Audit Transparency Report 2026

Appendix



November 2026

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A

Introduction

Delivering quality audits is core to our purpose.

In this document we outline our policies, systems and processes for ensuring audit quality and independence as well as how we monitor our work and ensure our people have the support they need to excel in their work. Each year, as we adapt to new challenges, we make appropriate changes to our policies, procedures and systems as we continually learn more about what drives a quality audit and adjust our quality management system appropriately.

Definition and culture

At PwC, we define quality service as consistently meeting the expectations of our stakeholders and complying with all applicable standards and policies.

An important part of our ability to deliver against this quality definition is building a culture across a network of firms in 135 countries with more than 369,000+ people. This culture of quality emphasises that quality is the responsibility of everyone. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.

369,000+

Global people network

135

Country network of firms

Measurement and transparency

For all our business, each PwC firm – as part of the agreement by which they are members of the PwC network – is required to have in place a comprehensive system of quality management (SoQM), to annually complete a SoQM performance assessment, and to communicate the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm and if they are not at the level expected, a remediation plan is agreed with local leadership taking personal responsibility for its successful implementation.

As the services that our network provides change and develop, and the needs and expectations of our stakeholders also change, the PwC network is continually reviewing and updating the scale, scope and operations of our PwC firms' SoQM and investing in programmes to enhance the quality of the services that the PwC network provides.

Our overall quality objective is:

To have the necessary capabilities in our organisation and to deploy our people to consistently use our methodologies, processes and technology in the delivery of services in an effective and efficient manner to fulfil the valid expectations of our clients and other stakeholders.



The PwC network's Assurance Quality Management for Service Excellence (QMSE) framework

To deliver services in an effective and efficient manner that meets the expectations of our clients and other stakeholders, the PwC network established the QMSE framework which is designed to align with the objectives and requirements of International Standard on Quality Management 1 (ISQM 1) and provides a model for quality management in PwC firms that integrates quality management into how each firm runs its business processes and manages risk. The New Zealand equivalent of ISQM 1 is Professional and Ethical Standard 3 – Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3).

Under QMSE our overall quality objective is supported by a series of underlying quality objectives and each firm's SoQM should be designed and operated so that the overall quality objective, which includes meeting the objectives and requirements of ISQM1/PES 3, is achieved with reasonable assurance.

Integrated and aligned in the right way

Our SoQM includes quality objectives which are identified from the following components of ISQM1/PES 3 as well as any additional objectives the PwC network has identified in the QMSE framework:

- Governance and leadership
- Relevant ethical requirements
- Acceptance and continuance of client relationships and specific engagements
- Engagement performance
- Resources
- Information and communication

To help us achieve these objectives, the PwC network invests significant resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people, underlying tools and technology at both the network level and within our firm, and a programme of continuous innovation and investment in our technology. The PwC network's Global Assurance Quality (GAQ) organisation aims to support PwC firms in promoting, enabling, and continuously improving assurance quality through effective policies, tools, guidance and systems used to further promote and monitor quality and to build an appropriate level of consistency in what we do.

These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework that each firm tailors to reflect our individual circumstances. Each firm is responsible for utilising the resources provided by the network as part of our efforts to deliver quality to meet the expectations of our stakeholders.

B

Our firm's system of quality management

Delivering quality consistently

Our SoQM must be designed, implemented and operating on an ongoing basis to achieve the quality objectives. This ongoing process includes monitoring, assessing, evaluating, reporting, and being responsive to changes in quality risks, driven by the firm's internal and external environment.

Our focus on quality management is therefore not to apply prescribed rules but rather to design and implement risk responses which are fit for purpose to manage the risks we identify in our own risk assessment and achieve the quality objective taking into consideration the conditions, events, circumstances, actions and/or inactions that may impact our SoQM.

The quality management process

The achievement of the quality objectives is supported by a quality management process (QMP) established by our firm. Our CEO has ultimate responsibility and accountability for the SoQM and is supported by our assurance leadership, business process owners, partners and staff.

We know that everyone at the firm has a part to play.

This QMP includes:

- Identifying risks to achieving the quality objectives.
- Designing and implementing responses to the assessed quality risks.
- Monitoring the design and operating effectiveness of the policies, and procedures through the use of process-integrated monitoring activities such as Real Time Assurance (RTA), periodic monitoring and testing of the SoQM, regular testing of engagement files, as well as continuously responding to Audit Quality Indicators.
- Continuously improving the SoQM when areas for improvement are identified by performing root cause analyses and implementing remedial actions.
- Establishing a quality-related recognition and accountability framework to both set clear expectations of quality behaviours and outcomes and reinforce those expectations through consistent and transparent use in appraisals, remuneration, and career progression decisions.



This involves the integrated use of Audit Quality Indicators (AQIs) to aim to predict quality issues, RTA to aim to prevent quality issues, Root Cause Analysis (RCA) to learn from quality issues and a Recognition and Accountability Framework to establish, communicate and reinforce quality behaviours, culture and actions.

These programmes, by design, require ongoing monitoring and continuous improvement, particularly AQIs, which will evolve over time as we continue to use and learn from these measures.

Our risk assessment process

Our firm's SoQM helps us navigate and respond to external and internal factors that can impact on our ability to achieve the overall assurance quality objective – to deliver quality audit engagements. Our SoQM includes the performance of a risk assessment over the quality objectives identified in the QMSE framework.

We consider how, and the degree to which a condition, event, circumstance, action and/ or inaction may adversely affect the achievement of the quality objectives which may result in:

- New or changing quality risks to achieving one or more of the quality objectives.
- Changes to the risk assessment of existing quality risks.
- Changes to the design of the firm's SoQM, including the risk responses.

A quality risk is one that has a reasonable possibility of occurring and individually, or in combination with other quality risks, could adversely affect the achievement of one or more quality objectives.

2026 changes to our SoQM

This year we have implemented a system to manage our risks and risk responses which supports enhancements to our SoQM by providing a more structured workflow for documenting assessments, retaining evidence, and recording review conclusions.

Leveraging technology to support Quality Management makes the design and operation of our SoQM more effective and efficient, improves transparency and provides more real-time insight into quality management for our firm's leadership and others with responsibility for our SoQM. We are also working towards the adoption of QC 1000 from 15 December 2026.

Throughout this transparency report, we have provided insight into the policies and procedures we have designed, implemented and are operating to reduce the quality risks we have identified to an acceptable level and help us achieve reasonable assurance over the firm's SoQM.

As mentioned earlier, some of our policies and procedures are provided by the PwC network which we have assessed to determine that these resources are appropriate for use as part of our SoQM and in the performance of engagements.



The following sections of the report cover the following ISQM 1/PES 3 quality objectives:

- **Our firm's commitment to quality** – governance and leadership.
- **Ethics and business conduct and Objectivity and independence** – relevant ethical requirements.
- **Our firm's system of quality management** – acceptance and continuance of client relationships and specific engagements; information and communication.
- **Our people** – human resources.
- **Our audit approach** – intellectual and technological resources, engagement performance.

Our monitoring and remediation process

In the section, How we monitor quality, found on page 12, we have described the types of ongoing and periodic monitoring our firm has designed, implemented and are operating to provide relevant and reliable information about our firm's SoQM. This is to help us take appropriate actions over any identified deficiencies so we can remediate those deficiencies effectively and on a timely basis.
To support the timely and effective remediation of identified deficiencies, our firm has designed, implemented and are operating a RCA programme that is described further on page 9.

