

Transforming courageously

Inside and out

KPMG N.V. Integrated report 2023/2024

Contents

Board of management report 4

Management review

Message from our CEO 5

About KPMG 8

About us 9

Operating environment 11

Business model and strategy 13

Our Impact Plan 18

Performance and progress in 2023/2024 20

Public trust 21

Clients 24

People 27

Digital & innovation 29

Financial strength 32

Governance, risk management, and decision-making 34

Corporate governance statement 35

Board of Management 37

Statement of effectiveness 38

Risk management and controls 39

(Audit) Quality management 43

Stakeholder engagement 44

Sustainability statement

Our performance at a glance 48

1 Basis for preparation of our sustainability statement 49

2 Environmental information 62

3 Social information 81

4 Governance information 111

Appendices to the sustainability statement 123

Supervisory Board report 129

Letter from the Supervisory Board Chair 130

Functioning of the Supervisory Board 132

Training and evaluation 134

Members of the Supervisory Board 135

Board activities in 2023/2024 137

Remuneration report 141

Financial statements & notes

143

Consolidated statement of profit or loss and other comprehensive income	144
Consolidated statement of financial position	145
Consolidated statement of cash flows	146
Consolidated statement of changes in equity	147
Notes to the consolidated financial statements	148
1 General	148
2 Basis of preparation	149
3 Material accounting policies	151
4 New standards and interpretations not yet adopted	162
5 Segment reporting	163
6 Revenue	166
7 Other income	168
8 Costs of outsourced work and other external charges	169
9 Employee benefits expenses	170
10 Other expenses	171
11 Finance income	172
12 Finance expenses	173
13 Income taxes	174
14 Fees payable to Coöperatie KPMG U.A.	176
15 Intangible assets and goodwill	177
16 Property, plant and equipment	179
17 Other financial assets	180
18 Receivables	181
19 Cash and cash equivalents	182
20 Equity	183
21 Loans and borrowings	184
22 Employee benefits	186
23 Provisions	187
24 Trade and other payables	188
25 Financial instruments and associated risks	189
26 Leases	196
27 List of subsidiaries	199
28 Liabilities and assets not recognized in the consolidated statement of financial position	200
29 Collaboration agreements and related parties	202
30 Subsequent events	205
Company statement of financial position	206
Company statement of profit or loss	207
Notes to the company financial statements	208
31 Basis of preparation	208
32 Non-current financial assets	210
33 Cash and cash equivalents	211
34 Shareholders' equity	212
35 Loans and borrowings	214
36 Financial instruments	215
37 Related parties	216
38 Tax and social insurance contributions	217

39 Liabilities not recognized in the company statement of financial position	218
40 Number of partners	219
41 Remuneration of the Board of Management	220
42 Independent auditor's remuneration	221

Other information **223**

Provisions in the Company's Articles of Association governing the appropriation of profit	224
Independent auditor's report	225
Limited assurance report of the independent auditor on the sustainability statement 2023/2024	235

Appendices **239**

Basis for preparation	240
List of public-interest entity clients	242
Other KPMG member firms in the EU/European Economic Area	245
Segmentation of revenue/other income	247
Abbreviations and acronyms	250
Contact	252



Management review

Message from our CEO

About KPMG

Performance and progress in 2023/2024

Governance, risk management, and decision-making



Message from our CEO

Transforming courageously

Inside and out

Quality and trust form the very core of our organization: deeply rooted in our long history, embodied in our work every day, and proudly safeguarded for our future. Likewise, our relevance for clients and society, our teams' expertise and commitment, and our belief in our learning organization all remain constant, despite the seismic changes taking place around us. Against a turbulent global backdrop, businesses and organizations are navigating the **twin transition**, with digitalization and sustainability revolutionizing how we live and work. Our own transformation is underway at KPMG N.V., spearheaded by our culture of ethics and integrity. From our business to our clients and to wider society, we are led by our values in driving change – for good, and for better.

I am pleased to introduce KPMG N.V.'s integrated report for 2023/2024 – a further year of robust growth for our firm. This is visible in our strong financial results, enabling us to continue delivering on our purpose of inspiring confidence and empowering change.

[Read more about our financial performance →](#)

[Read more about our business growth →](#)

Growth requires us to embrace the mindset we need to self-reflect, learn, and evolve. We recognize that trust – that of our clients and all other stakeholders, regulators, and broader society – is our license to operate. We are committed to earning and protecting that trust, focusing on the quality, values, and ethical behaviors that we, as well as our stakeholders, expect. Over the year, we

therefore implemented a number of additional measures to prevent answer sharing in the future, which have proven to be effective.

[Read more about our external reviews, inspections, → and interactions with regulators.](#)

But we had to dive deeper into our culture. We conducted root cause analyses (RCAs) on the cultural dimensions we must work on, moving forward with clarity and motivation, driven by our values. We also launched a new company-wide culture program called Values First, because we firmly believe that before we act, we must pause to consider, assess, and reflect on whether every action and behavior is rooted in our values first.

Leading Change, Values First

Accordingly, with 2023/2024 marking the end of phase 2.0 of KPMG's global Trust & Growth strategy, we are embarking on Trust & Growth 3.0 under the theme of "Leading Change, Values First." This reflects our commitment to our five values – Integrity, Excellence, Courage, Together, For Better – as we undergo and enable the transformations that our clients, our society, and our planet demand.

[Read more about our strategy →](#)

While these transformations start with strong leadership, "values first" applies to everyone, at all levels of our firm. We are therefore driving positive cultural change within KPMG N.V., ensuring high engagement and energy among our people. It is important that people of all backgrounds feel safe, included, and valued, as well as able to learn and thrive in their teams. This is fundamental to our success as a high-performance business, where our people listen to and understand clients' needs, continuously strive to deliver work of the highest quality, and want to take accountability. We listen to our people regularly and in multiple ways – such as surveys and face-to-face dialogues with our Works Council and our Young Board Now – with the relentless motivation to make our people's experience at KPMG N.V. a deeply rewarding, deeply human one.

[Read more about our values →](#)

[Read more about our workforce →](#)

ESG as our watermark

Our cultural transformation goes hand in hand with our operational transformation, as we respond to the urgent need to build a more equitable and environmentally sustainable society. KPMG N.V.'s approach to the sustainability challenge is founded on prioritizing environmental, social, and governance (ESG) topics in all our decision-making, processes, and solutions – in short, in all we do – an approach we call "watermarking ESG." We deliver most of our value through the work we carry out for and with our clients. Our own ambitions are outlined in our Impact Plan, through which we aim to drive positive impact in the areas of Planet, People, Prosperity, and Governance.

[Read more about our Impact Plan →](#)

In 2023/2024, we focused particularly on the European Union (EU) Corporate Sustainability Reporting Directive (CSRD) and associated European Sustainability Reporting Standards (ESRS). We welcome the introduction of CSRD, which requires more companies to report on their ESG impact, risks, and opportunities – and how they are managed – in a more extensive, standardized, and comparable way. These more stringent disclosure requirements pose a new challenge for many of our clients. With demand for KPMG N.V.'s support with CSRD reporting processes rising fast, we are dedicated to ensuring we are equipped to meet the needs of our clients and increase societal trust in corporate reporting.

We also believe it is important for us to set a strong example regarding CSRD. This year, therefore, I am pleased to welcome you to our Integrated report which includes our first CSRD-compliant sustainability statement. This marks an important step forward in our reporting, pushing us to scrutinize our own sustainability performance, how we track it, and how we communicate transparently about progress and areas for improvement.

While we can be proud of developments in many areas – including how we have strengthened our audit quality, advanced our Values First program, and reduced our carbon footprint – we recognize that we still have work to do; for instance, on gender balance and air travel. I invite you to explore the disclosures in our sustainability statement for full details.

[Read our General disclosures →](#)

[Read our Environment disclosures →](#)

[Read our Social disclosures →](#)

[Read our Governance disclosures →](#)

Trusted digitalization

As the sustainability transition gathers pace, so does digitalization. With new technologies and tools come opportunities and challenges for us and our clients. Artificial intelligence (AI), in particular, has an impact on all of us, and all we do, at KPMG N.V.

Accordingly, a transformation is underway across our firm, as we put (generative) AI into the hands of our people, empower them to embrace innovation, and redesign our services and delivery models to better meet clients' needs and expectations. This includes investing in growing the AI acumen of our workforce and collaborating with the global KPMG network on go-to-market tooling, thought leadership, propositions, and other AI-related assets.

At the same time, AI alone will not deliver prosperity if it is not trusted and based on values. For that to happen, AI must be equitable, human centric and transparent, with its use cases led by people with empathy, care, and commitment to the greater good.

In Assurance, our KPMG Clara platform is enhancing our audit methodology and, in turn, quality, increasingly empowered by robotics, algorithms, and AI. This is done in lockstep with our global network and backed by our sustainable investment commitment. In Advisory, embedding AI tools at the heart of our business means we can increasingly support clients with integrated implementation projects, thereby driving our own transformation as a trusted Advisory partner on larger-scale, more complex projects. In our Business Services function, we are recalibrating our target operating model to provide better services, enabled by smart technologies and digitalization projects.

[Read more about audit quality →](#)

[Read more about digital innovation and AI →](#)

All about people

I would like to thank all my colleagues across the firm for their hard work during a year of change. Our people inspire me every day, and their dedication to transforming our organization – while also enabling transformation for our clients and society – is a testament not only to their

resilience, open-mindedness, and skill, but also to their commitment to upholding our values. With our Values First program, we are further strengthening our culture; ensuring our values are owned, deeply felt, and lived by our people in their daily behaviors; and making these values a driver for the continued success of our firm in the future.

I also want to thank my colleagues on the Board of Management and the Supervisory Board. In particular, I wish to thank our departing members Claartje Bulten and Gosse Boon for their contributions, and to extend a warm welcome to Pascal Visée, our new Supervisory Board member.

Finally, thank you to our clients for continuing to choose KPMG N.V. We can look back on outstanding work together, facing the enormity of the transformational movements underway. Your trust in our expertise and high-quality services reflects the value we create together for wider society amid social, geopolitical, and environmental unrest. We are more determined than ever to live up to this trust as we forge ahead. Thanks to the quality of our offering and the knowledge and commitment of our people, I believe we are strongly positioned to lead the change that our clients and society expect from us, putting our values first in all we do.

Stephanie Hottenhuis

CEO, KPMG N.V.



About KPMG

About us

KPMG N.V. is one of the Netherlands' leading providers of assurance and advisory services. We are part of the global KPMG network, which operates in 143 countries and territories worldwide. We work with public, private, and nonprofit companies in industries ranging from financial services and consumer retail to energy, infrastructure, and healthcare. Through our work, we aim to ensure public trust in companies, institutions, and financial markets.

Our businesses

The KPMG network has offices around the world. KPMG Accountants N.V. and KPMG Advisory N.V. are subsidiaries of KPMG N.V., an independent member of the global KPMG network, affiliated with KPMG International Limited ("KPMG International"), a private UK company limited by guarantee. KPMG is the brand under which the member firms of KPMG International operate and provide professional services. Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG N.V. is responsible for its own obligations and liabilities.

KPMG International and its related entities do not provide services to clients. In many countries, highly regulated industries such as audit and assurance must be locally owned and managed. As a result, KPMG member firms do not – and cannot – operate as a typical multinational would. Being a member of KPMG International gives us access to the network's worldwide resources and expertise. As a member firm, we also abide by the shared values and comply with the policies, regulations, and standards of KPMG International.

Our two primary businesses are Assurance and Advisory, supported by Business Services. Tax advisory services are offered through KPMG Meijburg & Co,^[1] which is also part of the KPMG network. KPMG N.V. has 12 offices across the Netherlands and is headquartered in Amstelveen.

Assurance

Assurance includes both audit and non-financial assurance. We audit financial statements, reports, and other regulatory and non-regulatory disclosures. Our Assurance business comprises five main units: National Practice, Financial Services, Information Technology (IT) Assurance, ESG Assurance, and Accounting Advisory.

Advisory

Through our Advisory business, we help clients manage risk, improve strategy and performance, digitalize systems and processes, and seize new opportunities for growth. Our Advisory business is organized into five suites – Strategy & Operations, Deals, Finance & Business Services, Risk & Regulatory, and Technology – and increasingly focuses on integrated implementation projects.

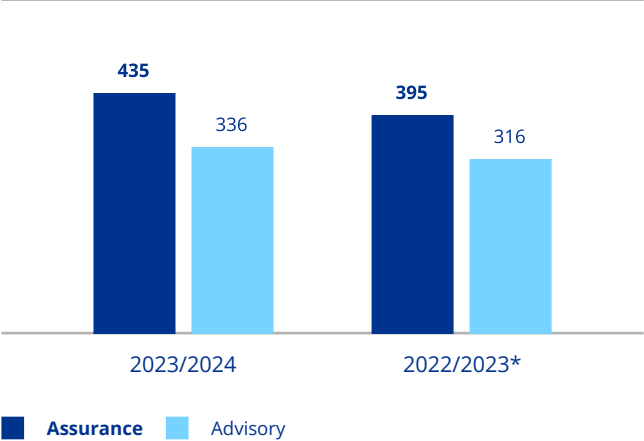
Business Services

Business Services consists of the joint staff departments within KPMG N.V.: Brand Reputation & Marketing, Business Service Center, Facilities & Procurement, Finance, Human Resources, IT Services, Legal, and Risk Management. Business Services is committed to protecting and upholding what is valuable for our organization: our people, quality, reputation, financial resources, IT systems, offices, and intellectual property.

¹ KPMG Meijburg & Co, though a member of the KPMG network, is not part of KPMG N.V. and is therefore not covered by this report (unless stated otherwise).

Revenue by function

(EUR million)



* Adjusted for comparison purposes.

Purpose and values

Our purpose at KPMG N.V. is to inspire confidence and empower change. To help us deliver on this purpose, we are led by five values that guide our actions, decisions, and ways of working – with each other, our clients, and our other stakeholders.

Integrity

We do what is right.

Excellence

We never stop learning and improving.

Courage

We think and act boldly.

Together

We respect each other and draw strength from our differences.

For Better

We do what matters.

Operating environment

In 2023/2024, as every year, we kept a close eye on the external trends and developments – both positive and negative – shaping the world around us, particularly those with a significant impact on KPMG N.V. and our clients.

Our sector

Trust remains a pivotal topic in the assurance and advisory world. In a 2024 survey, trust in professional services businesses to do what is right was rated at 64% (+1% versus 2023), indicating that the sector is trusted (source: Edelman Trust Barometer 2024). Trust in professional services cannot be separated from quality, but it is also earned – and, more importantly, maintained – through the ethical and behavioral integrity of firms like ours. At the time of reporting, the reputational implications of answer sharing in our sector are still underway, with several investigations still to be concluded.

Meanwhile, the **skills shortage** in the professional services sector is ongoing and expected to continue in the years ahead, particularly when it comes to auditing and technology roles. This makes investing in improving trust in the sector – and therefore attracting people to professional services careers – crucial for our growth. With more study options and career paths available than ever before, the pressure is on to attract talented people with the specific skills needed. At the same time, jobseekers (especially in the younger generations) are increasingly seeking out work they see as personally fulfilling and socially meaningful. This requires companies to adapt their ways of working, from leadership, processes, and management to working environments, culture, listening mechanisms, and even branding – to not only attract but also, crucially, retain the talent they need.

We operate in a highly regulated environment, at the national, EU, and global level. While the new Dutch government's interest in and impact on the sector remain to be seen, developments in our sector's **regulatory** landscape include CSRD coming into force for the 2024 reporting year and the EU's AI Act and Accessibility Act on the horizon. In the Netherlands, meanwhile, the Quartermasters' report was published in late 2023, recommending that continued external pressure is necessary to ensure a high-quality audit sector in the future, as well as setting out new requirements relating to firms' audit quality indicators (AQIs). For more information on audit quality, see [Spotlight on audit quality](#).

The bigger picture

The effects of the **climate crisis**, and efforts to counter them, are being felt all around the world. This not only creates risks for businesses – including resource scarcity and supply chain disruption – but also requires them to adapt their operations, whether to ensure resilience or to comply with climate-related regulations. In parallel, reporting requirements are shifting up a gear. CSRD, for example, calls for more transparent and comparable corporate reporting on the environmental performance of large companies and the impact of climate change on their business. For many companies, however, improving their environmental footprint also brings opportunities to secure business continuity, reputational gains, and market differentiation – all of which can boost (sustainable) growth.

Many of the transformation challenges of climate change are intertwined with another major global transition: **digitalization**. The reach and capabilities of digital technologies – including big data, the cloud, and (generative) AI – are growing all the time. Companies that fail to adopt and adapt to the latest digital developments run the risk of being left behind. Accordingly, take-up of innovative tools, and the benefits thereof, is growing: adoption of AI by European businesses rose to 33% in 2023 (2022: 25%), while 75% of businesses claim that using AI has increased their revenue.^[1] However, while the advantages range from greater time and cost efficiencies to an improved employee experience, digitalization also brings challenges and risks. Across the globe, the public and private sectors are wrestling with digital-related issues including cyber security, data privacy, energy consumption, skills shortages, a lack of trust, and ethical concerns.

Investment in digital technology is taking place against a challenging **economic and geopolitical** backdrop. Regional conflicts in Europe, the Middle East, and elsewhere are not only causing devastating humanitarian crises but also leading to market uncertainty and supply chain disruption. In the EU, after the mild recession of late 2023, the economy began growing in early 2024. Here in the Netherlands, inflation remained high (although lower than in the previous year) and the economic outlook broadly negative. All these factors mean the cost pressures that have been felt across sectors and society in recent years are yet to ease.

Our **society** itself continues to change, in terms of attitudes and lifestyles as well as demographically and economically. The increasing internationalization of the working population in the Netherlands, for instance, brings benefits for organizations, where awareness of the importance and impact of inclusion, diversity, and equity (IDE) is growing. At the same time, businesses need to anticipate and lead the conversation around potential cultural issues related to inclusion and communication, especially in the context of regional conflicts. Similarly, political polarization on migration – and other key topics, such as the environment – persists. Furthermore, while the number of employees working beyond the retirement age of 67 doubled between 2013 and 2023 and is expected to keep growing,^[2] the digital natives of Generation Z are also entering the workforce. Companies must recognize and respond to generational differences among their people, including their potentially differing views and expectations around work and the employee proposition.

The twin transition

The need for more sustainable societies and economies is increasingly urgent. Meanwhile, digitalization, accelerated by AI, is redefining what is possible in almost all areas of life. This “twin transition” is reshaping how people everywhere live and work. It brings significant challenges for organizations of all kinds, but also raises exciting opportunities for those that succeed in adapting to this dynamic context – or even in accelerating the pace of progress.

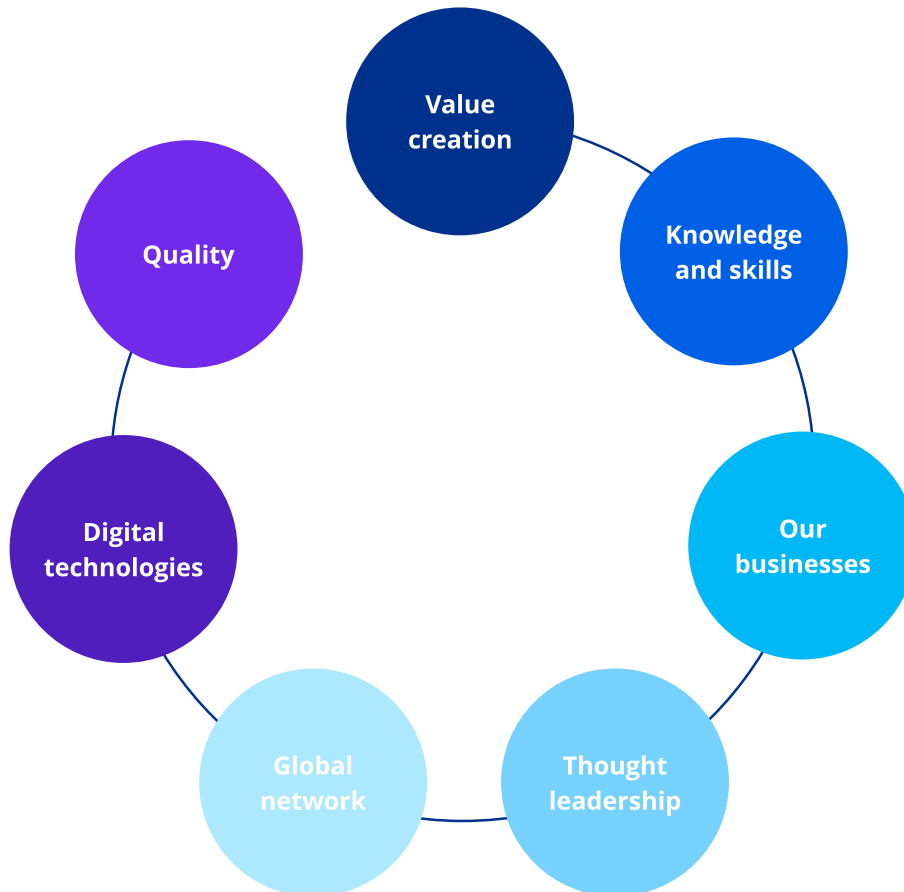
¹ Amazon Web Services.

² ABN AMRO

Business model and strategy

As our world changes, so do the needs of our clients and other stakeholders. With our business model and strategy, we anticipate and respond to these developments as well as creating value for the organizations and people we reach through our solutions and services. For more information on our stakeholder groups, see [Stakeholder engagement](#).

Our business model



Value creation

From our business activities, we create value for our clients, partners, and employees, as well as for wider society.



Knowledge and skills

To carry out our work, we rely on the knowledge, skills and expertise of our people.



Our businesses

Most of our revenue comes in fees from our two main businesses: Assurance and Advisory.



Thought leadership

We share our knowledge and expertise on important economic, social, and environmental issues.



Global network

In doing our work, we can draw on the resources and know-how of the global KPMG network.



Digital technologies

We increasingly use data, new digital technologies, and AI to support our work.



Quality

We use a robust system of quality management to ensure our work meets the highest possible standards.

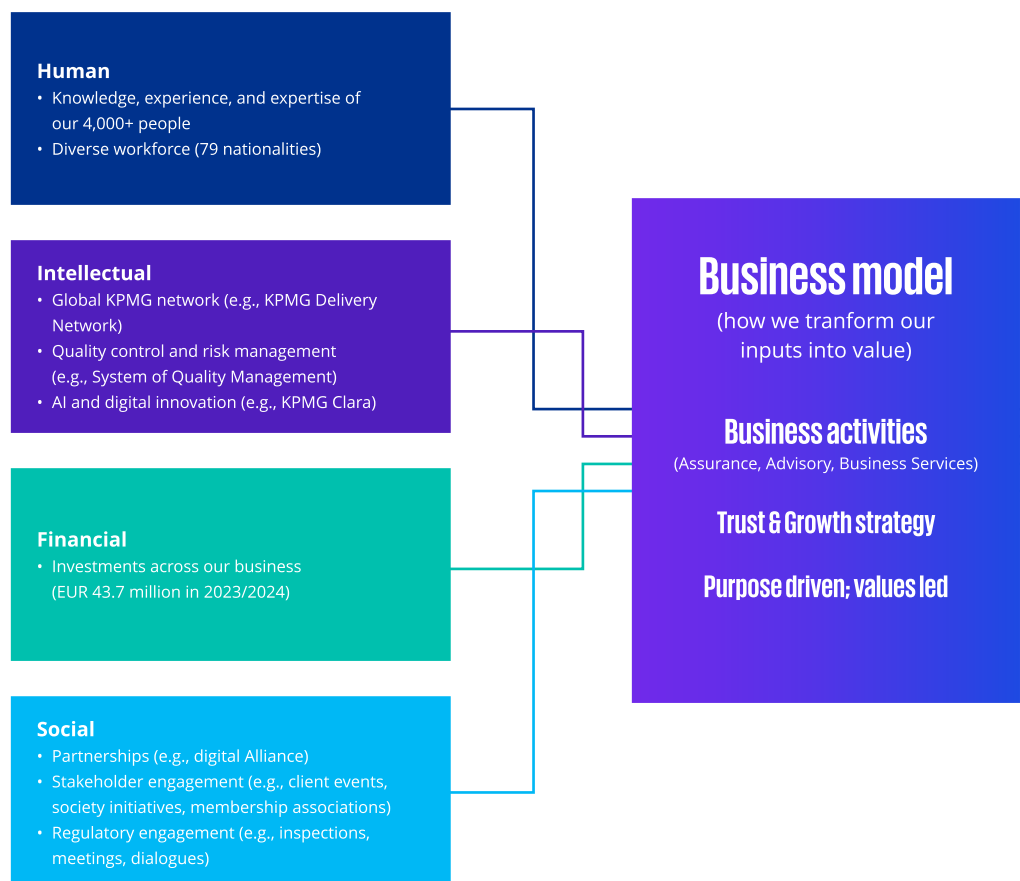
How we create value

Through our business activities, we create value for our stakeholders, including wider society. In particular, our assurance work helps build trust in financial markets and supports economic growth. With our advisory work, meanwhile, we improve our clients' management of important ESG issues, strategy challenges, and digital transformations – all while helping them navigate today's fast-changing business environment.

Our value creation model shows how we create different types of value for different stakeholders through our work.

Inputs

(the resources we use to operate our business)



Outputs

(the direct value we create, in terms of results for stakeholders)

For KPMG

- Strong business performance and growth (EUR 771 million revenue in 2023/2024)
- High talent attraction and retention
- Supportive and inspiring environment for our people (77% engagement in 2023/2024)
- Strong brand and reputation (e.g., thought leadership)

For our clients

- High-quality products and services (97% client satisfaction in 2023/2024)
- Digitally enabled audit
- Strategic (digital/ESG) transformation
- Regulatory compliance (e.g., CSRD)

For society

- Increased public trust in the organizations we engage with
- Data security and privacy
- Execution of Impact Plan (progress toward specific ESG goals)
- Strong value chain

Outcomes

(the broader value we create for society, in line with the pillars of our Impact Plan)

Impact on people

- Positive contribution to social SDGs: goals 3, 4, 5, 8, 10



- Increased public trust in financial markets and reporting
- More inclusive, diverse, and equitable society

Impact on planet

- Positive contribution to environmental SDGs: goals 7, 13



Impact on prosperity

- Responsible, futureproof economic growth

Impact on governance

- Responsible digital transition
- More sustainable value chain

Spotlight on audit quality

Quality is more than a component of our business model; it is a cornerstone of everything we do at KPMG N.V. In the same way, audit has always been a central pillar of our work (indeed, the K in our name is derived from the Klynveld Kraayenhof & Co auditing firm, one of KPMG's founding organizations). As such, the importance we place on audit quality cannot be overstated. Only by delivering the highest-quality audits can investors and society place their trust in the financial reporting on which the capital markets rely.

We define audit quality as the outcome when audits are executed consistently, in line with the requirements and intent of applicable professional standards, and within a strong system of quality management. All our activities are undertaken in an environment of objectivity, independence, ethics, and integrity.

We are committed to continuously evolving our approach to quality. This includes harnessing technology to deliver high-quality audit services and empowering our people with the conditions and tools they need to consistently deliver high-quality work.

We use audit quality indicators (AQIs) to monitor our quality. In 2023/2024, the AQIs showed that both senior involvement and the deployment of specialists in PIE engagements, such as forensic and sustainability experts, are above target: the hours spent by partners on PIE engagements was 8% (target: 7%), and the hours spent by IT and other specialists on PIE engagements was 18% (target: >9%). We are also ahead of target with respect to the number of training hours per audit professional (212 hours, target: 160 hours). In terms of the results of our internal inspections, we still have work to do: we scored 94% compliant^[1], whereas we strive for a score of 100%.

For more information, see [Public trust](#) and the [Governance](#) chapter of our sustainability statement, where audit quality – including our performance on all our AQIs – is addressed as a material topic for our business.

Our strategy

Our Trust & Growth strategy is founded on five focus areas: public trust, clients, people, digital & innovation, and financial strength. It is our roadmap for achieving our ambition of ensuring KPMG N.V. is the go-to firm in the Netherlands for assurance and advisory services. Our strategy recognizes several **priority sectors**: financial services; infrastructure, government, and healthcare; consumer and retail; energy and natural resources; and technology, media, and telecommunications. Within these sectors, we focus on larger mid-market and international (listed) clients.

¹ Of the total files (50) reviewed, 36 were rated compliant, 11 were rated compliant improvement needed and 3 were rated non-compliant.

Focus area	Ambition	Priorities in 2023/2024
Public trust	To be the most trusted and trustworthy professional services firm. We want to be recognized as a leading brand in the Dutch market, known for outstanding (audit) quality and the digital and ESG transitions, resulting in trust, societal awareness, and talent attraction.	<ul style="list-style-type: none"> • Continue our unrelenting focus on quality and ethical culture • Further strengthen our brand • Establish KPMG N.V. as a leader in ESG
Clients	For clients to choose us and remain loyal to us. We aim to be the preferred supplier for our managed accounts and to be recognized as a thought leader within our priority sectors.	<ul style="list-style-type: none"> • Further invest in our Powered, Connected, Trusted, Elevate, and ESG propositions, underpinned by collaboration with our Alliance partners and the KPMG Delivery Network • Further improve relationship management processes • Increase client feedback and apply insights quickly • Achieve success in mandatory firm rotation
People	To offer the best human experience and help others succeed. We want our people to be proud to work for us and to be able to thrive, develop their careers, and deliver value to clients and society.	<ul style="list-style-type: none"> • Prioritize culture of ethics and integrity and invest in leadership development • Expand career opportunities in ESG and digital technologies • Ensure future-ready talent-attraction and resourcing models • Differentiate KPMG N.V. by fostering well-being while striving for excellence
Digital & innovation	To be recognized as a genuinely client-centric, innovative, and digitally enabled company. We aim to continue digitalizing our services (together with our Alliance partners) to improve our impact for clients; increase the AI and digital skills of our people; and strengthen our technology backbone to optimize Business Services operations.	<ul style="list-style-type: none"> • Continue to enhance our digital offering to clients through investments and Alliance partnerships • Strengthen our people's digital and innovation competencies, including in AI • Enhance and optimize our technical and data capabilities
Financial strength	To deliver profitable growth, sustainable in the long term. Our goal is to continue to pursue sustainable and profitable growth, above the market average.	<ul style="list-style-type: none"> • Focus on sustainable and profitable growth • Implement new target operating models • Harness benefits of collaboration within the global KPMG network

We continued to bring Trust & Growth to life throughout 2023/2024, under the theme “Transform. Courageously.” This theme reflected the need to look closely and critically at our organization, to take decisive action to do better, and to maintain the trust of our clients, wider society, and other stakeholders. Trust is a prerequisite for delivering profitable and sustainable growth for our firm, which in turn is essential for us to positively contribute to the key transformations taking place in our world, such as digitalization, the advancement of social equality, and the shift to sustainable economies.

Trust & Growth is based on our multidisciplinary business model, combining Assurance and Advisory and enabled by Business Services. We believe this model keeps us resilient and able to respond to changing and emerging challenges. It also helps us to invest in our people and processes, innovate for the benefit of our stakeholders, and attract and retain talent – all of which are essential for successfully executing our strategy.

Our culture is another key enabler of Trust & Growth, as well as a key differentiator for KPMG N.V. in our market. Specifically, we focus on creating a safe working environment in which our people feel included, can speak their minds, and are encouraged to ask questions and experiment without fear of failure or reproval. Caring for everyone's well-being is a precondition for ensuring our people's motivation, high performance, and innovation and, ultimately, for achieving our ambitions.

Progress on our strategy

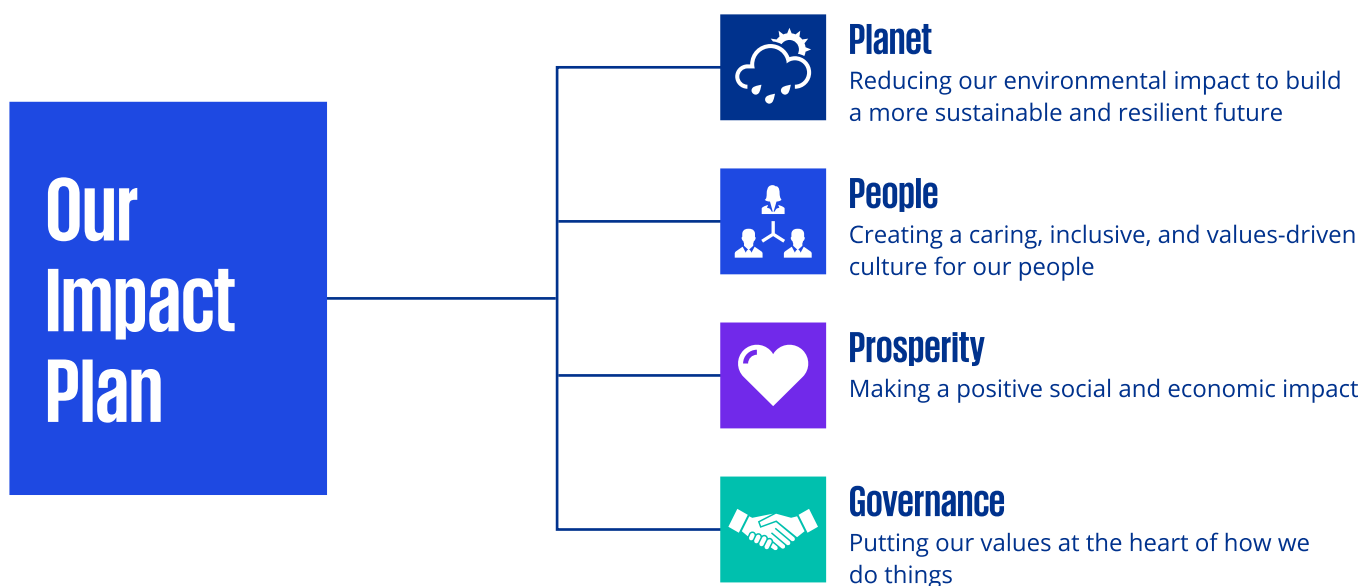
For the story of our progress on our Trust & Growth strategy, ambitions, and priorities in 2023/2024, please see the [Performance and progress](#) chapters of this management review. Further information can be found in the [Environment](#), [Social](#), and [Governance](#) chapters of our sustainability statement.

In line with the collective strategy set out by KPMG International, the 2024/2025 financial year marks the start of the next three-year phase of our strategy: Trust & Growth 3.0. This refreshed strategy will build on the strong foundations put in place over the past six years, enabling us to fulfil our potential as a force for better. We believe this next chapter will help us deliver on our purpose of inspiring confidence and empowering change, always led by our strong values.

Our Impact Plan

At KPMG N.V., we believe that sustainable growth is the only way to build a truly successful organization with a lasting positive impact on our society and the environment. We therefore strive to make ESG the watermark running through everything we do.

The KPMG Impact Plan outlines KPMG International's commitments to the United Nations (UN) Global Compact Principles and Sustainable Development Goals (SDGs). By combining this with our own local Impact Plan – containing our Dutch objectives and contributing to the global KPMG Impact Plan – we aim to integrate ESG into our decision-making processes, set a good example for our clients, motivate them to follow suit, and make a positive contribution to society. Our goals for KPMG N.V. span four key pillars: Planet, People, Prosperity, and Governance.



Please see our [sustainability statement](#) for our ESRS-aligned General and ESG disclosures, including details of our sustainability-related policies, actions, metrics, and targets. For further details on Our Impact Plan, see our [website](#).

Planet

We aim to play our part in the transition to a net-zero society by minimizing the environmental impact of our work processes as far as possible. After purchased goods and services, business travel, especially air travel, is our second largest source of greenhouse gas (GHG) emissions. We are focusing on making travel more sustainable through our flexible mobility policy.

KPMG N.V. uses internal carbon pricing (ICP) to assign a financial value to the GHG emissions caused by our activities. With the money from our ICP budget, we have financed measures to promote environmental sustainability, such as charging stations for electric vehicles, green energy for our offices, and smart building solutions in our headquarters.

People

The health and well-being of our people is our top priority. Our holistic approach includes offering free, confidential consultations with a certified psychologist or lifestyle coach and providing an online platform with self-guided care and group classes. To further support motivation, growth, and engagement, we encourage life-long learning and development, investing significantly year after year in curricula and courses that support people's personal ambitions and our strategic priorities. We are renowned for the development opportunities we offer and are committed to continuous training and education for everyone, so our people can excel in the work they carry out for our clients and in their own careers.

We are driving positive cultural change across KPMG N.V. This starts at the very top of our organization, where our leaders are key role models for the behaviors we want to instill. At all levels of our firm, our culture and training programs increase awareness of and promote behaviors that fit with our culture of ethics and integrity. This includes our commitment to valuing different perspectives and experiences and advancing IDE. As well as our Values First program and IDE trainings, we have five active communities – Pride, Cultural Diversity, Gender Equality, Ability, and Generation – that celebrate diversity through events and awareness sessions.

We are proud to have a strong gender balance in our Supervisory Board, Board of Management, and business unit leadership teams. While we are also making steady year-on-year progress in our larger leadership cohort of partners and directors, we are not keeping pace with our ambition. We are therefore investing in further unbiasing our processes and strengthening our pipeline of diverse talent, through initiatives such as inclusive sponsoring.

Prosperity

We believe everyone should have equal opportunities to advance their careers. In this regard, we focus on sponsoring people at a distance from education opportunities and the labor market, as this is where we can make the most meaningful impact. KPMG N.V. also provides pro-bono advice to several foundations to help them realize their strategic ambitions and increase their positive impact.

We aim to create equal opportunities by helping young people access education and life-long learning. The KPMG MBO Talent Booster, formerly known as the Jan Hommen Stichting, for example, supports secondary vocational education students with scholarships and events aimed at helping them reach their full potential. We also partner with Emma at Work to match people with chronic physical health conditions to vacancies in our firm. Meanwhile, many of our people volunteer their time to support SDG-aligned educational projects run by our partners, including JINC and the Refugee Talent Hub.

Governance

A large part of our ESG impact is delivered by supporting our clients on their transitional strategies and operations. In fact, our ESG-related business across both Advisory and Assurance is growing, with year-on-year net sales rising by 9% in 2023/2024. To support this development and accelerate the sustainability transition in our market, we are working continuously to embed the necessary knowledge, operating models, and capabilities in our three business functions. In doing so, we aim to differentiate KPMG N.V. as an ESG leader in the Netherlands. We also collaborate with Nyenrode Business University's ESG Innovation Institute, which conducts and shares applied scientific research to help business leaders accelerate their organizations' ESG transformations.

At the same time, we recognize that our sustainability impact starts with us. For the first time, therefore, we have prepared the sustainability statement as part of this integrated report in compliance with the ESRS of the CSRD. Fulfilling the requirements of CSRD is one of the most significant and widespread new challenges facing our clients. By publishing this sustainability statement under limited assurance, we are living up to our ambition of being at the forefront of sustainability reporting – providing transparency on our performance on key ESG topics and setting an example for our clients.



Performance and progress in 2023/2024

During the year, we made progress in Assurance and Advisory, supported by Business Services, and realized achievements across KPMG N.V.'s five strategic focus areas.

Public trust

Trust is our license to operate and the key to unlocking positive impact and value for our stakeholders. At KPMG N.V., we recognize there can be no trust without quality. Investors, companies, and wider society trust our Assurance work – including high-quality audits – to support a system of reliable communication and verification, while our clients trust our Advisory services to provide clear, insightful, and reliable advice. We focused in 2023/2024 on continuously improving the quality of our services and reinforcing our ethical culture, thereby affirming and strengthening our stakeholders' trust in the systems that underpin our society.

Committed to excellence in audit quality

Quality remains our top priority at KPMG N.V. and a crucial lever for maintaining and growing trust. While this applies across all three of our business functions, **audit quality** within Assurance is of particular importance. Performing high-quality audits – complete, accurate, and reliable – is essential to ensuring public trust, as shown by the attention given to audit quality by society, clients, investors and shareholders, regulators, and other stakeholders.

Our approach to ensuring audit quality starts with accepting the right clients: the right number to ensure the optimal work volume for our teams, and the right mix to ensure the optimal risk profile across our portfolio. We also consider our own expertise and experience in certain industries, prioritizing clients in the sectors where we know we can add the most value.

Our people are also of critical importance. After all, audit quality is not just about reaching the right opinion; it is also about how we reach that opinion. In today's tight labor market, where qualified auditors are in high demand, we take care to ensure the right skills mix for every client engagement. We assign the right people to the right projects, develop our teams' skills, and use digital tools to extend the capabilities of our audit professionals (see **Digital & innovation**). Using our predictability, teaming, and open communication (PTO) way of working as standard helps our people manage their work volumes and personal circumstances, supporting a better work-life balance and helping us retain the talented people we rely on. We also use an engagement management life cycle (EMLC) approach to help Assurance teams accelerate audit work, reduce peak workloads, and monitor progress more effectively. Together, PTO and EMLC improve teams' project management to enable more streamlined, high-quality audits.

We also want our auditors to be led by our values in their work. Independent and ethical behavior is as essential for audit quality as it is for our culture at KPMG N.V.; accordingly, in 2023/2024, we focused on reducing independence violations by improving communication, providing more guidance, and increasing checks in relation to this topic.

To track our audit quality performance and address any risks, we follow the KPMG Global Quality Framework, which includes specific **AQIs**. KPMG N.V. also has its own System of Quality Management (SoQM), aligned with international standards such as the International Standard on Quality Management (ISQM 1). Where appropriate, we also use the SoQM to guide how we monitor and manage quality in our Advisory and Business Services functions.

The impact of CSRD

The **twin transition on digitalization and sustainability** means our people must keep up with shifting technological and regulatory developments. CSRD, for example, requires our people to learn and upskill, so they can provide high-quality, trustworthy assurance on sustainability reporting. We have implemented a CSRD training program to increase our capacity to meet client demand, while also rolling out new software to support the execution of CSRD-related engagements (see **People** and **Digital & innovation**).

Our audit quality approach must also respond to changes in the business environment. Because of its critical importance to our business, audit quality has been identified as an entity-specific material topic for KPMG N.V. For more information on our related impacts, risks, and opportunities, as well as our policies, actions, targets, and metrics for managing them, see the [Governance](#) chapter of our sustainability statement.

Building trust with our clients

With trust in our organization – and in our sector as a whole – under scrutiny, we focused on fostering trust through strong client relationship management during the year. We held frank conversations about the answer-sharing investigation with our clients and other external stakeholders, communicating proactively and honestly about what we found out, how we were responding, and how we will ensure we improve. Committed to living up to the high standards we expect of ourselves at KPMG N.V., we believe we are in a strong position to lead change within our firm and for our clients, putting our values first in everything we do.

We also stepped up our thought leadership activities during the year, sharing our knowledge and expertise on AI, the energy transition, and other topics within and beyond the ESG sphere in numerous occasions. Examples are our report on management-level bonuses linked to ESG; publishing our KPMG Climate Letter, informing our clients and other stakeholders about our audit approach to climate issues; and sharing advice and insights on CSRD and its implications for companies (see our [website](#)). Our thought leadership program is an important part of our strategy and a valuable pillar of the KPMG brand. It enables us to position our firm as a trusted voice on a wide range of topics that are of interest to (potential) clients and candidates.

External reviews, inspections, and interactions with regulators

As KPMG N.V., we operate in a highly regulated market, with external reviews and inspections forming an integral part of our operating environment. In 2023/2024, the Authority for the Financial Markets (AFM), the main regulator of the financial sector in the Netherlands, placed our project to remediate and prevent answer sharing under enhanced supervision. This means that our firm is subject to a supervisory program, conducted by the AFM, which focuses on our remediation efforts, including our culture of ethics and integrity.

During the year, we started implementing the remediation steps of this supervisory program. This included additional measures to prevent and detect answer sharing in the future, as well as multiple RCAs of cultural dimensions where we need to improve. To facilitate this process and move in the right direction, we launched a company-wide culture program, Values First, which will be further rolled out in 2024/2025.

We also discussed several topics with the AFM during the year, including its plans for oversight on assurance on CSRD reporting and the alignment of our process for notifying the AFM on signals and incidents. To further enhance our signal and incident management system, we designed and implemented an improved process to ensure compliance with the latest regulatory requirements.

The AFM conducted a thematic review focused specifically on the engagement quality control review (EQCR). As part of this inspection, the AFM reviewed our system of quality control for EQCR, noting no findings and one best practice. The AFM also reviewed four engagements with findings in two reviews. The AFM issued its public report in March 2024.

In June 2023, the AFM issued a critical sector-wide report based on its review of the identification of fraud risks in 2023. KPMG was not included in this review. This report is currently being followed up by a sector-wide AFM inspection into audit firms' procedures relating to identified fraud risks in audit engagements. Four KPMG audit files were reviewed on this topic as well. We expect the results of this inspection in 2024/2025.

During 2023/2024, we reported seven incidents to the AFM (2022/2023: four). These related to two material accounting restatements in prior period financial statements, an external signal received regarding our investigation into answer sharing, and four cases related to a breach of independence rules by our Assurance professionals. We are performing an RCA of the reported incidents and have taken additional measures to avoid similar incidents in future.

In April 2024, KPMG N.V. reached a settlement with the US Public Company Accounting Oversight Board (PCAOB) concerning the investigation into answer sharing. Furthermore, the PCAOB conducted its regular three-year inspection of our SoQM in May/June 2024, reviewing three engagements. At the time of reporting, we are awaiting its report on the results of this inspection. The Royal Netherlands Institute for Chartered Accountants (NBA) inspects audit firms on a six-year cycle, with its previous inspection of KPMG N.V. having taken place in September 2022.

Outlook

With society's expectations of professional services increasing, our focus on trust and quality will continue in 2024/2025. KPMG N.V. will also participate in a pilot program on new sector-wide AQIs, led by the NBA, aiming to increase trust in the audit profession. Meanwhile, we will continue investing in training and development for our people. In this way, we will ensure that quality and integrity is fully embedded in all we do, underpinning our systems, processes, and behaviors and promoting trust among our stakeholders.

Clients

Our clients choose us – and remain loyal to us – based on the quality of the services we provide and on their trust in the relationship we build with them. In 2023/2024, we grew our business in both Assurance and Advisory, reflecting not only the increasing demand for KPMG N.V.'s services but also the value our clients continue to place in our partnership.

Priority sectors

Throughout 2023/2024, we continued to focus on our five priority sectors, in line with the approach of KPMG International. Recognized for our expertise in these varied and dynamic sectors, we provide practical, actionable insights that add value for our clients.

Financial services



This remains the largest sector for KPMG in the Netherlands and globally. Regulatory compliance, transformation, ESG, digitalization (including AI opportunities), and cost optimization continue to be central topics for our financial services clients.

Infrastructure, government, and healthcare



In our fastest-growing sector, we foresee continued opportunities in digital transformation, compensation programs, the energy transition, and climate change. While government spending will come under pressure in 2024/2025, we trust our strong network and sector expertise to ensure we maintain our position in the market.

Consumer and retail



Here, we can look ahead to opportunities arising from the further digitalization of organizations, particularly for our Powered Enterprise services. Meanwhile, ESG and merger and acquisitions activity remain important topics on the agenda.

Energy and natural resources



The energy transition and investments in ESG will drive service demand in this sector, where KPMG N.V. is recognized as an expert thanks to our significant experience in government energy-related projects and in clients' energy-transition challenges.

Technology, media, and telecommunications



Demand for our services within these industries is growing, driven by the further rise and development of technology platforms and related payment services, together with the emergence of new – and more stringent – regulatory demands.

Within these sectors, our Assurance and Advisory businesses aim to ensure a well-diversified and market-aligned client portfolio. Our approach to priority sectors and selected accounts is underpinned by our Client for Life principle, aimed at creating long-term relationships with clients.

Progress and transformation

Our clients are navigating the twin sustainability and [digital transition](#). In response, our focus at KPMG N.V. is on providing the products and services our clients need to address today's and tomorrow's challenges and capture emerging opportunities.

In 2023/2024, we therefore continued to invest in our key client propositions: Powered (back- and mid-office processes), Connected (front-office processes), Trusted (risk and security enablement), Managed Services (delivering complete solutions within our clients' organizations), and our ESG program. In particular, we saw strong growth in our Powered pipeline, including several major wins, and in the digital side of our ESG offering, as companies step up their data collection to comply with CSRD reporting requirements. Across all propositions, AI solutions are playing an increasingly important role, especially as their quality rises and costs fall.

In order to continuously enhance the services we provide to enable transformation for our clients and wider society, we are also continuing our own transformation. In Advisory, in particular, we are in an exciting period of change, focusing increasingly on end-to-end digital projects and on sustainability. This shift requires new capabilities among our people and new tools and platforms at their disposal; accordingly, we are making significant investments in technology, training, and development (see [Digital & innovation](#) and [People](#)).

Client satisfaction

Our annual client satisfaction survey, which we refreshed in 2022/2023, is another important listening opportunity, providing us with insights that can help us improve the products and services we offer. In 2023/2024, we received feedback from 453 clients, including 276 Advisory clients and 177 Assurance clients. The response rate for the client satisfaction score is slightly lower because not all questions were collected during some client care interviews.

Based on 445 client satisfaction scores collected from the survey at the start of 2023/2024, 98% of Assurance clients (2023: 95%) and 97% of Advisory clients (2023: 96%) expressed satisfaction with KPMG N.V., resulting in an overall satisfaction score of 97% (2023: 95%).

2023/2024	KPMG Total	Advisory	Assurance
Client Satisfaction (%)	97%	97%	98%
Total # feedback (n =)	453	276	177
Client satisfaction (n =)	445	275	170

2022/2023	KPMG Total	Advisory	Assurance
Client Satisfaction (%)	95%	96%	95%
Total # feedback (n =)	378	181	197
Client satisfaction (n =)	377	181	196

We also use the Net Promoter Score (NPS) method, generating a score from -100 to +100, to measure the willingness of our clients to recommend KPMG to others. In the 2024 survey, our NPS results were +31 for Assurance (2023: +19) and +48 for Advisory (2023: +45), for an overall score of +42 (2023: +32).

Outlook

We expect the trends and developments shaping the environment in which we and our clients operate to persist throughout 2024/2025. The opportunities and challenges of AI, ESG (including CSRD), and other socioeconomic factors within and beyond the Netherlands call for renewed focus on our internal transformation. This is key to ensuring KPMG N.V. can support clients in not only navigating change but also thriving in the dynamic external landscape.

We have therefore set ambitious commercial targets for the 2024/2025 financial year. These include expanding our Advisory activities to accounts that are no longer part of our Assurance portfolio, as well as focusing on winning Assurance engagements at the top of the National Practice segment. At the same time, we will remain focused on providing high-quality assurance services through innovative delivery models, while ensuring our advisory solutions are delivered with the ever-greater agility, integration, and productivity our clients need.

People

We aim to offer all our people the very best human experience and an attractive place to work: one where all our colleagues feel welcome and included, able to thrive and develop, and proud to make an impact. In 2023/2024, we continued investing heavily in the well-being, growth, and engagement of our people, from training in critical areas such as ESG and technology to additional investments in remuneration and benefits. Our priorities were to strengthen our ethical foundations, model desirable behaviors at leadership level, futureproof our talent and resourcing models, and set our people up for success in the age of the twin transition.

Emphasis on ethics and psychological safety

In 2023/2024, we focused on the first steps of our cultural transformation. As well as strengthening our ethical foundations, we are committed to creating a psychologically safe environment.^[1] We believe psychological safety is necessary for ensuring the well-being of our people, which is itself fundamental to our success as a high-performance business. To support our transformation, we held ethical decision-making workshops during the year for all partners and directors and launched our Values First program. This kicked off with a listening phase that included RCA discussions at partner/director level as well as firm-wide Values Dialogues and breakfast sessions led by our Board of Management, where people shared their views and expectations.

Inclusion, diversity, and equity

IDE is closely tied to our focus on ethics and psychological safety. We aim to attract and retain talent from different backgrounds and to put everyone on an equal footing within an inclusive and supportive workplace. Rooted within a psychologically safe environment, IDE is fundamental to our people's sense of belonging at KPMG N.V., their ability to fulfil their professional potential, and their capacity to deliver the high performance that we, our clients, and our other stakeholders expect. For details of our policies, actions, metrics, and targets related to IDE in our own workforce, please see the Social chapter 3.1 [Own workforce](#) of our sustainability statement.

In 2023/2024, we focused on creating more cohesion in how we communicate about IDE. We followed the example set by the first-ever global IDE Super Summit, which brought together all KPMG's IDE focus areas and topics in a single event for colleagues worldwide. We also prioritized initiatives that make a positive impact on – in particular – inclusion and equity at KPMG N.V. This included training our leaders on the empathetic, inclusive leadership style that today's employees increasingly expect.

We also further embedded our Spike concept into development management conversations at partner and director level. The Spike approach is about identifying where individuals experience their own strengths and can add most value to our firm: professional (thought leadership), business development, or leadership. Our goal is to counter bias and improve talent diversity as a catalyst for collective leadership and success.

¹ In line with Timothy R. Clark's definition, we recognize four categories of psychological safety: inclusion, learner, contributor, and challenger.

Being an employer of choice

Attracting and retaining the best talent with the right skills remains one of our key challenges, especially in roles requiring in-depth and specific expertise. Nevertheless, in 2023/2024, we were able to find ways to appeal to talented professionals in the market at all levels of experience, while retention rates declined compared to last year, coming in just below target. We focused on hiring new talent with backgrounds in technology and sustainability, thereby continuing to reshape the overall skills profile of our workforce in response to the changing needs of our business functions. Our approach included recruiting from the international talent pool, hiring specialist contractors, and increasing the use of our global network. We remain committed to rewarding our people well and fairly; see the [Social](#) chapter of our sustainability statement for more information on our approach to market-based salaries and equal pay.

