



Sustainability report 2021



KPMG 2021

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A message from our CEO

The past two years have been filled with uncertainty and fear, as the pandemic placed us all in front of an unprecedented challenge to our way of life. The war in Ukraine further underscores that we live in uncertain times. One of the main lessons for me from these past couple of years is that a sustainable future requires cooperation, diversity of thought and cutting-edge technological solutions. That's why people and technology are at the core of KPMG Norway's approach to sustainability.

I believe that curiosity is our greatest asset. It enables us to face challenges with an open mind, instead of with predefined solutions. In my view, this has never been more important, and it puts a big responsibility on our shoulders. To have an impact on the sustainable transformation of society, we need to have the necessary knowledge and courage to challenge our clients so we can find sustainable solutions together. This is how we inspire confidence and empower change, ensuring our clients are future ready.

To be the driver for sustainable change that we want to be and that our clients expect us to be, there are a few things we need to focus on and that I, as CEO, am paying a lot of attention to:

We need to be honest, open and transparent about how we work and where we can do better. This means working on our culture and on our

strategy, to ensure sustainability really is integrated across our organization. This report is an important part of our transparency efforts, and it should serve to hold us accountable on sustainability.

We need to recruit the best people and give them the tools to constantly expand their knowledge. We have focused on sustainability training for all our employees, because we think that this provides the basis for us to understand where we can make a difference and drive sustainable change. Investing in our people is the best way to place KPMG Norway at the forefront of the nexus between sustainability and technology. The ESG platform, a pilot project that KPMG Pure has developed together with Microsoft, is a good example of how we should work to combine knowledge and technology to offer the best sustainable solutions to our clients.

To get the best people, we need to focus even more on inclusion, diversity and equity (IDE). It's fair to say that we are not known as the most diverse organization, but we are working proactively to improve. Because without inclusion and diversity, we will not be the knowledge hub our clients expect us to be, we will not attract the best talent with the necessary diversity of perspectives, and we will ultimately lose relevance. IDE is critical for KPMG Norway to continue running a sustainable business.

This report shows that we are not perfect, but we are constantly working to improve, and to move both ourselves and our clients in a more sustainable direction. KPMG Norway supports the Ten Principles of the United Nations Global Compact on human rights, labor, environment and anti-corruption. With this report, we express our commitment to these principles and how they are



Lars Inge Pettersen
Senior partner and CEO
of KPMG Norway

A handwritten signature in blue ink that reads "Lars Inge Pettersen".

integrated in our strategy, governance and day-to-day operations.

We still face uncertain times with increasingly complex challenges, as recent events in Ukraine have shown. This has made it abundantly clear that cooperation is the only way forward. That's also why we have focused on working more closely with our Nordic colleagues, to exchange experiences and learn from each other, as many of our clients face the same challenges. Together we will drive sustainable change.

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KPMG Norway

Revenue

2,428bnnok

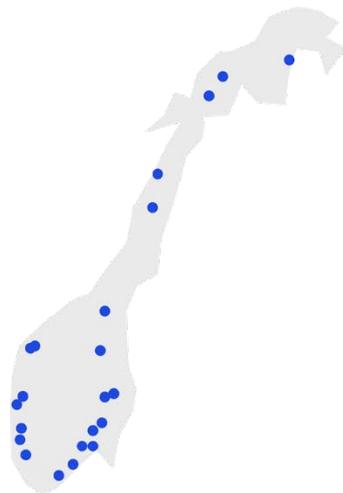
Law



Audit



Advisory



24

Offices

1490

Employees

125

Partners



63%

of us are millennials

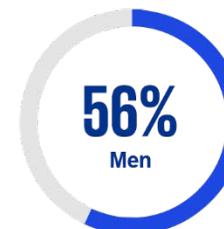
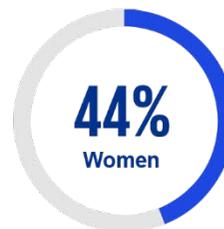
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Is the average age

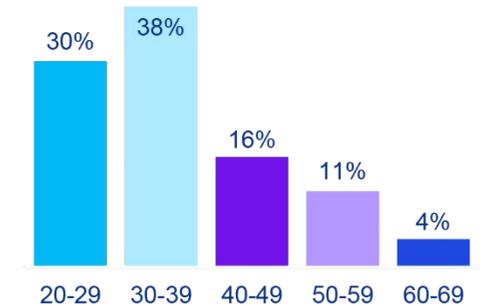
40

nationalities work here

Gender



Age distribution



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Our people

The passion and dedication of our people are the reason for our success. We take their physical and mental health very seriously. This is why we focus on their well-being, their work-life balance and have strived to safeguard them through the pandemic. An annual employee survey is conducted to map employees' commitment, motivation and well-being.

Health and well-being

KPMG Norway supports and encourages employees to get involved in physical activity through our employee-run sports club, KPMG Puls. The activities vary from running and skiing sessions with professional instructors, to climbing, football and other sports. Puls also facilitates employee participation in major sporting events, although these were suspended during the pandemic.

There is also an ongoing focus to emphasize the importance of well-being and mental health and we will continue to offer workshops and resources related to these topics.

Work-life balance

Ensuring a good work-life balance in KPMG's line of business can be demanding, due to periodically very heavy workloads, especially in certain business areas. While a clear majority of KPMG employees say they are satisfied with work-life balance, 30% experience exceeding stress, pressure and unbalance.

To try to address this, we have established a pool of students, the "Audit Delivery Centre", to relieve the auditors during the hectic audit year end. We have also initiated quarterly Pulse surveys, that provide a snapshot of employee wellbeing.

These surveys allow us to take action when and where it is needed.

Safeguarding employees through Covid-19

Throughout the pandemic, KPMG has taken action to protect the health and safety of its employees and focus on their motivation.

Employees were provided with suitable tools and equipment to be able to work effectively from their home offices. To ensure employees with a particular need to meet colleagues had this opportunity (e.g. new hires, single households etc), we opened our offices for this purpose. We also encouraged walk and talk meetings. To compensate for lack of socializing with colleagues, we organized virtual events, such as a big Holiday quiz.

Our annual Global People Survey (GPS) clearly shows that we still have significant room for improvement when it comes to creating the best possible work experience. Our challenges are especially linked to workload, compensation and internal communication.

Our KPMG Live sessions were set up in 2021 to inform employees of strategic priorities. Ensuring health, well-being and work-life balance for our employees is an ongoing effort which is prioritised, including within our Future of Work project.



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PURPOSE

**Inspire confidence,
empower change.**

VISION

The clear choice

VALUES

**Integrity, excellence,
courage, together, for better**

**SUSTAINABILITY
AMBITION**

Driving sustainable change together

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03 Sustainability in KPMG Norway



Our key ambition at KPMG is to work with our **employees** and **clients** to ensure we are making the right decisions that will enable us to **succeed** in the **sustainable transformation** of society.



- Monica Hansen, Chair of the Board



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Sustainability is core business at KPMG. Our sustainability ambition, “driving sustainable change together”, means that we will use our influence and unique position as advisors, working with businesses, organisations and public entities alike, to drive society in a sustainable direction. To target our efforts, we are prioritising the following five Sustainable Development Goals (SDGs) as they are most relevant to our core business’ internal objectives and actions.

4 QUALITY EDUCATION



We aim to equip ourselves with the necessary knowledge to give our clients the best advice to meet the challenges of tomorrow. Learning and transfer of knowledge, both to our clients and within our organization, are paramount to our performance.

8 DECENT WORK AND ECONOMIC GROWTH



We want to create value for our clients through sustainable solutions. We aim to provide a long-term positive impact on the economy, society and the environment.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



We want to be a driver of innovation and sustainability for our clients. That’s why we must stay ahead of developments in technology and digitalization, to create sustainable solutions and meet the challenges of tomorrow.

10 REDUCED INEQUALITIES



We strive to be a diverse and inclusive organization, so that we can deliver the best advice to our clients and be a more attractive workplace for our people.

13 CLIMATE ACTION



KPMG Global sets high ambitions that guide our efforts on climate action. KPMG Norway wants to lead by example, which is why we have been a certified Eco Lighthouse since 2011.