The information gathered from our monitoring and remediation process along with other sources of information, such as external reviews, is used to help us evaluate our SoQM.

Aim to predict: Audit Quality Indicators

We have identified a set of AQIs that support our Assurance leadership team in the early identification of potential risks to quality, using metrics to aim to predict quality issues. This quality risk analysis is an essential part of our SoQM, and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM.

Our PwC New Zealand AQIs cover five key areas:

- Independence
- Learning and education
- Risk and quality
- Operations
- People and culture

The AQIs are reported to the assurance leadership team in detail periodically and are presented using traffic lights to help provide a visual representation of areas needing focus and attention. Each AQI has an owner, description of the AQI, frequency of measurement, information source, thresholds, actual result (including prior measurements for trending considerations) and an overall assessment of the measure (on target, needs improvement or not met) including a commentary. Discussion and review of AQIs that are not on target lead to preventive or corrective measures being taken.

We also continuously assess the appropriateness of the current AQIs based on actual events or findings and will add, remove or amend AQIs to ensure we continue to measure the most appropriate indicators of audit quality. Matters relating to ethics are monitored centrally for the whole firm and reported directly to the PwC New Zealand Executive Leadership Team and Board.

We also perform a quarterly forward-looking analysis, based on input from partners, to anticipate areas of engagement risk arising in the audit portfolio in the next quarter for specified audit engagements. This proactive assessment ensures we have the right resources, experts and other support in place to respond to areas of risk as matters arise on upcoming audits.

Aim to prevent: Real Time Assurance

We have developed a Real Time Assurance (RTA) programme designed to provide preventative monitoring that helps coach and support engagement teams to get the 'right work' completed in real time, during the audit.

We have implemented the RTA programme through our real time engagement review programme which is a well embedded quality monitoring programme within PwC New Zealand's audit practice.

Real time engagement review programme

The engagement review programme operates on a continuous basis.

A sample of engagement leaders and their engagements are selected for a real time engagement review throughout the year. We use a combination of risk-based criteria and period since an engagement leader was last reviewed to select engagements. While this means that an engagement can be selected based on risk despite the engagement leader having been through a real time review recently, it ensures that all engagement leaders are covered over a three-year period. Real time reviewers are sourced from senior professional staff from the assurance practice and within our Risk & Quality function.

A detailed checklist is used to assess the engagements across the planning, execution and completion phases.

Significant findings (if any) from the real time engagement review programme are evaluated to identify the root cause giving rise to the finding, reported to assurance leadership on a periodic basis and communicated back to the audit practice in various forms, including knowledge fix webinars. The results are incorporated into our AQIs.

Learn: Root Cause Analysis

Root Cause Analysis (RCA) is an integral component of the firm's SoQM and a cornerstone of continuous improvement. RCA provides an evidence-based understanding of the drivers of audit quality – both those that enable success and those that create vulnerabilities – supporting targeted actions that strengthen quality across the practice.

We have a dedicated RCA function, led by a director-level RCA Leader whose role is focused on the design, execution and evaluation of RCA activity and related investigations. The RCA Leader is not responsible for operating the underlying SoQM processes or monitoring activities subject to RCA, which supports objective challenge of the matters investigated. RCA findings and aggregated conclusions are reported to the Assurance Leader and Assurance Leadership Team, with day-to-day oversight and progress management by the risk management partner (RMP). Engagement-level RCA interviews are undertaken by two experienced interviewers to support challenge, mitigate individual bias and promote analytical consistency.

Methodology and techniques

Each RCA follows a structured, evidence-based process using a combination of quantitative and qualitative techniques. The nature and extent of work performed is proportionate to the nature, severity, recurrence and potential pervasiveness of the matter being considered. These include:

- Document and data analysis, including file reviews, quality monitoring results, and operational metrics (e.g., hours incurred, team structure, timing of key phases).
- Interviews across relevant levels and roles to ensure multiple perspectives are captured.
- Structured causal analysis, including techniques such as the '5 Whys' where appropriate, to explore underlying causes beyond surface-level issues and identify the systemic and behavioural drivers influencing quality outcomes.
- Approved AI-enabled tools may support selected RCA activities, including summarising source information, analysing interview evidence and data, identifying potential themes and supporting drafting. AI is used as an analytical tool; relevant outputs are subject to human review and the evaluation of evidence, exercise of professional judgement and RCA conclusions remain the responsibility of the RCA team.

The resulting reports provide a detailed and evidence-based narrative explaining the causes of quality findings, supported by extracts, data, and behavioural analysis.



Scope of RCA activities

RCA considers relevant quality matters arising through the firm's ongoing QMSE and engagement-level reviews. The nature and extent of RCA is proportionate to the circumstances of the matter. Sources considered include:

- Internal Engagement Compliance Reviews (ECRs)
- External regulator reviews (e.g., FMA, OAG)
- Internal testing of SoQM (e.g., periodic monitoring)
- Network SoQM inspections
- RTR monitoring programmes

Engagements or outcomes demonstrating strong audit quality may also be considered where useful to understand the conditions and behaviours that support quality success.

Aggregated RCA

In addition to individual investigations, an annual aggregated RCA is completed to consolidate the insights from all RCA sources across the year. This aggregated analysis identifies thematic and systemic causes, evaluates the effectiveness of prior actions, and supports the SoQM's annual evaluation. It draws upon a broad range of relevant quality information, including engagement-level and self-identified RCA findings, monitoring and inspection results, restatements, audit quality indicators, people, culture and independence information, and broader environmental and behavioural themes.

Value and impact

The RCA programme delivers practical insight that directly informs the firm's Quality Improvement Plans (QIPs), responses to behavioural and cultural themes, training priorities, and methodology enhancements.

During 2026, we introduced a formal closure assessment for RCA findings as they are closed. This considers whether agreed actions have been completed and appropriately evidenced, whether the underlying root causes have been addressed, and whether available monitoring or other evidence demonstrates that remediation is operating effectively. Implementation of an action alone is therefore not considered sufficient evidence of successful remediation.

Through consistent methodology, objective challenge, and the application of both analytical rigour and behavioural insight, RCA remains an essential component of the firm's quality management. It provides the foundation for meaningful learning, data-driven action, and a sustained culture of continuous improvement across the Assurance practice.

Reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of quality services to our clients, how we work with our people and driving a high-quality culture.

Our RAF has been designed to both set clear expectations of quality behaviours and outcomes and reinforce those expectations by holding all engagement leaders accountable for quality behaviours and quality outcomes beyond compliance.

Our RAF considers and addresses the following key elements:

- **Quality outcomes**: We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards, the PwC network and our firm's standards and policies.
- **Behaviours**: We have set expectations of the right behaviours that support the right attitude to quality, the right tone from the top and a strong engagement with the quality objective.
- **Interventions and recognition**: We have put in place interventions and recognition that promote and reinforce positive behaviours and drive a culture of quality.
- **Consequences and rewards**: We have implemented financial and non-financial consequences and rewards that are commensurate to outcome and behaviour and these are sufficient to incentivise the right behaviours to achieve the quality objectives.

Our audit partners are required to have at least one of their performance measures for any year focused on audit quality as part of their annual performance plan. Further, consistent with PES 1 (Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)) issued by the New Zealand Auditing and Assurance Standards Board of the External Reporting Board (XRB) and our own policies, no audit partner may have objectives of or be rewarded for selling non-assurance services to audit clients.