We also supported our workforce in upskilling and reskilling, reflecting our dedication to empowering our people with the resources, capabilities, and tools they need to carry out high-quality work and grow their careers at KPMG N.V. We believe that the digital transformation, far from making people obsolete, means our human strengths are more important than ever. Our learning and development landscape is therefore increasingly geared toward empowering and enabling colleagues through technology (see [Digital & innovation](#)). ESG – particularly CSRD – was another key training and development area during the year, helping ensure that our people and our firm are ready to respond to our clients' CSRD challenges and to help them capture the opportunities of the sustainability transition.

Another way in which we support our people is by paying close attention to work-life balance. The results of our Global People Survey (GPS) identify workload as an important factor in our people's well-being, and we therefore consider this central to employee engagement and talent retention. In Assurance, we updated our PTO initiative (see [Public trust](#)) with a weekly pulse survey in 2024, further fostering psychological safety and a speak-up culture among our engagement teams. This pulse survey is also being piloted in departments within Advisory and Business Services.

Since our workforce is an important material topic for KPMG N.V., information on our workforce-related impacts, risks, and opportunities – and on our policies, actions, targets, and metrics for managing them – can be found in the [Social](#) chapter of our sustainability statement.

Outlook

The 2024/2025 financial year will see us continue to address specific culture topics through our Values First program. We will put the lessons learned from the listening phase into action: first ensuring we all understand what it means to live our values, and then accelerating the transition toward the behaviors we want to see and model in our organization. Alongside this, we plan to roll out a wider program to foster well-being among our people – supporting our people's health as well as driving our organization's continued success.

Digital & innovation

To keep enhancing our (digital) services to clients, we are constantly strengthening KPMG N.V.'s own technological capabilities. In 2023/2024, we continued to invest in best-in-class tools and the training our workforce needs to maximize their potential, as well as strengthening our Alliance relationships and developing joint innovations. For our firm, digital tools are never a goal in themselves; instead, they are an enabler for further improving the quality of our services and solutions, supporting our people in their work, and increasing public trust in organizations and financial markets.

Putting AI in the hands of our people

We believe the human attributes our people bring to every project – understanding, creativity, integrity, and professional judgment – are what set us apart. We also believe that, supported by the right technology, responsibly applied, we can improve the quality of our work in time- and cost-efficient ways. By using technology to handle routine and repetitive tasks faster and more accurately than a human could, we empower our people to spend more time on more creative, strategic, rewarding work and to focus on adding value in client engagements through the human touch.

AI is a particularly powerful enabler for this. During 2023/2024, we rolled out several (generative) AI tools, with the goal of enabling our people to work more productively and effectively. To do this, we leveraged the platforms invested in and developed by KPMG International. As well as deploying generic AI tooling – such as the virtual assistant Bing Copilot and the programming assistant GitHub Copilot – we also deployed our own internal, custom-made, AI-powered chatbots: Advisory GPT to support our Advisory colleagues and our large-language model Clara AI, an AI assistant developed together with Microsoft, to help answer auditors' methodology questions.

We recognize the importance of using these new technologies responsibly and are aware that they could pose additional risks to our service quality. We therefore train our people to apply professional skepticism when using data obtained from these tools.

Innovation through collaboration

KPMG N.V. has digital Alliances with world-leading technology partners – such as Microsoft, SAP, and ServiceNow – carefully chosen to strengthen our Advisory offering through value-added capabilities that support our clients' digitalization journeys. We continued to invest in and grow our digital Alliance ecosystem in 2023/2024, including through joint thought leadership, lead development, go-to-market events for prospects and clients, and AI innovations.

Having welcomed SAP as an official Alliance partner in 2024, we made good progress on setting up our joint go-to-market proposition in selected areas. A major challenge facing our clients is the complex move from on-premise solutions to the cloud; together with SAP, we can facilitate the process with carefully customized approaches. Our new partnership has already yielded multiple client wins.

For our Netherlands-based clients with international operations, we can collaborate with system integration partners to deliver solutions at scale. Furthermore, our global KPMG Delivery Network (KDN) enables us to scale, adapt, and seamlessly deliver global solutions for local applications.

Digitally enabled audit

To ensure we continuously deliver audit services of the highest quality, we are increasingly complementing and supplementing the fundamental human capabilities of our people with powerful digital tools. KPMG Clara – our unique, smart, global audit platform – integrates new and emerging technologies with advanced capabilities that leverage AI, audit automation, and data visualization. This supports our teams and clients by enhancing our audit methodology and contributing to improved audit quality.

We embedded another AI tool, MindBridge, in 2023/2024. This strategic alliance further boosts our digital audit processes by helping us analyze transactions on a more granular level. With MindBridge, we are better able to identify high-risk transactions, increase transparency, visibility, and explainability and provide insights to our clients across a variety of sectors.

One of our priorities in Assurance is to adopt low-code or no-code software where possible, such as Alteryx and OutSystems. In 2023/2024, we trained more than 100 audit professionals to use coding tools and can already see the benefits of this approach in action. As well as saving time for auditors in the field – enabling them to focus on applying their professional judgment – and leaving our programming experts free to tackle more complex development projects, this software enables auditors to, for example, conduct three-way reconciliation on an entire data population rather than only verifying a sample. This leads to more comprehensive, trustworthy, and high-quality results. See [Public trust](#) for more information on the importance of audit quality and the [Governance](#) chapter of our sustainability statement for details on [audit quality](#) as a material topic for KPMG N.V.

Investing in our broader digital capabilities

At KPMG N.V.'s Amstelveen headquarters, we have built a digitally enabled co-creation space – the Insights Center – where we work with clients and prospects on topics related to strategic planning, innovation, re-platforming, AI, and ESG. We can also showcase our Alliance's state-of-the-art digital assets and capabilities. In 2023/2024, we held nearly 70 Insights Center sessions with clients, creating important business value across Assurance and Advisory. Meanwhile, we advanced our AI collaboration with the University of Amsterdam by investing in selected AI research projects.

In our Business Services function, we continued our transition to a new target operating model. Progress in 2023/2024 included significant improvements to our new IT backbone, formed of a single application for simplified employee processes. Our investment has improved the connections between – and our control over – these different processes.

Above all, we focused on improving the digital savviness of our workforce, through a combination of reskilling, upskilling, and hiring new colleagues with technical profiles. Training and development are fundamental to our digital transformation; after all, we recognize that new tooling is only a worthwhile investment if people know why, when, and how to use it. In 2023/2024, as well as helping auditors develop basic coding skills, we rolled out our renewed Digital MBA for leadership-level colleagues, helping them better understand AI, its impact on our business, and the benefits for our clients in turn. We also enriched our learning curriculum with digital and data e-learning, including AI learning paths, for various levels and roles.

Managing data responsibly

Innovative technologies are a game-changer for quality, agility, efficiency, and cost competitiveness – but the fast pace of digitalization also poses challenges for us and our clients, especially regarding data security and privacy. At KPMG N.V., we have long been committed to collecting and using data safely and responsibly, always protecting the information entrusted to us by our clients, employees, and external partners.

Our approach includes an innovation governance framework, InnoWay, covering the process from decision-making to implementation and use. In 2023/2024, KPMG N.V. was certified at Cyber Maturity Assessment level 3 for the first time, reflecting the further improvements we have made to our data security framework.

We continuously ensure we have strong guardrails in place: not only because it is our duty to protect our stakeholders and their data, but also because responsible data practices are key to our transition away from a purely process-based technology approach to a more data-focused one. As such, in the 2022/2023 financial year, we welcomed a Chief Data Officer to Business Services, responsible for overseeing this strategic transformation. This includes establishing a new data strategy and platform for KPMG N.V., the implementation of which will continue in 2024/2025.

Given its importance for our organization, data security has been designated as a material topic for KPMG N.V. Please see the [Governance](#) chapter of our sustainability statement for more details on our related impacts, risks, and opportunities, as well as on how we manage these through policies, actions, targets, and metrics.

Outlook

We will continue pursuing our AI program in order to fully embed and leverage AI capabilities and tools at KPMG N.V. – not for the sake of technology itself, but in order to grow our productivity and improve the solutions we take to market both for Assurance and for Advisory. In doing so, we aim to become a digital frontrunner in professional services and be recognized as a client-centric, innovative, and digitally enabled partner.

One of our top priorities for 2024/2025 is to continue putting AI in the hands of our people. Specifically, we aim to scale up the roll-out of Microsoft 365 Copilot to improve our productivity, emphasize new releases, and increase adoption of Advisory GPT and Clara AI by our people. We will also further enhance our support for clients' digital transformation programs, through our Alliance partnerships (amongst others Microsoft, SAP and ServiceNow) and by launching industry-relevant digital and AI-embedded solutions to the market. In doing so, we aim to maximize our alignment with the global KPMG AI program and investments.

Financial strength

In 2023/2024, despite a challenging economic environment - with particular impact on our consulting services - our commitment to delivering high-quality services and investing in our people and technology enabled us to achieve a solid financial performance across our business lines.

Revenue and profitability

In 2023/2024, we realized EUR 770.9 million in revenue, an 8.4% increase compared to the previous year reflecting a strong demand for our services in both Assurance and Advisory. Our operating result was EUR 128 million, presenting 45.6% year-on-year growth, mainly driven by the previous year's costs of the answer-sharing investigation being offset by increased inflation and staff costs.

Businesses

Assurance

Revenues from Assurance grew by 10.1% to EUR 435.0 million. This growth was primarily due to increased demand for audit and other assurance services, as well as to us reaping the benefits of our investments in advanced audit technologies. We successfully recruited both experienced and new hires, locally and in our delivery center in India. We expect demand to continue to grow in the coming years, especially in relation to the new reporting and assurance requirements around CSRD.

Advisory

Despite the challenging economic and market conditions, Advisory increased its revenue by 6.4% year-on-year to EUR 335.9 million. This increase reflects higher demand in all our growth areas, but especially in Digital Transformation, Deals, and Managed Services. In the coming years, we expect to continue to grow our consulting services in these areas.

Sector performance

We see continued demand for all our sectors across Assurance and Advisory. Traditionally, KPMG N.V. has a strong profile in the financial services sector, which is heavily driven by regulatory change. Clients recognize our deep expertise, turning to KPMG N.V. for advice and assistance in the areas of compliance, risk, finance, ESG, and digital transformation.

We also have a strong position within the infrastructure, government and healthcare, owing to our in-depth knowledge of the market, our clients, and the specific dynamics within the public sector. We continuously invest in our relationships to understand the needs and challenges that our clients are facing in this dynamic and politically sensitive market.

Elsewhere, the energy transition and digital transformations are driving growth in the energy and natural resources sector, with digital transformation also a key theme in the consumer and retail sector. Meanwhile, in technology, media, and telecommunications, the further rise and development of technology platforms and related payment services continue to create demand.

Investments

We aim to invest in strategic areas in addition to our regular investments in learning and development opportunities for our people. In 2023/2024, we invested EUR 43.7 million (5.7% of revenues) across our strategic initiatives, most notably in clients, digital and innovation (enhancing our digital capabilities, including AI and our data strategy), and financial strength (transforming our business services, implementing enterprise service management and improving our IT security services). We also see the benefits of global investment programs increasingly materializing.

Capital position and funding from equity partners

Our policy is to maintain a strong capital position so that we retain the confidence of the firm's clients and creditors, and can continue to invest in business growth. Most financing comes from mandatory contributions from our equity partners (in the form of equity contributions and mandatory loans). Partners may also provide additional financing through voluntary loans. In 2023/2024, our total funding was 21.1% higher compared to 2022/2023, as a result of higher short-term funding, including profits that are not distributed until the end of the calendar year. In addition, the firm has a combined credit and guarantee facility of EUR 20 million (2022/2023: EUR 50 million), of which a drawdown of EUR 154 thousand was made (2022/2023: no drawdown) in the form of a guarantee. We do not foresee any material changes in our financing structure.

Outlook

We believe we are well positioned to navigate the evolving market landscape. Our focus will remain on delivering an exceptional client service, driving innovation, and fostering a culture of continuous improvement. We anticipate continued growth across Assurance and Advisory, across all our sectors and especially in our key growth areas, underpinned by strategic investments.

Note on tax

Our total profit before income tax is subject to standard corporate income tax at the same rate as Coöperatie KPMG U.A., KPMG N.V., and the individual equity partners' practice companies. Only a limited part of our total income tax expense is included in KPMG N.V.'s profit and loss account, since the majority of our tax is paid via partner practice companies. Our income tax expense includes temporary differences for which a deferred tax asset or liability has been accounted. KPMG N.V., Coöperatie KPMG U.A., and the individual equity partners pay their taxes in the Netherlands.

Responsible tax

We have a Corporate Tax Policy in which we commit to paying our fair share of taxation in the Netherlands. Under this policy, we avoid using artificial structures, particularly if they bear no relation to the company's core business and objectives. In 2023/2024, we paid a total of EUR 2.2 million in income tax.



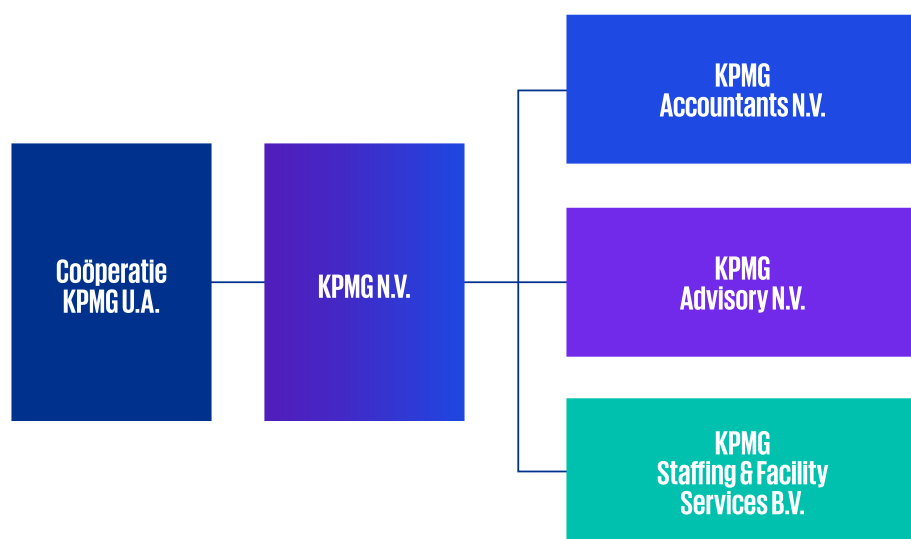
Governance, risk management, and decision-making

Our system of governance is based on checks and balances, helping ensure we make the best possible decisions. We have a formal two-tier governance structure comprising a Supervisory Board and a Board of Management. This structure is supported by internal policies and controls as well as our Code of Conduct, which sets out our values and commitment to responsible business.

Corporate governance statement

KPMG N.V. is a holding company for our Assurance, Advisory, and Business Services activities. The contents of this chapter relate to KPMG N.V. but also apply to KPMG Accountants N.V. ("Assurance"), KPMG Advisory N.V. ("Advisory"), and KPMG Staffing & Facility Services B.V. ("Business Services").

All shares in KPMG N.V. are held by Coöperatie KPMG U.A. Our equity partners are members of this cooperative through the practice companies of the individual equity partners. These partners provide services to KPMG N.V. clients under a management agreement with the cooperative. Under Dutch law, Coöperatie KPMG U.A. board members are considered co-policy makers. KPMG Accountants N.V. is a 100% subsidiary of KPMG N.V.



Note: KPMG Accountants N.V.'s Board of Management acts as the formal policymaker under the terms of the Dutch Audit Firms Supervision Act. The Board of Management of KPMG N.V. acts as co-policymaker. Our Assurance leadership team is responsible for the operational management of KPMG Accountants N.V. Members of this leadership team are also qualified co-policy makers under the Act.

External regulation

The AFM is responsible for overseeing audit firms in the Netherlands. This oversight is based on, among other mechanisms, the following two Acts:

- Wet toezicht accountantsorganisaties (Wta; Dutch Audit Firms Supervision Act)
- Wet op het accountantsberoep (Wab; Dutch Auditors' Profession Act)

To operate, all audit firms must have a license from the AFM. KPMG N.V. aims to maintain active, two-way communication with the AFM, which conducts regular inspections of KPMG N.V., as do the PCAOB and the NBA. See the [Public trust](#) chapter of our management review for more information on recent inspections.

In the Netherlands, audit clients classified as PIEs according to Dutch law must change their audit firm at least once every 10 years and their external auditor at least once every five years. In addition, there is a four-year cooling-off period before a former audit firm may be re-hired.

Although KPMG N.V. is not legally required to apply the Dutch Corporate Governance Code ("the Code"), KPMG N.V. voluntarily applies its principles as and where relevant.

At an international level, KPMG N.V. regularly discusses industry matters with the International Forum of Independent Audit Regulators (IFIAR) and representatives from the Committee of European Auditing Oversight Bodies (CEAOB).

Role of the Board of Management and Supervisory Board^[1]

We have a two-tier management structure:

- Our Board of Management manages the firm. It is responsible for strategy, performance, and value creation.
- The work of the Board of Management is overseen by our Supervisory Board, which operates in part through three committees: Assurance Quality, Audit & Risk, and Remuneration & Appointment.

Our Board of Management is made up of four members: the Chief Executive Officer (CEO), the Chief Operating Officer (COO), and the Heads of our Advisory and Assurance businesses.

Our Supervisory Board comprises five members, all of whom are external and independent of the firm's management. All Supervisory Board members are appointed by the shareholder, Coöperatie KPMG U.A. Supervisory Board members are elected for terms of up to four years and may serve no more than two terms, for a maximum of eight consecutive years. Our Supervisory Board members are also considered co-policymakers under the Dutch Audit Firms Supervision Act. Board of Management members are appointed by our Supervisory Board, following approval by KPMG N.V.'s shareholders, the cooperative. For further information, see the [Supervisory Board report](#).

We aim for diversity among the members of both our Board of Management and our Supervisory Board. We believe diversity makes for better long-term decision-making. Diversity is built into the rules of procedure and profile descriptions for both the Board of Management and the Supervisory Board. Under the rules, our aim is to have 50% women on our Supervisory Board and a minimum of 40% women (or, if applicable, 40% men) on the Board of Management. See the [Social](#) chapter of our sustainability statement for more information.

Our Supervisory Board and Board of Management Rules may also be found on the KPMG N.V. [website](#).

¹ This paragraph is also applicable to our sustainability statement.

Board of Management



Stephanie Hottenhuis
CEO and Chair of the
Board of Management
Dutch, female, born 1965

Stephanie has been CEO and Chair of KPMG N.V.'s Board of Management since August 2018. She has over 25 years' experience in professional services.

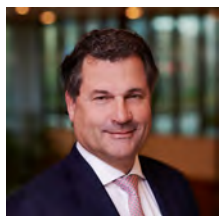
Prior to joining KPMG N.V., Stephanie served on the Executive Board of Arcadis. She was also formerly Director for Arcadis' European operations and the company's CEO in Germany. When appointed, Stephanie became the first woman to serve as CEO of one of the Big Four accountancy firms in the Netherlands.



Marc Broskij
Chief Operating Officer
Dutch, male, born 1976

Marc first joined KPMG N.V. in 1999 as an audit professional, working with international companies.

After four years at Blokker Holding, he returned to KPMG N.V. and became Head of Finance and COO for Assurance in 2019. Two years later, Marc was named CFO for the entire firm before being appointed COO in 2022.



Edwin Herrie
Head of Advisory
Dutch, male, born 1970

Edwin started his career at NIBC Bank before going on to manage the Structured Finance Fund at APG.

He joined KPMG N.V. in 2000, establishing the firm's Debt Advisory proposition. In 2016, Edwin was named Head of Markets. He has been Head of Advisory since July 2020 and is Chair of the Leadership Team for Advisory.



Mariska van de Luur
Head of Assurance
Dutch, female, born 1972

Mariska has been Head of Assurance since October 2023, having joined KPMG N.V. as an auditor in 1995.

She became partner in 2007, specializing in healthcare and in auditing public sector clients. In 2017, Mariska was appointed Vice-Chair of the Assurance leadership team, responsible for managing National Practice and partnership affairs. From July to October 2023, she served in the role of interim Head of Assurance.

Statement of effectiveness

Statement on the effectiveness of the System of Quality Management of KPMG N.V. as at September 30, 2024

As required by the International Auditing and Assurance Standards Board (IAASB)'s International Standard on Quality Management (ISQM 1) and KPMG International Limited Policy, KPMG N.V. and its subsidiaries (jointly referred to as 'KPMG') have responsibility to design, implement, and operate a System of Quality Management for audits or reviews of financial statements, or other assurance or related services engagements performed by KPMG.

The objectives of the System of Quality Management are to provide KPMG with reasonable assurance that:

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

Integrated quality monitoring and compliance programs enable KPMG to identify and respond to findings and quality deficiencies both in respect of individual engagements and the overall System of Quality Management. The programs include the conduct of an internal review of compliance with the independence regulations and the monitoring that the continuing education policy of the partners, directors, and staff of KPMG has been followed.

If deficiencies are identified when we perform our annual evaluation of the System of Quality Management, we evaluate the severity and pervasiveness of the identified deficiencies by investigating the root causes, and by evaluating the effect of the identified deficiencies individually and in the aggregate, on the System of Quality Management, with consideration of remedial actions taken as of the date of the evaluation.

Based on the annual evaluation of KPMG's System of Quality Management as of September 30, 2024, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.

Amstelveen, November 29, 2024

Stephanie Hottenhuis

CEO of KPMG N.V. and Country Senior Partner

Risk management and controls

We use an enterprise risk management (ERM) framework to identify risks. Once risks are identified, we take measures to prevent or mitigate them. Ultimately, risk management is the responsibility of our Board of Management. Twice a year, we review the effectiveness of our internal controls and risk-mitigation measures on an enterprise level. The Board of Management also regularly discusses risk with the Supervisory Board.

Our risk appetite

Our business is based on trust, and we realize that any loss of trust could adversely affect our social or market position. Through risk management, we aim to ensure the long-term security of our business.

We operate in a complex environment. Moreover, some risks are inherent to our business. We will accept some net risk (i.e., the risk remaining after mitigation measures) on the condition that:

- it is in line with our overall strategic objectives and contributes responsibly to achieving them, and
- it does not violate our core values or quality standards.

As a matter of principle, we will not take on net risk that promotes revenue growth at the expense of our sustainability standards or principles, as defined in [Our Impact Plan](#).

Given the importance of trust to our business, we have a relatively low appetite for risk when it comes to decisions that may affect public trust in KPMG N.V. For decisions relating to growth, our appetite is moderately higher.

Key risks

In the course of our business, we face:

- **Financial risks**, consisting of financial reporting risks and financial position risks.
 - Financial reporting risks relate to the financial statements containing a material misstatement, due to either fraud or error. Our risk appetite regarding financial reporting is low. We therefore continuously monitor and manage our business through internal processes including monthly financial reporting. We consider the risk as low; estimates and complex valuations, for example, are used on a very limited basis. Based on the current state of affairs, our financial reporting is prepared on a going-concern basis.
 - Financial position risks generally fall into one of three main categories: credit risk, liquidity risk, and market risk. Our risk appetite regarding our financial position is low, as these risks could be substantial. We therefore monitor these risks on a monthly basis.
- **Strategic (including operational and compliance) risks**, ranging from non-compliance with laws and regulation to a loss of public trust, breach of privacy, inability to retain and scale resources with the right skillset, or failure to meet stakeholder expectations; for example, regarding the management of ESG topics. We carry out an annual assessment of our strategic risks, updated every six months, based on detailed discussions with our Board of Management and other business leaders. This includes assessment of risks according to impact and percentage likelihood.

See our consolidated [financial statements](#) for further disclosures on our [financial risks](#). See our [sustainability statement](#) for information on how we manage risks and opportunities arising from our material sustainability topics.

Overview of our financial, strategic, operational, and compliance risks

We have identified nine different enterprise risks for KPMG N.V., set out in this table alongside their potential impact, our risk appetite, and our mitigation measures. We have a higher risk appetite in areas of growth and areas with large external influence.

Enterprise risk	Risk description	Risk impact	Risk appetite	Mitigating measures
Business model and geopolitical events and economic factors	Failure to adapt business to changes resulting from significant regulatory decisions or geopolitical events and economic volatility	Business model, viability as a multidisciplinary firm, ability to deliver certain services, to meet our stakeholders' expectations, to achieve our objectives and strategic goals in a volatile environment	Medium	<ul style="list-style-type: none"> Monitoring of (geo)political developments Identifying and responding to disruptive innovation, competition, and technology Focus on sustainable impact on clients, environment, and society Embedding AI and ESG in everything we do
Global network collaboration	Inability to make full use of KPMG network collaboration or meet network requirements	Our ability to service and grow our global and strategic accounts, and to sustain our brand and license to operate	Medium	<ul style="list-style-type: none"> International member firm cooperation Global growth and investment programs Adherence to international firm requirements
Strategy execution, client and sector focus, and innovation and investments	Failure to successfully execute the firm's business plans, optimize our sector focus and client mix, and execute sustainable innovation and investments in line with our strategy	Our ability to grow our firm and serve our clients, our results if a sector requires specific attention due to market challenges, and our ability to remain competitive, efficient, and relevant for the future needs of our clients and to address technological disruptions in a timely way	Medium	<ul style="list-style-type: none"> Focus areas clearly identified in multi-year strategic ambition and annual business plan Detailed high-impact actions per focus area and business function Regular reporting on progress against expected outcomes to Board of Management Successful strategic technology partnerships through digital Alliance Client-centric sales force, focusing on priority sectors Focus on growth areas of ESG, digital transformation, and future of audit Strategic relationship management, lead partner development, and disciplined account and pipeline management Client-care processes to improve client journey and satisfaction Embedding digital, AI, and Alliance solutions Growing market share of digital and AI through our Alliance and global investments Continued investment in digital and AI skills
Relevance and reputation	Failure to address and respond to media and society, including reputation and social issue management	Our brand, position in the market, and reputation with key stakeholders	Low	<ul style="list-style-type: none"> Contingency programs to manage impact on brand and reputation Independent Supervisory Board responsible for taking stakeholder interests into account Our Impact Plan for ESG Leading by example Inspiring employer brand: do work that matters, make your mark, and come as you are
Regulatory compliance, governance, and policies	Inability to consistently demonstrate compliance with applicable laws and regulations and inability to establish effective governance, systems, and controls for adhering to the firm's values, policies, standards and requirements, including professional, ethical and independence requirements	Our ability to effectively identify and manage key risks, detect and prevent non-compliance, fraud, regulatory sanctions, practice restrictions, other legal and financial liability exposure, and to strengthen public trust	Low	<ul style="list-style-type: none"> Solid and constructive relationships with regulators Independent reviews by KPMG International and external auditors Reporting potential non-compliance with laws, regulations, and KPMG policies – including those relating to ethics and independence – through the annual compliance confirmation Independent Supervisory Board, overseeing the Board of Management Responsibility model with three lines of defense and independent reviews by KPMG International Rigorous internal policies, standards, and frameworks Detailed policies governing client and engagement acceptance procedures Strict approval processes for products and services Commitment to the principles and standards of ethical conduct that KPMG N.V. requires, as described in the Code of Conduct, through the annual compliance confirmation Addressing engagement compliance requirements through quality and professional standards, methodologies, procedures, and tools Compliance and quality of engagement and service delivery subject to monitoring, remediation, and review procedures
Culture, values, and well-being	Failure to create a culture and people environment that reflects the firm's values and purpose	Firm morale, the motivation to innovate and deliver quality, people engagement levels, and talent attraction, retention rates	Low	<ul style="list-style-type: none"> Ethical culture program focusing on ethics, psychological safety, and well-being Our Impact Plan, including sustainability commitments Code of Conduct, including commitment to ethical principles and standards IDE program Psychological safety program / culture follow-up Wellbeing program, including mental resilience Global People Survey to understand views and perceived people experiences in several domains Independent survey on ethical behavior, culture, integrity, and social safety Whistle-blowing hotline Safety net of confidential counsellors and disputes committee.
Retention and skills development and attraction of talent*	Inability to retain and scale resources with the right skillset and inability to invest in ethical, inclusive, and diverse leadership	Our ability to execute and deliver services, meet client expectations, motivate and retain our people, and ensure strong succession management	Low	<ul style="list-style-type: none"> Ethical culture program focusing on ethics, psychological safety, and well-being Learning and development backbones, including leadership development (e.g., IDE Program), reskilling- and upskilling on ESG, digital, and AI, and life-long learning Long-term investment in rewards and recognition as an attractive employer Continuous investment in enhancing the quality of performance development (e.g., development management curriculum, intervision sessions, toolkits for various types of conversations) Career Development Centre for fostering internal mobility and (thus) retention Professional guidance in case of (long term) illness Modernized talent attraction and selection process Inspiring employer brand: do work that matters, make your mark, and come as you are Robust succession management process Top 200

Enterprise risk	Risk description	Risk impact	Risk appetite	Mitigating measures
Information protection and organizational resilience	Inability to protect personal data, intellectual capital, and confidential KPMG N.V. and client information and inability to continue critical business activities during a high-impact event	Loss of clients, competitive disadvantage, reputational and financial damage, or consequences due to non-compliance with legal, regulatory, and KPMG International requirements, as well as impact on people, reputation, and/or (continued) operations	Low	<ul style="list-style-type: none"> • Robust information security and data privacy policies, standards, and frameworks • ISO 27001:2022 certification • Respect for confidentiality of personal, client, and KPMG N.V. data, including annual compliance confirmation, annual training, and continuous awareness campaigns • Responsibility model with three lines of defense and independent reviews by KPMG International • Strict approval processes for products and services • Business continuity management lifecycle, including incident and crisis management • Continuous risk monitoring and treatment, including threat analysis and business impact assessments
Financial strength	Inability to adequately monitor and act on the firm's financial position, based on accurate, complete, and timely financial reporting	Our ability to meet our financial commitments and targets, to stay within our (financial) risk appetite parameters, and to run a sustainable and profitable firm	Low	<ul style="list-style-type: none"> • Long-term investment plans, including in our people, to deliver quality and innovation against sustainable market prices • Transformation plans for an efficient and learning organization • Strict procedures and controls for trustworthy financial reporting • Constant monitoring of credit, liquidity, and market risk exposure, including: <ul style="list-style-type: none"> – Routine checks of clients' creditworthiness for larger transactions – All cash deposits at banks with minimum BBB credit rating – Liquidity risk to meet financial commitments – Aim for constant availability of liquid funds to meet financial commitments – Surplus funds deposited in business savings accounts or held aside for specific periods – Keeping changes in market prices within acceptable limits, while maximizing income

* Please note that in our materiality assessment we identified employee attraction and retention as material topic from a positive impact perspective. As the above table looks at specific topics from solely a risk perspective, this topic is identified as a risk to be mitigated.

Fraud risk assessment

We recognize that fraud risk is present in our business and has a potentially significant impact on other strategic and financial risks. Preventing and detecting fraud is therefore an important part of our activities. We carry out regular risk assessments to identify and monitor fraud risks. We mitigate the fraud risks identified through measures including policies, procedures, training, monitoring, regular reporting, and clear values in our Code of Conduct and elsewhere. We have found these measures to be effective in reducing net risk to acceptable levels.

Climate change risk

Climate change risk is incorporated into KPMG N.V.'s overall risk management processes, along with other ESG risks. In compliance with ESRS requirements, information on our ESG risks and how we manage them, can now be found in our [sustainability statement](#).

Internal policies and controls

We have a series of internal policies, controls, and guidelines that support our formal system of governance and decision-making. They are supported by mandatory training to ensure KPMG N.V.'s people and partners are fully aware of their responsibilities. We also engage with our people on these policies through newsletters, webcasts, and our intranet channels.

A global KPMG Code of Conduct applies to all member firms. All employees are required to undergo training on the code and abide by its provisions. It sets out commitments in areas ranging from compliance and maintaining quality to fair competition and independence. It also details employees' responsibilities regarding the conduct and behavior we expect of the people working for the KPMG network. The KPMG International Hotline allows employees and outside parties to report suspected violations in confidence.

Alongside the Code of Conduct, KPMG N.V. has separate policies covering areas such as risk management, remuneration, and data privacy. We also have a Global Supplier Code of Conduct, a Business & Human Rights Statement, and a Corporate Tax Policy, which commit KPMG N.V. to maintaining a constructive and open relationship with tax authorities, paying its fair share of taxes, and refraining from using artificial structures that bear no relation to our business. We also publish an annual Modern Slavery Statement.^[1] Many of our policies are based on international commitments, including the UN Global Compact and the UN Guiding Principles for Business and Human Rights. KPMG N.V. is also a signatory to the World Economic Forum's Partnering Against Corruption – Principles for Countering Bribery. See our [Statement of effectiveness](#) on the effectiveness of our SoQM during 2023/2024.

More information on our ESG-related policies can be found in the relevant chapters of our [sustainability statement](#).

¹ In line with the UK's Modern Slavery Act.

(Audit) Quality management

Audit quality has long been an established pillar of our approach to governance and risk management. In 2023/2024, it was designated as a material sustainability topic for KPMG N.V. Please see the [Governance](#) chapter of our sustainability statement, therefore, for details of our approach to measuring and monitoring audit quality. For further context on audit quality and how it supports our strategic focus on enhancing public trust, please refer to the [About us](#) and [Public trust](#) chapters of our management review.

Stakeholder engagement

We maintain constant dialogue with our stakeholders to help us understand their needs, build trust, and define value creation, as well as to identify specific risks and opportunities for our business.^[1]

Defining our stakeholders

To identify our stakeholders, we use a 360-degree approach that considers any individual or group affecting our business, operations, or performance or who, in turn, may be affected by our activities or decision-making. Using this definition, we recognize eight separate stakeholder groups:

- Clients (including public, private, and volunteer sectors)
- Employees (including professionals, graduates, and other jobseekers)
- Equity partners
- Wider society (including non-governmental organizations and local community groups)
- Regulators, policymakers, and other standard-setters
- Suppliers and other non-client business partners
- Membership associations and other KPMG member firms
- The natural environment (silent stakeholder)

For more information on how we engage with stakeholders on sustainability matters and integrate their views into our strategy, see the General disclosures chapter [1.6 Interests and views of stakeholders](#) of our sustainability statement.

¹ This whole section *Stakeholder engagement* is also applicable to our sustainability statement.

Overview of stakeholder engagement activities

We engage with our stakeholders through a range of means, including regular meetings, conferences, events, and surveys.

Methods of engagement	Principal issues addressed (2023/2024)
Clients (including public, private, and volunteer sectors)	
Visit by Board of Management members (as part of our Leadership Connect program)	(Supervisory) Board level topics including Leadership, societal and cultural challenges; mandatory firm rotation; geopolitical developments and trust
Client events	A broad array of topics including CSRD, AI, digital transformation, regulatory changes
Regular contact during Assurance/Advisory engagements	(Audit) quality, team and collaboration, regulatory changes (including CSRD), innovation, pricing, project management
Client satisfaction surveys (including client care interviews)	Quality of work, relationship, differentiation, added value, timely/proactive communication
Employees	
Annual GPS (supported by multiple pulse surveys)	Engagement; work environment; leadership; performance development; IDE; ethical culture; (audit) quality; innovation
Dialogue with Works Council	Remuneration and benefits; data privacy; organizational changes; performance development; health and well-being; ethical culture
Dialogue with KPMG Young Board Now	ESG; innovation; culture; IDE; leadership
Performance reviews, training, education, and awareness programs	Progress on personal and professional KPIs; development opportunities; diverse career paths; re- and upskilling to meet changing client demands; living our values; approach to pay
Regular internal communications	Psychological safety in the workplace; engagement; leadership visibility; ethical culture
Careers section on website, in-house days, and KPMG N.V. events for jobseekers and professionals	IDE programs and initiatives; employer branding; equal opportunities; attracting the required (diverse) skills to drive growth
Partnerships with universities and business schools	New career paths (ESG/digital); leadership development in twin transition
Equity partners	
Quarterly partner meetings	Relevant business issues including ethics and culture; (audit) quality; societal issues; business development
General shareholder meetings / meetings with Management Board of Coöperatie KPMG U.A.	Financial and overall performance; business update; rising costs; ethical behavior and culture
Performance reviews, training, education, and awareness programs	Progress on personal and professional KPIs; development opportunities; diverse career paths; re- and upskilling to meet changing client demands; living our values; approach to pay
GPS and pulse surveys	Skills shortages; recruitment; engagement; innovation; (audit) quality; performance development; leadership (visibility); work environment; IDE; ethical culture

Methods of engagement	Principal issues addressed (2023/2024)
Wider society (including non-governmental organizations and local community groups)	
Support for community initiatives	Thought leadership program (including KPMG Insights)
Press releases and engagement with media	Roll-out of KPMG Impact Plan ; investigation into answer sharing related to mandatory training tests
Regulators, policymakers, and other standard-setters	
Inspections by external regulators	Investigation into answer sharing related to mandatory training tests; inspection of our SoQM regarding engagement quality control reviews (EQCRs); inspection of the role of the EQCR on four engagements
Participation in public conferences, debates, and round tables	Maintaining audit quality and ethical culture
Meetings with the AFM	New EU non-financial reporting requirements (CSRD); future of audit (including education); answer-sharing investigation; enhanced supervision; regular updates on audit quality (including audit quality indicators)
Meetings with the NBA	Collaboration on new Registered Accountant curriculum and practical internship (praktijkstage)
Membership associations and other KPMG member firms	
Regular dialogue with other KPMG member firms	Group projects (including KPMG Clara , Global AI Program)
Global projects (Connected, Powered, Trusted, AI, ESG)	Key Alliance partnerships (e.g., Microsoft, SAP, and ServiceNow)
KPMG N.V. representation in professional and industry associations	Societal issues; skills shortages; market/economic developments; technology and digitalization; increasing prices for goods and services
Suppliers and other non-client business partners	
Regular engagement with suppliers and other business partners during projects	Use of group resources (e.g. Global Growth Accelerator and KPMG Delivery Network)
The natural environment (silent stakeholder)	ESG; CSRD implementation; regulatory developments

Membership associations

As part of our stakeholder management, we participate in various membership associations. These include the Confederation of Netherlands Industry and Employers (VNO-NCW); the Dutch network for Sustainably Responsible Organizations (MVO Nederland); UN Global Compact Network Netherlands, promoting corporate sustainability with the aim of improving the lives of future generations; and Anders Reizen (Travel Differently), a coalition aiming to reduce business travel emissions by 50% by 2030.

Sustainability statement

Our performance at a glance

1 Basis for preparation of our sustainability statement

2 Environmental information

3 Social information

4 Governance information

Appendices to the sustainability statement

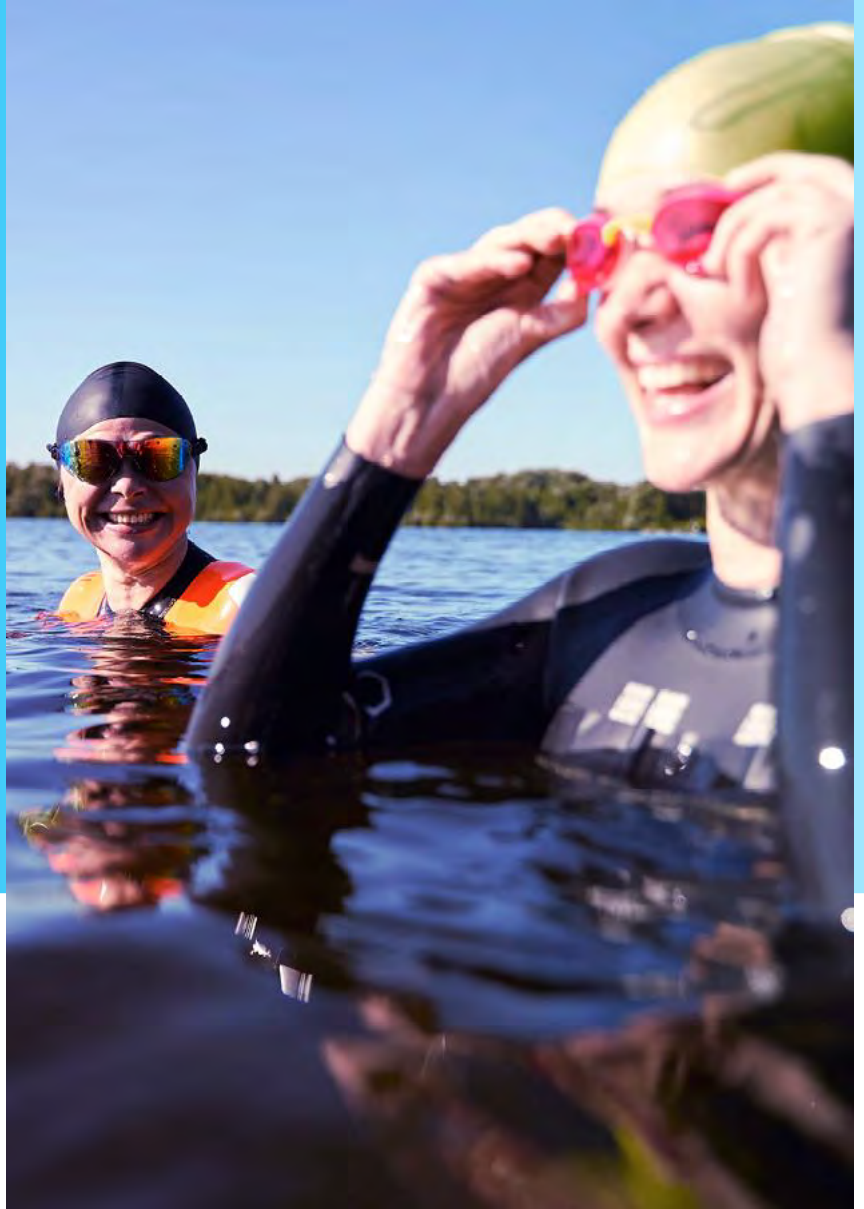


Our performance at a glance

Sustainability matter		Value chain	Time horizon	Performance description	2023/2024	2022/2023	Target 2023/2024	Target 2029/2030	
Environment	Our environmental performance								
	GHG emissions	◀ ■ ▶	ST, MT, LT	Gross Scope 1 GHG emissions (tCO ₂ e)	2,110	3,215			
				Gross location-based Scope 2 GHG emissions (tCO ₂ e)	3,071	2,391			
				Gross market-based Scope 2 GHG Emissions (tCO ₂ e)	2,884	1,562			
				Gross indirect (Scope 3) GHG emissions (tCO ₂ e)	29,431	28,470			
				Total GHG location-based emissions (tCO ₂ e) compared to base year	4%	2%			
				Total GHG market-based emissions (tCO ₂ e) compared to base year	0%	-3%		-50%	
Social	Our social performance								
	Working conditions of our own workforce								
	Employee attraction and retention	◀ ■ ▶	ST, MT	Retention performance (entity specific metric): Assurance/Advisory/Business Services	82%/83%/85%	86%/84%/88%	85%/84%/85%		
				Leavers	798	699			
	Training and skills development	◀ ■ ▶	ST, MT	Average training hours per employee	127	124			
	Well-being and engagement of our own workforce								
	Social dialogue	◀ ■ ▶	ST, MT	Employee engagement target (GPS-score)	77%	80%	80%		
	Work-life balance	◀ ■ ▶	ST, MT	Family related leave: Female/Male/Total	12%/9%/10%	9%/8%/9%			
	Mental health and safety	◀ ■ ▶	ST, MT	Satisfaction score – well-being	72%		74%		
				Psychological safety score	71%		73%		
	Non-discrimination	◀ ■ ▶	ST, MT	Complaints related to discrimination	3	5			
				Other complaints	54	53			
	Privacy	◀ ■ ▶	ST, MT	Currently no metric					
	Inclusion, diversity, and equity (IDE) within our own workforce								
	Diversity (inclusion)	◀ ■ ▶	ST, MT	Total employees	4,256	4,118			
				Partners/directors (incl. equity partners) Female	22%	21%	23%		
				Total gender diversity (including equity partners) F/M	42%/58%	42%/58%			
				Cultural diversity of employees and equity partners: NL/EU migration origin/ non-EU migration origin		60%/10%/30%			
				Cultural diversity of partners/directors: NL/EU migr. origin/non-EU migr. origin level		84%/5%/11%			
	Gender equality and equal pay for work of equal value	◀ ■ ▶	ST, MT	Gender pay gap per employee category total	13.4%	15.1%			
				Annual total remuneration ratio	18.4	18.0			
	Impact on society								
	Impact on sustainability performance in society through our Assurance and Advisory services		◀ ■ ▶	ST, MT	Currently no metric				
Governance	Audit quality								
	Audit quality	◀ ■ ▶	ST, MT	Results of internal KPMG N.V. audit inspections	94%	94%	100%		
				Average number of hours spent in training per client-facing professional in audit	212	210	>160		
				Partner hours in % in PIE audit engagements	8%	9%	≥7%		
	Corporate culture								
	Corporate culture (including organizational ethics and integrity); Protection of whistleblowers	◀ ■ ▶	ST, MT	No metrics					
	Compliance with regulations	◀ ■ ▶	ST, MT	For performance see management review					
	Data Security								
Data Security	◀ ■ ▶	ST, MT	Certification data security	ISO 27001/2013	ISO 27001/2022				

ST: short term MT: medium term LT: long term ◀ Upstream applicable ▶ Downstream applicable ◀ Upstream not applicable ▶ Downstream not applicable ■ Own operations applicable

* This is not the complete overview of all metrics in our sustainability statement



1 Basis for preparation of our sustainability statement

General basis for preparation of the sustainability statement

We are proud to share KPMG N.V.'s first sustainability statement prepared in accordance with European Sustainability Reporting Standards (ESRS) and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

At KPMG N.V., we aim to lead by example: we want to present our stakeholders with a sustainability statement that is prepared in accordance with the first set of ESRS adopted by the European Union (EU) and supports us in reporting transparently on our performance today and our goals for the future. With the CSRD (which mandates the use of the ESRS) expected to be transposed into national law in early 2025, we have chosen to comply voluntarily. Implementation of the CSRD was challenging but extremely valuable; many people contributed directly, and many others became more aware of our sustainability performance and areas for improvement. While – like many of our clients – we faced some difficulties in preparing our sustainability statement, we see the process as a learning opportunity and an important part of our sustainability journey.

We consider ourselves ready to report on our sustainability matters today; nevertheless, informed by the challenges we have experienced, we have identified areas for improvement regarding the availability and quality of data. We have therefore initiated projects to enable us to increase availability and efficiency in collecting the relevant data that allow us to steer and improve our sustainability performance.

While our 2023/2024 double materiality assessment (DMA) did not reveal new sustainability matters compared to those discussed in our 2022/2023 integrated report, it did result in more precise definitions and reporting requirements. See Reference table for an ESRS content index that presents an overview of all our in-scope ESRS disclosure requirements. The DMA is subject to continuous monitoring to ensure it reflects new insights or developments in our sustainability matters in the coming years.

This statement encompasses all aspects of our organization, from the scope of consolidation to the nuances of our value chain. It has been prepared on a consolidated basis. The scope of consolidation mirrors that of our financial statements, ensuring consistency and completeness in our reporting. Our sustainability statement covers sustainability impacts, risks, and opportunities (IROs) in our own operations as well as upstream and downstream in our value chain. This was considered both during the DMA and when identifying policies, actions, and targets and, when applicable, disclosing metrics. Although we recognize that entity specific disclosures may limit comparability between undertakings, we have included twenty-one entity-specific metrics, consisting of fifteen metrics related to our entity specific topic Audit Quality (the Audit Quality Indicators) and six own-workforce related metrics. These entity-specific metrics are included to support our stakeholders to better understand our impacts and performance on the related sustainability matter.

Considerations on the CSRD and assurance on sustainability statement

As we have voluntarily implemented the CSRD even before the Directive has been adopted in national law and with public implementation guidance still being published, we are aware that the preparation of our sustainability statement is subject to company-specific and temporary interpretations associated with this early adoption. While we prepared this sustainability statement based on the first set of ESRS, we recognize that a better understanding of the requirements may evolve when additional implementation guidance or Q&As are made available by the European Financial Reporting Advisory Group (EFRAG). We also realize that information available for assessing certain industry benchmarks is limited and that this information will only emerge as the number of reporting organizations increases and reporting practices become more established.

In addition to the statutory audit of the financial statements, we have voluntarily asked our auditor, PricewaterhouseCoopers Accountants N.V., to provide limited assurance on our sustainability statement. The assurance report of the independent auditor is presented [here](#) in this integrated report.

Key policies and key actions

The ESRS refer to “key policies” and “key actions” in many disclosure requirements. We consider key policies and key actions to be those that drive significant, material change regarding the sustainability matters that matter most for our stakeholders.

Disclosures incorporated by reference

To streamline our sustainability reporting, we have incorporated certain information by reference to other parts of the integrated report. The following is a list of the ESRS disclosure requirements and specific data points incorporated by reference to other parts of the Board of Management report or financial statements, ensuring that stakeholders can easily locate the relevant information:

- The role of the administrative, management, and supervisory bodies;
- For the composition and experience of KPMG N.V.'s Board of Management and Supervisory Board, see [Board of Management](#) and [Members of the Supervisory Board](#) sections in our management review;
- For an explanation of our business model and strategy and how our sustainability matters are included, see [Business model and strategy](#) for an explanation of our business model.
- More information on how we embed adherence to strict compliance standards in our organization, we refer to the Regulatory compliance, governance, and policies enterprise risk as included in the Regulatory compliance, governance, and policies table.
- [Stakeholder engagement](#).

Disclosures in relation to specific circumstances

Time horizons

For this reporting period, our short-term horizon is set at one year, our medium-term horizon is set at two–three years, and our long-term horizon extends to 10 years. These definitions align with our strategic planning cycles and allow us to monitor and achieve our sustainability objectives effectively.

Value chain estimation

For the quantitative disclosure on Scope 3 greenhouse gas (GHG) emissions, we mainly use secondary data from reputable sources and GHG Protocol-compliant methodologies to increase the level of accuracy in our reported emissions. This external data, however, is subject to a level of uncertainty. We are committed to enhancing the accuracy of our Scope 3 emissions data by increasing engagement with our suppliers and advancing our data management practices through automation and monitoring systems.

Sources of estimation and outcome uncertainty

In preparing for qualitative and quantitative disclosures, we make judgments and use estimates and assumptions that are critical for the data we report. When disclosing forward-looking information – such as targets, ambitions, and objectives – we acknowledge its inherent uncertainties and specify that such information is subject to change. Inherent to using estimates and assumptions is the recognition that this information is uncertain and that actual data might differ from previous estimations. We disclose the assumptions and approximations we have used, to provide context for and support understanding of our disclosures.

Changes in preparation or presentation of sustainability information

Unlike in the previous reporting period, in which we followed Global Reporting Initiative (GRI) standards, we have prepared this sustainability statement in accordance with the ESRS. The main effects of this change relate to additional disclosures around policies, actions, metrics, and targets regarding sustainability matters. In cases where new calculation methodologies or definitions for metrics were applied, we explain this in the relevant chapter and have restated the comparative data. No comparative data is available or disclosed for new indicators in 2023/2024.

No other changes in the preparation or presentation of our sustainability information compared to previous periods have occurred, nor were material errors in prior reporting periods identified.

1.1 The role of the administrative, management, and supervisory bodies

For the composition and experience of KPMG N.V.'s Board of Management and Supervisory Board and the role of the administrative, management, and supervisory bodies, see [Role of the Board of Management and Supervisory Board](#), [Board of Management](#), and [Members of the Supervisory Board](#) sections in our management review.

The Board of Management ensures employee representation through regular consultations with the Works Council and other employee groups such as the Young Board Now, a Board comprising employees aged 31 or younger. Further information on representation and engaging with employees can be found in section [3.1.5.1 Social dialogue](#).

Responsibility for managing sustainability matters lies with our Chief Executive Officer (CEO), who is accountable for integrating environmental, social, and governance (ESG) considerations into our business strategy, internal controls, and operations. Our CEO's mandate includes ensuring the effective execution of sustainability initiatives and management of sustainability matters. Our Supervisory Board is responsible for overseeing the setting of the sustainability strategy and progress thereon. This includes oversight on defining policies and action plans, setting targets, and measuring performance, which support us in consistently paying attention to, taking responsibility for, and being transparent on our sustainability performance.

The Board of Management updates the Supervisory Board every quarter on the progress and performance of our sustainability matters, ensuring transparency and accountability. These updates provide the Supervisory Board with insights to help it decide on actions or investments to steer our sustainability performance. They also give insight on the risks and internal control of sustainability information, driving decisions to improve the internal control environment as well as data availability and quality.

The Supervisory Board and Board of Management possess a diverse range of experience and are capable to address relevant sustainability matters. For specific technical expertise on GHG accounting and sustainability reporting requirements, they are supported with sustainability-related expertise from KPMG N.V.'s own Sustainability Advisory team. This expertise was shared in various sessions with the Board of Management and (subcommittees of) the Supervisory Board. Three of our Supervisory Board members have been assigned ESG as a focus area, for example due to previous experience with the topic. Furthermore, our Board of Management has followed specific trainings as part of the ESG Innovation Institute program in collaboration with Nyenrode Business University. Through access to experts and training programs, this allows them to discuss and oversee our sustainability matters.

Further specific sustainability governance responsibilities are assigned as follows:

- Our CEO is accountable for setting and achieving sustainability-related targets.
- Our Chief Operating Officer (COO) is responsible for environment-related matters, to ensure focused and effective decision-making to accelerate our climate transition.
- Our Leadership Team Business Services, chaired by a representative from the Board of Management, convenes every six weeks to monitor the status of our sustainability policies, objectives, and targets.

The structure of our governance facilitates efficient communication and decision-making regarding sustainability matters, allows for timely adjustments, and ensures we remain on track to meet our sustainability goals. It also ensures that the Board of Management and Supervisory Board are actively engaged in setting and monitoring sustainability targets, thus driving continuous improvements in our sustainability performance and consider trade-offs associated within the different sustainability matters if they occur.