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Stakeholder engagement and material topics

As part of the development of KPMG’s sustainability plan, we reached out to our key stakeholders to map their main priorities and concerns with respect to sustainability. This engagement helped us to define KPMG’s current sustainability state and formed the basis for a thorough materiality assessment. This helped us identify both our gaps and strong points, which in turn allowed us to define our sustainability principles.

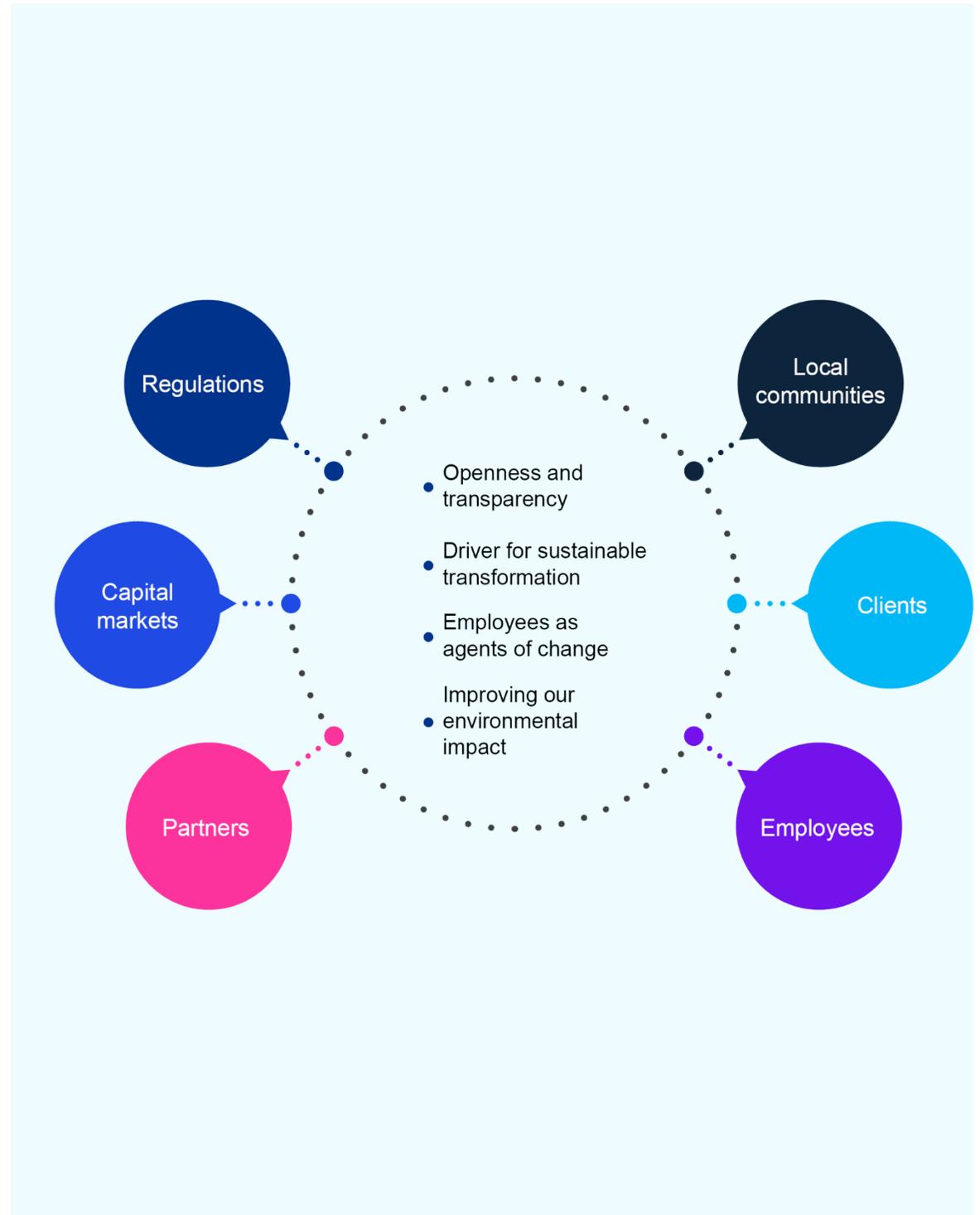
Stakeholders’ material topics include:

- Diversity and inclusion
- Reducing our climate impact
- Strengthening governance structures
- Interdisciplinary collaboration

The result of the materiality assessment is the foundation for our prioritized sustainability principles:

- Openness and transparency
- Driver for sustainable transformation
- Employees as agents of change
- Improving our environmental impact

We regularly engage with all our stakeholders. No adjustments to their material topics have been necessary in this reporting cycle. We plan to conduct a full stakeholder engagement process when reassessing our sustainability plan in FY2023, unless we become aware of any major changes in our stakeholders’ priorities before that time.



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Openness and transparency are part of our DNA, as reflected in our values. They are the basis for our business model, and hence also at the core of our sustainability efforts.

Our annual [transparency report](#) gives a thorough overview of how openness and transparency are embedded throughout our organization.



Everyone a leader on sustainability.

Not everyone can be an expert, but all our people should have the necessary knowledge to incorporate sustainability into the services we provide to our clients.

This is how we create impact.



KPMG must dare to be proactive towards clients and our greater network. We shall promote sustainability in all our projects and client interactions and establish interdisciplinary teams to identify and implement optimal and sustainable solutions for our clients.

We are straightforward.



To improve our own environmental impact and particularly reduce our carbon footprint we need to set targets, implement routines to ensure climate and environmentally conscious operations and measure our progress.

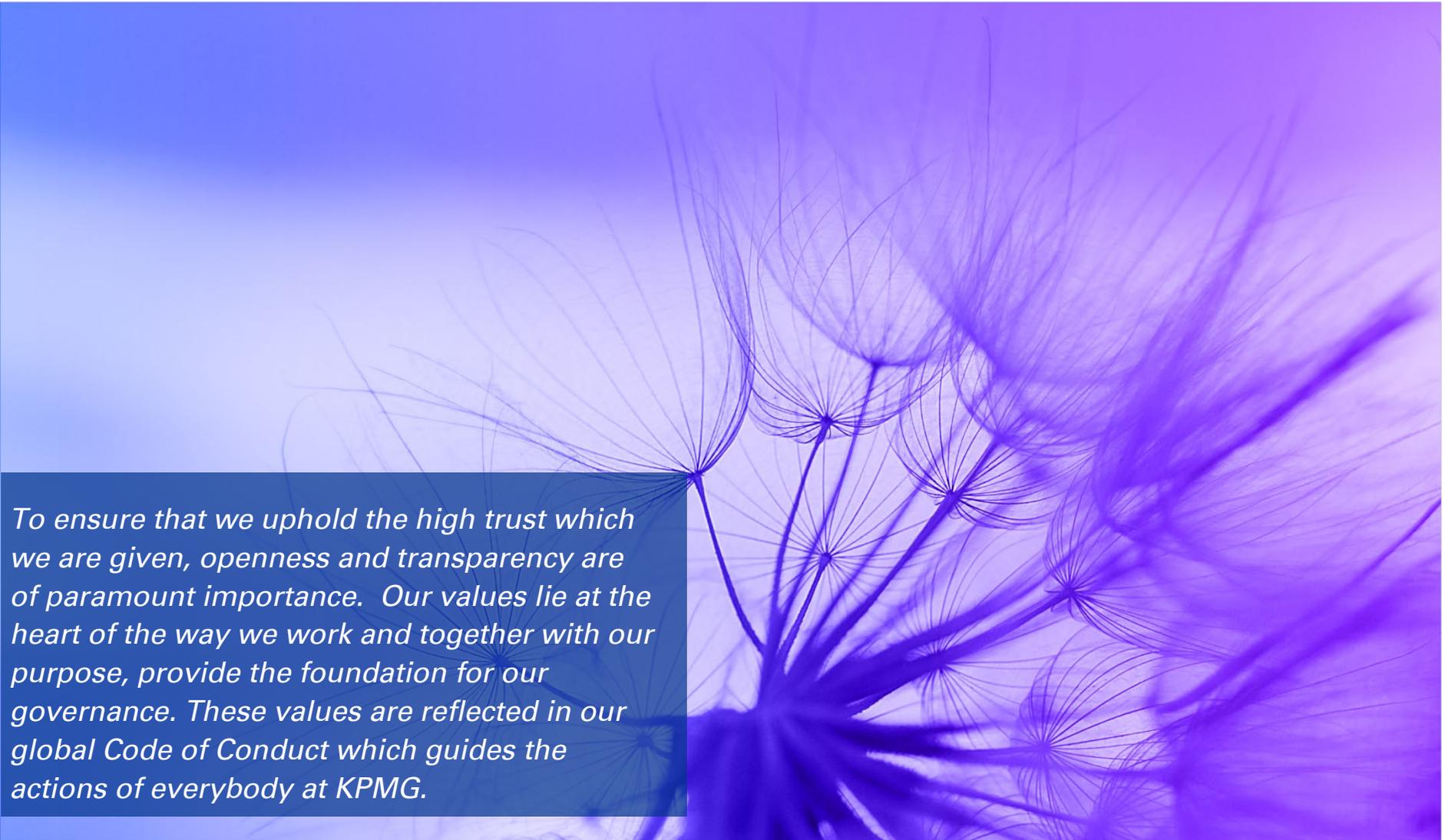
As part of the global KPMG network, we're bound by strict environmental requirements. In addition, we are a certified Eco Lighthouse since 2011.



