



# Audit Quality Transparency Report

ESG Reporting: Those who get it, get it

2025

**Our purpose is fuelling the prosperity of New Zealand, for all New Zealanders.**

**Titokona tō tātou tōnuitanga, mō Aotearoa, mō tātou.**

Confidence in our business communities is essential to New Zealand's prosperity.

High quality, independent audit is the cornerstone of that confidence.



**Brent Manning**

National Managing Partner, Audit  
KPMG New Zealand

The past year has marked a pivotal shift in how New Zealand businesses approach ESG reporting. As global standards converge, our clients, and our own firm, are navigating a landscape that demands both agility and integrity. ESG assurance is no longer a regulatory checkbox; it's a strategic lever for trust, resilience, and long-term value.

This report reflects the voices of leaders across sectors who are choosing to lead, not follow. Their commitment to transparency and continuous improvement is helping shape the future of sustainability reporting in Aotearoa. I'm proud of the KPMG teams who continue to support this journey, bringing rigour, insight, and partnership to every engagement.



**Darby Healey**

Partner, Risk and Audit Quality  
KPMG New Zealand

As ESG assurance matures, so too does our role as auditors. The work is complex, the data is evolving, and the standards are still taking shape — but our commitment to quality remains constant. Over the past year, we've invested deeply in our people, equipping them with the tools, training, and support needed to navigate this dynamic space with confidence.

This year's Audit Quality Transparency Report reflects not only the progress made, but the mindset shift underway. It's not about perfection, it's about progression. I hope this report provides valuable perspective as you consider your own ESG journey, and what quality assurance means in a world that's changing fast.



# ESG reporting: Those who get it, get it

## Insights from New Zealand business leaders

With some organisations now reconsidering the scope and scale of their ESG reporting, we wanted to understand why others are still charging ahead. What motivates them to keep investing in transparency and continuous improvement?

To explore this, we spoke with sustainability leaders across different sectors in the New Zealand market. What emerged was a strong, values-driven commitment to sustainability reporting that extends well beyond compliance. Many organisations are choosing to report and assure ESG data not because they must, but because they see it as essential to business integrity, stakeholder trust, future growth and long-term resilience. By stepping into ESG assurance early or doing more than the minimum, it is helping businesses build internal capability, prepare for future regulation, and meet growing expectations from investors, customers, and global markets. There's a clear sense that "those who get it, get it" — and they're moving early to embed ESG into their strategy, operations, and culture.

At the same time, ESG reporting practices are still maturing. The learning curve has been steep, for both companies and auditors, as they navigate new standards, qualitative disclosures, and evolving systems for capturing data. Organisations are learning by doing, refining their systems year by year, and becoming more confident in their disclosures. There's also a strong appetite for global alignment. While New Zealand was an early mover, many leaders now see harmonisation with international frameworks like the International Sustainability Standards Board (ISSB) and the Corporate Sustainability Reporting Directive (CSRD) as essential. At the same time, the proposed Australian Sustainability Reporting Standards (ASRS) are gaining attention, particularly given their likely impact on New Zealand entities with trans-Tasman operations or investor ties. The tone across the conversations we had is pragmatic but optimistic: ESG reporting is challenging, but it's also an opportunity to lead, differentiate, and build a more resilient business.

*Unless otherwise stated, all statistics in this report refer to the 2024 calendar year.*

**“Going early was the only way we could be ready. It wasn’t about compliance — it was about building internal capability and credibility.”**

**– Sustainability leader, finance sector**

### **Why ESG assurance still matters even when it’s not mandatory**

For many organisations, it’s not about ticking boxes, but about building trust, strengthening governance, and preparing for what’s next. Early efforts have helped establish robust systems, improve data quality, and build confidence among boards and stakeholders. In a landscape where expectations are rising, both locally and globally, voluntary reporting and assurance is increasingly seen as a strategic investment rather than a compliance exercise.

Going beyond the minimum has helped embed ESG into core decision-making, align internal teams, and demonstrate commitment to high sustainability standards. This includes aligning with frameworks such as B Corp certification — not as a market requirement, but as part of a brand value proposition that supports competitive advantage. While the regulatory environment continues to evolve, the message from the front line is clear: those who understand the value of ESG assurance are not waiting to be told. They are acting because it’s the right thing to do, and because it positions them for resilience, relevance, and growth.