The DMA is a fundamental step to prepare for implementing CSRD requirements. Through this process, we have determined the sustainability matters we face, in our own operations and across our value chain. Our Board of Management and Supervisory Board were involved in the 2023/2024 DMA, including by challenging the project team on the DMA and concluding on the outcome and consequences. The sustainability matters described in detail in section [1.8 Material IROs and their interaction with strategy and business model](#) are addressed in our strategy and governance and monitored quarterly or annually by the Board of Management as described in detail above.

1.2 Integration of sustainability-related performance in incentive schemes

Incentive schemes and remuneration policies

Our remuneration policies and incentive schemes for the Board of Management are based on fixed pay. Employees receive a fixed pay and a performance dependent variable pay. Equity partners receive profit sharing to which a bonus or malus can be applied. Sustainability-related topics are included in target-setting of the Board of Management as well as for responsible partners and directors. Performance on these targets is considered in annual performance reviews.

1.3 Statement on due diligence

Our sustainability due diligence process (hereafter referred to as “due diligence”) is the ongoing process by which we identify, prevent, mitigate, and account for how we address the actual and potential negative and positive impacts on the environment and people connected with our business and the actual and potential risks and opportunities that are often a product of such impacts. This process informs our assessment of our IROs.

We integrate the core elements of due diligence for people and the environment into our governance, strategy, and business model at KPMG N.V. For more information on the due diligence processes that we carried out in relation to the identification and assessment of potential sustainability matters in 2023/2024, see the discussion of our [DMA](#) and [stakeholder dialogue](#).

1.4 Risk management and internal controls over sustainability reporting

The Board of Management and Supervisory Board are informed on sustainability matters on a quarterly basis. In addition, there are specific topics that are reported on annually, such as the Global People Survey (GPS) results. Our sustainability reporting is exposed to the risk of material misstatement due to human error, incomplete data, or fraud. In response to these risks, we have implemented several internal control processes over our sustainability reporting data to ensure that all relevant information is captured and accurately represented in our sustainability statement.

We have implemented several key measures and components to manage the risk of a material misstatement in our sustainability reporting. These include:

- **Internal control mechanisms:** Sustainability information is collected from several departments in our organization, mainly Finance, Corporate Sustainability, Human Resources (HR), and Procurement. Internal controls are developed and established to ensure the reliability of sustainability data; these are automated in some cases but often still manual. In this reporting year, we improved our existing internal control procedures, both in general and specifically regarding sustainability reporting. No priorities were identified in this first year, with improvements made to all data points where we report metrics. We recognize that we need to make further improvements, particularly in relation to more automated data collection solutions (see also “systems” below). We will start to further improve our control framework on non-financial information based on the prioritization of focus areas across sustainability matters.
- **Alignment with financial reporting:** To ensure consistent and coherent financial and sustainability data, our sustainability reporting process is, where possible or applicable, integrated with our financial reporting framework. This allows for a unified approach to reporting and risk management.
- **Risk identification and assessment:** We identify and assess risks that could impact the quality of our sustainability reporting. This process includes evaluating potential risks related to data integrity and compliance with ESG reporting standards.
- **Systems:** We are exploring solutions to further enhance our reporting on sustainability-related information. Our current processes are a mix of data management platforms and manual processes. We will continue to focus on enhancing these processes to improve the efficiency of our data management and have already begun projects designed to improve our data collection and quality. The field of sustainability reporting poses a challenge to traditional data collection systems and solutions, and we want to ensure that any new solutions we implement will support the management of our sustainability performance in the years to come. We are therefore treating this as a priority, while also recognizing that it will take time to embed innovative automated solutions across our firm.

Finance is responsible for our external sustainability reporting and supported by our internal control department, HR and CR. In our first year of sustainability reporting on the basis of the ESRS, we have made use of our own KPMG N.V. experts in Sustainability Advisory. Their knowledge now needs to be embedded into our Finance team. As a first step to realizing this and improving the quality of our data, we have expanded our corporate reporting team to cover sustainability reporting. Next, we aim to integrate non-financial reporting into our internal control department and to investigate whether relevant data can be generated more automatically to increase efficiency and reduce the risk of errors, contributing to a more robust internal control environment and enhancing our ability to consistently and efficiently report on our sustainability performance.

1.5 Strategy, business model, and value chain

Strategy related to sustainability matters

Our strategy is deeply intertwined with our sustainability matters, addressing key aspects of our business operations and their broader impact on society and the environment. The majority of our sustainability matters form part of our license to operate: taking care of our people^[1] to support them to deliver the highest-quality services to our clients, who increasingly need support in their organizational sustainability and digital transformations. See [Business model and strategy](#) for an explanation of our business model. Section [1.8 Material IROs and their interaction with strategy and business model](#) describes our sustainability matters and how they are related to our value chain.

Our business model focuses on providing professional services related to assurance and advisory. During the reporting period, no significant changes were made to the portfolio of services offered, as we continued to focus on our core competencies. We believe, however, that it is important that all our services address the consequences of the ongoing sustainability transition, an approach we call “watermarking” ESG across our firm, thereby integrating ESG in everything we do. This shift highlights our ability to adapt our service offerings to meet evolving market needs.

The primary markets we serve include the Netherlands, with a strong presence in sectors such as financial services; infrastructure, government, and healthcare; consumer and retail; energy and natural resources; and technology, media, and telecommunications. In 2023/2024, we expanded our services to include more specialized technology advisory support, catering to the increasing demand for digital transformation services among our clients. This strategic move reflects KPMG N.V.'s commitment to staying at the forefront of industry trends and ensuring that we meet the needs of our diverse client base.

At the end of the reporting period, we employed approximately 4,250 employees across the Netherlands. We consider the Netherlands as one region, given the nature of our services and sustainability matters across our offices in the Netherlands.

We adhere to strict compliance standards and ensure that our offerings align with both local and international regulations, maintaining our reputation as a trusted advisor in the Dutch market. We refer to our Regulatory compliance, governance, and policies enterprise risk as included in the [Overview of our financial strategic, operational, and compliance risks](#) table for more information on how we embed this in our organization.

Our sustainability-related goals mainly focus on retaining top talent and ensuring public trust. As one of the leading audit firms in the Netherlands, KPMG N.V. relies on quality as the core of our business. Not protecting and upholding quality might lead to a loss of public trust, reputational damage, penalties from regulators, and claims from clients. Our sustainability goals are central to KPMG N.V.'s strategy, aligning with our commitment to being a leader in sustainable business practices. We aim to enhance our sustainability advisory services to support clients in the important transition to a sustainable future. To enable this and, in turn, to achieve our goals, KPMG N.V. prioritizes strong relationships with stakeholders, particularly employees. We invest in continuous professional development to ensure that our workforce is equipped to drive our business forward. Our approach includes sustainability objectives that help us retain top talent and foster long-term client relationships.

¹ “Our people” refers to both employees and non-employees (i.e., our own workforce).

Most of our clients are directly affected by new and upcoming regulatory requirements, including the CSRD. We also see many companies that are not in scope of these regulations nonetheless facing increasing demands from stakeholders to advance their sustainability performance. We see it as our role to help our clients, across all industries, to fulfil this demand, regardless of their regulatory environment. To enable us to provide the necessary services, we must continue to grow the sustainability capabilities of our Assurance and Advisory businesses.

Our specific strategies on sustainability matters are disclosed in the relevant topical sections of this sustainability statement.

Value chain

Our value chain encompasses a wide range of activities, resources, and relationships, both upstream and downstream. Our services depend on the upstream assets we use to perform our main activities, such as vehicles, buildings, information technology (IT) equipment, and our global KPMG network of resources and services, including advanced IT infrastructure and expertise in emerging technologies. Our relationships with key suppliers – such as those providing digital tools and equipment – are important not only for maintaining our high service standards, but also for reaching our sustainability performance targets.

KPMG N.V.'s downstream value chain includes our clients across various industries, who benefit from our firm's advisory and assurance services, and society as a whole, which benefits from the trust we generate through the assurance and advice we provide. Our downstream value chain is related to our own operations activities and also includes societal and regulatory bodies that represent end-users of our services. We engage closely with these organizations to maintain and improve the quality of our services; ultimately, this supports our industry and helps our clients comply with regulatory standards and improved sustainability practices and reporting.

1.6 Interests and views of stakeholders

Stakeholder engagement

We frequently and actively engage with our stakeholders to ensure that their interests and views regarding our sustainability matters are incorporated into our strategy and business model. Our dynamic approach involves the key stakeholder groups defined in the Stakeholder engagement chapter of our management review. Although there have been multiple forms of engagement, no direct external stakeholder engagement specifically on the DMA has taken place. Instead, external perspectives were considered by internal officers, our experts, and representatives. These representatives were involved in assessing our material sustainability matters during workshops and validation sessions and in strengthening the policies, actions, targets, and metrics that are reported in this sustainability statement.

In 2023/2024, our stakeholder engagement reiterated the importance of the sustainability transition in a tight labor market. This therefore continues to guide developments in our strategy and business model.

Our stakeholder engagement informs us on the impact of our services on our stakeholders. We use a structured process that includes regular surveys, one-on-one meetings, regular meetings with the Authority for the Financial Markets (AFM) and the Public Company Accounting Oversight Board (PCAOB) representation on the boards of professional bodies and standard setters (such as the Royal Netherlands Institute for Chartered Accountants (NBA) and EFRAG), and sector organizations, workshops, and public events. Through our global KPMG network, we also engage with an international group of stakeholders, the results of which are also reflected in our strategy and business decisions.

Outcomes and integration into our strategy

Not only does our stakeholder engagement feed the identification and assessment of sustainability matters in our DMA, but the outcomes of our engagement activities are also integrated into our strategy and business model, ensuring that KPMG N.V.'s strategy remains responsive to and closely aligned with the evolving needs of our stakeholders.

Our own workforce is a key group of stakeholders with whom we engage frequently via different channels. These include our GPS and pulse surveys, through which we collect views on workplace issues, as further explained in section 3.1 [Own workforce](#). This employee feedback has recently driven initiatives focusing on diversity and inclusion, psychological safety, and new career paths (see section 3.1 [Own workforce](#) and section 3.2 [Consumers and end-users](#) for further details).

Our clients and regulators are two other very important stakeholder groups. We engage with clients through satisfaction surveys and interviews as part of the Client Care program, and with regulators through quarterly meetings, feedback sessions, and steering groups or sector events, to ensure compliance with new and upcoming regulations. Insights from clients and regulators help us enhance our service offerings by informing, for example, the increase of ESG lenses and solutions in our services.

These experts were involved in assessing our material sustainability matters during workshops and validation sessions and in strengthening the policies, actions, targets, and metrics that are reported in this sustainability statement.

Informing governance bodies about stakeholder views

The views and interests of affected stakeholders regarding our sustainability-related impacts are regularly communicated to the Board of Management and incorporated in strategic discussions and decisions.

1.7 Description of the process to identify and assess material IROs and disclosure requirements covered by our sustainability statement

This was our first year of carrying out a DMA in accordance with the ESRS; namely, addressing the impacts we have on people and our environment as well as the potential risks and opportunities that affect us as a result of sustainability-related developments. We will re-assess our sustainability matters annually, based on regulatory developments, business developments, and stakeholder engagement. We expect that evolving sector disclosures and ESRS implementation guidance will bring new insights in the years to come.

To determine the disclosures in our sustainability statement, we followed a structured DMA process with four main steps.

Double materiality assessment: Our four-step process



Step 1: Stakeholder and value chain analysis

We started by analyzing our value chain, given our activities and assets. We conducted a high-level transactional mapping exercise, based on our main activities in Assurance and Advisory. The process included identifying internal and external stakeholders relevant to every potential sustainability matter. We used previous years' materiality assessments, conducted desk research, and held sector discussions to validate and confirm that our value chain was accurately represented and that all relevant stakeholders had been identified.

Step 2: Identification of potential sustainability matters

This stage was informed by the list of potential sustainability matters in the topical ESRS and enriched by other potential sustainability matters that arose from our previous GRI-aligned materiality assessments or from our peer and sector analysis. Sustainability matters consist of IROs that may be interconnected and that can have a short-to-medium-term or long-term effect across the value chain.

Step 3: Assessment of sustainability matters

We assessed our identified sustainability matters in line with the principles outlined in ESRS 1. For impact materiality, the severity of negative impacts was assessed based on scale, scope, and irremediability. Positive impacts were assessed based on scale and scope with their likelihood also considered. Financial materiality was assessed based on the size and likelihood of financial effects.

Our DMA highlighted the importance of including the right stakeholders in qualitative discussions of the relevant matters at this stage. While our assessment phase also used quantitative scoring and threshold mechanisms, we concluded that relevant department and stakeholder involvement was crucial: this brought in qualitative insights that substantiated our granular, quantitative discussion with a wider range of stakeholder perspectives. Our topical assessment workshops gathered key departments and stakeholders, including the Board of Management, the Supervisory Board's Audit & Risk Committee, Finance, Sustainability, HR, Procurement, and Marketing.

Step 4: Validation of outcome

After completion of the assessment workshops, the results were subject to further scrutiny. Final approval and validation was obtained from the Board of Management and Supervisory Board. Since our sustainability matters are mainly relevant in the short and medium term and are already addressed in our day-to-day strategy and business activities, we treat them all with equal importance when it comes to taking action.

Disclosures on sustainability matters

As the outcome of our DMA informs the reporting scope and disclosure requirements of this sustainability statement, we have included a detailed [reference table](#). This index lists all the ESRS disclosure requirements that we have complied with, alongside the paragraphs where the related disclosures can be found, to ensure clarity and transparency.

We determined the material information to be disclosed in our sustainability statement by applying the criteria outlined in ESRS 1, section 3.2, which focuses on material matters and materiality of information. Specifically, we used paragraph 31 of ESRS 1 to assess the significance of information and whether it would influence the decision-making needs of users of the sustainability statement.

1.8 Material IROs and their interaction with strategy and business model

Material IROs

The outcome of our DMA is shown in table 1, which presents our material IROs (also referred to as "sustainability matters") per relevant topical ESRS. In the following chapters of our sustainability statement, we address these sustainability matters by "material theme," aggregating topics that are interconnected or related to the same strategies and/or policies. Our material themes have been developed to group our material sustainability matters (that is, ESRS topics, sub-topics, and sub-sub-topics) into similar categories based how we manage and report on these key matters.

Concluding whether a given matter was an impact, a risk, or an opportunity was challenging, particularly in the social domain. We found that almost all our sustainability matters include elements of impact as well as financial risks or opportunities. We acknowledge that if we perform well on negative impacts, we can prevent financial risks; on the other hand, if an impact is addressed well, it might turn into a financial opportunity. Where sustainability matters were deemed to have a material impact, we assessed both the current and anticipated financial effects of its material risks and opportunities on our financial position, performance, and cash flows. We anticipate future feedback from stakeholders, peer insights, regulatory developments, and further ESRS implementation guidance to alter the DMA outcome in future.

We summarize our material topics and sustainability matters in table 1.



	Sustainability matter	Type of IRO		IRO description	Value chain	Time horizon
		Impact materiality	Financial materiality			
		Positive	Negative	Oppty	Risk	
Environment	E1 Climate change					
	Our impact on climate					
	GHG emissions scope 1, 2 and 3		●			Although we are not heavily involved in high-emission-intensity activities, we acknowledge the negative impact of Scope 1, 2, and 3 GHG emissions – mainly resulting from the negative effects of our buildings, fleet, and air travel on the environment by contributing to global warming. ◀ ■ ▶ ST, MT, LT
Social	S1 Own workforce					
	Working conditions					
	Adequate wages for our own employees				●	We operate in a market with intense competition for talent; therefore, being unable to offer adequate wages to attract and retain skilled professionals poses a significant risk to our present and future success. ◀ ■ ▶ ST, MT
	Employee attraction and retention			●		Attracting and retaining employees, as well as developing top talent, offers significant opportunities for our present and future success. It supports our employees to deliver high-quality services to our clients, boosts productivity and innovation, and ultimately leads to long-term financial benefits for our firm. ◀ ■ ▶ ST, MT
	Training and education for our own workforce	●				Training and education for our own workforce includes the education programs and resources through which our people can improve their knowledge, abilities, and job performance. This can positively impact individuals by increasing their job satisfaction, earning potential, and employability. ◀ ■ ▶ ST, MT
	Well-being and engagement					
	Social dialogue within our own workforce			●		Ensuring effective social dialogue with our own workforce on topics such as employee well-being can lead to increased productivity, better working conditions, and increased turnover. Given our strong focus on employee engagement, social dialogue – referring to the communication and cooperation between employers and employees – was identified as a material opportunity for us. ◀ ■ ▶ ST, MT
	Work-life balance for our own workforce		●			Given our high-performance and dynamic working environment, a poor work-life balance could lead to burnout, stress, staff turnover and other negative impacts. ◀ ■ ▶ ST, MT
	Mental health and safety for our own workforce		●			Our people operate in a high-performance and dynamic working environment, which, if not properly managed, can lead to negative impacts on employees' mental health due to stress and anxiety. ◀ ■ ▶ ST, MT
	Privacy for our own workforce		●			Privacy is about protecting the personal information and individual rights of our people, including their personal data, online activities, and physical movements. We attach great importance to preventing negative impacts that occur when privacy is not sufficiently protected. ◀ ■ ▶ ST, MT
	Non-discrimination within our own workforce		●			We are committed to reducing all forms of discrimination within our own workforce. We acknowledge that discrimination can contribute to negative impacts for our workforce and we endeavor to ensure fair treatment and opportunities for all our people, regardless of their gender, race, age, or other characteristics. ◀ ■ ▶ ST, MT
	Inclusion, diversity, and equity (IDE)					
	Diversity within our own workforce		●			An environment that does not foster IDE can cause negative impacts for our employees. IDE forms an important pillar within our business. We strive to create a psychologically safe environment that is diverse and inclusive, providing equal access to opportunities for all our employees. ◀ ■ ▶ ST, MT
	Gender equality and equal pay for work of equal value		●			Gender equality and equal pay for work of equal value ensures that men and women are treated fairly in the workplace in terms of pay, benefits, and opportunities for advancement. We view gender equality and equal pay for work of equal value as pivotal to ensure that everyone is treated fairly in the workplace. We are continuing to focus on maintaining gender parity in pay and acknowledge that not being able to do so will negatively impact our employees by promoting inequality and increasing discrimination, leading to less-motivated and dissatisfied employees. ◀ ■ ▶ ST, MT
Governance	S4 Consumers and end-users					
	Impact on society					
	Impact on sustainability performance in society through our Assurance and Advisory services	●		●	●	We consider it very important to have a positive impact on the acceleration of society's sustainability transition through our Assurance and Advisory services (economic activities). The ESG transformation facing our clients comes with significant challenges, and sustainability is becoming an important element in everything we do, for our advisors and auditors alike. By addressing this well, we create a positive impact. ◀ ■ ▶ ST, MT
	G1 Governance					
	Audit quality					
	(Audit) Quality focus (including AQIs)				●	As a leading audit firm, we see the quality of our audit services as our license to operate. If not properly maintained, this might lead to a loss of public trust, reputational damage, legal costs, penalties from regulators, and claims from clients. ◀ ■ ▶ ST, MT
	Corporate culture					
	Corporate culture (including organizational ethics and integrity)	●			●	Our business as an assurance and advisory firm is built on trust, meaning that ethics and integrity are of the utmost importance. We are committed to upholding these principles and having the right measures in place to address issues related to this topic. Our proactive approach allows us to create positive impacts, both on our own governance and in dealing with our suppliers and clients. Failure to reach high standards in these areas will result in financial risks in the form of penalties, legal costs, and reputational damage. ◀ ■ ▶ ST, MT
	Protection of whistleblowers	●			●	Protection of whistleblowers is crucial for fostering a culture of transparency and accountability within our organization. By ensuring that we have the right policies, channels, and processes in place, we create a safe environment for individuals to report any unethical or unlawful practices. However, there is also a potential risk if whistleblowers' reports are not handled appropriately: damaging trust, discouraging future reporting, undermining our reputation, and exposing us to regulatory and reputational risks. Ensuring robust whistleblower protections is therefore essential to maintaining trust and mitigating risks. ◀ ■ ▶ ST, MT
	Compliance with regulations	●			●	Compliance with regulations is fundamental to maintaining our credibility and upholding our reputation as a trusted professional services organization. By adhering to regulatory requirements, we strengthen our client confidence, mitigate legal risks, and ensure sustainable business practices, creating a positive impact on our stakeholders. Compliance is also a risk if we fail to adhere to regulations and could expose the organization to penalties if misinterpretations or lapses occur. Maintaining robust compliance processes is therefore essential to balance these benefits and challenges effectively. ◀ ■ ▶ ST, MT
Governance	Data security					
	Data security				●	We deal with significant volumes of (physical and digital) data on a day-to-day basis, including clients' sensitive and confidential information making data (and cyber) security is of paramount importance for us. However, the potential risks associated with data breaches or cyber threats could compromise confidential information. This could lead to claims from clients, penalties and reputational damage. ◀ ■ ▶ ST, MT

ST: short term MT: medium term LT: long term Oppty: opportunity ◀ Upstream applicable ▶ Downstream applicable ◀ Upstream not applicable ▶ Downstream not applicable ■ Own operations applicable

Table 1

The current and anticipated effects of our sustainability matters have been thoroughly evaluated. All our sustainability matters are integrated into KPMG N.V.'s strategy, business model, and decision-making, which focuses on enhancing workplace diversity and equality, upholding stringent governance practices, and reducing our environmental footprint. We do not yet have a complete view of the current and expected financial effects of our sustainability matters. We are continuously embedding the implications of new laws and regulations into our strategy and business model, devoting resources to integrating legal and regulatory changes into our services, and enabling our people to deliver their services accordingly – giving us our license to operate. We consider our strategy and business model to be resilient and well equipped to manage identified risks while capitalizing on opportunities, ensuring sustainable growth over the long term.

There have been no significant changes to KPMG N.V.'s sustainability matters compared to the previous reporting period. Our 2023/2024 DMA, conducted in alignment with the ESRS, reaffirmed the relevance of the previously identified sustainability matters. We have therefore maintained our strategic focus and initiatives without requiring substantial revisions to our business model or operational strategies. This consistency reflects the stability and ongoing relevance of our risk and opportunity landscape.

To deliver our strategy and business model, we adequately address and prioritize our sustainability matters related to our own workforce, since our people are vital in meeting the needs of our clients and society through our services. Negative impacts on our own workforce are mainly related to individuals and our positive impacts are managed throughout our own operations by our policies and actions to support our workforce. Based on the nature of our business, we do not consider these negative impacts to differ across our operations or services. Having considered the diversity of our own workforce in the context of our operations within our DMA, we determined that there are no higher risks faced by a particular group within our workforce.

KPMG N.V. has aligned the disclosure of our sustainability matters with the requirements of the ESRS. Besides ESRS-related sustainability matters, we also report on two entity-specific sustainability matters: audit quality focus (including AQIs) and data security. While not explicitly covered by the ESRS, these are part of our license to operate and critical to our long-term sustainability performance.



2 Environmental information

2.1 Climate change: our impact and strategy

Our DMA identified Scope 1,2, and 3^[1] GHG emissions as a material sustainability matter where our operations have a negative environmental impact that contribute to climate change due to global warming. Our main activities causing GHG emissions are energy consumption in buildings, air travel, and our lease fleet’s fuel use. We acknowledge our responsibility to reduce this negative impact and contribute to a more sustainable future.

Our commitment to reduced emissions is described in our KPMG Global Impact Plan, which forms the basis for our KPMG NL Impact Plan, which we consider to be our transition plan for climate change mitigation, as described in [section 2.1.1](#). Decarbonization is critical to curbing the harmful effects of climate change. While we recognize that this is a difficult journey, especially regarding our Scope 3 emissions, we continue to focus on quantifying and mitigating the impact of our operations and the services we provide.

E1 Climate change	Impact materiality		Financial materiality		Value chain
	Positive	Negative	Opportunity	Risk	
Our impact on climate <ul style="list-style-type: none">• GHG emission reductions (scope 1, 2 and 3)		<div></div>			<div></div>

◀ Upstream applicable ▶ Downstream applicable ◀ Upstream not applicable ▶ Downstream not applicable

■ Own operations applicable

This section provides an overview of our current impact related to GHG emissions and includes forward-looking statements aligned with the ESRS E1 guidelines detailing our strategy for emission reductions. These statements encompass our NL Impact Plan along with our policies, actions, targets, and metrics pertaining to GHG emissions.

Responsibility for climate action – including implementing and monitoring climate-related policies, targets, and action plans at KPMG N.V. – is anchored with our COO, on behalf of the Board of Management. Meanwhile, relevant operational department leads support with policymaking and in the implementation of action plans. Progress on policy objectives, targets, and action-plan implementation is tracked through internal controls using dashboards. We are currently working to improve data collection and quality through automation to enhance monitoring and better inform our strategy. The negative impacts of emissions affect our employees, suppliers, and clients as well as the general public. We communicate our policies to affected stakeholders, via multiple channels, including our intranet, integrated reports, and Impact Plan. Stakeholders are also involved in setting targets that are realistic, inclusive, and effective. Our engagement process typically includes consultation, collaboration, and active participation, through our annual GPS and other employee surveys and through engagement with the Young Board Now, topical experts, and department leads within representative bodies, such as the Leadership Team Business Services led by our COO.

¹ Scope 1: Direct emissions from a company's owned or controlled sources.Scope 2: Indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by a company.Scope 3: All other indirect emissions that occur in a company's value chain.

2.1.1 Strategy for climate change mitigation

Our NL Impact Plan describes our strategy for transforming our business model to combat climate change and contribute to limiting global warming to 1.5°C. We are not excluded from the EU Paris-Aligned Benchmarks and are actively engaged in reducing our carbon emissions. The transition plan outlines our priorities and levers, along with the policies and actions we have implemented to meet our targets. We share the results we have achieved so far and describe the future measures we will take to reach our objectives.

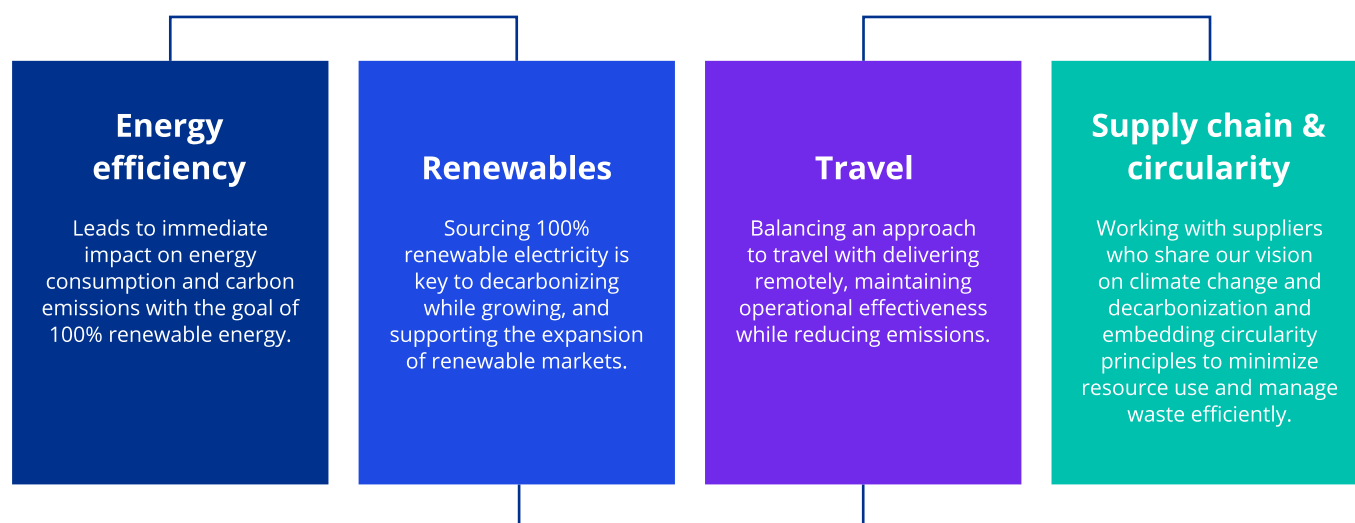
2.1.1.1 Our strategy toward decarbonization

In reducing our carbon footprint, KPMG N.V. adheres to KPMG International's commitment to achieving a near-term science-based target (SBT) to decarbonize our business by 50% across scopes 1, 2, and 3 by 2029/2030, compared to our 2018/2019 baseline. This target aligns with the aim of limiting global warming to 1.5°C in line with the Paris Agreement and was validated by the Science Based Targets initiative (SBTi) in 2021. We adopted this target and specified it per scope using our 2018/2019 baseline data.

To reduce our carbon footprint effectively and meet our 2029/2030 reduction target of 50%, we have identified four major sources of GHG emission reduction. These “decarbonization levers” are:

- improving our energy efficiency;
- transitioning to renewables;
- reducing emissions from our travel;
- decarbonizing our supply chain and embedding circularity.

The main levers in our journey to net zero



Key actions on these decarbonization levers are explained in [section 2.2.2](#), but have no expected impact on our service portfolio, nor on expected used technologies.

As of 2023/2024, we have reduced emissions directly linked to our operations (Scope 1 and 2) by around 56% compared to our 2018/2019 baseline. Our overall Scope 3 emissions increased by 28% compared to our baseline, mainly as a result of increasing emissions from business travel and purchased goods and services. In 2023/2024, we focused on collecting the right data for these categories to help us steer our Scope 3 emissions more efficiently; in the next financial year, we will focus on updating our policies and making concrete action plans for Scope 3 emission reductions.

Over the years, KPMG N.V. has been investing in moving toward sustainable alternatives and in reducing our emissions. While most investments are made as part of our annual business plan, initiatives such as internal carbon pricing (ICP) further enhance awareness of and mobilize funds for our carbon footprint reduction initiatives. We evaluate our ICP every year, with the aim of increasing it when needed; in 2023/2024, we raised our ICP from EUR 15 to EUR 50 per CO₂ ton. We spent this year's ICP budget - which is included in our OpEx - on renewable energy, smart building systems in our headquarters, and more charging points for our electric car fleet.

Our NL Impact Plan is reviewed annually and reflected in our strategy, yearly business plan, and financial planning. Progress is measured and reported to our Board of Management every quarter and discussed in our Leadership Team Business Services every six weeks.

2.1.2 Climate scenario modeling and risk assessment

KPMG International has conducted a climate risk assessment with quantitative scenario modeling using 1.5°C- and 4°C-scenario pathways to represent, respectively, a baseline or "business-as-usual" pathway and a Paris-aligned trajectory. KPMG N.V. was not involved in this process; however, none of the physical risks identified are considered material for our firm.

Our primary transition risks and opportunities stem from the predicted shifts in sector growth and contraction where KPMG member firms provide services. Given our multi-disciplinary model and diverse geographic and sector exposures, we believe these transition risks are unlikely to substantially affect our business model or overall revenue goals.

Nevertheless, we plan to conduct our own risk assessment over the next five years, likely in collaboration with other European member firms, to ensure a comprehensive understanding of our specific climate risks, address them, and incorporate them into both our business strategy and our climate risk and decarbonization strategy.

2.2 IRO management: Policies and actions to address climate change mitigation

2.2.1 Policies related to climate change mitigation

Having set our emission-reduction targets, we have implemented policies and action plans to achieve them, which relate to our three business units: Assurance, Advisory, and Business Services.

Our Impact Plan serves as the overarching policy, outlining our vision for reducing emissions across all scopes. Complementing this, we have three key policies linked to our four decarbonization levers:

- an Environmental Management System with an accompanying handbook,
- an Air Travel Policy,
- and a Supplier Code of Conduct that applies to all the suppliers that produce goods and/or provide services for KPMG N.V.

These policies were developed through engagement with key stakeholders and outline the critical actions being taken to meet our emission-reduction targets.

Our key policies are described in more detail in the table below.

Overview of key policies addressing climate change mitigation

Policy name	Key contents
Our Impact Plan	This plan outlines KPMG N.V.'s sustainability commitments across four categories: People, Planet, Prosperity, and Governance. It states the yearly targets for each category and the key actions to reach them. These lead all our efforts to embed sustainability in our business operations. Within Planet, we address the most impactful CO ₂ e sources per scope and how to decrease these emissions, including emission reduction from energy, business travel, and our supply chain.
Environmental Handbook	<p>The Environmental Handbook contains KPMG N.V.'s environmental policy plan and describes our environmental management system, governance, and audit process. It also sets out our environmental objectives up to 2030 as well as interim progress on these targets.</p> <p>The Environmental Management System contains a register of environmental aspects, including ambitions, objectives, and key performance indicators (KPIs). This system supports progress on the actions set out in the handbook and encourages necessary and/or desired preventive and corrective measures.</p>
Environmental Management System	These two frameworks provide structured insights into our impact on the environment and how we reduce it. This also fulfills our stakeholders' demands for more concrete evidence of how we aim to reduce our environmental impact. KPMG N.V.'s ISO 14001 certification serves as a starting point for continuous improvements in how we measure and steer on our climate targets.
Air Travel Policy	Our Air Travel Policy aims to drive a 40% reduction of our emissions from air travel by 2030. To support our sustainability objectives, the policy mandates that journeys under 600 km or eight hours should be traveled by rail or car, unless exempted. In addition, business class may only be booked for flights longer than six hours.
Supplier Code of Conduct	<p>The KPMG N.V. Supplier Code of Conduct reflects our ambition to establish a proactive collaboration with our suppliers in the promotion of lawful, professional, and fair practices that integrate respect for human rights, business ethics, and the environment. Our suppliers are a key part of our value chain, and their performance and adherence to high business standards are extremely important to us. The policy lays down principles for our procurement activities to reduce Scope 3 emissions from purchased goods and services.</p> <p>We therefore expect our suppliers to uphold and comply with the principles of the code. We prefer to follow a continuous improvement approach with our suppliers; nevertheless, in cases of non-compliance, we apply corrective actions.</p>

Each of these policies includes detailed action plans, some of which we are updating with more concrete actions and a clear reduction pathway for meeting our 2029/2030 targets. These developments will be reported in the next reporting period.

2.2.2 Actions related to climate change mitigation

We have identified key actions across our four decarbonization levers.

Renewable energy and energy efficiency

Achieving 100% renewable energy use by 2029/2030 is a key target, primarily for the electricity used in our buildings and, increasingly, for charging our electric fleet. This is expected to reduce our Scope 2 emissions by 100% by 2029/2030, compared to 2018/2019 levels. To meet this goal, we have tightened our requirements for the owners of office buildings when renewing our contracts; we now mandate either renewable energy certificates or Guarantees of Origin to ensure sustainably sourced energy, as well as requiring higher energy-label standards.

In 2023/2024, we achieved 97% renewable electricity use in our offices. We will continue to raise this level in the coming years until the 2029/2030 target is met. For vehicle-related electricity consumption, we plan to invest in renewable energy certificates for our electric car fleet in 2024/2025, with the aim of reaching 100% by 2029/2030.

Beyond renewable energy use, our environmental policy also prioritizes energy efficiency in our buildings. We are exploring the adoption of smart building technology, including occupancy sensors, at our Amstelveen headquarters to monitor our use of space and reduce energy consumption on a yearly basis.

Sustainable travel and mobility

After purchased goods and services, business travel - especially air travel - is our second-largest emission source. To reduce emissions from mobility and move toward sustainable travel, we have set a 40% emission-reduction target for business travel and employee commuting by 2029/2030. To meet our emission-reduction targets, we follow the guidelines and action plans in our Impact Plan and Air Travel Policy.

For business travel and for employee commuting by car, our sustainable mobility approach is to phase out fossil-powered cars from our lease fleet. As of 2024/2025, only electric lease cars will be offered, and we expect that in 2027/2028 our entire lease fleet will be electric. In 2023/2024, 80% of our lease car fleet was electric, versus 9% in our baseline year of 2018/2019.

We aim to reduce our air travel emissions by 40% by 2029/2030 compared to our baseline year. As part of our Air Travel Policy, we encourage the use of video conferencing as the default option for meetings, reserving travel only for situations where it is necessary and serves a clear business purpose. Our key actions include mandatory travel by train rather than by plane for journeys up to 600 km or eight hours' travel time. We are also taking the next step with our ICP policy, stimulating sustainable travel and reducing our emissions from air travel. As of 2024/2025, ICP will be charged to the relevant department or team in accordance with the "polluter pays" principle. This means that cost centers will be charged extra (internal costs) based on the emissions from flights booked on that cost center. These actions will remain in place until we meet our 2030 reduction target. In 2023/2024, emissions from business travel increased by 15% compared to the previous year, owing to a rise in travel associated with business growth, but were 1% lower than in our baseline year. Growing business and client requests make air travel reduction a challenging target.

We will revamp our mobility policy in 2024/2025, shifting the focus toward more sustainable travel and commuting, including shared mobility options and a broader range of possibilities for electric car leasing. We will also set yearly targets translated into more concrete actions to reduce air travel emissions.

Sustainable supply chain and embedding circularity

We recognize that ongoing and proactive engagement and collaboration with our suppliers is critical to achieving our decarbonization ambitions. Purchased goods and services make up an important portion of our total Scope 3 emissions and are part of our emission reduction plan. While we are already engaging with our suppliers and taking steps toward reducing these emissions through clear procurement guidelines in our Supplier Code of Conduct, we are also working to make our targets and action plan more concrete. In 2023/2024, we started to gather the data needed for more detailed insights, to set an emission-reduction target for this category, and to determine an effective strategy to realize it.

One key action in 2023/2024, among other initiatives, was implementing the product carbon footprint method for IT devices, allowing us to assess and minimize the carbon impact of these products throughout their life cycle.

To ensure that our procurement process aligns more closely with our sustainability goals – promoting responsible sourcing and reducing our overall environmental footprint – our Procurement department started sustainable procurement training during the year and will continue this in 2024/2025.

The coming year will also see us focus on creating a more sustainable supply chain through the development and implementation of a comprehensive sustainable procurement policy. This policy will establish clear guidelines and expectations for our key suppliers, prioritizing ESG factors in all procurement decisions.

Actions related to mitigating climate change are part of our annual business plan and are revisited every year. Due to the nature of our business activities, the resources needed for these actions are OpEx relating to sustainable choices and do not require any significant CapEx; the OpEx are also not significant, since these initiatives are an integral part of our day-to-day expenses and procurement decisions.

2.3 Metrics, targets, and performance on climate change mitigation

This section explains our GHG emission impact and elaborates on our mitigation plan in detail. To understand our current state and our progress in mitigating the negative impact to date, see our gross emissions figures in section 2.3.1.

2.3.1 Gross Scope 1, 2, and 3 GHG emissions

Our GHG emissions are reported for the financial year running from October 1, 2023 to September 30, 2024. They are based on the GHG Protocol, which defines the principles of corporate GHG accounting, and in line with the CSRD guidelines on emissions reporting. Our emissions are accounted based on the operational control method and cover the entire KPMG N.V. organization, including our Assurance, Advisory, and Business Services units.^[1]

The following Scope 1 and 2 emission streams are material for our reporting.

Scope 1 and 2 emission streams

Scope	Category	Primary source for KPMG N.V.
Scope 1 ¹	Stationary combustion	Natural gas used at our rented KPMG N.V. offices in the Netherlands
	Mobile combustion	Fuels used by our leased cars
Scope 2	Location based ²	Used energy from rented KPMG N.V. offices in the Netherlands and from our leased cars
	Market based ³	
	Vehicle related	

¹ Fugitive emissions: our building cooling systems contribute to a minor amount of fugitive emissions. Due to limited available data, this area is currently under further exploration.

² Location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

³ Market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims. Around 33% of our scope 2 emissions are linked to unbundled energy attributes.

Table 2^[2]

For Scope 3 emissions, the following categories are material for reporting.

Scope 3 emission categories

Scope	Category	Primary source for KPMG N.V.	Value chain relevance
Scope 3	Category 1 – Purchased goods and services	Goods and services purchased through the Procurement department Product carbon footprint analysis for our IT devices; spend data analysis for all other categories	Upstream
	Category 3 – Fuel and energy-related activities	Upstream emissions (before combustion) of the fuel consumed in Scope 1 and 2	Upstream
	Category 5 – Waste generated in operations	Waste generated by our rented KPMG N.V. offices in the Netherlands	Own operations
		Business-related travel made by KPMG N.V. employees by air, rail, or road	Own operations
	Category 7 – Employee commuting	Travel undertaken by employees between their homes and KPMG N.V. offices	Own operations

Table 3

¹ Unless explicitly stated for certain disclosures.

² Fugitive emissions: our building cooling systems contribute to a minor amount of fugitive emissions. Due to limited available data, this area is currently under further exploration.

In the below table, per emission stream we show our emission-reduction performance, our current state with our previous year and with our 2018/2019 baseline.

Gross Scope 1, 2, and 3 emissions (tCO₂e)

Emission category	Retrospective				Milestones and target year
	Base year 2018/2019	2022/2023	2023/2024	%(2023/2024)/ (2022/2023)	Target year 2029/2030
Scope 1 GHG emissions					
Gross Scope 1 GHG emissions (tCO ₂ e)	8,532	3,215	2,110	66	-98.5%
Scope 2 GHG emissions					
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	1,888	2,391	3,071	128	N/A
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	2,828	1,562	2,884	185	-100%
Scope 3 GHG emissions					
Total gross indirect (Scope 3) GHG emissions (tCO ₂ e)	22,990	28,470	29,431	103	-26%*
Purchased goods and services	14,318	21,459	21,345		
End-user IT devices	161	238	1,325	99	N/A
Other commodities and services	14,157	21,221	20,020		
Fuel and energy-related activities (not included in Scope 1 or Scope 2)	2,237	1,404	1,688	120	N/A
Waste generated in operations	4	3	3	95	
Business travel	6,228	5,364	6,191	115	N/A
Employee commuting	203	239	204	75	N/A
Total GHG emissions (location based) (tCO₂e)	33,410	34,076	34,613	102	N/A
Total GHG emissions (market based) (tCO₂e)	34,351	33,246	34,426	104	-50%

* The disclosed Scope 3 emission reduction target is provisional, aligned with our commitment to achieve a 50% gross emissions reduction. However, internally, we maintain a higher Scope 3 reduction target of 40%. Due to re-baselining and adjustments in our accounting methodology—driven by improved data quality and enhanced accounting practices, our Scope 3 targets have been affected. In 2024/2025, we will conduct a comprehensive review to re-evaluate these targets and develop a more concrete action plan to progress towards our reduction targets.

Table 4

As of this year, we had a 56% decrease in Scope 1 and 2 emissions compared to our 2018/2019 baseline. This progress has been supported by the expansion of our electric fleet, which has grown from 9% in 2018/2019 to approximately 80% in 2023/2024. The increase in our electric lease fleet led to an increase in electricity consumption for electric vehicle charging by around 79% which contributed to an increase in the scope 2 emissions.

Business growth in recent years has led to an increase in our Scope 3 emissions, primarily attributable to purchased goods and services. Over the past few years, we have focused on refining our Scope 3 emissions accounting through enhanced data accuracy. We have made progress in obtaining primary data from suppliers which improved data quality and offers a more comprehensive understanding of our emissions profile. Purchase of other commodities and services is accounted based on spend based methodology and we are working on improving the accuracy of this data.

GHG emission intensity

GHG intensity per net revenue	2022/2023	2023/2024	% (2023/2024)/ (2022/2023)
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/ EUR 1,000t)	0.0479	0.0449	94
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/ EUR 1,000t)	0.0468	0.0447	95

Table 5

Based on net revenue amounting to EUR 771 million, our GHG intensity values show that our measures are paying off: considering our business growth, we saw a decrease in our emission intensity in 2023/2024 compared to the previous year.

2.3.2 Targets and approach to mitigating climate impact

We have a near-term SBT of 50% decarbonization across all scopes by 2029/2030, compared to our 2018/2019 baseline, approved by our COO on behalf of the Board of Management. We use 2018/2019 as the baseline year for target-setting, as it represents the last full financial year before the COVID-19 pandemic, ensuring our targets reflect a realistic and stable starting point. These baseline values are reported in table 4.^[1]

The SBTi target requires us to achieve 4.2% year-on-year decarbonization between 2018/2019 and 2029/2030 on gross Scope 1, 2, and 3 emissions. We were unable to meet this target in 2023/2024, showing the challenges of our own decarbonization and the need for concrete actions in the coming years.

Alongside the 2029/2030 SBT, KPMG International is currently assessing the feasibility of setting a long-term 2049/2050 decarbonization target, as part of our net-zero ambition.

For our emission reporting, we are committed to transparency and accountability in our sustainability efforts and therefore report all our emission-reduction targets as absolute values. These targets are expressed as a percentage of the base-year emissions, providing a clear benchmark for tracking progress over time. Targets per emission scope are described table 4. All targets are gross targets, since we do not engage in any GHG removal activities or carbon credit trading, nor do we contribute to avoided emissions.

Our CSRD disclosures have led to the re-baselining of emissions data and adjustments in our accounting methodology for Scope 3 emissions, particularly in the category of purchased goods and services, driven by improved data quality and enhanced accounting practices. These changes also impact our target-setting process. While we remain committed to achieving a minimum 50% reduction in emissions by 2029/2030, we will undertake a comprehensive evaluation of our targets for each emissions category in 2024/2025, accompanied by more concrete action plans.

¹ Due to the change in reporting period from calendar year to financial year from 2019/2020, the addition of new Scope 3 emission categories, and the availability of better data and calculation models, our baseline data has been restated this year to ensure clear, consistent, and robust reporting in future. This will not, however, affect our targets, as the most material categories per scope remain the same.

2.4 EU Taxonomy assessment

We have assessed our business operations in relation to the EU Taxonomy and the economic activities outlined in the Delegated Acts to Regulation 2020/852 of June 18, 2020 (known as the "EU Taxonomy Regulation").

As the core business of KPMG N.V. is currently not defined in the EU Taxonomy, we only have a limited number of eligible activities, none of which is aligned.

This chapter explains in detail the assessment we performed and our view of the next steps.

2.4.1 Introduction

The EU Taxonomy is a classification system that sets requirements for companies to disclose the sustainability of their economic activities, expressed through three KPIs: turnover, capital expenditure (CapEx), and operating expenditure (OpEx).

The regulation requires KPMG N.V. to assess our economic activities and the extent to which they contribute to one or more of the six environmental objectives (EOs) included in the EU Taxonomy: climate change mitigation (CCM), climate change adaptation (CCA), sustainable use and protection of water and marine resources (WTR), transition to a circular economy (CE), pollution prevention and control (PPC), and protection and restoration of biodiversity and ecosystems (BIO).

An economic activity that is described in any of the Delegated Acts is potentially sustainable and reported as taxonomy eligible (category A in the KPI tables). Activities that meet the substantial contribution criteria, as well as the do-no-significant-harm criteria and minimum safeguards, are considered sustainable and reported as taxonomy aligned (category A1 in the KPI tables). Economic activities that are not (yet) described are reported as non-eligible (category B in the KPI tables).

2.4.2 Eligible activities

We screened KPMG N.V.'s internal (financial) reporting, the activity descriptions in the (annexes) to the Delegated Acts, and our peers' EU Taxonomy disclosures to identify eligible activities. We also confirmed the identified turnover-generating activities through interviews with engagement leaders.

For 2023/2024, the following eligible economic activities were identified:

EO	Economic activity	Corresponding KPMG N.V. activity	Relevant KPI
CCM	6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Leasing of passenger cars under IFRS16	CapEx, OpEx*
CCM	7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Maintenance cost of EV charging stations	OpEx*
CCM	7.7 Acquisition and ownership of buildings	Leasing of office buildings under IFRS16	CapEx, OpEx*
CCM	8.2 Data-driven solutions for GHG emissions reductions	Consulting services	Turnover
CCM	9.1 Close to market research, development and innovation	Consulting services	Turnover
CCA	9.3 Consultancy for physical climate risk management and adaptation	Consulting services	Turnover
CE	1.2. Manufacture of electrical and electronic equipment	Purchase of computer equipment (primarily laptops)	CapEx, OpEx*
CE	4.1 Provision of IT/OT data-driven solutions	Consulting services	Turnover

* OpEx KPI not reported; assessed as not material for the business model

Table 6

KPMG N.V. is also involved in education as meant by activity CCA 11.1, but this does not result in the recognition of turnover, CapEx, and/or OpEx in accordance with the EU Taxonomy definition. Training for clients on (upcoming) ESG regulation is often not a separate performance obligation but part of a broader project.

2.4.3 Alignment assessment

For eligible activities, KPMG N.V. has assessed the relevant technical screening criteria. Activities that are not material and where we were not able to ascertain compliance with the technical screening criteria due to lack of data or evidence are reported as eligible without any further assessment for alignment.

Activity CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles

Employees of KPMG N.V. can lease a passenger car. Due to the number of vehicles and range of manufacturers in our fleet, we have engaged with our lessors to obtain relevant data for the alignment assessment, especially in relation to re-use and recyclability criteria, as well as the rolling noise requirements. As we have not been able to obtain all necessary data to conclude on alignment, all additions in 2023/2024 are reported as eligible but not aligned.

Activity CCM 7.7 Acquisition and ownership of buildings

KPMG N.V. leases a limited number of buildings in the Netherlands. In 2023/2024, there was an addition of EUR 79,000 for the lease of an additional floor in one of these office buildings. This building dates from 2000 and has an energy performance certificate class A. We have not done our own climate risk and vulnerability assessment and have not assessed the physical climate risks to this building. This addition is therefore reported as eligible but not aligned.

Activity CE 1.2 Manufacture of electrical and electronic equipment

KPMG N.V. purchases computer equipment (primarily laptops), the manufacturing of which is a Taxonomy-eligible activity. The assessment of alignment of activities in the Environmental Delegated Act is not yet a requirement for the reporting period and is therefore reported as eligible but not aligned.

Minimum safeguards

Compliance with minimum safeguards is a requirement for alignment, to ensure that economic activities beneficial to the environment do not have an adverse social and governance impact. KPMG N.V. is still in the process of assessing full compliance with the minimum safeguards. For more information on the topics of anti-corruption and anti-bribery, human rights policy commitments, board diversity, and equal pay, see the relevant sections of this sustainability statement.

2.4.4 Key performance indicators

KPI	Numerator	Denominator
Turnover	Revenue from eligible and aligned products and services. Revenue is allocated to eligible and aligned activities based on the time and expenses charged to clients for the work performed on a specific activity.	Total revenue in accordance with note 6 to the financial statements .
CapEx	Total CapEx for eligible and aligned assets, including those: <ul style="list-style-type: none"> • related to assets or processes associated with Taxonomy-aligned activities, • that are part of a credible plan to expand or reach environmental sustainability (CapEx plan); and • related to the purchase of output from Taxonomy-aligned economic activities. Expenses are allocated based on the nature of the asset for which the expense is made and the related economic activity in the EU Taxonomy.	Total CapEx for: <ul style="list-style-type: none"> • investments in property, plant, and equipment (including right-of-use assets), see note 16 to the financial statements; and • investments in intangible assets (excluding goodwill), see note 15 to the financial statements.
OpEx	Total OpEx for activities: <ul style="list-style-type: none"> • related to assets or processes associated with Taxonomy-aligned economic activities, • that are part of a credible plan to expand or reach environmental sustainability (CapEx plan); and • related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low carbon or to lead to greenhouse gas reductions. Expenses are allocated based on the nature of the activity for which the expense is made and the related economic activity in the EU Taxonomy.	Total OpEx for: <ul style="list-style-type: none"> • non-capitalized costs related to research and development; • building renovation measures; • short-term leases; • maintenance and repair; and • other direct expenses related to the day-to-day servicing of property, plant, and equipment that are necessary to ensure the continued and effective functioning of such assets.

Table 7

The financial information for calculating these metrics is gathered from KPMG N.V.'s accounting system and excludes any intercompany transactions. Where relevant, to avoid double counting in the KPIs, the amounts related to economic activities that contribute to multiple environmental objectives have been allocated to the most relevant EO (as indicated in bold in the KPI tables).

Contextual information

KPMG N.V. reports its EU Taxonomy KPIs for the first time over 2023/2024. While we did not calculate comparatives for 2022/2023, the nature of activities in the prior year was similar.

Turnover from eligible activities is limited, as, for example, sustainability advisory expertise used for assurance services is currently not considered eligible. Future changes to the EU Taxonomy might result in the inclusion of low environmental impact activities, including, for example, professional services provided by auditors.

CapEx, which includes an amount of zero related to acquisitions through business combinations, can be broken down as follows. KPMG N.V. does not have a CapEx plan according to the definition in the Disclosures Delegated Act.

Eligible CapEx 2023/2024	Additions to computers and communication equipment	Additions to lease cars (right-of-use)	Additions to buildings (right-of-use)	Additions to buildings (owned)
CCM 6.5		€ 24,528	€ -	€ -
CCM 7.7		€ -	€ 79	€ -
CE 1.2	€ 2,275	€ -	€ -	€ -

Table 8

OpEx, in accordance with the EU Taxonomy definition, is calculated and considered not material for our business model. The denominator for 2023/2024 amounts to EUR 10.6m, being 1.6% of KPMG N.V.'s total OpEx, and is mainly related to research and development. As the reporting exemption is used, the OpEx numerator in the KPI tables is reported as nil.

We have not issued environmentally sustainable bonds or debt securities with the purpose of financing Taxonomy-aligned activities.

2.4.5 Nuclear-energy- and fossil-gas-related activities

Nuclear-energy-related activities	
1 The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2 The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3 The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil-gas-related activities	
4 The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5 The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6 The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Table 9

2.4.6 KPI tables

The EU Taxonomy datapoint disclosures are as follows.