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04 Openness and transparency



To ensure that we uphold the high trust which we are given, openness and transparency are of paramount importance. Our values lie at the heart of the way we work and together with our purpose, provide the foundation for our governance. These values are reflected in our global Code of Conduct which guides the actions of everybody at KPMG.

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Our values

Openness and transparency are embedded throughout our organization and are at the core of our sustainability efforts. Openness and transparency are reflected in our values:

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.

Ethical standards

We respect universal principles and norms that protect labor rights. We promote a responsible employment environment, respecting the freedom of association and the freedom to conduct collective negotiations.

As a signatory to the UN Global Compact, we work to combat corruption in all its forms including bribery. Our internal policies specifically state that illegal or unethical behavior is not tolerated by KPMG and we assess our bribery and corruption environment annually.

In relation to the Norwegian Transparency Act, a due diligence assessment evaluating sustainable practices and mapping risks related to human rights and decent working conditions both within our own organization and in our value chain is one of our action points. Further information on our progress will be presented in our next Sustainability Report for FY22.

Governance structure

During FY21, the board of KPMG AS consisted of nine members, of which two were female, including the chair.

The boards consist of members representing the shareholders and the employees in accordance with the Norwegian Companies Act.



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Financial transparency

We have a fundamental commitment to serve the public interest and build trust. We do this by leading in audit quality, driving responsible tax practices and advising clients on ways in which they can transform their business to help create sustainable value – embedding ESG into client services. Our leadership in responsible tax also encompasses how we deliver our services to clients, the arrangements of KPMG firm and the respective Partners’ tax affairs. We’re committed to acting lawfully and with integrity, providing high quality advice and building mutually trusting relations with the tax authorities. This is consistent with our values and global [Code of Conduct](#) and our [Principles for a Responsible Tax Practice](#).

KPMG’s fiscal year deviates from the calendar year and instead runs from October to September. As a result, the economic contribution presented here represents the fiscal year 2021 (FY2021) and not the calendar year.

With ESG rising on leadership agendas globally, tax practices and governance are becoming critical ESG measures. Therefore, tax transparency is now a key metric for demonstrating a responsible attitude towards tax.



Economic contribution	KPMG AS	KPMG Law
Revenues	2 059 039	245 979
Employee wages and benefits	1 148 361	107 841
Profit before tax	315 476	55 036
Tax on profits	2 347	12 118
Dividends	289 405	43 000

*numbers presented in thousand NOK

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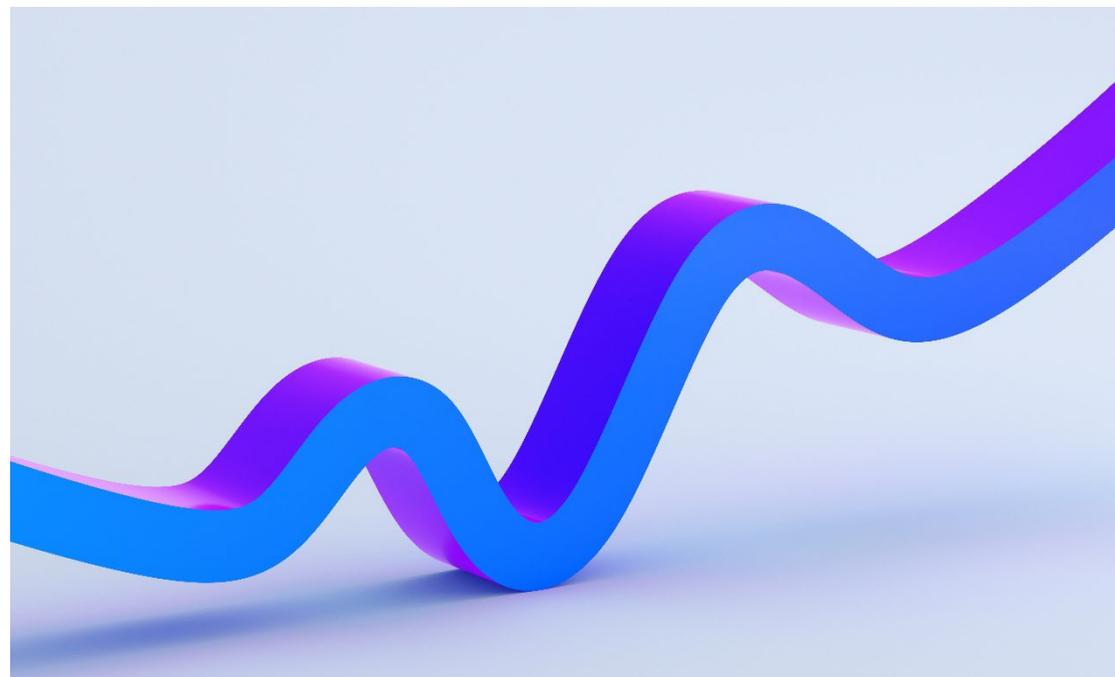
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The way forward

Sustainability is core business for all our business units in KPMG Norway. While this has been firmly established by our board and management, we know we still have work to do when it comes to sustainability governance and communication.

We are in the process of establishing governance structures to integrate our sustainability principles across our organization, to ensure we address sustainability holistically - as one firm. The board will follow-up on the progress.

We have started using KPMG Live as a strategic instrument in our internal communication on sustainability. So far, these live sessions have been mostly focused on social sustainability and our efforts on Inclusion, Diversity and Equity. Going forward, we will broaden the topics we address in KPMG Live, to continue to build knowledge about sustainability across the organization. We will report annually on the progress of our sustainability work and commit to being transparent also about gaps and work in progress.



Goals	Actions	Progress
One firm approach to sustainability	Establish governance structures to integrate sustainability across the organization	Dialogue between board and top management initiated
Be open and transparent in sustainability communication	Establish long-term sustainability communication plan with input from relevant internal stakeholders	Dialogue initiated
Meet requirements in the Norwegian Transparency Act	Establish project team, conduct gap analysis, dialogue with suppliers, update policies and codes of conduct, report on due diligence process (FY22)	Project team established, gap analysis and update of policies in progress, exploring communications channels for supplier dialogue

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05 Driver for sustainable transformation



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Case study: ESG Platform Pilot Project

Background

Through our dialogue with clients, we became aware of the need for a tool supporting companies' ESG journey. This is especially the case for SMEs, who are just starting with sustainability reporting, and need guidance on reporting, tracking and monitoring their ESG performance.

Challenge

How could clients collect and store the information needed for sustainability reporting in a structured way? How could they keep track of relevant laws and regulations? How could they monitor and track progress on their sustainability goals and KPIs? And how could this work be done in a digital and efficient manner, while at the same time ensuring an holistic approach to ESG-reporting?

What we did

Together with Microsoft, we created a digital tool for reporting and monitoring based on the WEF framework. The platform will give the client structure, guidance and tools to start their ESG journey. The platform will support clients through the entire process of building an ESG strategy with goals and KPIs, establishing the necessary internal structures and processes for collecting data and tracking progress, and creating the actual report.