At the end of the financial year a partner's performance is assessed based on whether objectives have been achieved and includes as a core element the outcomes from the RAF as well as feedback from audit teams they have worked with through a Leadership in Quality and Ethics survey (see page 15 for further information). A poor-quality result or an ethics or independence matter has a direct and significant impact on an audit partner's financial income for the year.

Annually, the RAF is reassessed and adjusted where necessary to ensure interventions/recognitions remain appropriate and focused on ensuring quality behaviours and outcomes.

Considerations in undertaking the audit

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society.

We have established policies and procedures for the acceptance of client relationships and audit engagements that consider whether:

- We are competent to perform the engagement and have the necessary capabilities including time and resources.
- We can comply with relevant ethical requirements, including independence.
- We have appropriately considered the integrity of the client.
- We will receive a fair return for the engagement.

We reassess these considerations in determining whether we should continue with the client engagement and have in place policies and procedures related to withdrawing from an engagement or a client relationship when necessary. The policies and processes we have in place emphasise risk and quality considerations such that financial and operational priorities do not lead to inappropriate judgements about whether to accept or continue a client relationship.

Client and engagement acceptance and continuance

PwC New Zealand has implemented a process to identify acceptable clients based on the PwC network's proprietary decision support systems for audit client acceptance and retention (called Acceptance and Continuance (A&C)).

A&C facilitates a determination by the engagement teams, and where appropriate, leadership and risk management specialists on whether the risks related to an existing client or a potential client are manageable, and whether PwC should be associated with the client and its management.

More specifically, this system enables:

Engagement teams

- To facilitate the evaluation of the risks associated with accepting or continuing with a client and engagement.
- To document their consideration of matters required by professional standards related to acceptance and continuance.
- To identify and document issues or risk factors and their resolution, for example through consultation by adjusting the resource plan or audit approach or putting in place other safeguards to mitigate identified risks, or by declining to perform the engagement.

Our principles for determining whether to accept a new client or continue service an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society.

Our firm (leadership and risk management)

- To facilitate the evaluation of the risks associated with accepting or continuing with clients and engagements, prior to approval. When necessary, a risk panel involving senior audit partners is convened to assess the acceptance and continuance of a client relationship or engagement.
- To provide an overview of the risks associated with accepting or continuing with clients and engagements across the client portfolio.
- To understand the methodology, basis and minimum considerations that all other PwC firms in the network have applied in assessing audit acceptance and continuance.



C

How we monitor quality

We recognise that quality in the assurance services we deliver to clients is key to maintaining the confidence of investors and other stakeholders in the integrity of our work. It is a key element of our assurance strategy.

Monitoring audit quality

Responsibility for appropriate quality management lies with the leadership of PwC New Zealand – the 'first line of defence'. This includes the design and operation of an effective SoQM that is responsive to our specific risks to delivering quality audit engagements, using the network's QMSE framework.

Our firm's monitoring includes an ongoing assessment aimed at evaluating whether the policies and procedures which constitute our SoQM are designed appropriately and are operating effectively to provide reasonable assurance that our audit and non-audit assurance engagements are performed in compliance with laws, regulations and professional standards (also referred to as our ongoing monitoring) – the 'second line of defence'. This includes a periodic monitoring programme.

The Periodic Monitoring Programme is a review of our SoQM by an objective team, covering the risk assessment process and the design and operating effectiveness of the policies, controls, processes and procedures implemented, supporting leadership in concluding on the achievement of the overall quality objective.

Our monitoring also encompasses a review of completed engagements (Engagement Compliance Reviews (ECR)) as well as periodic inspection of our SoQM by the PwC network – the 'third line of defence', by an independent and objective team. The results of these procedures, together with our ongoing monitoring, form the basis for the continuous improvement of our SoQM.



First line of defence: leadership



Second line of defence: monitoring procedures



Third line of defence: inspection programmes



Inspection programmes

Network-wide inspection programme

ECRs are performed under a network-wide inspection programme based on professional standards and PwC audit methodology. ECRs are risk-focused reviews of completed engagements covering, on a periodic basis, individuals in our firm who are engagement leaders for audit, review, other assurance and related services engagements. The review assesses whether an engagement was performed in compliance with PwC audit guidance, applicable professional standards and other applicable engagement-related policies and procedures. Generally, each engagement leader is reviewed at least once every two to three years, unless a more frequent review is required based on the profile of that engagement leader's portfolio or other factors.

Reviews are led by experienced international audit partners, supported by objective teams of partners, directors, senior managers and other specialists. ECR reviewers are vetted for appropriate expertise, by our ECR Leader and are predominantly sourced from other PwC firms, to provide appropriate objectivity. Review teams receive training to support them in fulfilling their responsibilities and utilise a range of checklists and tools developed at the network level when conducting their inspection procedures. The network inspection team supports review teams on consistent application of guidance on classification of engagement findings and engagement assessments across the network.

In addition, further cold reviews may be performed for any partner that receives a non-compliant rating in the ECR or an equivalent rating in a regulatory review. Cold reviews are carried out after the audit files have been completed, signed-off and archived.

SoQM inspection

Finally, the PwC network undertakes periodic reviews to evaluate elements of our firm's SoQM, our leadership's own assessment of our SoQM, and our determination of whether the overall quality objective has been achieved.

The results of all inspections are reported to our firm's leadership who are responsible for analysing the findings and implementing remedial actions as necessary. In situations where adverse quality issues on engagements are identified, based on the nature and circumstances of the issues, the responsible partner or our firm's Audit leadership personnel may be subject to additional mentoring, training or further sanctions in accordance with our firm's RAF.

Engagement partners receive information on the results of the network inspection programme, designed for their use in assessing the scope of audit work they determine that needs to be performed and their reliance on work performed by PwC firms in connection with their audit of a client's consolidated financial statements.

External inspections and outcomes

In addition to the PwC network and internal inspection programmes, PwC New Zealand is also subject to regular inspections by regulatory and professional bodies.

D

Our firm's commitment to quality

Our purpose and values are the foundation of our success. PwC's purpose is to 'build trust in society and solve important problems', and our values are designed to help us deliver on that purpose.

Leadership and tone at the top

Our purpose and values

Our purpose reflects 'why' we do what we do, and our strategy provides us with the 'what' we do. 'How' we deliver our purpose and strategy is driven by our culture, values and behaviours. This forms the foundation of our system of quality management and permeates how we operate, including guiding our leadership.

When working with our clients and our colleagues to build trust in society and solve important problems, we:

- **Act with integrity**: we expect and deliver the highest quality outcomes, speak up for what's right, even in difficult situations, and make decisions as if our personal reputation is at stake.
- **Make a difference**: stay informed and respond with agility to the ever-changing business environment in which we operate – always looking to create a positive impact on our colleagues, clients and society.
- **Care**: we aim to understand every individual and what matters to them, recognising each person's value and contribution, while enabling them to grow in a way that brings out their best.
- **Work together**: we collaborate, share ideas and integrate a diverse range of perspectives to improve ourselves and others.
- **Reimagine the possible**: we empower innovation and challenge the status quo by keeping an open mind to the possibilities in every idea.