2.4.7 KPI: Turnover

Financial year 2023/2024	2023/2024			Substantial contribution criteria						Do-no-significant-harm criteria						Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) turnover, 2022/2023 (18)	Category enabling activity	Category transitional activity
	Code(s)	Turnover	Proportion of turnover 2023/2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
Economic activities		EUR 1,000	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy aligned)																			
Turnover of environmentally sustainable activities (Taxonomy aligned) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N			
Of which enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N		E	
Of which transitional		0	0.0%	0.0%						N	N	N	N	N	N	N			T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Data-driven solutions for GHG emission reductions	CCM 8.2	112	0.0%	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Close to market research, development and innovation	CCM 9.1	157	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Consultancy for physical climate risk management and adaptation	CCA 9.3	666	0.1%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Provision of IT/OT data-driven solutions	CE 4.1	321	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,256	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%										
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		1,256	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%										
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities (B)		769,659	99.8%																
Total (A+B)		770,915	100%																

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	0.0%
CCA	0.0%	0.1%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Table 10

2.4.8 KPI: CapEx

Financial year 2023/2024	2023/2024			Substantial contribution criteria						Do-no-significant-harm criteria						Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) CapEx, 2022/2023	Category enabling activity	Category transitional activity
Economic activities	Code(s)	CapEx	Proportion of CapEx 2023/2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
		EUR 1,000	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy aligned)																			
CapEx of environmentally sustainable activities (Taxonomy aligned) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N		E	T
Of which enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N			
Of which transitional		0	0.0%	0.0%							N	N	N	N	N	N			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	24,528	82.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Acquisition and ownership of buildings	CCM 7.7	79	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of electrical and electronic equipment	CE 1.2	2,275	7.7	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		26,882	90.8%	83.2%	0.0%	0.0%	0.0%	7.7%	0.0%										
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		26,882	90.8%	83.2%	0.0%	0.0%	0.0%	7.7%	0.0%										
B. Taxonomy-non-eligible activities																			
CapEx of Taxonomy-non-eligible activities (B)		2,711	9.2%																
Total (A+B)		29,593	100%																

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	83.2%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	7.7%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Table 11

2.4.9 KPI: OpEx

Financial year 2023/2024	2023/2024			Substantial contribution criteria						Do-no-significant-harm criteria						Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) OpEx, 2022/2023	Category enabling activity	Category transitional activity
	Code(s)	OpEx	Proportion of OpEx 2023/2024	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity				
Economic activities		EUR 1,000	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy aligned)																			
OpEx of environmentally sustainable activities (Taxonomy aligned) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N		E	T
Of which enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N			
Of which transitional		0	0.0%	0.0%							N	N	N	N	N	N			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Acquisition and ownership of buildings	CCM 7.7	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of electrical and electronic equipment	CE 1.2	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%										
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%										
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities (B)		10,631	100%																
Total (A+B)		10,631	100%																

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	0.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Table 12

2.4.10 Evolution of alignment

KPMG N.V. has not yet set any (strategic) targets on EU Taxonomy alignment and we do not have a Taxonomy CapEx plan in place to align economic activities in the future, as the assets are mainly leased and not owned by KPMG N.V. The alignment percentage is therefore not expected to change significantly versus 2023/2024 in the short and medium term. We will, however, continue to engage with our lessors and evaluate the relevance of obtaining the data required to assess alignment. The technical screening criteria will also be taken into account in future investments in buildings.



3 Social information

Social sustainability is at the core not only of our business but also of who we are as a firm. Our commitment to society is ingrained in our strategy, which includes our ambition of becoming the most trusted and trustworthy professional services firm. Through our services, we contribute to a healthy economy and society and guide our clients through the disruptive transformations of today and tomorrow. In particular, we take our role in supporting the sustainability transition very seriously, with ESG solutions for our clients having been embedded in our firm for more than 30 years.

It is solely through our people (“our workforce”) that we can live our purpose – Inspire Confidence, Empower Change – and bring the best services to our clients. Driven by this purpose, our workforce is guided, in everything we do, by our values: Integrity, Excellence, Courage, Together, For Better. These values define our expectations of each other and, most of all, ourselves. Cultivating a purpose-driven and values-led culture takes time and perseverance, but we are dedicated to the process; after all, these values represent who we are and what it means to be part of KPMG N.V.

3.1 Own workforce

The impact we have on our workforce and the financial risks we face if we do not nurture, support, and inspire our people in the right way are at the core of our sustainability matters. To provide the very best services to our clients and to attract and retain our valued people, we see this as a top priority. How we care for our people drives our culture, which is, in turn, key to fostering a safe environment that encourages everyone to be innovative in delivering positive outcomes for our clients and society.

For this reason, integrating our values into our day-to-day work is a priority. In particular, we aim to create a psychologically safe working environment in which our people feel included, can speak their minds, and are encouraged to ask questions and experiment without fear of failure or reproval. This approach makes a significant contribution to the important transformations taking place within KPMG N.V. and in our clients’ organizations.

We recognize that our employees work hard to deliver quality services. It is therefore imperative that we stay attentive to the challenges they face and provide appropriate support to help them achieve their own career goals, as well as delivering for our clients. We understand that tensions can arise between our expectations of our people and the need to minimize any negative impacts they may experience. Here, we disclose our approach to managing such tensions, including key policies, actions, and targets in place to minimize any negative impacts on our own workforce. The resources we have dedicated to managing material IROs related to our own workforce are KPMG N.V.’s people-related teams: HR; Leadership, Culture, & Inclusion; and Learning & Development.

As summarized below, our sustainability matters related to our own workforce are grouped under three social themes: working conditions, well-being and engagement, and inclusion, diversity, and equity (IDE).

One of our key strategic priorities is to ensure we prevent and mitigate the negative impacts faced by our own workforce and provide numerous opportunities for the experience of positive impacts. Our policies and actions aim to support the members of our workforce to grow and fulfil their talent.

To ensure we effectively manage our own workforce-related material sustainability matters, we have key metrics and targets in place to measure our performance in these areas. By setting targets we are proactively monitoring our progress, ensuring we can respond effectively to any areas of concern and steer actions toward performance improvement.

S1 Own workforce	Impact materiality		Financial materiality		Value chain
Social theme	Positive	Negative	Opportunity	Risk	
Working conditions					
• Adequate wages				●	◀ ■ ▶
• Employee attraction and retention			●		◀ ■ ▶
• Training and education for our own workforce	●				◀ ■ ▶
Well-being and engagement					
• Social dialogue			●		◀ ■ ▶
• Work-life balance		●			◀ ■ ▶
• (Mental) Health and safety, incl. training		●			◀ ■ ▶
• Privacy		●			◀ ■ ▶
• Non-discrimination and measures against violence and harassment		●			◀ ■ ▶
Inclusion, diversity, and equity					
• Diversity (inclusion)		●			◀ ■ ▶
• Gender equality and equal pay for work of equal value		●			◀ ■ ▶

◀ Upstream applicable ▶ Downstream applicable ◀ Upstream not applicable ▶ Downstream not applicable ■ Own operations applicable

Descriptions of the eight material sustainability matters can be found in ESRS 2 section 1.8 **Material IROs and their interaction with strategy and business model**. Here, we report on these sustainability matters, how we address each theme in our organization, and how our ambition is supported by our performance.

Our workforce consists of employees and non-employees. We define our employees as the people working for us under a fixed or temporary employment contract, including our non-equity partners, and inbound expats. We consider our non-employees to be our equity partners, contractors, offshore resources, and interns.

3.1.1 General policies related to our own workforce

Recognizing our workforce as the key driver of our organizational success and one of our key stakeholders, we have implemented policies to manage potential negative impacts and risks. These policies not only establish structures to minimize such effects, but also provide a framework to amplify positive impacts and opportunities for our workforce. We describe each of our policies for managing our key workforce-related IROs within the relevant thematic section below. All policies are available via our intranet, where significant changes to a policy are also announced.

We have a workplace accident management system in place to prevent physical risks to our workforce's health.^[1] Based on the nature of our operations, however, we focus primarily on our employees' mental health and well-being. While we do not currently have a workplace accident prevention policy targeting mental health, our comprehensive Health & Happiness Guide is one of several ways in which we support employee well-being (see section 3.1.5.3 **Mental health and safety**).

Our Code of Conduct applies to our workforce and provides the basis for our commitment to equality and to a culture that is free from discrimination, whether based on race, ethnicity, gender, gender identity, sexual orientation, disability, age, marital status, or religious belief.

¹ Excluding offshore resources.

3.1.2 KPMG International approach to human rights

KPMG N.V. has adopted the KPMG International human rights statement, which aligns with the UN's Guiding Principles on Business and Human Rights (the "Guiding Principles"). This is a sign of our commitment to respecting human rights, building on our longstanding support for the UN Global Compact. We monitor human rights impacts across our global organization as part of our Global Quality & Risk Management processes. The KPMG International human rights statement is applicable to KPMG N.V. and ensures that we follow the UN Guiding Principles in avoiding causing or contributing to adverse human rights impacts through our own activities and addressing such impacts when they occur. The KPMG International Hotline is a reporting mechanism that allows our own workforce to raise any concerns that have caused or contributed to any adverse human rights incidents.

KPMG International's Global Code of Conduct, which covers KPMG N.V., includes a commitment to the 10 principles of the UN Global Compact, including human rights. The 10 principles are integrated in our Impact Plan as well as in our Supplier Code of Conduct. The Global Code of Conduct includes our commitment to not tolerating behavior – whether by our clients or suppliers or by public officials with whom we deal – that is illegal, unethical, or in breach of human rights. Furthermore, policies implemented at KPMG N.V. are consistent with the UN Declaration of Human Rights, the Guiding Principles, the International Labor Organization Core Conventions, and the Organization for Economic Co-operation and Development's Guidelines for International Enterprises.

3.1.3 Processes to remediate negative impacts and channels for our own workforce to raise concerns

As part of our comprehensive approach to psychological safety, which is important to mitigate any negative impacts on our workforce's mental health, well-being, and engagement, we aim to address and tackle any undesirable behavior. We have established various processes and structures to provide our workforce with multiple channels for raising concerns and ensuring they are addressed. These channels include grievance mechanisms such as a whistle-blowing hotline, confidential counselors, mediators, and the Complaints & Disputes Committee. Collectively, these processes form our KPMG N.V. safety net, supporting colleagues in managing undesirable behavior and work-related disputes.

These channels, including the whistle-blowing hotline, are detailed extensively on our intranet (InsideOut) and on the websites of KPMG N.V. and KPMG International. Employees can also contact an external confidential counselor through our intranet.

To ensure we provide effective remedies and appropriate mechanisms for raising concerns, a task force has made concrete recommendations for improvement. These are based on psychological safety research carried out in 2022/2023 and an analysis of actual instances of undesirable behavior. The research included all forms of undesirable behavior, which is understood as what an individual perceives as undesirable; this could include, but is not limited to, situations such as bullying, inappropriate jokes, (micro)aggressions, intimidation, all forms of discrimination, and sexual harassment. The recommendations led to process improvements such as the yearly measurement of psychological safety through our GPS and support for teams where these results indicate room for improvement.

KPMG N.V. ensures that our people can access channels for raising concerns by publishing communications via the intranet, integrated reports, and email updates. Available to clients, suppliers, and other business partners as well as to our own workforce, the whistle-blowing hotline enables people to report possible illegal, unethical, or otherwise unprofessional conduct, if the normal channels of communication are ineffective or difficult to access. Reports are received and handled by the Internal Audit & Compliance Office, which, if necessary, coordinates with the Country Risk Management Partner and General Counsel of KPMG N.V. We handle all reports confidentially, adhering to applicable legislation and regulations. We also provide protection for the reporting party.

The Complaints & Disputes Committee consists of six people. Established by the Board of Management and the Works Council, it deals with undesirable behavior and labor disputes. Our people, including both our employees and our non-employees working in the Netherlands, can raise concerns to this committee related to, for example, their work, terms of employment, development, or any instances or experiences of undesirable behavior, where they feel that these cannot be resolved in an open conversation. When a complaint is made, there is a process for assessing its admissibility followed by a thorough investigation into the complaint (including hearing from all relevant stakeholders). In the case of undesirable behavior, advice is then provided to the Board of Management, which determines any outcomes. For other types of complaint, the committee can act at its own discretion. This ensures the appropriate consultation and diligence, allowing the most appropriate outcomes to be reached and the necessary support to be provided to everyone involved.

KPMG N.V. has seven confidential counselors (six internal, one external) available to our people, including our employees and our non-employees working in the Netherlands. These counselors provide support and advice to any colleague who feels they need confidential support, including relating to situations where they are confronted with undesirable behavior. Where necessary, they accompany the colleague in conversations and/or involve an independent third party (mediator) to help reach a solution.

Furthermore, we have two internal mediators available, whom people can contact directly or be referred to by a confidential counselor. The mediator facilitates a conversation between two people, following a formal process to ensure that both sides are heard and that a fair and equitable outcome is reached.

We evaluate the effectiveness of these grievance mechanisms several times per year. The Complaints & Disputes Committee, together with the confidential counselors and mediators, presents an annual report to the Board of Management. The report provides an overview of the cases presented throughout the year and gives recommendations for further improving the process. We see it as a positive sign that our people feel comfortable raising matters through our safety net. The Board of Management ensures that employees can report on alleged irregularities without fear of reprisal. The Supervisory Board is immediately informed by the Board of Management about any signs of critical concerns within KPMG N.V.

3.1.4 Working conditions

Ensuring positive working conditions for our workforce is essential to achieving our business goals. Among these conditions, our DMA process identified, in particular, adequate wages and employee attraction and retention as sustainability matters that enable us to effectively attract and retain current and prospective employees alike. This section outlines our performance in these areas and demonstrates how our strategies, policies, actions, and targets enable us to consistently address and improve upon these key topics.

3.1.4.1 Adequate wages for our employees

IRO management: Key policies and actions to address adequate wages

Policy name	Key contents
Remuneration Policy	To attract highly skilled professionals whose capabilities align with and support our strategic growth, it is crucial that we offer competitive salaries to our employees. Our Remuneration Policy includes fixed and variable compensation, along with benefits, to ensure our employees receive an attractive salary in a very competitive market. Our Chief Human Resources Officer (CHRO) holds accountability for this policy.

Table 13

To maintain competitive wages and benefits for our employees, we benchmark our comprehensive remuneration package annually across all service offerings against selected markets. Our benchmarking analysis covers all our employees across Assurance, Advisory, and Business Services. This approach ensures we offer current and prospective KPMG N.V. employees desirable wages and sought-after social benefits and activities, with a key focus on the well-being of our people.

Metrics, targets, and performance on adequate wages

Although we have not set specific targets for competitive wages, the goal is to reward our employees competitively in relation to the markets relevant to us. Our annual benchmarking analysis ensures that our employees receive attractive remuneration in line with industry standards. This measure contributes to employee retention and helps ensure we remain an attractive employer. Furthermore, the annual GPS includes questions to measure employees' satisfaction with their total reward.

We conducted our annual benchmarking of our remuneration packages in April 2024. This resulted in an intermediate salary increase as per April 2024, an increase of the entire salary structure for all three business units as per October 2024, and enhanced secondary benefits related to expense claims to ensure we remain an attractive employer.

3.1.4.2 Employee attraction and retention

IRO management: Key policies and actions to address employee attraction and retention

Our ability to attract and retain employees, including by developing top talent, is crucial to our present and future success. To remain an attractive employer in the market, we have developed and implemented multiple key workforce-related policies, which are disclosed throughout this chapter. Our holistic approach to being an employer of choice is built on the collective strength of our comprehensive set of workforce-related policies. Our policies are designed to enhance the opportunities for and experiences of our employees, while also minimizing the negative impacts they may face and mitigating risks to our business from employee-related challenges. We do not, however, have a key isolated policy for managing the material sustainability matter of employee attraction and retention.

Our actions to retain our employees and remain an attractive employer address many of our key sustainability matters. This includes actions aimed at increasing **diversity within our workforce**, benchmarking exercises to ensure we provide attractive compensation and benefits for our employees, learning and development opportunities and programs to support the professional and personal growth of our people, and many activities focused on the health and well-being of our employees and non-employees working in the Netherlands. We do not have any key actions focused solely on this sustainability matter, since this topic requires an integrated approach encompassing talent attraction, learning and development, performance development, rewards and recognition, and IDE. This integrated approach is supported by the broad actions we implement to address various IROs for our workforce that contribute to employee attraction and retention.

The effectiveness of these actions is tracked and assessed in several ways, including GPS scores and our performance on attraction and retention targets.

Metrics, targets, and performance on employee attraction and retention

We recognize that investing in our people and sustaining our high-performing workforce strengthens our position as an attractive employer. Actively engaging with our employees and listening consistently to their needs contributes to maintaining high retention rates. We have set entity-specific retention targets for our client-facing employees in Advisory and Assurance, as well as for Business Services, which we monitor quarterly. While these targets include equity partners, they exclude inbound expats, whose departure is considered to be planned, giving us less information about their longevity at KPMG N.V..

Target-setting occurs as part of the annual business plan process. Based on prior-year results and future ambitions and developments, the leadership team HR – led by the CHRO and working closely with the leadership teams of Advisory, Assurance, and Business Services – proposes targets that are then discussed with and approved by the Board of Management.

Retention performance (entity-specific metric)

	Target 2023/2024	2023/2024	2022/2023
Assurance	85%	82.0%	85.7%
Advisory	84%	82.5%	84.1%
Business Services	85%	84.9%	87.8%

Table 14

The challenging labor market continues to drive our focus on retaining employees. Despite our efforts, retention rates in 2023/2024 declined compared to the previous year, coming in just below target. Increasing these retention rates is an important point of attention for the coming year.

Table 15 shows our employee turnover for 2023/2024 for all employees, with table 16 showing the distribution of leavers. This differs from the retention performance as shown in table 14 since, among other changes, it excludes equity partners and includes inbound expats.

Employee turnover

	2023/2024	2022/2023
Assurance	21.1%	18.5%
Advisory	18.2%	18.5%
Business Services	15.6%	13.3%

Table 15

Compared with 2022/2023, employee turnover increased in 2023/2024 in Assurance and Business Services and remained more or less stable in Advisory. The increase of employee turnover in Assurance is mainly driven by the tight labor market, which possibly makes people more likely to accept opportunities offered outside the Assurance profession. Furthermore, the population of inbound-expats is increasing. As the members of this group normally work for KPMG N.V. for a predetermined time only, this is another factor in the higher employee turnover.

Distribution of leavers

Number of employees (headcount)

	2023/2024	2022/2023 (restated) ¹
Distribution of leavers by gender		
Female	363	284
Male	435	415
Other	0	0
Not reported	0	0
Distribution of leavers by business unit		
Assurance	443	371
Advisory	272	266
Business Services	83	62
Grand total	798	699

¹ The comparative figures have been restated to reflect the definition of distribution of leavers in accordance with ESRS S1 50 (c). This means that, unlike in 2022/2023, equity partners are excluded and inbound expats and support staff working within Assurance and Advisory are included.

Table 16

The distribution of leavers by business unit in 2023/2024 was more or less in line with the previous year. Of the total leavers, 45% were female (compared to 41% in 2022/2023). This is an increase compared to the previous year, although the departing group remains predominantly male. Looking at the total female population the percentage of women leaving the organization increased (20%) compared to 2022/2023 (16%). This underlines the importance of our ongoing focus on female retention. Proportionally, there was an increase in Assurance and Business Services employees leaving the firm.

This data on employee turnover and leaver distribution is based on a different definition from the one we use to report and steer on internally. As such, we have not defined any targets that are tracked against the performance of these metrics. The effectiveness of our policies and actions is measured via the entity-specific retention metric in table 14.

Every year, we set dynamic recruitment targets for Assurance, Advisory, and – to a lesser extent – Business Services. Owing to the influence of market and/or economic circumstances, these targets are not fixed and can be adjusted throughout the year if necessary. In general, recruiting experienced professionals remains challenging in the current market. As well as Assurance, certain sectors such as Technology and Risk & Regulatory are particularly affected by a scarcity of qualified profiles. Every quarter, progress toward our total target is reported in the management report that is discussed within the Board of Management and sent to the Supervisory Board.

3.1.4.3 Training and education of our workforce

In line with our employee value proposition of life-long learning, we focus on investing in the learning and development of our people year on year. We aim to create an inspiring, continuous learning environment that motivates our people and supports their professional and personal growth by offering a variety of development opportunities and client assignments. Through regular training for our people on topics that are foundational for the services we provide, we aim to ensure that we maintain quality across our business and meet our regulatory requirements. This section provides an overview of our policies, actions, targets, and metrics related to training and the continuous development of our workforce.

IRO management: Key policies and actions to address training and education for our workforce

Our learning programs offer a diverse range of training opportunities, crucial for enhancing the skills and competencies of our workforce and ensuring compliance with legal, regulatory, and KPMG N.V. policy requirements. Responsibility for managing our learning offerings is shared between our Learning & Development department, Risk Management team, and Audit Quality Professional Practice team.

We invested EUR 13.4 million in learning and development in 2023/2024, up from EUR 12.7 million the previous year. The average number of training hours per employee slightly increased from 124 to 127 year on year.

To attract and retain diverse talent with varying career goals, we are developing new career paths and encouraging specialization for those who prefer to deepen their expertise in a particular area. This strategy aligns with our shift to a value-driven business model, where new technologies handle routine tasks, allowing our employees to concentrate on more complex issues. We recognize that this type of career progression is particularly appealing to younger generations entering the workforce; accordingly, we emphasize these opportunities clearly during onboarding.

Where necessary, we conduct formal annual assessments on the training requirements of our workforce to meet regulatory requirements, but we also embrace blended learning approaches. As well as combining e-learning, workshops, and intervention sessions to help our employees and equity partners enhance their critical-thinking skills through group exercises and dilemmas, we apply blended learning to strategic areas such as ESG, including the CSRD, leadership, digital skills, sales, ethics, and independence. Blended learning is offered to all our Assurance, Advisory, and Business Services employees and equity partners, with targeted training – either mandatory or encouraged – also provided to relevant employees.

During the past two financial years, we have faced actual material negative impacts related to (mandatory) training and education. In 2023/2024, the AFM, the main regulator of the financial sector in the Netherlands, placed the project to remediate and prevent answer sharing under enhanced supervision. During the year, we started implementing the remediation steps of this supervision program. This included additional measures to prevent answer sharing in the future, as well as multiple root cause analyses (RCAs) of cultural dimensions where we need to improve. To facilitate this process and move in the right direction, we launched a company-wide culture program, Values First, which will be further rolled out in 2024/2025.

We broaden our client services by developing professionals who blend subject-matter expertise with knowledge of new digital tools. Training on digitalization and innovation is therefore a key focus for us, so we can equip our employees and equity partners with the latest technologies and ensure they use them effectively. As part of this program, in 2023/2024, we welcomed seven young professionals to Assurance for our digital and innovation traineeship.

We are also continuing to develop our ESG learning curriculum – focusing on the CSRD legislation and our ESG service offerings at KPMG N.V., based on our Impact Plan – to broaden our employees' and equity partners' knowledge and skills in this area. In addition, we welcomed seven young professionals to Assurance for our ESG traineeship in 2023/2024. In line with our firm's commitment to ESG, we have also developed training modules to ensure relevant colleagues receive appropriate ESG education.

Metrics, targets, and performance on training and education for our workforce

We have not established training-related targets aligned with the ESRS-specific training metrics, which include performance reviews and average training hours per employee. Rather, we have focused on targets that ensure all our client-facing professionals meet the annual qualification and training requirement of 20 continuous professional education hours per year. Our certified auditors need to comply with the permanent education requirements as set out by the NBA. In addition, our AQIs include a target of more than 160 hours of training annually per audit professional (see section 4.1.2.2 [Audit quality performance and AQIs](#) for more information). We believe our tailored model offers all employees and equity partners training opportunities that align with their professional and personal goals, while also ensuring compliance with mandatory requirements.

Average training hours per employee

	2023/2024	2022/2023
Distribution by business line		
Assurance	196	181
Advisory	70	80
Business Services	15	20
Distribution by gender		
Female	114	113
Male	137	133
Distribution by employee category		
Partner/director	66	63
Senior manager	58	59
Manager	76	77
Senior	113	113
Junior	229	215
Other	7	6
Average training hours per employee	127	124

Table 17

The total average training hours per employee increased slightly in 2023/2024 compared to the previous year. The average was higher in Assurance than in our other business units. This also explains the higher average training hours for men compared to women: in Assurance and Advisory, the business lines with the highest average training hours per employee, the majority of employees are male (58% and 61% respectively). In Business Services, where the majority of employees are female (59%), the average training hours per employee are relatively low.

In [Audit quality performance and AQIs](#) we report on the average training hours per client-facing professional in audit. This amounted to 212 hours in 2023/2024 and 210 hours in 2022/2023. These numbers are higher than the average training hours per employee in Assurance as shown in table 17; the table includes non-client staff, which lowers the average.

Percentage participation in regular performance and career development reviews

	2023/2024		2022/2023	
	Yes	No	Yes	No
Distribution by business line				
Assurance	86%	14%	85%	15%
Advisory	86%	14%	91%	9%
Business Services	91%	9%	90%	10%
Distribution by gender				
Female	87%	13%	88%	12%
Male	86%	14%	88%	12%
Distribution by employee category				
Partner/director	99%	1%	99%	1%
Senior manager	93%	7%	96%	4%
Manager	95%	5%	93%	7%
Senior	92%	9%	91%	9%
Junior	69%	31%	75%	25%
Other	92%	8%	91%	9%
Grand total	87%	13%	88%	12%

Table 18

Regular performance and career development reviews are part of our annual performance and development cycle.

The vast majority of our colleagues received a performance and career development review in 2023/2024. The exception to this are recent joiners and colleagues who started as non-employees and became employees during the reporting period. The largest number of new joiners start on September 1 and are not yet subject to a performance and career development review by September 30.

3.1.5 Well-being and engagement

Enhancing the health and well-being of our employees is a top priority. To make a meaningful impact, we continuously engage with our employees on various topics to ensure they experience a psychologically safe environment in which to work and grow. Our employees operate in a high-performance and dynamic setting, which, if not properly managed, can lead to negative impacts on employee mental health linked to stress and anxiety. This section describes how we address sustainability matters related to our employees' health, well-being, and engagement through our policies, actions, targets, and performance.

3.1.5.1 Social dialogue

IRO management: Key policies and actions to address social dialogue

We place strong emphasis on employee engagement, recognizing social dialogue as a significant opportunity for our firm. To facilitate effective communication, we have implemented multiple channels that enable our employees to engage with us constructively. While we are not subject to a collective labor agreement and do not have a trade union, we are committed to offering a variety of means through which employees can reach out, depending on their preferences. KPMG N.V. makes several channels available to facilitate and govern social dialogue, so that our employees can regularly and meaningfully engage with us on a wide range of issues. Whilst we do not capture social dialogue under a specific policy, by actively engaging our employees on topics like well-being, we can strengthen engagement levels, boost productivity, improve working conditions, and reduce employee turnover.

Table 19 outlines the key channels we use to engage with our employees, ensuring we effectively manage any potential or actual impacts or risks within our workforce.

Form of employee engagement	Nature of engagement	Frequency
Global People Survey	We conduct an annual GPS to measure employee engagement and our performance in various areas such as career growth, collaboration, IDE, innovation, quality, leadership, and work environment. The survey is distributed to all employees and equity partners (excluding short-term inbound expats, as they generally do not meet the definition of being in employment for more than three months).	The GPS takes place annually in October, with results available shortly thereafter. The results are first discussed with the Board of Management, and an action plan is then prepared, setting out the desired follow-up actions on different elements based on the GPS scores. The GPS results are communicated to the entire organization and specific actions are carried out in line with the action plan. The effectiveness of these actions is measured in the following year's GPS results and – to a lesser extent – through our pulse surveys. By thoroughly evaluating the GPS results and implementing informed actions, we ensure that our employees' perspectives are understood and effectively used to guide our management of any potential or actual impacts they may face.
Pulse survey	The annual GPS is supported by pulse surveys throughout the year to determine whether interim action should be taken. Pulse surveys are sent to a randomly selected group of 1,500 employees. Non-employees are excluded from the pulse surveys.	During 2023/2024, we held two pulse surveys on each of the following topics: engagement, well-being, hybrid working, development management, ethical culture, and communication. To ensure the effectiveness of the pulse surveys, the results are shared with the Board of Management, with whom specific follow-up actions are also discussed. Key results and agreed actions are shared within KPMG N.V. through various platforms, including webcasts for partners and directors and our intranet (InsideOut).
Young Board Now	To facilitate effective communication and ensure our younger generation of employees is heard, we engage in regular dialogue with our Young Board Now. The Young Board Now is a group of nine engaged and energetic colleagues who represent young professionals, under the age of 31, within KPMG N.V. Its members actively collaborate with our leadership on crucial subjects, such as ESG, innovation, culture, IDE, and leadership.	In 2023/2024, interaction between the Young Board Now and our Board of Management and Supervisory Board took place during multiple events, including a lunch session, a GPS analysis session, a strategy session, and our Partners & Directors Event. This ongoing dialogue between the Young Board Now and the Board of Management ensures the experiences and challenges faced by our young employees are effectively communicated to our key decision-makers, helping to address any potential or actual impacts being faced by our employees. Furthermore, the Board of Management formally reflects on its dialogue with the Young Board Now, taking follow-up action where appropriate.

Form of employee engagement	Nature of engagement	Frequency
Works Council	The duties and rights of the Works Council are set out in the Wet op de Ondernemingsraden (WOR; Dutch Works Councils Act). The Works Council consists of 15 (elected) members who consult with the Board of Management on behalf of our employees. The Works Council represents all employees on the payroll of KPMG Staffing & Facility Services B.V. Non-employees are not represented by the Works Council.	<p>Both the Board of Management and our workforce collaborate closely with the Works Council, which strives to be a strong and respected partner in these dialogues. Every year, the Works Council holds approximately six consultation meetings with members of the Board of Management and the CHRO, depending on the nature of the topics under discussion. While the Works Council engages in a broad range of discussions, key topics discussed in 2023/2024 included remuneration and benefits, organizational changes, gaining consent on important employee matters related to data privacy, the health and well-being of our employees, our ethical culture, and performance development.</p> <p>The Works Council not only influences important decisions within KPMG N.V. but also contributes to its effective operation. Whenever a decision has substantial financial, economic, or organizational consequences for our firm, the CEO must request written advice from the Works Council. In addition, the CEO must request written approval from the Works Council for new policies to be introduced or existing policies to be amended according to article 27 of the WOR.</p>

Table 19

The CHRO holds operational responsibility for ensuring engagement with the GPS and pulse survey program, including sharing results with leadership and the wider organization and taking appropriate action. Our CEO is ultimately responsible for overseeing engagement with the Works Council and the Young Board Now.

Metrics, targets, and performance on social dialogue

Social dialogue target

	Target for 2023/2024	Performance in 2023/2024	Performance in 2022/2023
Employee engagement target (GPS score)	80%	77%	80%

Table 20

The target set for the employee engagement score in our GPS directly links to the desired level of engagement felt by our employees and equity partners. This is considered an important indicator of how well our employees and equity partners feel heard within the organization, as part of our approach to social dialogue.

Target-setting occurs as part of the annual business plan process. Based on prior-year results and future ambitions, the leadership team HR – led by the CHRO – proposes targets that are then discussed with and approved by the Board of Management.

In recent years, we have been close to our 80% target for employee engagement, with scores of 79% in 2021/2022, 80% in 2022/2023, and 77% in 2023/2024. There has been a slight change in the composition of the questionnaire over the same period; if the 2023/2024 result is corrected to make a like-for-like comparison, it is equivalent to a 1% year-on-year decrease. We recognize that engagement is the effect of a set of factors – including personal and professional development opportunities, the right workload, and an inclusive and psychologically safe work culture – and we are therefore fully committed to improving our performance on these different factors and on engagement as a whole. Having performed a deep-dive analysis into the causes of the slight decline in our score in 2023/2024, we have included remediation measures in our GPS action plan. Among other initiatives, we will actively involve employees from different function levels in developing actions for improvement, start our Values First program with a listening phase, and pilot our predictability, teaming and open communication (PTO) initiative in Advisory and Business Services.

3.1.5.2 Work-life balance

IRO management: Key policies and actions to address work-life balance for our employees

We provide our workforce with a flexible working environment designed to promote a healthy work-life balance. In our high-performance and dynamic setting, employees may face challenges that impact their work-life balance, potentially leading to burnout, stress, and negative effects on personal relationships and health. It is therefore crucial that we offer the flexibility our employees need to thrive, both professionally and personally. In accordance with Dutch law, we provide maternity and parental leave schemes for all our employees, including nine working weeks of partially paid leave for children under one year old. When personal circumstances change with the arrival of a child, we actively support our employees in dedicating more time and attention to their home life. We also provide flexible family-related leave options, ensuring our employees can take the appropriate time away from work when needed.

Our hybrid-working support scheme, including a working-from-home allowance and fully-equipped home office facilities, promotes and enables our employees to balance their time between home and the office. Furthermore, our remote work-from-abroad option allows employees to work from another country for a specified period. These schemes enhance our flexible work offerings and support our employees' diverse needs, contributing to our approach to managing our employees' work-life balance in the absence of a specific work-life balance policy.

In Assurance, meanwhile, workloads are actively monitored and managed through our work volume management program. The objective of this project is to maximize employees' energy and motivation by managing work volume and work pressure perception while maintaining audit quality and resource capacity. Central to the program is our PTO initiative, a way of working that supports our teams in creating more predictability in their workdays, setting ground rules as a team, and actively discussing how they are feeling, both professionally and personally. This supports a better work-life balance while still ensuring we meet the high standards of quality we and our clients expect. Moreover, to ensure our employees in Assurance are well rewarded and supported throughout busy periods, we have an overtime compensation scheme for functions below manager level.

We measure the effectiveness of our key actions related to work-life balance by closely monitoring planned and actual overtime and through the annual GPS, which includes questions related to employees' well-being.

Metrics, targets, and performance on work-life balance

We take a dynamic and flexible approach to mitigating any negative impacts on our employees' work-life balance. We have not set any formal targets for KPIs related to work-life balance, but by engaging with our employees through diverse communication channels (see [Social dialogue](#)), we aim to understand their concerns and foster an environment that supports both their professional and their personal lives.

Family-related leave

	2023/2024					
Employees entitled to family-related leave	100%					
	F		M		Grand total	
	#	%	#	%	#	%
Employees taking family-related leave	220	12%	229	9%	449	10%
	2022/2023 (restated) ¹					
Employees entitled to family-related leave	100%					
	F		M		Grand total	
	#	%	#	%	#	%
Employees taking family-related leave	165	9%	207	8%	372	9%

¹ The comparative figures have been restated to reflect the definition of family-related leave in accordance with ERS S1 93 (a) and (b).

Table 21

3.1.5.3 Mental health and safety

IRO management: Key policies and actions to address the mental health and safety of our workforce

The mental health of our people is a top priority. Supporting well-being is fundamental for our high-performance culture at KPMG N.V., and we therefore constantly strive to create a working environment that fosters health, well-being, and a good work-life balance. It is particularly imperative that we minimize any negative mental health impacts faced by our workforce due to people's workload. We analyze our employees' well-being through data from our yearly GPS and our pulse surveys.

Our commitment to supporting well-being includes providing preventive and curative mental health support, such as our PTO program. Since 2022, we have also made the OpenUp platform available to our employees and our non-employees working in the Netherlands. Providing a range of (mental) well-being and vitality programs on a single user-friendly platform, OpenUp was used in 2023/2024 by more than 600 colleagues, who accessed masterclasses, online check-ins, and conversations with a psychologist.

Our Health & Happiness Guide and psychological safety booklet are both available on our intranet for our employees and our non-employees working in the Netherlands. The guide offers numerous benefits, initiatives, and tips related to (mental) well-being, while the booklet provides guidance on dealing with difficult workplace situations and includes relevant links and information to ensure we maintain a psychologically safe environment for all our people.

In the absence of an overarching mental health policy for our workforce, these actions demonstrate our strong commitment to supporting our employees in this area. By actively monitoring the well-being and psychological safety of our employees and equity partners, we stay attuned to their needs and can proactively address any negative impacts related to their mental health.

Metrics, targets, and performance on the mental health and safety of our employees and equity partners

To gauge our effectiveness in minimizing negative impacts on our employees' and equity partners' mental health, we use two GPS-related KPIs:

GPS KPI

	Target for 2023/2024	Performance for 2023/2024
Satisfaction score – well-being	74%	72%
Psychological safety score	73%	71%

Table 22

The targets set for these GPS scores directly link to how our employees and equity partners perceive well-being and psychological safety within KPMG N.V., both of which are key to measuring our impact on mental health and safety. Target-setting occurs as part of the annual business plan process. Based on prior-year results and future ambitions, the leadership team HR – led by the CHRO – proposes targets that are then discussed with and approved by the Board of Management.

We analyze our GPS results annually and prepare an action plan to address people's feedback. In 2023/2024, the GPS well-being score was 72%, just below our target of 74%. The coming year, we are focusing on workload and employee resilience.

Since 2022/2023, we have specifically measured psychological safety – the extent to which employees and equity partners feel they are treated with respect, part of a team, and valued for their contribution. With a score of 71% in 2023/2024, we came in slightly under our target of 73%. Acknowledging that psychological safety is one of the key enablers of our culture, we have made this a foundational pillar of the Values First culture program launched in 2023/2024.

3.1.5.4 Privacy

IRO management: Key policies and actions to address the privacy of our workforce's data and personal information

Policy name	Key contents
Privacy Policy	The protection of our workforce's data and personal information is of the utmost importance. Our commitment to ensuring the privacy of this information is based around our Privacy Policy and Privacy Statement for Staff Members. Together, these ensure that KPMG N.V. protects the personal data entrusted to us and determine how this data is processed, complying with relevant privacy laws and regulations.
	Our Data Protection Officer, who supervises the processing of personal data, is involved in a timely manner in all material matters involving personal data. This role includes monitoring KPMG N.V.'s compliance with the EU's General Data Protection Regulation (GDPR). The Board of Management is ultimately responsible for lawful and careful personal data processing within KPMG N.V. and for our related policies. Our Privacy Policy is based on several regulations including GDPR.

All our employees and our non-employees working in the Netherlands complete annual mandatory privacy training in line with our Privacy Policy. This ensures continuous awareness of data privacy risks, increases knowledge about these risks, and encourages safe and responsible behavior. The effectiveness of these actions is measured through close monitoring of and follow-up on any (potential) data breaches.

Metrics, targets, and performance on the privacy of our workforce's data and personal information

While we have not set any targets related to this material topic, we do all we can to avoid any data breaches. To this end, we have set up a Privacy Control Framework. The Data Privacy Office – a specialized group within Legal – is responsible for maintaining the Privacy Control Framework, tracking its effectiveness, and following up on any circumstances giving rise to risks or actual incidents regarding the data privacy of our own workforce. This team also issues an annual report on data privacy, discussing with the Board of Management any data breaches and their nature, progress on previously identified focus areas, and focus areas for the coming year.

3.1.5.5 Non-discrimination within our own workforce

IRO management: Key policies and actions to address discrimination within our own workforce

We are committed to eliminating all forms of discrimination within our workforce. Recognizing that discrimination can lead to negative impacts, we strive to ensure fair treatment and equal opportunities for all our people, regardless of gender, race, age, or other characteristics. By implementing non-discrimination practices, we minimize negative impacts on our workforce. Our IDE programs address discrimination and are a core component of our workforce strategy. During 2023/2024, we continued focusing on IDE and, in particular, on removing bias from our HR processes.

Policy name	Key contents
Regulations on Undesirable Behavior	Our Regulations on Undesirable Behavior apply to everyone who has an employment contract with KPMG N.V., including equity partners, interns, and contractors. This policy sets out processes to minimize and eliminate any form of undesirable behavior experienced by our people, including discrimination. As part of our process to eliminate all forms of discrimination within our workforce, we are also developing a specific anti-discrimination policy, which will be implemented in 2024/2025.
	Our CHRO has ultimate responsibility for ensuring the implementation of the Regulations on Undesirable Behavior. The Board of Management ensures that our people can report on alleged irregularities without fear of reprisal.

To promote a supportive and compassionate management environment, we continued providing empathetic leadership training for 60 development managers in 2023/2024, as well as organizing intervision workshops. Meanwhile, our well-established confidential counselors, dedicated Complaints & Disputes Committee, and whistle-blowing hotline continued to operate as key pillars of support for our employees.

Metrics, targets, and performance on discrimination within our own workforce

	2023/2024			2022/2023		
	Discrimination	Other complaints	Total	Discrimination	Other complaints	Total
Counselors	1	36	37	4	53	57
Mediators	1	3	4	0	8	8
Complaints & Disputes Committee	0	12	12	0	6	6
Internal Audit & Compliance Office	1	7	8	1	2	3
Total	3	58	61	5	69	74

Table 23

The total number of discrimination-related (including harassment related to discrimination) and other complaints in 2023/2024 decreased compared to the previous year. The proportion of complaints reported related to discrimination declined from 6.8% of total complaints in 2022/2023 to 4.9% of total complaints in 2023/2024. No fines, penalties, and/or compensation for damages were imposed in relation to the discrimination incidents and complaints.

We have not set any formal targets for the implementation of our comprehensive non-discrimination practices, but we always aim to keep the number of incidents of discrimination, including harassment, as low as possible. While we see it as a positive sign that our people feel comfortable raising such matters through our safety net, we also believe every incident is one too many. We will therefore continue to work toward reducing the number of incidents to zero. Our current approach gives us clear oversight of when an incident does occur, enabling us to effectively support our people and ensure it does not happen again.

3.1.6 Inclusion, diversity, and equity

We promise our people the best human experience, meaning our workplace needs to be one people want to be a part of: an inclusive, diverse, and equitable environment where they feel safe and supported. We provide elements of our IDE programs to our whole workforce, to help develop an inclusive environment that our people are proud to call their workplace. We value different perspectives and encourage all our people to be themselves completely. This section offers a concise overview of our performance in this area, highlighting our policies, actions, targets, and overall results.

3.1.6.1 Diversity within our own workforce

IRO management: Key policies and actions to address diversity within our own workforce

At KPMG N.V., diversity in our own workforce refers to the presence of individuals with different backgrounds and characteristics, including, but not limited to, race, ethnicity, gender, sexual orientation, age, and physical abilities.

Policy name	Key contents
Legal Framework Diversity Policy	Our commitment to IDE is guided by our Legal Framework Diversity Policy, which details the requirements necessary to achieve our IDE goals for our entire workforce. With gender equality and pay parity central to KPMG N.V.’s IDE programs, the policy also reinforces our dedication to positively impacting female employees by ensuring equal treatment for men and women in terms of pay, benefits, and advancement opportunities. The Leadership, Culture, & Inclusion team is responsible for this policy and reports to the CHRO, who has overall accountability. This policy contains requirements for KPMG N.V. as part of its commitment to the Dutch diversity law that came into effect on January 1, 2022 and the Dutch Corporate Governance Code (2022).

To support our Legal Framework Diversity Policy and deliver on our IDE ambitions, we commit to numerous and varied actions every year. From a cultural perspective, for instance, we actively and innovatively foster an inclusive environment through initiatives including our International Day, Culture Week, and Ramadan Challenge, as well as the possibility to exchange one public holiday for another cultural holiday.

We also aim to create a more diverse and inclusive working environment by encouraging applications from candidates with an array of experiences and backgrounds. As well as continuously investing in IDE programs and unbiasing our HR processes, we review our people processes every year to identify any unconscious bias risks. This includes, for example, assessing promotion decisions for director, non-equity partner, and equity partner positions to eliminate bias.

In addition, to ensure our employees and equity partners feel seen and heard as part of our GPS, we ask them to indicate whether they perceive themselves to be part of a vulnerable or marginalized group. This helps us to specifically analyze these groups’ GPS results and formulate measures accordingly.

In the area of gender diversity, we focus on inclusive sponsorship for women in leadership and senior management roles. This goes beyond mentoring; instead, we actively sponsor women to ensure they receive the opportunities needed for advancement within KPMG N.V., addressing the talent gap among women at these levels. Sponsorship involves interviewing women in senior manager positions to understand the challenges they face and what support they need from our organization. In 2023/2024, we launched a pilot for an inclusive sponsoring program focused on women and non-native Dutch speakers who are currently managers or senior managers. Participants are linked to a sponsor in the form of one of our KPMG N.V. partners. We intend to extend the roll-out of this program in 2024/2025.

Metrics, targets, and performance on diversity within our own workforce

The methodology adopted by KPMG N.V. to disclose the metrics related to our employees is to report the information based on headcount as on the first reporting day of each financial year (October 1).

Gender

Number of employees (headcount)

	2023/2024	2022/2023 (restated) ¹
Male	2,416	2,325
Female	1,840	1,793
Other	0	0
Not reported	0	0
Total employees	4,256	4,118

¹ The comparative figures have been restated to reflect the definition of number of employees (headcount) by gender in accordance with ESRS S1 50 (a). This means that, unlike in 2022/2023, equity partners are excluded.

Table 24

The 2023/2024 headcount increased by 3.4% compared to 2022/2023, with higher relative increase in the number of men (3.9%) compared to women (2.6%).

Number of employees (headcount)

	2023/2024				
	Female	Male	Other	Not reported	Grand total
Permanent	1,512	2,052	0	0	3,564
Advisory	499	795	0	0	1,294
Assurance	751	1,057	0	0	1,808
Business Services	262	200	0	0	462
Temporary	328	364	0	0	692
Advisory	110	143	0	0	253
Assurance	154	192	0	0	346
Business Services	64	29	0	0	93
Non-guaranteed	0	0	0	0	0
Advisory	0	0	0	0	0
Assurance	0	0	0	0	0
Business Services	0	0	0	0	0
Grand total	1,840	2,416	0	0	4,256

2022/2023 (restated) ¹					
	Female	Male	Other	Not reported	Grand total
Permanent	1,461	1,989	0	0	3,450
Advisory	482	787	0	0	1,269
Assurance	742	1,009	0	0	1,751
Business Services	237	193	0	0	430
Temporary	332	336	0	0	668
Advisory	106	116	0	0	222
Assurance	163	182	0	0	345
Business Services	63	38	0	0	101
Non-guaranteed	0	0	0	0	0
Advisory	0	0	0	0	0
Assurance	0	0	0	0	0
Business Services	0	0	0	0	0
Grand total	1,793	2,325	0	0	4,118

¹ The comparative figures have been restated to reflect the definition of number of employees (headcount) that have a permanent-, temporary- or non-guaranteed contractual agreement (headcount) in accordance with ESRS S1 50 (b). This means that, unlike in 2022/2023, equity partners are excluded.

Table 25

Temporary contracts are offered to new colleagues in certain departments. The proportion of our employees with a temporary contract in 2023/2024 (16.3%) was in line with the previous year (16.2%).

Gender diversity per employee category

	2023/2024			
	Female		Male	
	#	%	#	%
Partner/director (incl. equity partners)	105	22%	377	78%
Partner/director (excl. equity partners)	80	26%	229	74%
Senior Manager	209	34%	410	66%
Manager	280	41%	396	59%
Senior	581	46%	677	54%
Junior	495	42%	687	58%
Other	195	92%	17	8%
Total employees	1,840	43%	2,416	57%
Total employees and equity partners	1,865	42%	2,564	58%

	2022/2023			
	Female		Male	
	#	%	#	%
Partner/director (incl. equity partners)	98	21%	363	79%
Partner/director (excl. equity partners)	74	26%	213	74%
Senior Manager	203	34%	395	66%
Manager	270	43%	364	57%
Senior	515	44%	665	56%
Junior	527	44%	662	56%
Other	204	89%	26	11%
Total employees	1,793	44%	2,325	57%
Total employees and equity partners	1,817	42%	2,475	58%

Table 26

Gender diversity per employee category in 2023/2024 remained more or less in line with 2022/2023. For our targets and performance on gender diversity, see table 30.

Full-time and part-time employees

Number of employees (headcount)

	2023/2024		
	Female	Male	Grand total
Full-time	1,359	2,208	3,567
Advisory	453	861	1,314
Assurance	745	1,160	1,905
Business Services	161	187	348
Part-time	481	208	689
Advisory	156	77	233
Assurance	160	89	249
Business Services	165	42	207
Grand total	1,840	2,416	4,256

	2022/2023 (restated) ¹		
	Female	Male	Grand total
Full-time	1,338	2,110	3,448
Advisory	456	819	1,275
Assurance	719	1,113	1,832
Business Services	163	178	341
Part-time	455	215	670
Advisory	132	84	216
Assurance	186	78	264
Business Services	137	53	190
Grand total	1,793	2,325	4,118

¹ The comparative figures have been restated to reflect the definition of number of employees (headcount) that work full-time and part-time per business unit in accordance with ESRS S1 52 (a) and (b). This means that, unlike in 2022/2023, equity partners are excluded.

Table 27

The percentage of employees that work full-time (84%) in 2023/2024 was equal to 2022/2023. A higher proportion of women worked part-time (26%) than men (9%).

Table 28 compares this headcount-based information to the representative number in the financial statements, based on full-time equivalent (FTE), as an annual average and on October 1.

	2023/2024									
	FTE – average			FTE – October 1			Headcount – October 1			
	(financial statements)			(financial statements)			(sustainability statement)			
	Female	Male	Grand total	Female	Male	Grand total	Female	Male	Grand total	Of which equity partner
Advisory	575	941	1,516	595	989	1,584	619	999	1,618	71
Assurance	876	1,264	2,140	889	1,312	2,201	919	1,330	2,249	95
Business Services	288	225	513	296	229	525	327	235	562	7
Grand total	1,739	2,430	4,169	1,780	2,530	4,310	1,865	2,564	4,429	173

	2022/2023									
	FTE – average			FTE – October 1			Headcount – October 1			
	(financial statements)			(financial statements)			(sustainability statement)			
	Female	Male	Grand total	Female	Male	Grand total	Female	Male	Grand total	Of which equity partner
Advisory	551	947	1,498	578	955	1,533	599	965	1,564	73
Assurance	860	1,233	2,093	878	1,262	2,140	917	1,275	2,192	96
Business Services	256	220	476	276	227	503	301	235	536	5
Grand total	1,667	2,400	4,067	1,732	2,444	4,176	1,817	2,475	4,292	174

Table 28

We define our employees as the people working for us under a fixed or temporary employment contract, including our non-equity partners, and inbound expats. We consider our non-employees to be our equity partners, contractors, offshore resources, and interns.

The methodology adopted by KPMG N.V. to disclose the metrics related to our employees and non-employees is to report the information based on headcount as on the first reporting day of the next financial year (October 1)^[1].

Total number of non-employees (headcount)

	2023/2024	2022/2023*
Equity partners	173	174
Offshore resources	506	456
Contractors	238	213
Interns	117	119
Grand total	1,034	962

* The comparative figures have been restated to reflect the definition of number of non-employees (headcount) in accordance with ESRS S1 56. This means that, unlike in 2022/2023, equity partners are included.

Table 29

The total number of non-employees increased by 7.5% year on year, higher than the increase of our employees at 3.4%. This is in line with our objective to increase our use of our offshore resources for standard procedures.

Our target-setting for increasing workforce diversity has primarily focused on enhancing gender diversity at various levels of our organization. We have multiple targets for the Supervisory Board, Board of Management, and partner/director level (including equity partners). Furthermore, we have a target for female representation in our leadership teams, consisting of the Group leadership team, including the Board of Management, and our Assurance, Advisory, and Business Services leadership teams.

Gender diversity at leadership levels

	Target for 2023/2024	Performance in 2023/2024		Performance in 2022/2023	
	%	#	%	#	%
Female representation at partner/director level	23%		22%		21%
Supervisory Board		5		6	
Female	50%	2	40%	3	50%
Male	50%	3	60%	3	50%
Board of Management		4		4	
Female	≥40%	2	50%	2	50%
Male	≥40%	2	50%	2	50%
Leadership teams	30%	26		28	
Female		12	46%	11	39%
Male		14	54%	17	61%

Table 30

¹ We use October 1 as reference date to present workforce figures that reflect the situation at the end of the financial year (e.g. assigned promotions become effective as of October 1).

The targets set for gender diversity directly link to KPMG N.V.'s objective to provide equal opportunities to all our people. These targets apply at various leadership levels: the Supervisory Board, the Board of Management, the total group of partners and directors, and the leadership teams. Target-setting occurs as part of the annual business plan process. Based on prior-year results and future ambitions, the leadership team HR – led by the CHRO – proposes targets that are then discussed with and approved by the Board of Management. Target-setting for gender diversity within the Supervisory Board and the Board of Management is established in the corresponding regulations and is determined by the Supervisory Board.

With 22% female representation at partner/director level, we came in under target in 2023/2024. While we are succeeding in our aim to hire and promote more women than men at partner/director level every year (with the percentage of women at partner/director level having risen steadily for years), growth is slow, owing to the proportionally larger number of men in senior positions.

Our aim is to have 50% women on the Supervisory Board. With the departure of Claartje Bulten, one position became vacant in 2023/2024. As a result, the Supervisory Board consisted of five members on October 1, 2024, of which 40% are female. With no changes in the Board of Management, its 50% gender balance remained at the end of 2023/2024.

We are proud of the increase in female representation in our leadership teams (comprising of KPMG N.V.'s Group leadership team and the separate leadership teams of Assurance, Advisory, and Business Services). This increased to 46% in 2023/2024, a step up compared to the previous year and outperforming our target of 30%.

Cultural diversity of employees and equity partners

	2022/2023		
	Dutch	European migration origin	Non-European migration origin
Assurance	54%	10%	36%
Advisory	66%	12%	22%
Business Services	64%	7%	29%
Total	60%	10%	30%

Table 31

This year, we obtained detailed insights in the cultural diversity of our employees and equity partners for the first time, using the Central Bureau of Statistics (CBS) Cultural Diversity Barometer to analyze data from 2022/2023^[1]. For our 2024/2025 integrated report, we also aim to include this information as October 1, 2024 and October 1, 2025.

In total, 40% of our employees and equity partners are of non-Dutch origin, with Assurance having the highest cultural diversity of our three business lines.

¹ For 4.5% of the population (employees and equity partners) the CBS was not able to determine the country of origin. This uncertainty should be taken into account when interpreting these figures.

	2022/2023		
	Dutch	European migration origin	Non-European migration origin
Partner/director	84%	5%	11%
Senior manager	66%	10%	23%
Manager	57%	12%	31%
Senior	53%	12%	35%
Junior	54%	11%	35%
Other	66%	5%	29%
Total	60%	10%	30%

Table 32

Cultural diversity is highest in our junior and senior employee group and decreases toward the level of (equity) partner and director. Our efforts to foster an inclusive environment are aimed at increasing cultural diversity in these senior groups. We will use the 2022/2023 data as baseline for determining future targets and will continue our efforts to achieve the desired results.