Results

The digital platform is currently at Minimum Viable Product (MVP) stage and is still being piloted. Initial feedback from the pilot client has been positive, and we will use their input to continuously improve the platform.



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Case study: Tørn

Background

Our societies are ageing. At the same time there is a decrease in the working age population. This creates challenges for the health care sector, both in terms of human and financial resources.

Challenge

How to handle the challenge of an ageing population in need of care? How to ensure an efficient and sustainable utilization of competence in the health care sector? In an industry with a high turnover rate and with a high share of part time workers, what management tools are needed to ensure the right people do the right work at the right time?

What we did

We helped The Norwegian Association of Local and Regional Authorities (KS) map how care homes and home health care services are organized in eight different municipalities. Based on these findings, we established a pilot project, where each institution tested and eventually implemented a new division of tasks and more sustainable processes.

Results

Based on the successful implementation in the eight pilot municipalities, the project has been expanded to more than 40 municipalities and will run until 2023.



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Other ongoing cases

We work across a number of different sectors to drive sustainable change with our clients. Here are a few more examples of what we have achieved together.

Dashboard for Storebrand Eiendom

We have built an Azure data solution with a Power BI Frontend giving a full overview of operational, financial and sustainability KPIs. It allows our client to monitor energy and water consumption, CO2 emissions and waste production from their entire portfolio of buildings.

Scope 3 Emissions Calculations

Our client, a large multi-national industrial manufacturing group, was looking for external competence and support in calculating upstream Scope 3 (Supply Chain) emissions caused by the entire global supplier base. In the project, a 2-step approach was used; in step 1 the client provided comprehensive global spend data for a multi-year period

Based on data provided by the client, we estimated CO2e emission values for each supplier, which was then used to create a heatmap showing categories and suppliers with significant emissions. In step 2, we then used an activity-based approach to achieve much more accurate CO2e calculations for selected high-emissions categories (e.g. raw materials, transport). These detailed results were then used to get a picture of achievable emission reductions in our client's supply chain.

Toyota EV Transition

KPMG Norway supported Toyota Europe and Toyota Norway on their Electric Vehicle (EV) transition journey. We conducted a market analysis mapping the ecosystem surrounding the EV driving experience and ran a tender process to choose a vendor/partner for home chargers in Norway. We currently

support Toyota Norway with transforming their organization to become a customer first player.

Bybanen Strategy

KPMG helped Bybanen – the Bergen Light Rail – to develop a new strategy with the SDGs as a framework. Based on clear and high expectations from the Board, we helped Bybanen develop a business strategy that incorporates all the four elements of the WEF-framework: People, Prosperity, Planet and Governance. The result is a strategy that sets clear direction and goals, that will contribute to making Bergen an even more sustainable city.

COVID-19 Certificate

KPMG delivered the risk assessment for the development of Norway's COVID-19 certificate for Norsk Helsenett (NHN) and the Norwegian Institute of Public Health (FHI). We focused on ensuring equal access to the certificate, including in case of negative test results, COVID-19 recovery, and for people unable to take the vaccine. Central to this process was respect for users' privacy and GDPR regulations.

Norled Sustainability Strategy

KPMG helped Norled develop a sustainability strategy incorporated in their overall business strategy, aimed at working towards a more sustainable ferry and express boat market. The sustainability strategy was developed in close dialogue with the board, the owners and the management and set ambitions, goals and KPIs in accordance to strategy.



// KPMG supported us in a professional manner, and their process ensured that our **sustainability strategy** was founded on a proven **materiality assessment** by **key stakeholders**,

- **Lars Inge Vågen**,
CCO and key responsible for
Norled's Sustainability Program

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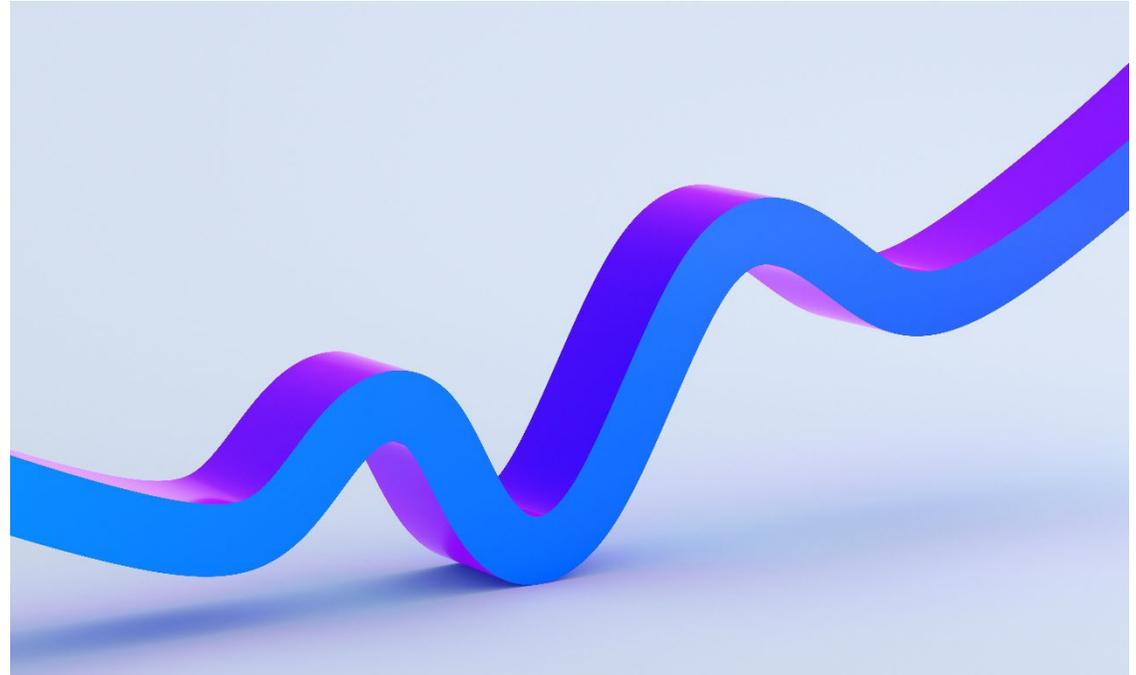
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The way forward

Driving sustainable change together with our clients implies building an holistic approach to sustainability. This requires interdisciplinary cooperation – connecting cutting-edge sustainability knowledge and technological expertise.

We have invested in technological expertise in KPMG Lighthouse and by strengthening our Cyber and Security department, including through proactive recruitment of experts.

We need to be at the forefront of technological developments. When we don't have the required expertise, we need to find partners in top-notch technology environments, so that we can collaborate on the best innovative solutions for our clients.



Goals	Actions	Progress
Driving sustainable innovation for our clients	Proactive dialogue with clients, challenging them on their established products and processes.	The Tørn-case on the future of health care is a good example of how KPMG is able to find innovative and sustainable ways of organizing work processes
Building technology solutions for sustainability	Collaborate with top-notch technology environments to build innovative solutions.	The ESG-platform, built in cooperation with Microsoft, is an example of how KPMG pursues innovative technological and sustainable solutions.

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06 Empowering employees as agents of change

To succeed at being a driving force for sustainable development, we must empower our employees to be agents of change. To do this, we provide sustainability training to our employees and work to increase the diversity of our teams. The aim is to ensure greater innovation and productivity, increase employee retention and maintain a high employee satisfaction. In turn this will ensure that our employees are able to better guide and advise our clients on sustainability.



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Inclusion, Diversity and Equity in KPMG

Inclusion, diversity and equity are fundamental for our business. Today's uncertainties and challenges require a variety of mindsets and experiences, as these drive diversity of thought. Our ambition to be inclusive and diverse is based on our purpose to inspire confidence and empower change - and it helps us attract the right talent and develop relevant and future-oriented solutions for our customers.

Inclusion, Diversity and Equity (IDE) are good for our people, for our clients and for society. It is simply essential to run a sustainable business.

KPMG is a professional services firm, providing knowledge, competence and experience. Delivering the best results for our clients requires us to ensure that we have the best people, with a diverse set of backgrounds, experiences and knowledge. This is empower change for our clients and for society at large, even in our current climate of uncertainty.