### **KPMG New Zealand ESG assurance portfolio**

**Early ESG Assurance: Mandatory and voluntary reporters**

**70%** mandatory Climate Reporting Entities (CREs)

**30%** non CREs obtaining voluntary assurance

**Sope of ESG Assurance among CREs**

**79%** of CREs reporting just on GHG

**21%** of CREs obtaining assurance over additional ESG information

**“We shifted ESG reporting into finance to bring it up to the same standard and scrutiny as our financial data.”**

**– Sustainability leader, food & fibre sector**

### **The learning curve for entities and their auditors**

ESG reporting has introduced new expectations, new data types, and new stakeholders. The process has become a catalyst for internal alignment within an entity, bringing together finance, sustainability, legal, and governance teams in ways that hadn't occurred before. Auditors are adapting as well, moving beyond financial frameworks to engage with qualitative disclosures and emerging standards. The outcome is no longer just verification — it's helping organisations navigate ambiguity and build confidence in their disclosures.

This evolution has come with a steep learning curve. Many organisations noted that their first assurance cycle was resource-intensive and unfamiliar, particularly for teams outside of the finance division. But over time, the process has become more efficient and embedded, especially where ESG reporting has been integrated into existing financial reporting structures. The most successful engagements were those where assurance providers were involved early, worked collaboratively, and offered constructive feedback that helped shape internal systems. As expectations rise, the assurance relationship is becoming less transactional and more transformational, supporting not just compliance, but capability and confidence.

**KPMG New Zealand employee hours spend on ESG assurance engagements**

**2024: 9,953**

**2023: 1,412**

**Total hours of ESG-related accounting and assurance training available to KPMG New Zealand employees**

**2024: 37.5**

**2023: 28.5**

**“You can’t manage what you don’t measure. Even if the data isn’t perfect, it gives you a starting point.”**

**– Sustainability leader,  
food & fibre sector**

### **The fluidity of ESG data — and why that’s okay**

ESG data is dynamic by nature — and that’s okay. The leaders we spoke with consistently acknowledged that early disclosures are rarely perfect, but they are essential. The act of measuring, even with uncertainty, is what drives progress. Early disclosures often rely on estimates, proxies, or incomplete data for many elements of an organisation's Scope 3 emissions. But these imperfections are not a reason to delay reporting. Instead, they create visibility, drive internal alignment, and lay the foundation for more robust systems over time.

This mindset shift from perfection to progression has been critical in building momentum. Several organisations noted that their initial targets were set with limited data and uncertain pathways, yet those early steps catalysed innovation, investment, and cross-functional collaboration. Over time, data quality improves, assumptions are refined, and confidence grows. What matters most is transparency about limitations and a commitment to continuous improvement. In this context, fluidity isn’t a flaw — it’s a feature of a living, learning ESG system that evolves alongside the business and the world it operates in.

The establishment of our GHG Accounting and Advisory Services (GAAS) team is helping us build consistency and rigour across assurance engagements and the increase in the number of dedicated ESG assurance team members has enabled us to provide pre-assurance services that enable clients to assess and strengthen their ESG controls and data systems ahead of formal assurance requirements.

We’re also leveraging strong connections with our international network to stay aligned with global developments and progressing toward Partnership for Carbon Accounting Financials (PCAF) accreditation to improve consistency and comparability in accounting for financed, insurance-associated and facilitated emissions and portfolio-level disclosures.

## Global trends and local implications

As global ESG standards converge, New Zealand businesses are aligning — not just to comply, but to compete. Harmonisation with frameworks like ISSB and CSRD is seen as essential for credibility in international markets and consistency across borders. For companies operating globally, the shift toward consistent standards is not just welcome, it's critical. The message is clear: New Zealand can't afford to operate in isolation, local reporting must be globally relevant.

At the same time, early adoption has given New Zealand businesses a head start, and a tailwind. Several organisations reflected on the challenges of being first movers, from navigating immature data systems to managing director liability in a still-evolving regulatory environment. Yet this early action has also built resilience, sharpened internal capability, and positioned these businesses as leaders in ESG maturity. The key now is to ensure that local efforts remain connected to global momentum. As international standards evolve, New Zealand businesses are not just watching, they're influencing, adapting, and helping shape what good looks like on the world stage.

