



# KPMG: Our Impact Plan

2023 update

**KPMG. Make the Difference.**

KPMG in Romania and Moldova | [kpmg.ro](https://kpmg.ro)



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# Letter from the Country Managing Partner

Dear Reader,

I'm very pleased to introduce you to our KPMG in Romania and Moldova Impact Report 2023, which is published in accordance with the Global Reporting Initiative (GRI) 2021 Guidelines.

KPMG in Romania and Moldova, along with other KPMG member firms, is keen to make a positive impact on our local communities, and in the world as a whole. We are committed to protecting our planet, and become a net-zero organization.

We contribute to the economy by providing high quality Audit, Tax and Advisory services. We look after the welfare of our employees, and support community projects, all underpinned by policies and procedures which help us to uphold our values. The report is divided into four key areas through which we aim to make a positive impact: People, Planet, Prosperity and Governance.

In this report, you can find detailed information and statistics about our

progress in reducing our environmental impact, and the way that we support our staff through attractive well-being and benefit programs as well as nurturing talent through training and our performance management process. You can find out about our numerous initiatives to support NGOs, and the enthusiasm of our staff for such projects.

You can read about our financial statistics, which reveal our contribution to the Romanian economy and to the state budget, and finally you can discover more about our governance mechanisms, which ensure we maintain our high standards of ethics and integrity. These include the checks and balances we have put in place to

ensure that Environmental, Social and Governance (ESG) policies are effectively implemented, and also how we make efforts to promote high ESG standards among our clients and in the wider community.

I hope you enjoy reading the report and look forward to your feedback.

**Ramona Jurubiță,**

**Country Managing Partner,  
KPMG in Romania and Moldova**



# Corporate sustainability strategy



## Governance, People, Planet & Prosperity

### next steps & targets

One of KPMG’s core values is Purpose – we want to inspire confidence and empower change in our clients, our employees, and every other stakeholder.

We strongly believe that finding solutions to global challenges requires cooperation and a willingness to do what is right across all parts of society.

We also believe it is important to develop ESG policies in a coordinated way, because this improves efficiency and accountability.

We have consequently gathered our firm’s environmental, social, and governance (ESG) commitments under one

umbrella: Our ESG Plan. This tool guides our efforts to establish an inclusive and fair workplace, drive sustainable and purposeful growth for our clients, build trust in and harness the power of the capital markets to spur needed innovations, empower disadvantaged members of society, and help preserve our planet for future generations.

Our ESG Plan is closely interlinked with our business strategy, and we see them as one commitment. As such, all the local targets are supported by a detailed action plan and we have established a set of ESG key performance indicators that are linked with our employee performance process.

KPMG in Romania and Moldova is committed to the sustainable development of the wider community, and we are pleased that our sustained efforts are contributing directly to the achievement of 8 United Nations Sustainability Development Goals. (Please see [Appendix 1](#) for the list of indicators).

By the nature of our business, which entails engaging with a broader spectrum of clients from different industries and backgrounds, we also make an indirect contribution to the other nine SDGs.



## Governance

| What we need to do                                | KPI to measure progress  |
|---|--|
| <b>01</b><br>Supplier Code of conduct             | The Supplier Code of Conduct published in 2024, and addendums sent to suppliers for both Romania and Moldova suppliers in 2024   |
| <b>02</b><br>Innovative usage of AI in the future | Our expanded partnerships with leading IT and technology companies will be used in all KPMG's business lines starting from 2024 and expanding in future years                                  |
| <b>03</b><br>Maintain the ISO certification       | Maintain continuous staff training, and process improvements to ensure compliance with ISO standards, address non-conformities promptly, and maintain a culture of quality and accountability. |

## People

| What we need to do                             | KPI to measure progress  |
|--|--|
| <b>01</b><br>Reduce Workload                   |  <20% Turnover per team/ group<br> >80% GPS results  |
| <b>02</b><br>Increase sense of belonging       | <b>Minimum 1</b><br>CSR activity with the team (includes social, health, environment, etc.)  |
| <b>03</b><br>Increase the skills of the future | By the end of FY23 all functions should identify at least 3 skills of the future as part of the Auditor/Consultant of the future projects (ESG being one of them)<br><br>Rate of Degreed implementation in FY23 ~ 50%<br><br>ESG related education program established |

## Planet

| What we need to do                            | KPI to measure progress  |
|---|--|
| <b>01</b><br>Calculate our carbon footprint   | The carbon footprint for both Romania and Moldova calculated by December 2023  |
| <b>02</b><br>Prepare our decarbonization plan | KPMG in Romania and Moldova adheres to the Decarbonization plan of KPMG Global as a large, global and values-led organization. We recognize and embrace our responsibility to quantify and mitigate the impact of our operations and the services we provide. We want to fully play our part in the transition to societal net-zero and help address the existential challenges of climate change, water pollution, deforestation and biodiversity loss. In order to achieve our ambition to become a net-zero organization, we need to halve our current level of carbon emissions by 2030. |
| <b>03</b><br>Additional actions               | <b>Reduction by 50%</b> of single use plastic by purchasing glass bottles for guests and encouraging the use of water fountains in the office<br><br>Digitalization to <b>reduce printing by 20%</b><br><br>Reduce gas & electricity consumption by applying organizational measures   |

## Prosperity

| What we need to do                  | KPI to measure progress   |
|-------------------------------------|---|
| <b>01</b><br>Volunteering programme | Number of skilled/ non-skilled volunteering hours<br><br>Number of employees involved in volunteering initiatives counted as unique contributors<br><br>Number of external beneficiaries (impact)<br><br>Number of entities supported |
| <b>02</b><br>Donation programme     | Amounts donated by KPMG entities in various forms: charity runs, collections for school, Christmas campaigns etc.<br><br>Number of people supported through the donations made by our employees.                                      |

# About us

KPMG is a [global organization](#) of professional services firms providing audit, tax and advisory services. KPMG is the brand under which the member firms of KPMG International Limited (“KPMG International”) operate and provide professional services.

Each firm is a separate legal entity and together they form the KPMG global organization. “KPMG” is used to refer to individual member firms within the KPMG organization or to one or more member firms collectively.

[KPMG firms operate](#) in

**143 countries and territories**

and in FY23, collectively employed more than

**270,000 partners and staff,**

...serving the needs of business, governments, public-sector agencies, not-for-profits and, through KPMG firms' audit and assurance practices, the capital markets. KPMG is committed to quality and service excellence in all that we do, bringing our best to clients and earning the public's trust through our actions and behaviors both professionally and personally.

We lead with a commitment to quality and integrity across the KPMG global organization, bringing a passion for client success and a purpose to serve and improve the communities in which KPMG firms operate.

KPMG continues to support the reporting of consistent, high-quality, decision-useful information for stakeholders and we choose to share this information, even though the disclosure of sustainability data is not yet compulsory for our operations in Romania and Moldova.

KPMG is committed to fulfilling our public interest role in providing robust assurance that can benefit investors and other stakeholders. We believe the same level of professionalism, quality, consistency and trust should apply to ESG disclosures as to financial data.

That’s why KPMG firms globally are making significant investments in putting ESG at the heart of the organization.

KPMG in Romania includes the following limited liability companies and member firms:

- [KPMG Romania SRL,](#)
- [KPMG Audit SRL,](#)
- [KPMG Tax SRL,](#)
- [KPMG Advisory SRL,](#)
- [KPMG Restructuring SPRL,](#)
- [KPMG Accounting and Payroll Services SRL,](#)
- [KPMG Delivery Center SRL,](#)
- [KPMG Business Tax Services SRL,](#)

- [Fundatia KPMG,](#)
- [TONCESCU și Asociații SPARL,](#)
- [ÎCS KMPG Moldova SRL \(hereinafter referred to as “KPMG in Romania and Moldova” “KPMG in Romania” or “KPMG”\).](#)

All the entities listed above are part of the KPMG global organization.

We operate in six different locations: Bucharest, Cluj-Napoca, Constanta, Iasi, Timisoara (in Romania), and Chisinau (Republic of Moldova). Our first office was opened in 1995 in Bucharest.

At the end of financial year 2023 we had 1,064 employees (1,037 in Romania and 27 in Moldova), including local and expatriate staff; 959 were permanent employees, and 105 were working with us on fixed term contracts.

Most of our work force (1,006 people – 981 in Romania and 25

in Moldova) were full time employees and only 58 people were on part time contracts. KPMG does not have any employees hired on non-guaranteed hours contracts.

Compared to the previous reporting period, we had an increase of 138 in the total number of employees, and consequently in the number of employees working on part-time contracts. The total number of employees working on fixed term contracts has decreased since FY22 by 32%.

We occasionally subcontract services from other KPMG offices or local vendors for specialized work requirements.



Since 2021, our Bucharest office (the headquarters) has been located at DN 1 no. 89A, PO Box 18-191, District 1, PC 013685. The building has been specially designed around principles of sustainability, reducing carbon emissions and providing a high quality work environment and 87% of KPMG Romania & Moldova's employees work here.

Working in a green building increases staff motivation and awareness of ESG values. The building has a BREEAM certification with an Excellent score for Office buildings and WELL Platinum certification and it became one of the first building in Romania to achieve both certifications. It offers numerous features designed to improve our employees' health, well-being, job satisfaction and commitment, while protecting the planet's natural resources.

In terms of our professional activity, we work with clients from a wide range of sectors and industries, including finance, energy and manufacturing, transportation, automotive, logistics, and retail.

Our expertise in Romania covers a wide range of services such as:

- [Audit & Assurance](#)
- [Tax & Legal services](#)

The tax areas we cover include: indirect taxation, customs and international trade, transfer pricing, global mobility services, employment and payroll taxation, private clients, international corporate taxation, mergers and acquisitions tax, R&D incentives, global compliance management services, dispute resolution & controversy services, local taxes.

- [Advisory services](#)

**Deal Advisory:** Mergers and Acquisitions, valuation, due diligence; corporate finance; turnaround and restructuring services;

**Consulting strategy** and operations, risk & compliance services, regulatory authorizations, public sector consulting, major projects advisory, financial management, forensic services, cyber security, business intelligence, accounting and reporting services, culture & organizational engagement, The Romanian Outsourcing Hub, customer experience.

## Our divisions

In 2023, our combined revenue increased by 20% as compared to the previous year. This confirms our growth trajectory in recent years.

### Audit and Assurance

Auditing annual and consolidated financial statements in accordance with national and international accounting standards and providing related services.

### Tax

Developing company specific strategies and solutions in all tax areas, providing tax advice in the event of regulatory changes and optimizing tax aspects in transactions.

### Advisory

#### Deal Advisory

We provide strategic guidance across mergers, acquisitions, valuations, due diligence, and restructuring. These services enhance decision-making, optimize transaction outcomes, and support clients in maximizing value through every deal phase.

#### Consulting

Our consulting services deliver strategic, operational, financial, and technological solutions, empowering businesses to optimize performance, manage risks, and drive sustainable growth. We specialize in transformation, digital innovation, regulatory compliance, and tailored strategies for competitive advantage.

## Our performance

**Eur 68.4 million**

total combined revenue from all services

## Responsible Business

We are aware of our responsibility in shaping a sustainable future and want to contribute to tackling the crucial challenges in our society and environment.

For us, ESG is the common thread that runs throughout KPMG.

We empower our employees to drive meaningful change, utilize our global talent to support our clients, and implement best practices throughout the organization. In

doing so, we want to lead by example and use our insights to support our clients throughout their own ESG journey. As a global audit and advisory firm, we believe that we can have the greatest impact on sustainable development through the services we provide. With our ESG services, we support our clients in developing sustainable business and operating models and complying with new ESG regulations and disclosure standards.

## Our Values - the foundation of our actions



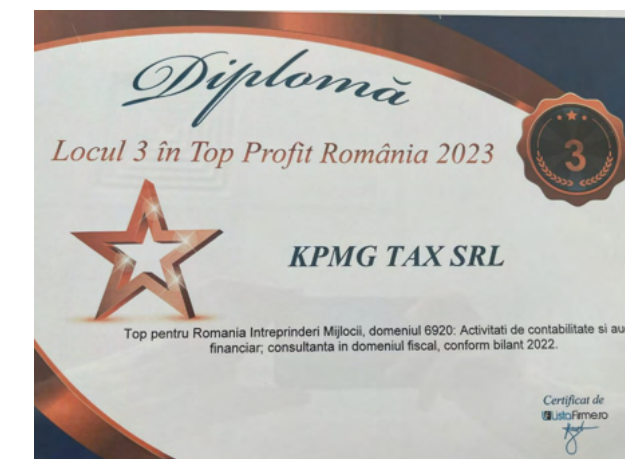
## Memberships and Initiatives



Silver partner 2023



## Awards



Excellence award



## Certifications





# Macroeconomic & industry environment

The boost to activity from the post-pandemic reopening of the economy has faded, while the drag from tight financing conditions and elevated consumer uncertainty remains significant.

Romania has made impressive strides in enhancing its economic performance and prosperity over the past two decades, supporting convergence in living standards with the European Union (EU). However, several constraints, including weak institutions, shortages of skilled workers, poor connectivity, low resilience to natural hazards, and the effects of climate change hold Romania back from making growth more inclusive and more sustainable economically and environmentally.

Economic growth is estimated to have decelerated to 1.8% in 2023 in Romania. High inflation and anemic private credit growth constrained domestic demand in 2023, while external demand was weak. A strong increase in gross fixed capital formation spurred by EU-funded investment in public infrastructure compensated for the slowdown in private consumption and lower inventories, while the negative contribution of net exports to growth subsided. A resilient labor market and

two hikes of minimum wages cushioned the deceleration of real disposable incomes. After a weak third quarter, short-term indicators suggest that the economy regained some momentum in the last months of 2023, on the back of retail sales, services and robust construction.

Harmonized Index of Consumer Prices (HICP) inflation decelerated to 7% in December 2023, bringing overall inflation in 2023 down to 9.7% from 12% in 2022. The easing of inflation can be attributed to a significant slowdown in private credit growth amid tight monetary conditions, and to lower energy and food prices. Inflation excluding energy and food declined less and remained above headline inflation at the end of 2023, with strong price growth in services and non-food prices. Except for a brief pause at the beginning of 2024, following some increases in indirect taxes, prices rises are set to decelerate further over the forecast horizon.

There is significant room to underpin real income growth and achieve further convergence with Western Europe. This requires investment in physical infrastructure as well as people, and strengthening the efficiency of the state:

- Making the most of available EU support is critical—both to help finance much-needed investment, and to support implementation of the agreed reform agenda.
- Governance reforms are critical, including to enhance administrative capacity and transparency, fight corruption, and make state organizations more efficient. Such reforms would reinforce Romania's attractiveness for investment and also counteract continued (though declining) net outmigration.
- Raising labor force participation is key to mitigating the effects of a falling population. Increasing opportunities for women to join the formal labor force, and improving education outcomes to enhance opportunities for all are especially important.

# About this report

In this Impact Report, we turn the mirror on ourselves, and analyze what we can and should be doing to meet our responsibility to help shape a better future by doing what we do best — solving problems to make lasting, meaningful improvements.

This sustainability report is designed for KPMG in Romania and Moldova’s stakeholders. It shows KPMG in Romania and Moldova’s

financial and non-financial performance for the financial year starting 1 October 2022 and ending 30 September 2023, which is also our financial reporting period.

The information and data presented in this year’s report was collected by our specialist departments and business divisions using representative methods and was subject to quality assurance. Our *Impact Report* underwent an external

review by Finexpert-Boscolo Audit & Advisory Member Crowe Global. The Audit report may be consulted in [Appendix 2](#).

It presents our progress against KPMG in Romania and Moldova’s Impact Plan. The Impact Plan was the organization’s first-ever global environmental, social, and governance (ESG) plan that brought together new and existing ESG commitments under one umbrella, focusing on

four central categories: Planet, People, Prosperity and Governance.

To ensure that it is meaningful, comparable and transparent, this report is based on the Global Reporting Initiative (GRI) 2021 standard while we are also evaluating our contribution towards achieving the United Nations Sustainable Development Goals (SDGs).

As KPMG Global has its carbon targets endorsed by the SBTi, we have also used the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard published by the Greenhouse Gas Protocol to calculate our local GHG emissions.

After reviewing the ‘materiality assessment’ conducted at the end of 2021, we identified that

People and Governance continue to be the most material topics for our stakeholders. Moreover, we also believe it is crucial to maintain our focus on lowering our carbon footprint and our goal of becoming a net-zero organization. (More information about the materiality assessment can be found at Materiality Assessment chapter [page 18](#)).

This report is published annually.

## We prioritize reporting and transparency as part of our efforts to promote sustainability. While we are aware that there are areas for improvement, we intend to address them in the future.

### As such:

- We are working to improve the tools to collect sustainability data, have the right control mechanisms in place as this report is part of an assurance process starting this year.
- Integrity is one of our core values. We are covering in this report both Romanian and Moldovan operations. Hence, unless otherwise specified for certain indicators, the figures disclosed in this report cover all KPMG locations in Romania and Moldova.
- The carbon footprint Scope 3 for financial year 2023 was calculated using the CPD emission factors as a replacement for the previous method - Quantis Tool. The restatement for financial year 2022 is available using the new method. Furthermore, there is a restatement on
- Scope 1 and 2. This was needed because at the time of reporting, we used estimates due to unavailability of data. This resulted in changes for our Scope 1 to Scope 2 emissions reported for FY22. More information on this topic can be found in Chapter 10 (Planet).
- The KPMG International global organization is part of the United Nations Global Compact (UNGC), the World Business Council for Sustainable Development (WBCSD), the World Economic Forum (WEF), and the International Integrated Reporting Council (IIRC).

For more information, please see the contact information at the back of this report.

# Highlights in the reporting year



## Governance

- Certification according to the internationally recognized ISO 27001, ISO 9001, ISO 14001 and ISO 45001 standards
- Mandatory anti-corruption training for all staff
- 90% client satisfaction received in Customer Care tool
- We have started the actions to launch a Supplier Code of Conduct

## Planet

- 3.86 tCO2 in FY23, an increase from 3.13 tCO2 eq in FY2022 due to growth in acquisition of goods and services
- The building in Bucharest, where 87% of employees work, is equipped with solar panels

## People

- Roll-out of Degreed as an AI-based learning platform
- Approximately 53% female employees in managerial positions
- Approximately 66% of the total employees are female
- 94% of employees work full-time and 60% of employees are under 30
- 79 training hours per specialist
- 87% GPS response rate with 83% score for Trust and Engagement from employees in KPMG

## Prosperity

- 2.400 hours of volunteering hours - 147% more than last year
- 168% more volunteers compared to FY22
- Approx. EUR 452K were invested in CSR activities – 5% increase compared to FY22
- 20 NGOs benefited from more than 4,200 hours of pro-bono work provided by 12 teams of KPMG's specialists in Advisory, Audit and Tax & Legal
- Over 50 NGOs and Associations received KPMG help during the year
- Total taxes paid by the firm, its Partners and staff on income generated from the firm totaled EUR 18 mil



# Materiality assessment



God's Bridge, Ponoare, Romania

The material topics on which our sustainability strategy and reporting are based result from our purpose, our vision and values, the impact we aim to have on society, and the opinions of our internal and external stakeholders.

For this year's report, we have internally revisited our materiality assessment conducted at the end of 2021 to identify whether new risks and opportunities may influence our business and ESG strategy.

To identify any potential new material topics, our internal Sustainability Task Force, comprising various members of each business function, reviewed the previous list of topics identified as material against relevant benchmarking across our industry and applicable global standards and frameworks.

The most relevant topics we identified are still closely linked to the governance measures KPMG implements to ensure that:

**Our professional reputation is improved and supported by the right procedure, and**

**Our clients receive professional services of the highest calibre.**

To demonstrate how we bring our skills to have an impact at scale, we have highlighted our work in these areas across the relevant sections of the report, along with other areas that have a major impact. By directly communicating with our stakeholders and closely monitoring trends around the world, we will continue to refine/hone our material topics.

Please visit [Our Impact report 2021](#) where the full materiality assessment process is described in more detail.

# Governance

# Targets

01

**Supplier Code of  
conduct**

02

**Innovative usage  
of AI in the future**

03

**Maintain the  
ISO certification**

At KPMG, we consistently uphold the highest standards of integrity, quality, and ethics in all our endeavors, aiming to be the preferred choice for our clients.

Our core values—Integrity, Excellence, and Courage, Together and For Better—are deeply ingrained in the global KPMG network and form the basis of our daily actions, fostering an inclusive and diverse culture. We are dedicated to these values both nationally and internationally, viewing them as essential to our personal and professional conduct.