We are serious about inclusion, diversity and equity. At the same time, we are fully aware that we still have a way to go to meet our ambitious goals. That's why responsibility for IDE is placed firmly in the executive management team (KLG). I report to our CEO and to our board, who are fully committed to making KPMG Norway a more inclusive organization, that thrives on

our differences and strengths. In fact, most of our executive management team was certified in diversity leadership through our partner Seema in 2021. We plan to provide the same training throughout our organization to leaders on all levels.

I am privileged to have the support of a dedicated and diverse project team, representing a broad set of backgrounds and coming from all our business areas. Our IDE team provides input for policy changes and actions, manages our cooperation with our IDE partners and plan and execute out IDE arrangements. Our goal is to anchor IDE throughout our organization, ensuring ownership among all business area leaders.

Because our people are our most valued asset, we are working proactively with IDE in our people and delivery processes, for instance in recruitment to ensure the best people want to work with us. We have focused on unconscious

bias training for recruiters and interviewers, and we have worked towards gender-balanced review boards, ensuring diversity in decision-making regarding recruitment, promotions, salary and bonus.

Many of our IDE goals are minimum thresholds. That includes our goal of having 30% female partners by 2030. We work structurally to ensure more women are promoted in leadership roles where they have influence and decision-making responsibility. We are moving slowly towards that goal and aim to do better. That's why we systematically gather insights from across the organization at several levels to identify obstacles and take action where needed. This is work in progress, and our CEO, our executive management and myself are personally committed to it.



Inclusion, Diversity and Equity will lead to better results, because brilliant and diverse people are the ones who will come up with the innovative ideas and solutions that give KPMG competitive advantage



Kine Kjærnet
Head of Inclusion,
Diversity and Equity
(IDE)

I am proud and humble to have been given the opportunity and responsibility of making KPMG Norway a more diverse and inclusive place to work. In many ways, I see this role as a way for me to give back – and I am determined for KPMG to succeed.

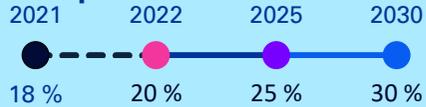
For further and detailed information about our efforts on diversity and inclusion, please refer to our [Annual Report](#) and [Transparency Report](#).

Inclusion, Diversity and Equity in numbers

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Female partners



Female Board of Directors



Female executive management team members



Female leaders (in leading positions)



Partners from different nationalities than Norwegian by 2025



Partners from different nationalities than Norwegian by 2030



Employees from different nationalities than Norwegian by 2025



Goal gender balance on all other employee levels



Female rehire on Senior Manager, Directors and Partner level



Retention of employee on parental leave



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Inclusion, Diversity and Equity initiatives

As part of our ongoing strategic work on IDE we have several initiatives throughout the financial year. These initiatives play a pivotal role in empowering our employees in becoming agents of change. Here are some examples of what we have done.

Equality Check

We are proud founding partners with the Norwegian start up, Equality Check (formerly #HunSpanderer), since 2018.

In 2021, KPMG and Equality Check held several webinars on social sustainability and the Equality and Anti-Discrimination Act

Pride

We have celebrated Pride since 2017, when we first raised the rainbow flag outside our main office in Oslo.

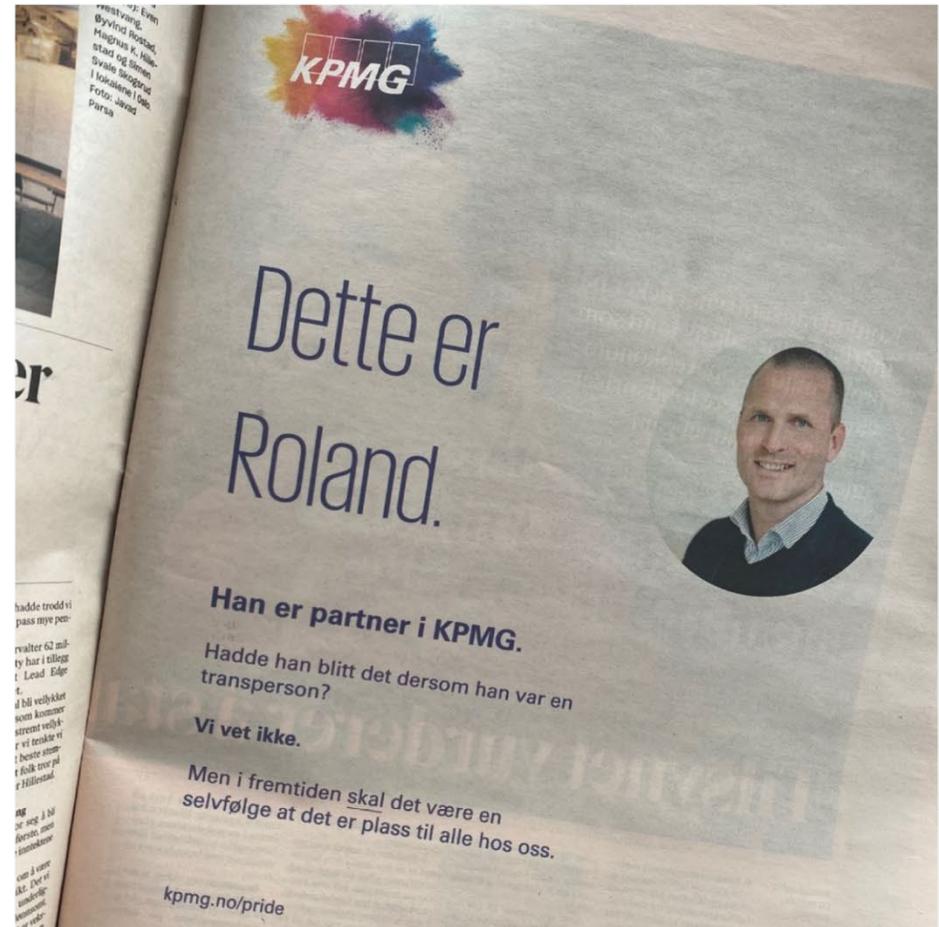
In 2019, we attended the Pride parade in Oslo with many KPMG employees celebrating LGBTQ+ rights.

During the pandemic, we found alternative ways to celebrate Pride. This included a digital summit as well as a full page in some of Norway's biggest newspaper, as one can see to the right.

Women's Board Award

KPMG hosted the Women's Board Award 2021. The nominees were Wenche Teigland, Gro Bakstad and award winner Tina Steigler.

The award ceremony focused on sustainability and the role of boards. Around 240 people were in attendance at the ceremony at Colosseum Kino in Oslo.



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IDE collaborations

The logo for Equality Check, featuring the words "EQUALITY" and "CHECK" in a bold, purple, sans-serif font, stacked vertically.

Equality Check is an online platform founded by Marie Sunde and Isabelle employees can anonymously leave a review of their workplace on topics such as equal opportunity, workplace culture, work/life balance, executive management commitment to diversity and more. The purpose of the platform is to create a more diverse workplace through transparency and accountability. KPMG is a Founding Partner of Equality Check. Our collaboration is aimed at promoting the IDE agenda with clients, and internally in KPMG.

The logo for Seema, featuring the word "seema" in a lowercase, blue, serif font.

Seema was founded by Loveleen Rihel Brenna to set up a national standard and certification in diversity leadership. Seema also offers a variety of methods and tools that guide us in our IDE efforts. KPMG's collaboration with Seema is strategically important to change culture and mindsets in our organization.

The logo for Women's Board Award, featuring the words "WOMEN'S BOARD AWARD" in a black, serif font, with "WOMEN'S" and "BOARD" stacked above "AWARD".

Women's Board Award (WBA) aims to identify and promote female board members with the potential to become board chairs in larger companies. WBA was founded by Gunnar Eckbo, head of Styreinformasjon. One of KPMG's strategic priorities is a better gender balance in leadership positions, which is why our partnership with WBA is important.

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Case study: IDE Recruitment Campaign

Background

KPMG wants to be a driver of change in society. There is little doubt that KPMG has been and still is perceived as a very homogeneous organization, where employees look the same and have similar backgrounds. There is also little doubt that this impression has not been far removed from reality. We wanted to do something about this, as an important part of our structural work with diversity and inclusion. Without a diversity of perspectives and experiences, we will not be the clear choice for our stakeholders, whether they be clients or employees.