---

**“New Zealand went early, but now we need to harmonise. It's time to align with international standards.”**

**- Sustainability leader, energy sector**

---

# Audit Quality Transparency Report

## Statement on the effectiveness of the System of Quality Management of KPMG as at 30 September 2025

As required by the International Auditing and Assurance Standards Board (IAASB)'s, International Standard on Quality Management (ISQM1), the New Zealand External Reporting Board's Professional Ethical Standard 3<sup>1</sup>, 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. The objectives of the System of Quality Management are to provide the Firm with reasonable assurance that:

- a)** The Firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- b)** Engagement reports issued by the Firm or engagement partners are appropriate in the circumstances.

Integrated quality monitoring and compliance programmes enable KPMG New Zealand to identify and respond to findings and quality deficiencies both in respect of individual engagements and the overall System of Quality Management.

If deficiencies are identified when KPMG New Zealand performs its annual evaluation of the System of Quality Management, KPMG New Zealand evaluates the severity and pervasiveness of the identified deficiencies by investigating the root causes, and by evaluating the effect of the identified deficiencies individually and in the aggregate, on the System of Quality Management, with consideration of remedial actions taken as of the date of the evaluation.

Based on the annual evaluation of the Firm's System of Quality Management as of 30 September 2025, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.

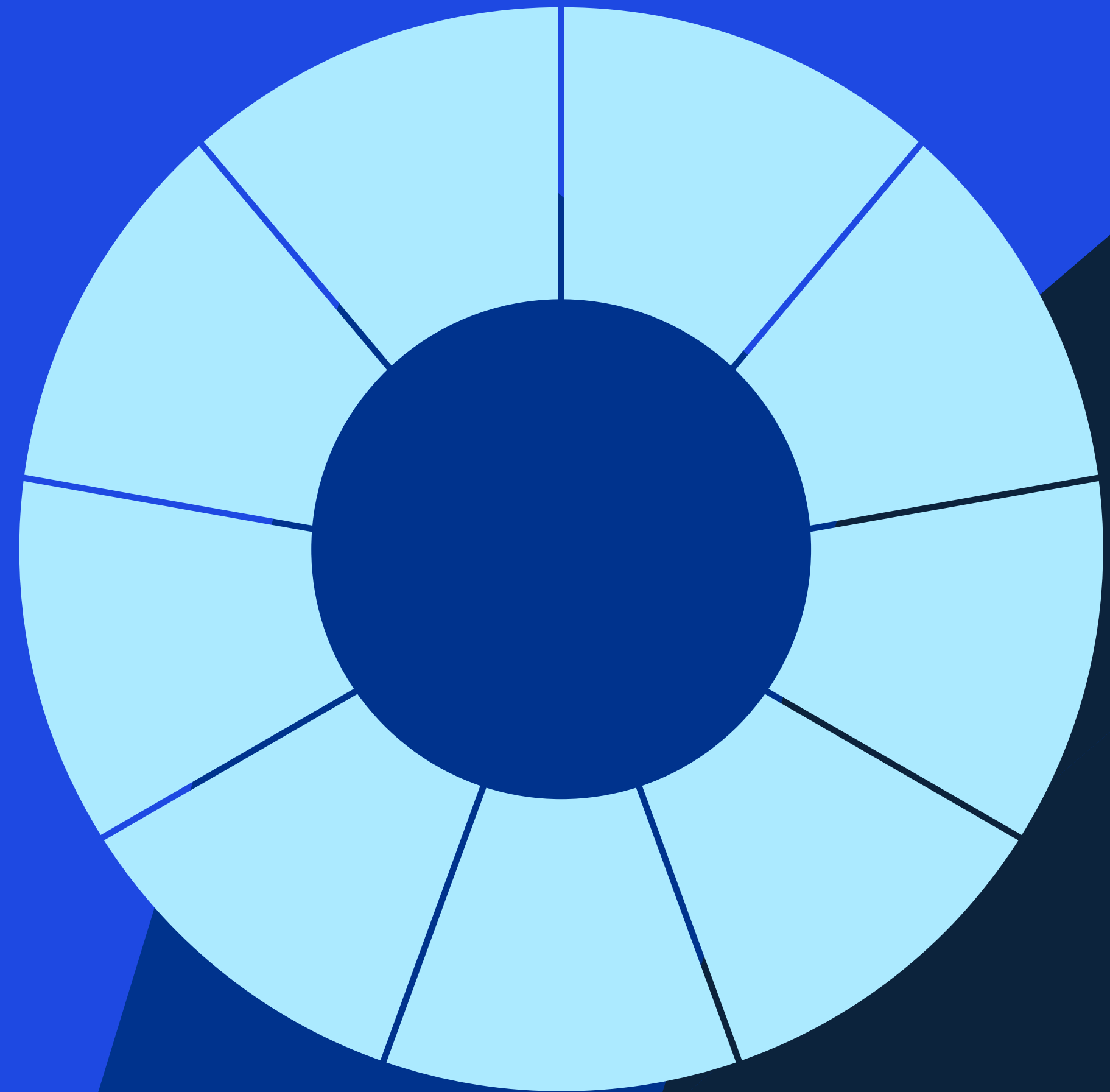
**19 November 2025**  
**Chief Executive, KPMG New Zealand**