As a multidisciplinary audit and advisory firm, our main goal is to deliver exceptional services to our clients. Our strategic priorities emphasize client focus, leveraging technology and

data, and partnering with clients on current transformational issues.

We are committed to achieving the highest quality in all our services, across all regions and sectors. Our work significantly contributes to sustainable development in society. Our audit and assurance services enhance transparency and trust, providing a crucial framework for the credibility and legal certainty of financial and non-financial information in financial markets. Through our ESG services, we actively assist clients in developing sustainable business models and navigating new ESG regulations and disclosure standards.

Our quality and risk management framework ensures reliable support for our clients in meeting their challenges. As an audit

firm, we adhere to national and international legal and professional regulations, which govern our business practices and engagements. We prioritize promoting a unified quality approach across all KPMG member firms to prevent illegal or unethical practices. We continuously enhance our quality management and data protection measures and ensure our suppliers meet our quality standards.

We remain focused on our clients' needs, helping them address contemporary challenges by continuously evolving our services and concentrating on growth areas. Anticipating future trends and developments is integral to our structured innovation culture, enabling us to provide the best possible support to our clients at all times.

## Code of Conduct

Everyone at KPMG must abide by the [Global Code of Conduct](#) and confirm their compliance with it. We want everyone at KPMG to be aware of the responsibilities we have towards one another, our clients and the general public.

Consequently, we promote a culture of

### speaking-up.

We value and encourage our employees to express their doubts, provide feedback, both upwards and downwards, ask questions, raise concerns, and make improvement suggestions without fear of retaliation or any other kind of repercussions.

However, being given the means to speak up is just as important as having the courage to do so. As well as encouraging direct

conversations with one another, we also offer ways to tackle these situations in indirect ways such as conversations with our Business Advisors, an exclusive email address, and completely anonymous forms.

Alternatively, employees can follow the global guidelines to file a report, or make their voice heard on a broader range of topics during our Global People Survey.

Between 6 and 12 November 2023 KPMG in Romania coordinated with the global network and delivered a firm wide online event 'Values Week' that had the KPMG values in focus. More than 600 employees participated in each of the 5 Values Talk sessions hosted and delivered by members of our Leadership Team together with their guests from the wider team, in addition to the global sessions open to everyone in the KPMG network. Engagement from the Leadership Team made this event a successful one, driving followership from employees at every level.

## Business and Human Rights

As stated in our [International Business and Human Rights Statement](#), KPMG has officially committed to the United Nations' Guiding Principles of Business and Human Rights.

By doing so, we have made a commitment to ensuring that we avoid causing or contributing to adverse human rights impacts through our activities and to addressing such impacts if they occur.

Human Rights are a component of our due diligence procedures included in our Global Quality & Risk Management and People & Culture policies.

We monitor compliance under strict scrutiny. Business rights, such as customer confidentiality, information security, and data privacy, are outlined in stringent policies and reinforced through training courses on an annual basis.

## Anti-bribery and corruption

Our stance is straightforward: bribery and corruption are unethical, unacceptable, and inconsistent with our Values.

As part of the efforts to make this clear for everyone we work with, KPMG has designed a robust anti-bribery and corruption program, which comprises comprehensive policies, together with mandatory training courses, compliance protocols, and a global whistle-blower hotline.

## Transparency Report

Bounded by our values and desire to demonstrate respect for our stakeholders, our annual Transparency Report details our governance processes and structures.

[Our 2023 Transparency Report](#) offers a thorough perspective on how we run our business. The report gives a complete overview of our governance

model, structure, integrity culture, strategy, and quality control systems. It also details how we have applied the Statutory Audit Law (No. 162/2017) and Regulation (EU) No. 537/2014, which set forth specific requirements for the statutory audit of public interest entities.

KPMG has established responsibilities and programs to ensure the alignment and implementation of risk management, compliance, and quality assurance, as well as to monitor adherence to these standards presented in the Transparency Report for 2023.

Quality remains the cornerstone of our profession and thus we are committed to delivering it relentlessly. The Transparency Report and this Impact Report cover the same time frame, which is the reason why we recommend reading the two of them in conjunction.

During this financial year we did not register any business and human rights violations or bribery / corruption incidents.

## Quality of our work

The way we conduct business plays a crucial role in Romania, the Republic of Moldova and in the global economy. Our Audit, Advisory, and Tax & Legal practices are fundamental in bringing investment and enterprise together and generating trust, which in return creates confidence in our markets.

KPMG in Romania and Moldova is entirely committed to providing its clients with the highest quality of services, and we work hard to constantly go above and beyond expectations.

Our strategy depends on having great employees who can gain the right knowledge at the right time and who can apply cutting-edge expertise to every engagement.

The foundation of our work is knowledge, which we continuously aim to reinvent and create to help our clients succeed in the long-term.

## While serving our clients, we prioritize:

### Effective communication which adds value and consistency to the services we provide.

Since we aim to continuously improve, we always seek feedback from the teams responsible for service delivery.

### Client satisfaction, which is enhanced by using the Customer Care Platform.

Through this platform, the client receives an online questionnaire to evaluate our performance and suggest areas to be improved.

### Open and honest dialogue with the client's top management.

Specifically, when we close an engagement, the partner in charge initiates a discussion concerning the overall quality of the service provided to receive a clear understanding of our performance.

The insights obtained via these dialogues are evaluated during the yearly management meeting to identify possible areas for service quality improvement.

To ensure the firm’s long-term success, KPMG in Romania and Moldova has a comprehensive quality and risk management system.

The system is designed to ensure compliance with laws and regulations, protect our reputation and brand and is also the gateway to building trusted relationships with clients, stakeholders, and between KPMG personnel.

Providing high-quality services is what allows people at KPMG to continuously earn and re-earn this trust. Audit and assurance quality remains the highest priority at KPMG and is foundational to instilling confidence and public trust in the capital markets.

As a member of the International Federation of Accountants (IFAC), KPMG is obligated to implement a System of Quality Management according to

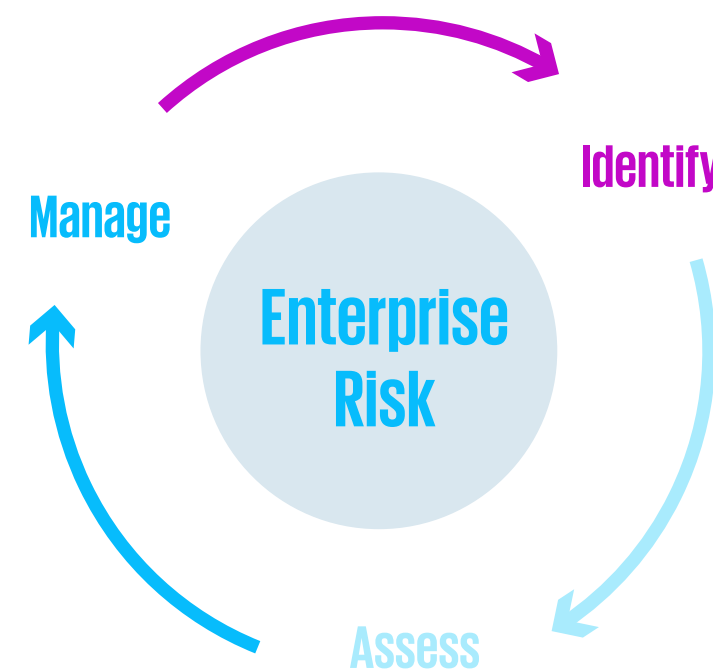
the international ISQM1 quality management standard.

This past year was also the first year of implementation of the International Standard on Quality Management 1 (ISQM1) in our Audit practice. We are fully committed to meeting the expectations of our stakeholders related to the new standards and are building on our solid quality foundations to drive further sustainable advances in quality and consistency across the firm. Having a strong system of quality management that is robust, consistent and scalable drives quality engagement execution.

More details about how the system of quality management of KPMG Audit SRL supports the consistent performance of quality audit engagements are included in the [Transparency Report](#).

## Overview of the ERM process

At KPMG in Romania and Moldova, we conduct a formal Enterprise Risk Management (‘ERM’) process, which is critical to establishing sustainable operations for us as a firm and is integral to our vision to be the most trustworthy firm for our people, our clients, and our communities.



### Manage

Assessment of the overall adequacy of risk mitigation using consistent criteria

Periodic (at least annual) review by senior leadership of the firm’s risk assessment, including the adequacy of the risk response

### Identify

Use of a consistent Global Risk Taxonomy

Minimum list of significant risks

### Assess

Use of consistent risk rating criteria (i.e., impact and likelihood)

Carrying out of a risk assessment at least annually

Following our ERM framework, inherent risks, including ESG risks, are continuously identified, assessed, measured, managed, monitored, and reported. In turn, the risk information helps us improve our decision-making and create the appropriate risk management plans in relation to our clients.

In this respect, the senior leadership of KPMG assigns risk owners, examines the major risk profiles on a regular basis, and monitors the completeness and robustness of the process, including the effectiveness of risk mitigation measures.

The objective of the ERM process is to ensure that KPMG in Romania and Moldova has a relevant

framework implemented that helps to identify, assess, manage, and communicate risks to support the firm in achieving two of our strategic objectives: Trust and Growth.

Across KPMG in Romania and Moldova, we have quality monitoring and compliance programs. These include our regular Quality Performance Reviews (QPRs) and our KPMG Quality & Compliance Evaluation (KQCE) program.



## Our quality and risk management policies and procedures

Our quality and risk management policies and procedures, including policies and procedures covering independence requirements, are derived from the IESBA Code of Ethics and are supplemented to respond to the requirements of local laws and regulations. These policies and procedures are set out in the KPMG Global Quality & Risk Management Manual, which applies to all KPMG firms, and cover areas such as firm independence, personal independence, firm financial relationships, employment relationships, partner rotation and approval of audit and non-audit services. Automated tools, which are required to be used for every prospective engagement to identify potential independence and conflict of interest issues, facilitate compliance with these requirements.

## Zero tolerance of bribery and corruption

Our professionals must live up to the highest ethical standards. We have zero tolerance of bribery and corruption. Further information on KPMG International anti-bribery and corruption policies can be found on the [anti-bribery and corruption site](#).

No cases on bribery or corruption were registered during the last financial year at the entities covered by this report.

## Onboarding clients

We conduct thorough assessments before accepting new clients and engagements. These assessments include background checks on management and ownership, possible conflicts of interest, potential issues of independence, as well as any breaches of laws or regulations, including those related to corruption and human rights. If necessary, we ask for additional safeguards, or decline a client if issues cannot be resolved or if we do not receive sufficient information to carry out our assessment.

## Information handling and protection

KPMG in Romania and Moldova is dedicated to protecting the safety and confidentiality of the information entrusted to us. As part of this fundamental obligation, KPMG is committed to day-to-day diligence when handling information concerning our colleagues, clients or providers.

We have information security and privacy policies, aided by our information technology systems and also dedicated professionals to ensure data confidentiality.

Public statements, recurrent internal training sessions and permanent active involvement in available developments and updates reinforce the security and privacy protocols. In the case of any incidents, we have protocols in place which ensure identification, isolation, remediation and lessons to be learned to improve our framework. The result of all our actions taken on a daily basis to ensure compliance with the privacy and security framework is that we maintain the trust of our clients and the public in general.

During the financial year, we did not register any substantiated complaints, concerning breaches of customer privacy and losses of customer data.

## Decision-making process

The principal local executive officer at KPMG in Romania and Moldova is the Country Managing Partner. The oversight body of our firm, including governance, is the All Partners Board.

The key responsibilities of this Board include approving long-term strategy, business plans, protecting and enhancing the KPMG brand, as well as approving policies and internal regulations, including those related to sustainability.

As leaders of their business lines, the members of the Board continue to exercise their responsibilities related to the services provided to our clients. Consequently, the Board does not include independent members. ESG Strategy and associated actions/budget allocation are also approved by the Board.

## Risk Management mandatory training

All employees are required to repeat our training courses annually. They focus on the following main topics:

- Data protection/information security
- Independence
- Anti-money laundering
- Acting with integrity

## Preventing corruption and bribery

KPMG, we have set up an in-house, system-based approval process and control mechanism that is mandatory for all our donations, sponsorships, cooperations and memberships. To avoid bribery or the appearance of bribery, there are clear guidelines for all employees for accepting and offering benefits to third parties, particularly in the form of invitations and gifts.

The principles contained therein are implemented in our in-house processes and are part of the mandatory training for all employees.

## Accepting engagements

As part of our work as auditors, we follow strict selection criteria and firm principles when accepting client engagements. We conduct regular assessments of client relationships by performing risk analyses using our in-house IT tools for accepting engagements and checking conflicts of independence and interest.

## Management systems

KPMG uses certified management systems to ensure the continuous quality of our services. These include our quality management system pursuant to ISO 9001, our information security management system pursuant to ISO 27001 as well as our environmental management system pursuant to ISO 14001 and ISO 45001 occupational health and safety management systems.

## Whistleblowing hotline

KPMG International's whistleblowing hotline is available to employees, clients, subcontractors, suppliers and external third parties to report suspected cases of illegal or unethical behavior anonymously.

## Our certified management systems

- Quality management pursuant to ISO 9001
- Information security pursuant to ISO 27001
- Environment management pursuant to ISO 14001
- Occupational health and safety management pursuant to ISO 45001



We continuously adapt and develop all measures we have implemented. Please refer to the KPMG Transparency Report for more information on governance topics. The report also provides a detailed description of our quality management system.

There were no reported cases of corruption or bribery at KPMG in financial year 2023.

## Data protection and information security

### The Information security and data protection of our stakeholders is of utmost priority to us

Our quality and risk management policies and procedures, including policies and procedures covering independence requirements, are derived from the IESBA Code of Ethics and are supplemented to respond to the requirements of local laws and regulations. These policies and procedures are set out in the KPMG Global Quality & Risk Management Manual, which applies to all KPMG firms, and cover areas such as firm independence, personal independence, firm financial relationships, employment relationships, partner rotation and approval of audit and non-audit services. Automated tools, which are required to be used for every prospective engagement to identify potential independence and conflict of interest issues, facilitate compliance with these requirements.

## How data protection and information security are integrated at KPMG

### Certified information security

Our information security management system is certified pursuant to ISO 27001.

### Data protection officer

Our Data Protection Officer, as an individual who is independent of instructions in accordance with GDPR, reports directly to the Managing Board and, together with his team, acts as a central contact for data protection issues at KPMG. The data protection officer is also actively involved in cross departmental processes that are relevant for data protection, such as supplier onboarding.

### Data protection training

All our employees complete mandatory annual data protection training. Employees working in especially sensitive areas receive additional training and information.

### Professional confidentiality

All employees must submit a declaration of commitment to professional confidentiality.

## Risk-appropriate organizational structures

As part of our internal control system, we have created risk-adequate organizational structures, contractual regulations, guidelines, control processes and system-based safeguards to protect personal data, which are based, inter alia, on the global KPMG Data Protection Guidelines and the contractual clauses on data protection (such as the Inter Firm Data Transfer Agreement) of KPMG International for the exchange of personal data within the global KPMG network.

## Internal and external control processes

KPMG has an internal audit function – CEE peer review - that performs its activities independently and autonomously and also regularly assesses the effectiveness of data protection and information security processes. In addition, our information security management system is continuously audited externally as part of regular recertifications, especially for ISO 27001.

## Our progress in financial year 2023

KPMG continued to observe the data protection laws in financial year 2023 and remains committed to continuously adapting its level of data protection in line with technical and regulatory progress in the future. Incidents relevant to data protection were clarified with the involvement of the Data Protection Officer. There were no breaches reported to the competent authorities in the reporting period.

## Supplier management

Compliance with ecological and social standards both within our firm and on the part of our suppliers is an essential component of our sustainability strategy.

We also expect our suppliers to consequently comply with environmental and social standards as our supply chain plays a key role in our ESG agenda and in meeting our climate protection targets. Among other measures, this includes the selection of strategic suppliers who have also committed to comply with the ESG specifications.

Our objective is to set up long-term supplier relationships with common development goals. Our activities in the area of supplier management are based on both internal and external guidelines and policies, including the development of the Supplier Code of Conduct.

### In 2024, KPMG in Romania's goals are:

- to publish the Supplier Code of Conduct and ask its suppliers to adhere to it formally in contractual terms.
- to send to all suppliers an ESG questionnaire to assess their ESG awareness and collect information about their carbon footprint.

We have implemented various measures and processes for reviewing our suppliers in terms of compliance with social and environmental standards. For example: selecting suppliers that sold us goods and services that used environmentally friendly materials. These will help us to set up our supply chain in line with our ESG principles.

## Supplier Code of Conduct

In 2024, we will publish our Supplier Code of Conduct.

This provides suppliers with a guideline on KPMG's sustainability principles and governs key aspects.

## Suppliers Carbon Disclosure

KPMG will request its suppliers in a questionnaire in 2024 to provide actual data concerning their carbon emissions.

## Complying with Independence requirements

Independence requirements must be observed also for strategic procurement. Therefore, KPMG has implemented strict monitoring and assessment mechanisms for engaging suppliers, including using the KPMG International whistleblowing hotline.

## Providing high-quality services in the interest of society

The services that we provide to our clients represent our contribution to sustainable development. It is our intention to always align our services with our values and ensure that they have a positive impact on society.

The current global crises, including climate change, political conflicts, the decoupling of economic relations, and the resulting unstable supply chains, are accelerating the transition of the economy. Additionally, macroeconomic factors such as high inflation, sharp increases in gas and energy prices, rising interest rates, and labor shortages due to demographic changes further complicate the situation. These challenges significantly impact both our clients and KPMG. To address these developments effectively, we are continuously focusing on our growth areas: sustainability, digital transformation, as well as governance and compliance. Our goal is to take a leading role in these fields and provide our clients with customized solutions to help them navigate and overcome the current challenges.

Sustainability as a growth focus holds particular importance, as it is one of the most critical

challenges of our era, heavily shaped by political and social developments. By offering effective strategies, we provide our clients with the opportunity to increase their profitability and enterprise value while also enhancing their company's reputation.

At KPMG, we are dedicated to developing client-driven and integrated ESG measures at both regional and international levels to support our clients on their journey toward a sustainable future.

### Audit

Our audit services are currently being significantly impacted by regulatory changes and emerging trends, requiring us to respond with flexibility and agility. As auditors and audit-related advisors, we not only observe these changes but also anticipate the challenges our clients may face. We prioritize quality by utilizing state-of-the-art technology such as the Clara audit platform, thereby fostering trust and transparency in the capital market.

### Tax

Tax advisory is currently undergoing enormous change, of which globalization and digitalization are key factors. At KPMG we follow global developments, analyze trends in domestic and international tax & law and leverage the expertise of our international units.

## Advisory (Consulting & Deal Advisory)

Our advisory services comprehensively support our clients in their transformation processes- from developing their strategy all the way up to actual implementation along the entire value chain. In doing so, we combine our traditional strengths with technology, innovative approaches and in-depth industry expertise. In addition, more than ever before, decisions on deals today need to be made faster and be robust in a more complex and information -saturated environment. We support our clients in overcoming daily challenges, thereby safeguarding or raising the value of their companies. Our advisory services are intended to make their businesses fit for the future by anticipating changes, tackling challenges, monitoring risks and building up resilience in turbulent times.

## ESG Services

Our cross-service performance range includes advising on various ESG topics, such as decarbonization, the implementation of circular economy approaches, ensuring ethical standards in supply chains, enabling diversity with regard to staff as well as consulting and auditing in the area of ESG reporting. In doing so, we are contributing to the transformation towards a climate-positive, circular, resource-efficient and fair economy. In order to continuously refine ESG know-how, KPMG offers its people various internal training formats and events. This enables our teams to always be up-to-date with regard to current ESG topics and developments.

## Independence

At KPMG, our foremost commitment is to deliver all our services in strict adherence to the regulatory and professional standards that govern us as an audit and advisory firm. This commitment particularly encompasses the independence requirements essential for conducting statutory audits.

## Audit Quality

We are constantly working on further raising the quality of our services. To do so, all KPMG member firms worldwide have rolled out the Audit Platform KPMG Clara, which makes possible a uniform global approach when auditing. This platform combines our many years of audit experience with innovative technology and is deployed globally as our consistent audit approach.

Using KPMG Clara our objective is to offer our clients consistently high quality, assurance and safeguards, while simultaneously complying with the stricter professional regulatory requirements.

## Innovation and client focus

We want to contribute to the transformation of society and embrace innovation to overcome even the toughest of challenges together with our clients.

KPMG International together with reputable analyst firms publishes extensive studies and professional publications to continuously provide our clients and the general public with up-to-date information on the topics of our time.

In addition, we develop our own thought-leadership [publications, articles, webcasts](#) in order to play a part in shaping and promoting forward-looking topics.