Challenge

How could KPMG attract more diverse candidates and build an image as a company slightly out of the ordinary?
Could we spark internal change and broaden our perspective on recruitment and competence?

What we did

In the fall of 2021, we launched a campaign aimed at recruiting people with diverse backgrounds to meet the needs of our clients in the best possible way.

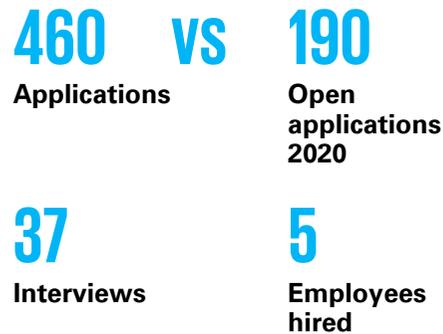
We set up billboards all around the biggest cities in Norway targeting people with gaps in their resumés and/or having experienced discrimination.

Results

As a direct result of this campaign, we recruited 5 new talents, who would likely not have applied to a job at KPMG without this campaign. Furthermore, we are still receiving applications on a rolling basis following this campaign, and regularly invite these candidates to interviews.

The campaign also prompted us to review our recruitment and onboarding processes from a diversity perspective, as this process made us aware of our lack of policies and structures to ensure we walk the talk on diversity and inclusion.

Perhaps even more importantly, the campaign started a conversation internally about the value of diversity, both for KPMG as an organization and for the results we deliver for our clients.



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Case study: Sustainability Training and Development

We aim to recruit, retain and develop skilled and committed employees. Competence development plays a vital role in our business as we must be well informed and relevant for the clients and markets we serve. Competence is also strongly related to personal and professional development and employee well-being is the backbone of making our employees agents of change.

“Sustainability Week” will be held annually to engage and boost employee learning.

We provide a broad range of training for our employees. Further details can be found in our [Transparency Report](#).

In our materiality assessment, we found that building competence on sustainability is a key priority for the majority of our stakeholders. This led us to organize our first “Sustainability Week” in 2021. In a combination of lectures, competitions and interactive case work, our employees were given an introduction to a broad set of sustainability issues, covering environmental, social and governance aspects. Participation at the lectures was mandatory, and staff were encouraged to join the other sessions.

4 Mandatory sessions
4 Voluntary sessions
922 Average viewers (mandatory sessions)

The overall feedback was overwhelmingly positive, but many employees also expressed a need to get a better understanding of how to become sustainability champions and how to best integrate sustainability issues into their work with clients. This feedback will guide us in planning upcoming sustainability training.

		Environment		Social	Governance
		Monday Training 1: Introduction to sustainability	Tuesday Training 2: Climate and environment	Wednesday Training 3: People and society	Thursday Training 4: Governance
Mandatory	Today's topic:	<ul style="list-style-type: none"> What is sustainability? What does sustainability mean for KPMG, for clients and for you? KPMG Norway's sustainability principles. KPMG Norway strategy and KPMG Global strategy 	<ul style="list-style-type: none"> What are the climate challenges our clients are facing? How can KPMG assist them with risk management and identifying business opportunities? How to be an agent of change. 	<ul style="list-style-type: none"> How is Norway doing on Gender Equality? Insights into regulations on social sustainability including the new Norwegian Transparency Act and Equality and Anti-Discrimination Act. 	<ul style="list-style-type: none"> Why is good governance paramount for success? What is the current state of affairs in the world? Q&A from employees
	Optional	<p>KPMG Live What is new from the climate psychologist.</p> <p>A conversation between Per Espen Stoknes, psychologist with PhD in economics and Director of Centre of Green Growth at BI and Stine Lise Hattestad Bratsberg, KPMG.</p>	<p>KPMG Live Challenges and opportunities with climate policies.</p> <p>A conversation between Sveinung Rotevatn, former Minister of Climate and the Environment and Kia Luse Brodersen Klavenes, KPMG.</p>	<p>Casework with Avinor Jan Øvstedal, Mona Johansen and Olav Mosvold Larsen from Avinor present different casework on Avinor.</p> <p>Arena: Digital workshop</p>	<p>KPMG Live Sustainability and profitability – how are these interconnected?</p> <p>1) Conversation between Matthew Smith, KPMG and Britt Nilsen, Head of Sustainability in Schibsted.</p> <p>2) Conversation between Kia Luse Klavenes, KPMG and Øyvind Bjørnstad, Head of strategy and Sustainability in Vestre.</p>

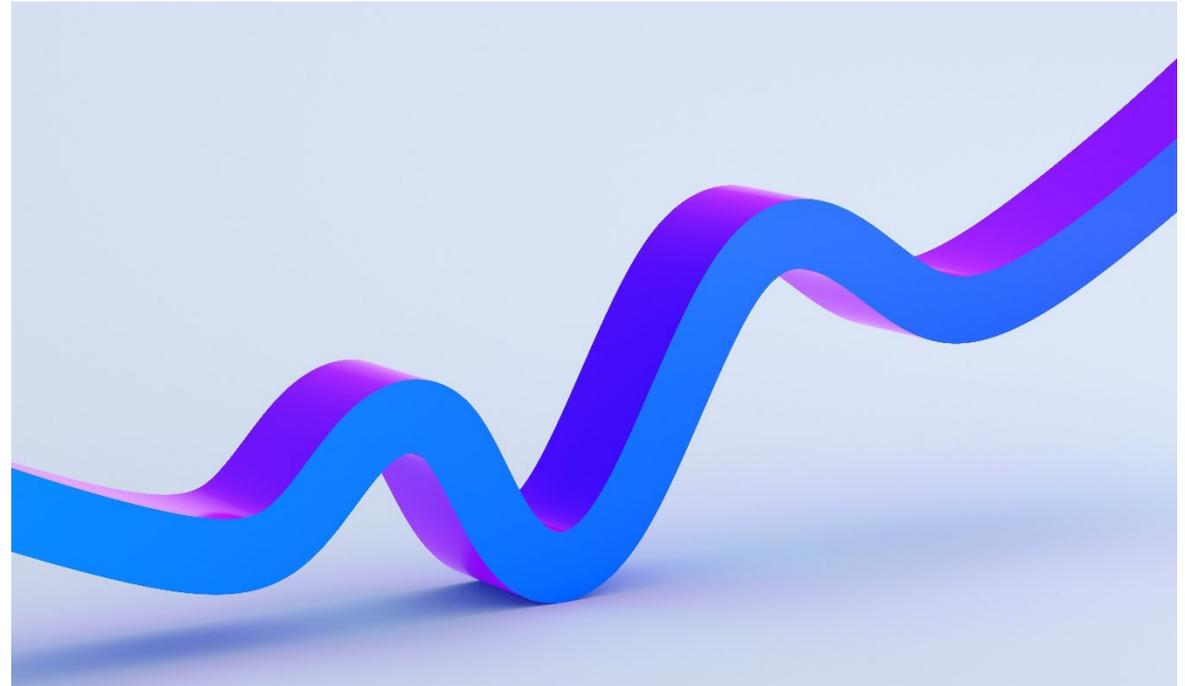
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The way forward

KPMG’s ambition is to enable all our employees to provide straightforward advice on sustainability, so that they can be agents of change.

This will require us to build knowledge about sustainability across the organization and establish ways of working together where our knowledge and perspectives on sustainability really contribute to finding the best solutions for our clients. We are at the very beginning of this journey, which is a crucial one for KPMG to succeed with driving sustainable change for all our stakeholders.



Goals	Actions	Progress
Everyone a leader on sustainability	Mandatory sustainability training.	4 mandatory and 4 voluntary hours of sustainability training for all employees in 2021.
A one firm approach to sustainability	Facilitate interdisciplinary collaboration by consistently encouraging knowledge-sharing across the organization.	Sustainability week contributed to a more holistic approach to sustainability in KPMG, but this work is still in its very early stages.
Ensure inclusion, diversity and equity in the organization	Deliver on the goals in the IDE plan.	Head of Inclusion, Diversity and Equity was appointed in 2021. Strategy and steering committee for IDE established in 2021. 5 members of senior management have been certified as diversity leaders, including the CEO and Chair of the Board.