Distribution by age group

Number and percentage of employees (headcount)

	2023/2024		2022/2023 ¹	
	#	%	#	%
<30	1,947	46%	1,877	46%
30–50	1,944	46%	1,897	46%
>50	365	9%	344	8%
Total employees	4,256	100%	4,118	100%

¹ The comparative figures have been restated to reflect the distribution by age group of employees (headcount) in accordance with ESRS S1 66 (b).

Table 33

The vast majority of our employees are younger than 50 years old and the distribution by age group in 2023/2024 is in line with 2022/2023.

3.1.6.2 Gender equality and equal pay for work of equal value

IRO management: Key policies and actions to address gender equality and equal pay for work of equal value

Following our Legal Framework Diversity Policy (see section 3.1.6.1 [Diversity within our own workforce](#)), gender equality and pay parity are central to KPMG's IDE programs. The policy also enforces equal treatment for men and women in terms of pay, benefits and advancement opportunities. We strive to ensure equal pay by annually monitoring our gender pay gap performance. The gender pay gap is defined as the difference between the average hourly pay for men and the average hourly pay for women, divided by the average hourly pay for men.

Furthermore, our salary structure provides minimum and maximum salaries per function, which helps prevent unequal pay for work of equal value. To maintain gender-equal career progression and opportunities, we perform an annual horizontal comparison of all promotions and performance outcomes, helping us identify any biases or deviations and ensure gender-equitable performance outcomes. This year-end review includes all our employees across Assurance, Advisory, and Business Services.

Metrics, targets, and performance on gender equality and equal pay for work of equal value

We conduct process checks on the outcome of promotions and performance reviews and variable pay to ensure that we realize our target of equal pay for men and women within the same functions. This is actively monitored, with results from the gender pay gap assessment reported to the Board of Management as part of our year-end review. This review investigates the promotion ratio and equal pay ratio, as well as assessing progress on annual variable remuneration based on gender.

We have no material deviations on equal pay.

Gender pay gap per employee category

Employee category	2023/2024	2022/2023 ¹
Partner/director	3.8%	7.5%
Senior manager	5.5%	6.2%
Manager	0.0%	0.8%
Senior	2.3%	2.0%
Junior	-2.3%	-0.6%
Other	4.2%	-7.2%
Grand total ²	13.4%	15.1%

¹ The comparative figures have been restated to reflect the gender pay gap in accordance with ESRS S1 95. This means that, unlike in 2022/2023, pension contributions and lease or mobility budgets are included.

² The total gender pay gap is calculated based on our total employee population. The CEO is not included in the gender pay gap per employee category, as this is considered a stand-alone function of which the annual pay is not comparable to any of the identified employee groups.

Table 34

The gender pay gap is reported in accordance with the reporting requirements of the ESRS. Please note that the gender pay gap is not to be confused with pay equality. The gender pay gap is determined as the difference between the average hourly pay for men and the average hourly pay for women, divided by the average hourly pay for men. This is calculated for all male and female employees within our organization, regardless of the nature of their work. This method implies that a pay gap arises when there are more men than women at higher positions in the organization or within an employee category. And therefore, the gender pay gap of 13.4% for all employees underpins specifically the importance of increasing female representation at senior positions.

In 2023/2024 we achieved a decrease of the gender pay gap to 13.4%, coming from 15.1% in 2022/2023. This is largely driven by improvements in the partner/director levels (decrease to 3.8% in 2023/2024 compared to 7.5% in 2022/2023) and, to a smaller extent, by a 0.7% point improvement in the senior manager category to 5.5% in 2023/2024.

The employee category 'other' consists mainly of our secretaries and, to a smaller extent, a diverse group of support staff within Assurance, Advisory and Business Services. The number of men in this category is relatively low and at the same time they have a diversity of functions within the 'other' category. As a result, the average hourly pay of men is quite volatile over the years. If there are changes in the number of men this is directly reflected in the average pay. In 2023/2024 the number of men with a relatively lower salary decreased, because they switched jobs or left KPMG, resulting in a slightly higher average pay for men compared to women in 2023/2024.

Our own annual internal analysis shows that there is no significant gender pay gap for employees performing comparable jobs and performing this job for the same time. This is consistent with our target.

Annual total remuneration ratio

2023/2024	18.4
2022/2023 (restated) ¹	18.0

¹ The comparative figures have been restated to reflect the ratio between the remuneration of the highest paid individual and the median remuneration for its employees. This means that, unlike in 2022/2023, pension contributions and lease or mobility budgets are included.

Table 35

The annual total remuneration ratio shows the relationship of the highest remuneration within KPMG N.V. to the median of the total for our employees (excluding the highest-paid individual). The annual total remuneration ratio is more or less in line with 2022/2023.

3.2 Consumers and end-users: our impact and strategy

Sustainability is in our DNA. With KPMG N.V.’s sustainability department founded in 1992 and our first assurance engagement on environmental information taking place in 1996, we have made sustainability part of our work for more than 30 years and are intrinsically motivated to contribute to a more sustainable society. Initially, KPMG N.V. focused on the environmental part of sustainability, raising awareness of the importance of environmental transparency and the increasing need for environmental accounting and assurance to support companies and their stakeholders in managing and controlling environmental risks. Over the decades, we have expanded our approach, combining our in-depth expertise in Assurance and Advisory with specific technical expertise on a broader range of sustainability topics, such as decarbonization, ESG strategies, and human rights.

Today, the increasingly urgent need to build a more equitable and environmentally sustainable society, as well as the impetus provided by new regulations, is accelerating the speed of the sustainability transition. Together with our global network, we are continuously improving and enhancing our services to maintain a frontrunner position in sustainability. For us, the implementation of sustainability regulations is only the beginning; we are also committed to – and internationally recognized for – supporting our clients in improving their sustainability performance beyond compliance.

At KPMG N.V., we contribute to society by providing verification that supports increased trust in financial and sustainability information and by embedding sustainability across our client services. From our stakeholder engagement, we have concluded that our positive impact on society through our ESG related Assurance and Advisory services is a material sustainability matter. We believe we have a positive impact on society and consider our sustainability services for society as a financial opportunity; however, if we fail to properly address the need for sustainability support across all our services, this matter becomes a financial risk.

S4 Consumers and end-users	Impact materiality		Financial materiality		Value chain
	Positive	Negative	Opportunity	Risk	
Impact on sustainability through our services	●		●	●	◀ ■ ▶

◀ Upstream applicable ▶ Downstream applicable ◀ Upstream not applicable ▶ Downstream not applicable ■ Own operations applicable

We consider the role of both the auditor and the advisor important in this era of transformation and are confident that our values support our professionals to fulfil this role. In particular, our values encourage our people to bring ESG proactively into engagement conversations with clients: leading change, values first. Meanwhile, for many clients, the new CSRD is reshaping sustainability reporting and performance from the 2024 reporting year onwards. Dealing with this change and navigating this new landscape – even with regulation still under development and subject to transposition into national law – requires courage and collaboration, both within our organization and with our clients. We see it as our responsibility to communicate with our clients on the need to act. Moreover, our expertise needs to be applied to clients at different levels of maturity regarding their sustainability practices, knowledge, and ambitions.

Listening to the needs of our stakeholders in 2021/2022, we issued a letter to inform our clients about the climate impact on our audit approach. We published another such letter in 2023/2024, a year in which we also began including a climate scope paragraph in the long-form audit report of clients' financial statements 2022.

Our role is ultimately to increase public trust in information. We define our consumers and end-users as the users of corporate reporting and the consumers of our client organizations' activities. KPMG N.V. aims to support clients that meet our ethical standards with sustainability services in two categories: those related to the sustainability reporting chain and those related to sustainability performance.

Services related to the sustainability reporting chain

Our Assurance and Advisory professionals alike provide services related to the sustainability reporting chain, increasing trust among end-users and consumers who use the information our clients share about their sustainability performance. The main ESG support we provide in this area includes:

- Reporting frameworks and standards: providing knowledge to clients that supports them to identify and address regulatory requirements across actual and future ESG regulations (e.g., ESRS, the International Financial Reporting Standards (IFRS), or specific topical regulations).
- Data: supporting clients in creating and/or collecting data on the sustainability matters they face.
- Technology: helping clients embed new digital solutions to guarantee data quality and increase data collection efficiency. This gives them the opportunity to provide their stakeholders with qualitative, timely ESG information and steer their organization based on reliable information.
- Reporting: helping clients embed new ESG reporting laws and regulations in their organization, including regulatory requirement scans, reporting implementation support, accounting support, and organizational readiness support (relating to, e.g., cultural change, internal controls and governance, and financial transformation).
- Risk and compliance: helping our clients develop governance and internal control frameworks on non-financial reporting.
- Due diligence: supporting our clients with the impact of ESG performance on deals and increasing the reliability of and trust in ESG performance data.
- Assurance: providing assurance on ESG reporting on specific sustainability regulations (e.g. CSRD, GRI, International Sustainability Standards Board (ISSB)).

Consumers and end-users are therefore positively affected by the availability of correct and complete sustainability reporting, which supports them (and other stakeholders) to make informed decisions about the reporting entity.

Services related to improving sustainability performance

Our Advisory professionals provide services to support organizations in improving their sustainability performance. We work with many clients who are seeking to accelerate their progress toward their transitional ambition, but we also encounter clients who are considering their sustainability performance for the first time owing to new ESG-related laws and regulations, including many companies in scope of the CSRD from 2025 onwards. Having supported clients on their sustainability performance for many years, we know that as soon as an organization starts measuring its performance, its results become visible and hence more important. We see this happening for a fast-growing group of clients, to whom we provide a variety of strategic and operational advice including:

- ESG strategy support: building new ESG strategies or improving existing ones to contribute positively to sustainability matters and to support organizations in developing profitable strategies regarding ESG and sustainable investments.
- Climate risk assessments and decarbonization services: helping clients with their net-zero strategies or business model changes.
- Biodiversity analysis and advice.
- Circularity services.
- Supply chain analysis: increasing clients' insights into their supply chain and supporting them in taking action, in the face of increasing requirements around supply chain responsibility.
- Data and technology support: helping clients improve their measurement capabilities and efficiency using ESG reporting and tooling solutions.
- Culture and change management: helping clients embed sustainability-related changes in their organizations, including through leadership support.

- Risk and regulatory compliance support: aligning reporting requirements across different regulatory frameworks that are, or will become, applicable to clients.

We are committed to driving meaningful, sustainable change for our clients, which in turn has a positive effect on consumers, end-users, and society as a whole.

Our strategy is founded on prioritizing ESG topics in our decision-making, processes, and solutions. In the previous and current year, we were and are focused on embedding our ESG ambitions into all we do – an approach we call “watermarking ESG.” We are continuously improving and applying our expertise in ESG together with our other strategic and reporting capabilities. Recognizing that the high speed of change in our operating environment will pose challenges to our people and services in the coming years, we will ensure we continue to make a positive contribution to society in this important era of transformation.

3.2.1 Policies and actions related to consumers and end-users

The key policies and actions that support our professionals to deliver strong ESG-related services to our clients include:

- ESG assurance quality framework: Along with competence centers staffed with subject-matter experts from our Sustainability department, this framework provides teams with technical support, enabling them to better embed ESG knowledge in all our engagements. By delivering quality assurance on ESG, we ensure that consumers and end-users can access the accurate and verifiable information they rely on in making informed decisions about investments and other matters, especially when it comes to clients’ sustainability performance.
- Partnerships: Collaboration is needed to bring the best services to our clients and actively forge partnerships to co-create stronger solutions. Our notable partners include:
 - Naturalis, the national biodiversity research institute and an international leader in digital biodiversity information. Our collaboration brings together Naturalis’s biodiversity expertise and KPMG N.V.’s experience in advising on sustainability, strategy, and implementation to advise organizations on their impact on nature and biodiversity.
 - Technology providers, with whom we work to offer clients expertise, tooling, and solutions for more efficient and effective ways of working.
 - Nyenrode Business University, home to our joint ESG Innovation Institute. Since 2022, our executive program has provided a forum for more than 200 board members and KPMG N.V. partners to learn and share their ESG knowledge and experiences.
- Education and learning: We are prioritizing the delivery of adequate and relevant ESG knowledge to all our professionals, so they can in turn provide our clients with high-quality insights and services. This includes knowledge on the most relevant ESG regulations (such as the CSRD and the Corporate Sustainability Due Diligence Directive (CSDDD)), provided through technical education programs that are tailored to the specific needs and requirements of our workforce. These initiatives also encourage our people to start courageous conversations with clients about their future ESG needs.
- Engagement procedures and policies: These clarify and guide engagement management, provide rules for ESG-related assurance and advisory procedures to maintain the highest quality standards, and include standard working papers and tooling to support our professionals during their work.
- Client and engagement acceptance procedures: These are vital to our organization, serving to evaluate the risk of accepting prospective and existing clients and engagements across all functions of KPMG N.V. Implementing the CSRD has not yet affected the requirements we set when accepting clients and engagements.

3.2.2 Processes for engaging with consumers and end-users about impacts on sustainability

At KPMG N.V., we mainly engage with consumers and end-users via our clients, with direct communication taking place through audit opinions and the explanation of the audit process provided in the shareholders' meeting. We also engage with consumers and end-users across a variety of user groups via different channels. We consider our main engagement initiatives to be:

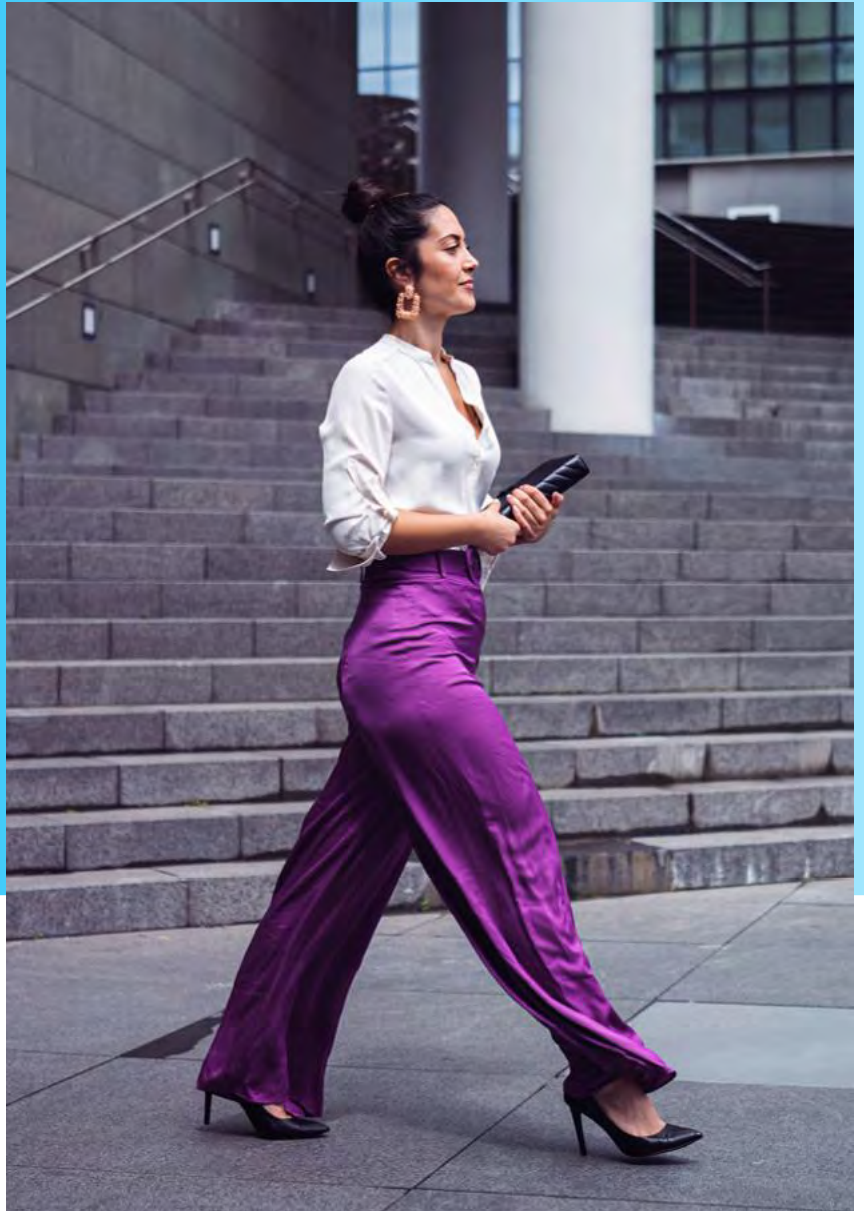
- Via our sustainability assurance we communicate with consumers and end-users and provide trust to sustainability reporting. Our sustainability related advice is reflected in our clients' strategies, policies, and actions that ultimately affect consumers and end-users.
- User-group engagement (e.g., VEB, Eumedion).
- Thought leadership made publicly available via our website or social media, in which we share our knowledge and expertise with a wide group of users.
- Webinars on technical sustainability content, accessible free of charge to clients and other audiences, during which we share our knowledge and expertise and thereby support the sustainability actions of clients and non-clients.
- Our ESG Expert podcast series, created in 2024, which targets a non-executive audience that is interested in gaining expert ESG knowledge and willing to turn this knowledge into action.
- Regular meetings organized through a wide range of stakeholder channels (e.g., public debates, the NBA, the AFM, PCAOB, EFRAG) that represent the consumers and end-users of our services. Participating in these channels allows us to support decisions made and bring clear guidance and statements to consumers and end-users.
- Our KPMG RAAD Board Program, which includes both in-person and online events for executives, management- and supervisory-board members, and the next generation of leaders. This is a forum for education and discussion on a variety of topics related to good governance, geopolitics, ESG, boardroom performance, artificial intelligence (AI) adoption, evolving legislative frameworks, and more.
- Client care and satisfaction measurements, enabling us to address clients' evolving expectations and continuously improve our performance.

3.2.3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

We prioritize growing the capacity of our workforce to support clients by delivering ESG assurance and advice, ensuring that the quality of our services meets public trust requirements. We consider the existing channels as described in the Governance section [Policies and actions in relating to complaints and whistleblowing scheme](#) to be sufficient for raising concerns or complaints specifically related to sustainability.

3.2.4 Action and targets on material impacts on consumers and end-users, approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and the effectiveness of those actions

While we are committed to measuring our positive impact on consumers and end-users via our work for our clients, we recognize that we are not yet able to do so. In 2024/2025, we intend to start defining specific actions to enable us to measure our impact. We are investigating how to set targets and metrics for this matter considering that it is not yet possible to label revenue as being ESG related, since this information is not yet completely embedded in our data. These metrics will support our actions and performance by helping us focus on actions with a material impact. We expect to confirm one or more metrics in our 2024/2025 integrated report and to start preparing for data readiness.



4 Governance information

Strong governance is fundamental to our legislation- and regulation-driven business and, in particular, to ensure high quality in the assurance and advisory services we provide. The specific regulatory context in which KPMG N.V. operates means that both topical-standard and entity-specific disclosures on governance apply to our firm. Below, we present qualitative and quantitative details of our management of and performance on each sustainability matter.

4.1 Audit quality: our impact and strategy

Our ambition is to be recognized as a leading brand in the Dutch market, known for exceptional audit quality and leadership in the digital and ESG transitions – thereby fostering trust, societal awareness, and talent attraction. As a values-driven organization, with integrity and excellence at our core, we view trust as the cornerstone of our relationships. Our aspiration is clear and bold: to become the most trusted and trustworthy professional services organization. Achieving this goal requires us to deliver quality audits and to communicate transparently about our audit quality journey with our stakeholders. Any compromise would result in a potential financial risk.

We define audit quality as the consistent delivery of assurance engagements that meets both the requirements and the intent of professional standards, underpinned by a robust quality management system. To address any potential risks, each of our activities is conducted within a framework of objectivity, independence, ethics, and integrity. We recognize that providing quality services demands diligence, dedication, and an unwavering focus, supported by investments in the people and technology that drive excellence.

At KPMG N.V., we are committed to continuously enhancing our approach to quality. As a technology-driven organization, we leverage next-generation technology – including AI – to deliver superior audit and assurance services. In collaboration with our global KPMG network, we embed audit quality in our daily operations to meet and exceed the expectations of our clients and stakeholders.

G1 Business conduct	Impact materiality		Financial materiality		Value chain
	Positive	Negative	Opportunity	Risk	
(Audit) quality focus (incl. AQIs)				<div></div>	<div><■></div>

<

 Upstream applicable

>

 Downstream applicable

<

 Upstream not applicable

>

 Downstream not applicable

■

 Own operations applicable

As an auditor, we see it as our role to challenge our clients, to demonstrate professional skepticism, and to issue an opinion on which society knows it can rely. For that reason, focusing on quality audits and the continuous improvement of audit quality is a top priority and a permanent part of our strategic agenda, supported by the investments and improvements that we leverage from the global KPMG network. Specifically, our audit quality strategy is built on two elements: our people and our technology.

First and foremost, our people apply high standards of trust and integrity in doing the right thing. We invest structurally in the education and development of our people. We know that each of us has a responsibility to serve the public interest, and we therefore embody a steadfast dedication to and focus on ensuring that we uphold our firm’s standards as well as those of our profession. We learn from positive and negative experiences alike and seek opportunities to improve the rigor, reliability, and quality of the audit process.

The second element of our audit quality strategy is technology. We aim to transform the audit experience and approach in order to make audits as digitally enabled as possible, while continuing to bring our human attributes and apply professional skepticism to every engagement. As part of our ongoing investment in this goal, we are harnessing next-generation AI-driven technology, such as KPMG Clara and other tooling, to power our audits.

In addition, assurance over non-financial reporting relating to ESG is an emerging area in the audit field, and expectations around reporting on ESG are rapidly changing. Many businesses are striving to improve the quality of their reporting and controls around ESG data.

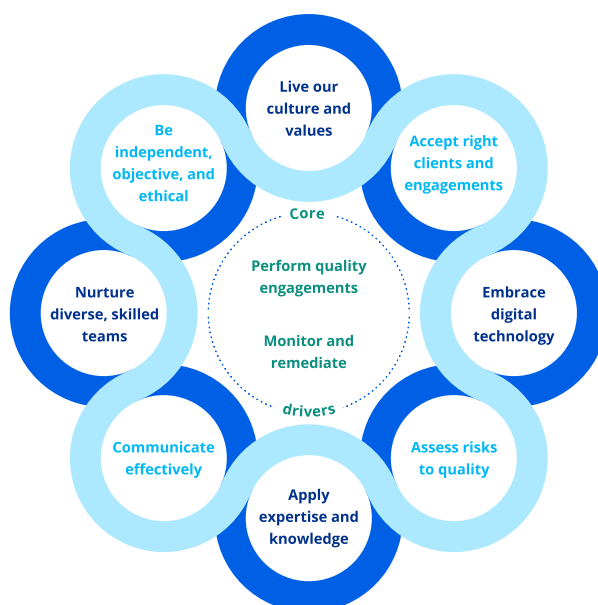
At KPMG N.V., we are committed to fulfilling our public trust role by providing assurance on sustainability reporting that can benefit investors and other stakeholders.

Businesses are preparing to report under new reporting standards: primarily the CSRD (including the ESRS, EU Taxonomy regulation, and digital reporting requirements), but also the new ISSB standards.

4.1.1 IRO management: Key policies and actions related to audit quality

Policy name	Key contents
Quality & Risk Management Manual	Our Quality & Risk Management manual covers the scope, requirements, and procedures related to quality and risk management for all KPMG member firms and personnel, including the System of Quality Management (ISQM1) and its components.

Our continuous improvement efforts, based on our global audit quality approach, have driven advances in many areas. All our policies and actions related to audit quality are built on the KPMG Global Quality Framework and captured in the Quality & Risk Management Manual, which aligns with relevant EU and Dutch legislation and the requirements of the NBA and the PCAOB. While the Global Quality Framework applies to our entire workforce, its guidance is particularly relevant for our Assurance teams. The effective implementation of this framework is ensured by our Audit Quality Professional Practice department and overseen by our Head of Assurance. The information in our policies – such as our KPMG N.V. Quality & Risk Manual, which includes our KPMG N.V. and applicable KPMG International directives – is made available to relevant stakeholders through mandatory trainings, our intranet, and our internal and external reporting.



The main objectives and actions in our Global Quality Framework are as follows:

- We have implemented a consistent, risk-based approach to our System of Quality Management (SoQM) to drive audit and assurance quality and enable compliance with the requirements of the International Standard on Quality Management (ISQM) 1.
- We have implemented processes and systems, including our AQIs, to monitor and enhance our audit quality.
- We have transformed the audit experience for our clients and our audit professionals by delivering a digital audit experience and approach, powered by KPMG Clara, that drives consistency and quality.
- We use technologies, including AI, in client engagements and leverage our alliances with technology leaders, including Microsoft and MindBridge, to further enhance quality and provide even more value through deeper business analysis.
- We have launched quality initiatives to integrate new regulatory requirements and to further drive the identification and remediation of quality issues.

4.1.2 Metrics, targets, and performance on audit quality

4.1.2.1 General progress

Having invested in our SoQM over many years, we are now seeing the benefits of this in our inspection results. However, audit quality is an ongoing journey. Our focus remains on investing in and innovating continuous improvements with the goal of further improving our performance on audit quality, measured via the AQIs. In 2023/2024:

- We brought AI technology into the audit process through KPMG Clara, the global operating system for KPMG's Assurance activities, empowering our professionals to further enhance quality by focusing on higher-risk audit areas and sector-specific risks and challenges.
- We took a consistent risk-based approach in our SoQM to drive audit quality and meet ISQM 1 requirements.
- We adopted KPMG International's Consider, Assess, Respond, Evolve (CARE) framework to support ethical decision-making.
- We introduced the engagement management life cycle (EMLC) as a tool to bring work forward and improve audit quality.

4.1.2.2 Audit quality performance and AQIs

To monitor audit quality within Assurance, we have determined a set of AQIs. Target-setting occurs as part of the annual business plan process, substantiated in more detail in the annual audit quality plan. Based on prior-year results, future ambitions, and developments in the sector – for example, recommendations by the quatermasters – the Head of Audit Quality proposes targets that are discussed with and approved by the Assurance Leadership Team and the Board of Management respectively.

We analyze our AQI results bi-annually and define specific actions for improvement in case of underperformance. In 2023/2024, we met or exceeded our thresholds for 10 of the 12 AQIs for which a performance score is included, giving an overall score of 83%.

Our AQIs

	Target for 2023/2024	2023/2024	2022/2023
Results of internal KPMG N.V. audit inspections	100%	94%	94% (restated) ¹
Results of external inspections ²	100%	n/a	n/a
% of engagements involving EQCR	>20%	32%	29%
EQCR hours spent as % of total hours spent on EQCR engagements (scope: all EQCR engagements excl. three largest clients)	1.2%-2%	1.2%	1.2%
Partner hours:			
in PIE audit engagements	≥7%	8%	9%
in non-PIE audit engagements	≥6%	6%	6%
Average number of hours spent in training per client-facing professional in audit	>160	212	210
Hours spent by IT and other specialists:			
in PIE audit engagements	≥9%	18%	18%
in non-PIE audit engagements	≥6%	6%	6%
Technical resources support (FTEs) as % of total audit FTEs	>5%	8%	8% (restated) ³
Number of technical consultations as % of total audit engagements	>10%	16%	19%
Financial statements with restatements as % of audit opinions issued	<1%	2%	2%
External independence violations as % of total Assurance headcount	n/a	0.3%	0.2% (restated) ⁴
Breaches of internal independence rules – not resulting in an external violation – as % of total headcount	n/a	3.0%	7.9% (restated) ²
GPS results relating to coaching and audit quality	≥85%	78%	81%

¹ The results of internal KPMG N.V. audit inspections represent the percentage of our files that are rated "compliant" – including both "compliant" and "compliant – improvement needed." In our 2022/2023 integrated report, we excluded "compliant – improvement needed" in calculating this metric. This change was made to increase sector comparability.

² The results of external inspections consist of finalized file reviews by the AFM, NBA, and PCAOB. Theme-driven reviews by the AFM are not included in the calculation as this did not lead to a conclusion about whether files are "compliant" or "non-compliant".

³ The definition of the departments to be included in calculating "technical resources support" has changed following the merging of some internal departments in 2023/2024. This led to a higher number of technical resources to be included in the calculation than in 2022/2023.

⁴ Independence violations are now split between "external violations" and "breaches of internal independence rules not resulting in an external violation." In 2022/2023, this AQI included both internal and external independence violations. Furthermore, independence breaches and violations now cover the total KPMG N.V. headcount, compared to only the Assurance population in 2022/2023.

Table 40

For the detailed definition per AQI, see [Entity-specific definitions](#).

In 2023/2024, our year-on-year performance on most of our AQIs was steady. Internal audit inspections rated “compliant” and “compliant - improvement needed” also remained steady at 94%. Of the 50 total files reviewed, 36 were rated compliant, 11 were rated compliant improvement needed and 3 were rated non-compliant. We strive for 100% of our files to be compliant and are working on several initiatives to empower our audit teams. The regular external (PCAOB) inspection of our engagement files is not yet finalized at the time of publication. With this review taking place every three years, no comparable data is available. The AFM conducted a theme-driven review by the end of 2022/2023, focused specifically on the involvement of the engagement quality control review (EQCR). The results of this review were finalized in 2023/2024. Theme-driven reviews are excluded from calculating the AQI on external inspections. As part of this inspection, the AFM reviewed our system of quality control regarding EQCR, noting no findings and one best practice. The AFM also reviewed four engagements with findings on two reviews. The AFM's review on fraud risk assessment will be finalized in late 2024. Other reviewers did not report any insufficient audit files during their inspections.

Engagements involving EQCR rose from 29% in 2022/2023 to 32% in 2023/2024. The percentage of EQCR hours spent in 2023/2024 was 1.2%, the same as the previous year. Partner hours spent on public-interest entity (PIE) audit engagements decreased slightly from 9% to 8%, while non-PIE engagements remained stable at 6%. Average training hours per client-facing professional in audit increased marginally from 210 to 212. Our GPS results on coaching and audit quality declined slightly from 81% to 78%.

IT and other specialists' hours on PIE and non-PIE engagements remained unchanged at 18% and 6%, respectively. Technical resources support remained stable at 8%. However, the number of technical consultations dropped from 19% to 16%, mainly because of fewer mandatory consultations (on, for example, the situation in Russia/Ukraine).

As in the previous reporting year, our percentage of financial statements with restatements and independence violations did not meet our target in 2023/2024. By using RCA and implementing several actions, we are aiming to improve our performance next year.

Overall, the data reflects our focus on audit quality and on maintaining high standards. In 2024/2025, our goal is to further improve our Quality Performance Review (QPR) scores and to strengthen audit quality. We will do this through RCA, including analyzing recurring findings from our different quality initiatives. While our GPS results on quality show a slight decline compared to the previous year, we are refocusing on our ethical culture and behavioral elements that affect the quality of our work. We will also place more attention on targeted and relevant learning in live and virtual classrooms, coaching on quality, and the sector-specific focus of our Audit Quality Professional Practice department. In addition, we will continue our workload-management initiatives as another means of ensuring our people have the right conditions to deliver quality work.

4.2 Business conduct and corporate culture: our impact and strategy

Business conduct and corporate culture (including issues such as organizational ethics and integrity, protection of whistle-blowers, and compliance with regulations) represent material positive impacts that our organization creates for our stakeholders, but also financial risks if not addressed well. Failure to reach the expected standards in these areas will result in financial risks in the form of penalties, legal costs, and reputational damage. As an assurance and advisory firm whose work is founded on trust, we value these principles and actively manage the risks associated with them. As described in our [management review](#), we are guided by our core values – **Integrity, Excellence, Courage, Together, For Better** – in upholding these ethical standards and thus creating a positive impact for our stakeholders.

G1 Business conduct	Impact materiality		Financial materiality		Value chain
	Positive	Negative	Opportunity	Risk	
Corporate culture					
• Corporate culture incl. organizational ethics and integrity	●			●	◀ ■ ▶
• Protection of whistle-blowers	●			●	◀ ■ ▶
• Compliance with regulations	●			●	◀ ■ ▶

◀ Upstream applicable ▶ Downstream applicable ◀ Upstream not applicable ▶ Downstream not applicable ■ Own operations applicable

In this section, we use the ESRS G1-1 guidelines as a basis for disclosing information on our business conduct and corporate culture, including how we value ethics, integrity, and the protection of whistle-blowers. Complying with regulations is an important issue that we address diligently. This section addresses our compliance with regulations related to business conduct; further information on compliance can be found in other parts of this sustainability statement, including Audit quality, Data security, and Own workforce.

Our strategy for upholding business conduct is grounded in the principles outlined in our Global Code of Conduct, which serves as a comprehensive framework for ensuring ethical behavior and a positive corporate culture across KPMG N.V. This code underpins our commitment to transparency, accountability, and a safe workplace, guiding our actions and interactions at every level.

To support this framework, we have implemented targeted policies, processes, and governance structures designed to address critical issues such as undesirable behavior, labor disputes, complaints, whistle-blowing, corruption, bribery, and organizational misconduct. These measures include having dedicated committees and channels for raising concerns, promoting a culture of openness, and ensuring that every report is addressed swiftly and appropriately.

Together, these efforts reflect our strategic commitment to ethical business practices, fostering trust within our organization and with external stakeholders.

4.2.1 IRO management: Key policies and actions related to business conduct and corporate culture

To ensure our Code of Conduct is followed appropriately, we have developed several mechanisms for detecting, preventing, and addressing any concerns related to unlawful behavior, protecting whistle-blowers and preventing corruption and bribery. Following the guidelines of ESRS G1-1, this section explains how we manage impacts and risks related to complaints, whistleblowing, and corruption. Our Ethics and Independence department ensures that our Code of Conduct is upheld and is implemented appropriately.

Policies and actions related to corporate culture

We have several policies that support us in strengthening our culture. Our annual mandatory trainings, for example, include “We do what is right: Integrity at KPMG.” Via this training, we impart our values to our client-facing and non-client-facing employees alike, as the basis of all our professional actions. Consequently, our values form an integral part of the tone at the top and are the core of our quality control system. In addition, member firms across KPMG International share many of the same risk, independence, and compliance training courses. This means that when teams work together internationally, everyone is familiar with the same basic approaches and rules, ensuring that there are no compliance risks arising from global engagements.

To encourage integrity in training, it is clearly stated at the start of each training course that both the course and the assessment must be completed independently, without any assistance. The professional confirms they accept this before beginning the training. Since 2023/2024, internal mandatory trainings are also monitored to prevent possible answer sharing.

Our Supplier Code of Conduct covers the diversity and corporate responsibility principles that KPMG N.V. assumes are observed by its suppliers. The code includes 10 principles within the categories of business conduct, working conditions, human rights, and the environment. For all orders and contracts with a total value of at least EUR 25,000, partners and employees must ensure that the Supplier Code of Conduct is included as a condition of the order or contract. Our COO has ultimate responsibility for ensuring the implementation of and adherence to the Supplier Code of Conduct.

Policies and actions related to complaints and whistleblowing scheme

Our Global Code of Conduct and Complaints & Whistleblowing Scheme are the key policies that empower all stakeholders, whether internal or external, to report on any concerns related to unlawful behavior and whistleblowing. This section describes actions and processes to address these concerns.

Complaints and addressing unlawful behavior

The Complaints & Whistleblowing Scheme is designed for ease of access, ensuring that all concerns raised are investigated diligently by our Internal Audit & Compliance Office, which is comprised of experienced auditors. This scheme undergoes annual testing to ensure its effectiveness.

This general scheme is separate from the dedicated channel in place for our own workforce to report issues related to undesirable behavior and labor disputes, as discussed in section 3.1.3 [Processes to remediate negative impacts](#). The head of the Internal Audit & Compliance Office has ultimate responsibility for ensuring the implementation of the Complaints & Whistleblowing Scheme.

Whistleblower reporting and protection

As discussed in [Processes to mitigate negative impacts](#), our whistleblower channels, managed by the Internal Audit & Compliance Office, provide stakeholders with a secure avenue for reporting unethical conduct. Our whistleblower scheme complies with the EU Whistleblower Protection Directive. Investigations are conducted by certified auditors who have undergone specialized training. The process for personal investigations follows our established Personal Investigation Policy, ensuring integrity and confidentiality at every step.

Our organization gives high priority to protecting whistleblowers. Several safeguards are in place to ensure confidentiality, including the option to report anonymously, and to provide legal protection and guarantees that no whistleblower will face unfair treatment as a result of filing a report. Files and evidence are stored on secure, protected servers, further ensuring the confidentiality of investigations.

We continuously review our protections against retaliation in light of evolving regulations and we make any necessary revisions to enhance the safety and security of those raising concerns.

We actively promote awareness of these mechanisms. Our Global Code of Conduct, which includes details of our complaints and whistle-blowing channels, is available to all our people and to the wider public, making it a critical resource for maintaining ethical behavior. Every year, all our employees are required to confirm their compliance with our internal policies – including explicit affirmation of their awareness of our complaints, whistle-blowing, and speak-up channels – through the Annual Compliance Confirmation. Furthermore, all our employees are required to complete the mandatory “We do what is right: Integrity at KPMG” training and Global Independence Trainings.

Policies related to corruption and bribery

Our policies on corruption and bribery are laid out in our Global Quality & Risk Management Manual and are further supported by our Global Code of Conduct. These provide clear guidelines to all our employees on how to prevent and address instances of corruption and bribery (in line with the UN Convention against Corruption). The Internal Audit & Compliance Office ensures that the policies are applied appropriately at all levels.

Given that most of our business operations occur within the Netherlands, a low-risk country for corruption and bribery, we do not designate specific high-risk functions. Nevertheless, to ensure that these policies are consistently applied, we conduct regular training for our employees, particularly those in high-risk departments such as Finance, Procurement, and Marketing. This training ensures our compliance with anti-corruption and anti-bribery regulations and enhances our colleagues’ ability to recognize and act on potential threats.

We carry out specific checks during the acceptance process for clients and engagements to assess the risk level for bribery and corruption. Our teams are also trained to detect and address potential instances of corruption during their engagements. In cases where a higher risk of corruption or bribery is identified, specialized forensic experts are involved to provide additional oversight. Furthermore, if any potential bribery or corruption is identified, the engagement team consults with the Audit Quality Professional Practice department’s 240/250/Wwft Panel, whose members are specially trained to offer guidance on how to proceed. This ensures that every instance is handled with due diligence and care.

Fraud, bribery, and corruption are also monitored at the organizational level through an annual anti-bribery and -corruption (ABC) assessment. This is mandatory for KPMG member firms to determine whether there is (non-)compliance with the global values and rules set out in our Global Quality & Risk Management Manual. Carried out objectively by the KPMG Forensic team, the ABC assessment also includes follow-up recommendations.

4.3 Data security: our impact and strategy

We are committed to providing a secure and safe environment for the (personal) data and information we hold, as well as to protecting the data of our clients, service providers, and other third parties. We regard this information and the associated information systems as valuable assets, fundamentally important to our business operations, that nevertheless pose potential risks due to potential data threats or in dealing with confidential information. To address these potential risks, the information security and data protection practices applied to our information systems are based on globally recognized and accepted security best practices and are certified against the ISO 27001 standard for Information Security Management Systems.

G1 Business conduct	Impact materiality		Financial materiality		Value chain
	Positive	Negative	Opportunity	Risk	
Data security				<div></div>	<div></div>

Upstream applicable

Downstream applicable

Upstream not applicable

Downstream not applicable

Own operations applicable

At KPMG N.V., securing and protecting data is everybody's responsibility. This is inherent to providing quality services and products, internally and externally. Information security is also a line responsibility of everyone in our workforce, requiring everyone to ensure the appropriate implementation of policies and execution of processes within their area of responsibility.

In an increasingly interconnected digital world, data security is at the heart of protecting business continuity and reputation. Our cyber security strategy is designed to proactively address these evolving threats by establishing key security principles that guide every layer of our operations. These principles empower architects, solution designers, and product owners to make informed decisions that balance risk and opportunity, while safeguarding one of the organization's most valuable assets: our data. By embedding security into the foundation of our digital architecture, we not only mitigate potential breaches but also ensure that we are resilient in the face of cyber risks.

Our key principles for managing data security risks include making decisions that balance risk with economic opportunity, ensuring transparency in our risk posture, maintaining multiple layers of defense, adhering to a zero-trust and least-privilege approach, and fostering a culture where security is embedded in our employees' mindset. Additionally, our solutions are designed with security at their forefront, operating under the assumption of breach preparedness.

4.3.1 IRO management: Key policies and actions to address data security risks

Protecting sensitive information is not only a regulatory requirement but also a core element of building trust with our clients, external partners, and other stakeholders. In the digital era, as organizations increasingly support their operations with digital systems, managing the risks involved is crucial. An effective risk management process is therefore an important component of a successful information security program. We recognize that data security is a shared responsibility: every member of our organization plays a critical role in protecting our data, supported by clear guidelines, tools, and training programs that empower them to act decisively in the face of potential threats.

This section of our sustainability statement outlines the key policies and actions implemented within our organization to mitigate data security risks, enhance resilience, and ensure that the confidentiality, integrity, and availability of our data remain intact.

Overview of key policies addressing data security risks

Our approach to data security is guided by our Global Quality & Risk Management Manual's Information Protection Policy Framework, which includes our Global Information Security Policies, Standards, and Guidelines; Acceptable Use Policy; and Information Classification Policy, among others. These have been developed in consultation with stakeholders, including topical experts, and following guidelines from globally recognized standards. Underpinning our data security, these policies apply not only to our core IT team but also to other functions involved in managing data; as such, they are made available through our intranet to all employees and key stakeholders involved in implementing them. They are designed to address potential vulnerabilities across all levels of our operations – from network infrastructure to employee access rights – and are supported by continuous monitoring, training, and incident response plans.

To ensure sufficient information management and align our policies and actions with our business needs and regulatory requirements, KPMG N.V. has a well-defined governance framework for implementing and monitoring our data protection policies, risk management, and compliance measures. Our National IT Security Officer leads the information security program, working closely with Quality & Risk Management and other technology teams within our organization.

Policy name	Key contents
Global Information Security Policies, Standards, and Guidelines	The clauses of our Global Information Security Policies, Standards, and Guidelines are directly associated with ISO 27001:2022 controls and represent the minimum information security baseline for our IT operations. The policy establishes a baseline for the protection of KPMG N.V. and client information and systems. It is published on our intranet and should be read, understood, and applied by KPMG N.V. people with responsibility for IT and information security within our firm, as the affected and implementing stakeholders.
Acceptable Use Policy	Our Acceptable Use Policy establishes the minimum standards for the acceptable and appropriate use of information and technology assets by our people. It also sets out how we should protect KPMG N.V. technology assets in our care. Anyone in our firm who is authorized to access technology resources must accept responsibility for their actions regarding the use and safeguarding of KPMG N.V. information assets, data, and technology resources, in accordance with the requirements of global KPMG policies. In the case of conflict, local laws and regulations prevail.
Information Classification Policy	The Information Classification Policy addresses the fundamentals of the confidentiality of KPMG N.V. and client information. It describes, at a high level, the classification requirements for this information and provides guidance on how to determine an appropriate level of classification.

Overview of key actions to mitigate data security risks

To safeguard our organization against any information security risks, our policies define several actions we have implemented to strengthen our information security posture. Our key actions include setting up adequate **governance and lines of defense**; employing comprehensive **risk management** practices supported by continuous **compliance and auditing**; and fostering a culture of security awareness through targeted **training and awareness** programs, thereby empowering employees to recognize and respond to potential data security risks. These actions apply to all our business activities and employees and are embedded in our day-to-day operations, where yearly reviews and updates take place in order to cover changing security risks if they occur.

Lines of defense

We manage risks related to data security using a “three lines of defense” model, designed to provide risk management support and help ensure that threats are identified and addressed before they can negatively impact operations. Our first line of defense (business management and operations) typically owns and manages risks and controls. Our second line of defense (risk and compliance functions) establishes risk and compliance methodologies and frameworks; monitors risks, compliance, and controls in support of management; and typically owns IT and security risk-management processes. Our third line of defense (Internal Audit) provides assurance on the effectiveness of the controls in place to mitigate risk. These stakeholders are actively involved in preventing, mitigating, and managing any information security risks within our organization.

Risk management process

We have established a strong risk management process, guided by the principles outlined in the Risk Management Process document, comprising four key steps: risk identification, risk assessment, risk control and treatment, and risk monitoring and review. In the identification and assessment phases, we evaluate potential threats to our assets, determining their vulnerabilities, impact, and likelihood of occurrence. If a risk surpasses a predefined threshold, it is promptly treated and controlled following our established protocols. We also conduct periodic reviews to monitor identified risks, assess the effectiveness of treatments, and detect new or emerging risks. Furthermore, we perform regular penetration tests and cyber response tests. This ensures that our risk posture remains responsive and up to date.

Compliance and auditing

We have a control framework that helps KPMG N.V. comply with internal and external security requirements and laws. Externally, our ISO 27001:2022 certification covers all services provided; internally, we demonstrate compliance with the Global KPMG Information Security policy in a yearly information protection compliance review.

Training and awareness

Data security is a topic that affects us all, and we recognize that our people in the course of their everyday operations, are the first line of defense in preventing any cyber-attacks. We have implemented a security awareness program to educate and empower our workforce to identify and respond to potential security incidents, whether related to IT, physical assets, or personal safety.

As part of this program, we run frequent phishing awareness campaigns, offer e-learning, organize a yearly Week of Safety, create awareness through screensavers, and publish (news) messages via various internal channels. By promoting a security-aware culture, we proactively protect KPMG N.V. against cyber attacks, data breaches, physical breaches, and other security-related incidents, minimizing potential harm and ensuring a safer (work) environment.

4.3.2 Metrics, targets, and performance on data security

In 2023/2024, we successfully moved from ISO 27001:2013 to the latest standard, ISO 27001:2022. Because of the changes and additions involved in the new standard, this project resulted in changes to our processes, documentation, and control framework. We carried out a transition audit that resulted in positive compliance with the new requirements for certification. With the implementation of the EU's Network and Information Security Directive (NIS2) into Dutch law delayed until approximately Q4 2025, we are closely monitoring related developments. Additionally, we recognize that our financial services clients must comply with the Digital Operational Resilience Act (DORA) from January 17, 2025. Depending on the services we provide, we have begun receiving requests from clients to meet specific DORA requirements. We are addressing these requests on a case-by-case basis.

Appendices to the sustainability statement

Reference table

No.	Description	Section	Comment
BP-1	General basis for preparation of the sustainability statement	General basis for preparation of the sustainability statement	
BP-2	Disclosures in relation to specific circumstances	Disclosures incorporated by reference Disclosures in relation to specific circumstances	
GOV-1	The role of the administrative, management, and supervisory bodies	Disclosures incorporated by reference 1.1 The role of the administrative, management, and supervisory bodies	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies	1.1 The role of the administrative, management, and supervisory bodies	
GOV-3	Integration of sustainability-related performance in incentive schemes	1.2 Integration of sustainability-related performance in incentive schemes	
GOV-4	Statement on due diligence	1.3 Statement on due diligence	
GOV-5	Risk management and internal controls over sustainability reporting	1.4 Risk management and internal controls over sustainability reporting	
IRO-1	Description of the process to identify and assess material impacts, risks, and opportunities	1.7 Description of the process to identify and assess material IROs and disclosure requirements covered by our sustainability statement 1.8 Material IROs and their interaction with strategy and business model 2.1.2 Climate scenario modeling and risk assessment 2.4.3 Alignment assessment: Activity CCM 7.7 Acquisition and ownership of buildings	
IRO-2	Disclosure requirements covered by our sustainability statement	1.7 Description of the process to identify and assess material IROs and disclosure requirements covered by our sustainability statement	
MDR-A	Actions and resources in relation to material sustainability matters	2.2.1 Policies related to climate change mitigation 3.1.4.1 Adequate wages for our employees 3.1.4.2 Employee attraction and retention 3.1.4.3 Training and education of our workforce 3.1.5.1 Social dialogue 3.1.5.2 Work-life balance 3.1.5.3 Mental health and safety 3.1.5.4 Privacy 3.1.5.5 Non-discrimination within our own workforce 3.1.6.1 Diversity within our own workforce 3.1.6.2 Gender equality and equal pay for work of equal value	
MDR-P	Metrics in relation to material sustainability matters	2.1 Climate change: our impact and strategy 2.2.1 Policies related to climate change mitigation 3.1.1 General policies related to our own workforce 3.1.4.1 Adequate wages for our employees 3.1.4.2 Employee attraction and retention 3.1.4.3 Training and education of our workforce 3.1.5.1 Social dialogue 3.1.5.2 Work-life balance 3.1.5.3 Mental health and safety 3.1.5.4 Privacy 3.1.5.5 Non-discrimination within our own workforce 3.1.6.1 Diversity within our own workforce 3.1.6.2 Gender equality and equal pay for work of equal value 4.2.1 IRO management: Key policies and actions related to business conduct and corporate culture 4.3.1 IRO management: Key policies and actions to address data security risks	
SBM-1	Strategy, business model, and value chain	1.5 Strategy, business model and value chain 3.1.4.2 Employee attraction and retention 3.1.6.1 Diversity within our own workforce 4.1.2.2 Audit quality performance and AQIs	SBM 40 (d) i, ii, iii, iv not applicable
SBM-2	Interests and views of stakeholders	1.6 Interests and views of stakeholders	
SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model	Disclosures incorporated by reference 1.6 Interests and views of stakeholders 1.8 Material IROs and their interaction with strategy and business model 2.1.2 Climate scenario modeling and risk assessment 2.4.3 Alignment assessment 3.2 Consumers and end-users: our impact and strategy	ESRS2 SBM-3 – S1 14 f/g non-material datapoints



No.	Description	Section	Comment
E1-1	Strategy on climate change mitigation: Our transition plan	2.1.1 Strategy for climate change mitigation: Our NL Impact Plan	
E1-2	Policies related to climate change mitigation and adaptation	2.2 IRO management: Policies and actions to address climate change mitigation	
E1-3	Actions and resources in relation to climate change policies	2.2 IRO management: Policies and actions to address climate change mitigation	
E1-4	Targets and approach to mitigating climate impact	2.3.2 Targets and approach to mitigating climate impact	
E1-5	Energy consumption and mix		Not a material disclosure requirement
E1-6	Gross Scope 1, 2, and 3 GHG emissions	2.3.1 Gross Scope 1, 2, and 3 GHG emissions	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits		Not a material disclosure requirement
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		Not a material disclosure requirement
S1-1	General policies related to our own workforce	3.1.1 General policies related to our own workforce	S1-1 par 22 non-material datapoint
S1-2	Processes for employee engagement working paper	1.8 Material IROs and their interaction with strategy and business model 3.1.5.1 Social dialogue including including entity-specific metric employee engagements 3.1.5 Well-being and engagement	
S1-3	Processes to remediate negative impacts and channels for our own workforce to raise concerns	3.1.3 Processes to remediate negative impacts and channels for our own workforce to raise concerns	
S1-4	Actions on IROs	3.1.4.1 Adequate wages for our employees	
S1-5	Targets related to managing IROs	3.1.4.2 Employee attraction and retention 3.1.5.1 Social dialogue	
S1-6	Characteristics of the undertaking's employees	3.1.6.1 Diversity within our own workforce	
S1-7	Characteristics of non-employees in the undertaking's own workforce	3.1.4.2 Employee attraction and retention including entity-specific metric retention performance 3.1.6.1 Diversity within our own workforce	
S1-9	Diversity metrics	3.1.6.1 Diversity within our own workforce including entity-specific gender diversity metric and cultural diversity	
S1-10	Adequate wages	3.1.4.1 Adequate wages for our employees	
S1-13	Training and education for our own workforce	3.1.4.3 Training and education of our workforce	
S1-14	Health and safety metrics	3.1.5.3 Mental health and safety including entity-specific metrics psychological safety score and satisfaction score wellbeing	ESRS S1-14 par 88 (b), (c), (e) non-material datapoints
S1-15	Work-life balance metrics	3.1.5.2 Work-life balance	
S1-16	Remuneration metrics	3.1.6.2 Gender equality and equal pay for work of equal value	
S1-17	Incidents, complaints, and severe human rights impacts	3.1.1 General policies related to our own workforce 3.1.3 Processes to remediate negative impacts and channels for our own workforce to raise concerns 4.2.1 IRO management: Key policies and actions related to business conduct and corporate culture	ESRS S1-17 par 104 (a) non-material datapoint
S4-1	Policies related to consumers and end-users	3.2.1 Policies related to consumers and end-users	ESRS S4-1 par 17 non-material datapoint
S4-2	Processes for engaging with consumers and end-users about impacts	3.2.2 Processes for engaging with consumers and end-users about impacts	
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.2.3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	
S4-4	Taking action on material impacts on consumers and end-users, approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.2.4 Action and targets on material impacts on consumers and end-users, approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and the effectiveness of those actions	ESRS S4-4 par 35 non-material datapoint
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2.4 Action and targets on material impacts on consumers and end-users, approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and the effectiveness of those actions	
G1-AQ	Entity-specific disclosures on sustainability matter audit quality including 15 entity-specific metrics	4.1 Audit quality: our impact and strategy	
G1-1	Business conduct policies and corporate culture	4.2.1 IRO management: Key policies and actions related to business conduct and corporate culture	
G1-4	Confirmed incidents of corruption or bribery		Not a material disclosure requirement

Definitions of all metrics

E1 Emissions	Definition
Scope 1	
Scope 1	<p>Emissions from direct operations from owned and controlled activities;</p> <ul style="list-style-type: none"> Stationary combustion (tCO₂e)* of natural gas that is used for heating in our office buildings. Mobile combustion (tCO₂e) of benzine and diesel used in leased company cars as reported by the fleet supplier <p>We use the CO₂emissie factoren nl to determine the emission factors used in accounting for this scope.</p>
Scope 2	
Scope 2 Location-based	<p>Emissions from Purchased Electricity:</p> <ul style="list-style-type: none"> Purchased electricity* in our office buildings; in our extrapolation we use the assumption that the energy usage is comparable to prior year, actual consumption from FYN-1 accounted for FYN. Electricity consumed for charging our EV fleet, as reported by the fleet supplier, and converted to kWh using a supplier-specific factor. We use the CO₂emissie factoren nl to determine the emission factors used in accounting for this scope.
Scope 2 Market-based	<p>Emissions from Purchased Electricity including market-based instruments:</p> <ul style="list-style-type: none"> Electricity consumption accounted including purchased Renewable Energy Certificates within for Green Offices (10 green offices located in Alkmaar, Amstelveen, Arnhem, Breda, Den Haag, Eindhoven, Enschede, Groningen, Rotterdam, except offices rented in Maastricht and Zwolle). In certain cases where there is no certificate available yet, the contract is used as a proof of evidence for green offices. Electricity consumed for charging our EV fleet, as reported by the fleet supplier, and converted to kWh using a supplier-specific factor. We use the AIB residual mix to determine the emission factors used in accounting for this scope.
Scope 3	
Scope 3 overall emissions	<ul style="list-style-type: none"> We follow GHG Protocol Corporate Value Chain Standard to measure and report on Scope 3 emissions. We conducted 100% screening on our value chain emissions and assessed the material and relevant scope 3 categories as its disclosed in this report. In this report we disclose rebase FY19 numbers as an output of our screening analysis; we increased our Scope 3 inventory with relevant and material categories including Category 1 Purchased Goods and Services, Category 3 Fuel and Energy Related Activities, Waste Generated and Employee Commuting.
Category 1- Purchased goods and services – IT Devices	Upstream emissions associated with the procurement of IT equipment, including but not limited to monitors, desktops and mobile devices. To estimate emissions, product carbon footprint provided by suppliers used, including emissions from materials extraction, manufacturing, and upstream transportation.
Category 1- Purchased goods and services – Others	<p>This category includes all upstream emissions from both goods procured and services taken within the reporting year excluding IT devices. To estimate these emissions, a spend-based accounting method based on EXIOBASE database has been used.</p> <p>While this method is recommended by the GHG Protocol and widely adopted, it does have inherent limitations, including a higher degree of uncertainty. Specifically, changes in sector-specific emission factors between years may not always accurately reflect the actual evolution of emissions. A portion of the observed increase since our base year can be attributed to shifts in these underlying emission factors, introducing uncertainty regarding the extent to which the increase is due to actual rising GHG emissions in our value chain versus the limitations of the EXIOBASE model. For our calculations, we used EXIOBASE 2019 for the base year and the most recent version, EXIOBASE 2022, for the current year, adjusted for inflation.</p> <p>Due to data availability, FY19 figures represent the re-baselining analysis using FTE approach based on FY22 purchased goods and services figures.</p>
Category 3 - Fuel & energ related activities	Upstream emissions fuel and electricity consumption accounted for as in Scope 1&2. We use the CO₂emissie factoren nl to determine the emission factors used in accounting for this scope
Category 5- Waste generated in operations	<p>Total waste generated in our operations. We use the DEFRA to determine the emission factors used in accounting for this scope.</p> <p>Due to data limitations in FY24 the waste amount on which we base the emissions's estimated based on FTE per prior year.</p>
Category 6- Business travel	<p>Emissions accounted from distanced travelled per business related activities;</p> <ul style="list-style-type: none"> Air travel distance reported by our travel booking agency in short, medium, and long-haul flights taken per ticket class. Rail travel kilometers registered within our internal system. Mobility scheme km registered within our internal system by public transport per bus, metro and tram estimated using. <p>We use the DEFRA to determine the Air Travel emission factors and CO₂emissie factoren nl for transport modes used in accounting for this scope.</p> <p>Due to data availability FY19 figures representing mobility scheme distance travelled are estimated from FY23 figures.</p>
Category 7 - Employee commuting	Total kilometers registered under employee mobility scheme for employees without leased car. We use the CO₂emissie factoren nl to determine the emission factors for transportation used in accounting for this scope.