We also use new technologies and offer various platforms and formats to enable dialog and exchange with our clients. This sustainable, cross-service and structured innovation culture is substantially driven by our employees.

## Innovative usage of AI at KPMG

Our expanded partnerships with leading IT and technology companies means AI and cloud technologies will be used in all of KPMG's business lines starting from 2024.

## Customer Care platform

The KPMG Romania Customer Care platform is a comprehensive software solution designed to collect feedback from clients, monitor client satisfaction by retrieving data and analytics, manage and enhance the interactions between KPMG and its clients in order to improve customer satisfaction and enhance the overall customer experience.

## At firm level

The **average client response** rate in **FY23** was **21%** versus **16%** in **FY22** calculated by reference to total feedback requests sent in the platform

**90%** of responding clients are satisfied or very satisfied in terms of overall experience with KPMG in Romania and Moldova.

**Most satisfactory** (total score for satisfied + very satisfied = 90%) areas both in audit and non-audit are:

- Level of professionalism, trustworthiness and integrity
- Effective communication

# People



The Sphinx, Bucegi National Park, Romania

# Targets

01

To reduce workload

02

To increase a sense of belonging

03

To increase the skills of the future

## Our employees and how they work

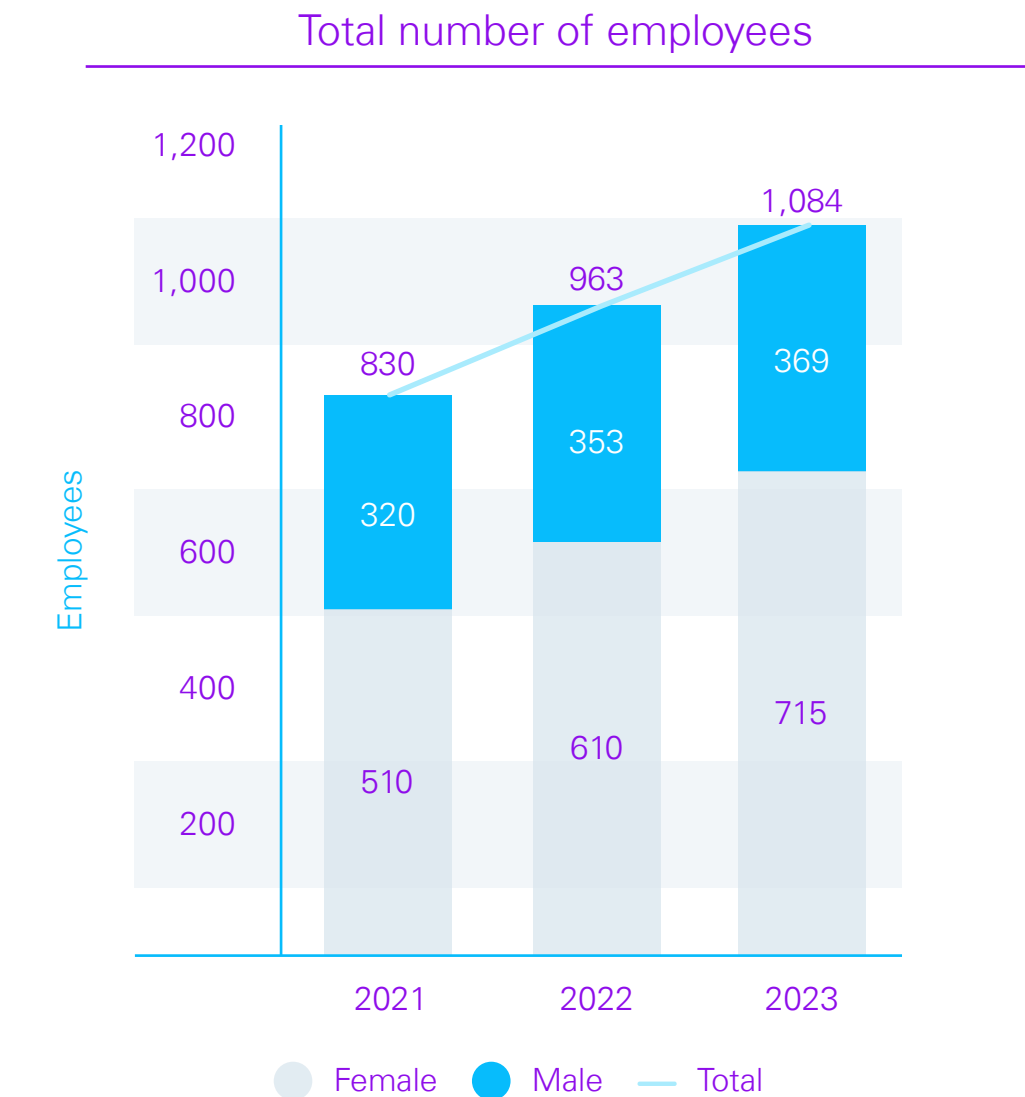
KPMG's Human Relations function is responsible for developing, implementing and adjusting the measures relating to "People". Besides legal requirements such as the employment protection laws, the fundamental principles for our HR activities are the firm-wide applicable agreements and codes of conduct regarding employee and human rights, which are specified in our Code of Conduct and in the values of KPMG International. These

also include internal provisions for staff development, gender equality and agreements on work-life balance, such as collective bargaining agreements and other relevant provisions.

Since the end of the pandemic, we have continued with the hybrid format, with both home and office working. Teams are encouraged to come to the office on specific days, which facilitates interaction, while

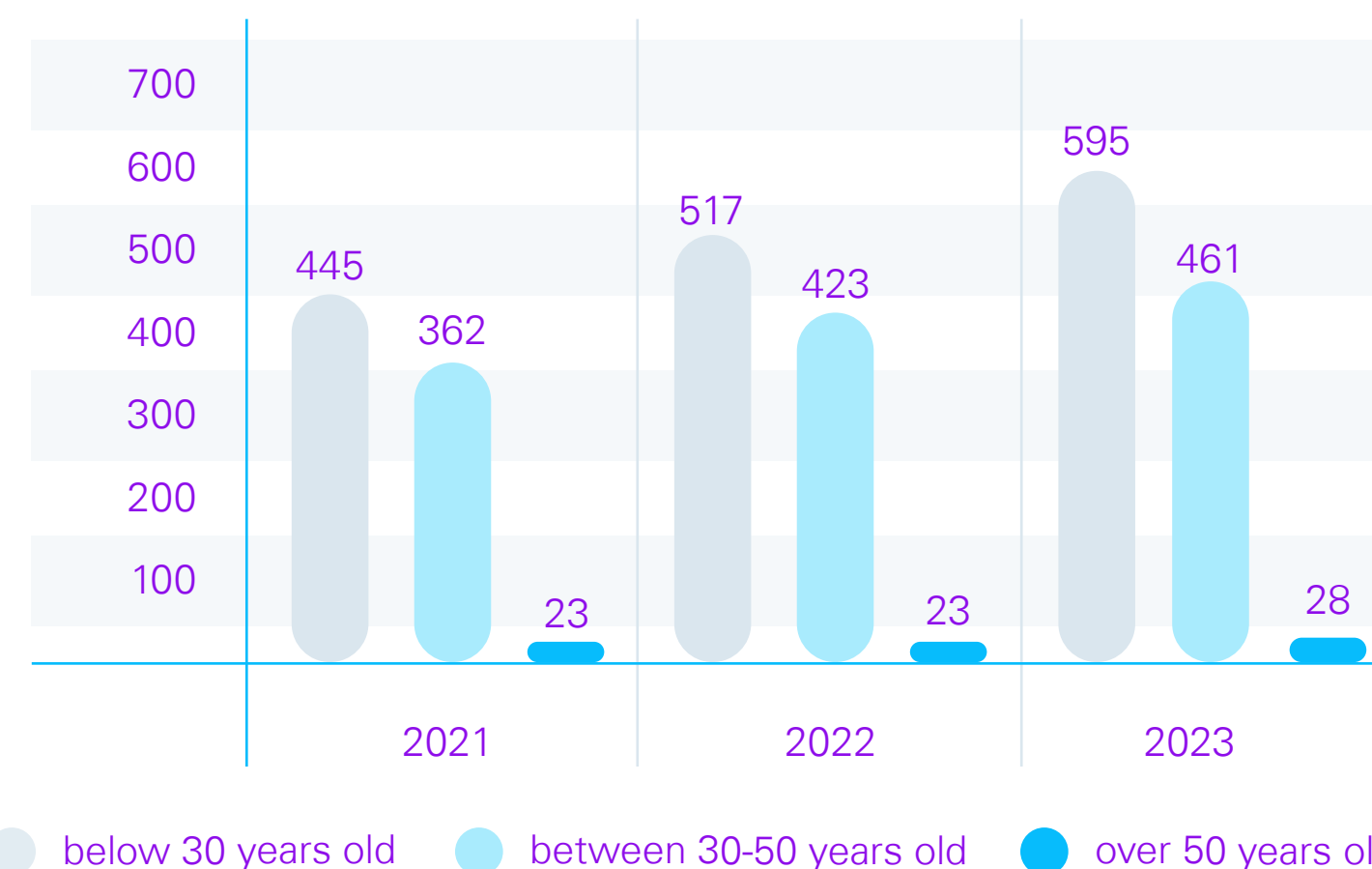
the flexibility which home-working can offer is available for those who prefer it.

At the end of 2023, we had a total of 1,084 employees, an increase of 13% compared to the previous reporting period, out of which 715 were female and 369 male. More than half of our employees (595) are younger than 30 years old, almost half (461) are between 30 and 50 years old, and 28 are over 50.

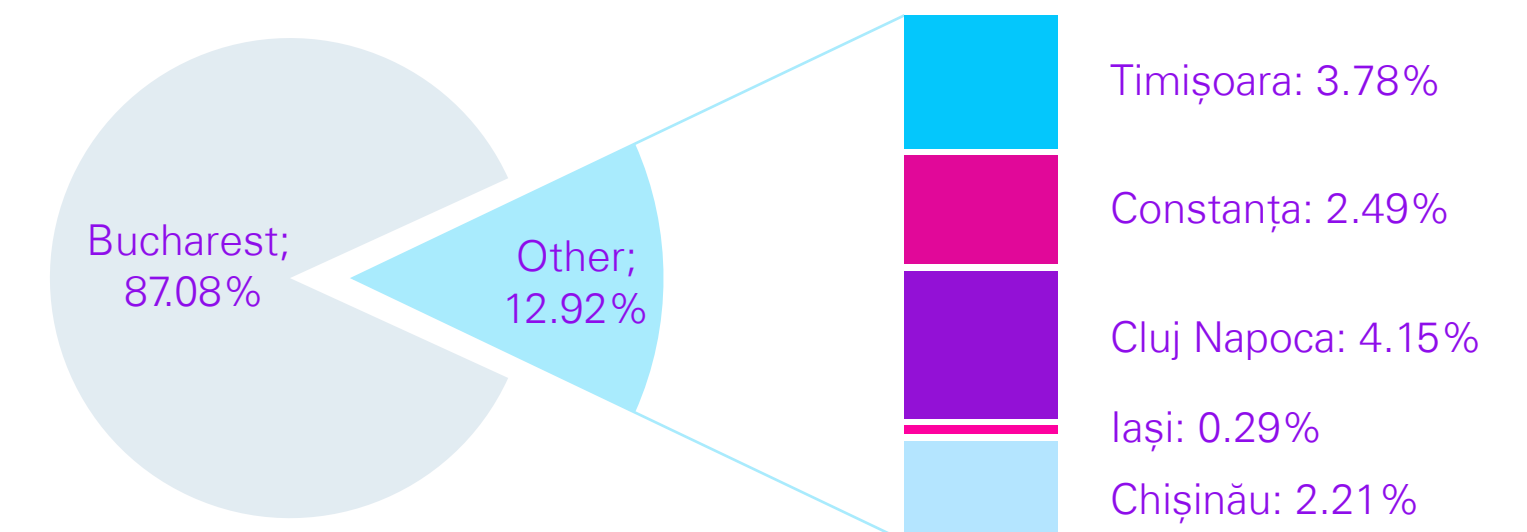


Most of our workforce is concentrated in our Bucharest office (87%), while the rest of our workforce, in descending order by number of employees, is located in: the Cluj Napoca office (4%), the Timisoara office (4%), the Chisinau office (2%), the Constanta office (2%) and the Iasi office (less than 1%).

Employee breakdown by age groups



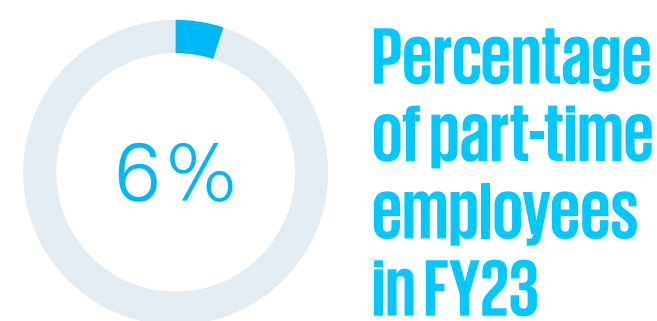
Breakdown of employees by office





At KPMG we want to offer our employees the best work experience by ensuring maximum flexibility in terms of employment. Achieving a healthy work-life integration is crucial for overall well-being and productivity. Flexibility from both the employer and the employee is essential in creating an environment where personal and professional responsibilities can coexist harmoniously. For this reason, we provide flexibility in terms of working hours, remote working, as well as type of employment contract.

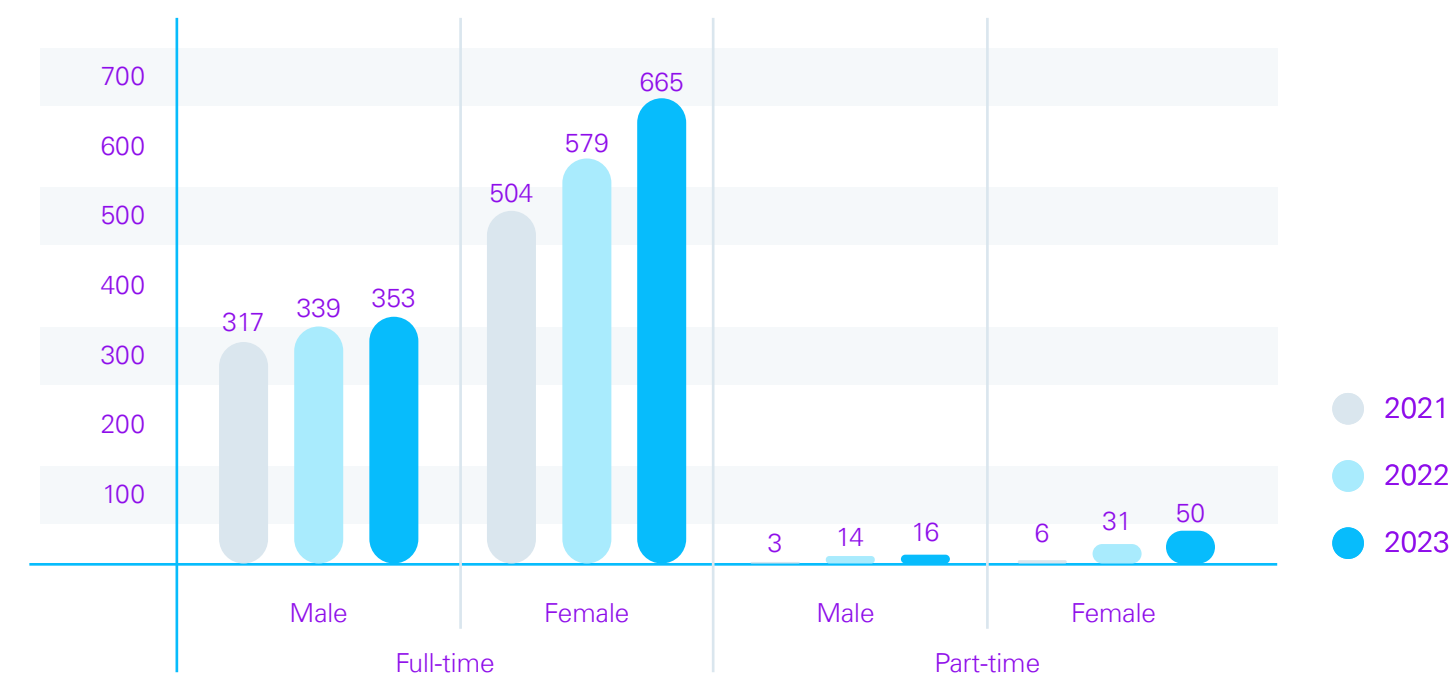
The percentage of KPMG employees choosing to work on a part-time basis has increased during the last 3 years from 1% in FY21 to 6% in FY23, with more than half of part-time contracts being for female employees.



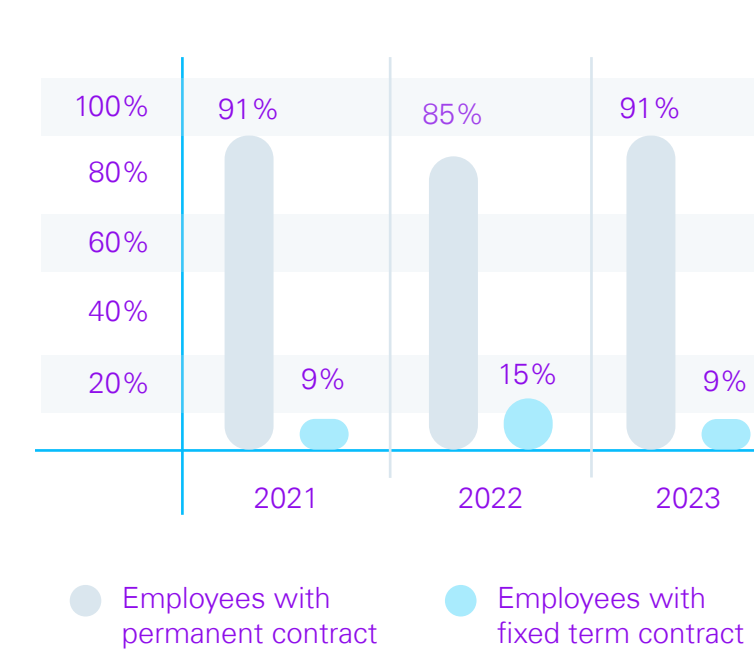
Stability in the workplace is a cornerstone of employee satisfaction and organizational success. A stable work environment fosters a sense of security and predictability, enabling employees to focus on their tasks without the distraction of worrying about job security or frequent organizational changes. This security promotes higher levels of engagement and productivity, as employees feel more confident in their roles and are more likely to invest in long-term goals. Stability also enhances employee retention, reducing turnover costs and retaining valuable institutional knowledge. Moreover, a stable workplace cultivates a positive culture, where trust and loyalty can flourish, leading to stronger collaboration and innovation. In essence, stability is not just about maintaining the status quo, but about creating a solid foundation from which both employees and the organization can grow and thrive.

A total of 91% of our employees had a permanent work contract in 2023.