Act with integrity



Make a difference



Care



Work together



Reimagine the possible

Leadership in quality – tone at the top

Our CEO, leadership team and engagement leaders communicate and reinforce our quality messages throughout the firm. These communications focus on what we do well and actions we can take to make enhancements. Leadership and engagement partners take the lead on these actions as they role model the expected behaviours in interactions with clients and teams.

We measure whether our people believe that our leaders' messaging conveys the importance of quality to the success of our firm. The key ways this is tracked are through our Global People Survey and Leadership in Quality and Ethics surveys.

Our Global People Survey seeks feedback from all our people on how we live our values, what is important to our people and how we can do better. The survey includes questions that are targeted towards audit quality. Based on this tracking, we are confident our people understand our audit quality objectives.

We have a Leadership in Quality and Ethics survey in which our audit staff and managers are requested to anonymously provide feedback on audit engagement leaders and the engagement quality reviewer (EQR) or quality review partner (QRP) at the conclusion of each audit engagement. The survey seeks to measure the audit engagement leader and the EQR's/QRP's leadership in quality throughout the engagement. The survey results are shared with the engagement leaders and EQRs/QRPs for their own self development and feed into their performance appraisals.

Leadership responsible for quality

PwC New Zealand Board ← **Executive leadership team**



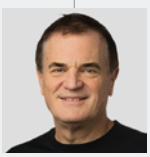
Karen Shires
Chair



Andrew Holmes
Chief Executive Officer



Richard Day
Assurance Leader



Stephen Drain
Ethics and Business Conduct Leader



Anthony Steele
OneFirm Risk & Quality Leader



Jonathan Freeman
Partner Responsible for Independence

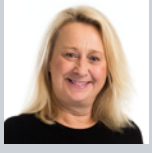


Troy Florence
Assurance Risk & Quality Leader/RMP



Vasana Vanpraseuth
People Leader – Assurance

Independent Audit Advisory Board



Alison Posa
(Chair)



Craig Fisher



Stephen Layburn

E

Ethics and business conduct

At PwC, we take our ethical responsibilities seriously and we strive to embrace the spirit – not just the letter – of those requirements. We adhere to a range of ethical standards and codes of conduct from both within and outside our network.

Stephen Drain is the firm's ethics and business conduct leader and has oversight of our Ethics and Business Conduct programme. He is a Managing Director within our Advisory line of service leading the Forensic Services practice, having recently retired from the PwC Partnership. He reports directly to the CEO. Stephen is supported by two senior leaders and an Ethics and Business Champions Committee which includes representatives from across the firm.



Stephen Drain
Ethics and Business Conduct leader

Professional standards

We adhere to the fundamental principles of ethics set out in the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the Code), which are:

Integrity

To be straightforward and honest in all professional and business relationships.

Objectivity

To not allow bias, conflict of interest or undue influence of/undue reliance on others to compromise professional or business judgements.

Professional competence and due care

To maintain professional knowledge and skill at the level required to ensure that a client receives competent professional services based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.

Confidentiality

To respect the confidentiality of information acquired as a result of professional and business relationships.

Professional behaviour

To comply with relevant laws and regulations, behave in a manner consistent with the profession's responsibility to act in the public interest in all professional activities and business relationships, and avoid any action that discredits the profession.

Our network standards, applicable to all network firms, cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust/fair-competition, anti-corruption, information protection, firm's and partner's taxes, sanctions laws, internal audit and insider trading. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements.

Code of conduct

We have a PwC Global code of conduct along with a PwC New Zealand code of conduct, and related policies that clearly describe the behaviours expected of our people. These behaviours enable us to build public trust. Because of the wide variety of situations that our people may face, our standards provide guidance under a broad range of circumstances, but all with a common goal to do the right thing.



How we work to ensure ethical compliance

We work hard to ensure our people understand and follow ethical requirements. On joining the firm, all staff and partners of PwC New Zealand are provided with an overview of the code of conduct and the expected behaviours for all partners and staff, who should follow these expectations throughout the course of their professional careers at our firm.

In addition, every partner and staff member is required to complete new hire training, which covers the ethics and compliance network standards and the code of conduct.

As part of the values and expectations in the Code, everyone at PwC New Zealand has a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when observing behaviours inconsistent with the code of conduct. We have an accountability framework to facilitate remediation of behaviours that are inconsistent with the code of conduct.

PwC has implemented a network-wide confidential ethics helpline for the reporting of questions or concerns related to behaviours that are inconsistent with the code of conduct and related policies. Every PwC firm has a separate and secure tier of the ethics helpline for their confidential matters and investigations. The ethics helpline is also available for third parties, including clients. The ethics helpline allows our partners, staff and third parties to feel safe raising a question or concern without fear of retaliation.

The PwC code of conduct and the ethics helpline are available on our website for all internal and external stakeholders.

Reporting from this system is shared with the firm's senior leadership on a regular basis throughout the year.

All partners and staff undertake annual mandatory training and submit annual compliance confirmations, to support appropriate understanding of the ethical requirements under which we operate. Partners and staff comply with the standards developed by the PwC network and leadership in PwC New Zealand monitors compliance with these obligations. Partners and directors are also required to complete a monthly mandatory attestation which includes confirmation that all known ethical matters have been reported.

Finally, the Organisation for Economic Co-operation and Development (OECD) provides guidance, including the OECD Guidelines for Multinational Enterprises (the OECD Guidelines), by way of non-binding principles and standards for responsible business conduct when operating globally. The OECD Guidelines provide a valuable framework for setting applicable compliance requirements and standards. Although the PwC network consists of firms that are separate legal entities which do not form a multinational corporation or enterprise, PwC's network standards and policies are informed by and meet the goals and objectives of the OECD Guidelines.

F

Objectivity and independence

As auditors and providers of other types of professional services, PwC firms and PwC New Zealand partners and staff are required to comply with the fundamental principles of objectivity, integrity and professional behaviour. In relation to assurance clients, independence underpins these requirements.

Compliance with these principles is fundamental to serving the capital markets and our clients.

The PwC global independence policy, which is based on the Code, including International Independence Standards, contains minimum standards with which PwC firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.

PwC New Zealand supplements the PwC global independence policy, as required by New Zealand independence requirements, International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1), where PES 1 is more restrictive than the PwC global independence policy. Where applicable we also supplement the global and New Zealand independence requirements with the requirements of the United States Securities and Exchange Commission and those of the Public Company Accounting Oversight Board of the United States and of the EU Audit Regulation where they are more restrictive.

The independence requirements of the United States Securities and Exchange Commission (SEC) are, in certain instances, more restrictive than the PwC global independence policy.

Given the reach of these requirements and their impact on PwC firms in the network, the PwC global independence policy identifies key areas where an SEC requirement is more restrictive.

Provisions that are specifically identified as applicable to SEC restricted entities must be followed in addition to, or instead of, the PwC global independence policy in the associated paragraph.

Independence is linked to the fundamental principles of objectivity and integrity. It comprises:

01 Independence of mind

Being unaffected by influences that could compromise professional judgement, ensuring our people act with integrity, exercise objectivity and professional scepticism.

02 Independence in appearance

Avoiding any significant facts and circumstances that could lead to a third party concluding an audit, review or assurance team member's or PwC's integrity, objectivity or professional scepticism has been compromised.

Jonathan Freeman is the designated PwC New Zealand Partner Responsible for Independence (PRI) and the implementation of the PwC Global Independence Policy including additional New Zealand requirements. This includes managing the related independence processes and providing support to the business. Jonathan is supported by a team of independence specialists and reports directly to the CEO.