* Due to data availability these emissions sources are monitored from prior financial year actual consumption figures, in our extrapolation we use the assumption that the energy usage is comparable to prior year. (actual consumption from FYN-1).

S1 Own workforce	
Key performance indicator	Definition
Number of employees	The total number of employees by headcount and a breakdown by gender based on the reference date of October 1, 2024. These includes regular employees, fixed term employees, non-equity partners, inbound expats, casual workers and virtual short termers. The gender is registered by the employees themselves when onboarding, afterwards this is reviewed based on passport or ID.
Number of permanent employees, temporary employees and non-guaranteed hours employees	The total number of employees by headcount and a breakdown by employment relationship permanent/temporary/non-guaranteed), with a split on business line and gender, based on a reference date of October 1, 2024
Total number of leavers	The total number of employees by headcount, who have left (leavers) during the fiscal year (October 1 till September 30), with a split on business line and gender
Employee turnover	The percentage of employees (headcount) who leave the organization during the fiscal year (October 1 till September 30), based on the headcount of October 1, 2023 with a split on business line
Full-time and part-time employees,	The total number of employees by headcount, based on working hours (full-time (40h) versus part-time (<40)), with a split on business line and gender, based on a reference date of October 1, 2024
Total number of non-employees	The total headcount of people without an employment relation but whom perform work for KPMG N.V. with a reference date of October 1, 2024. These includes equity partners, offshore resources, contractors and interns
Gender diversity	The total number and percentage of employees per employee category (partner and directors (excluding equity partners), senior manager, manager, senior, junior and other (secretaries and other Business Services employees) by headcount and a breakdown by gender, based on a reference date of October 1, 2024
Gender diversity at top management level	The total number of headcount and rate (percentage) within KPMG N.V.'s governance bodies by headcount, and a breakdown by gender, based on reference date of October 1, 2024. Governance bodies = Supervisory Board, Board of Management and Leadership Teams of Advisory/ Assurance/Business Services.
Number and percentage of employees by age group	The distribution of employees (headcount and percentage) by headcount, and a breakdown by age group (< 30 year old, 30-50 year old, > 50 year old), based on reference date of October 1, 2024
Percentage participation in regular performance and career development	Percentage of employees by headcount on October 1, 2024 that participated in regular performance and career development reviews by employee category, by business line and gender
Average training hours per employee	Average of internal and external training hours of employees by (average) headcount, with a split on business line, gender and employee category, during the fiscal year (October 1 till September 30)
Family-related leave	All employees are entitled to family-related leave. The percentage of entitled employees that took family-related leave is the total number of employees that took family-related leave divided by the average headcount of fiscal year. Family-related leave is based on birth leave, additional birth leave (1st week), additional birth leave (2nd to 6th week), paid parental Leave, care leave and maternity leave.
Gender pay gap	The difference in average total compensation between men and women employees, and a breakdown by employee category (partner/director (excluding equity partners), senior manager, manager, senior, junior and other), based on reference date of the opening balance Workforce (October 1, 2024). ((average male total compensation – average female total compensation) divided by average male total compensation) x 100% Total compensation is the total fixed pay and total variable pay amount. Total fixed pay includes full-time salary (including holiday pay), mobility allowance and pension contribution. Total variable pay includes variable remuneration, one-off bonuses for special achievements and success sharing benefits.
Annual total remuneration ratio	The ratio within KPMG N.V. (excl. KPMG International) between the remuneration of its highest-paid individual and the median remuneration for its employees (excluding the highest-paid individual), based on reference date of the opening balance Workforce (October 1, 2024). Calculated as "Annual total remuneration* for the undertaking's highest paid individual" divided by "Median employee annual total remuneration (excluding the highest-paid individual). Annual total remuneration refers to the total compensation (the total fixed pay and total variable pay amount). Total fixed pay includes full-time salary (including holiday pay), mobility allowance and pension contribution. Total variable pay includes variable remuneration, one-off bonuses for special achievements and success sharing benefits.
The total number of incidents of discrimination	Total discrimination-related incidents including harassment related to discrimination reported in the reporting period from the following channels: - Counsellor - Mediator - Complaints & Disputes Committee - Internal Audit & Compliance Office
Other complaints	Total complaints excluding the discrimination-related incidents reported in the reporting period from the following channels: - Counsellor - Mediator - Complaints & Disputes Committee - Internal Audit & Compliance Office

Entity-specific metrics

S1 Own workforce	
Key performance indicator	Definition
Adequate wages for our employees	To maintain competitive wages and benefits for our employees, we benchmark our comprehensive remuneration package annually across all service offerings against selected markets
Employee engagement	Percentage of positive responses to GPS questions ("strongly agree" and "agree" on a five-point scale) in the reporting period relating to employee engagement (e.g., "I'm proud to work for KPMG N.V." and "I would recommend KPMG N.V. as a great place to work")
Gender diversity at partner/director level – including equity partners	The total number and percentage of employees per employee category (partner (incl. equity partners), director, senior manager, manager, senior, junior and other (secretaries and other Business Services employees)) by headcount and a breakdown by gender, based on reference date of October 1, 2024
Retention performance	The percentage of active employees and equity partners (excluding inbound expats) by headcount at the end of fiscal year (September 30), based on the opening balance retention of the fiscal year (October 1, 2023). For the business units Assurance and Advisory only client facing staff has been taken into account.
Satisfaction score wellbeing	Percentage of positive responses to GPS questions ("strongly agree" and "agree" on a five-point scale) in the reporting period relating to employee engagement (e.g., "The people I work for support my efforts to balance my work and personal life" and "My role and responsibilities are clear, I know what is expected of me")
Psychological safety	Percentage of positive responses to GPS questions ("strongly agree" and "agree" on a five-point scale) in the reporting period relating to psychological safety (e.g., "I am treated with dignity and respect at work" and "There is open and honest two-way communication at KPMG N.V.")
Cultural diversity	Percentage of cultural diversity indicated by migration background based on the CBS's Cultural Diversity Barometer
G1 Governance	
Key performance indicator	Definition
Results of internal KPMG N.V. audit inspections	Percentage of audit engagements rated "compliant" and "compliant - improvement needed" during internal Quality Performance Reviews completed during the reporting period
Results of external inspections	Percentage of external reviews by the AFM, NBA, and PCAOB performed during the reporting period rated satisfactory as a percentage of total external reviews carried out
Percentage of engagements involving EQCR	Number of EQCRs being carried out prior to publication of auditor's report as a percentage of legal audits being conducted during the reporting period
EQCR hours spent as % of total hours spent on EQCR engagements (scope all EQCR engagements excl. three largest clients)	Number of hours spent on EQCRs by the EQCR partner and designated EQCR assist (senior manager and up) as a percentage of total hours spent on audit engagements involving an EQCR during the reporting period - excluding the three largest clients
Partner hours in PIE audit engagements	Percentage of hours spent by KPMG N.V. partners and directors on financial statement audit engagements for PIE clients during the reporting period
Partner hours in non-PIE audit engagements	Percentage of hours spent by KPMG N.V. partners and directors on financial statement audit engagements for non-PIE clients during the reporting period
Average number of hours spent in training per client-facing professional in audit	Average number of hours spent by audit professionals (excl. non-client facing staff) in study or training during the reporting period
Hours spent on PIE audit engagements by IT and other specialists	Percentage of hours spent by specialists working in Assurance departments (other than audit) on financial statement audit engagements for PIE clients during the reporting period
Hours spent on non-PIE audit engagements by IT and other specialists	Percentage of hours spent by specialists working in Assurance departments (other than audit) on financial statement audit engagements for non-PIE clients during the reporting period
Technical resources support (FTEs) as % of total audit FTEs	FTE support from Quality & Risk Management, Internal Audit & Compliance Office and Audit Quality Professional Practice provided to audit engagements during the reporting period as a percentage of total audit FTEs
Number of technical consultations as % of total audit engagements	Technical audit or accounting consultations at the Audit Quality Professional Practice department that are finalized as a percentage of total financial statement audit engagements during the reporting period
Financial statements with restatements as % of audit opinions issued	The number of consultations for material errors in financial statements to be corrected during the reporting period as a percentage of the average number of audit opinions issued during the current and prior reporting period
External independence violations as % of total headcount	Number of externally reported violations of personal- and engagement independence rules as a percentage of average total employee headcount during the reporting period
Breaches of internal independence rules – not resulted in an external violation – as % of total headcount	Breaches of internal independence rules not resulting in an external violation as a percentage of average total employee headcount during the reporting period
GPS survey results related to coaching and audit quality	Positive responses to GPS questions ("strongly agree" and "agree" on a five-point scale) relating to coaching and quality as a percentage of total responses by employees who indicated in the survey that they worked on audit engagements in the reporting period

Overview of not-applicable Scope 3 emission categories

Based on our Scope 3 emission screening exercise, we identified that the following emission categories are not relevant for KPMG N.V., based on the rationale here provided:

Scope 3 category	Rationale for non-applicability
Category 2 – Capital goods	The firm does not purchase any capital goods
Category 4 – Upstream transportation and distribution	Related emissions are accounted in Category 1 emissions
Category 8 – Upstream leased assets	Related emissions are accounted in Category 1 emissions
Category 9 – Downstream transportation and distribution	The firm does not sell products
Category 10 – Processing of sold products	The firm does not sell products
Category 11 – Use of sold products	The firm does not sell products
Category 12 – End-of-life treatment	The firm does not sell products
Category 13 – Downstream leased assets	The firm does not lease any owned assets to other entities
Category 14 – Franchises	The firm does not operate franchises
Category 15 – Investments	The firm does not hold financial instruments within the scope of this emission category

Supervisory Board report

Letter from the Supervisory Board Chair

Functioning of the Supervisory Board

Training and evaluation

Members of the Supervisory Board

Board activities in 2023/2024

Remuneration report

Letter from the Supervisory Board Chair

Reflecting on the Chair's letters of recent years reveals a striking constant: growing concerns about polarization, declining stability, and a loss of trust in institutions. These troubling trends continued to dominate in 2023/2024, and it does not seem likely that they will diminish in the coming years.

The uncertainty and unpredictability of the current political and economic situation is forcing KPMG N.V. to be uncompromising in its pursuit of trust and integrity. Given its role, KPMG N.V. is in the unique position of not only auditing its clients but also holding up a mirror to them. This is one of the reasons why the Supervisory Board was heavily involved in the answer-sharing investigation, which has now been completed. It was a painful period, exacerbated by the substantial fine imposed by the Public Company Accounting Oversight Board (PCAOB). The Supervisory Board fully supports the Board of Management's decision to widen the scope of the investigation to examine the firm's broader culture. Strengthening the foundations of KPMG N.V.'s culture of ethics and integrity will help the firm avoid unforeseen challenges in the future.

The role of the auditor is changing fast. Society expects a reliable audit of the accountability of controlled entities. These audits are increasingly extending beyond the financials to include sustainability data, now legally defined in Europe in the requirements of the Corporate Sustainability Reporting Directive (CSRD). This shift has been a key topic of discussion between the Supervisory Board and the Board of Management. The Supervisory Board believes that KPMG N.V.'s deep knowledge of these areas and its strong commitment to social responsibility means it is well positioned to be a key player in this new market, across both Assurance and Advisory.

Meanwhile, artificial intelligence (AI) is sweeping through society like a tidal wave, certain to have a major impact on KPMG N.V.'s assurance and advisory activities. The Supervisory Board supports the Board of Management's strategy to expand AI services for clients and our people through substantial investments, in close collaboration with KPMG International.

Throughout it all, excellence remains an imperative for KPMG N.V. While quality scores have improved over the past few years, the Supervisory Board believes that the pursuit of zero-defect audit engagements must continue unabated.

KPMG N.V.'s future depends entirely on the firm's appeal as an employer. Younger generations, in particular, want to work for a company that makes a real difference to society, which is why KPMG N.V.'s commitment to social issues is so important. The Supervisory Board also supports the ongoing efforts to build a diverse and inclusive company in all possible forms at all levels.

The Supervisory Board said goodbye to Gosse Boon during the year. After two four-year terms, this farewell was inevitable. We are grateful for his commitment and wise counsel. As Chair of the Audit & Risk Committee, he played an extremely important role over the past eight years. The Supervisory Board is delighted to have found a worthy successor in Pascal Visée, who will also take over Gosse's role as Chair of the Audit & Risk Committee.

We also bid farewell to Claartje Bulten, who, owing to her demanding commitments at Radboud University, has decided not to serve a second term on the Supervisory Board. While we understand her decision, we will miss her expertise, particularly in the legal area. We hope to fill this vacancy in the near future.

Governance within KPMG N.V. is strengthened by the triangle of the Board of Management, the Supervisory Board, and the cooperative of equity partners. In 2023/2024, the Supervisory Board continued to value its close contact with the Board of Management and the cooperative. Engaging with the Works Council and KPMG International was also intensive and productive.

Despite the challenging economic situation and the answer-sharing investigation, KPMG N.V. successfully strengthened its market position during the year. This applies to both its Assurance and Advisory businesses. The Supervisory Board has great respect and appreciation for the partners and employees who worked hard to achieve this result – a performance that gives the Supervisory Board great confidence in the continued growth of the firm’s results and market position in the coming years.

Bernard Wientjes

Chair of the Supervisory Board

Functioning of the Supervisory Board

KPMG N.V.'s Supervisory Board is responsible for overseeing and advising the Board of Management, with a view to protecting public interest and creating long-term value for the firm's stakeholders. This includes advising on Assurance and Advisory businesses (as well as the challenges and opportunities that arise from KPMG N.V. being active in both markets).

The Supervisory Board also advises the Board of Management on KPMG N.V.'s supporting organization, including the internal risk controls in place as part of the firm's enterprise risk management (ERM) framework. The Supervisory Board's responsibilities are set out in KPMG N.V.'s Articles of Association and the Board's own rules of procedure, available online.^[1]

Consultation with internal and external stakeholders

Members of the Supervisory Board regularly meet other internal stakeholders. These stakeholders include board members at Coöperatie KPMG U.A., equity partners, employees, Young Board Now members, and representatives from the firm's Works Council. The Board also maintains regular contact with KPMG International, clients, regulators, and other external stakeholders. These conversations keep the Supervisory Board informed of developments and help it constantly assess and review its role within KPMG N.V.

Current Board composition and membership of committees

At the end of 2023/2024, the Supervisory Board comprised five members. Each of these members complied with the profile description set out in the Supervisory Board Rules. As a whole, the Board has considerable expertise in management, finance, information technology (IT), risk and compliance, environment, social, and governance (ESG) matters, and human resources.

On July 31, 2024, Gosse Boon, Chair of the Audit & Risk Committee, completed his second and final term. In addition, on August 31, 2024, Claartje Bulten's mandate on the Supervisory Board came to an end. One new member was appointed during the year: on August 1, 2024, Pascal Visée joined the Supervisory Board, strengthening its expertise as Chair of the Audit & Risk Committee. There is currently one vacancy on the Supervisory Board for a member of the Audit & Risk Committee, with an appointment to be made as soon as possible.

¹ These rules of procedure are compliant with the Dutch Audit Firms Supervision Act (Wta) and measures introduced by the Royal Netherlands Institute for Chartered Accountants (NBA) as part of its 2014 Public Interest Report, as well as the Supervisory Board's 'Toezichtsvisie'. For more information, please see KPMG N.V.'s website.

Details of Board members, their appointments, and their committee membership are presented in the following table.

Supervisory Board member	Appointed	First term, ending	Second term, ending	Committee memberships	Relevant experience
Kuldip Singh	March 1, 2022	2026		Assurance Quality, Audit & Risk	Digital technologies
Linda Hovius^[1]	March 8, 2022	2026		Assurance Quality, Remuneration & Appointment	Industry Finance & management
Sandra Berendsen^[1]	September 1, 2023	2027		Assurance Quality, Remuneration & Appointment	Industry Finance & management
Bernard Wientjes^[2]	September 13, 2023	n/a	n/a	Assurance Quality	Leadership Industry Change management Quality management
Pascal Visée	August 1, 2024	2028		Assurance Quality, Audit & Risk	Legal Finance & management

[1] Supervisory Board members appointed on the recommendation of the Works Council are, by law, members of the Board's Remuneration & Appointment Committee. Of the Committee's current members, this provision applies to Linda Hovius and Sandra Berendsen only.

[2] Bernard Wientjes re-joined as temporary Chair of the Supervisory Board for a period of 1.5 years. He is responsible for, among other things, appointing the next Chair.

Former Board member, leaving during 2024	Appointed	First term, ending	Second term, ending	Committee memberships	Date of departure
Gosse Boon	August 1, 2016	2020	2024	Assurance Quality, Audit & Risk	July 31, 2024
Claartje Bulten	September 1, 2020	2024		Assurance Quality, Audit & Risk	August 31, 2024

Board independence

All Supervisory Board members qualify as independent under the terms of the Dutch Corporate Governance Code and Audit Firms Supervision Act (as well as KPMG N.V.'s own Supervisory Board Rules). Members' independence is monitored by the Ethics & Independence unit, part of KPMG N.V.'s Risk Management function. Supervisory Board members are obligated to notify KPMG N.V.'s Ethics & Independence department of any material change in their positions. Members' continued independent status is verified at all meetings of the Supervisory Board, and members must inform the Chair of potential conflicts of interest.

Training and evaluation

As well as an extensive induction program for new Supervisory Board members, there is a training curriculum for all Supervisory Board members that comprises:

- Board program training modules and meetings
- Internal KPMG N.V. and other e-learning courses (covering subjects such as data privacy, Board independence, and information protection)
- During the year, the Supervisory Board focused its training program on ESG, digital, and inclusion, diversity, and equity (IDE).

Board evaluation

When relevant during the year, discussions took place in closed preparatory sessions of the Supervisory Board. The profile and composition of the Supervisory Board were extensively discussed in light of (upcoming) vacancies, and the conclusions were implemented in the recruitment processes. The performance of the members of the Board of Management (against agreed targets) was discussed in advance of the yearly evaluation conversations with members of the Board of Management.

In November 2023, a joint session of the Supervisory Board and the Board of Management took place to assess the cooperation between the Supervisory Board and the Board of Management. This session was facilitated by an external party. In May 2024, the Supervisory Board underwent its annual self-assessment, covering, among other things, the composition and the functioning of the Board's committees and boardroom dynamics with the Board of Management. The Supervisory Board also discussed the topics of behavior and culture and concluded that the Supervisory Board would like to discuss these topics in a more structured way.

Members of the Supervisory Board

**Bernard Wientjes**

Chair of the Supervisory Board

Dutch, male, born 1943

Bernard has been Chair of the Supervisory Board since September 2023. This is his second time as Chair, having already served for 6.5 years between 2015 and 2021.

Bernard is an entrepreneur who has led a family-owned business for over three decades and was Chair of the employer's association VNO-NCW. He is also an Emeritus Professor of Entrepreneurship and Leadership at the University of Utrecht.

**Sandra Berendsen**

Chair of the Assurance Quality Committee and member of the Remuneration & Appointment Committee

Dutch, female, born 1973

Sandra was appointed as a member of the Supervisory Board in September 2023. She is a dairy farmer and co-owner of the Addink-Berendsen farm and

is currently a member of the supervisory board of Royal FrieslandCampina N.V.. Sandra worked for nearly 20 years with accountancy firm Countus in Zwolle. She has previously served on the boards of Royal FrieslandCampina N.V., ForFarmers N.V., and Alfa Accountants and Advisors. For four years, she was Ambassador for the industry group Global Dairy Platform.

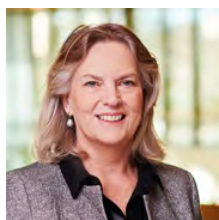
**Pascal Visée**

Chair of the Audit & Risk Committee and member of the Assurance Quality Committee

Dutch, male, born 1961

Pascal was appointed to the Supervisory Board in 2024. He is currently also a member of the supervisory board of Rabobank Group, Royal FloraHolland, and Lucas Bols and a non-executive board member of Ketel One Worldwide.

Pascal, a certified public accountant, worked for nearly 27 years at Unilever in various financial and general management roles in the Netherlands and abroad. He has extensive experience both as a supervisory board member and as a member and chair of an audit committee. Over the past 10 years, he has held a combination of advisory and supervisory roles.



Linda Hovius

Vice-Chair of the Supervisory Board, Chair of the Remuneration & Appointment Committee, and member of the Assurance Quality Committee

Dutch, female, born 1961

Linda was appointed to the Supervisory Board in March 2022 after being a boardroom consultant for many years.

Linda was formerly founder and managing partner at Aberkyn and Director of Consulting Staff at McKinsey & Co. in Amsterdam. In addition to her position at KPMG N.V., Linda is a non-executive board member at Flow Traders and Royal FloraHolland, as well as a member of the Advisory Board at Vereniging Rembrandt and Chair of the Royal Holland Society of Sciences and Humanities.



Kuldip Singh

Member of the Audit & Risk and Assurance Quality Committees

Dutch, male, born 1973

Kuldip has been a member of the Supervisory Board since March 2022. He is a business economist by profession, has two post-graduate degrees, and attended Harvard Business School.

Kuldip previously worked for Innogy Retail International in digital and digital business transformation. He was also Global Head of Digital Transformation Customer Solutions at E.ON Group, Chief Operating Officer (COO) at Sanoma Digital, and Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Grüner + Jahr in India. Kuldip is also a member of the Supervisory Board at Tennet, Chair of the Supervisory Board at Kyndryl and Whiffle, board member at Skoon Energy, and a lecturer in 'Digital Technology, AI and Cyber Security' for the supervisory board training program at Governance Academy.

Board activities in 2023/2024

During the past year, the Supervisory Board worked closely with KPMG N.V.'s Board of Management in several important areas:

- Strategy and value creation (implementation of the firm's long-term vision and strategy; digital and innovation; business growth; regulatory developments; new business models and services; and brand management)
- Quality and independence (implementation of a vision/strategy for quality; policies, controls, and measures to further improve quality; and protecting independence and supporting a broader culture of quality within the firm)
- Culture (helping the Board of Management create a culture that encourages high performance, innovation, and integrity; supporting greater openness, diversity, and inclusion; and encouraging KPMG N.V.'s people to show accountability and leadership)

During the year, the Supervisory Board held 11 meetings, based on the annual plan, each beginning with a closed preparatory session. Attendance at all regular meetings was 92%; no member was frequently absent. The meetings addressed a number of topics – some of which were part of the Board's annual planning; others relating to events or developments during the year. Principal topics discussed in 2023/2024 were:

- The investigation into answer sharing, including the preliminary RCA, mitigating measures, and communication with stakeholders
- Recent developments in the firm's operating environment, including the economic slowdown, rising prices, climate change, and continued skills shortages within the profession
- Trust & Growth, with the Board regularly reviewing progress on the firm's strategy, focusing on quality, ESG, and digital and innovation
- Annual Integrated Report, with the Board discussing, among other things, the external auditor's report prior to publication (in the presence of both the auditor and the Board of Management)

Functioning and activities of the Supervisory Board committees

The Supervisory Board operates through three committees: Assurance Quality, Audit & Risk, and Remuneration & Appointment. The terms of reference for these committees can be found on the KPMG N.V. [website](#). Where necessary, committee meetings are attended by subject matter specialists.

Assurance Quality Committee (AQC)

Responsibilities	<p>Overseeing the firm’s system of controls affecting audit quality, independence, integrity, and stakeholder/public interest</p> <p>Advising the Board of Management on quality performance</p> <p>Approving the long-term vision and strategy to further improve the firm’s approach to quality</p>
2023/2024 meetings and other activities	<p>All Supervisory Board members are also members of the AQC. AQC meetings are held in the presence of members of the Board of Management. The AQC held five meetings during the year.</p> <p>The main topics of discussion were:</p> <ul style="list-style-type: none">• Remediation steps of the enhanced supervision program• Results of external inspections• Outcomes of Quality Performance and Engagement Quality Control Reviews• Annual ratings for the firm’s equity partners with respect to quality• Recent policy developments in the Dutch accountancy sector• Implementation of KPMG Clara and the International Standard on Quality Management (ISQM) 1
Attendance	<p>Sandra Berendsen: 100%</p> <p>Bernard Wientjes: 100%</p> <p>Gosse Boon: 100%</p> <p>Linda Hovius: 86%</p> <p>Claartje Bulten: 100%</p> <p>Kuldip Singh: 86%</p>



During the year, the AQC paid significant attention to innovations within Assurance, watermarking ESG, and (potential) risks in the area of audit quality. Regarding the last of these, we discussed, in particular, the need for further actions to reach our Quality Performance Review (QPR) targets, as well as changes to the QPR process. The outcomes of external inspections on KPMG N.V.’s quality performance and engagement quality controls provide us with direction for the next steps. Meanwhile, we continue to focus on work volume management, to maximize the energy and motivation of KPMG N.V.’s people and maintain high audit quality. This aligns with our ongoing work to support the firm as it strengthens its supportive, ethical culture.”

Sandra Berendsen
Chair of the Assurance Quality Committee

Audit & Risk Committee (ARC)

Responsibilities	<p>Monitoring the functioning of the firm's ERM framework, as well as compliance with laws and regulations, including the European Union (EU)'s General Data Protection Regulation (GDPR)</p> <p>Overseeing financing of operations, financial and non-financial reporting (including sustainability statement), the firm's tax position, and the use of IT</p> <p>Advising on accounts, budgets, and investments and monitoring delivery of the Trust & Growth strategy</p>
2023/2024 meetings and other activities	<p>The ARC met seven times in 2023/2024 in the presence of the Chief Operating Officer, Chief Financial Officer, and Head of the Internal Audit & Compliance Office. Representatives from the external auditor, PwC, were also present at relevant moments in several meetings. During the year, one closed meeting took place involving the ARC and PwC.</p> <p>The main topics of discussion were:</p> <ul style="list-style-type: none">• Business plan, financial and business performance, tax, insurance, fraud risk, ERM, and "soft controls"• External audit scope, approach, fees, and annual management letter• Cyber security as part of the firm's overall digital and data strategy• Enterprise service management• Internal audit and compliance plan, annual report, mergers and acquisitions strategy, and IT general controls• Findings from internal and external audits and follow-up actions• Financial statements and Annual Integrated Report for 2023/2024• GDPR compliance
Attendance	<p>Gosse Boon: 100%</p> <p>Claartje Bulten: 100%</p> <p>Kuldip Singh: 86%</p> <p>Pascal Visée: 100%</p>



I became Chair of the ARC on August 1, 2024, taking over the position from Gosse Boon, whom we thank for his contribution to KPMG N.V. over the years.

In the ARC, we discuss COO- and CFO-related matters including financial planning and control, the internal control environment, risk management, and (the performance of) our internal business services. The ARC is keen to solidify KPMG N.V.'s strong internal control environment with a special focus on cyber security, GDPR, and privacy-related matters. In our rapidly changing environment – including the effects of CRSD in Assurance and AI in Advisory – adequate risk management remains a top priority. Moreover, in the coming years, we will carefully monitor the execution of the Business Services transformation project as a key enabler for future growth."

Pascal Visée
Chair of the Audit & Risk Committee

Remuneration & Appointment Committee (RAC)

Responsibilities	Overseeing remuneration, selections, and (re-)appointments Monitoring compliance with policies related to remuneration and appointments Reviewing performance of Board of Management members Advising the Supervisory Board on the appointment or dismissal of external auditors
2023/2024 meetings and other activities	The RAC held six meetings during the year, with the CEO and Chief Human Resources Officer present for most agenda items. The main topics of discussion were: <ul style="list-style-type: none">• Results of the annual Global People Survey (and follow-up actions), together with Young Board representatives• Overview of the firm’s People Agenda, including talent management; culture; IDE; and psychological safety• Search for and selection of a new Supervisory Board Chair and new members of the Supervisory Board• Overseeing the firm’s policies and procedures for the appointment of partners and directors• Setting of key performance indicators (KPIs) and performance assessment for members of the Board of Management
Attendance	Linda Hovius: 100% Sandra Berendsen: 100%



The RAC held six regular meetings in 2023/2024, discussing topics including culture and values; psychological safety and the freedom to speak up; employee engagement; rewards and recognition; talent development, retention, and attrition; and IDE. We expressed our concerns about the apparent challenges to increase diversity in the organization and meet the targets set, while recognizing all the efforts put into this by management. The RAC was also fully engaged during the year in the search for a new Chair of the ARC (welcoming Pascal Visée in August), for a new ARC member, and for the new Supervisory Board Chair, in anticipation of the end of Bernard Wientjes’ term in March 2025. We are happy to see the organization recovering from the shock of the answer-sharing events and taking the learnings to heart, showing resilience and a forward-looking mindset in line with the firm’s values: together, for better!”

Linda Hovius
Chair of the Remuneration & Appointment Committee

Remuneration report

KPMG N.V. has a clear, consistent approach to remuneration. The firm's people are entitled to both a fixed salary and performance-related variable pay. In determining variable pay, several criteria are considered, the most important of which is quality. As a matter of policy, professionals who underperform on quality are not eligible for variable pay. However, KPMG N.V. does reward those who go beyond the original scope of their roles and/or have a positive impact on their team and the company as a whole.

For all colleagues, performance is assessed against pre-agreed annual goals, which are linked to KPMG N.V.'s business plan, culture, values, and behaviors. Performance is graded, with these grades – together with an individual's potential career path – used to determine remuneration. KPMG N.V. regularly benchmarks its remuneration against selected markets to ensure the firm remains competitive.

For engagement leaders – that is, those leading audits or advisory projects with clients – performance scores are determined using standardized quality and risk metrics (including the results of external reviews and internal monitoring programs, “leading by example,” and timely completion of training).

Partners

There is a different remuneration structure for equity partners. They do not receive a salary; instead, each year, they receive a share of the profits, which is also adjusted for performance (starting with quality). In 2023/2024, partners received an average profit share of EUR 701,000, an increase of 53% compared to the previous year (EUR 457,000) as the average profit share in 2022/2023 was impacted by the PCAOB penalty and the costs of the investigation into answer sharing. Pay for partners is determined by three factors: the number of partners, the company's profit for the year, and personal performance. Management closely monitors any partners scoring four or five (the two lowest grades), for whom individual improvement plans are put in place. This process is overseen by the Supervisory Board. Equity partners are subject to clawbacks; this allows the firm to recover part of their annual management fees in the case of “demonstrably culpable conduct.” A deferred profit-sharing scheme is also in place for Assurance equity partners (in line with measure 3.5, published by the NBA).

Board of Management

Members of the Board of Management receive a fixed compensation. They are not eligible for variable pay. Equity partners serving as members of the Board of Management are also excluded from profit sharing. The remuneration for Board of Management members is determined at the beginning of each year by the Supervisory Board, based on levels of partner pay over the past three years (a so-called rolling mechanism), long-term performance of the firm, market trends, and professional responsibility. This is done in order to focus remuneration on the longer-term performance of the firm. The CEO, as non-partner, is entitled to a severance payment in certain circumstances and receives retirement benefits as a participant in the pension scheme. When evaluating the performance of members of the Board of Management, the Supervisory Board takes into account personal performance, as well as members' approach to long-term KPIs in areas such as quality, public trust, client satisfaction, people management, and sustainable business growth.

As a result of the rolling mechanism described above, the remuneration of the Board of Management in 2023/2024 was adjusted by the PCAOB penalty and the costs of the investigation into answer sharing during 2022/2023. These costs will also be reflected in the Board of Management's remuneration in the coming two fiscal years. Please refer to the [financial statements](#) for details of the Board of Management's annual remuneration.

Supervisory Board

Members of the Supervisory Board receive fixed annual fees. In 2023/2024, they received total remuneration of EUR 472,000 (2022/2023: EUR 461,000). Remuneration (in EUR) for 2023/2024 can be specified as follows:

Bernard Wientjes	Gosse Boon*	Claartje Bulten*	Linda Hovius	Kuldip Singh	Sandra Berendsen	Pascal Visée*
90,000	65,000	70,000	79,000	76,000	79,000	13,000

* Lower remuneration of Gosse Boon, Claartje Bulten, and Pascal Visée is caused by respectively resignation and appointment during the year.

Financial statements & notes

Consolidated financial statements

Notes to the consolidated financial statements

Company financial Statements

Notes to the company financial statements

Consolidated statement of profit or loss and other comprehensive income

for the year ended September 30, 2024

EUR 000		2023/2024	2022/2023
Revenue	6	770,915	710,955
Other income	7	33,001	30,786
Operating income		803,916	741,741
Costs of outsourced work and other external charges	8	76,423	70,331
Employee benefits expenses	9	420,267	399,242
Depreciation, amortization and net impairment loss	6, 15, 16	38,480	37,071
Other expenses	10	140,723	147,197
Operating expenses		675,893	653,841
Operating result		128,023	87,900
Finance income	11	2,099	899
Finance expenses	12	-9,339	-9,971
Profit before income tax		120,783	78,828
Income tax expense	13	2,238	1,907
Fees payable to Coöperatie KPMG U.A.	14	118,545	76,293
Profit and total comprehensive income for the year		-	628
<i>Profit and total comprehensive income attributable to:</i>			
Owners of the Company		-	628
Non-controlling interest		-	-
		-	628

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position

as at September 30, 2024

EUR 000		September 30, 2024	September 30, 2023
Assets			
Non-current assets			
Intangible assets and goodwill	15	12,975	13,905
Property, plant and equipment	16	140,393	142,048
Other financial assets	17	3,680	3,788
Contract assets	6	44	6
Deferred tax assets	13	1,243	1,786
Total non-current assets		158,335	161,533
Current assets			
Contract assets	6	44,706	38,229
Receivables	18	169,895	165,653
Cash and cash equivalents	19	142,577	136,154
Total current assets		357,178	340,036
Total assets		515,513	501,569
Equity and liabilities			
Equity			
Share capital	20	5,500	5,500
Share premium		19,430	17,960
Reserves		6,396	5,768
Profit for the year		-	628
Total equity		31,326	29,856
Non-current liabilities			
Loans and borrowings	21	155,836	158,819
Employee benefits	22	1,845	1,632
Provisions	23	400	12
Total non-current liabilities		158,081	160,463
Current liabilities			
Loans and borrowings	21	132,782	98,938
Trade and other payables	24	78,933	67,847
Employee benefits	22	51,436	41,484
Provisions	23	3,385	43,879
Contract liabilities	6	59,570	59,102
Total current liabilities		326,106	311,250
Total liabilities		484,187	471,713
Total equity and liabilities		515,513	501,569

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

for the year ended September 30, 2024

EUR 000		2023/2024	2022/2023
Profit for the year		-	628
<i>Adjustments for:</i>			
Income tax expense	13	2,238	1,907
Impairment trade receivables and contract assets		1,401	189
Depreciation and amortization	15, 16	38,424	36,927
Net impairment loss	15	-	88
Finance income	11	-2,099	-899
Finance expenses	12	9,339	9,971
Cash flows before movements in working capital and provisions		49,303	48,811
Change in contract assets	6	-6,515	-4,093
Change in receivables	18	-5,643	-45,303
Change in other assets		408	2,560
Change in contract liabilities	6	468	-3,915
Change in trade and other payables	24	11,325	10,379
Change in provisions	23	-40,106	43,063
Change in employee benefits	22	10,165	-10,129
Cash flows from operating activities		19,405	41,373
Income tax paid		-1,934	-2,344
Net cash from operating activities		17,471	39,029
Acquisition of property, plant and equipment	16	-3,730	-6,019
Investment in software	15	-1,256	-2,578
Net cash used in investing activities		-4,986	-8,597
Additional share premium paid by Coöperatie KPMG U.A.		2,460	2,310
Net proceeds/(repayment) of loans and borrowings from partners	21	30,008	-35,638
Net proceeds/(repayment) of loans and borrowings from former partners	21	1,316	-1,234
Interest paid to Coöperatie KPMG U.A. re partners and former partners	12	-5,454	-5,945
Repayment of share premium to Coöperatie KPMG U.A.		-990	-1,320
Interest and bank charges paid		-4,170	-4,054
Interest received	11	2,099	899
Payment of lease liabilities		-31,187	-29,453
Proceeds of employee bonds	21	1,517	2,040
Repayment of employee bonds	21	-1,661	-1,150
Net cash used in financing activities		-6,062	-73,545
Net change in cash and cash equivalents		6,423	-43,113
Cash and cash equivalents as at October 1		136,154	179,267
Cash and cash equivalents as at September 30	19	142,577	136,154

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

Transactions attributable to owners of the Company

EUR 000	Share capital	Share premium	Reserves	Profit for the year	Total equity
Balance as at October 1, 2022	5,500	16,970	5,768	-	28,238
2021/2022 Result appropriation	-	-	-	-	-
Total comprehensive income for the year					
Profit/(loss) for 2022/2023	-	-	-	628	628
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	628	628
Transactions with owners of the Company recognized directly in equity	-	-	-	-	-
<i>Contributions and distributions</i>					
Repayment to Coöperatie KPMG U.A.	-	-1,320	-	-	-1,320
Addition by Coöperatie KPMG U.A.	-	2,310	-	-	2,310
Balance as at September 30, 2023	5,500	17,960	5,768	628	29,856
Balance as at October 1, 2023	5,500	17,960	5,768	628	29,856
2022/2023 Result appropriation	-	-	628	-628	-
Total comprehensive income for the year					
Profit/(loss) for 2023/2024	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Transactions with owners of the Company recognized directly in equity	-	-	-	-	-
<i>Contributions and distributions</i>					
Repayment to Coöperatie KPMG U.A.	-	-990	-	-	-990
Addition by Coöperatie KPMG U.A.	-	2,460	-	-	2,460
Balance as at September 30, 2024	5,500	19,430	6,396	-	31,326

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 General

1.1 Reporting entity

KPMG N.V. (the Company) is the holding company of companies that operate in the Assurance or Advisory business segments. Coöperatie KPMG U.A. (the Cooperative) holds the shares in KPMG N.V. The only members of the Cooperative are the practice companies of the partners. On the basis of a management agreement the services of the partners are made available to the Cooperative. The Cooperative subsequently makes the services of the partners available to KPMG N.V. and its subsidiaries.

Coöperatie KPMG U.A. is the ultimate parent company of KPMG N.V. KPMG N.V. is registered with the Dutch Chamber of Commerce under number 34153857, and is a member firm of the KPMG network of independent member firms affiliated with KPMG International limited (KPMG International), a private English company limited by guarantee.

KPMG N.V.'s registered office in the Netherlands is at Laan van Langerhuize 1-11, 1186 DS Amstelveen. The Company's consolidated financial statements for the year include the financial statements of the Company and its subsidiaries and the Group's investments in associates. The Company and its subsidiaries are jointly referred to as 'KPMG' or 'the Group'.

1.2 Reporting period

The Company's financial year runs from October 1 to September 30 of the following calendar year.

The financial statements for 2023/2024 were approved for issue by the Board of Management on December 6, 2024.

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and with Section 2:362(9) of the Dutch Civil Code. The consolidated financial statements have also been prepared on a historical cost basis, unless otherwise stated in the respective note or [Note 3](#) Material accounting policies.

2.2 Functional currency

These consolidated financial statements are presented in euro, which is the Company's functional currency. All tables and amounts are in thousands of euros unless otherwise stated. In addition, all amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.3 Use of estimates and judgements

The preparation of financial statements in conformity with EU-IFRS requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported values of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on past experience and various other factors considered reasonable in the circumstances.

The estimates and underlying assumptions are assessed periodically. Any revised estimates are accounted for in the period in which they are revised, if such revision only affects that period, or the period in which the revision is made and future periods, if the revision has implications for both the period under consideration and future periods.

Judgements

Information about judgements as at September 30, 2024 made in applying accounting policies that has a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following note:

- [Note 23](#) Provision for claims/legal proceedings (key judgement relates to the possibility of receiving a claim).

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as at September 30, 2024 that has a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- [Note 6](#) and [18](#) Measurement of unbilled services and trade receivables: in the measurement of ECL allowance for trade receivables and contract assets, key assumptions relate to the determination of the weighted-average loss rate;
- [Note 23](#) Provision for claims/legal proceedings (in the recognition and measurement of provisions and contingencies, key assumptions relate to the likelihood and magnitude of an outflow of resources).

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management regularly reviews the Group's significant unobservable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, management uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Management recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in [Note 25](#) Financial instruments and associated risks.

2.4 Going concern

The financial statements have been prepared on a going concern basis.

2.5 Application of Section 402, Book 2 of the Dutch Civil Code

The financial information of the Company is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of the Dutch Civil Code, the separate profit and loss account of the Company exclusively states the share of the result of participating interests after tax and the other income and expenses after tax.

For an appropriate interpretation of these statutory financial statements, the consolidated financial statements of the Company should be read in conjunction with the separate financial statements, as included.

2.6 Changes in IFRS and other accounting policies/Accounting policies adopted for the preparation of the consolidated financial statements

The Group has adopted the following new standards, interpretations and/or amendments to a standard with a date of initial application of October 1, 2023 unless otherwise stated:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Making Materiality Judgements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies;
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates. The amendments help entities to distinguish between accounting policies and accounting estimates;
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction. The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change is an exemption from the initial recognition exemption provided in IAS 12.15(b) and IAS 12.24.

The implementation of the above-mentioned amendments did not materially impact the financial statements. A number of other changes to IFRSs did not have an effect on the Group.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and by all companies included in the consolidation, except those explained in [Note 2.6](#), which address changes in accounting policies.

3.1 Consolidation principles

3.1.1 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

A list of significant subsidiaries is included in [Note 27](#) List of subsidiaries.

3.1.2 Loss of control of subsidiaries

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of other comprehensive income. Any resulting gain or loss is recognized in the statement of profit or loss.

3.1.3 Transactions eliminated on consolidation

Intra-group balances, intra-group transactions and any unrealized gains or losses on transactions within the Group are eliminated in preparing the consolidated financial statements.

3.2 Foreign currency

Transactions in foreign currencies are translated to the Group's functional currency at the exchange rate as at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate as at the reporting date. Foreign exchange differences arising on translation are recognized in the statement of profit or loss and other comprehensive income.

When derivative financial instruments are used to hedge exposure to foreign exchange risks of recognized monetary assets or liabilities, hedge accounting is not applied. A gain or loss on the hedging instrument is recognized in the statement of profit or loss.

3.3 Financial instruments

3.3.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.3.2 Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

In this case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model, the objective of which is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis. The Group has not elected to present subsequent changes in the investment's fair value in OCI for any equity investments.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Group has not designated any financial asset to be measured at FVTPL.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level as this best reflects the way in which the business is managed and information is provided to management.

For the purposes of assessing whether the contractual cash flows are solely payments of principal and interest, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

After initial recognition, financial instruments are valued in the manner described below.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The Group has the following other non-derivative financial liabilities: loans and borrowings, and trade and other payables.

3.3.3 Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3.4.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.3.5 Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

3.4 Property, plant and equipment

3.4.1 Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Where property, plant and equipment consist of significant parts that have different useful lives, they are accounted for as separate items under property, plant and equipment.

3.4.2 Right-of-use assets

For information regarding right-of-use assets, see [Note 3.5 Leases](#).

3.4.3 Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group, and that the cost of the asset can be measured reliably. All other costs are recognized as expenses in the statement of profit or loss and other comprehensive income when they are incurred.

3.4.4 Depreciation

Depreciation is recognized in the statement of profit or loss and other comprehensive income in accordance with the straight-line method over the estimated useful life of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

- Fittings, fixtures and alterations: up to ten years;
- Computers and communications equipment: five to eight years;
- Office furniture and equipment: five to eight years depending on the lease term;
- Buildings: up to fifteen years depending on the lease term;
- Lease cars: four to five years depending on the lease term.

Depreciation methods, estimated useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.5 Leases

The Group has long-term property leases, leases for cars and leases for printers and photocopiers.

Lessee accounting

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of either the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements or modifications of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. In general, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments less temporary deductions;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured if there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When a lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of cars that have a lease term of 12 months or less. The Group recognizes the lease payments associated with the leases as an expense on a straight-line basis over the lease term.

- For disclosure on right-of-use assets, please see [Note 26](#);
- For disclosures regarding interest expenses on lease liabilities, please see [Note 12](#);
- For disclosure on leasing related cash outflows and the split between interest and principal payments, please see the consolidated statement of cash flows;
- For disclosures on lease liabilities and maturity analysis, please see [Note 21](#);
- For future lease obligations, please see [Note 25.3](#).

Lessor accounting

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, it is considered an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group acts as an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

3.6 Intangible assets and goodwill

3.6.1 Goodwill

Goodwill is stated at cost less accumulated impairment losses, if any. An impairment loss is recognized if the recoverable amount of the cash generating unit to which the goodwill pertains is lower than its carrying value.

3.6.2 Intangible assets

Purchased software and licenses are stated at cost. Software development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. If not, the costs of software development are recognized in profit or loss as incurred.

Subsequent to initial recognition, software is measured at cost less accumulated amortization and any accumulated impairment losses. Expenditure on research activities is recognized in profit or loss as incurred.

Each category is amortized over its estimated useful life, except for licenses with an indefinite useful life, as follows:

- Software five to eight years;
- Software under construction is not amortized until ready for use or sale.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

The useful life of an intangible asset that is not being amortized is reviewed in each annual reporting period to determine whether events and circumstances continue to support an indefinite useful life for that asset.

3.7 Contract balances

Contract balance comprises mainly unbilled services and other contract assets. Unbilled services represent the gross unbilled amount expected to be collected from customers for rendering services performed to date. It is measured at cost plus profit recognized to date, in proportion to the progress of the project, less progress billings and recognized losses.

Unbilled services are presented as part of contract assets for all contracts in which costs incurred plus recognized profits exceed progress billings. If progress billings exceed costs incurred plus recognized profits, then the difference is presented as part of contract liabilities.

3.8 Impairment

3.8.1 Intangible and tangible assets

The carrying amount of the Group's tangible and intangible assets with a definite useful life is reviewed in case there is an objective indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated. In the event that the recoverable amount is lower than the carrying amount, an impairment loss is recognized in the consolidated statement of profit or loss. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time, irrespective of indications that they are impaired.

The recoverable amount of an asset represents the greater of the fair value less cost to sell and the value in use. In determining the value in use, the present value of the estimated future cash flows is calculated on the basis of a discount factor before tax that reflects the current market estimates of the time value of money and the specific risk to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or CGU).

Impairment losses in respect of goodwill cannot be reversed. An impairment loss related to other assets is reversed if and to the extent there has been a change in the estimates used to determine the recoverable amount, and only to the extent that the asset's carrying amount on the reporting date does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.8.2 Financial assets measured at amortized cost

The Group recognizes loss allowances for expected credit losses (ECLs) on:

- Financial assets measured at amortized cost; and
- Contract assets.

The Group currently does not own any debt investments measured at FVOCI.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities and bank deposits that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience, together with informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days overdue.

The Group considers a financial asset to be in default if:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- The financial asset is more than 90 days overdue.

The Group considers a debt security to have low credit risk if its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher based on the rating scale employed by credit rating agency Moody's Investor Services, or BBB- or higher as per S&P Global Ratings or Fitch Ratings.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI, if any, are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty experienced by the borrower or issuer;
- A breach of contract such as a default or being more than 90 days overdue;
- The restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security due to financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Group measures ECLs on a collective basis. Financial assets are grouped on the basis of shared credit risk characteristics, where the main driver is instrument type. In addition, credit-impaired or defaulted loans are assessed individually.

3.9 Employee benefits

3.9.1 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and if the obligation can be estimated reliably.

3.9.2 Pension schemes

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Group has an individual defined contribution pension plan (het.kpmg.pensioen) for all employees, which is administered by an insurance company.

3.9.3 Long-term employee benefits

The net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their services in the current and prior periods. The obligation is calculated using the projected unit credit method, and is discounted to determine its present value. The discount rate is the yield at the reporting sheet date on AA credit-rated corporate bonds that have maturity dates approximating the term of the obligations.

These employee benefits relate primarily to supplementary WIA (Occupational Disability Insurance Act) benefits and a provision for long-service benefits.

3.10 Provisions

A provision is recognized in the statement of financial position when, as a result of a past event, the Group has a legal or constructive obligation that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

A provision for claims and/or legal proceedings is recognized following an evaluation of the matters that resulted in the Group being held liable by third parties, or the matters in which the relevant circumstances are such that it is reasonable to assume that they will result in the Group being held liable on the grounds of alleged failure to perform professional duties.

An assessment has been made on a case-by-case basis as to whether it is probable that the case will involve an outflow of resources from the Group. The estimates of both the probability of an outflow of resources and the amounts required involves a degree of uncertainty due to the nature of making such estimations. In general, such proceedings are long-term in nature and estimates are therefore revised from time to time. The amounts provided for include legal expenses, and are only presented net of expected reimbursements from the insurance company where appropriate. Reimbursements from the insurance companies are recognized when it is virtually certain that reimbursement will be received when settling the obligation.

Employee benefits provisions relate to long-term disability benefit supplements, pay-out obligations for secondary years of illness and long-service entitlements. The provisions for long-term disability benefit supplements is carried at its present value using a discount rate of 3.2% (2022/2023: 4.4%), the pay-obligations for secondary years of illness are carried at present value using a discount rate of 1.5% (2022/2023: 1.9%) and long-service entitlements are carried at present value using a discount rate of 3.3% (2022/2023: 4.4%) and taking account of staff turnover probability.

3.11 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Group has determined that for assurance and advisory services, the Group recognizes revenue when (or as) it satisfies a performance obligation by transferring services to a customer. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

The Group has elected to apply the practical expedient of IFRS 15.63. That means it does not adjust the promised amount of the consideration for the effects of a significant financing component if the Group expects, at the inception of a contract, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies, is described below.

Assurance and advisory services

Nature and timing of satisfaction of performance obligations, including significant payment terms

The Group has determined that for assurance and advisory services, the customer controls all of the work in progress as the services are being provided. Furthermore, under such contracts, services provided do not create an asset with an alternative use to the Group as they relate to facts and circumstances that are specific to the customer and, in the event that a contract is terminated by the customer, the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin, unless a contract is onerous.

