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 2025.

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FUELLING PROSPERITY

Fuelling prosperity for all New Zealanders
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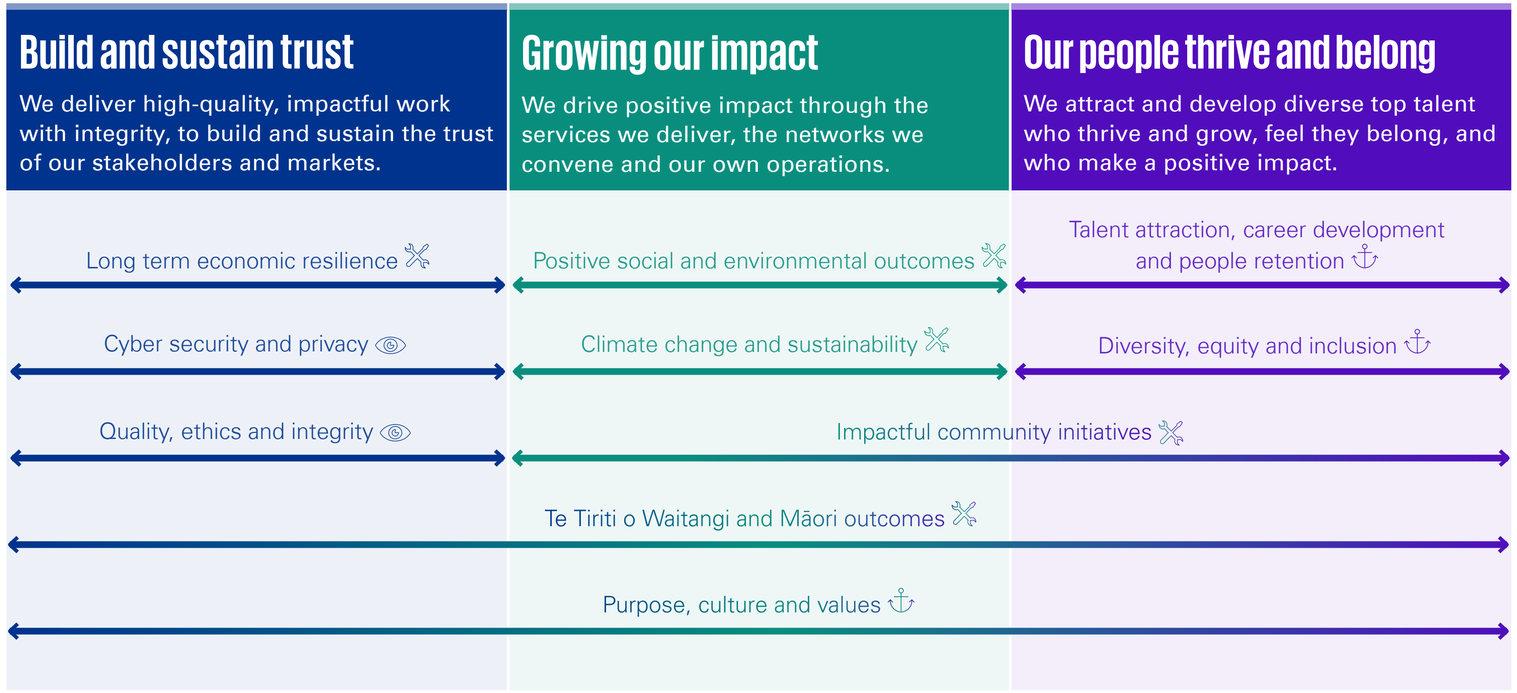
Our impact framework



Impact Drivers

Material topics where KPMG New Zealand can make its strongest and most meaningful external contribution to Aotearoa's prosperity, aligned to purpose and long-term value creation.