Jonathan Freeman
Partner Responsible for Independence

Independence policies and practices

The PwC global independence policy covers, among others, the following areas:

- Personal and firm independence, including policies and guidance on the holding of financial interests (e.g. shares and mutual funds) and other financial arrangements, (e.g. bank accounts and loans) held by partners/staff and their immediate family members, and the firm.
- Non-assurance services and fee arrangements. The policy is supported by statements of permitted services, which provide practical guidance on the application of the policy in respect of non-audit services to audit clients and related entities.
- Business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and on simple business relationships (such as purchasing of goods and services acquired in the normal course of business).
- Acceptance of new audit and assurance clients, and the subsequent acceptance of non-assurance services to be provided to those clients.
- Training, confirmation, monitoring and disciplinary processes.
- Processes for evaluating potential independence breaches and resolution of actual breaches of policy.

In addition, there is a Network Risk Management Policy governing independence requirements related to the rotation of key audit partners.

These policies and processes are designed to help PwC firms comply with relevant professional and regulatory standards of independence that apply to the provision of assurance services. Policies and supporting guidance are reviewed and revised when changes arise such as updates to laws and regulations, including any changes to the code of ethics or in response to operational matters.



Independence-related systems and tools

As a member of the PwC network, PwC New Zealand is required to use a number of global systems and tools which support PwC firms and our people in executing and complying with our independence policies and procedures. These include:

The Central Entity Service (CES)
Contains information about corporate entities including all PwC audit clients and their related entities (including all public interest audit clients and SEC restricted entities) as well as their related securities. CES assists engagement teams in determining the independence restriction status of clients of the PwC firm and those of other PwC firms before entering into a new non-assurance engagement or business relationship. This system also interfaces with Independence Checkpoint and Authorisation for Services.

Independence checkpoint
Facilitates the preclearance of publicly traded securities by all partners and managerial practice staff before acquisition and is used to record their subsequent purchases and disposals. Where a PwC firm wins a new audit client, or there is a change in the restriction status of a security in CES this system automatically informs those holding relevant securities of the requirement to sell the security if it is no longer permitted under PwC Global Independence Policy.

Joint Business Relationships (JBR)
A global system operated by an offshore specialist centre of excellence and is used to review and approve joint (close) business relationships from an independence perspective. JBR is used to facilitate PwC firms' compliance with JBR requirements for new and existing joint business relationships.

It assists independence specialists in gathering information to assess, from an independence perspective, the permissibility of proposed joint business relationships and in monitoring the continued permissibility of previously approved existing joint business relationships.

Authorisation for Services (AFS)
Facilitates communication between a non-assurance services engagement leader and the audit engagement leader, regarding a proposed non-assurance service, documenting the analysis of any potential independence threats created by the service and proposed safeguards, where deemed necessary, and acts as a record of the audit partner's conclusion on the permissibility of the proposed service.

My Compliance Dashboard (MCD)
A global compliance system that facilitates annual compliance confirmations, Personal Independence Compliance Testing of partners and managerial client facing staff, and Independence Clearances of new managerial client-facing staff. In addition, it provides proactive identification of potential independence breaches on a daily basis for users of the Independence Checkpoint system based on their timesheet records.

Global Breaches Reporting System
A system used to report any breaches of external auditor independence regulations (e.g. those set by regulation or professional requirements) where the breach has cross-border implications (e.g. where a breach occurs in one territory which affects an audit relationship in another territory). All breaches reported are evaluated and addressed in line with the code of ethics or relevant independence regulations.

PwC New Zealand has developed policies, processes and controls to ensure compliance with independence requirements. For example, length of involvement is considered and documented on the engagement file to assess long association rules for key engagement team members, whilst R&Q monitor engagement leader and quality review partner tenure to ensure compliance with PES 1, and other regulatory requirements. In addition, Personal independence confirmations are obtained from all engagement team members.

PwC New Zealand also utilises the PwC network's centres of excellence which adopt standardised processes to perform the monitoring of joint business relationships, approval of non-assurance services for certain categories of clients, and independence assessments for proposed audit clients or mergers/ acquisitions affecting existing audit clients.

Independence training and confirmations

PwC New Zealand provides all partners and staff with ongoing training in independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services. Partners and staff receive online training on a range of independence topics and face-to-face training from our independence, risk and quality teams.

All partners and practice staff are required to complete an annual compliance confirmation, where they confirm their compliance with relevant aspects of the firm's independence policy, including their own personal independence. In addition, all partners confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required processes have been followed in accepting these engagements and relationships. These confirmations are supplemented by engagement level confirmations for all partners and staff working on audit and assurance clients.

Independence monitoring and disciplinary policy

We monitor the effectiveness of our system of quality management in managing compliance with independence requirements.

In addition to the confirmations described above, as part of this monitoring, we perform:

- Testing of compliance with independence controls and processes.
- Personal independence compliance testing of a random selection of partners and managerial practice staff as a means of monitoring compliance with independence policies.
- An annual self-assessment of PwC New Zealand's adherence with the PwC global independence policy which is reviewed by the PwC global independence team.

The results of our monitoring and testing are reported to the PwC New Zealand leadership on a regular basis.

There are disciplinary policies and mechanisms in place that are designed to promote compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed, with accountability for compliance feeding into the RAF for the whole firm.

Breach management includes an evaluation of the impact of the breach on the independence of the firm and the engagement team and the need for actions and safeguards to maintain objectivity. Any breach of an external independence standard is also reported to the client's audit committee, and/or governing body.

Although our experience tells us that most breaches are minor and attributable to an oversight, all breaches are taken seriously and investigated as appropriate.

The investigations of any identified breaches of independence policies also serve to identify the need for improvements in our systems and processes and for additional guidance and training.

Non-assurance services provided to audit clients – independence risk panel

PwC New Zealand operates an independence risk panel to ensure there is wide consideration of independence perceptions over and above the formal requirements in independence standards when initiating certain non-assurance services with public interest entity audit clients.

Accepting governance roles

Partners and staff are prohibited from accepting directorships and other executive appointments with an audit client/related entity of any PwC firm.

This prohibition applies regardless of whether the individual provides professional services to that audit client or related entity.

PwC New Zealand has a formal approval process led by the PRI for considering governance role appointment requests, including those:

- By current partners nearing retirement wishing to join Boards.
- Recently retired partners wishing to take up governance role appointments.

Consideration for requests from recently retired partners is given to many factors including: whether the client is an audit client of PwC New Zealand or another PwC firm and what role the partner had within PwC New Zealand.



Our people

Our people value proposition: Grow here, go further

The foundation of audit quality is the quality of our people who are trusted to deliver the assurance.

Our people value proposition; Grow here, go further; reflects our ambition to be the leading developer of trusted and inclusive professionals and to enable our people to work with greater agility and confidence in a rapidly changing world.

Specific focus areas include creating a resilient foundation for times of change through supporting the wellbeing of our people and enabling effective delivery through use of technology, developing inclusive leaders for a shifting world, and equipping our people for today's realities and tomorrow's possibilities.



Vasana Vanpraseuth
People Leader – Assurance

The PwC Professional

The PwC Professional is the set of behaviours we expect all our people to demonstrate with each other and with our clients and other stakeholders. These behaviours guide how we live our values, work with each other and deliver for our clients.