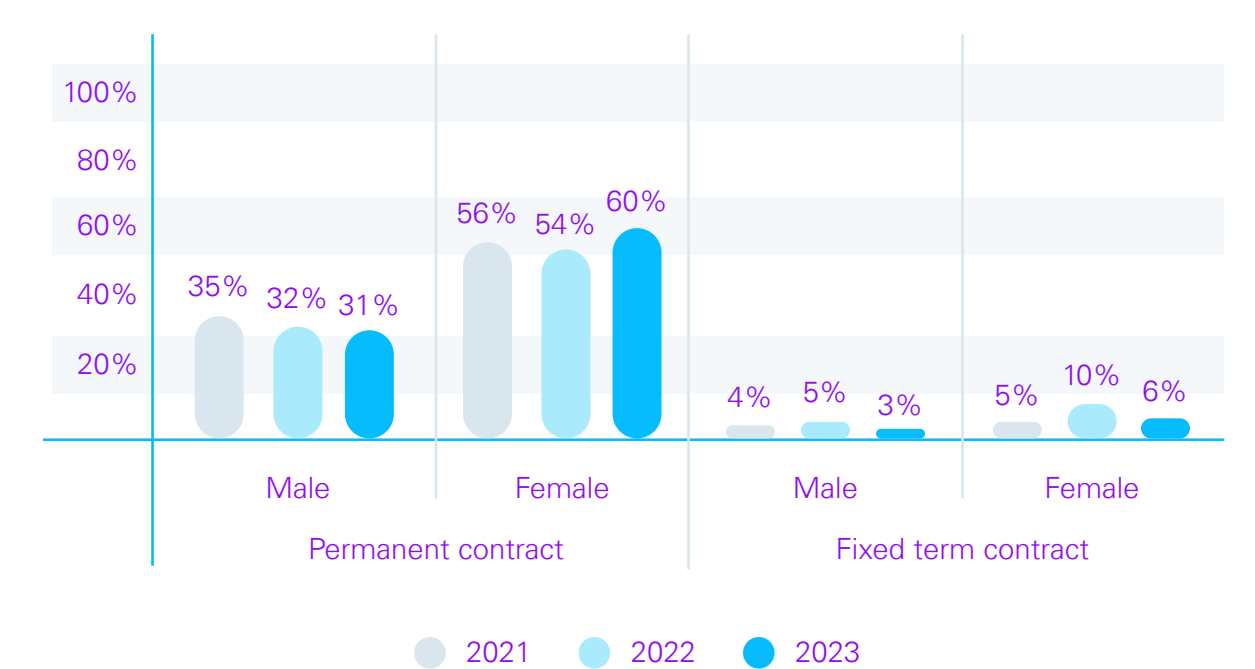
Employment type, by gender



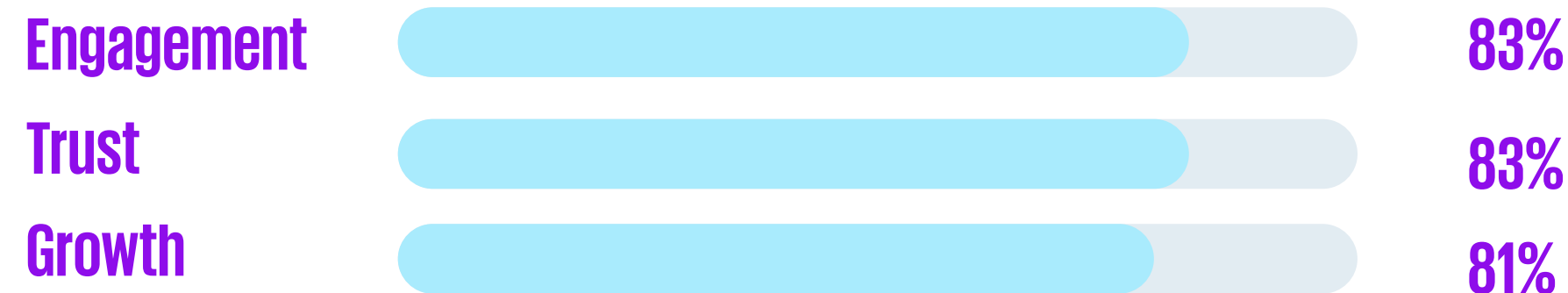
Workforce by contract type



Contract type, by gender



We attach considerable importance to the welfare of our employees, and offer numerous programs to promote well-being, enhance performance and support personal growth. The value of these programs is reflected in the number of participants, as well as in some of the results of our Global People Survey as illustrated below.



In 2023 we achieved a response rate of 87%, and the results for key areas were above our target of 80%; The Engagement Index was 83%, compared to 82% in 2022; the Trust Index was 83%, compared to 85% in 2022 and the Growth Index was 81%, the same level as in 2022.

The Global People Survey is a tool which aims to gather feedback from our employees on 19 areas: Engagement, Trust, Growth, Career Growth, Collaboration, Communication, Corporate

Citizenship, Inclusion & Diversity, Innovation, Leadership, Learning, Performance, Quality & Risk, Reward & Recognition, Values, Vision & Strategy, Well-being, Work Environment & Enablement, Audit Quality, Intention to stay. The 19 areas are grouped around 3 satisfaction indexes: Engagement, Trust, Growth.

The survey is conducted annually at KPMG Global level, in September-October at the end/beginning of the financial year.

KPMG in Romania and Moldova continues to strengthen its team, and hence during FY23 we welcomed 364 new joiners in Romania and 8 new joiners in Moldova, who chose to bring their expertise to help consolidate our position on the market.

We have included a breakdown by gender, age group and region.

KPMG employees are not part of a collective bargaining agreement; however, we will initiate the process of preparing one starting from the next financial year.

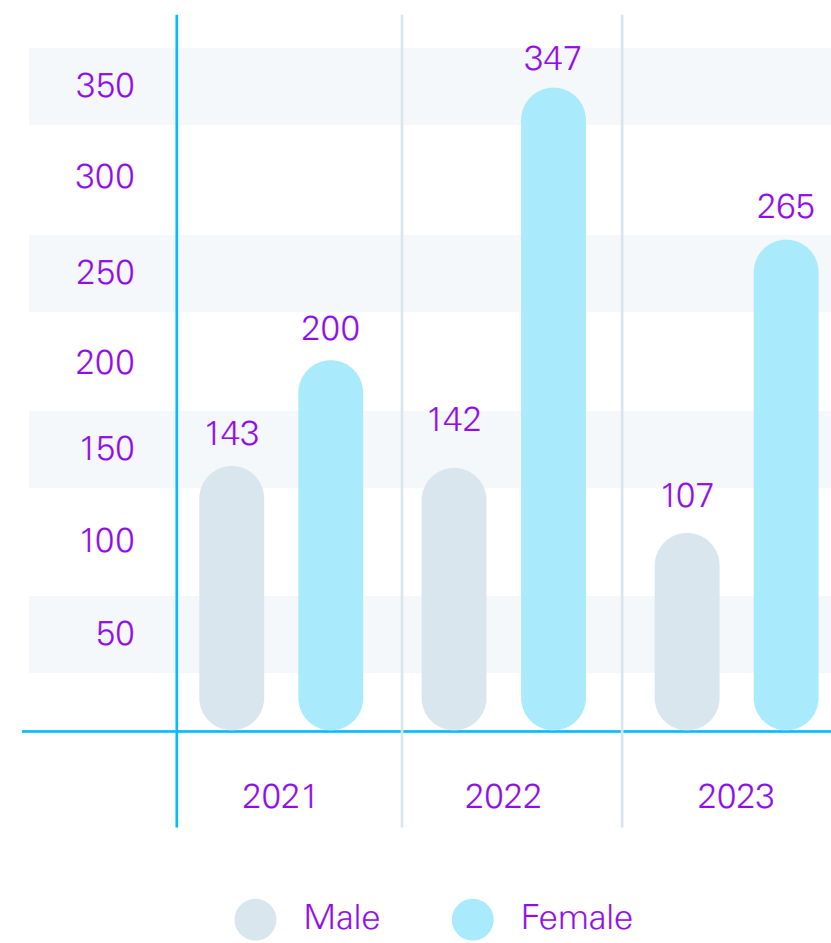
Our new onboarding app Talmundo launched in September 2023 will streamline the integration process for new joiners, enhancing their initial experience and ensuring a smooth transition into our company culture.

## Personnel Turnover

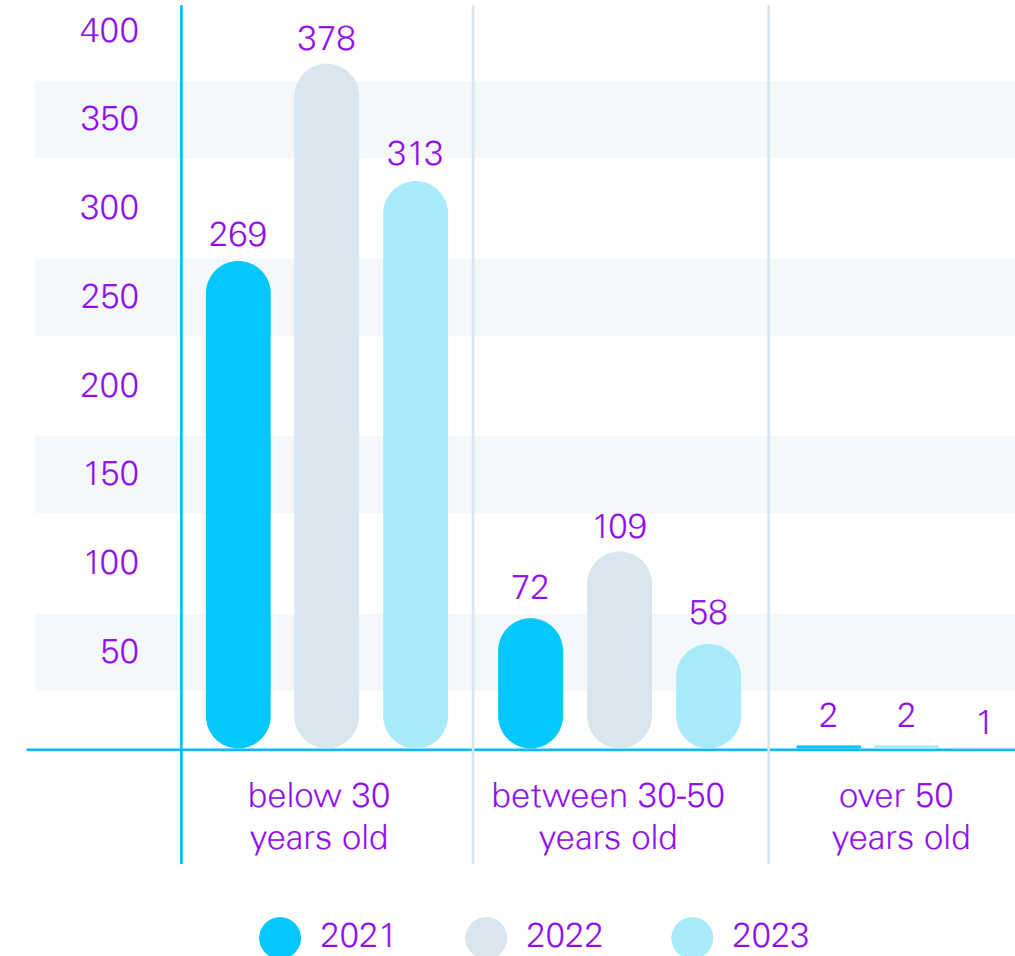
One of our strategic objectives related to People is reducing turnover, and our aim for 2023 was a maximum of 20%. At the end of the 2023 financial year, this goal had not been achieved.

However, we managed to reduce our turnover rate from 26% in FY22 to 25% in FY23. 257 employees left the company in FY23, 75% of whom were younger than 30 years old and 85% of the turnover was registered at our Bucharest office.

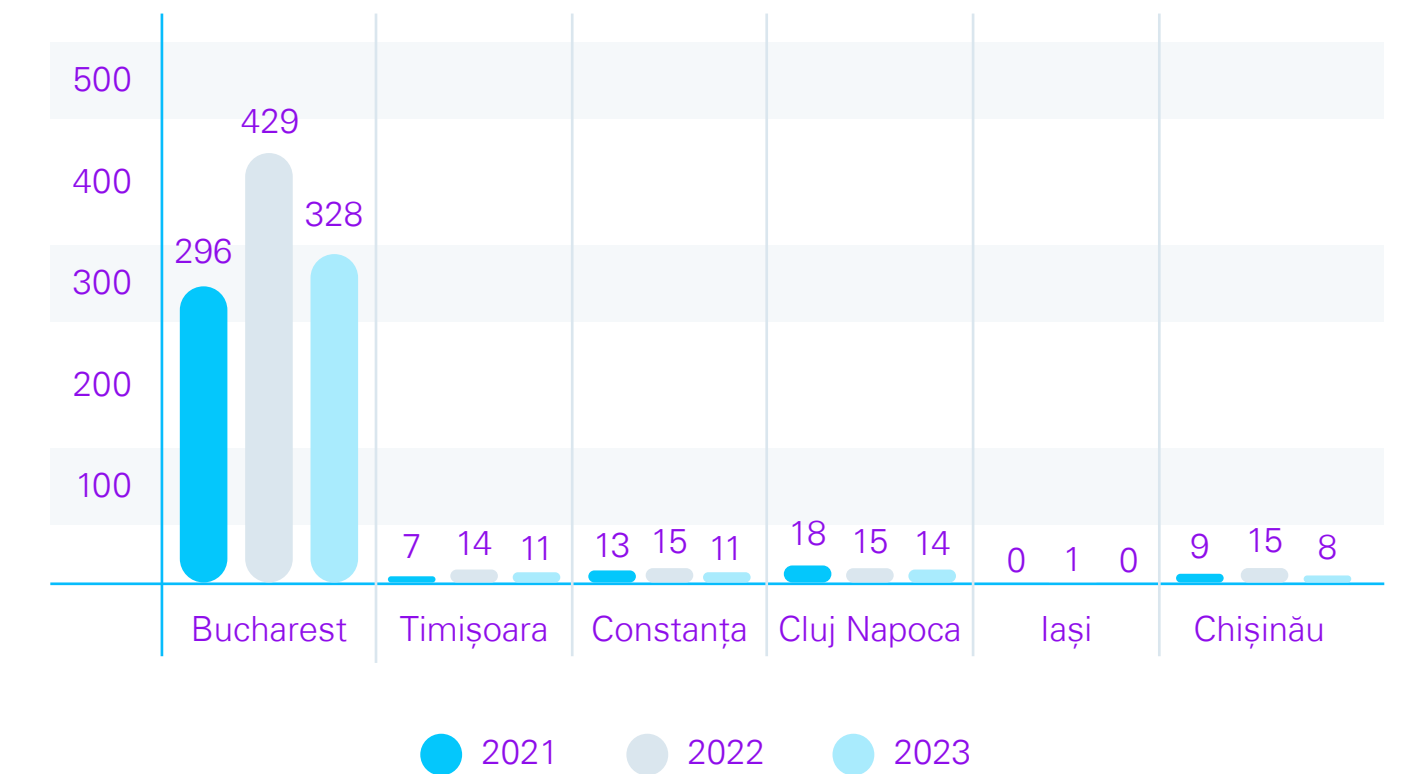
New hires by gender



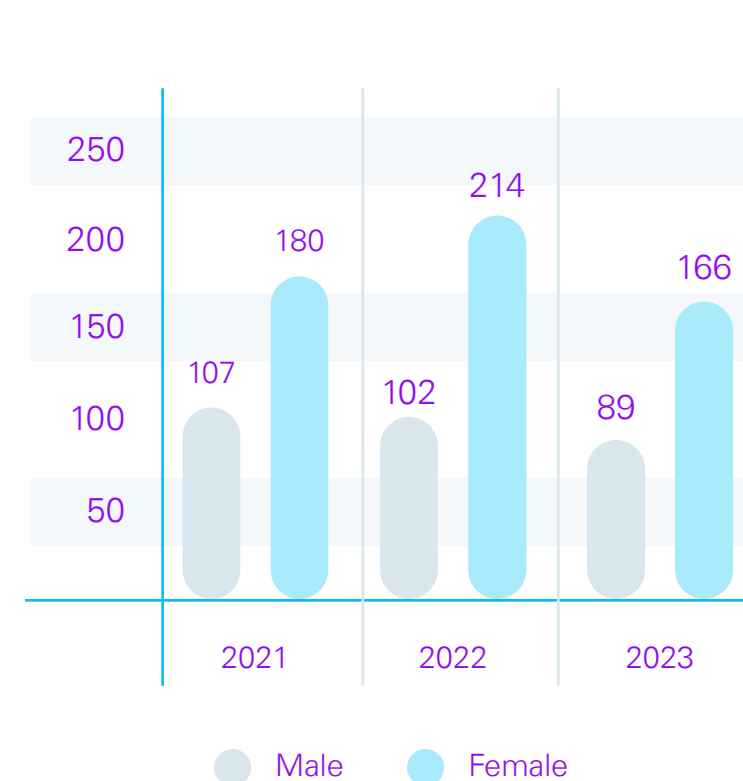
New hires by age group



New hires by office



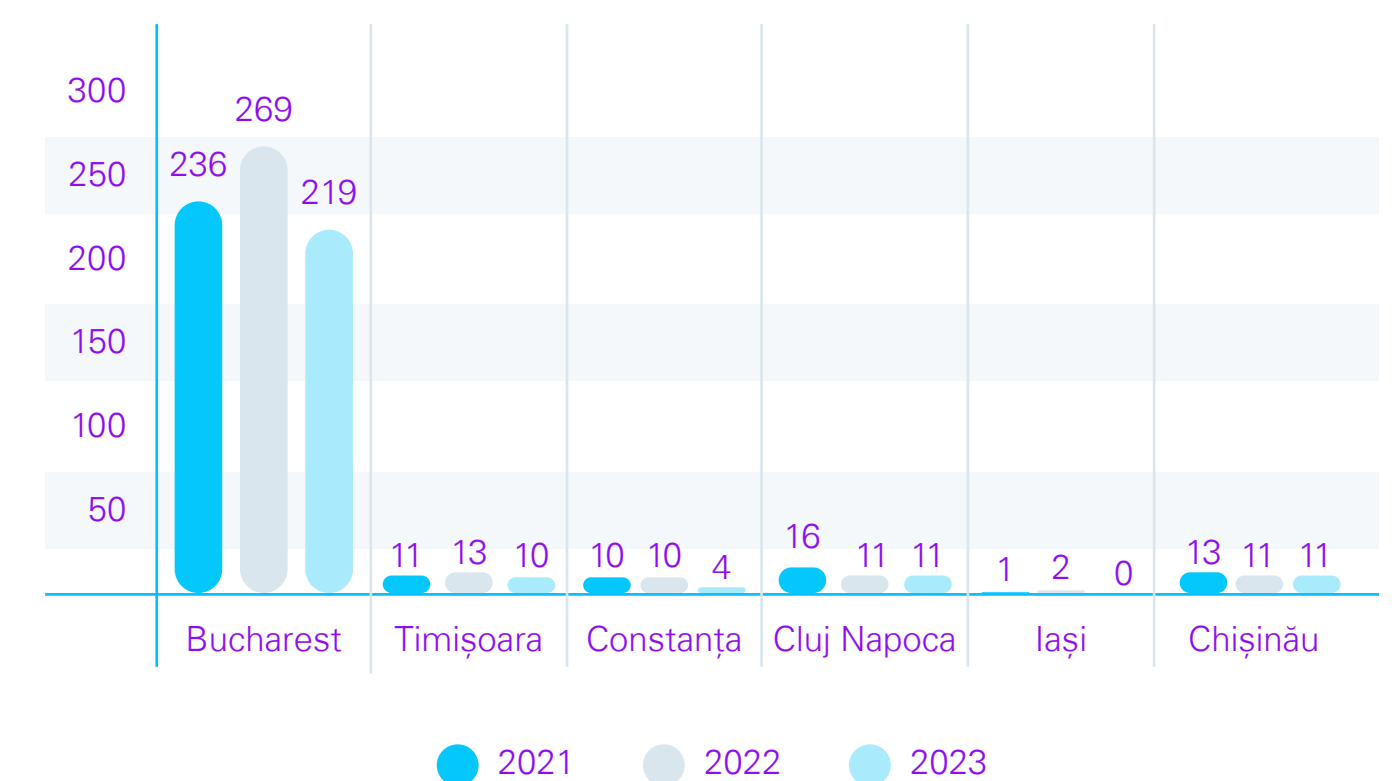
Leavers by gender



Leavers by age group



Leavers by office



## Creating the Framework for all generations in KPMG to have access to decisions that influence their professional life – Non Executive Board

The exceedingly volatile and dynamic business sector in which we operate requires high professional standards. We hire, train, and retain individuals with the appropriate knowledge and expertise who also connect with KPMG's values and strategic goals.

KPMG values and cultivates leadership skills of young generations. In 2019, we created the

### Next Gen Board

a non-executive Board that mirrors the Executive Committee of KPMG in Romania and Moldova. The

Board continued to exist during this financial year. The role of this Non-Executive Board is to offer feedback and solutions to various matters with an impact on our business and on our people and it is organized following the same principles as the Executive Board.

Furthermore, the **Seniors Board**, created in 2021 in the Audit department to gather timely and direct feedback from people below manager level, has proven to be highly effective. The inputs received from it have been translated into wellbeing, training, and

recognition initiatives and it has contributed to an increase in the engagement level as shown by the Global People Survey.

## Remuneration and reward

As well as salary, employees benefit from all statutory benefits, such as parental leave, and a range of other benefits offered by KPMG in Romania, such as health and life insurance, exam day leave, support for physical and emotional wellbeing etc.

In terms of parental leave, all of our employees are entitled to parental leave, as per Romanian legislation. For the financial year 2023, 56 KPMG employees took parental leave, out of which:

**42 were women and 14 were men**

In Romania, access to the public healthcare system is granted to all persons with an employment contract. In addition, our employees

have the option to benefit from a medical subscription to a private healthcare service provider of their choice. In order to ensure our employees have quick access to medical services or if there is a need for a second opinion on a particular situation, at the beginning of FY23 we started a supplementary collaboration with a specialised healthcare service provider.