Impact Anchors

Inward-facing material topics that primarily shape KPMG's people, culture and capabilities, underpinning performance and protecting long-term value

Impact Enablers

Foundational material topics that maintain KPMG's social licence to operate by enabling trust, compliance and operational resiliencee

Material topic definitions

Material Topic Name	Definition
Purpose, culture, and values	How KPMG creates and protects a caring and inclusive culture, grounded in our values of Integrity, Excellence, Courage, Together, and For Better, and enables our people to live our purpose of 'fuelling New Zealand's prosperity by inspiring confidence and empowering change.
Long-term economic resilience	How KPMG supports a prosperous, functioning, and resilient New Zealand economy. Including how we add to the economy, what we invest in, and how we are contributing to important conversations about the future.
Data security, privacy, and cyber security	How KPMG maintains trust through quality policies, processes, and controls that address confidentiality, information security, and data privacy, supported by training of our people, investment in systems, and observations of applicable laws and regulations.
Quality, ethics, and integrity	How KPMG leadership and staff demonstrate that ethics and integrity are core to who we are, with responsibility for ethical conduct shared across the firm and embedded in the highest standards of personal and professional behaviour.
Positive social and environmental outcomes	How KPMG drives positive social and environmental outcomes for New Zealand and all its communities through our service offerings, leveraging our wide range of expertise and through strategic collaborations.
Impactful community initiatives	How KPMG engages with and supports the communities within which our people and clients operate and is a responsible corporate citizen. Includes using volunteering time, charitable donations, and brand to support positive community initiatives.
Climate change and sustainability	How KPMG contributes to mitigating the impacts of climate change on society and the environment. This involves supporting the transition to a sustainable, low emissions, climate-resilient future through our own operations (e.g. waste or travel reduction, sustainable procurement, or office energy efficiency).
Te Tiriti o Waitangi and Māori outcomes	How KPMG supports enduring and successful outcomes for Māori and the Māori economy for today and future generations. Involves considering how Te Tiriti is relevant to stakeholders, and KPMG's role as a responsible operator in the New Zealand market, and with the Māori economy.
Talent attraction, career development, and people retention	How KPMG fosters an environment where our people can build future-ready skills and advance their careers. We prioritise wellbeing by supporting work-life balance and providing opportunities for personal and professional growth.
Diversity, equity, and inclusion	How KPMG ensures all staff (and other stakeholders e.g. suppliers, clients) 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. Allowing KPMG to embrace and grow a range of perspectives through a diverse workforce, that also reflects the diversity of wider society and our clients.

Environmental, Social and Governance (ESG) management and governance structure

The ESG Steering Committee (SteerCo) is comprised of the following members:

- Chief Executive Officer (CEO)
- Chief Financial Officer/Chief Operations Officer (CFO/COO)
- National Managing Partner – Risk Management
- Head of Impact and ESG Services
- Head of Operations
- Head of Brand
- Sustainability Lead

Management and governance approach

ESG Governance

Climate Change Governance

National Executive Committee (NEC)

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

- The NEC receives twice-annual reporting on enterprise-level risks, including climate-related risks, and oversight reporting on progress against the firm's material ESG issues.
- 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 2026 is to use ESG governance to actively prioritise between material topics, including deciding where effort is increased, maintained, or deprioritised.

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 (KPMG IMPACT is the team that helps organisations be sustainable, resilient, inclusive – and focused on their impact.)

ESG Steerco

The ESG Steering Committee is a sub-committee of the NEC and provides strategic direction, oversight, and advocacy for the firm's IMPACT and ESG objectives.

- This group was set up in late 2023 to coordinate our ESG response across the organisation.
- Holds delegated authority to approve ESG positions and policies.
- Reviews and approves annual and long-term ESG and Impact plans.
- Monitors progress and holds material issues owners accountable.
- In 2025, the ESG Steering Group met four times. Going forward, the SteerCo plans to meet biannually, supplemented as required.

The Head of IMPACT and ESG Services (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.
- In 2024, 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.

While clear ownership of material climate related risks and opportunities has previously been identified as a priority, in 2026 we will focus on fully embedding this ownership, with regular monitoring and reporting through the ESG Steering Committee and to the NEC.

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

Internal Sustainability Lead

- Leads the internal climate change and sustainability programme and identifies opportunities.
- Supports ESG governance and coordination.
- Recommends GHG reduction targets for NEC approval.
- Investigates emissions reduction opportunities and prepares business cases.
- Monitors effectiveness of initiatives and reports annually.

KPMG's risk management process

KPMG's enterprise-level risk management process focuses on risks to the firm's strategic objectives and is overseen by the NEC.

Climate-related risks are currently managed through a dedicated, standalone process due to their significance and the availability of established assessment methodologies, including scenario analysis.

Other ESG matters are primarily identified and managed through KPMG's materiality assessment process and topic-specific policies, controls and performance monitoring.