Invoices are issued according to contractual terms and are usually payable within 15 days. Amounts not yet invoiced are presented as unbilled services, as part of contract assets or contract liabilities.

Revenue recognition

Revenue is recognized over time by measuring the proportion of costs incurred to date compared with the estimated total costs of the service.

For those contracts with a constrained variable consideration that is highly susceptible to factors outside the Group's influence (e.g. success fees), the constrained amount is not included in the transaction price until the uncertainty associated with the variable consideration is resolved.

In contracts with multiple performance obligations, the stand-alone selling price of assurance and advisory services is estimated based on the cost-plus margin approach.

Software as a Service (SaaS) licenses

Nature and timing of satisfaction of performance obligations, including significant payment terms

Customers obtain control of the SaaS over time, during the period that the customer has the ability to consume and receive benefit from its access to the SaaS. Invoices are issued according to contractual terms and are usually payable within 15 days. Amounts not yet invoiced are presented as unbilled services.

Revenue recognition

Revenue is recognized over time using a time basis as a measure of progress after the go-live date of the SaaS.

In contracts with multiple performance obligations, the stand-alone selling price of SaaS is based on the list prices at which the Group sells the SaaS licenses. In the event that discounts are given in those contracts, and there is no observable evidence that the discount corresponds completely to a single performance obligation, the discount is allocated proportionally to all performance obligations of the contract.

3.12 Other income

Included in other income are amounts billed to third parties for services other than assurance and advisory services, including SaaS licenses. This relates to housing expenses and IT services charged externally, primarily KPMG Meijburg & Co and KPMG International, which occupy buildings leased by the Group. Furthermore, the Group employs personnel working for KPMG International at KPMG Staffing & Facility Services B.V. These costs are rebilled in full to KPMG International.

3.13 Finance expenses

Finance expenses comprise interest payable on borrowings, which is calculated using the effective interest method, interest on leases, which is calculated using the incremental borrowing rate, and foreign exchange gains and losses.

3.14 Finance income

Finance income comprises of interest income that is recognized as it accrues in the statement of profit or loss and other comprehensive income using the effective interest method.

3.15 Fees payable to Coöperatie KPMG U.A.

In accordance with KPMG regulations and management agreements, partners are entitled to a variable contractual fee as compensation for services performed. This variable fee is equal to the profit after income tax of KPMG N.V. before deducting the variable fee and excluding the amount the Board of Management proposes to add to the reserves.

These contractual fees payable are recognized as expenses in the statement of profit or loss and comprehensive income.

3.16 Income taxes

Under management agreements, all earnings of KPMG N.V. are distributed to the partners, through Coöperatie KPMG U.A., who pay tax on these earnings. The Group has a ruling for corporate income tax purposes, under which the total net income before tax is subject to corporate income tax at the level of Coöperatie KPMG U.A., KPMG N.V., and the practice companies of the individual equity partners respectively. For this reason, the income tax payable by the Group itself is limited.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. For the financial year 2023/2024, the tax rate applied was 25.8% for 2023 and later years (2022/2023: 25.8% for 2022 and 25.8% for 2023 and later years).

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only in the event that certain criteria are met.

3.17 Principles for presentation of the consolidated cash flow statement

The cash flow statement is prepared according to the indirect method.

The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered to be highly liquid investments.

Cash flows in foreign currencies are translated at the rate at the date of the cash flow. Exchange rate differences concerning finances are shown separately in the cash flow statement.

Corporate income taxes and dividends received are presented under the cash flow from operating activities. Dividends paid, issuance of share capital, interest received, interest paid and payments of lease liabilities are presented under the cash flow from financing activities.

4 New standards and interpretations not yet adopted

A number of new standards, amendments to standards, and interpretations are effective for annual periods beginning after January 1, 2024, and have not been applied in preparing these consolidated financial statements.

They will be applied as of October 1, 2024 or later:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current. The amendments clarify how the classification of liabilities as current or non-current should be determined;
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements. The amendments require an entity to provide additional disclosures about its supplier finance arrangements;
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback. The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale;
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability. The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not;
- IFRS 18 Presentation and Disclosure in Financial Statements. The new standard that replaces IAS 1 will improve the quality of financial reporting by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management-defined performance measures and adding new principles for aggregation and disaggregation of information;
- Amendments to the Classification and Measurement of Financial Instruments: Amendments to IFRS 9 and IFRS 7. The changes relate to settling financial liabilities using an electronic payment system, and assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features;
- IFRS 19 Subsidiaries without Public Accountability: IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19.

These amendments and standards are not expected to have a material impact on the financial statements. A number of other changes to IFRSs will not have an effect on the Group.

5 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group has the following primary operating segments, which have been identified based on the way operations and financial information are organized and financial information is reported to the Board of Management:

- Assurance;
- Advisory.

The operating results of all operating segments for which discrete financial information is available is reviewed regularly by the Board of Management so that it can make decisions about resources to be allocated to the segment and to assess the segment's performance.

As the Group operates in the Netherlands, there is only one geographic segment.

The pricing of intersegment transactions is determined in accordance with the applicable internal policies.

The Group's operating segments are its reportable segments.

Information about reportable segments

Information related to each reportable segment is set out below. Net sales, income and operational results are used to measure performance as management believes this information to be the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries. In addition, average FTEs per segment are closely monitored.

Segmentation 2023/2024	Assurance	Advisory	Total reportable segments	Other segment and intersegment eliminations	Total
Net sales	415,332	282,423	697,755	1	697,756
Income	397,503	300,128	697,631	-2,268	695,363
Operational result	126,906	90,027	216,933	-125,305	91,628

The total of net sales, income and operational result is reconciled to the amounts reported in the financial statements below. Other segments and intersegment eliminations include the elimination of revenues between operating segments on the one hand and central departments and support services on the other hand, on income level. On operational result level, intersegment eliminations relate to the elimination of all costs of central departments and support services providing services to the operating segments.

	Assurance	Advisory	Total reportable segments	Other segments	Total
Average FTEs					
Equity partners	95	71	166	5	171
Other professionals	1,896	1,352	3,248	6	3,254
Support staff	149	93	242	642*	884
Total FTEs	2,140	1,516	3,656	653	4,309

* This includes personnel working for KPMG International.

Segmentation 2022/2023**	Assurance	Advisory	Total reportable segments	Other segment and intersegment eliminations	Total
Net sales	372,147	277,911	650,058	–	650,058
Income	355,885	294,387	650,271	-2,073	648,198
Operational result	101,849	89,844	191,693	-11,492	180,201
	Assurance	Advisory	Total reportable segments	Other segments	Total
Average FTEs					
Equity partners	94	69	163	5	168
Other professionals	1,841	1,340	3,181	7	3,188
Support staff	158	89	247	603*	850
Total FTEs	2,093	1,498	3,591	615	4,206

* Adjusted for comparison purposes.

Reconciliation of information on reportable segments to the amounts reported in the financial statements

EUR 000	2023/2024	2022/2023
Net sales and income		
Net sales	697,756	650,058
Adjustment internal revenue	-2,393	-1,860
Income	695,363	648,198
Client related expenses	75,552	62,757
Consolidated revenue	770,915	710,955
Operational result		
Operational result	91,628	80,201
Advanced fees paid to the Cooperative	41,266	40,158
IFRS 16 adjustments	3,021	2,439
Extraordinary results	-7,892	-34,898
Consolidated operating result	128,023	87,900

Work performed by employees for internal purposes (adjustments internal revenue) is included in net sales for internal reporting purposes. This is excluded from income or consolidated revenue.

Income for internal reporting purposes is exclusive of client-related expenses, such as travel expenses, expense declarations or external client-related invoices. When these expenses are invoiced to the client, they are included in consolidated revenue.

Operational result presented for internal reporting purposes includes “notional” advanced fees paid to Coöperatie KPMG U.A. as a cost element, while they are not a cost element under IFRS. In addition, for internal reporting purposes, IFRS 16 is not followed and therefore the effects thereof are presented as a reconciling item.

For internal reporting purposes, certain items that are considered one-off and non-operational are presented separately and are therefore not considered part of operational result, however they are included in consolidated operating result. Extraordinary results comprise, amongst others, expenses for claims and legal proceedings. In 2022/2023 they amongst others relate to the PCAOB Settlement and costs of the answer sharing investigation.

6 Revenue

Revenue streams

The Group generates revenue primarily from single or multiple performance obligations to deliver assurance and advisory services. The main component of these contracts is labor.

EUR 000	2023/2024	2022/2023
Revenue from contracts with customers	770,915	710,955

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary service lines.

EUR million	Wet toezicht accountantsorganisaties (Wta) audits	Other financial statements audits	Other assurance services	Total assurance services	Advisory services	Total
2023/2024						
OOB clients (Wta)	87.5	12.9	14.6	115.0	–	115.0
Non-OOB clients (Wta)	170.8	20.7	8.1	199.6	14.6	214.2
Other audit clients	–	52.9	9.8	62.7	8.1	70.8
Other clients	–	–	15.7	15.7	355.2	370.9
Total	258.3	86.5	48.2	393.0	377.9	770.9
Of which revenue is related to:						
Assurance	258.3	86.5	48.1	392.9	42.1	435.0
Advisory	–	–	0.1	0.1	335.8	335.9
Total	258.3	86.5	48.2	393.0	377.9	770.9
2022/2023						
OOB clients (Wta)	76.7	5.7	9.1	91.5	–	91.5
Non-OOB clients (Wta)	165.3	16.5	10.4	192.2	14.3	206.5
Other audit clients	–	48.2	7.9	56.1	4.6	60.7
Other clients	–	–	15.9	15.9	336.4	352.3
Total	242.0	70.4	43.3	355.7	355.3	711.0
Of which revenue is related to:						
Assurance*	242.0	70.4	43.0	355.4	39.8	395.2
Advisory*	–	–	0.3	0.3	315.5	315.8
Total	242.0	70.4	43.3	355.7	355.3	711.0

* Adjusted for comparison purposes.

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

EUR 000		2023/2024	2022/2023
Trade Receivables which are included in 'Receivables'	18	140,537	114,945
Contract assets		44,750	38,235
Contract liabilities		59,570	59,102

The contract assets primarily relate to unbilled services in relation to contracts with customers, amounting to EUR 44,675 as at September 30, 2024 (September 30, 2023: EUR 38,205).

The remainder of the contract assets are related to costs to fulfil contracts where the Group performs set-up activities to deliver Software as a Service (SaaS licenses). These costs were determined based on the cost price of consulting hours related to the set-up activities performed before the go-live date of the SaaS licenses. These contract assets are amortized over the period that the SaaS license is provided to the customer.

The amount of amortization of contract assets during the year ended September 30, 2024 was EUR 56 (September 30, 2023: EUR 56). The amortization expenses relate partly to contract assets formed during the financial year and partly to existing contract assets as at the start of the financial year.

The contract liabilities primarily relate to advance billings for various activities in line with KPMG's services to be provided. Contract liabilities also include setup activities that do not transfer a service to the customer on their own, but are necessary for the use of the SaaS licenses to be provided to the customer.

No amount has been recognized as revenue from performance obligations satisfied (or partially satisfied) for the year ended September 30, 2024 (EUR nil for the year ended September 30, 2023).

Transaction price allocated to the remaining performance obligations

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

7 Other income

Other sources of income include amounts billed to third parties for services other than assurance and advisory services. This relates to housing expenses and IT services charged externally, primarily to KPMG Meijburg & Co and KPMG International, which occupy buildings leased by the Group. Furthermore, the Group employs personnel working for KPMG International at KPMG Staffing & Facility Services B.V. These costs are rebilled in full to KPMG International.

8 Costs of outsourced work and other external charges

Costs of outsourced work and other external charges relate to third-party services, including those from other members of the KPMG network, and expenses directly attributable to engagements.

9 Employee benefits expenses

EUR 000	2023/2024	2022/2023
Salaries and other employee benefit expenses	349,941	333,714
Social security costs	45,684	43,353
Pension costs	22,626	20,947
Long-term employee benefits	190	146
Severance expenses	1,826	1,082
	420,267	399,242

Salaries and other employee benefit expenses increased in line with the increase in number of staff by 2.5% and additionally as a result of increased fixed pay. The average salary per KPMG employed FTE increased by 4.0% (2022/2023: increase 1.6%).

Total employee expenses increased by 5.3% (2022/2023: increase 13.2%).

Number of staff and partners

Average FTEs	2023/2024	2022/2023
Professional staff	3,254	3,188
Support staff	744	711
Support staff for KPMG International	140	139
	4,138	4,038
Partners	171	168
	4,309	4,206

Please see [Note 7](#) Other income for more details with respect to support staff for KPMG International.

10 Other expenses

EUR 000	2023/2024	2022/2023
Other employee expenses	38,065	39,346
Traveling and representation expenses	23,874	20,481
Housing expenses	8,838	8,779
Office and IT expenses	17,381	16,808
Impairment on trade receivables	1,401	189
Other expenses	51,164	61,594
	140,723	147,197

Other employee expenses decreased as a result of lower support personnel required for software development activities.

Travel and representation expenses increased as a result of higher car lease expenses. Housing expenses are in line with 2022/2023. Office and IT expenses increased slightly.

Other expenses included in other expenses mainly relate to contributions to KPMG International, insurance expenses, AFM fees, expenses for legal proceedings and research and development costs. In 2022/2023, other expenses include the PCAOB Settlement. The decrease in expenses for legal proceedings in 2023/2024 was partially offset by increased contributions to KPMG International.

An amount of EUR 8.2 million is recognized in the other expenses (employee expenses and IT expenses) related to research and development costs (2022/2023: EUR 8.7 million).

11 Finance income

EUR 000	2023/2024	2022/2023
Interest on lease receivables	70	73
Interest on bank accounts	2,029	794
Other finance income	-	32
	2,099	899

12 Finance expenses

EUR 000	2023/2024	2022/2023
Interest expense on employee bonds	300	419
Interest expense due to Coöperatie KPMG U.A.	5,454	5,945
Foreign exchange results	56	244
Adding of interest and change in discount rate	252	-12
Interest on lease liabilities	3,021	2,439
Interest and bank charges	249	936
Other finance expenses	7	-
	9,339	9,971

13 Income taxes

Under management agreements, all earnings of KPMG N.V. are distributed to the partners, through Coöperatie KPMG U.A., who pay tax on these earnings. The Group has a ruling for corporate income tax purposes, under which total net income before tax is subject to corporate income tax at the level of Coöperatie KPMG U.A., KPMG N.V. and the practice companies of the individual equity partners respectively. For this reason, income tax payable by the Group itself is limited.

Tax on the profit share of KPMG N.V. is calculated using the average tax rate applicable for the year. For 2023/2024, the average tax rate was 25.6% (2022/2023: 25.4%).

The table below provides a reconciliation between accounting profit and taxable profit.

EUR 000	2023/2024	2022/2023
Profit before income tax	120,783	78,828
Expenses related to early retired partners	-142	-1,467
Tax-exempt income	-	-694
Non-deductible expenses	1,591	25,002
Temporary differences	-2,106	-2,098
Taxable profit	120,126	99,571

Non-deductible expenses in the comparative information mainly relate to the PCAOB Settlement.

Taxable profit is taxable at the level of:

EUR 000	2023/2024	2022/2023
KPMG N.V.	6,623	5,323
Coöperatie KPMG U.A.	1,179	1,140
Practice companies of the individual equity partners	112,324	93,108

13.1 Amounts recognized in profit or loss

EUR 000	2023/2024	2022/2023
Current tax expense		
Current year	1,695	1,353
Deferred tax expense		
Recognized net deductible temporary differences	543	554
Tax expense on continuing operations	2,238	1,907

13.2 Movement in deferred tax balances

EUR 000	Net balance at October 1	Recognized in profit or loss (see 13.1)	Net balance at September 30	Deferred tax asset	Deferred tax liability
2022/2023					
Property plant and equipment	1,360	-680	680	680	-
Jubilee benefits	165	6	171	171	-
Lease liabilities	815	120	935	935	-
Deferred tax balance	2,340	-554	1,786	1,786	-
2023/2024					
Property plant and equipment	680	-680	-	-	-
Jubilee benefits	171	87	258	258	-
Lease liabilities	935	50	985	985	-
Deferred tax balance	1,786	-543	1,243	1,243	-

The key factors that determine the valuation of deferred tax assets are the probability of future taxable profits, the tax rates that are expected to be applied to temporary differences when they reverse, and the assumption that it is expected that the carrying amount can be recovered. No amount was recognized in profit or loss related to changes in enacted or substantially enacted tax rates (2022/2023: no amount).

13.3 Current tax balances

Coöperatie KPMG U.A. is head of the fiscal unity for income tax purposes. For this reason, current tax balances are included in the current account with Coöperatie KPMG U.A.

14 Fees payable to Coöperatie KPMG U.A.

The management fee payable to the partners, through Coöperatie KPMG U.A., is remuneration for professional services performed and entrepreneurial risk. Partners must make their own pension arrangements and pay social security costs from this fee.

The level of the management fees payable to individual partners reflects their roles and specific responsibilities as well as corresponding levels of performance and, to a certain extent, reflects growth based on seniority in their initial years as partners.

In addition to their management fee, the practice companies of the partners also received expense allowances amounting to a total of EUR 114 (2022/2023: EUR 111), car allowances amounting to EUR 2,600 (2022/2023: EUR 2,617) and interest on financing totaling EUR 5,454 (2022/2023: EUR 5,945). These costs are shown in the statement of profit or loss and other comprehensive income under other expenses and finance expenses respectively.

15 Intangible assets and goodwill

EUR 000	Goodwill	Software	Internally developed software	Total
Balance as at October 1, 2022				
Cost	6,395	8,354	4,055	18,804
Accumulated amortization and impairment	–	2,772	2,478	5,250
Carrying amount	6,395	5,582	1,577	13,554
Movements during 2022/2023:				
Additions	–	2,243	335	2,578
Amortization	–	-1,245	-894	-2,139
Impairment	–	-88	–	-88
Disposals cost	–	-164	-367	-531
Disposals accumulated amortization and impairment	–	164	367	531
Balance as at September 30, 2023	6,395	6,492	1,018	13,905
Cost	6,395	10,433	4,023	20,851
Accumulated amortization and impairment	–	3,941	3,005	6,946
Balance as at October 1, 2023	6,395	6,492	1,018	13,905
Movements during 2023/2024:				
Additions	–	903	353	1,256
Amortization	–	-1,467	-719	-2,186
Impairment	–	–	–	–
Disposals cost	–	–	–	–
Disposals accumulated amortization and impairment	–	–	–	–
Balance as at September 30, 2024	6,395	5,928	652	12,975
Cost	6,395	11,336	4,376	22,107
Accumulated amortization and impairment	–	5,408	3,724	9,132
Balance as at September 30, 2024	6,395	5,928	652	12,975

Software

Software mainly relates to back-office systems. The remaining period of amortization as at September 30, 2024 is two to eight years (September 30, 2023: two to eight years).

Internally developed software

Internally developed software mainly relates to digital risk software. During 2023/2024 an amount of EUR 353 was capitalized (2022/2023: EUR 335).

Impairment loss

No impairments on software was recorded in 2023/2024 (2022/2023: EUR 88).

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units (CGUs). The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

EUR 000	09/30/2024	09/30/2023
KPMG Advisory	6,395	6,395

On an annual basis, the Group carries out impairment tests on capitalized goodwill, which are based on the estimated cash flows of the related CGU. The CGU represents the lowest level within the Group at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segment as reported in [Note 5](#) Segment reporting. The recoverable amount of the relevant CGU is determined on the basis of its value in use. Determination of the value in use is performed by using estimated future cash flows, based on the 2024/2025 business plan approved by the Board of Management and further financial projections for the financial years through 2026/2027. Cash flows after this period are extrapolated by using a growth rate to calculate the terminal value.

The key assumptions in the cash flow projections are:

- Total revenue growth and result development, which is based on historical performance, expected future market developments, and the 2024/2025 business plan. For the period 2024/2025, a real revenue growth of 5.0% is included. For the period thereafter, KPMG has used a real growth of 0%, in addition to an inflation component based on inflation forecasts derived from the Economist Intelligence Group (IEU);
- A discount rate of 7.5% (2022/2023: 8.1%) to calculate the present value of the estimated future cash flows, to which pre-tax discount rates have been applied. The pre-tax discount rates are determined on the basis of the individual post-tax weighted average cost of capital calculated;
- An indefinite growth rate, including an inflation correction, based on the lowest of the risk-free rate assumed in the weighted average cost of capital and the long-term inflation forecasts derived from IEU:2% (2022/2023: 2%).

The values assigned to the key assumptions represent management's assessment of future trends in the respective markets, and are based on both external and internal sources (historical and forward-looking data).

A sensitivity analysis has been performed, taking a change in the pre-tax weighted average cost of capital and the revenue growth expectations into consideration. No reasonably possible change in the assumptions would cause the carrying amount to exceed the recoverable amount.

Based on the outcome of the impairment tests, no impairments have been recorded.

16 Property, plant and equipment

	Fixtures fittings and alterations	Computers and communication equipment	Office furniture and equipment	Lease cars	Buildings				Total
EUR 000	Owned	Owned	Owned	Right of use	Right of use	Right of use	Owned	Right of use	Total
Balance as at October 1, 2022									
Cost	8,521	6,826	8,699	445*	72,064*	115,276*	24,046	187,785*	211,831*
Accumulated depreciation and impairments	3,775	2,353	3,126	217*	33,076*	34,203*	9,254	67,496*	76,750*
Carrying amount	4,746	4,473	5,573	228	38,988	81,073	14,792	120,289	135,081
Movements during 2022/2023:									
Additions	1,560	2,200	2,259	–	25,774	824	6,019	26,598	32,617
Depreciation	-836	-2,010	-1,312	-91	-19,430	-11,109	-4,158	-30,630	-34,788
Remeasurement	–	–	–	–	402	7,923	–	8,325	8,325
Modification	–	–	–	–	-19	2,450	–	2,431	2,431
Disposals cost	-1,106	-1,422	-139	–	-15,252*	-4,829*	-2,667	-20,081*	22,748*
Disposals accumulated depreciation and impairment	1,106	1,422	139	–	13,634*	4,829*	2,667	18,463*	21,130*
Balance as at September 30, 2023	5,470	4,663	6,520	137	44,097	81,161	16,653	125,395	142,048
Cost	8,975	7,604	10,819	445*	82,969*	121,644*	27,398	205,058*	232,456*
Accumulated depreciation and impairments	3,505	2,941	4,299	308*	38,872*	40,483*	10,745	79,663*	90,408*
Balance as at October 1, 2023	5,470	4,663	6,520	137	44,097	81,161	16,653	125,395	142,048
Movements during 2023/2024:									
Additions	653	2,275	802	–	24,528	79	3,730	24,607	28,337
Depreciation	-877	-2,088	-1,442	-88	-20,418	-11,325	-4,407	-31,831	-36,238
Remeasurement	–	–	–	10	230	7,282	–	7,522	7,522
Modification	–	–	–	–	–	169	–	169	169
Disposals cost	-1,538	-1,511	-101	–	-17,517	–	-3,150	-17,517	-20,667
Disposals accumulated depreciation and impairment	1,538	1,511	101	–	16,072	–	3,150	16,072	19,222
Balance as at September 30, 2024	5,246	4,850	5,880	59	46,992	77,366	15,976	124,417	140,393
Cost	8,090	8,368	11,520	455	90,210	129,174	27,978	219,839	247,817
Accumulated depreciation and impairments	2,844	3,518	5,640	396	43,218	51,808	12,002	95,422	107,424
Balance as at September 30, 2024	5,246	4,850	5,880	59	46,992	77,366	15,976	124,417	140,393

* Adjusted for presentation purposes.

17 Other financial assets

EUR 000	09/30/2024	09/30/2023
Profit share derivative of the employee bonds	61	–
Lease receivables	3,619	3,788
	3,680	3,788

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in [Note 25](#) Financial instruments and associated risks.

Further information on lease receivables is included in [Note 26.2](#) Leases as Lessor.

18 Receivables

EUR 000	09/30/2024	09/30/2023
Trade receivables	154,201	118,056
Other receivables	7,074	38,807
Prepayments	8,620	8,790
	169,895	165,653

The recoverable amounts of unbilled services and trade receivables are estimated every quarter. The important factors to be considered when estimating unbilled services and trade receivables are historical performance, the terms and conditions of contracts, and progress on and results of work performed. Both expected macro-economic factors and the financial position of the debtor are important when assessing the loss allowance.

Unbilled services on contracts with customers are presented as contract assets in [Note 6](#).

Other receivables in 2022/2023 include receivables from the Dutch Tax Authorities, as well as insurance receivables with respect to legal proceedings.

18.1 Trade receivables

All trade receivables are due within one year.

Trade receivables are shown net of expected credit losses of EUR 542 (2022/2023: net of expected credit losses of EUR 603). In addition, in the statement of profit or loss and other comprehensive income an impairment loss of EUR 1,401 (2022/2023: a loss of EUR 189) has been recognized under other expenses.

18.2 Other

All other receivables are due within one year. The prepayments mainly consist of prepaid insurance premiums.

19 Cash and cash equivalents

As at September 30, 2024, cash and cash equivalents only consists of bank balances. Bank balances, including business savings accounts, are at the free disposal of the Group.

20 Equity

20.1 Share capital

The Company has an authorized capital of EUR 20,000 (2022/2023: EUR 20,000), which is divided into 800 shares of EUR 25 each (2022/2023: 800 shares of EUR 25 each). The issued share capital consists of 220 (2022/2023: 220) shares at a nominal value of EUR 25 each (2022/2023: EUR 25 each), representing a total nominal value of EUR 5,500 (2022/2023: EUR 5,500). All of the shares are fully paid up.

KPMG N.V. is obliged to distribute all earnings that constitute profits as contractual fees to Coöperatie KPMG U.A. or as dividend, except for the amount the Board of Management proposes to add to the reserves.

20.2 Reserves

The reserves contain the profits of previous years.

20.3 Appropriation of profit

The Group's profit totals EUR nil and the Company proposes to add this amount to the reserves.

21 Loans and borrowings

EUR 000	09/30/2024	09/30/2023
Non-current loans and borrowings		
Loans payable to Coöperatie KPMG U.A. (partners)	52,443	53,684
Loans payable to Coöperatie KPMG U.A. (former partners)	1,143	1,009
Lease liability	102,250	104,126
Total non-current loans and borrowings	155,836	158,819
Current loans and borrowings		
Employee Bonds	4,782	4,911
Loans payable to Coöperatie KPMG U.A. (partners)	98,183	66,934
Loans payable to Coöperatie KPMG U.A. (former partners)	5,090	3,908
Lease liability	24,727	23,185
Total current loans and borrowings	132,782	98,938
	288,618	257,757

21.1 Employee Bonds

Employees have had the opportunity to participate in short-term employee bonds with a maturity of one year, a one-year EURIBOR + 3% base rate interest, and a variable surplus based on the realized profit before income tax of KPMG N.V. In 2024, 4,708 bonds with a nominal value of EUR 1 were issued, of which 125 bonds were redeemed early (2023: 4,820 bonds with a nominal value of EUR 1, of which 103 bonds were redeemed early). The balance includes an interest accrual for the expected payout of EUR 199 (2022/2023: EUR 190).

21.2 Loans payable to Coöperatie KPMG U.A. relating to partners

The interest charged on current accounts included in loans is 3.1% (2022/2023: 3.0%). Partners participate in a mandatory loan program totaling EUR 30.1 million as at September 30, 2024 (September 30, 2023: EUR 27.8 million) bearing an interest of 8.0% (2022/2023: 8.0%). Partners also have the opportunity to subscribe to deposits with a duration varying between one and five years. The total amount subscribed as at September 30, 2024 was EUR 33.1 million, with an interest rate of 3.5% to 6.0% depending on the duration of the loan (September 30, 2023: EUR 38.6 million with an interest rate of 3.5% to 6.3%).

Movements in financing by partners:

EUR 000	2023/2024	2022/2023
Balance as at October 1	120,618	156,256
Fees to partners under management agreements	118,545	76,293
Interest due to Coöperatie KPMG U.A. relating to partners	4,965	5,636
Other movements (net withdrawal)	-93,502	-117,567
Balance as at September 30	150,626	120,618

Other movements refer mainly to amounts withdrawn by partners.

21.3 Loans payable to Coöperatie KPMG U.A. relating to former partners

Non-current loans payable to Coöperatie KPMG U.A. relating to former partners comprise early retirement liabilities to former partners and have an average term of 2.1 years (2022/2023: 2.0 years) and an average interest rate of 2.8% (2022/2023: 3.5%). The average interest on current loans payable to former partners is 2.8% (2022/2023: 1.7%).

21.4 Lease liability

Lease liabilities are payable as follows:

EUR 000	September 30, 2024			September 30, 2023		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	27,499	2,772	24,727	25,425	2,240	23,185
Between one and five years	69,884	5,335	64,549	67,891	4,919	62,972
More than five years	39,774	2,043	37,701	44,369	3,215	41,154
	137,157	10,150	126,977	137,685	10,374	127,311

22 Employee benefits

EUR 000	September 30, 2024			September 30, 2023		
	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
Long-term employee benefit obligations	831	1,845	2,676	375	1,632	2,007
Short-term employee benefit obligations	50,605	–	50,605	41,109	–	41,109
	51,436	1,845	53,281	41,484	1,632	43,116

Long-term employee benefits mainly consist of WIA supplement (Occupational Disability Insurance Act) benefits and provisions for long-service entitlements.

Short-term employee benefit obligations consist of accruals for variable pay amounting to EUR 24,151 (September 30, 2023: EUR 17,343), holiday allowances amounting to EUR 16,088 (September 30, 2023: EUR 13,492) and benefit-on-demand liabilities amounting to EUR 10,366 (September 30, 2023: EUR 10,274). These obligations include a number of special schemes that relate to supplements to social benefits.

Movements in long-term employee benefits:

EUR 000	2023/2024	2022/2023
Balance as at October 1	2,007	2,165
Utilized	-208	-247
Addition	627	101
Adding of interest and change in discount rate	250	-12
Balance as at September 30	2,676	2,007

23 Provisions

Movements in provisions in 2023/2024:

EUR 000	Onerous contracts	Claims and legal proceedings	Total
Balance as at October 1	75	43,816	43,891
Utilized	-63	-43,616	-43,679
Addition	23	3,550	3,573
Balance as at September 30	35	3,750	3,785

The provision for onerous contracts relates to contracts with clients where the expected costs to complete the engagement exceed the expected benefits.

The provision for claims and legal proceedings relates to various claims and proceedings against the Group on the grounds of alleged failure to perform professional duties and other legal matters. The Group carries professional indemnity insurance.

In 2022, an investigation in relation to answer sharing during mandatory training tests was initiated. In April 2024, the PCAOB imposed a USD 25 million civil money penalty on KPMG. This penalty was provided for as per September 30, 2023 and was paid during 2023/2024.

In addition, the Group faces other claims and/or legal proceedings. No separate disclosure is made of the detail of claims and/or legal proceedings as to do so could prejudice seriously the position of the Group.

In situations where the Group estimates that it is probable that an outflow of economic benefits will be required, a provision is recognized.

The periods during which the provisions are expected to be utilized are as follows:

	September 30, 2024			September 30, 2023		
	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
Onerous contracts	35	–	35	63	12	75
Claims and legal proceedings	3,350	400	3,750	43,816	–	43,816
	3,385	400	3,785	43,879	12	43,891

24 Trade and other payables

EUR 000	09/30/2024	09/30/2023
Trade payables	18,556	12,543
Tax and social insurance contributions	43,445	37,874
Other current liabilities	2,992	2,005
Accruals	13,940	15,425
	78,933	67,847

The Group's liquidity risk relating to trade and other payables is disclosed in [Note 25.3](#) Liquidity risk.

Advance billings are presented under contract balances in [Note 6](#).

Trade payables increased mainly due to an increase of expenses towards the end of the financial year which were not yet due. Other current liabilities are at a normal level. Accruals were primarily made to cover housing expenses, charges for third-party services still to be paid, and insurance premiums; the decrease of which mainly relates to third-party services. The increase in tax and social insurance contributions is related to VAT payables in line with our increase in invoicing.

25 Financial instruments and associated risks

25.1 General

25.1.1 Background and policies

Financial instruments that are used by KPMG N.V. arise directly from normal business operations. During the financial year it was KPMG N.V.'s policy not to trade in financial instruments.

The Group is exposed to credit, interest, liquidity and foreign exchange risks as part of its normal business operations. The Group does not trade in financial derivatives, and has procedures and policies in place to limit the credit risk relating to counterparty default or market risk.

If a counterparty defaults in its payments due to the Group, any resulting losses will be limited to the fair value of the instruments concerned. The contract values or notional principals of the financial instruments are only an indication of the extent to which such financial instruments are used, and do not reflect credit or market risks.

These notes provide information about the extent to which the Group is exposed to the specified risks, together with the objectives, policies and processes relating to the measurement and management of these risks, as well as management of capital by the Group.

The Board of Management evaluates and confirms the policy for mitigating each of these risks as summarized below. There were no changes to the policy during the period under consideration.

The Board of Management has general responsibility for establishing and supervising risk management. The Group's risk management policy is used to identify and analyze the risks to which the Group is exposed, to set risk limits and controls, and to monitor and minimize risks. The risk management policy and the relevant systems are tested on a regular basis against changes in market conditions and the Group's business activities.

25.1.2 Concentrations of risks

The operational activities of the Group relate to a diversity of clients and suppliers predominantly in the Netherlands. As a result, the concentration of risks for the operations of the Group is limited, except for the geographic risk. Funding of operations is arranged by a diversity of partners through Coöperatie KPMG U.A. and an additional bank's credit facility. The Group has current accounts of over EUR 53 million at the same bank (2022/2023: over EUR 56 million), and it notes that this results in a concentration of risks associated with this bank. The bank is also one of the Group's clients for professional non-audit services. The Group has confirmed that from an independence perspective this is allowed, as all transactions with the bank are at arm's length. The Group closely monitors the credit rating of the bank (A+ according to S&P Global). In addition, the Group has divided its cash and cash equivalents over multiple banks in order to mitigate risks related to high cash levels at one bank.

25.2 Credit risk

It is inherent in the nature of the activities of the organization that it is exposed to credit risk. This risk relates to the loss that may be incurred if a counterparty defaults. It is limited mainly by depositing cash with banks rated A- or higher, and by the large number and diversity of clients that owe amounts to the organization for unbilled services and trade and other receivables. The carrying amount of each financial asset represents the maximum credit exposure.

25.2.1 Trade and other receivables and contract assets

The exposure to credit risks is monitored continuously, and the creditworthiness of all clients is checked for transactions exceeding a certain amount. The Group does not require protection in respect of non-current financial assets.

Credit risk exposure is mitigated by the large number and diversity of clients, and therefore by diversifying risk. Only a limited percentage of revenue is attributable to any single client and, as a result, there is no major concentration of credit risk at the level of individual clients.

The recoverable amount of unbilled services and trade receivables is estimated on an ongoing basis. The important factors to be considered when estimating unbilled services and trade receivables are historical performance, the terms and conditions of the contract and the progress and results of the work performed. Both macro-economic factors and the financial position of the debtor are important when assessing the loss allowance.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, with the main driver being the instrument type. In addition, the Group actively monitors the economic environment in the Netherlands.

The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivable and contract assets for which no loss allowance is recognized due to collateral.

25.2.2 Exposure to credit risk

Maximum exposure to credit risk as at September 30 was as follows:

EUR 000	September 30, 2024	September 30, 2023
Unbilled services	44,622	38,205
Trade receivables	154,201	118,056
Lease receivables	3,619	3,788
Other receivables	7,074	38,807
Cash and cash equivalents	142,577	136,154
	352,093	335,010

Loss allowance

Debtor and unbilled services ageing analysis:

EUR 000	September 30, 2024		September 30, 2023	
	Gross	Loss allowance	Gross	Loss allowance
Not yet due	155,287	162	118,607	31
Overdue: age 1 to 180 days	42,839	201	35,616	37
Overdue: age 181 to 365 days	997	91	1,773	364
Overdue: age over 365 days	243	88	869	171
	199,366	542	156,865	603

The movement in the loss allowance in respect of trade receivables during the year is presented below.

EUR 000	2023/2024	2022/2023
Balance at October 1	603	1,050
Added	566	393
Written off	-308	-189
Released	-319	-651
Balance at September 30	542	603

25.2.3 Cash and cash equivalents

At September 30, 2024, the Group held cash and cash equivalents of EUR 142,577 (September 30, 2023: EUR 136,154). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated at A-, at least based on ratings by Moody's Investor Services, S&P Global Ratings and Fitch Ratings (ranging from A- to AA). Impairment on cash and cash equivalents is measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

25.3 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial liabilities as they fall due. The Group's liquidity management policy is to ensure as far as possible that there are sufficient liquid funds available to be able to meet its liabilities when due without incurring unacceptable losses or damaging its reputation.

The aim of the Group's treasury policy is to ensure that there are sufficient funds available to finance day-to-day activities. The Group has a combined credit and guarantee facility of EUR 20,000 (2022/2023: EUR 50,000), of which a drawdown of EUR 154 was made (2022/2023: no drawdown) in the form of a guarantee.

The credit facility is available until June 30, 2026. Interest payable is based on the average one-month EURIBOR rate plus a margin of 1.95%.

The Group has to comply to certain covenants in connection with the credit facility made available by the bank. These covenants relate to the maintenance of a certain tangible net worth, EBITDA, asset coverage and sales coverage. During and at the end of the financial year, the Group complied with all covenant requirements.

Summary of financial liabilities:

EUR 000	Carrying amount	Contractual cash flow	Due within 1 year	Due between 1 and 5 years	Due after 5 years
September 30, 2024					
Loans and borrowings from partners and former partners	156,859	183,796	109,601	37,258	36,937
Loans and borrowings from employee bonds	4,782	4,782	4,782	–	–
Trade and other payables	138,503	138,503	138,503	–	–
Employee benefits	51,777	51,777	51,349	287	141
Lease liability	126,977	137,127	27,499	69,953	39,675
	478,898	515,985	331,734	107,498	76,753
September 30, 2023					
Loans and borrowings from partners and former partners	125,535	152,107	76,252	41,006	34,849
Loans and borrowings from employee bonds	4,911	4,911	4,911	–	–
Trade and other payables	125,375	125,375	125,375	–	–
Employee benefits	41,926	41,926	41,420	330	176
Lease liability	127,311	137,685	25,426	67,890	44,369
	425,058	462,004	273,384	109,226	79,394

25.4 Market risk

Market risk is the risk that changes in market prices, such as exchange rates and interest rates, will affect the income of the Group or the value of its assets. The aim is to maintain these market risks within acceptable limits, while maximizing income. In the longer term, however, permanent changes in exchange and interest rates will have an impact on consolidated profits.

25.4.1 Interest rate risk

Interest rate risk mainly relates to interest-bearing financial liabilities as a result of the funding positions by former and current partners.

Financial assets of the Group consist primarily of investments in non-current assets, trade receivables and cash and cash equivalents. Trade and other receivables do not bear interest.

It is estimated that as at September 30, 2024, a general rise in interest rates by one percentage point would have a negative effect of EUR 0.1 million on the Group's profit before income tax (September 30, 2023: negative effect of EUR 0.1 million), and no effect on equity (September 30, 2023: no effect).

The table below presents the effective interest rates for interest-bearing financial assets and financial liabilities at the reporting date and the contractual maturities for these assets and liabilities (excluding interest receipts and payments):

EUR 000	Effective interest rate	<1 year	>1 year < 2 years	>2 years < 3 years	>3 years < 4 years	>4 years < 5 years	Longer than 5 years	Total carrying amount
September 30, 2024								
Fixed-rate interest:								
Lease receivable	9.1%	329	329	329	329	329	1,974	3,619
Coöperatie KPMG U.A.	0.0%	-1,021	-	-	-	-	-	-1,021
Current account Coöperatie KPMG U.A. relating to partners	3.1%	-81,493	-	-	-	-	-	-81,493
Loans payable to partners	6.5%	-15,670	-9,187	-9,407	-5,347	-1,534	-30,081	-71,226
Loans payable to former partners	2.3%	-5,090	-333	-164	-141	-43	-462	-6,233
Lease liability	7.1%	-24,727	-23,721	-17,937	-14,195	-8,696	-37,701	-126,977
Variable rate interest:								
Cash and cash equivalents	1.7%	142,577	-	-	-	-	-	142,577
Employee bonds	10.6%	-4,782	-	-	-	-	-	-4,782
		10,123	-32,912	-27,179	-19,354	-9,944	-66,270	-145,536
September 30, 2023								
Fixed-rate interest:								
Lease receivable	10.5%	311	311	311	311	311	2,233	3,788
Coöperatie KPMG U.A.	0.0%	-733	-	-	-	-	-3,113	-3,846
Current account Coöperatie KPMG U.A. relating to partners	3.0%	-52,590	-	-	-	-	-	-52,590
Loans payable to partners	6.2%	-15,076	-4,867	-9,707	-8,240	-6,151	-27,833	-71,874
Loans payable to former partners	1.3%	-3,908	-329	-132	-43	-43	-462	-4,917
Lease liability	7.2%	-23,185	-23,228	-17,870	-12,484	-9,389	-41,155	-127,311
Variable rate interest:								
Cash and cash equivalents	1.7%	136,154	-	-	-	-	-	136,154
Employee bonds	6.2%	-4,911	-	-	-	-	-	-4,911
		36,062	-28,113	-27,398	-20,456	-15,272	-70,330	-125,507

Part of the current account relating to partners is non-interest bearing.

25.4.2 Currency risk

In the normal course of business, foreign currency risks are limited as transactions are carried out in foreign currency on a limited basis, and assets and liabilities are usually denominated in euros.

When derivative financial instruments are used to economically hedge exposure to foreign exchange risks associated with recognized monetary assets or liabilities, hedge accounting is not applied, and any gain or loss on a hedging instrument is recognized in the statement of profit or loss and other comprehensive income.

It is estimated that a general drop in the value of the euro by one percentage point relative to other currencies would have no effect on the Group's profit before income tax for 2023/2024 (2022/2023: no effect), and no effect on equity (September 30, 2023: no effect).

25.5 Fair value

The principal methods and assumptions used to estimate the fair values of financial instruments are set out below. For all instruments below, the fair value measurement is based upon level 3, unobservable inputs. There were no transfers of levels during 2023/2024 to other levels of fair value measurement input.

Fair values per class of financial assets and liabilities can be summarized as follows:

	Financial assets at fair value through profit or loss		Financial assets at fair value through OCI		Financial assets at amortized cost		Other financial liabilities	
EUR 000	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
2023/2024								
Other financial assets	61	61	-	-	-	-	-	-
Total financial assets	61	61	-	-	-	-	-	-
Loans payable to (former) partners	-	-	-	-	-	-	156,859	156,859
Employee bonds	-	-	-	-	-	-	4,782	4,782
Total financial liabilities	-	-	-	-	-	-	161,641	161,641
2022/2023								
Other financial assets	-	-	-	-	-	-	-	-
Total financial assets	-	-	-	-	-	-	-	-
Loans payable to (former) partners	-	-	-	-	-	-	125,535	125,535
Employee bonds	-	-	-	-	-	-	4,911	4,911
Total financial liabilities	-	-	-	-	-	-	130,446	130,446

25.5.1 Cash and cash equivalents

In view of the short maturity of deposits, the fair value of cash and cash equivalents is equal to nominal value.

25.5.2 Interest-bearing loans and borrowings

In determining the value of the obligations to partners and former partners, the present value of future cash flows is calculated using a discount rate before tax that reflects current market assessments of the time value of money and the specific risks relating to the liability. As interest on loans and borrowings is determined based on market rates, fair value is approximately equal to the carrying amount.

Considering that the obligations to employees have a maturity of less than one year, face value is considered to be a reflection of fair value.

25.5.3 Trade and other receivables/trade and other payables

For receivables and payables with a maturity of less than one year, face value is considered to be a reflection of fair value.

25.6 Capital management

The Board of Management's policy is to maintain a strong capital position (equity and partner financing) in order to retain the confidence of clients, creditors and finance providers, and to ensure the future development of business activities.

The Group is largely financed by Coöperatie KPMG U.A., partly in the form of a contribution of up to EUR 180 per partner to the Group's equity (September 30, 2023: up to EUR 180 per partner), and partly in the form of loans.

Average financing per partner (excluding other reserves) amounted to EUR 1,027 as at September 30, 2024, compared with EUR 843 as at September 30, 2023. Total financing by partners as at September 30, 2024 amounted to 35.3% of total assets (September 30, 2023: 30.0%).

The Group may repurchase shares from Coöperatie KPMG U.A. and sell them back to Coöperatie KPMG U.A. in connection with partners who are leaving or joining the Group. These transactions are carried out at nominal value plus a share premium.

26 Leases

26.1 Leases as Lessee

The Group leases office buildings, cars and office equipment. The leases typically run for a period of four to five years for cars, five to 15 years for buildings and five years for office equipment. Lease payments are indexed depending on the contracts: for cars usually once a year; and for buildings after three years upon contract start date to reflect market rentals. For certain leases, the Group is restricted from entering into sub-lease arrangements.

Information about leases for which the Group is a lessee is presented below.

26.1.1 Right-of-use-assets

EUR 000	Cars	Buildings	Office equipment	Total
2023/2024				
Balance as at October 1, 2023	44,097	81,161	137	125,395
Depreciation charge for the year	-20,418	-11,325	-88	-31,831
Additions to right-of-use assets	24,528	79	-	24,607
Remeasurement	230	7,282	10	7,522
Modification	-	169	-	169
Disposals	-1,445	-	-	-1,445
Balance as at September 30, 2024	46,992	77,366	59	124,417
2022/2023				
Balance as at October 1, 2022	38,988	81,073	228	120,289
Depreciation charge for the year	-19,430	-11,109	-91	-30,630
Additions to right-of-use assets	25,774	824	-	26,598
Remeasurement	402	7,923	-	8,325
Modification	-19	2,450	-	2,431
Disposals	-1,618	-	-	-1,618
Balance as at September 30, 2023	44,097	81,161	137	125,395

25.1.2 Amounts recognized in profit or loss

EUR 000	2023/2024	2022/2023
Interest on lease liabilities	-3,021	-2,439
Income from sub-leasing right-of-use assets presented in 'Other Income'	2,072	1,860
Interest on lease receivables	70	73

26.1.3 Amounts recognized in the statement of cash flows

EUR 000	2023/2024	2022/2023
Total cash outflow for leases	31,187	29,453

26.1.4 Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options.

The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

As at September 30, 2024, the Group has determined based on a business decision that three of the extension options will be exercised, which resulted in an increase of lease liabilities of EUR 3,185 (September 30, 2023: three of the extension options will be exercised, which resulted in an increase of lease liabilities of EUR 398).

26.2 Leases as Lessor

The Group leases out some of its leased buildings. The majority of the sub-leases are classified as operating leases from a lessor perspective, as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Operational lease income recognized by the Group during 2023/2024 amounted to EUR 1,170 (2022/2023: EUR 908).

The following table sets out a maturity analysis of operational lease receivables, showing the undiscounted lease payments to be received after the reporting date.

EUR 000	September 30, 2024	September 30, 2023
Less than one year	946	899
One to two years	870	651
Two to three years	784	510
Three to four years	711	498
Four to five years	659	498
More than five years	4,013	446
Total	7,983	3,502

One of the sub-leases classifies as financial lease and is included in the balance sheet as other financial assets amounting to EUR 3,619 (September 30, 2023: EUR 3,788). The annual lease payments amount to EUR 356 (September 30, 2023: EUR 345) for the remainder of the lease term (till 2035).

The following table sets out a maturity analysis of financial lease receivables, showing the undiscounted lease payments to be received after the reporting date.

EUR 000	September 30, 2024	September 30, 2023
Less than one year	356	345
One to two years	356	345
Two to three years	356	345
Three to four years	356	345
Four to five years	356	345
More than five years	2,225	2,504
Total undiscounted lease receivable	4,005	4,229
Unearned finance income	4,005	4,229
Net investment in the lease	-	-

During 2023/2024, the Group recognized interest income on lease receivables of EUR 70 (2022/2023: EUR 73).

27 List of subsidiaries

Unless otherwise stated, the following subsidiaries are wholly owned by KPMG N.V.

KPMG Accountants N.V., Amstelveen

KPMG Advisory N.V., Amstelveen

KPMG Staffing & Facility Services B.V., Amstelveen

There have been no changes in shareholdings.

28 Liabilities and assets not recognized in the consolidated statement of financial position

28.1 Other commitments

The Group has long-term property leases for which the service costs are excluded from the lease liability and right-of-use asset in the consolidated balance sheet. In addition, the Group has commitments that are exempt from recognition in the balance sheet in accordance with IFRS 16, such as for personal computers and IT services, and commitments under long-term sponsorship agreements. The total of these commitments as at September 30, 2024 amounted to EUR 30,528 (September 30, 2023: EUR 30,362).

Non-cancellable commitments:

EUR 000	September 30, 2024			September 30, 2023		
	Service costs related to property	Other contracts	Total	Service costs related to property	Other contracts	Total
Within 1 year	2,081	13,486	15,567	1,981	8,407	10,388
Between 1-5 years	5,699	4,507	10,206	6,095	8,089	14,184
After 5 years	4,755	–	4,755	5,790	–	5,790
	12,535	17,993	30,528	13,866	16,496	30,362

The Group has significant commitments that are based on FTEs and/or volume used, such as telecom contracts (the longest of which will expire in 2024/2025), mobility related contracts (the longest of which until 2027/2028) and subscriptions to certain news channels (the longest of which until 2025/2026).

The future rental income from sub-leases is as follows:

EUR 000	September 30, 2024	September 30, 2023
Within 1 year	1,853	1,748
Between 1 and 5 years	6,632	5,090
After 5 years	9,650	8,549
	18,135	15,387

The following expenses related to other commitments and rental expenses were recognized in the consolidated statement of profit or loss and other comprehensive income:

EUR 000	2023/2024	2022/2023
Properties	1,926	2,363
Cars	46	442
Other contracts	8,407	13,406

28.2 Tax Group

Together with its 100% subsidiaries, including KPMG N.V., Coöperatie KPMG U.A. forms a tax group for corporate income tax purposes. Each of the companies in the tax group is, under the relevant standard tax conditions, jointly and severally liable for the tax payable by all of the companies in the tax group. As the head of the income tax fiscal unity, the Cooperative pays the income tax assessments. It is, however, KPMG N.V. that incurs the total income tax expense of the tax group, except for the amount attributable to the Cooperative under the ruling with the Dutch Tax Authorities.

KPMG N.V. is part of a tax group for value added tax purposes, headed by Coöperatie KPMG U.A. Each of the companies in the tax group is, under the relevant standard tax conditions, jointly and severally liable for the tax payable by all of the companies in the tax group.

28.3 Guarantees and pledges

The Group has a combined credit and guarantee facility of EUR 20,000 (2022/2023: EUR 50,000), of which a drawdown of EUR 154 was made (2022/2023: no drawdown) in the form of a guarantee. All trade receivables and bank balances including business savings accounts are subject to a first pledge in favor of the bank in connection with the credit facility provided.

Unbilled services and Property, plant and equipment, with the exception of assets under construction are subject to a first pledge in favor of Coöperatie KPMG U.A. as security for loans advanced. In addition, all trade receivables and bank balances including business savings accounts are subject to a second pledge in favor of Coöperatie KPMG U.A. as security for loans advanced.

The Company provided Parent Company guarantees related to some of the properties that are leased. The total of those guarantees as at September 30, 2024 amounted to EUR 3,473 (September 30, 2023: EUR 3,383).

The Company provided a guarantee to a bank relating to all audit partners of the KPMG group that are financed by this bank. The guarantee relates to outstanding balances insofar used to finance KPMG and to the extent that profits have been deferred in line with measure 3.5, published by the Royal Netherlands Institute for Chartered Accountants.

28.4 Legal disputes and other contingencies

Claims have been filed and proceedings have been instituted against the Group on the grounds of alleged failure to perform professional duties. The Group evaluates whether relevant circumstances are such that it is reasonable to assume that they will result in the Group entity being held liable on the grounds of alleged failure to perform professional duties. A decision is taken on a case-by-case basis as to whether it is probable that the case will involve an outflow of resources from the Group. In such cases, a provision is accounted for. The Group carries professional indemnity insurance. The status of cases of this nature can be such that either no financial impact is expected or no estimation can be made as to the financial impact. Consequently, in these cases no provision was recognized.

29 Collaboration agreements and related parties

29.1 Collaboration agreements

KPMG Meijburg & Co.

In the Netherlands, the Group collaborates with an independent firm of tax consultants, KPMG Meijburg & Co. The financial figures of this firm are not included in the consolidated financial statements of KPMG N.V.

KPMG International

KPMG N.V., registered with the Dutch Chamber of Commerce, is a subsidiary of Coöperatie KPMG U.A. and a member firm of the KPMG network of independent member firms affiliated with KPMG International. As a result of this affiliation, the Group collaborates closely with other KPMG member firms.

29.2 Related parties

29.2.1 Parent company

Coöperatie KPMG U.A. holds the shares in KPMG N.V. The members of the Cooperative are the practice companies owned by partners. Under these agreements, the services of the partners are made available to the Cooperative, which in turn makes these services of the partners available to KPMG N.V. and its subsidiaries.

Transactions between the Group and Coöperatie KPMG U.A. can be specified as follows:

EUR 000	2023/2024	2022/2023
Management fees	-118,545	-76,293
Interest paid to Coöperatie KPMG U.A.	-5,454	-5,945
Repayment of share premium	-990	-1,320

As at September 30, the following positions relate to Coöperatie KPMG U.A.:

EUR 000	09/30/2024	09/30/2023
Loans received from Coöperatie KPMG U.A.	156,859	125,535

29.2.2 Key management

Board of Management

As at September 30, 2024, 3 members of the Board of Management (2022/2023: 2 members) indirectly hold 2% (2022/2023: 1%) of shares in the Group in aggregate.