In addition, our employees have access to a flexible benefits scheme through which they can choose from a wealth of options, offers and discounts on services and products such as gift vouchers, private pensions, fitness subscriptions, tickets for cultural activities, discounted access to various leisure facilities across the country etc.

# Well-being

For KPMG in both Romania and Moldova, wellbeing continued to be a significant priority in FY23.

During FY23, we were pleased to announce that KPMG was chosen as [Top Wellbeing Employer of the Year](#) by the fitness programs provider Bodyshape, together with the online platform [undelucram.ro](#) – a distinction that recognizes our commitment to employee wellbeing and to promoting a healthy and balanced work environment.

We provided a comprehensive overview of our Wellbeing programs, showcasing a solid, consistent and coordinated commitment year on year to cater to our employees' needs based on the genuine feedback we have received internally, through all the different features we have added over the past few years.

## Your Wellness

Brain fit  
Body fit  
Soul fit

Please see below the impact these programs have had:

### Intellectual wellbeing

Embarking on the foundational journey towards holistic well-being, we look at our first pillar: Intellectual Wellness. In this exploration, we direct our attention to training and education, with a particular emphasis on the development of our professionals.

Intellectual wellbeing recognises creative abilities and encourages us to find ways to expand our knowledge and skills. It can be developed through personal and professional development, cultural and community involvement and personal hobbies.

We have a very thorough, complex and well-put-together Learning & Development strategy (presented in Section 8 *Training & Education* and *Forming the future workforce*) and programs that saw an investment of more than 700K EUR (both from direct costs for learning and professional qualification programs and also from indirect costs generated from hours spent on teaching) in the form of face-to-face, online, blended, and e-learning courses, as well as virtual classrooms in FY23.

### Financial wellbeing program

Financial wellbeing is the process of becoming financially literate. It is about being informed and in control of your

money and resources, not about being wealthy. This includes financial planning for the present and the future and living within your means.

This program has been delivered by various external financial experts since October 2022 to over 760 colleagues and additionally to over 50 of our employees' children aged 7-18. Over 2,900 hours were invested in these financial programs.

### Social wellbeing programs

Social wellbeing is achieved when we are able to create and maintain healthy, reciprocal relationships with the people around us. Positive social relationships can provide us with comfort and support in difficult times, increasing our resilience and ability to cope with life's challenges.

These initiatives brought colleagues together through various internal events from team buildings to quarterly team gatherings and volunteering events that involved smaller or larger teams. During FY23, above 1,000 colleagues got involved in team social gatherings, team building, monthly meetings, the Christmas Party, and thematic workshops organized at Christmas and during March. These events took place in a wide variety of locations from cafes to playgrounds and other places to relax. Over 8,600 hours were invested in these programs, which formed part of the social wellbeing pillar.

# Your Wellness

Brain fit  
Body fit  
Soul fit

## Emotional wellbeing

Emotional wellbeing is the ability to produce positive emotions, moods, thoughts, and feelings, and adapt when confronted with adversity and stressful situations.

Emotional wellbeing was not only supported through the 1-on-1 therapy sessions provided by external therapists and psychologists, through a third-party platform (Wellington) to ensure confidentiality, but also through several other thematic workshops (addressing topics such as accepting yourself, managing anxiety, blue Monday, infertility) that addressed various emotional and mental health topics. Furthermore, we also offered BeBrainFit, a Neuromindfulness Program led and delivered internally by Cristina Ionescu, Associate Partner, Advisory, to over 600 colleagues since it was launched in the summer of 2021. Overall, during FY23, around 4,600 hours were invested in these wellbeing programs for which we had over 1,000 participants.

## Physical wellbeing

Physical wellbeing is practicing self-care for the needs of your body. This includes physical activity, balanced nutrition, getting

adequate sleep, and avoiding harmful behaviors.

These programs covered over 600 unique employees. Over 3,800 hours were invested in the Spine Therapy Program, which was run by an external provider, Restartix, and received very good feedback from our colleagues. We also continued to organize the weekly chair massage sessions in the Bucharest, Cluj and Timisoara offices, the Nutrition Program consisting of 12 workshops, Yoga sessions, as well as wellbeing workshops on topics such as dermatology and oral health. We also supported sports events (we have a football team consisting of 30 KPMG players) that encourage colleagues to make time for physical exercise in their routine.

## Spiritual wellbeing

Spiritual wellbeing is defined as expanding a sense of purpose and meaning in life, including one's morals and ethics.

These programs help our colleagues to broaden their cultural horizons and general knowledge through several sessions led by cultural personalities, philosophers, historians and other prominent personalities in the form of Inspirational Talks with over 870 colleagues participating. Moreover, a number of colleagues who achieved

exceptionally high performance and showed particular dedication were able to participate in study trips to Florence, Italy and Athens, Greece. Our project coordinated mostly by our colleagues from Timisoara, "*Supporting the cultural capital – Timisoara*" also represents an outstanding accomplishment. During FY23, they organised guided tours for more than 50 clients and KPMG staff from the local offices in Timisoara and Bucharest. KPMG was also awarded as the official Partner for this Project.

## Kindness wellbeing

Kindness Wellbeing is the power of generosity over the wellbeing of each of us and others.

Since CSR has become an essential element of our practices and values, we present the pillars upon which our CSR initiatives are built: Education programs, Environmental campaigns and Community activities.

The main objective was and continues to be to give life to the KPMG values "together", "for better" by offering employees the opportunity to donate their knowledge, energy and time.

# Training & education

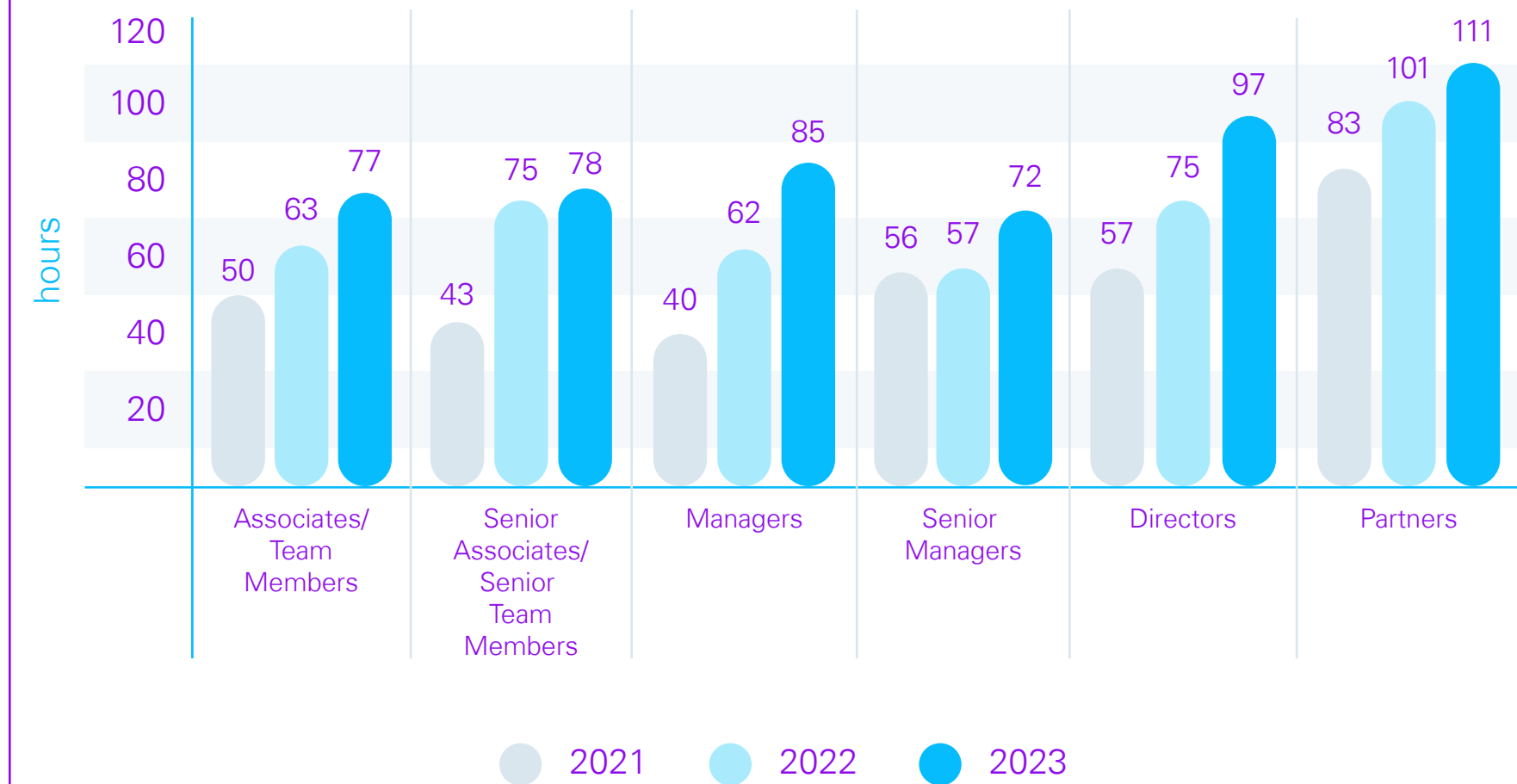
Learn for a lifetime is a supporting pillar of our Employee Value Proposition, and so we constantly help our people to grow their own way in an environment where learning is continuous. We feed their curiosity and enable them to work with the best on emerging practices and technologies to gain an advantage for life.

The professionalism of our people is the reason that makes KPMG stand out in

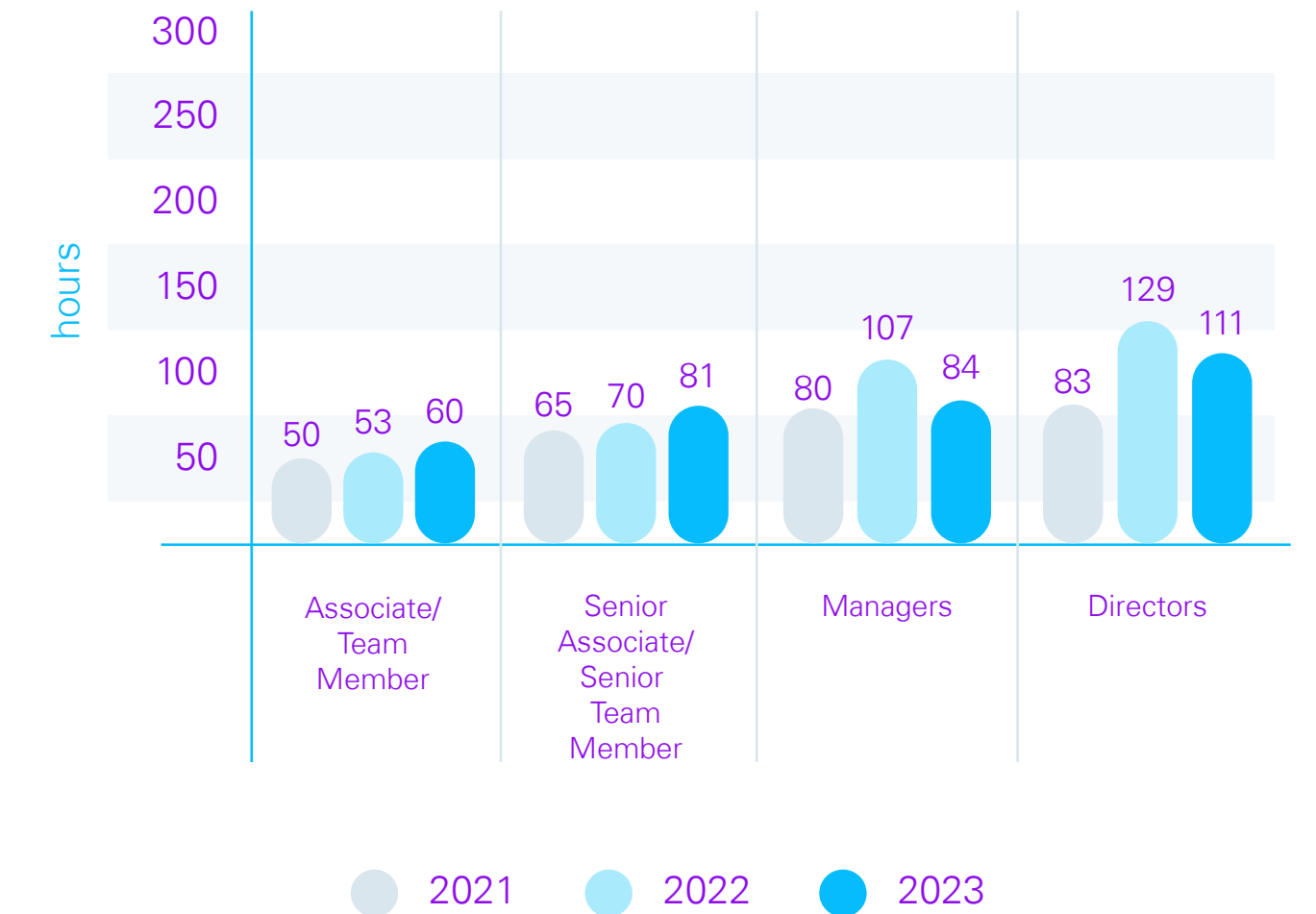
the marketplace and why our clients appreciate working with us. Our employees stand out by denoting their forward-thinking, global mindset, and enthusiasm in what they do.

To stay ahead of the game, continuous learning through structured learning and targeted education plays an important role in fostering intellectual growth within the professional sphere for both new joiners and experienced professionals. Thus, we offer national and international, as well as internal and external training courses to give each of our employees the finest individualized learning experience.

Average hours of training per employee category, Romania [hours]



Average hours of training per employee category, Republic of Moldova [hours]



**105,369: Total Training hours**  
**79: Average hrs./employee**

The total training cost during FY23 was

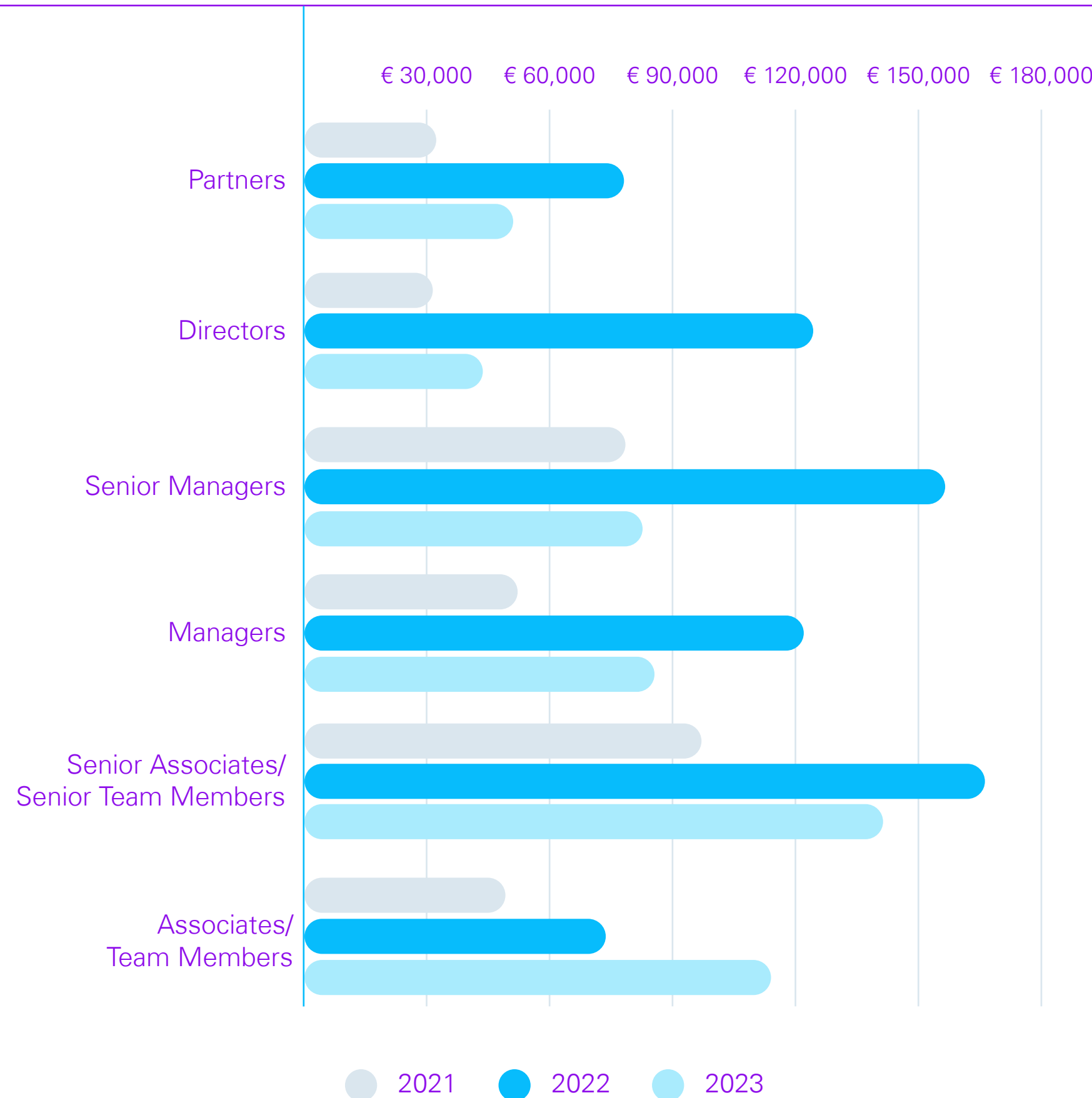
**EUR 715.684,84**

up by almost 40% since the previous reporting period.

According to Romanian and Moldovan law, all workers are covered by the health and safety management system. All our employees go through the appropriate Health and Safety training, based on their employment category with KPMG, on a yearly basis.

During this financial year we did not register any work-related accidents or injuries.

Total training cost, by employee category



Training cost per head, by employee category



# Forming the future workforce

With our substantial investment in training and professional development, we contribute to the wider community by increasing the pool of people with specialized skills available on the market. Whether they remain at KPMG or go elsewhere, we want to ensure we help individuals build fulfilling life-long careers and equip them to embrace future workplace challenges.

Learning and development are integral to who we are at KPMG. We help our people to thrive and reach their full potential because we recognize no limits to their talent when fostered and supported.

All employees must complete essential training comprising courses relevant to their position within KPMG, assigned to them at the beginning of their contract. Key training courses are reassigned every year to refresh the information, as well as updates on existing tools and policies, and other new developments.

We always look for ways to adapt to new learning patterns and needs because we want to improve the way knowledge is conveyed and embodied. We provide face-to-face, online, blended, and e-learning courses, as well as virtual classrooms. While we emphasize the importance of on-the-job training, these learning opportunities are available on demand.

We encourage open communication with our staff concerning their training and development experience. We consequently ask for timely feedback at the end of each training course, encourage ongoing conversations with performance managers and the L&D team, as well as asking for feedback through our yearly Global People Survey.

According to our professional development policy, every employee must commit

**at least 20 hours per year,  
and 120 hours over three years,**

to appropriate professional development and learning activities.

We monitor closely the range of courses available and refresh the curricula to keep our employees updated in their specialized areas or to help them upskill/reskill in different areas whenever needed or requested. However, we understand that effective cooperation requires more than just technical know-how. Soft skills are equally essential to our employees'

development. Consequently, each year we provide a broad range of courses to equip our employees with the relevant soft skills. Examples of such courses include effective listening, communication, neuro-mindfulness, personal effectiveness, presentation skills and public speaking, business English, as well as management and leadership learning journeys.

In Romania, there are several professional organizations whose field of activity aligns with ours, including the Authority for Public Supervision of Statutory Audit Activity (ASPAAS); the Organization of Expert and Licensed Accountants of Romania (CECCAR); the Romanian Chamber of Tax Consultants (CCF); the National Association of Authorized Valuers in Romania (ANEVAR); the National Union of Insolvency Practitioners (UNPIR). Additionally, employees can opt to obtain relevant internationally recognized qualifications and certifications, such as membership of the Association of Chartered Certified Accountants (ACCA); the Advanced Diploma in International Taxation (ADIT); GRI Certification; or

qualification as a Chartered Financial Analyst (CFA), a Financial Risk Manager (FRM), a Project Management Professional (PMP), a cyber security specialist, etc.

Not only do we encourage our staff to become members of these associations, or obtain relevant qualifications, but we also support them by offering relevant study materials and tuition as well as study leave days according to their needs.