Over time, ESG matters that have the potential to crystallise into enterprise-level risks are expected to be more systematically integrated into KPMG's enterprise risk management processes.

Enterprise-Level risk management (ERM) process [1]		Climate-related risk management is currently a stand-alone process
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.	**Climate-related risk identification** Climate-related risks and opportunities relating to our business model and strategy are identified through scenario analysis[2], over the short (2025-2026), medium (2027-2030) and long term (2031-2035)[3].
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).	**Climate-related risk assessment and management** In 2024, climate-related risks and opportunities were assessed[4] based on velocity and magnitude of impact in 2024. The financial impact of these climate-related risks and opportunities has not been quantified. Building on priorities identified in prior years, 2026 will focus on integrating the assessment and management of enterprise level and climate related risks.
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.	

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.) 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.

3.) 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.

4.) 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.

KPMG NZ's 2025 GHG inventory[5]

	2019	2024	2025
Scope 1 (tCo2e)	**90.82**	**80.45**	**68.48**
Transport fuels (diesel and petrol)	16.44	32.12	21.13
Building emissions	74.38	48.33	47.35
Scope 2 (tCo2e)[6]	**189.9**	**70.55**	**90.01**
Location-based electricity	189.9	125.64	154.89
Market-based electricity	N/A	70.55	90.01
Scope 3 (tCo2e)	**5418.05**	**4676.09**	**4595.96**
Purchased goods and services and capital goods[7]	1262.03	1853.51	1881.93
Fuel and energy-related emissions[8]	327.93	217.37	215.26
Upstream transportation and distribution	15.04	14.73	5.90
Waste generated in operations	43.95	9.05	11.52
Business travel	3068.19	1643.6	1526.19
Employee commuting (including working from home)	700.91	937.83	955.16
Scope 1, 2, and 3 total (tCO2e)	**5698.77**	**4827.09**	**4754.45**
Intensity measure (tCO2e/Average FTE)	**5.28**	**3.25**	**3.62**

5.) We have measured our emissions in accordance with the GHG Protocol and Scope 3 standards. An operational control consolidation approach was used to account for emissions. KPMG's organisational structure encompasses the Partnership, and a range of trading entities and non-trading entities.

6.) Dual reporting illustrates the role of supplier choice and contractual instruments in managing indirect emissions from energy alongside any ongoing energy efficiency and reduction efforts. Ecotricity purchases RECs on behalf of KPMG, which we recognise does not strictly meet the GHG Protocol Scope 2 Guidance.

7.) 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.

8.) Well-to-wheel (WTW) emissions associated with transport fuels are beyond the minimum boundary in the GHG Protocol Scope 3 Standard, however reporting this emissions source for transport-related emissions is a requirement of the Corporate Net-Zero Standard Criteria V5.2. WTT emissions for business travel have been accounted for only for business travel booked through KPMG's travel booking agent and employee mileage expense claims.

GHG inventory: exclusions

Materiality thresholds are applied to determine the inclusion of emissions sources within the GHG inventory. Emissions sources are classified as material where they account for 1% or more of combined Scope 1 and Scope 2 emissions, or 1% or more of total Scope 3 emissions. For Scope 1 and Scope 2, total exclusions do not exceed 5% of combined emissions.

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	Emissions from business travel via e-Scooter and/or e-Bikes	All offices	Limited data availability and 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 outside of travel such as electricity	All offices	Expected to be immaterial
Scope 3 – Category 8: Upstream leased assets	N/A	N/A	Not relevant to KPMG's operations as KPMG does not have upstream leased assets
Scope 3 – Category 9: Downstream transportation and distribution	Postal and courier services	All offices	Estimated to be immaterial
Scope 3 – Category 10: Processing of sold products	Services provided by KPMG	All offices	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 as KPMG's business does not include the sale of physical products
Scope 3 – Category 12: End-of-life treatment of sold products	N/A	N/A	Not relevant to KPMG's operations as KPMG's business does not include the sale of physical products
Scope 3 – Category 13: Downstream leased assets	N/A	N/A	Not relevant to KPMG's operations as KPMG does not have downstream leased assets
Scope 3 – Category 14: Franchises	N/A	N/A	Not relevant to KPMG's operations as KPMG does not have franchises
Scope 3 – Category 15: Financed emissions and investments	Facilitated emissions	N/A	Limited standards or generally accepted guidance currently available

