently available
Scope 3 – Category 11: Use of sold products	N/A	N/A	Not relevant to KPMG's operations
Scope 3 – Category 12: End-of-life treatment of sold products	N/A	N/A	Not relevant to KPMG's operations
Scope 3 – Category 13: Downstream leased assets	N/A	N/A	Not relevant to KPMG's operations
Scope 3 – Category 14: Franchises	N/A	N/A	Not relevant to KPMG's operations
Scope 3 – Category 15: Financed emissions and investments	Facilitated emissions	N/A	Limited standards or generally accepted guidance currently available

KPMG

LOW MODERATE HIGH

GHG inventory: methodologies, assumptions, data quality and uncertainty

Emissions Activity	Calculation method	GWP Source[1]	Data quality[2]	Uncertainty
Vehicle fleet	Fuel-based method	Ministry for the Environment (MfE) (2024) – IPCC AR5	High	
Natural gas stationary combustion	Fuel-based method	MfE (2024) – IPCC AR5	High	
Purchased electricity for use at offices	Location-based method and market-based method	MfE (2024) – IPCC AR5 (NZ offices) International Energy Agency (IEA) – IPCC AR5 (Cook Islands Office)	High	National average grid intensity emission factors
Purchased electricity for NZ based data centres and servers	Location-based method	MfE (2024) – IPCC AR5	High	National average grid intensity emission factors
Purchased goods and services[3]	Spend-based method	Thinkstep (2024) – IPCC AR5	High	Uncertainty around the emission factors selection
Paper purchased	Average-data method	DESNZ (2024) – IPCC AR5	High	
Natural-gas related T&D losses	Average-data method	MfE (2024) – IPCC AR5	High	
Electricity related T&D losses	Average-data method	MfE (2024) – IPCC AR5	High	
Well-to-tank (WTT) associated with purchased fuel	Average-data method	DESNZ (2024) – IPCC AR5	High	
WTT emissions associated with business travel[4]	Average-data method	DESNZ (2024) – IPCC AR5	High	
Postal and courier services	Spend-based method	Thinkstep (2024) – IPCC AR5	High	Uncertainty relates to calculation method
Waste to landfill	Waste-type specific method	MfE (2024) – IPCC AR5	Moderate – data for the Auckland office is extrapolated	Uncertainty relates to the selection of emission factors and the assumptions made about the landfills where office waste is disposed
Air travel	Distance-based method and spend-based method	MfE (2024) – IPCC AR5 Thinkstep (2024) – IPCC AR5	Variable - data is a combination of distance and spend	Uncertainty relates to the calculation method
Accommodation	Average-data method and spend-based method	MfE (2024) – IPCC AR5 Thinkstep (2024) – IPCC AR5	Variable - data is a combination of distance and spend	Uncertainty relates to the calculation method
Rental cars	Distance-based method and spend-based method	MfE (2024) – IPCC AR5 Thinkstep (2024) – IPCC AR5	Variable - data is a combination of distance and spend	Uncertainty relates to the calculation method
Mileage[5]	Distance-based method	MfE (2024) – IPCC AR5	Moderate	Uncertainty relates to assumptions on vehicle type
Taxis	Spend-based method	MfE (2024) – IPCC AR5	Moderate	Uncertainty relates to the calculation method
Employee commuting and work-from-home[5]	Distance-based method	MfE (2024) – IPCC AR5	Low – data is from survey	Uncertainty relates to assumptions made on travel habits remaining stable across the year and the selection of emission factors

1. Global Warming Potentials (GWP) are based on the Intergovernmental Panel on Climate Change (IPCC) 5th Assessment Report, 2014. Where possible, KPMG quantifies all 7 gases expressed in tonnes of carbon dioxide equivalent (tCO2e).
2. High data quality: activity data is measured (e.g. supplier invoices). Moderate data quality: activity data is calculated. Low data quality: activity data is estimated. Variable data quality: combination of methods.
3. Purchased goods and services and capital goods are reported in the same category as there is some uncertainty on the type of services and how this is accounted for within our financial records. KPMG is working on improving data quality and gaining supplier specific data in the future.
4. WTT emissions include air travel, rental vehicles and employee mileage expense claims. Business travel booked outside of our travel agent are excluded.
5. Due to the nature of our survey, we are not able to distinguish whether commutes to client site are being counted under mileage as well as employee commuting. KPMG is aware that this might lead to double counting but decided to take a conservative approach.

People Numbers

Headcount

Year	Headcount	Annual Growth
2024	1351	-10.65%

Voluntary turnover

Voluntary turnover	YOY % Change 2024
Voluntary turnover	-3.56%

Graduates

Year	Graduates	YOY % change
2024	124	-21.5

Gender split

Firmwide Gender Split	2024
Men	45.89%
Women	54.03%
Non-Binary	0.07%
Total	100.00%

Gender | Job level split

Gender | Job Level Split 2024	Non-Binary	Men	Women
Partner	0.00%	69.79%	30.2%
Director	0.00%	51.69%	48.3%
Snr Manager	0.00%	43.01%	57.0%
Manager	0.00%	44.58%	55.4%
Snr Team Member	0.00%	41.25%	58.7%
Team Member	0.25%	44.78%	55.0%
Total	**0.1%**	**45.9%**	**54.0%**

Ethnicity split

Firmwide Ethnicity Split	2024
European | Pākehā	61.66%
Māori	6.37%
Pasifika	4.07%
Asian	28.65%
Other	2.96%
Prefer not to say | Not stated	8.88%
Total	**112.58%**

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

Gender pay gap

Gender Pay Gap	Gap 2024	YoY Change
All employees (excl. partners)	2.9%	-42%
Partners	12.3%	-22.15%