# Open Performance Development (OPD)

When it comes to performance, our general framework – **Open Performance Development (OPD)** – allows us to focus our efforts on a two-sided relationship with our staff. Specifically, it allows us to provide them with the tools and resources they need to perform well, and it enables them to improve upon their performance by strengthening competencies, taking on new challenges, and building a network of peers and mentors who can help. The framework helps us assess the following:

## 01 Values

Does the employee reinforce the company’s values in their professional activities and daily performance?

## 02 Competencies

Does the employee demonstrate the competencies expected of someone at their level and within their function?

## 03 Contributions

Does the employee contribute to the business objectives specific to their role, and against any key metrics that are applicable to their level and function?

## 04 Capabilities

Is the employee working towards achieving new capabilities, whether for the current position or for the next one?

The performance development process in KPMG is a complex one. First of all, it focuses on ensuring alignment between the individual goals and the strategy of the firm. Secondly, it helps us make sure the current performance is meeting the standard quality requirements our clients, the market, regulators and general public expect from us. Thirdly, it helps us align individual performance with reward, by directly impacting decisions related to reward and promotions. Last but not least, the performance development process supports our efforts to build the future leaders of KPMG. The performance development process starts with goal setting at the beginning of the financial year and ends with the year-end review of performance, but also includes one or two progress discussions during

the year. All KPMG employees with an active labor contract which spans at least 6 months within a financial year must go through the full performance development process. Both our organizational and our personal, growth ambitions are supported by our goal requirements, whereby every KPMG employee has to set 2 financial goals and 1 personal development goal, directly linked to the growth strategy of the firm. Moreover, to show our commitment to building our future together, our personal development goal has the same weight in the overall performance rating calculation as both financial goals.

Every KPMG employee (i.e. regardless of span of labor contract within the year) has a Performance Manager who supports their current performance and their career path. Performance Managers are people who are at least

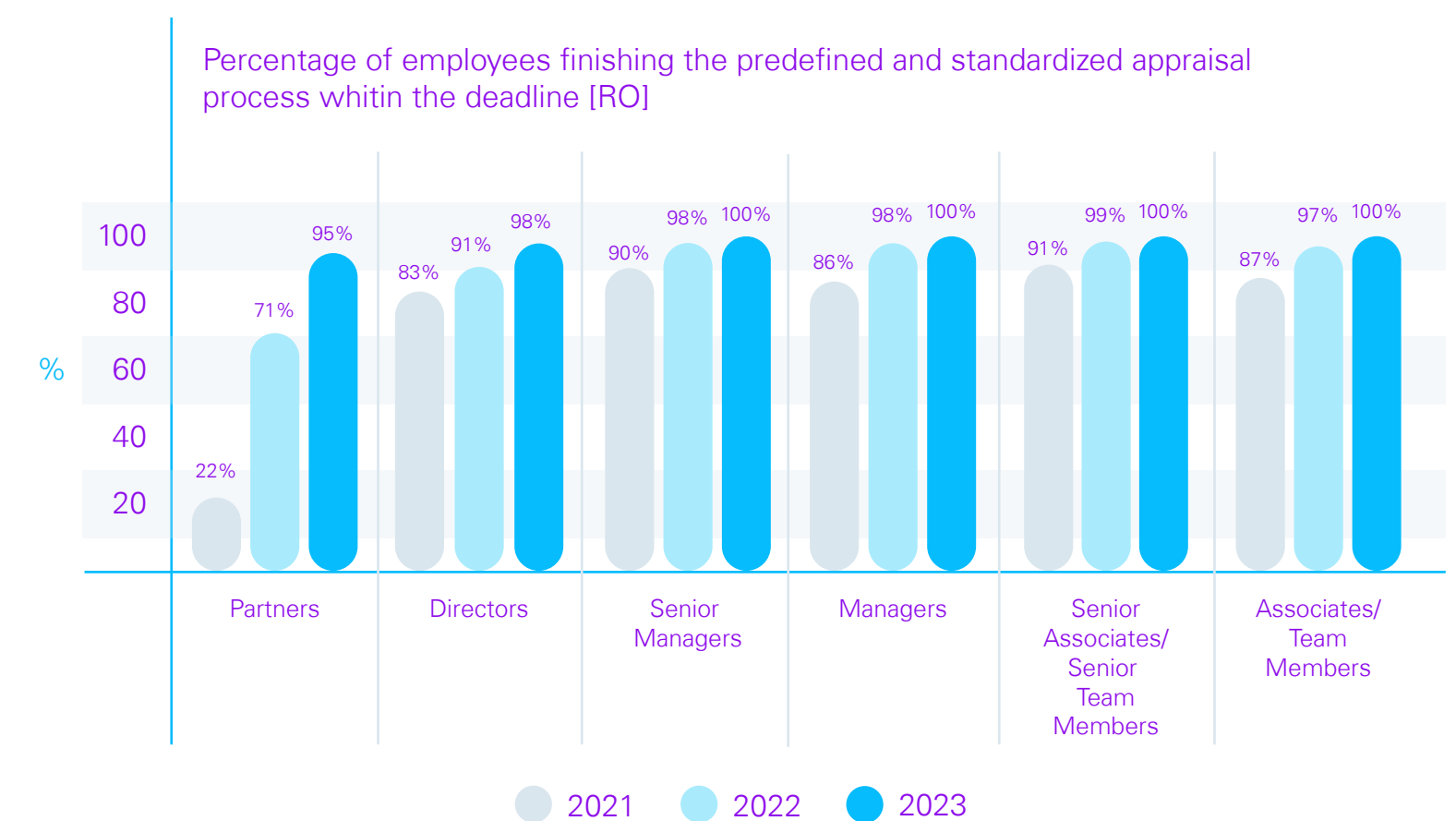
one level higher, but, generally at least two levels higher, in order to have the relevant knowledge and soft skills to allow them to guide, motivate and develop their appraisees.

As the rating from the performance development process is taken into consideration for all yearly decisions affecting reward and promotions, and the performance rating for the last three years is taken into consideration for promotion to leadership positions, all

KPMG employees finalize their performance process. The differences in compliance in this area come from delays in finalizing the forms. In FY23, at the reporting date, 99.77% of our employees had finished their yearly performance process, a rise from 97.00% in 2022. This year we increased compliance in this area even further and the remaining two forms which made us miss the perfect score (one at Partner level and the other at Director

level) were sent for approval to the Performance Manager but due to system (OPD platform) changes and access issues, at the reporting date (22 November 2023), the PM approval was still missing.

Specifically for new joiners, this year we changed the performance development process to better fit their needs of inclusion and our organizational need for better efficiency.



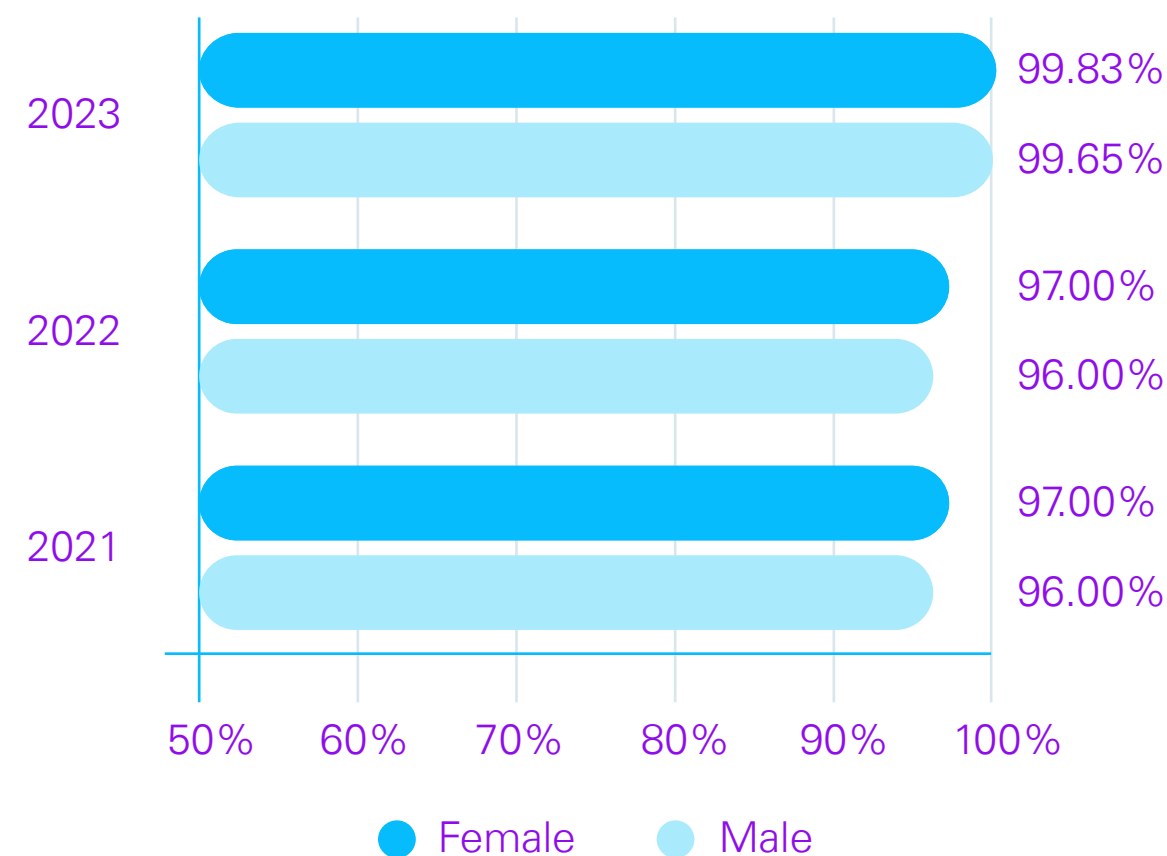
To meet our people's need for career development and constant feedback we have created a Competency Matrix, a tool designed to bring together job responsibilities, technical and soft skills, behaviors and values. The tool was developed during FY23. In FY24 it will be piloted in the Audit function and starting from FY25, it will be extended to the rest of the firm.

In line with the goal we set in the Impact plan last year, a significant increase in compliance with the process was observed at Partner level, where the adherence to process deadlines increased from 71% in FY22 to 95% in FY23, for Romania. The percentage of employees finishing their regular performance review in the Republic of Moldova was 100% during the last 3 years (since we started collecting data) for all employee categories.

Another important goal which we set last year was to further build Performance Managers' skills. We consequently started a performance managers community where we share best practices, as well as tips & tricks, and we meet regularly to discuss performance development issues. Additionally, we had both team and firm wide workshops on drafting personal development plans, active listening, giving feedback and coaching conversations, language and communication.

tracking and direct calculation of the year end rating. We will also continue building the skills of our performance managers, to improve the experience of our employees with this process and use the process to achieve best results for the employee and for the firm, in the short term and also in the long term.

Percentage of employees who received performance review, by gender



For FY24 we plan to continue our efforts to streamline the performance process by integrating the Competency Matrix into the development process in the Audit function and by implementing a KPI dashboard for easier

# Diversity, Equity, and Inclusion

Since last year, we have had in place a solid team of **Diversity, Equity and Inclusion Ambassadors** and working groups for the following several relevant topics:

- Cultural diversity
- Racial diversity
- Sex/Gender diversity
- Disability
- Parents at work
- Neurodiversity
- Body size diversity

The working groups dedicated to each of the 7 pillars listed above have participated in the following series of projects focusing on [Diversity, Equity, and Inclusion](#):

● **Parents at work pillar: Inspirational Talks on Bullying - how to identify and how to prepare your children for it**

This discussion dedicated to all KPMG employees was led by [Otilia Mantelers](#), a [psychotherapist who specialises in trauma and a parenting instructor](#), and [Cristina Guțu](#), [Learning & Development Lead and Body Size Diversity Ambassador](#). It covered the causes and effects of bullying on children and highlighted proven methods with which parents can instill trust in their children and with which they can support them as they navigate difficult situations.

● **Parents at work pillar: Inspirational Talks on Infertility**

This online discussion dedicated to all KPMG employees was led by [Dr. Corina Manolea](#), an [obstetrics and gynecology medical specialist with an additional specialization in infertility treatments and assisted human reproduction](#), and [Ionuț Măstăcăneanu](#), [Director in our Tax & Legal team, who faced infertility problems](#). The discussion was intended to raise awareness of the topic, as per a recent study on fertility and infertility conducted by the Romanian Human Reproduction Association which involved 4,495 women aged 25-45 and men aged 25-60, and which revealed that 1 in 5 couples (21%) wish to have a child as soon as possible, a decrease from 29.1% in 2018. Additionally, treatment through in vitro fertilization has increased by 80% compared to the previous study in 2018, with 63% of

couples with infertility issues achieving pregnancy within two years of treatment.

● **Disability pillar: Inspirational Talks on disabilities with Razvan Nedu and the NGO, Climb Again**

This discussion dedicated to all KPMG employees was led by [Razvan Nedu](#), [paraclimbing world vice-champion, climbing trainer in the Climb Again Association and captain of the National Paraclimbing Team](#), who reached Aconcagua Summit with visual ability of less than 1%. The discussion was aimed at flagging the fact that having a disability is not a condition for prejudice or positive discrimination, but a reason for having the courage to accept this vulnerability in us and in others and overcome any limits that it may impose, but at the same time be present and show availability whenever your support might be needed.

● **Cultural diversity pillar: Debate event "We believe in Romania's professional and entrepreneurial opportunities."**

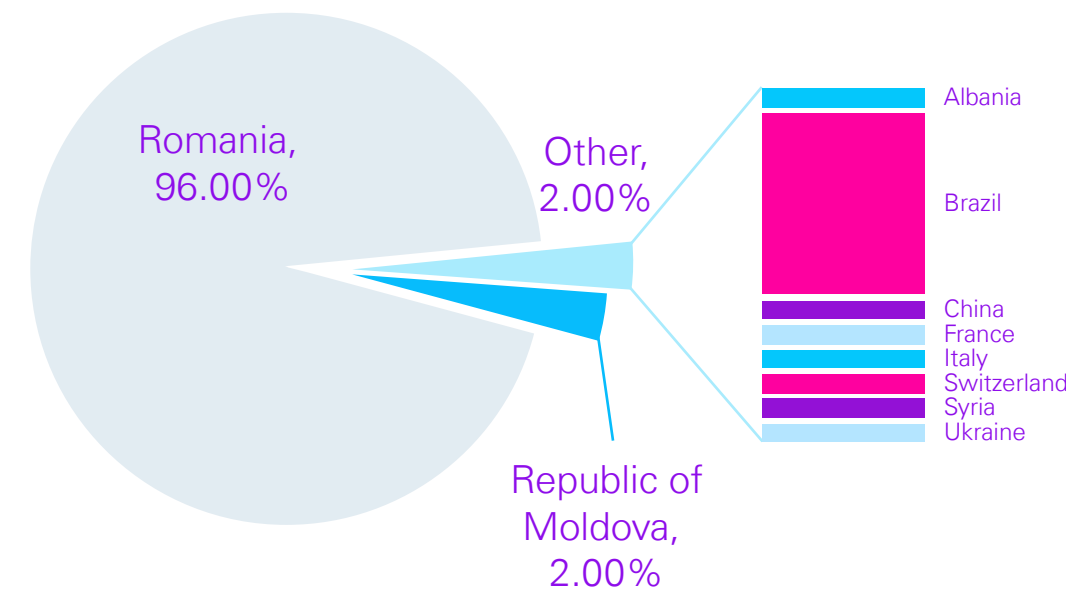
This event was organized by the Diversity Initiative Team in KPMG in Romania and Moldova, through: [Sabina Ivănescu](#), [Raul Dimitriu](#) and [Mark Percival](#), [Diversity and Inclusion Ambassadors](#) in KPMG in Romania and Moldova and had an original format in which two teams held a debate on whether there are real opportunities for professional development in Romania and whether Romania is a good environment for entrepreneurs.

During the following year, each team will continue its own action plan with specific activities designed to educate and raise awareness on these 7 topics. The following events will focus on, but will not be limited to, the three pillars not yet reached: Racial diversity, Sex/Gender diversity and Neurodiversity.

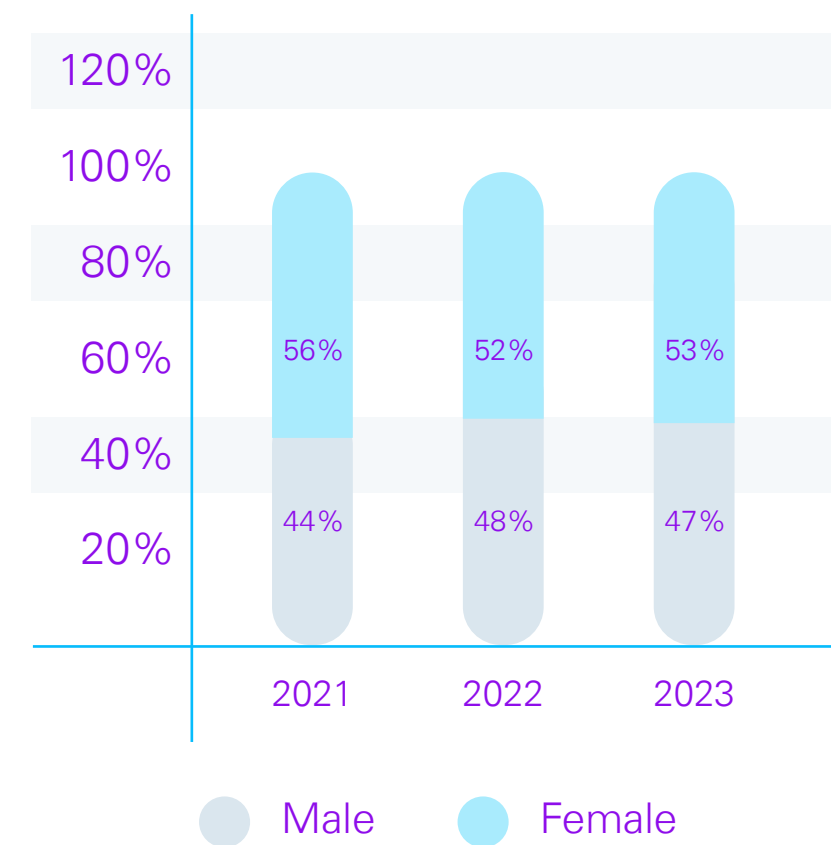


In relation to the employee structure, the diversity of KPMG in Romania and Moldova has increased from 7 nationalities during FY22 to 8 in FY23.

Diversity of work force by country of origin



Gender diversity in top management and management positions, Romania & Republic of Moldova



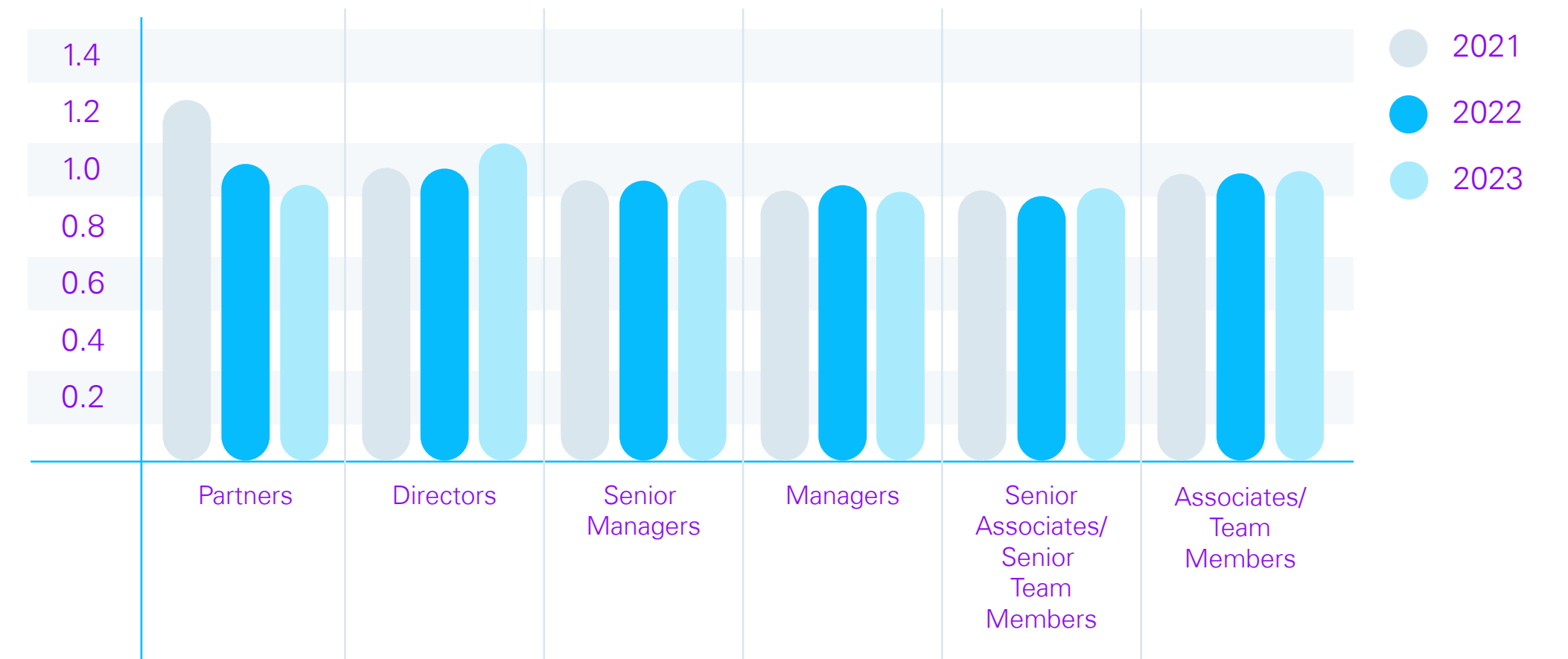
## Equitable remuneration

The remuneration granted to our people reflects their level of experience, knowledge, and degree of responsibility, as well as competences specific to each position. These elements are the only ones considered when designing the remuneration and bonus scheme for our staff.