[View KPMG International's Transparency Report.](#)

<sup>1</sup> Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3).

## Click each segment to see more

This interactive section discloses our measurement of the nine key components in our Global Quality Framework to outline how we deliver quality at KPMG.

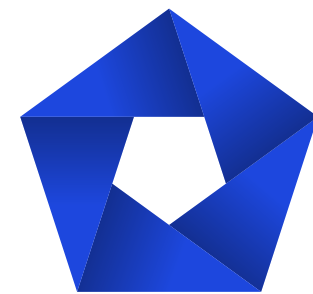


# Ngā matapono - Our values

Our values represent what we believe in and what is important to us as a firm. They guide our behaviours day-to-day, informing how we act, the decisions we make, and how we work with each other, our clients, companies that we audit, and all of our stakeholders.

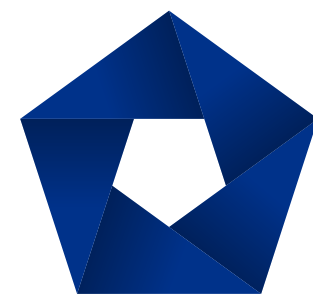
Our values are the foundation of everything we do and every action we take. They are at the heart of our [Code of Conduct](#) and are designed to work interdependently. Our values:

- guide us to do the right thing, especially when under pressure
- bind us together, across our different backgrounds and cultures, and are common to each of us
- represent the foundation of our culture and how we show up for each other and the organisations we work with.



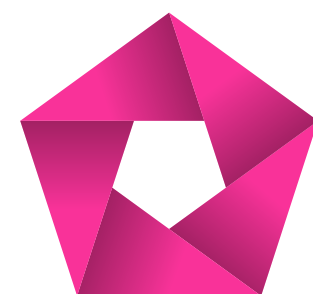
## Integrity | Ngākau Tōtika

**We do what is right. | Ka mahia kia tika.**



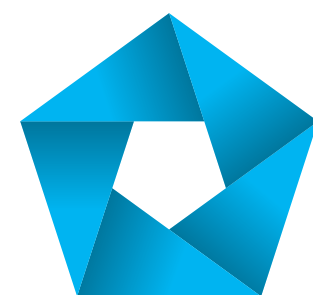
## Excellence | Whai Hiranga

**We never stop learning and improving. | E kore e oti te ako, te whakawhanake.**



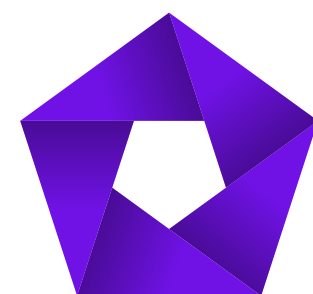
## Courage | Kia Māia

**We think and act boldly. | He māia te whakaaro, he māia te korero, he māia te mahi.**



## Together | Kotahitanga

**We respect each other and draw strength from our differences. | Ka whakautea ngā rerekētanga hei painga mō te katoa.**



## For Better | Kaitiakitanga

**We do what matters. | Ka mahia ngā mahi whai take.**