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07 Improving our environmental impact

All KPMG member firms are committed to the KPMG Global Impact Plan to reduce their impact on the environment, addressing local environmental challenges and working with clients and organisations to advance sustainability. We are proud to be a certified Eco Lighthouse and are constantly striving to reduce our negative impact on the environment.

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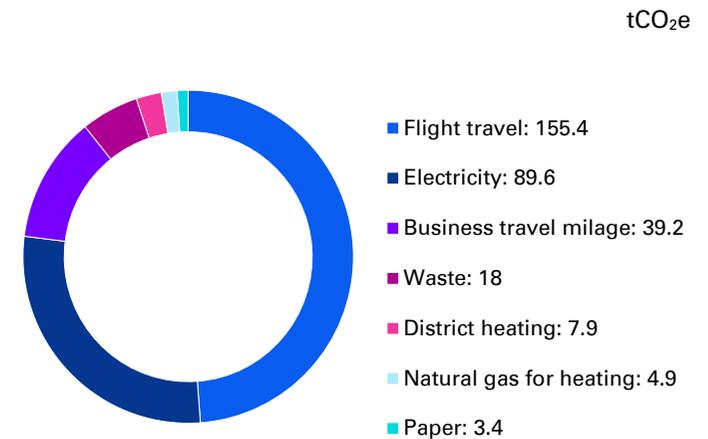
For KPMG Norway, identifying and addressing our own impact on the environment is an important part of our internal work on sustainability. To ensure accountability, we need to communicate our targets and progress to our stakeholders.

We strive to reduce negative impacts from our business and enable and encourage our customers to do the same.

Climate impact

Our climate footprint is reported annually on scope 1, 2 and 3 for KPMG Norway and includes all offices in the country. We survey our climate footprint by calculating the greenhouse gas emissions related to our activities based on the GHG protocol.

In 2021, we reduced our greenhouse gas emissions by 43% as compared to 2020. Our overall emissions for 2021 was 324 tonnes of CO₂ equivalents. This considerable reduction is a result of the Covid-19 situation with limited travel and remote work.

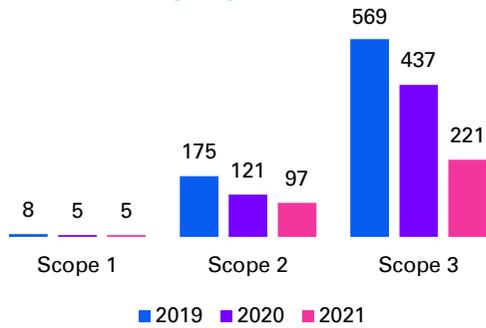


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The figure below illustrates the annual emissions from 2019 to 2021 in terms of direct emissions (scope 1), indirect emissions through purchase of electricity and heat (scope 2), and indirect emissions from purchase of products and services (scope 3).

Total emissions per year



Key Performance Indicators	2019	2020	2021	Change 2020-2021
GHG emissions tCO _{2e}	751,3	563,5	323,7	-43%
GHG emissions per employee	0,6	0,4	0,2	-46%
Recycling rate	69%	58%	63%	9%
Total energy consumption:	5 650	3 804	3 438	-10%
Energy consumption per m ²	4,66	2,83	2,40	-15%

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Eco Lighthouse (Miljøfyrtårn)

Background

KPMG Norway has been certified as an Eco Lighthouse since 2011. This involves a certification process for every KPMG office across the country every three years. The head office in Oslo will be recertified in 2022, whilst all other office locations will be recertified in 2023.

Why we chose to be Eco Lighthouse certified

All our stakeholders expect KPMG to be a responsible organization with respect to climate and the environment. To hold ourselves accountable, both internally and towards our clients and partners, we decided to become an Eco Lighthouse.

This is also a way of meeting the expectations of our existing and future employees.

The Eco Lighthouse certification helps us walk the talk and is an essential part of our vision of driving sustainable change together.

Challenges

The Eco Lighthouse organization requires us to report on a set of ESG topics on a yearly basis. The reporting gives us insight into our impact, and it has also made us aware of the challenges we face on our journey to become a more sustainable organization.

We know that air travel is our main source of GHG emissions. While these emissions have decreased over the last two reporting periods, this is mainly due to the pandemic. We have recently adjusted our travel policy to encourage more awareness around the actual need for travel versus the possibility of using digital meetings. Effects of these policy changes are still uncertain.

The fact that we are a tenant makes collecting the necessary data from our landlords challenging. Not all building owners have the systems or the capacity to register the complex data sets required by the Eco Lighthouse portal.

Results and way forward

In 2021 we decided to dedicate one full-time resource with overall responsibility for Eco Lighthouse reporting and follow-up, both internally and externally.

Our Eco Lighthouse report is made available through our website and intranet. We encourage all our stakeholders to use it to hold us accountable to our ambitious sustainability goals.



Merete Inderberg
*Manager Facility and
Eco Lighthouse*



**Nobody can do everything,
but everybody can do something**

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Other climate initiatives

In 2021 we pursued several initiatives to improve our environmental impact. These included:

- KPMG invested in the best solutions for digital meetings, including upgrading our office facilities, which reduced the need to travel.
- We continuously pay attention to recycling and reducing waste. As part of this work, posters on how to sort all waste fractions are now present in all our offices.
- We have paid particular attention to reducing food waste in our cafeterias, by showing weekly statistics on food waste on dedicated screens.
- We also compensate emissions through the purchase of carbon credits.



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The way forward

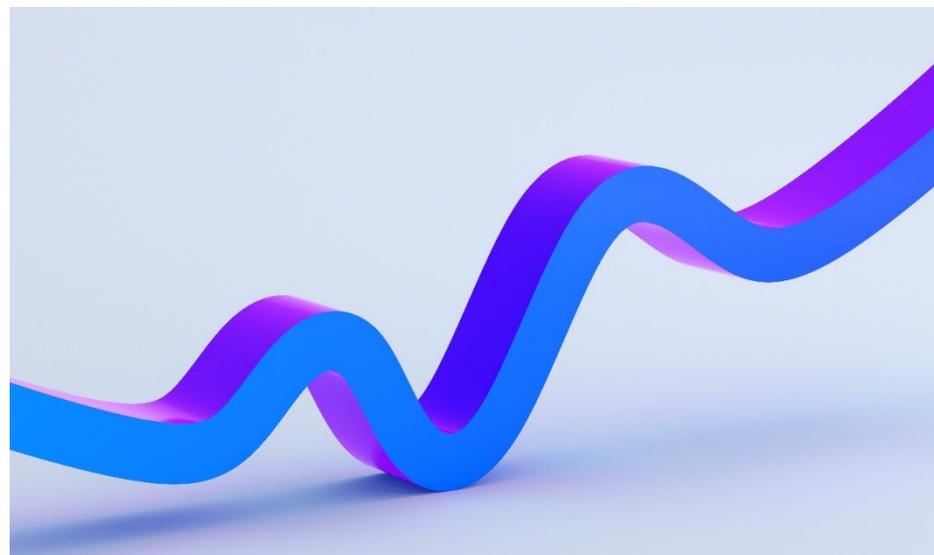
Science-Based Targets

KPMG Global has developed a carbon forecasting model to map the sources and impacts of our emissions in order to understand what we need to do to accelerate decarbonization. As a result, we have set a global commitment to become a net-zero carbon organisation by 2030. This means that we will cut greenhouse gas emissions (direct and indirect) by 50% by 2030 as part of a 1.5°C Science-Based Target in line with the Paris Agreement.

In our previous sustainability report, we committed to using the Science-Based Targets Initiative methodology to map our indirect emissions and set specified emission reduction goals and actions. We have not managed to deliver on this yet, but now aim to have this in place during the course of 2023, as part of the review of our sustainability plan.

Climate risk

Climate related risks and opportunities already affect many of our clients, and KPMG Norway will also be affected by both physical and transitional risks due to climate change. We need to better understand our exposure to climate risk, and plan to start our process of evaluating this following the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD), as part of the review of our sustainability plan in 2023.