In terms of our starting salaries, we always make sure that they are appropriate and above the minimum wage level. This also applies to the employment of temporary staff. Our starting salaries for university graduates are significantly higher than the statutory minimum wage in Romania.

KPMG pays fair starting salaries. In addition to fixed remuneration, our employees also receive results - and performance-based remuneration.

Ratio of average base salary of women to average base salary of men in each employment category



\* For the Republic of Moldova, the ratio for the last two reporting periods was 1 for all employee categories.

# Planet

# Targets

01  
Net-zero organization

02  
Reduction by 50% of single use plastic

03  
Digitalization to reduce printing by 20%

04  
Reduce gas & electricity consumption

## Target: Net-zero organization

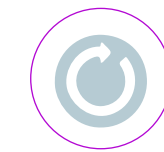
As a provider of environmental, social and governance services, we have a responsibility to look at the impact of our operations and play our part in the global decarbonization effort. Our focus has been on reducing emissions and collecting more accurate data to support this effort and understand where we need to focus our energy in the years ahead. Decarbonization is critical to our collective net-zero efforts, and our goals are aligned with the 1.5 °C Paris Agreement target, with a near-term Science Based Target Initiative SBTi approved target to decarbonize our global business and to become a net-zero organization.

Although, due to the nature of our activity, Planet related aspects are

not deemed significant by our stakeholders in Romania and Moldova, we view this topic as highly relevant to the worldwide efforts to reduce climate change. Moreover, in a factsheet published in February 2021, researchers argue that the biosphere is the foundation of economies and societies and the basis of all Sustainable Development Goals. The result of their research is the SDG 'Wedding cake', a ranking and hierarchical structure of all SDGs in which the biodiversity-focused SDGs are at the base of the structure (the "cake") due to their essential role in achieving global sustainability. This publication supports our assumptions and further justifies our choice to include Planet as one of our areas of impact, even though our stakeholders have not identified this topic as material for us.

Consequently, we will continue to align our efforts to reach carbon neutrality.

## FY23 carbon emission figures



Total Carbon Emissions  
**3,964**  
In tCO<sub>2</sub>Eq



tCO<sub>2</sub>Eq Per Individual  
**3.86**



Scope 1 Emissions  
**79.21**  
In tCO<sub>2</sub>Eq



Scope 2 Emissions  
**157.45**  
In tCO<sub>2</sub>Eq



Scope 3 Emissions  
**3,727.35**  
In tCO<sub>2</sub>Eq

94% of our environmental impact during this reporting period comes from the services we acquire in order to conduct our business. Although we have implemented a series of measures following our previous reporting period, due to business growth, increase in employee headcount, as well as a higher presence in our offices around the country, we registered an increase in our total carbon footprint. We will continue to develop strategies and implement measures to reduce our overall environmental impact.

Following our efforts to improve our data collection processes and increase accuracy of data used to calculate our carbon footprint, we decided to continue using the GHG Protocol, but change the input data for Scope 3 emissions. As a result, we recalculated the carbon footprint for our previous reporting period.

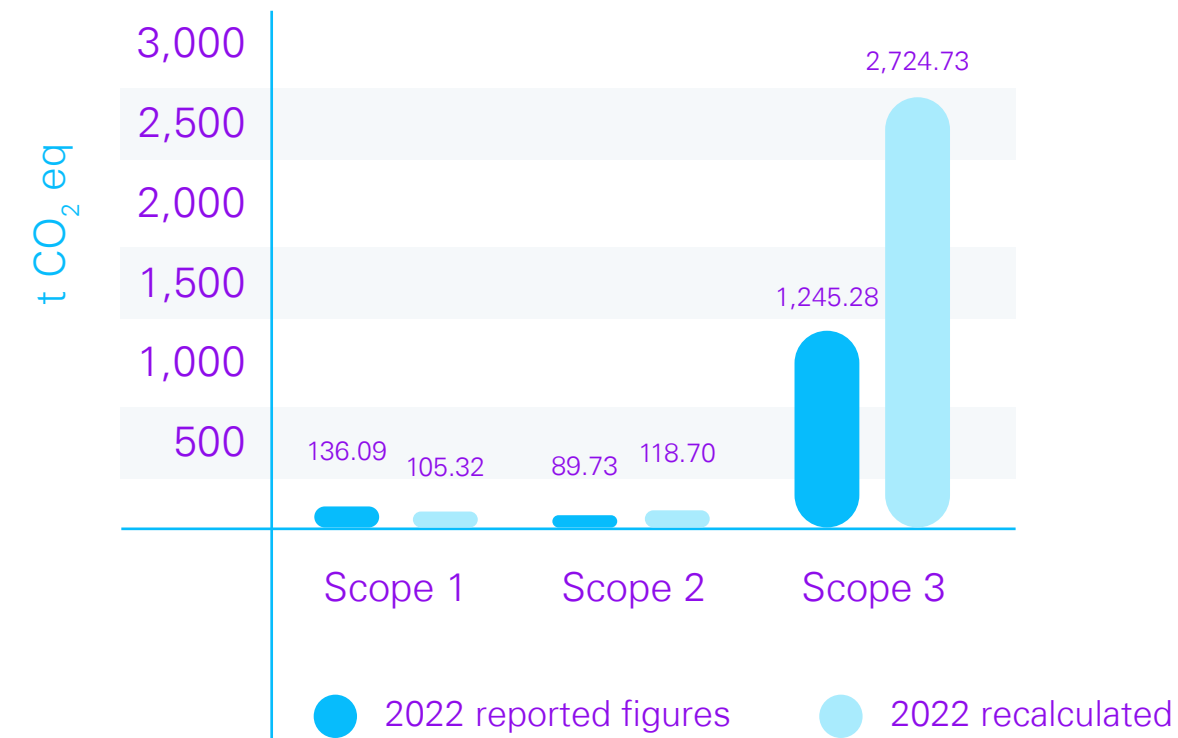
The final results for 2022 differ for the figures reported in the past for the following reasons:

- For Scope 1:** previous input data was estimated based on consumption data registered while in our previous office location in Bucharest. After recalculating the CO<sub>2</sub> emissions using actual billed volumes, we obtained lower values for stationary combustion.
- For Scope 2:** previous input data was also estimated based on consumption data registered while in our previous office location in Bucharest. Even though the new building has BREEAM certification with an Excellent score for Office buildings and WELL Platinum certification and uses less energy than our previous building, when we recalculated the carbon emissions associated with actual, billed electricity

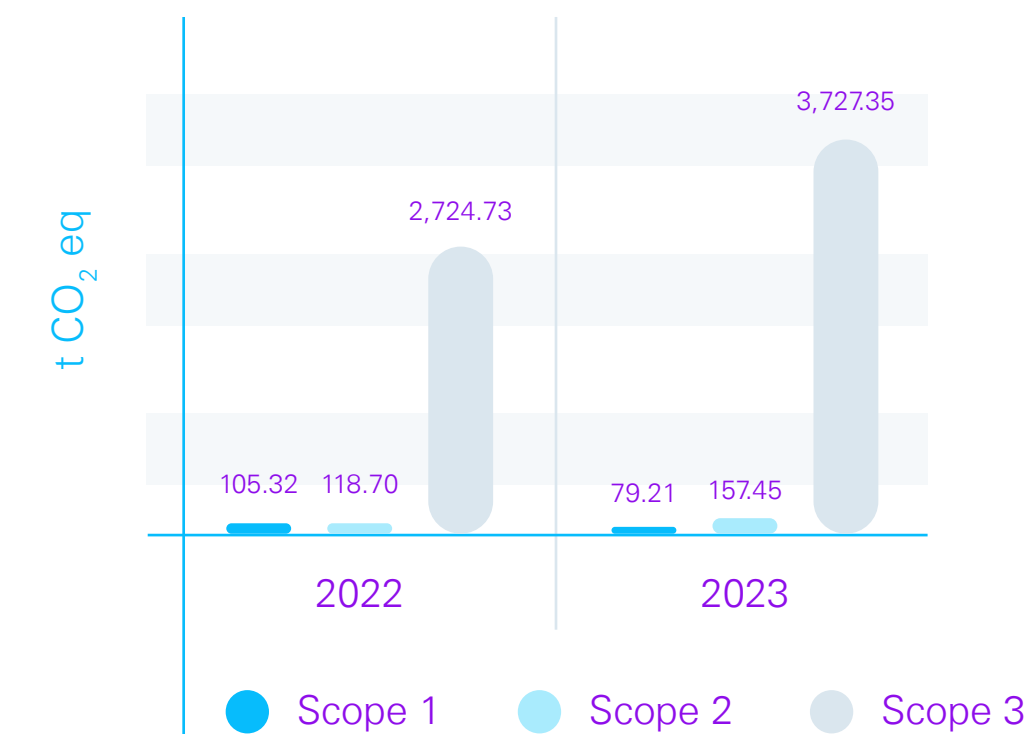
consumption we obtained a higher volume of CO<sub>2</sub> emissions. This can be attributed to an increase in employee count, coupled with a higher presence in our offices around the country.

- For Scope 3:** due to the company's decision to switch to CDP emission factors instead of Quantis (used for previous carbon footprint calculations), our 2022 carbon footprint increased by 54% compared to previous reported values.

Comparative figures for our carbon footprint before and after recalculation



CO<sub>2</sub>eq emissions evolution

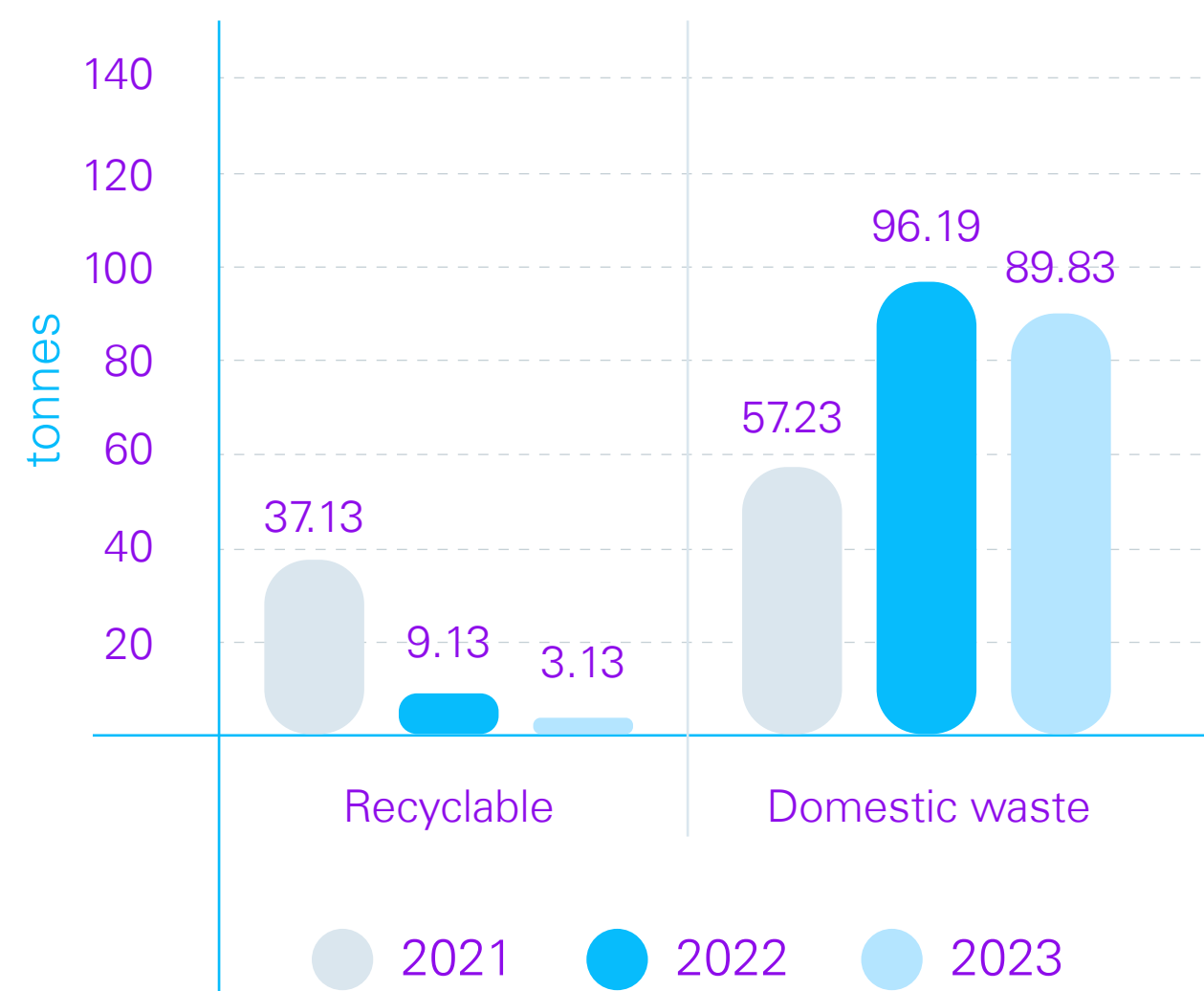


Comparing 2023 CO<sub>2</sub>eq emissions with the recalculated values of 2022, we noticed:

- A decrease in emissions for Scope 1. However, the calculation is made using estimated input data.
- An increase in Scope 2 which we attribute to the increase in employee numbers, as well as an increase in presence at our local offices.
- An increase in Scope 3, which is correlated with the increase in expenses and business trips, a natural consequence of higher net revenue.

# Waste generation & water consumption

## Waste generation



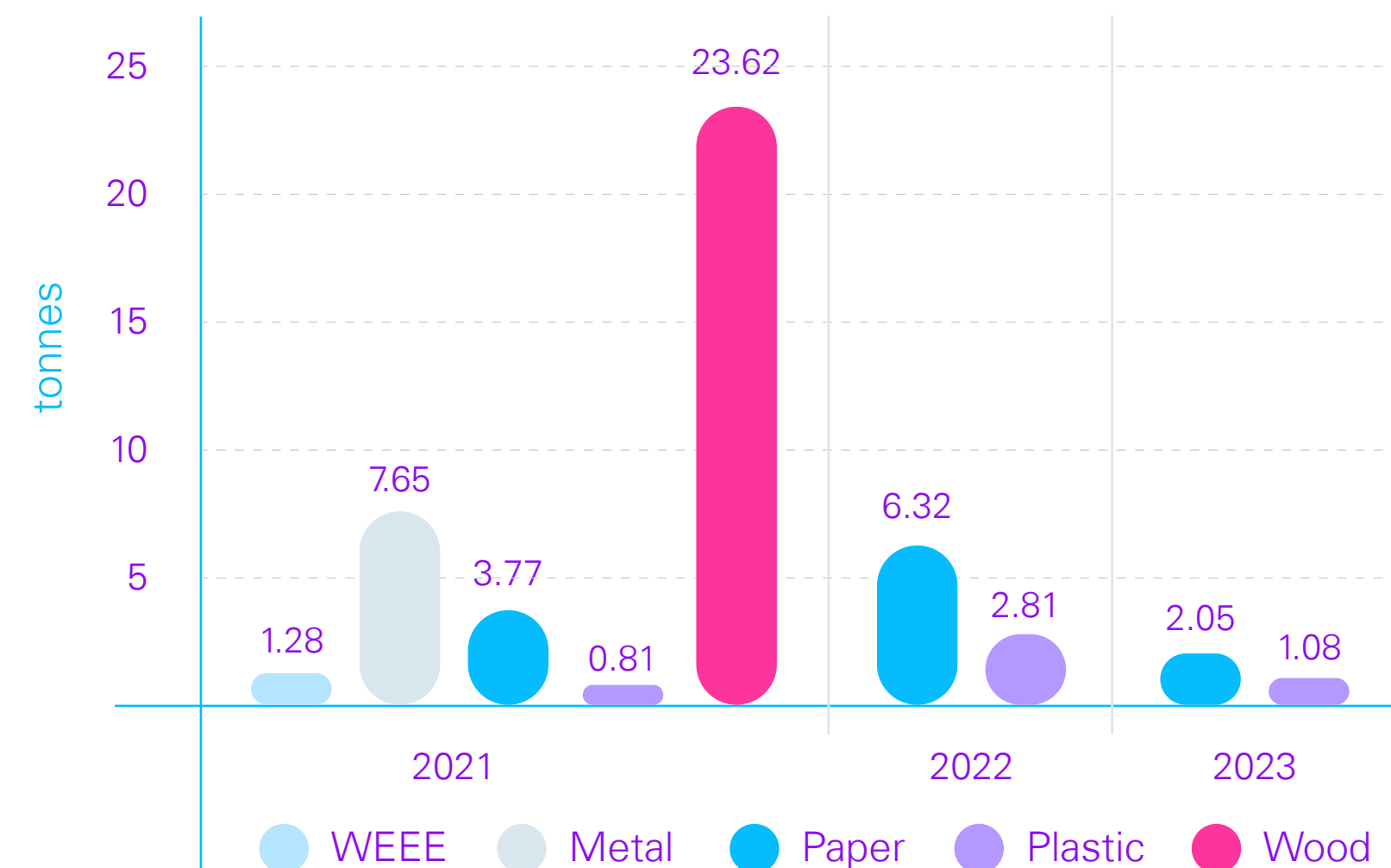
Our waste generation normally comes mostly from domestic waste (over 90%). However, in 2021 - 2022, due to the office change, we generated a significant amount of furniture waste (25% of our total waste generation for financial year 2022), which was fully recycled. During financial year 2023, we managed to reduce the total waste generation by 13% compared to the previous financial year, registering the lowest quantity of waste generated over the past 4 reporting periods.

As part of our effort to reduce plastic use, during the financial year 2022-23, we eliminated all single use plastic water bottles from our premises in Bucharest. We have replaced them with glass bottles and high performance water filters from which visitors and employees can refill their water bottles/cups. We have eliminated single use coffee cups as well

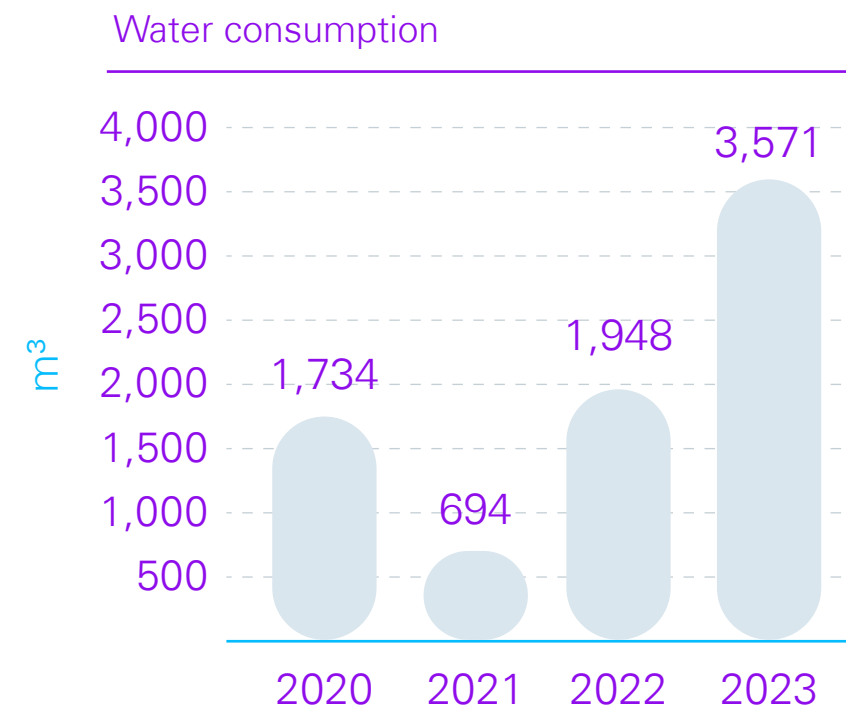
as cutlery. Together with reducing plastic consumption, this project has reduced the volume of our waste.