When we focus on the behaviours that guide our interactions, we create opportunities to build trust and empower our teams to deliver distinctive outcomes. This is how we build trust in society and solve important problems.

Recruitment

PwC New Zealand aims to recruit, train, develop and retain the best and the brightest people who share in the firm's strong sense of responsibility for delivering high-quality services and share our values. We hire candidates who have diverse backgrounds and appropriate skills, have a questioning mindset and intellectual curiosity, and demonstrate courage and integrity.

Our hiring standards include a structured interview process with behaviour-based questions built from The PwC Professional framework, assessment of prior experience and academic records, and background checks.

Inclusion and diversity

At PwC, we're an organisation that fosters a culture of belonging and equity where our diverse workforce can thrive and feel like they belong. We are committed to action, accountability and advocacy, in each of our member firms, across the PwC network.

We embrace and encourage differences and help our people actively develop the skills to work and lead inclusively with our focus on gender and ethnicity equity, disability inclusion, LGBTQI+ inclusion and social inclusion.

Underpinning this is ensuring our systems and behaviours are inclusive.

PwC New Zealand's gender diversity target aims for a minimum of 40% of new partners to be women, 40% men and the remaining 20% can be any gender identity. We aim to increase ethnic identification at all levels across PwC, particularly for Māori and Pacific Peoples, and enhance the cultural competence of the firm.



Wellbeing

The wellbeing of our people is important to us. We have a range of tools and programmes available including access to the Headspace app, Employee Assistance Programme (EAP) and our team of Mental Health First-aiders.

We regularly organise wellbeing events which involve bringing in clinical experts and specialists as well as health and mindfulness activities for our people and our people have access to the Sonder 24/7 wellbeing and safety service.

These initiatives help our people care for themselves and their loved ones.

Team selection, experience and supervision

Our audit engagements are staffed based on expertise, capabilities and years of experience. Engagement leaders determine the extent of direction, supervision and review of junior staff.

Feedback and continuous development

Our team members obtain feedback on their overall performance, including factors related to audit quality, such as technical knowledge, auditing skills and professional scepticism. Audit quality is an important factor in performance evaluation and career progression decisions for both our partners and staff. We use a global PwC feedback exchange tool to capture performance feedback, allowing for multi-direction feedback, aligned to The PwC Professional framework. Ongoing feedback conversations help our people grow and learn faster, adapt to new and complex environments, and bring their best to our clients and firm.

Career progression

Our annual performance cycle is supported by continuous feedback conversations and regular check-ins with the individual's team leader to discuss their goals, objectives, development, progression and performance and the application of The PwC Professional. Senior promotions to manager or above are supported by formal business cases which are required to be approved by the assurance leadership team, including the RMP.

Retention

Turnover in the accounting and auditing profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent, locally and globally.

Global People Survey

Each PwC firm participates in an annual Global People Survey, administered across the network to all of our partners and staff. PwC New Zealand leadership is responsible for analysing and communicating results locally, along with designing and implementing clearly defined actions to address feedback.

We have reported in our 2026 audit quality balanced scorecard the results of a selection of questions related to audit quality from the most recent Global People Survey.

Professional development – 'Grow here, go further'

Developing our people is fundamental to our commitment to audit quality and to our employee value proposition: Grow here, go further. We want our people to build careers in which they continue to grow their technical expertise, professional judgement, leadership capability and broader business skills, while being supported to manage their professional and personal commitments.

Development takes place throughout an individual's career and through a combination of structured learning, practical experience, coaching and real-time feedback. Our people have access to classroom and virtual learning, on-the-job development and an on-demand learning platform that supports personalised learning and Continuing Professional Development (CPD). These are complemented by webcasts, podcasts, newsletters, articles, videos and other resources that make relevant technical and professional content accessible when it is needed.

We are also developing the skills our people need to work effectively in an increasingly AI-enabled environment.

Our approach is increasingly AI-integrated, encouraging our people to consider how approved generative AI tools, including ChatGPT and Claude, can assist them in researching, analysing, challenging, drafting and refining aspects of their work. The purpose is not to transfer responsibility to AI, but to enable our people to work more effectively and focus their time on areas requiring professional judgement, scepticism and insight.

The use of AI does not change who is accountable for our work. Our people remain responsible for understanding, evaluating and, where necessary, challenging AI-generated content, applying appropriate professional judgement and ensuring that the final output meets PwC's quality, confidentiality and professional standards. Building this capability is therefore as much about judgement and responsible use as it is about becoming proficient with the technology.

Achieving professional qualifications is another important part of building the capability required to deliver consistently high-quality work. We support our people through their professional studies and seek to provide greater flexibility in how they prepare for examinations, enabling them to balance study, client commitments and personal responsibilities while progressing toward professional accreditation.

Continuing education

PwC New Zealand, together with other PwC firms, is committed to delivering consistently high-quality assurance services. Our formal learning curriculum, including programmes developed across the PwC network, equips partners and staff with the technical knowledge, professional skills and practical capabilities required to perform high-quality audit and assurance work.

The curriculum is designed to respond to changing professional standards, regulation, technology and ways of working. Learning is delivered through a blend of in-person and virtual classroom programmes, self-paced digital learning, practical application and on-the-job support. This allows us to provide relevant learning while balancing the need for development with time spent serving our clients.

Continuing education is an ongoing professional responsibility for all our people. High-quality auditing requires more than technical knowledge. It requires curiosity, professional scepticism, sound judgement and a willingness to continue learning as businesses, risks, standards and technologies evolve.

Our curriculum provides flexibility for learning to be delivered when it is most relevant to our New Zealand practice. Our Learning Leader also considers where additional formal or informal learning is required to respond to local needs. These priorities are informed by matters identified through our Root Cause Analysis programme, engagement quality reviews and other monitoring activities, regulatory areas of focus, consultation themes, changes in accounting and auditing standards, and developments affecting New Zealand entities and the work we perform.

Our delivery approach continues to evolve alongside the way our people work and learn. In-person learning and focused learning modules remain important elements of our programme, supplemented by regular opportunities to discuss and apply emerging issues in practice.

Our monthly live podcast, which is mandatory for our Assurance staff from interns through to partners, provides timely learning on matters arising from monitoring and inspection activity, consultations, how to use AI responsibly, changes to accounting and auditing standards and other areas relevant to audit quality.

Alongside technical capability, we continue to strengthen interpersonal, commercial and business acumen skills. We are also increasingly embedding responsible use of generative AI into our learning, helping our people understand not simply how to use these tools, but when to use them, how to critically assess their outputs and when human expertise and judgement must take precedence. This combination of technical expertise, professional judgement, technological capability and continuous learning is central to how we support our people to deliver high-quality assurance work.

All licensed and/or registered auditors are required to comply with the International Education Standard (IES) 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements issued by the International Accounting Education Standards Board.
A personalised learning plan, in line with IES 8, is developed by each engagement leader to cater to their individual training needs. A self-assessment is completed on an annual basis to determine if learning outcomes have been achieved.



Our audit approach

PwC New Zealand uses a range of cutting-edge processes, technologies, and approaches to ensure continuous improvement in the quality and performance of our audit engagements.

The quality and effectiveness of an audit is critical to all our stakeholders. We therefore invest heavily in the effectiveness of our audits, in the skills of our people, in our underlying methodology, the technology we use, and in making the right amount of time and resources available.