Goals	Actions	Progress
50% reduction of emissions by 2030 (based on 2019 levels)	Implement SBTi methodology to report on Scope 1, 2 and 3 emissions.	GHG emissions reduced by 57% in 2021 compared to 2019 levels.
50% reduction of emissions by 2030 (based on 2019 levels)	Eco Lighthouse re-certification in 2022/2023	Dialogue with certifying organization initiated, preparations for re-certification started
Net Zero by 2030 according to KPMG's Global "Our Impact Plan"	Purchase of carbon credits to compensate remaining emissions.	Carbon credits purchased through CEMAsys.
Employees as agents of change through individual responsibility for climate emissions	Raising awareness of work-related emissions	Updated internal travel policy encouraging use of climate-friendly transportation options or use of digital meetings

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This is KPMG Norway's sustainability report and covers the reporting period 1 October to 30 September 2021, which corresponds to our fiscal year. The information reported includes KPMG Holding AS, KPMG AS, KPMG Law Advokatfirma AS, KPMG Tax AS, Unibridge AS, KPMG RAV AS, and KPMG Regnskapsservice AS.

The sustainability report is based on the WEF IBC common metrics. We continuously strive to improve our sustainability performance and reporting. The report has been reviewed and approved by KPMG AS' Board of Directors but has not been assured by a third party.

We appreciate your feedback, comments and queries on this report.

Please visit our website kpmg.no or contact:



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EMPLOYMENT

	2021
Total number of employees	1 444
Number of permanent employees	1 412
Number of temporary employees	130
Of which are full-time	1 414
Of which are part-time	128
Intern	-
New hires	350
Turnover	19,8 %

DIVERSITY

Percentage of female	44%
Percentage of Female in full-time employees	44%
Percentage of female in part-time employee	50%
Age <30 years	33%
Age 30-50 years	53%
Age > 50 years	14%
Average weeks parental leave female	39
Average weeks parental leave male	18

MANAGEMENT

Total management positions	694
Percentage of female	35%
Age <30 years	1%
Age 30-50 years	74%
Age > 50 years	24%

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HEALTH AND SAFETY				2021
Sick Leave				2,36%
Work Related Injuries				-
Lost Time Injuries				-
Fatalities				-
				% Change
CLIMATE AND ENVIRONMENT				2020-2021
KEY PERFORMANCE INDIKATORS				
Total GHG emissions (tCO ₂ e)	751	563	324	-43%
GHG emissions per employee (tCO ₂ e/employee)	0,6	0,4	0,2	-46%
Recycling rate (%)	69%	58%	63%	9%
Total energy consumption (MWh)	5 650	3 804	3 438	-10%
Office space (m ²)	30 942	27 657	31 835	15%
Energy consumption per m ² (MWh/m ²)	4,7	2,8	2,4	-15%
GHG EMISSIONS				
Scope 1				
Natural gas for heating (tCO ₂ e)	8	5	5	2%
Scope 2				
Electricity (tCO ₂ e)	147	102	90	-12%
District heating (tCO ₂ e)	28	19	8	-59%
Cooling (tCO ₂ e)	-	-	-	-
Scope 3				
Flight travel - International (tCO ₂ e)	144	96	-	-100%
Flight travel - Europe (tCO ₂ e)	58	65	5	-92%
Flight travel - Nordic (tCO ₂ e)	250	197	150	-24%
Business travel milage (tCO ₂ e)	91	54	39	-28%
Waste (tCO ₂ e)	19	21	18	-13%
Material use: Paper (tCO ₂ e)	7	4	3	-11%

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	2019	2020	2021	% Change 2020-2021
CLIMATE AND ENVIRONMENT				
ENERGY CONSUMPTION				
Natural gas for heating (MWh)	39	23	24	3%
Electricity (MWh)	3 771	2 491	2 889	16%
District heating (MWh)	1 840	1 279	525	-59%
Cooling (MWh)	-	10	-	-100%
BUSINESS TRAVEL				
Flight travel - International (pkm)	795 777	528 228	-	-100%
Flight travel - Europe (pkm)	363 945	419 889	33 197	-92%
Flight travel - Nordic (pkm)	980 629	808 035	611 251	-24%
Business travel milage (km)	579 695	363 915	274 269	-25%
WASTE				
Unsorted municipal waste (kg)	35 150	38 897	33 382	-14%
Sorted waste (kg)	3 529	556	5 996	979%
MATERIAL USE				
Paper (kg)	8 390	4 462	3 850	-14%

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Terms and abbreviations

- CO₂e – Carbon Dioxide Equivalent
- ESG – Environmental, Social and Governance
- GDPR – General Data Protection Regulation
- GHG – Greenhouse Gas
- GPS – Global People Survey
- IDE – Inclusion, Diversity and Equity
- KLK – Executive Management Team
- KS – The Norwegian Association of Local and Regional Authorities
- SDG – Sustainable Development Goals
- SBTi – Science-Based Targets initiative
- TCFD – Task Force on Climate Related Financial Disclosures
- WEF – World Economic Forum

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WEF Metric: Governance

 Theme	 Metric	 WEF Criteria	 Reference
Governing Purpose	Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	CEO Letter
Quality of Governing Body	Board composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Responsibility and Structures
Stakeholder Engagement	Impact of material issues on stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Stakeholder Engagement and Material Topics
Ethical Behaviour	Anti-corruption	Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region; (a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; (b) Total number and nature of incidents of corruption confirmed during the current year, related to this year; Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	Ethical Standards
	Protected ethics advice and reporting mechanism	A description of internal and external mechanisms for: Seeking advice about ethical and lawful behaviour and organizational integrity; Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	Ethical Standards
Risk and Opportunity Oversight Governing Purpose	Integrating risk and opportunity into business processes	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Ethical Standards and Climate Risk

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 Theme	 Metric	 WEF Criteria	 Reference
Climate change	Greenhouse Gas (GHG) emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tons of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Climate Impact
	TCFD Implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most 3 years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement - to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	Climate Risk
Nature Loss	Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or Key Biodiversity Areas (KBA).	
Fresh water availability	Water consumption and withdrawal in water-stressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	
Solid Waste	Impact of solid waste disposal	<ol style="list-style-type: none"> Report wherever material along the value chain: estimated metric tons of single-use plastic consumed. Disclose the most significant applications of single-use plastic identified, the quantification approach used and the definition of single-use plastic adopted. Report wherever material along the value chain, the valued societal impact of solid waste disposal, including plastics and other waste streams. 	Climate Impact and Initiatives in 2020

WEF Metric: Planet

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WEF Metric: People	 Theme	 Metric	 WEF Criteria	 Reference
	Dignity and Equality	Diversity and inclusion (%)	Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Inclusion and Diversity
		Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Wage Equality
		Wage level (%)	<ol style="list-style-type: none"> Ratios of standard entry level wage by gender compared to local minimum wage. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO. 	Wage Equality
		Risk of incidents of child, forced or compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to a) type of operation (such as manufacturing plant) and type of supplier or b) countries or geographic areas with operations and suppliers considered at risk.	Ethical Standards
	Health and Well-Being	Health & safety (%)	<ol style="list-style-type: none"> The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers. 	Health and Well-being
	Skills for the Future	Training provided (#,\$)	<ol style="list-style-type: none"> Average hours of training per person that the organisation's employees have undertaken during the reporting period, by gender and employee category (total number of trainings provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees). 	Training and Development

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WEF Metric: Prosperity

Theme	Metric	WEF Criteria	Reference
 Employment and Wealth creation	 Absolute number and rate of employment	 1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	Our People
	Economic contribution	1. Direct economic value generated and distributed (EVG&D) – on an accruals basis, covering the basic components for the organisation’s global operations, ideally split out by: <ul style="list-style-type: none"> a. revenues, b. operating costs, c. employee wages and benefits, d. payments to providers of capital, e. payments to government, and f. community investment. 2. Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period.	Prosperity and Financial Transparency
	Financial investment contribution	1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company’s investment strategy. 2. Share buybacks plus dividend payments, supported by narrative to describe the company’s strategy for returns of capital to shareholders.	Prosperity and Financial Transparency
Innovation of Better Products and Services	Total R&D expenses (\$)	Total costs related to research and development.	Research and Development
Community and Social Vitality	Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Prosperity and Financial Transparency



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