Compensation of the Group's key management includes management fees, salaries, non-cash benefits and contributions to a post-employment defined contribution plan. Compensation can be specified as follows:

EUR 000 (if applicable)		S. Hottenhuis	M.A. Broskij	E.G. Herrie	M.W.J. Van de Luur	Total
2023/2024						
FTEs (pro rata)		1.0	1.0	1.0	1.0	4.0
Management fees		–	927	1,030	925	2,882
Short-term employee benefits		1,148	–	–	–	1,148
Interest		3	45	36	42	126
Post-employment benefits		27	–	–	–	27
Other short-term benefits		19	14	16	21	70
Total		1,197	986	1,082	988	4,253
EUR 000 (if applicable)	S. Hottenhuis	M.A. Broskij	M. Hogeboom ¹	E.G. Herrie	M.W.J. Van de Luur ²	Total
2022/2023						
FTEs (pro rata)	1.0	1.0	0.8	1.0	0.2	4.0
Management fees	–	880	927	1,174	127	3,108
Short-term employee benefits	1,213	–	–	–	–	1,213
Interest	4	41	27	37	9	118
Post-employment benefits	18	–	–	–	–	18
Bridging allowance	–	–	91	–	–	91
Other short-term benefits	16	15	9	13	4	57
Total	1,251	936	1,054	1,224	140	4,605

¹ M.A. Hogeboom stepped down as per July 14, 2023 and received a bridging allowance from July 14 to September 30, 2023 for the intended transition as member of the Board of Management back to the business of KPMG.

² M.W.J. van de Luur was appointed as ad interim Head of Assurance per July 14, 2023, therefore she is considered to be part of key management for 2022/2023. As of October 17, 2023, she was formally appointed as Head of Assurance and as member of the Board of Management.

In addition, the Group has the following outstanding balances in the form of equity and loans payable to the Board of Management:

EUR 000	S. Hottenhuis	M.A. Broskij	E.G. Herrie	M.W.J. Van de Luur	Total
September 30, 2024					
Equity contribution in Coöperatie KPMG U.A. by key management	–	150	180	180	510
Loans payable to key management	50**	907	673	709	2,339

EUR 000	S. Hottenhuis	M.A. Broskij	E.G. Herrie	M.W.J. Van de Luur*	Total
September 30, 2023					
Equity contribution in Coöperatie KPMG U.A. by key management	–	120	180	180	480
Loans payable to key management	50**	799	914	637	2,400

* M.W.J. van de Luur was appointed as ad interim Head of Assurance per July 14, 2023, therefore she is considered to be part of key management for 2022/2023.

** Relates to employee bonds.

Supervisory Board

Supervisory Board members received a total remuneration of EUR 472 (2022/2023: EUR 461). Remuneration can be specified as follows:

EUR 000	B.E.M. Wientjes	J.W. Berendsen	G. Boon	C. Bulten	A.P.H.M. Hovius	K. Singh	P.H.J.M. Visée	Total
2023/2024								
Short-term benefits	90	79	65	70	79	76	13	472

EUR 000	R.H.L.M. van Boxtel*	G. Boon	C. Bulten	A.P.H.M. Hovius	J.C.M. Sap	K. Singh	J.W. Berendsen	B.E.M. Wientjes*	Total
2022/2023									
Short-term benefits	71	79	76	79	69	76	7	4	461

* R.H.L.M. van Boxtel was chair of the Supervisory Board until 25 June 2023, and was succeeded by B.E.M. Wientjes per 14 September 2023

30 Subsequent events

In November 2024, the Group extended the lease for the head office in Amstelveen. This is expected to increase the right of use assets and lease liabilities by approximately EUR 34 million.

Company statement of financial position

as at September 30, 2024

(before appropriation of results)

EUR 000		September 30, 2024	September 30, 2023
Assets			
Non-current assets			
Investments in subsidiaries	32	30,724	28,739
Deferred tax assets		1,243	1,786
Total non-current assets		31,967	30,525
Current assets			
Amounts due from group companies	37	98,753	53,000
Cash and cash equivalents	33	136,003	131,795
Total current assets		234,756	184,795
Total assets		266,723	215,320
Equity and liabilities			
Shareholders' equity			
	34		
Share capital		5,500	5,500
Share premium		19,430	17,960
Legal reserves		652	1,018
Other reserves		5,744	4,750
Profit for the year		–	628
Shareholders' equity		31,326	29,856
Non-current liabilities			
Loans and borrowings	35	53,586	54,693
Current liabilities			
Loans and borrowings	35	103,273	70,842
Amounts owed to group companies	37	46,267	32,640
Tax and social insurance contributions	38	32,271	27,289
Total current liabilities		181,811	130,771
Total liabilities		235,397	185,464
Shareholders' equity and liabilities		266,723	215,320

The accompanying notes form an integral part of these company financial statements.

Company statement of profit or loss

for the year ended September 30, 2024

EUR 000	2023/2024	2022/2023
Share in results from participating interests after tax	20,500	19,143
Other results after tax	98,045	57,778
Contractual fees payable to Coöperatie KPMG U.A.	-118,545	-76,293
Net result after tax	-	628

The accompanying notes form an integral part of these company financial statements.

Notes to the company financial statements

31 Basis of preparation

31.1 General

The company financial statements and the consolidated financial statements together constitute the statutory financial statements of KPMG N.V. (the Company). The financial information of the Company is included in the consolidated financial statements.

The company financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code. For setting the principles for the recognition and measurement of assets and liabilities and determination of results in the company financial statements, the Company makes use of the option provided in section 2:362(8) of the Dutch Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) in the company financial statements are the same as those applied for the consolidated financial statements, which are prepared in conformity with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS). These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. In case no other principles are mentioned, refer to the accounting principles as described in the consolidated financial statements. For an appropriate interpretation of these statutory financial statements, the company financial statements should be read in conjunction with the consolidated financial statements.

Information on the use of financial instruments and on related risks for the group is provided in the notes to the consolidated financial statements.

31.2 Accounting policies

Participating interests in group companies

Group companies are all entities over which the Company has directly or indirectly control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the group company and has the ability to affect those returns through its power over the group company. Group companies are recognized from the date on which control is obtained by the Company and derecognized from the date that control by the Company over the group company ceases.

Participating interests in group companies are accounted for in the company financial statements according to the equity method. For further information, please see the basis of consolidation accounting policy in the consolidated financial statements.

Results of participating interests

The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realized.

The terms governing profits of group companies are laid down by contract between KPMG N.V. and its operating companies, which specifies that 97.5% of their revenue – less any amount payable by the relevant companies to KPMG Staffing & Facility Services B.V. for services provided by KPMG Staffing & Facility Services B.V. to the companies concerned, and less expenses that they are required to bear themselves – must be paid to KPMG N.V. for the provision of services by partners and for the provision of Group financing.

32 Non-current financial assets

Non-current financial assets represent investments in group companies. Movements in these investments during the 2023/2024 financial year were as follows:

EUR 000	2023/2024	2022/2023
Balance at October 1	28,739	27,024
Share in results	20,500	19,143
Dividends received	-18,515	-17,428
Balance at September 30	30,724	28,739

A summary of the main subsidiaries is provided in [Note 27](#) List of subsidiaries of the notes to the consolidated financial statements. A full list of subsidiaries, joint ventures and associates is filed with the Chamber of Commerce in Amsterdam, the Netherlands.

33 Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and bank balances that are freely available. The interest rate applicable in 2023/2024 was 1.2% (2022/2023: 1.7%).

34 Shareholders' equity

Movements in equity can be specified as follows:

EUR 000	Share capital	Share premium	Legal reserves	Other reserves	Profit for the year	Total equity attributable to equity holders
Balance as at October 1, 2022	5,500	16,970	1,577	4,191	-	28,238
Release of legal reserves	-	-	-559	559	-	-
Profit for 2022/2023	-	-	-	-	628	628
Transaction with owners of the Company recognized directly in equity						
Repayment	-	-1,320	-	-	-	-1,320
Additions	-	2,310	-	-	-	2,310
Balance as at Spetember 30, 2023	5,500	17,960	1,018	4,750	628	29,856
Balance as at October 1, 2023	5,500	17,960	1,018	4,750	628	29,856
2022/2023 Result appropriation	-	-	-	628	-628	-
Release of legal reserves	-	-	-366	366	-	-
Profit for 2023/2024	-	-	-	-	-	-
Transaction with owners of the Company recognized directly in equity						
Repayment	-	-990	-	-	-	-990
Additions	-	2,460	-	-	-	2,460
Balance as at Spetember 30, 2024	5,500	19,430	652	5,744	-	31,326

Other details of equity are disclosed in [Note 20](#) Group equity to the consolidated financial statements and the consolidated statement of changes in equity.

34.1 Share capital

The Company has an authorized capital of EUR 20,000 (2022/2023: EUR 20,000), which is divided into 800 shares of EUR 25 each (2022/2023: 800 shares of EUR 25 each). The issued share capital consists of 220 (2022/2023: 220) shares at a nominal value of EUR 25 each (2022/2023: EUR 25 each), representing a total nominal value of EUR 5,500 (2022/2023: EUR 5,500). All of the shares are fully paid up.

KPMG N.V. is obliged to distribute all earnings that constitute profits as contractual fees to Coöperatie KPMG U.A. or as dividend, except for the amount the Board of Management proposes to add to the reserves.

34.2 Legal reserves

The legal reserve for participating interests, which amounts to EUR 652 (2022/2023: EUR 1,018), pertains to participating interests that are measured at net asset value. The reserve is equal to the share in the results and direct changes in equity (both of which are calculated on the basis of the Company's accounting policies) of the participating interests since the first measurement at net asset value, less the distributions that the Company has been entitled to since the first measurement at net asset value, and less distributions that the Company may affect without restrictions. The latter share takes into account any profits that may not be distributable by participating interests that are Dutch limited companies based on the distribution tests to be performed by the management of those companies. The legal reserve is determined on an individual basis.

34.3 Other reserves

The other reserves contain the profits of previous years.

34.4 Appropriation of profit

As the Company's profit totals EUR nil, there is no proposal for profit appropriation.

35 Loans and borrowings

EUR 000	September 30, 2024	September 30, 2023
Partners		
Non-current loans Coöperatie KPMG U.A.	52,443	53,684
Current loans Coöperatie KPMG U.A.	98,183	66,934
	150,626	120,618
Former partners		
Non-current loans Coöperatie KPMG U.A.	1,143	1,009
Current loans Coöperatie KPMG U.A.	5,090	3,908
	6,233	4,917
Total loans and borrowings	156,859	125,535

Movements in financing by partners can be specified as follows:

EUR 000	2023/2024	2022/2023
Balance at October 1	120,618	156,256
Fees paid to partners under management agreements through Coöperatie KPMG U.A.	118,545	76,293
Interest due to partners	4,965	5,636
Other movements (net withdrawal)	-93,502	-117,567
Balance at September 30	150,626	120,618

Other movements refer mainly to amounts withdrawn by partners.

For further explanation on loans and borrowings relating to partners and former partners, please see [Note 21.2](#) Loans payable to Coöperatie KPMG U.A. relating to partners, and [Note 21.3](#) Loans payable to Coöperatie KPMG U.A. relating to former partners of the consolidated financial statements.

36 Financial instruments

For general information on financial instruments and associated risks, please see [Note 25](#) Financial instruments and associated risks of the consolidated financial statements.

36.1 Exposure to credit risk

Maximum exposure to credit risk as at September 30 is as follows:

EUR 000	September 30, 2024	September 30, 2023
Amounts due from group companies	98,753	53,000
Cash and cash equivalents	136,003	131,795
	234,756	184,795

All amounts due from group companies are due within one year.

36.2 Liquidity risk

Summary of financial liabilities:

EUR 000	Carrying amount	Contractual cash flow	Due within 1 year	Due between 1 and 5 years	Due after 5 years
September 30, 2024					
Loans and borrowings	156,859	183,796	109,601	37,258	36,937
September 30, 2023					
Loans and borrowings	125,535	152,107	76,252	41,006	34,849

Further details on financial instruments are provided in [Note 25](#) Financial instruments and associated risks to the consolidated financial statements.

37 Related parties

The Company's related parties comprise subsidiaries, Coöperatie KPMG U.A., and key management.

37.1 Parent company

Please see [Note 29.2.1](#) Parent Company of the consolidated financial statements for information with respect to Coöperatie KPMG U.A.

37.2 Subsidiaries

Transactions between the Company and its subsidiaries relate to contractual fees and dividends received, and recharges for insurance premiums and license fee expenses.

The transactions can be specified as follows:

EUR 000	Received contractual fees	Received dividend	Expenses charged
2023/2024			
KPMG Accountants N.V.	58,324	9,553	11,358
KPMG Advisory N.V.	50,685	8,962	10,333
Total	109,009	18,515	21,691
2022/2023			
KPMG Accountants N.V.	29,930	8,812	6,363
KPMG Advisory N.V.	48,556	8,616	6,195
Total	78,486	17,428	12,558

In addition to the above, on behalf of its subsidiary KPMG Staffing & Facility Services B.V., KPMG N.V. pays various expenses, such as employee expenses and other operating expenses. These payments amounted to EUR 444 million in 2023/2024 (2022/2023: EUR 421 million).

Transactions between the Company and its subsidiaries are in general settled through current accounts. The current accounts are not interest-bearing.

As at September 30, the following (payable) and receivable positions relate to subsidiaries of the Company:

EUR 000	09/30/2024	09/30/2023
KPMG Accountants N.V.	34,283	-5,208
KPMG Advisory N.V.	64,470	53,000
KPMG Staffing & Facility Services B.V.	-46,267	-27,432

37.3 Key management

Please see [Note 29.2.2](#) Key management of the consolidated financial statements for related party information with respect to key management.

38 Tax and social insurance contributions

Tax and social insurance contributions relate to VAT payable by the Company for the last quarter of the financial year.

39 Liabilities not recognized in the company statement of financial position

39.1 Guarantees

The Company has given guarantees that its subsidiaries, the financial figures of which are included in the consolidated financial statements, will comply with certain contractual obligations.

The Company has a combined credit and guarantee facility of EUR 20,000 (2022/2023: EUR 50,000), of which a drawdown of EUR 154 was made (2022/2023: no drawdown) in the form of a guarantee.

The Company provided Parent Company guarantees related to some of the properties that are leased. The total of those guarantees as at September 30, 2024 amounted to EUR 3,473 (September 30, 2023: EUR 3,383).

The Company provided a guarantee to a bank relating to all audit partners of the KPMG group that was financed by this bank. The guarantee relates to outstanding balances insofar used to finance KPMG and to the extent that profits have been deferred in line with measure 3.5, published by the Royal Netherlands Institute for Chartered Accountants.

39.2 Tax group

Together with its 100% subsidiaries, including KPMG N.V., Coöperatie KPMG U.A. forms a tax group for corporate income tax purposes. Each of the companies of the tax group is, under the relevant standard tax conditions, jointly and severally liable for the tax payable by all of the companies in the tax group. As the head of the income tax fiscal unity, the Cooperative pays the income tax assessments. It is, however, KPMG N.V. that incurs the total income tax expense of the tax group, except for the amount attributable to the Cooperative under the ruling with the Dutch Tax Authorities.

KPMG N.V. is part of a tax group for value added tax purposes, headed by Coöperatie KPMG U.A. Each of the companies of the tax group is, under the relevant standard tax conditions, jointly and severally liable for the tax payable by all of the companies in the tax group.

40 Number of partners

On average in 2023/2024, 171 (2022/2023: 168) FTE partners were active for the Company under management agreements.

41 Remuneration of the Board of Management

Details of the remuneration of members of the Board of Management are disclosed in [Note 29.2.2](#) Key management to the consolidated financial statements.

42 Independent auditor's remuneration

The remuneration of the Company's independent auditors for the 2023/2024 financial year was EUR 0.7 million (2022/2023: EUR 0.5 million). Total fees to the independent auditor as recorded in the financial year can be specified as follows:

EUR 000	2023/2024	2022/2023
Independent auditor's remuneration for the audit of the financial statements	349	384
Remuneration related to the audit of the prior year financial statements	237	–
Other assurance engagements	141	110
Total independent auditor's remuneration	727	494

Amstelveen, December 6, 2024

Board of Management:

S. Hottenhuis (chair)

M.A. Broskij

E.G. Herrie

M.W.J. Van de Luur

Supervisory Board:

B.E.M. Wientjes (chair)

J.W. Berendsen

A.P.H.M. Hovius

K. Singh

P.H.J.M. Visée

Other information

Provisions in the Company's Articles of Association
governing the appropriation of profit

Independent auditor's report

Limited assurance report of the independent auditor on the
sustainability statement 2023/2024

Provisions in the Company's Articles of Association governing the appropriation of profit

Article 26 of the Company's Articles of Association reads as follows:

- Distribution of profit pursuant to the provisions of this article shall be made after approval of the financial statements disclosing that such distribution is permitted.
- The profit shall be at the disposal of the General Meeting of Shareholders.
- The Company may make distributions to the shareholders and other persons entitled to distributable profits only to the extent that its capital and reserves exceed the sum of the issued capital and the reserves that must be maintained by law.
- A deficit may only be offset against the statutory reserves to the extent permitted by law.

Independent auditor's report

To: the general meeting and the supervisory board of KPMG N.V.

Report on the audit of the financial statements 2023/2024

Our opinion

In our opinion:

- the consolidated financial statements of KPMG N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 30 September 2024 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as endorsed by the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of KPMG N.V. ('the Company') give a true and fair view of the financial position of the Company as at 30 September 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2023/2024 of KPMG N.V., Amstelveen. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 30 September 2024;
- the following statements for the year ended 30 September 2024: the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company statement of financial position as at 30 September 2024;
- the company statement of profit or loss for the year then ended 30 September 2024; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of KPMG N.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Overview and context

KPMG N.V. provides assurance and advisory services in the Netherlands. The Group is comprised of several group entities and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the board of management made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In paragraph 2.3 'Use of estimates and judgements' of the notes to the consolidated financial statements, the Group describes the areas of judgement in applying accounting policies and the estimation uncertainty.

Given the judgement required and the risk of management bias in the valuation of contract assets and contract liabilities, we considered this matter as a key audit matter as set out in the section 'Key audit matters' of this report.

KPMG N.V. assessed the possible effects of climate change and its plans to meet the net-zero commitments on its financial position, refer to the sections '[Our Impact Plan](#)' and '[Environmental information](#)' of the integrated report.

We discussed KPMG N.V.'s assessment and governance thereof with the board of management and evaluated the potential impact on the financial position including underlying assumptions and estimates. The expected effects of climate change are not considered a key audit matter or to impact the existing key audit matters.

We ensured that the audit team has the appropriate skills and competences that are needed for the audit of a professional services firm. The Group uses multiple IT-systems. The adequacy and effective operation of controls over these systems are an important element of the integrity of financial reporting within the Group. We utilised IT-specialists in our audit to evaluate the adequacy and effective operation of these controls considered relevant to our audit. Furthermore, we included specialists with expertise in the areas of forensics and cyber in our team.

The outline of our audit approach was as follows:



Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€9,048,000 (2022/2023: €7,045,000). Increase in materiality compared to prior year is mainly a result of the increase of the profit before income tax.
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 7.5% of profit before income tax.
Rationale for benchmark applied	We used profit before income tax as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements. On this basis, we believe that profit before income tax is the most relevant metric for the financial performance of the Group.
Component materiality	Based on our judgement, we used stand-alone statutory materiality for all components in our audit scope.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above €452,000 (2022/2023: €347,500) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

KPMG N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of KPMG N.V.

We tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of the group of entities, the accounting processes and controls, and the market in which the Group operates. In establishing the group audit strategy and plan, we determined the type of work required to be performed for each group entity.

We as a group audit team conducted the audit work on all the Group entities:

- KPMG N.V.
- KPMG Accountants N.V.
- KPMG Advisory N.V.
- KPMG Staffing & Facility Services B.V.

By performing the procedures outlined above, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the Group and its environment and the components of the internal control system. This included management's risk assessment process, management's process for responding to the risks of fraud and monitoring of the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to the section 'Fraud risk assessment' of the integrated report for the board of management's fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the global code of conduct and whistleblower procedures. We asked members of the board of management as well as the compliance officer, finance department, the legal counsel and the supervisory board whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
<p><i>Risk of management override of controls</i> Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records information and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>That is why, in all our audits, we pay attention to the risk of management override of controls in:</p> <ul style="list-style-type: none"> • journal entries and other adjustments made in the preparation of the financial statements, • estimates, and • significant transactions, if any, outside the normal course of business for the entity. <p>We pay particular attention to tendencies due to possible interests of management.</p>	<p>We evaluated the design and implementation of the internal control system in the processes of generating and processing journal entries, making estimates, and monitoring projects. We also paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties.</p> <p>We performed our audit procedures primarily substantive based.</p> <p>We selected journal entries based on unexpected users and unexpected account combinations in revenue, unbilled services and advance billings positions and expenses. We conducted specific audit procedures for these entries. These procedures include, amongst others, tracing the entries to source documentation and paying attention to transactions outside the normal course of business. We also paid particular attention to consolidation and elimination entries. We performed specific audit procedures related to important estimates of management, including the provisions and the valuation of contract assets and contract liabilities. We specifically paid attention to the inherent risk of bias of management in these estimates. We refer to the key audit matter 'valuation of contract assets and liabilities' for more details on this estimate.</p> <p>We did not identify any significant transactions outside the normal course of business.</p> <p>Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.</p>
<p><i>The risk of fraud in revenue recognition</i> As part of our risk assessment process and based on the assumed risk of fraud in revenue recognition, we have evaluated which type of revenue or assertion gives rise to a risk of material misstatement due to fraud.</p> <p>The board of management has an incentive to increase revenue to realize their goals. The board of management has a fixed remuneration.</p> <p>Revenue is partly based on work that is invoiced based on actual hours written times hourly rates and partly based on fixed fee projects. For the latter, the revenue is recognised in line with the project's progress, requiring an estimate of management.</p>	<p>We evaluated the design and implementation of the internal controls related to the revenue process and the processes for generating and processing journal entries related to revenue.</p> <p>We performed our audit procedures using a combination of controls and substantive procedures.</p> <p>We used data analysis to identify revenue transactions that do not follow the standard business process and performed substantive testing on those transactions. This included, amongst others, postings which involve account combinations which are not consistent with our understanding of the revenue process.</p> <p>We refer to our key audit matter 'valuation of contract assets and liabilities' for audit procedures related to management estimates in revenue recognition.</p> <p>Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the existence and occurrence of revenue.</p>

Identified fraud risks	Our audit work and observations
We concluded that the risk of fraud in revenue recognition relates to manual or unusual journal entries to increase revenues (occurrence and accuracy) and management's estimates relating to revenue recognition.	

We incorporated an element of unpredictability in our audit. We reviewed lawyers' letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern

The board of management prepared the financial statements on the assumption that the entity is a going concern and that it will continue all its operations for at least twelve months from the date of preparation of the financial statements.

Our procedures to evaluate board of management's going-concern assessment included, amongst others:

- considering whether the board of management identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks);
- considering whether the board of management's going-concern assessment included all relevant information of which we were aware as a result of our audit and inquired of the board of management regarding the board of management's most important assumptions underlying its going-concern assessment;
- evaluating the board of management's current budget including cash flows for at least twelve months from the date of preparation of the financial statements taken into account current developments in the industry and all relevant information of which we were aware as a result of our audit;
- analysing the financial position as per balance sheet date in relation to the financial position as per the prior year's balance sheet date to assess whether events or circumstances exist that may lead to a going-concern risk, including compliance with relevant covenants;
- performing inquiries of the board of management as to its knowledge of going-concern risks beyond the period of the board of management's assessment.

Our procedures did not result in outcomes contrary to the board of management's assumptions and judgments used in the application of the going-concern assumption.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

There is one change in our key audit matters compared to prior year. The key audit matter 'impact of the answer sharing case on the accounting and disclosures in the integrated report' is no longer considered as a key audit matter. The sensitivity and the magnitude of the matter decreased as this case was settled, including the payment of the civil money penalty, as disclosed in the integrated report of prior year.

Key audit matter	Our audit work and observations
<p><i>Valuation contract assets and contract liabilities</i> <i>Please refer to note 3.7 'contract balances' and note 6 'revenue' in the financial statements</i></p> <p>Approximately 8.7% (2023: 7.7%) of the Group's total assets relates to contract assets (€44.8 million; 2023: €38.2 million) and 11.6% (2023: 11.9%) of the Group's total liabilities relates to contract liabilities (€59.6 million; 2023: €59.1 million).</p> <p>A part of the contract, assets and liabilities have an inherent lower risk since revenue recognition is based on hours written times hourly rates. The remainder of the positions are projects in which fixed fees are agreed with KPMG's clients. Due to the year-end of 30 September, most of the assurance engagements relate to 2024 audits that have just started and inherently have a lower risk.</p> <p>Based on our understanding and risk assessment, we see a higher risk of misstatement relating to fixed fee projects with for example high fees, a longer term or aged balances. Management has an incentive to increase revenue to realise their goals.</p> <p>The 'over time' revenue recognition on fixed price projects requires the Company to apply a single method of measuring progress towards complete satisfaction of the performance obligation (an input method). The input for the performance obligation is based on the actual time spent and costs incurred. Progress is measured based on the sum of the hours and costs incurred compared to the total estimated costs for the project. When it is probable that total costs will exceed total project revenue, the expected loss is recognised immediately.</p> <p>Revenue recognition related to fixed price projects is a key audit matter based on the quantitative materiality, the degree of complexity, judgement required and the risk of management bias for revenue recognition including valuation of contract assets and -liabilities.</p> <p>The board of management has also considered this area to be a key accounting estimate as disclosed in the 'use of estimates and judgements' note (note 2.3) to the consolidated financial statements.</p>	<p>We evaluated the process and the design and implementation of the internal control system related to revenues, contract assets and contract liabilities.</p> <p>We tested the operating effectiveness of other internal controls that were relevant for our audit such as controls testing over the opening of project codes and quarterly balance confirmations made by partners and reviewed by unit leads and the CFO.</p> <p>To determine the quality of the estimates we performed so-called look-back procedures, in which we assessed the outcome of prior year's estimates in current financial year.</p> <p>These procedures showed us that the outcome of the projects versus the board's estimates fell within an acceptable range. We used this to determine the rigor and depth of this year's audit.</p> <p>Next to the identified risks based on our understanding, we also applied analytical procedures to identify projects with specific risks including, among others, aged positions, and high balances. Based on this analysis, we performed substantive procedures. These procedures included reconciliation to underlying documents such as contracts, invoices, approvals for additional billing, customer correspondence and where relevant bank statements. We examined documentation on the status, progress, and forecasts of projects and discussed and challenged those with engagement partners, the business control department and the board of management.</p> <p>We did not identify material exceptions and we obtained sufficient appropriate audit evidence with respect to management's assumptions used in valuations of contract assets and contract liabilities.</p> <p>After completing our fieldwork, we evaluated our procedures and the outcome for the estimates and discussed within the team whether there were indications of management bias in preparing the estimates. We found no such indications.</p>

Report on the other information included in the annual report

The integrated report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the management report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of KPMG N.V. on 14 June 2022 by the supervisory board. This was followed by the passing of a resolution by the meeting of shareholders held on 24 June 2022. Our appointment now represents a total period of uninterrupted engagement of two years.

Responsibilities for the financial statements and the audit

Responsibilities of the board of management and the supervisory board for the financial statements

The board of management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of management should prepare the financial statements using the going-concern basis of accounting unless the board of management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of management should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 6 December 2024

PricewaterhouseCoopers Accountants N.V.

Original has been signed by M.C. Bond RA

Appendix to our auditor's report on the financial statements 2023/2024 of KPMG N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Limited assurance report of the independent auditor on the sustainability statement 2023/2024

To: the shareholders and the supervisory board of KPMG N.V.

Our limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement of KPMG N.V. as at 30 September 2024 and for the year then ended is not, in all material respects,

- prepared in accordance with the European Sustainability Reporting Standards (ESRS); and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) section '2.4 EU Taxonomy assessment'.

Our conclusion has been formed based on the matters outlined in this limited assurance report and entails a conclusion on the double materiality process carried out by KPMG N.V. as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS.

The subject matter of our limited assurance procedures

We have conducted a limited assurance engagement on the sustainability statement of KPMG N.V., Amstelveen included in section 'Sustainability statement' of the Board of management report in the Integrated report 2023/2024 including the information incorporated in the sustainability statement by reference as at 30 September 2024 and for the year then ended (hereafter: the sustainability statement).

As further explained in the "Procedures performed" section below, the procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement, consequently, the level of assurance obtained is substantially lower.

The basis for our conclusion

We conducted our limited assurance engagement in accordance with Dutch law, including the Dutch Standard 3810N 'Assuranceopdrachten inzake duurzaamheidsverslaggeving' (assurance engagements relating to sustainability reporting), which is a specific Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 'Assurance engagements other than audits or reviews of historical financial information'. Our responsibilities under this standard are further described in the section 'Our responsibilities for the limited assurance engagement' of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our independence and quality management

We are independent of KPMG N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO - Code of ethics for professional accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA - Dutch Code of ethics for professional accountants, a regulation with respect to rules of professional conduct).

PwC applies the 'Nadere voorschriften kwaliteitssystemen' (NVKS – Regulations for quality systems) which requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Comparative information not subject of assurance procedures

No reasonable or limited assurance procedures have been performed on the comparative information in the sustainability statement in the integrated report for the year ended 30 September 2024. Consequently, the comparative information in the sustainability statement and thereto related disclosures for the year ended 30 September 2024 have not been subject to reasonable or limited assurance procedures.

Limitations to the scope of our assurance engagement

The sustainability statement includes prospective information such as expectations on ambitions, strategy, plans, expectations, and estimates and risk assessments. Inherent to this prospective information, the actual future results are uncertain and are likely to differ from these expectations. These differences may be material. We do not provide any assurance on the assumptions and achievability of forward-looking information.

Calculations to determine Scope 3 GHG emissions as included in the sustainability statement are mostly based on assumptions and sources from third parties which includes information about value chain and information collected from actors in the value chain, when appropriate. The assumptions and sources used, are explained in section 'Definitions of all metrics' of the Appendices to the sustainability statement. We have not performed procedures on the content of these assumptions and these external sources, other than evaluating the suitability and plausibility of these assumptions and sources from third parties used.

In the sustainability statement references are made to external sources or websites. The information on these external sources or websites is not part of the sustainability statement reviewed by us. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect of these matters.

Responsibilities for the sustainability statement and the review thereon

Responsibilities of the board of management and the supervisory board for the sustainability statement

The board of management of KPMG N.V. is responsible for developing and implementing a process to identify the information reported in the sustainability statement in accordance with the ESRS and for disclosing this process in note section '1.7 Description of the process to identify and assess material IROs and disclosure requirements covered by our sustainability statement' of the sustainability statement. This responsibility includes:

- understanding the context in which KPMG N.V.'s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions and estimates that are reasonable in the circumstances.

The board of management of KPMG N.V. is further responsible for the preparation of the sustainability statement in accordance with the ESRS, including applying the reporting criteria. The board of management is also responsible for preparing the disclosures in section '2.4 EU Taxonomy assessment' of the sustainability statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation"). The choices made by the board of management regarding the scope of the sustainability statement and the reporting policy are summarised in section 'Basis for preparation of our sustainability statement' and section 'Definitions of all metrics' of the Appendices to the sustainability statement of the integrated report.

Furthermore, the board of management is responsible for such internal control as the board of management determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the company's reporting process on the sustainability statement including the double materiality process carried out by KPMG N.V.

Our responsibilities for the limited assurance engagement of the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence to provide a basis for our conclusion.

Our objectives are to obtain a limited level of assurance, as appropriate, about whether the sustainability statement is free from material misstatements and to issue a limited assurance conclusion in our report. The procedures vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance obtained in a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our other responsibilities in respect of the sustainability statement include:

- Performing risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Procedures performed

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements. Our procedures included, amongst other things of the following:

- Performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality process carried out by the company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the company's processes for gathering and reporting entity-related and value chain information, the information systems and the company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the company's activities, determining eligible and aligned activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without testing the operating effectiveness of controls.
- Identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise. Designing and performing further assurance procedures aimed at determining that the sustainability statement is free from material misstatements responsive to this risk analysis.

- Assessing the double materiality process carried out by the board of management of KPMG N.V. as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with ESRS and considering whether the description of the process in the sustainability report made by the board of management appears consistent with the process carried out by the company.
- Considering whether the description of the double materiality assessment process in the sustainability statement made by the board of management appears consistent with the process carried out by KPMG N.V.
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information. Assessing whether KPMG N.V.'s methods for developing estimates are appropriate and have been consistently applied for selected disclosures. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate KPMG N.V.'s estimates.
- Analysing, on a limited sample basis, relevant internal and external documentation at the level of the entity (including other entities or value chain from which the information may stem) for selected disclosures.
- Reading the other information in the integrated report to identify material inconsistencies, if any, with the sustainability statement.
- Considering whether the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of KPMG N.V. and are consistent or coherent with the sustainability statement, appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical criteria are met, and whether the accompanying key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework, and comply with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented.
- Reconciling the relevant financial information to the financial statements.
- Considering the overall presentation, structure and balanced content of the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).
- Considering whether the sustainability statement as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with ESRS.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Amsterdam, 6 December 2024

PricewaterhouseCoopers Accountants N.V.

Original has been signed by M.C. Bond RA

Appendices

Basis for preparation

List of public-interest entity clients

Other KPMG member firms in the EU/European
Economic Area

Segmentation of revenue/other income

Abbreviations and acronyms

Basis for preparation

Purpose

This integrated report is intended to provide an overview of KPMG N.V.'s business, strategy, and performance. It explains how KPMG N.V., as an employer, business, and supplier of professional services, creates value for its stakeholders over time. This report has been written for all KPMG N.V. stakeholders, including our clients and business partners, our employees and the firm's partners, policymakers, and regulators. Our previous integrated report was published in June 2024.

Scope

This report covers the activities of KPMG N.V. and its subsidiaries during KPMG N.V.'s 2023/2024 financial year, which ran from October 1, 2023 to September 30, 2024. KPMG Meijburg & Co is a separate KPMG member firm and is therefore not included in the scope of this report.

Content

The contents of this report are based on internal reporting, with external sources indicated clearly in the text. Content has been selected for inclusion on the basis that it is either material (i.e., that it has significant or potential impact on either the firm or its stakeholders) or mandated (i.e., that it relates to information required under current reporting obligations or future obligations that are already known). For more information on our ESRS-aligned double materiality assessment, see the [General disclosures](#) chapter of our sustainability statement.

With the exception of the [financial statements](#), the figures used in this report have generally been rounded to the nearest million or billion. In some cases, rounded figures have been used to calculate percentages. Throughout this report, unless otherwise stated, all numbers per full-time equivalent (FTE) have been based on the average number of FTEs for the financial year.

Review and approval

This report (including the annual financial statements) was prepared by KPMG N.V.'s Board of Management. The report also includes the 2023/2024 KPMG Accountants N.V. Transparency Report, drafted in line with EU Regulation 537/2014 Article 13 regarding statutory audits of public-interest entity (PIE) clients. The reporting process was overseen by a project team led by KPMG N.V.'s Finance department, with all content reviewed by the firm's Board of Management and Supervisory Board prior to publication. Our financial statements and sustainability statement were also subject to external assurance.

Financial information

Financial statements in this report were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and with Section 2:362(9) of the Dutch Civil Code. All financial performance data is presented in euros (EUR), the firm's functional currency. For more information on the basis for preparation of the financial statements, see [Note 2 to the consolidated financial statements](#).

Non-financial information

The Board of Management report contains a separately identifiable sustainability statement in accordance with the requirements of the European Sustainability Reporting Standards (ESRS) as set out in the Annex 1 to the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council. For more information on the basis for preparation of the sustainability statement, see the [General disclosures chapter](#) of our sustainability statement.

External assurance

External assurance (on the PDF version of this report) was provided by PwC Netherlands, acting as our external auditor for the second year. KPMG N.V. works closely with the external auditor to strengthen our disclosures, reporting processes, and internal data collection and verification. For more information, please see the [independent auditor's report](#) and [independent assurance report](#).

List of public-interest entity clients

In accordance with the Dutch Audit Firms Supervision Act, the following is a list of KPMG N.V.'s PIE clients as at September 30, 2024, for whom our partners have either signed an audit opinion on behalf of KPMG Accountants N.V. or started work on a legal audit by this date.

 ABN AMRO Schadeverzekering N.V.

 Almunda Professionals N.V.

 Alumexx N.V.

 AMG Critical Materials N.V.

 AnderZorg N.V.

 ARCADIS N.V.

 ASM International N.V.

 ASML Holding N.V.

 ASR Aanvullende Ziektekostenverzekeringen N.V.

 ASR Basis Ziektekostenverzekeringen N.V.

 ASR Levensverzekering N.V.

 ASR Nederland N.V.

 ASR Schadeverzekering N.V.

 AT Securities B.V.

 ATF Netherlands B.V.

 Bank Mendes Gans N.V.

 Bank ten Cate & Cie N.V.

 Bumper NL 2020-1 B.V.

 Centrale Zorgverzekeringen NZV N.V.

 Cnova NV

 Corbion N.V.

 Credit Europe Bank N.V.

 CTP N.V.

 CZ Zorgverzekeringen N.V.

 Delphinus 2023-I B.V.

 Digi Communications N.V.

 E.ON International Finance B.V.

 Enel Finance International N.V.

 Enel Insurance N.V.

 Envipco Holding N.V.

 Eurocommercial Properties N.V.

 Euronext N.V.

 FBN Finance Company B.V.

 Fizarana B.V.

 ForFarmers N.V.

 Goudse Levensverzekeringen N.V.

Goudse Schadeverzekeringen N.V.

Heineken Holding N.V.

Heineken N.V.

HMH Holding B.V.

Holland Colours N.V.

Iberdrola International B.V.

ING Bank N.V.

ING Groenbank N.V.*

ING Groep N.V.

Knab N.V.

Koninklijke Ahold Delhaize N.V.

Koninklijke Bibliotheek

DSM B.V.

Koninklijke Heijmans N.V.

Laurentius

LeasePlan Corporation N.V.

Lifetri Uitvaartverzekeringen N.V.

Lifetri Verzekeringen N.V.

Madrileña Red de Gas Finance B.V.

MEGlobal B.V.

Meltwater N.V.*

Menzis N.V.

Menzis Zorgverzekeraar N.V.

Mercedes-Benz International Finance B.V.

N.V. Levensverzekering-Maatschappij "De Hoop"

Nationale-Nederlanden Bank N.V.

Nationale-Nederlanden Levensverzekering Maatschappij N.V.

Nationale-Nederlanden Schadeverzekering Maatschappij N.V.

New Sources Energy N.V.

NN Group N.V.

NN Re (Netherlands) N.V.

NS Insurance N.V.

OHRA Zorgverzekeringen N.V.

Onderlinge Levensverzekering-Maatschappij 's Gravenhage U.A.

Onderlinge Verzekering Maatschappij Donatus U.A.

Onderlinge Waarborgmaatschappij CZ groep U.A.

Onderlinge Waarborgmaatschappij SAZAS U.A.

Onderlinge Waarborgmaatschappij voor Instellingen in de Gezondheidszorg MediRisk B.A.

Orange Lion 2013-10 RMBS B.V.

Orange Lion XVI RMBS B.V.

Orcinus 2023 B.V.

Postnl N.V.

Qiagen N.V.

Robeco Afrika Fonds N.V.

Robeco Sustainable Global Stars Equities Fund N.V.

Robeco Umbrella Fund I N.V.

Robeco US Conservative High Dividend Equities N.V.

Robeco US Large Cap Equities N.V.

Rolinco N.V.

Royal Schiphol Group N.V.

Sika Capital B.V.

Silver Arrow Athlon NL 2021-1 B.V.

SME Lion III B.V.

Stichting "De Goede Woning"

Stichting Algemeen Pensioenfonds KLM

Stichting Cazas Wonen

Stichting de Alliantie

Stichting Domesta

Stichting Elan Wonen

Stichting Havensteder

Stichting HW Wonen

Stichting Pensioenfonds ABP

Stichting Pensioenfonds PGB

Stichting Pensioenfonds Vliegend Personeel KLM

Stichting Vidomes

Stichting Welbions

Stichting Woningbedrijf Velsen

Stichting Woningcorporatie Het Gooi en Omstreken

Stichting Woonbedrijf ieder1

Stichting Woonservice Drenthe

Stichting Woonwaarts

Südzucker International Finance B.V.

Syngenta Finance N.V.

Unilever Finance Netherlands B.V.

Unilever Insurances N.V.

Vivoryon Therapeutics N.V.

Vonovia Finance B.V.*

VvAA Schadeverzekeringen N.V.

Wereldhave N.V.

Wolters Kluwer N.V.

Woningborg N.V.

Woningstichting Wierden en Borgen

Woonstichting Lieven de Key

* Entity ceased to exist during the financial year 2023/2024

Other KPMG member firms in the EU/ European Economic Area

The following is a list of KPMG audit member firms in the EU and/or European Economic Area (EEA) as at June 30, 2024, in compliance with EU Regulation 537/2014 Article 13, paragraph 2 sub b (ii and iii). In 2023/2024, total turnover from these firms was EUR 2.6 billion (based on the statutory audit of annual and consolidated financial statements). The list as at September 30, 2024 will be available online at [List of KPMG EU EEA audit firms](#).

Country	Name of firms
Austria	KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Wien) KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Linz) KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Wien) KPMG Niederösterreich GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Belgium	KPMG Bedrijfsrevisoren/KPMG Réviseurs d'Entreprises
Bulgaria	KPMG Audit OOD
Croatia	KPMG Croatia d.o.o. za reviziju
Cyprus	KPMG KPMG Limited
Czech Republic	KPMG Česká republika Audit, s.r.o.
Denmark	KPMG P/S
Estonia	KPMG Baltics OÜ
Finland	KPMG Julkistarkastus Oy KPMG Oy Ab
France	KPMG Audit FS I S.A.S. KPMG Audit IS S.A.S. KPMG Audit Ouest S.A.S. KPMG Audit Rhône Alpes Auvergne S.A.S. KPMG Audit Sud-Est S.A.S. KPMG Fiduciaire de France KPMG SA SALUSTRO REYDEL S.A.
Germany	KPMG AG Wirtschaftsprüfungsgesellschaft KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
Greece	KPMG Auditing A.E. KPMG Certified Auditors S.A.
Hungary	KPMG Hungária Kft.
Iceland	KPMG ehf.
Ireland	KPMG

Country	Name of firms
Italy	KPMG Audit S.p.A.
	KPMG S.p.A.
Latvia	KPMG Baltics SIA
Liechtenstein	KPMG (Liechtenstein) AG
Lithuania	KPMG Baltics UAB
Luxembourg	KPMG Audit S.à.r.l.
Malta	KPMG
Netherlands	KPMG Accountants N.V.
Norway	KPMG AS
	KPMG Holding AS
Poland	KPMG Audyt Services Spółka z ograniczoną odpowiedzialnością
	KPMG Audyt Spółka z ograniczoną odpowiedzialnością
	KPMG Audyt Spółka z ograniczoną odpowiedzialnością Spółka Komandytowa
Portugal	KPMG & Associados — Sociedade de Revisores Oficiais de Contas, S.A.
Romania	KPMG Audit SRL
Slovakia	KPMG Slovensko spol. s r.o.
Slovenia	KPMG Slovenija, podjetje za revidiranje, d.o.o.
Spain	KPMG Auditores, S.L.
Sweden	KPMG AB

Segmentation of revenue/other income

The following tables provide a breakdown of KPMG N.V.'s revenue for 2023/2024, segmented by business. Amounts are based on our taxonomy and are provided by our clients' legal entities. Statutory legal audits are those where there is a legal obligation to have financial statements audited by an independent auditor. These audits may relate to PIE or non-PIE clients.

For PIEs, we use the definition of the Dutch Audit Firms Supervision Act (Wta), Article 1.p, to determine the segmentation of revenue. Other audit and assurance(-related) reports referred to in these tables include financial statement audits, attestation reports, sustainability assurance, ISAE 3402 certification, and IT audits. Advisory engagements are those that include certification or audit elements.

To uphold standards of independence, we do not deliver non-audit services to PIEs that are audited by us. None of our audit clients accounted for more than 15% of total audit fees received in 2023/2024, in line with International Federation of Accountants (IFAC) thresholds.

For reference, Article 13(2)(k) of EU Regulation 537/2014 regarding the statutory audit of PIE clients relates to the following:

- i. Revenues from the statutory audit of annual and consolidated financial statements of PIEs and entities belonging to a group of undertakings whose parent undertaking is a PIE;
- ii. Revenues from the statutory audit of annual and consolidated financial statements of other entities;
- iii. Revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm;
- iv. Revenues from non-audit services to other entities.

(in EUR million)		2023/2024		2022/2023	
i	OOB clients (Wta)	87.5	11%	76.7	10%
ii	Non-OOB clients (Wta)	170.8	21%	165.3	22%
iii	Other audit clients	70.9	9%	56.1	8%
iv	Other clients	474.8	59%	443.8	60%
Total		803.9	100%	741.9	100%

Roman numbers indicate the combinations for the summary table

KPMG N.V. 2023/2024		Wta audits		Other financial statements audits		Other Assurance services		Total Assurance services		Advisory services		Other services		Total			
OOB clients (Wta)		i	87.5	76%	iii	12.9	11%	14.6	13%	115.0	100%	-	0%	-	0%	115.0	100%
Non-OOB clients (Wta)		ii	170.8	80%		20.7	10%	8.1	4%	199.6	93%	14.6	7%	-	0%	214.2	100%
Other audit clients					iv	52.9	75%	9.8	14%	62.7	89%	8.1	11%	-	0%	70.8	100%
Other clients								15.7	4%	15.7	4%	355.2	88%	33.0	8%	403.9	100%
Total			258.3	32%		86.5	11%	48.2	6%	393	49%	377.9	47%	33.0	4%	803.9	100%
Assurance 2023/2024		Wta audits		Other financial statements audits		Other Assurance services		Total Assurance services		Advisory services		Other services		Total			
OOB clients (Wta)		i	87.5	76%	iii	12.9	11%	14.6	13%	115.0	100%	-	0%	-	0%	115.0	100%
Non-OOB clients (Wta)		ii	170.8	83%		20.7	10%	8.1	4%	199.6	97%	6.5	3%	-	0%	206.1	100%
Other audit clients					iv	52.9	79%	9.8	15%	62.7	94%	4.2	6%	-	0%	66.9	100%
Other clients								15.6	31%	15.6	31%	31.5	62%	3.7	7%	50.8	100%
Total			258.3	59%		86.5	20%	48.1	11%	392.9	90%	42.2	10%	3.7	1%	438.8	100%
Advisory 2023/2024		Wta audits		Other financial statements audits		Other Assurance services		Total Assurance services		Advisory services		Other services		Total			
OOB clients (Wta)		i	-	0%	iii	-	0%	-	0%	-	0%	-	0%	-	0%	-	100%
Non-OOB clients (Wta)		ii	-	0%		-	0%	-	0%	-	0%	8.1	100%	-	0%	8.1	100%
Other audit clients			-		iv	-	0%	-	0%	-	0%	3.9	100%	-	0%	3.9	100%
Other clients			-			-		0.1	0%	0.1	0%	323.7	99%	2.8	1%	326.6	100%
Total			-	0%		-	0%	0.1	0%	0.1	0%	335.7	99%	2.8	1%	338.6	100%
Shared Service 2023/2024		Wta audits		Other financial statements audits		Other Assurance services		Total Assurance services		Advisory services		Other services		Total			
OOB clients (Wta)		i	-	0%	iii	-	0%	-	0%	-	0%	-	0%	-	0%	-	100%
Non-OOB clients (Wta)		ii	-	0%		-	0%	-	0%	-	0%	-	0%	-	0%	-	100%
Other audit clients			-		iv	-	0%	-	0%	-	0%	-	0%	-	0%	-	100%
Other clients			-			-		-	0%	-	0%	-	0%	26.5	100%	26.5	100%
Total			-	0%		-	0%	-	0%	-	0%	-	0%	26.5	100%	26.5	100%

Roman numbers indicate the combinations for the summary table

KPMG N.V. 2022/2023	Wta audits			Other financial statements audits			Other Assurance services		Total Assurance services		Advisory services		Other services		Total	
OOB clients (Wta)	i	76.7	84%	iii	5.7	6%	9.1	10%	91.5	100%	-	0%	-	0%	91.5	100%
Non-OOB clients (Wta)	ii	165.3	80%		16.5	8%	10.4	5%	192.2	93%	14.3	7%	-	0%	206.5	100%
Other audit clients				iv	48.2	79%	7.9	13%	56.1	92%	4.6	8%	-	0%	60.7	100%
Other clients							15.9	4%	15.9	4%	336.4	88%	30.9	8%	383.2	100%
Total		242.0	33%		70.4	9%	43.3	6%	355.7	48%	355.3	48%	30.9	4%	741.9	100%
Assurance 2022/2023	Wta audits			Other financial statements audits			Other Assurance services		Total Assurance services		Advisory services		Other services		Total	
OOB clients (Wta)	i	76.7	84%	iii	5.7	6%	9.1	10%	91.5	100%	-	0%	-	0%	91.5	100%
Non-OOB clients (Wta)	ii	165.3	83%		16.5	8%	10.4	5%	192.2	97%	6.1	3%	-	0%	198.3	100%
Other audit clients				iv	48.2	84%	7.9	14%	56.1	98%	1.2	2%	-	0%	57.3	100%
Other clients							15.6	28%	15.6	28%	32.5*	59%	7.2	13%	55.2	100%
Total		242.0	60%		70.4	18%	43.0	11%	355.3	88%	39.8	10%	7.2	2%	402.3	100%
Advisory 2022/2023	Wta audits			Other financial statements audits			Other Assurance services		Total Assurance services		Advisory services		Other services		Total	
OOB clients (Wta)	i	-	0%	iii	-	0%	-	0%	-	0%	-	0%	-	0%	-	100%
Non-OOB clients (Wta)	ii	-	0%		-	0%	-	0%	-	0%	8.2	100%	-	0%	8.2	100%
Other audit clients				iv	-	0%	-	0%	-	0%	3.4	100%	-	0%	3.4	100%
Other clients							0.3	0%	0.3	0%	303.9*	99%	3.1	1%	307.3	100%
Total		-	0%		-	0%	0.3	0%	0.3	0%	315.5	99%	3.1	1%	318.9	100%
Shared Service 2022/2023	Wta audits			Other financial statements audits			Other Assurance services		Total Assurance services		Advisory services		Other services		Total	
OOB clients (Wta)	i	-	0%	iii	-	0%	-	0%	-	0%	-	0%	-	0%	-	100%
Non-OOB clients (Wta)	ii	-	0%		-	0%	-	0%	-	0%	-	0%	-	0%	-	100%
Other audit clients				iv	-	0%	-	0%	-	0%	-	0%	-	0%	-	100%
Other clients							0%		0%		-	0%	20.6	100%	20.6	100%
Total		-	0%		-	0%	-	0%	-	0%	-	0%	20.6	100%	20.6	100%

* Adjusted for comparison purposes

Abbreviations and acronyms

The following is a list of abbreviations and acronyms used in this report.

ABC	anti-bribery and -corruption
AFM	Autoriteit Financiële Markten (Authority for the Financial Markets)
AI	artificial intelligence
AQC	Assurance Quality Committee
AQI	audit quality indicator
ARC	Audit & Risk Committee
BIO	protection and restoration of biodiversity and ecosystems (EU Taxonomy)
CapEx	capital expenditure
CARE	Consider, Assess, Respond, Evolve
CCA	climate change adaptation (EU Taxonomy)
CCM	climate change mitigation (EU Taxonomy)
CE	transition to a circular economy (EU Taxonomy)
CEAOB	Committee of European Auditing Oversight Bodies
CEO	Chief Executive Officer
CHRO	Chief Human Resources Officer
COO	Chief Operating Officer
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
DMA	double materiality assessment
EEA	European Economic Area
EFrag	European Financial Reporting Advisory Group
EMLC	engagement management life cycle
EO	environmental objective (EU Taxonomy)
EQCR	engagement quality control review
ERM	enterprise risk management
ESG	environment, social, and governance
ESRS	European Sustainability Reporting Standards
EU	European Union
FTE	full-time equivalent
GDPR	General Data Protection Regulation
GHG	greenhouse gas
GPS	Global People Survey
GRI	Global Reporting Initiative
HR	Human Resources
IAASB	International Auditing and Assurance Standards Board
ICP	internal carbon pricing

IDE	inclusion, diversity, and equity
IFAC	International Federation of Accountants
IFIAR	International Forum of Independent Audit Regulators
IFRS	International Financial Reporting Standards
ISQM	International Standard on Quality Management
ISSB	International Sustainability Standards Board
IT	information technology
KDN	KPMG Delivery Network
KPI	key performance indicator
MFR	mandatory firm rotation
NBA	Koninklijke Nederlandse Beroepsorganisatie van Accountants (Royal Netherlands Institute for Chartered Accountants)
NPS	Net Promoter Score
OpEx	operating expenditure
PCAOB	Public Company Accounting Oversight Board
PIE	public-interest entity
PPC	pollution prevention and control (EU Taxonomy)
PTO	predictability, teaming, and open communication
QPR	Quality Performance Review
RAC	Remuneration & Appointment Committee
RCA	root-cause analysis
SBT	science-based target
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goal
SoQM	System of Quality Management
UN	United Nations
Wab	Wet op het accountantsberoep (Dutch Auditors' Profession Act)
WOR	Wet op de Ondernemingsraden (Dutch Works Councils Act)
Wta	Wet toezicht accountantsorganisaties (Dutch Audit Firms Supervision Act)
WTR	sustainable use and protection of water and marine resources (EU Taxonomy)

Contact

We welcome your feedback on our report. Please send any comments and suggestions via [our online contact form](#).

You can find out more about our business and services at kpmg.nl. You can also find us on our social media channels.



KPMG.nl



© 2024 KPMG N.V., a Dutch limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization ('KPMG International').