We pay close attention to our AQIs, the internal indicators and processes that routinely monitor the effectiveness of our risk and quality processes and provide timely information about the quality of our audit work and any areas for improvement. Additionally, we consider what our various stakeholders require from us, what they tell us we need to improve and findings of regulatory inspections on the quality of our work.

Tools and technologies to support our audit

As a member of the PwC network, PwC New Zealand has access to, and uses PwC Audit, a common audit methodology and process. This methodology is based on the International Standards on Auditing (ISAs), with additional PwC policy and guidance provided where appropriate. PwC Audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA requirements that are relevant to each individual audit engagement. Our common audit methodology provides the framework to enable PwC firms to consistently comply in all respects with applicable professional standards, regulations and legal requirements.

Maestro

Maestro is an AI-native – not AI-wrapped – platform that represents a step change in the assurance experience. Integrating human judgement, advanced tech, and AI, it is a single intelligent system that manages audit complexity end-to-end – digitally listening, surfacing insights earlier to inform our approach, and highlighting potential audit risks. Client-centric and continuously evolving, it delivers a distinctive assurance experience – better, faster, smarter.

We are in the early stages of piloting Maestro on a small population of audit engagements and expect to progressively adopt the tool on all audit engagements across 2027 and 2028. In time Maestro will fully replace some of the other tools described below including Aura and Connect.

Aura

Aura, our global audit documentation system, is used across the PwC network. Aura helps drive how we build and execute our audit plans by supporting teams in applying our methodology effectively and consistently. It does this by creating transparent linkage between risks, required procedures, controls and the work performed to address those risks, as well as providing comprehensive guidance and project management capabilities. Targeted audit plans specify risk levels, controls reliance and substantive testing. Real-time dashboards show teams' audit progress and the impact of scoping decisions more quickly.

Connect

Connect is our collaborative platform that allows clients to quickly and securely share audit documents and deliverables. Connect also eases the burden of tracking the status of deliverables and resolving issues by automatically flagging and tracking outstanding items and issues identified through the audit for more immediate attention and resolution. Clients are also able to see audit adjustments, control deficiencies and audit progress for all locations in real time.

Connect Audit Manager streamlines, standardises and automates group and component teams' coordination for group and multi-location engagements. It provides a single digital platform to see all outbound and inbound work and digitises the entire coordination process which facilitates greater transparency, compliance and quality for complex multi-location audits.

Halo

Halo, our data auditing tool, allows us to identify and assess risks and determine where to focus audit efforts. Halo interrogates and analyses large volumes of business-critical data, seamlessly creating visuals and reporting to enable identification of anomalies and trends in financial information. We can then focus our audit testing on high-risk transactions and provide valuable insight to our teams and our clients. The Halo platform enables our engagement teams to manage all data extractions, executions and storage for all applications through one central location, allowing our engagement teams to monitor the status of data uploads and use the acquired client data for multiple applications during the audit.

Count

Count, facilitates the end-to-end process for observing inventory counts. It enables our engagement teams to create and manage count procedures, record results directly onto their mobile device or tablet and to export final results into Aura.

PwC Confirmations

PwC Confirmations, our global, secure, web-based confirmation platform. It provides a guided experience to preparing, sending, monitoring and receiving responses for our auditors and third-party confirmers as well as a dashboard view to assist in status updates.

Additional tools

In addition to these globally created and supported PwC network tools, we have invested in the following tools:

Digital Lab

A virtual space for our people to collaborate, create and share digital solutions.

Generative AI

There have been significant investments across the PwC network into generative AI as we seek to reimagine how we further enable our people by leveraging the power of AI. We are focused on promoting a culture of responsible usage of AI while supporting ongoing interest and quickly evolving potential use cases for AI including generative AI. This includes the training associated with, and the use of, ChatPwC and ChatGPT Enterprise applied in an assurance context. Our generative AI tools are intended to be used to empower our people to focus on higher-value tasks, and access information quickly and efficiently.

> The use of generative AI must be fully re-performable with the outputs reviewed by a member of the team.

Our use of generative AI is fully aligned with our philosophy of being human-led and tech-enabled. The controls we have in place to protect our clients' data are equally applicable in the context of generative AI.

Reliability and auditability of audit technologies

Our firm has designed and implemented processes and controls to underpin the reliability of these audit technologies.

This includes clarification of the roles and responsibilities of audit technology owners and users.

In addition, we have guidance focused on the sufficiency of audit documentation included in the workpapers related to the use of these audit technologies, such as consideration of the reliability of the solution, and the documentation needed to assist the reviewer in meeting their direction, supervision and review responsibilities as part of the normal course of the audit.

Supporting engagement performance

Evolved delivery model

We continue to evolve the way we deliver our services, so our people give our clients an even better experience, further enhance the quality of what we do, and create economic capacity to invest in the future. We use acceleration centres to streamline, standardise, automate and centralise portions of the audit.

We have teams based in PwC acceleration centres in Manila and Kolkata who are integrated into our New Zealand-based teams. Our people offshore are trained to the same standard as our people locally, are provided appropriate levels of coaching and supervision and are required to comply with the same high-quality standards.

Direction, coaching and supervision

Engagement leaders and senior engagement team members are responsible and accountable for providing quality coaching throughout the audit and supervising the work completed by junior members of the team, coaching the team and maintaining audit quality. Engagement teams utilise Aura, which has capabilities to effectively monitor the progress of the engagement to determine that all work has been completed and reviewed by appropriate individuals, including the engagement leader.

Consultation culture and use of specialists and experts

Consultation and use of specialists and experts on our audits is key to maintaining high audit quality. We have formal protocols about mandatory consultation in the pursuit of quality. For example, our engagement teams routinely consult with appropriate groups in areas such as risk, accounting, methodology and other specialties, as well as others within our central quality team.

Protocols exist to resolve situations where a difference of opinion arises between the engagement leader and either the EQR or other functions and specialists.

Risk and Quality team

Our central assurance risk and quality team comprises technical accounting, auditing methodology, financial reporting, valuation and risk specialists. These specialists play a vital role in keeping our policies and guidance in these areas current by tracking new developments in accounting and auditing and providing those updates to our audit teams.

EQR

Specific audit engagements are assigned an EQR as part of our SoQM as required by professional standards.

These are senior individuals who have the necessary competence, capabilities and appropriate authority within the firm to fulfil the responsibility.

The engagement quality review is carried out in accordance with ISQM 2/PES 4 with the purpose of performing an objective evaluation of the significant judgements made by the engagement team and the conclusions reached on those judgements.

The EQR is involved in the most critical aspects of the audit. For example, they independently assess the basis for the engagement partner's determination that relevant ethical requirements relating to independence have been fulfilled, they review select engagement documentation with emphasis on areas of significant risk and a team's responses to those risks, evaluate whether appropriate consultation has taken place and conclusions arising from those consultations. They also review the financial statements and the audit report on those financial statements prior to issuance.

Protecting data

Information protection, privacy and information security

Information protection, privacy, and information security are key elements of our professional responsibilities. Misuse or loss of client confidential information or personal information may expose the firm to legal proceedings and adversely impact our reputation. We take the protection of client and personal information very seriously.

There is compulsory annual compliance training around information protection, privacy and information security awareness for all PwC personnel. This includes custom e-learns to educate on confidentiality, information security risks and information protection best practices. This training empowers PwC personnel to be part of the solution for protecting the firm, its clients, and personal information. In addition to this learning material, they are required to be familiar with the firm's network policies and the firm's policies for local information security and information protection requirements. This also includes regular education campaigns, such as phishing simulations.