LOW MODERATE HIGH

GHG inventory: methodologies, assumptions, data quality and uncertainty

Emissions Activity	Calculation Method	GWP Source[9]	Data Quality[10]	Uncertainty
Vehicle fleet	Fuel-based method	MfE[11] (2025) – IPCC AR5	High	
Natural gas stationary combustion	Fuel-based method	MfE (20245 – IPCC AR5	High	
Purchased electricity for use at offices[12]	Location-based method and market-based method respectively	MfE (2025) – IPCC AR5 (NZ offices) IEA[13] (2021) – 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 (2025) – IPCC AR5 (NZ offices)	High	National average grid intensity emission factors
Products and services and capital goods purchased	Spend-based method	Thinkstep (2025) – IPCC AR5	High	Uncertainty around the categorisation of vendor spend and selected emission factors
Natural-gas related T&D losses	Average-data method	MfE (2025) – IPCC AR5	High	
Electricity related T&D losses	Average-data method	MfE (2025) – IPCC AR5	High	
WTT associated with purchased fuel	Average-data method	DESNZ[14] (2025) – IPCC AR5	High	
WTT emissions associated with air travel and rental vehicles[15]	Average-data method	DESNZ (2025) – IPCC AR5	High	
WTT emissions associated with mileage claims	Average-data method	DESNZ (2025) – IPCC AR5	High	
Postal and courier services	Spend-based method	Thinkstep (2025) – IPCC AR5	High	Uncertainty relates to calculation method
Waste to landfill from KPMG's Auckland office	Waste-type specific method	MfE (2025) – 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 (2025) – IPCC AR5 Thinkstep (2025) – 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 (2025) – IPCC AR5 Thinkstep (2025) – 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 (2025) – IPCC AR5 Thinkstep (2025) – IPCC AR5	Variable - data is a combination of distance and spend	Uncertainty relates to the calculation method
Mileage	Distance-based method	MfE (2025) – IPCC AR5	Moderate	Uncertainty relates to assumptions on vehicle type
Taxis	Spend-based method	MfE (2025) – IPCC AR5	Moderate	Uncertainty relates to the calculation method
Employee commuting and work-from-home[16]	Distance-based method	MfE (2025) – 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

9.) 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).
10.) 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.
11.) New Zealand Government, Ministry for the Environment (MFE).
12.) 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 accounting within our financial records. KPMG is working on improving data quality and have more supplier specific data in the future.
13.) International Energy Agency (IEA).
14.) UK Government, Department for Energy Security and Net Zero (DESNZ).
15.) WTT emissions include air travel, rental vehicles and employee mileage expense claims. Business travel booked outside of our travel agent are excluded.
16.) 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[17]

Headcount

Year	Headcount	Annual Growth
2025	1253	-7.3%

Voluntary Turnover

Voluntary Turnover	2025	YOY % Change
Voluntary Turnover	23.8%	+2.1%

Graduates

Year	Graduates	YOY % Change
2025	97	-21.8%[18]

Gender | Job Level Split

Gender | Job Level Split 2025	Non-Binary	Men	Women
Partner	0.0%	67.4%	32.6%
Director	0.0%	42.3%	57.7%
Snr Manager	0.0%	53.3%	46.7%
Manager	0.0%	45.9%	54.1%
Snr Team Member	0.3%	37.0%	62.7%
Team Member	0.6%	47.3%	52.1%
Total	**0.2%**	**45.3%**	**54.4%**

Gender Split

Firmwide Gender Split	2025
Men	45.3%
Women	54.4%
Non-Binary	0.2%
Total	**100.0%**

Ethnicity Split

Firmwide Ethnicity Split	2025
European | Pākehā	60.9%
Māori	6.3%
Pasifika	4.1%
Asian	27.5%
Other/MELAA	2.5%
Prefer not to say | Not stated	11.2%
Total	**112.4%**

Gender Pay Gap

Gender Pay Gap	Gap 2025	YOY % Change
Employees (ex. partners)	0.0%	-2.9%
Partners	0.0%	-12.3%

17.) This data is accurate as at 31/12/2025.
18.) Graduate hiring in FY25 was lower than in previous years due to changes in workforce mix and evolving delivery models, including greater use of shared services and productivity improvements in junior roles. Graduate recruitment remains under regular review as part of the firm's broader workforce planning.

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