Information protection

Our client focus requires a holistic and collaborative approach to reducing the risks around security, privacy and confidentiality with significant investment in appropriate controls and monitoring. Our model of Limit, Protect, Respect, has enabled us to strengthen the controls and awareness we have in relation to information protection, privacy and security.

Privacy

The firm maintains a robust and consistent approach to the management of all personal information, with everyone in our organisation having a role to play in safeguarding personal information. We adhere to the Privacy Act 2020, including the secure handling and storage of personal and confidential information throughout engagements. We are committed to protecting personal information through accountable, transparent and secure data practices. This includes defined protocols, access controls, and regular review of our practices, with privacy and data protection considerations incorporated into our technology risk and review processes.

Information security

Information security is a high priority for the PwC network. Our firm is accountable to our people, clients, suppliers, and other stakeholders to protect information that is entrusted to us. Failure to protect information could potentially harm the individuals whose information our firm holds, lead our firm to suffer regulatory sanctions or other financial losses, and impact the PwC reputation and brand. As such, our firm complies with the PwC Information Security Policy (ISP) which outlines the minimum security requirements for all PwC network firms.

Our legal and governance structure

Our legal structure

The New Zealand firm of PricewaterhouseCoopers (PwC New Zealand or the Firm) is a general partnership wholly owned by the partners in the Firm. The Firm also operates and controls a small number of corporate entities that are required for legal and operational purposes.

CEO and Executive Leadership Team: providing leadership

PwC New Zealand's CEO, Andrew Holmes, provides leadership for the partners and employees and sets short and long-term strategic direction. The CEO is elected by the Firm's partners for a term of four years. If re-elected, the CEO may serve in that role for one further term of up to four years.

The CEO also leads and appoints the Executive Leadership Team and senior management positions responsible for the management and administration of the Firm. The names and roles of the current members of the Executive Leadership Team can be found on PwC New Zealand's website.

The Board: providing oversight

The Board is responsible for governance and oversight of the Firm's management and holds the CEO accountable to the Partners for the conduct of the Firm's affairs. It supports, monitors and provides input into strategy, approves partner admissions and retirements, and approves major transactions or refers them to a partner vote.

The Board consists of the Chair, Karen Shires, the CEO, four partners elected by partner vote, and one independent external member. An additional partner acts as a 'shadow board member'. The purpose of the shadow board role is to provide board experience to a partner. It is not a formal board role and does not have voting rights or authority to sign on behalf of the Board.

The current board members can be found on PwC New Zealand's website.

Partners

Certain matters are reserved for partner vote. These include the election of the CEO, the Chair and the Board, amendments to the Firm's partnership agreement, termination of the partnership, and approval of major transactions referred to partner vote by the Board of Partners.

All partners have an equal vote in all such matters. As at 1 July 2026 there were 131 partners in PwC New Zealand. There were also five shareholder/directors in PwC Legal, an incorporated law firm offering legal services to clients.

Independent Audit Advisory Board

The independent Audit Advisory Board (AAB) provides guidance and challenge to audit quality. The AAB consists of three independent members who advise the firm on a range of matters including the Firm's audit systems and processes, learning and development programme, and how the firm is responding to structural changes in the profession.

The PwC network

PricewaterhouseCoopers International Limited (PwCIL)

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC network. 'PwC' is often used to refer either to individual firms within the PwC network or to several or all of them collectively.

In many parts of the world, accounting firms are required by law to be locally owned and independent. Although regulatory attitudes on this issue are changing, PwC member firms do not and cannot currently operate as a corporate multinational. The PwC network is not a global partnership, a single firm, or a multinational corporation.

For these reasons, the PwC network consists of firms which are separate legal entities. The firms that make up the network are committed to working together to provide quality service offerings for clients throughout the world. Firms in the PwC network are members in, or have other connections to, PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee.

PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to facilitate coordination between member firms in the PwC network. Focusing on key areas such as strategy, brand and risk and quality, the Network Leadership Team and Board of PwCIL develop and implement policies and initiatives to achieve a common and coordinated approach among individual firms where appropriate.

Member firms of PwCIL can use the PwC name and the resources and methodologies of the PwC network are made available to them.

In addition, member firms may request the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms agree to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

The PwC network is not one international partnership and PwC member firms are not otherwise legal partners with each other. Many of the member firms have legally registered names which contain 'PricewaterhouseCoopers', however there is no ownership by PwCIL. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other member firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions.

The governance bodies of PwCIL are:

Global board

Responsible for the governance of PwCIL, the oversight of the network leadership team and the approval of network standards. The Board does not have an external role. The Board is comprised of elected partners from PwC firms around the world and one or more external, independent directors. Please refer to the PwC Global website for a list of the current members of the global board.

Network leadership team

Responsible for setting the overall strategy for the PwC network and the standards to which the PwC firms agree to adhere.

Strategy council

Made up of the leaders of the largest PwC firms and regions of the network and agrees on the strategic direction of the network and facilitates alignment for the execution of strategy.

Global leadership team

Appointed by and reports to the network leadership team and the Chairman of the PwC network. Its members are responsible for leading teams drawn from PwC firms to coordinate activities across all areas of our business.



Glossary of terms

A&C – Acceptance and Continuance

AFS – Authorisation For Service

AQIs – Assurance Quality Indicators

CA ANZ – Chartered Accountants Australia and New Zealand

CPA Australia – Certified Practising Accountant Australia

CEO – PwC New Zealand's Country Senior Partner

CES – Central Entity Service

CODE – International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants

CPD – Continuing Professional Development

EAP – Employee Assistance Programme

ECR – Engagement Compliance Reviews

EQR – Engagement Quality Control Reviewer

ELT – PwC's Executive Leadership Team

FMA – Financial Markets Authority

GAQ – Global Assurance Quality

IES – International Education Standard

IESBA – International Ethics Standards Board for Accountants

ISA – International Standards on Auditing

ISP – Information Security Policy

ISQM 1 – International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagement

ISQM 2 – International Standard on Quality Management 2, Engagement Quality Reviews

MCD – My Compliance Dashboard

NGA – Next generation audit

NZICA – New Zealand Institute of Chartered Accountants

OAG – Office of the Auditor-General

PES 1 – Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)

PES 3 – Professional and Ethical Standard 3 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements

PES 4 – Professional and Ethical Standard 4 Engagement Quality Reviews

PRI – Partner Responsible for Independence

PwCIL – PricewaterhouseCoopers International Limited

QC1000 – PCAOB Quality Control Standard, A Firm's System of Quality Control

OECD – Organisation for Economic Co-operation and Development

QIP – Quality Improvement Plan

QMP – Quality management process

QMSE – Quality Management for Service Excellence framework

QRP – Quality Review Partner

R&Q – Risk and Quality

RAF – Recognition and Accountability Framework

RMP – Risk Management Partner

RCA – Root Cause Analysis

RTA – Real Time Assurance

SEC – Securities and Exchange Commission

SDC – Service Delivery Centre

SOPS – Statements of Permitted Services

SoQM – System of Quality Management

XRB – New Zealand External Reporting Board

Audit Transparency Report 2026

pwc.co.nz/audit-transparency-report-2026

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