Excepting the furniture waste generated at the end of 2022, the most common types of recyclable waste generated from our business activity are paper, plastic, WEEE (waste electric & electronic equipment) and metal.

## Breakdown of recyclable waste categories





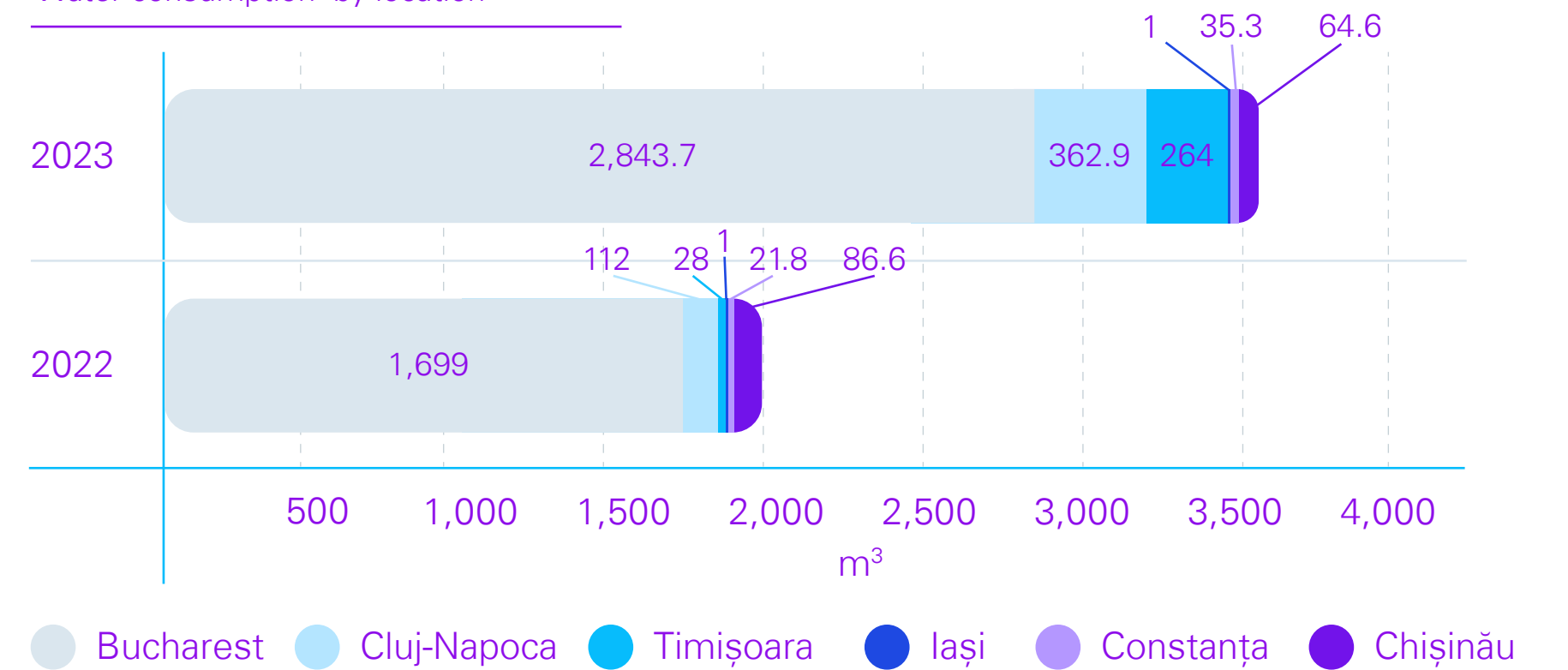


Compared to the previous periods, FY23 was the first full reporting period at our new location in Bucharest, which has a significantly larger green area than the previous location. In terms of water consumption, this meant a sizeable volume of water was needed for irrigation. In addition, the increase in employee headcount and

presence in our offices also resulted in higher volumes of water consumption.

As shown in the figure, water consumption increased significantly at our Bucharest location, but also at our offices in Cluj Napoca, Timisoara and Constanta.

### Water consumption by location



Through the work we do and our efforts to provide insights and resources to our clients, we contribute to shaping business models, products and services that address climate change, and help reduce carbon emissions.

Our Energy, Sustainability & Climate Change Services support the transition to a decarbonized society by assisting clients in minimizing their adverse environmental impact. By doing this, we contribute to the future resilience of their companies, clients, and workforce. We play a significant role in

influencing the renewables sector by offering guidance to all parties involved.

We believe that a key element in our efforts to address our impact on the environment is for each of our employees to be informed and conscious of our goals. During financial year 2022- 23, we continued to upskill our workforce for the ESG agenda, by expanding the selection of online courses for our employees for their' so-called "ESG journey". More information about the training programs can be found in the People section.

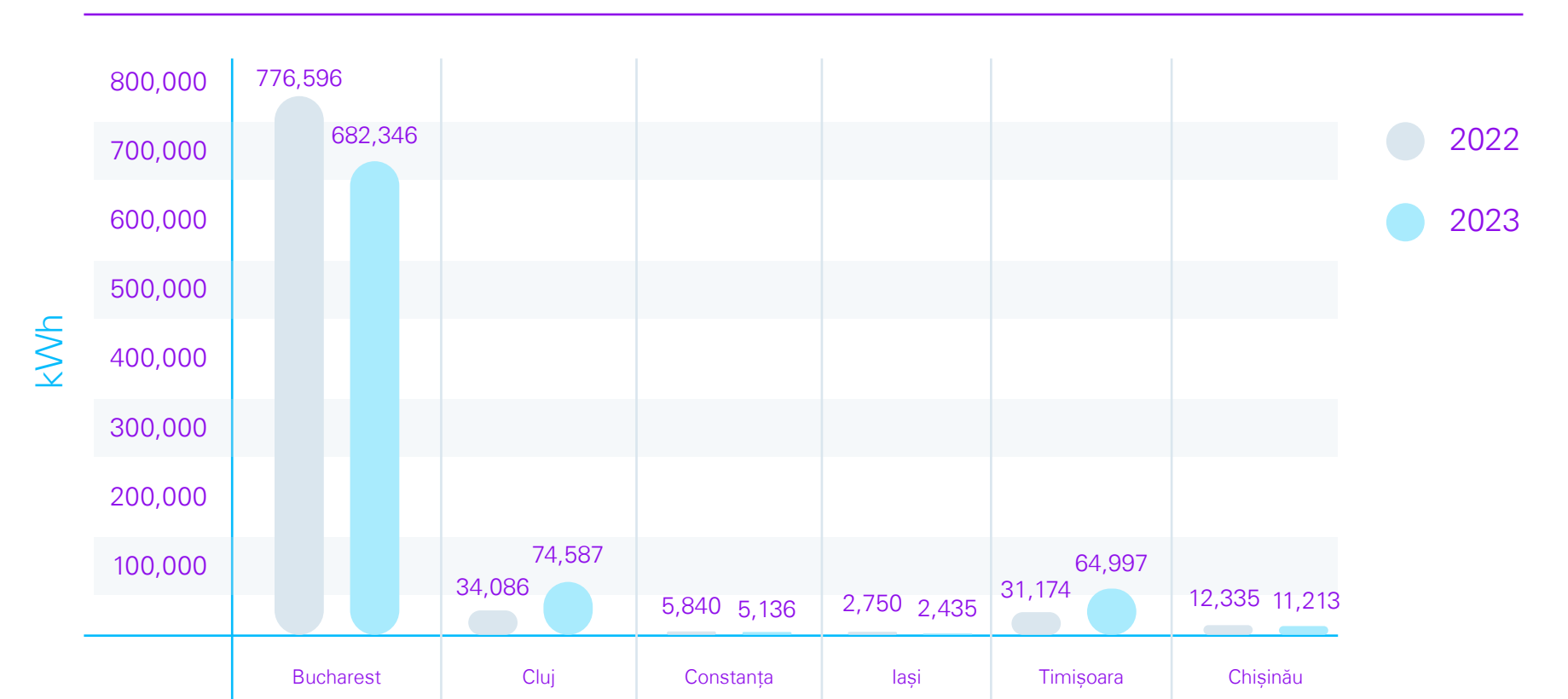
As we rent all the buildings we use, we have limited room for maneuver in terms of energy savings. We have implemented the following as part of our energy saving program:

- Reduced preset temperature for heating and extended weekend and night setback in buildings where this is possible.
- Green electricity in the Bucharest office We have been using green energy in our Bucharest office as it is equipped with

solar panels and we are currently working with the landlords of our office to increase significantly to green energy in the coming years.

- Energy-efficient buildings - The Bucharest building, where 87% of our employees work, has a BREEAM certification with an Excellent score for Office buildings and WELL Platinum certification and it became the first building in Romania to achieve both certifications.

### Electricity consumption



## Mobility – Business travel

Business travel is a key part of our business model. Personal contact with our clients remains important, although the number of business trips has dropped significantly due to the Covid-19 pandemic. In financial year 2023, the first year without any travel restrictions, we again saw a higher number of business trips compared to the years with Covid-19 restrictions. Nevertheless, the number of business journeys is well below the pre-Covid level. This trend is not just due to a changed way of working, where virtual meetings have replaced many business trips, but also because of the measures supporting - and especially sensitizing people to - the use of environmentally friendly means of transport. Business travel currently accounts for 6% of our total

emissions. We intend to transform the travel behavior of our employees over the long term by raising awareness and through motivation.

Specifically, we have encouraged the use of electric and hybrid cars.

10% of our car fleet were in FY23 battery electric vehicles and plug-in hybrids. We support this with measures such as an increasing supply of EV charging stations at our office locations and include in the leasing offer more alternatives for electric and hybrid cars.

## Environmental management system

For many years, KPMG in Romania has had an environmental management system certified according to ISO 14001 to monitor and improve continually our measures and activities. This system allows us to review continuously and, where necessary, improve our business processes with regard to their environmental impact.

Each year, KPMG in Romania implements, adjusts and refines its Environmental Management System

measures, as part of an ongoing effort to maintain high standards in relation to the protection of our environment.

Every year we have an external ISO 14001 audit, conducted by the certifying entity in Romania. This represents an excellent opportunity for KPMG in Romania to assess its performance and follow recommendations, as part of our commitment to environmental management and continuous improvement.

# Prosperity

# Targets

01

Volunteering programme

02

Donations programme

## Target:

### Driving purposeful business practice and good corporate citizenship: our volunteering and donation campaign

KPMG is committed to facilitating the development of the wider community by serving the public interest and fostering trust.

We strive to conduct high-quality audits, promote responsible tax practices, and work side-by-side with clients towards becoming more effective and resilient in the face of increased volatility and complexity to ensure that our collective actions ultimately lead to better economic growth and prosperity, and that objectivity, independence, ethics, and integrity govern everything we do.

## Direct economic contribution

External conditions shifted and evolved over the financial year 2023. Businesses, in turn, needed to be agile and prepared to face a rapidly changing environment prone to macroeconomic uncertainty and geopolitical instability. However, despite precarious market conditions at times, the combined efforts of our 1,084 employees led to a solid financial position.

Total taxes paid by the firm, its partners, and staff amounted to EUR 26 mil. This includes profit tax, payroll tax, local tax, and tax payable by partners on the generated income. We did not receive from or make any financial contributions to the government or political parties.

By the nature of our business, the main procurement categories are human resources, IT & technology, marketing, professional services, hospitality, property & operations, as well as global mobility & travel.

We conduct annual evaluations of suppliers and subcontractors based on their performance and the standards outlined in the Supplier's Code of Conduct.

We apply a sustainability strategy to the way we source our goods and services with a focus on promoting economic development in Romania. Consequently, we continue to favor Romanian suppliers where possible.

We obtained 62% of our goods and services from Romanian sources and 38% from the external market.

## Indirect economic contribution

We strongly believe that the nature of our work enables us to make further contributions to Romania's economic progress.

Through our Audit and Assurance line of business, we build confidence in the information that fuels the economy in the following ways.

We help clients meet standards, requirements, and expectations concerning the transparency and reliability of their financial and non-financial reports. We also validate the quality and integrity of the disclosed information to provide confidence in the capital market and its agents. Finally, we assist businesses to grow and succeed by helping them identify and successfully manage their risk profile.

Our Deals and Tax & Legal practices seek to safeguard people's rights and add value to businesses, society, and beyond through the appropriate and efficient use of legislation. In times of a rapidly evolving domestic and global business landscape, we facilitate the creation of synergies that benefit the wider community, including, but not limited to, employees, governments, and suppliers.

Through our Advisory practice, we leverage our knowledge to help businesses succeed. We challenge current thinking to facilitate the implementation of innovative solutions to complex problems. We bring together the agility, customer-centricity, and operational excellence needed to thrive in dynamic markets and, most importantly, to help Romania prosper.

## Our CSR activities in which many KPMG enthusiasts got involved during FY23 were:

- CSR Environment activities: Tree Planting Campaigns; Eco Office – Viitor Plus Workshops with NGOs and meetings with Eco-ambassadors; Nature Talks - eco-friendly workshops organized in schools. A total of 391 unique colleagues were involved in these activities.
- CSR Community activities: Bucharest Marathons; blood donations; Christmas Campaigns; March and Easter Fairs; 1 June Campaign for Fabrica de Daruri; Race for the Cure Event; Football charitable events and other volunteering actions; Sky Run. A total of 239 unique colleagues participated in these activities.
- We also introduced a first aid defibrillator Sali, at our Bucharest office during FY23.
- CSR Education programs: Cyber Days; mathematics programs; volunteering in the Recruitment Team of Teach for Romania; webinars and business presentations; highschool and student apprenticeship programs. A total of 143 unique KPMG enthusiasts showed their interest and brought their contribution and knowledge to around 200 students and 100 high school pupils who were involved in our apprenticeship programs.

During financial year 2023, while strengthening our kindness wellness pillar, as mentioned above, we continuously provided support to several community projects.

Below you can find a detailed description of the projects aimed at improving the chances for individuals from less fortunate backgrounds to receive a quality education and to support exceptional talents.

### Projects to support Higher Education:

- KPMG Professorship - Sponsorship of a well-established scholar in the field of governance and administrative sciences, with dual affiliation to a Romanian and Western university. Currently the KPMG Professor is based at the University of Bucharest.
- KPMG Mitrany Fellowship - A program to support the extra-curricular activities of undergraduate and graduate students from the University of Bucharest related to research and training.

The fellows receive a monthly stipend equivalent to a standard merit-based scholarship offered by the University and become part of a mentorship program.

- Sponsorship of projects run by 18 students' associations, universities and professional bodies - these included the Association of Law Students; the Association of Administration and Business Students; the Association of Students in Accounting and Management Informatics; the Union of Cybernetics Students; the Alumni of the Faculty of Economic Sciences ULB Sibiu; the Association of graduates of the Academy of Economic Studies in Bucharest (ASE Alumni); the Association of Mathematics and Computer Science Students; Timisoara West University Foundation; Ovidius University Constanta; the League of Romanian Students Abroad; the Electrical Engineering Students' European Association; the European Law Students' Association; the Young Accountants Association; Mindshub Timisoara; the Association of Students of the Faculty of Foreign Languages and Literatures (ASLS); Ratio Cluj; Bucharest University of Economic Studies; the Association of Students of the University of Bucharest.

Every year, we offer apprenticeship opportunities to students from different Romanian and international universities from Bucharest, Cluj-Napoca, Constanta, Timisoara, Iasi, Galati, Craiova, Sibiu and the United States of America through

KPMG's partnership with Indiana University.

During this financial year we had 159 Romanian students in the Bucharest office, 22 students in Cluj and 20 in Constanta. The apprenticeships lasted two months during which online/ hybrid/ onsite workshops were designed to train relevant skills with the aim of increasing the level of employability of the students. A total of 20 workshops were delivered to the students by 15 internal trainers and 31 internal facilitators. The themes covered through these workshops were mainly focused on accounting specialization (42 hours of hard skills were invested), IT specialization (51 hours of hard skills invested) as well as Networking, HR Skills and General Presentations about KPMG (30 hours invested).

During the summer holiday, KPMG in Romania and Moldova organized traineeship programs for high school students from 29 schools in Bucharest, Otopeni, and Gherla. As a result, 81 KPMG volunteers mentored 107 high school students for a total of 800 hours.

## Other projects

### Tree Planting Campaign

We were pleased to take part, with our friends from *Plantăm fapte bune în România*, in tree planting campaigns. By the end of 2022 a total of 1,220 trees had been planted by KPMG in 2 cities in Romania: Bucharest and Iasi. During 2022 there were 48 volunteers.

The Tree Campaign also continued in March and April 2023 in Bucharest and Timisoara where we had a total of 46 volunteers as well as 9 children of employees. A total of 20,000 trees were planted at Moara Domneasca.

### Scoala de Vara Eco 3.0

In addition to our participation in the Tree Planting Campaign, KPMG in Romania was the sponsor of an environmental project organized by the NGO *Nature Talks*, designed for children aged 8-12 years old. The project consisted of the organization of a series of free workshops on the topics of recycling, food waste, pollution, and sustainable behaviors during summertime. Over 6,000 children attended over a period of 2 months in 20 different cities, over 50 schools.

### Participation in Bucharest (half) Marathon

By tradition, every year a KPMG team runs for a good cause. During financial year 2023, we partnered with *United Way* to support them in their project, *Aventura prin lectură*, designed to create learning opportunities and a favorable learning environment for children in vulnerable communities. In October 2022, 47 colleagues from KPMG in Romania accepted the Marathon running challenge and supported *United Way* through their participation in this competition. This was followed by the Half Marathon and the Night Run with a total of 53 volunteers, and overall we covered around 490 km.

### Race for the cure

During financial year 2023, we partnered with *Renasterea* Foundation to support them in their journey of raising awareness of the high incidence of breast cancer among women in Romania and highlighting the importance of frequent medical check-ups. 25 KPMG runners supported the cause, as well as our KPMG Legal practice which provided pro-bono legal services.

### Blood Donation Campaign at KPMG premises

Every year, we host several blood donation campaigns at the KPMG premises. KPMG employees know that blood is a scarce and precious resource, with no other substitute. Consequently, through the blood donation campaign, we give the precious gift of life. We give blood to save lives as part of our support for our communities. For the 3 campaigns organized in FY23, there were 131 eligible donors out of 162 volunteers, and the result was that 63 liters of blood were collected.

### Cyber Day in Schools

The annual KPMG Global Cyber Day initiative aims to educate young people on the importance of cyber security and internet risk. Since 2019, during October, we have hosted in-person and virtual classroom sessions that address topics such as social media, online identity protection, cyberbullying, online gaming, and cyber threats. Due to the nature of our business, we have a detailed

understanding of how crucial information protection is. So we want to educate young people on these issues and help our communities to avoid digital threats. In financial year 2022-2023, we reached 415 students and teachers.

### Charity "Football for change" Event by The Social Incubator NGO

12 KPMG football enthusiasts jumped at the first call to enroll in a charitable tournament organized by the NGO *The Social Incubator*. Through their involvement, 2 projects were supported: #TineriDeViitor and social entrepreneurship, both designed to help vulnerable young people get their first job by facilitating access to vocational counselling, psychotherapy, as well as to provide support in covering medical and housing expenses. *The Social Incubator's* mission is to support vulnerable young people across Romania in the process of social and professional integration.

### Renovation works at the center for young people leaving the social protection system

Autumn was the time when we met again with *United Way* who took their time to do good in the community. This time, a total of 32 volunteers renovated a center for transit to an independent life for young people leaving the social protection system. The work took two days and involved cleaning the interior spaces, interior and exterior painting, repairs, paint application and space preparation for setting up a terrace. The young people from the center didn't stand aside either; they helped, and during the breaks they talked with the volunteers about how to design a better professional and personal future. KPMG volunteers learned from the sad stories of young people who grew up in disadvantaged environments, but are now learning autonomy and want to become responsible adults. For the young people in the center, this meeting brought them more courage, inspiration and motivation to strive for a better life.

### Santa's Elf Campaign

Every year, we join forces for a purpose: to bring the Christmas light into every child's eye. We acknowledge that not everyone has the same resources to live. We also know that lack of resources is an issue that has a number of negative effects, including on opportunities and physical and emotional health. As a result, our Christmas campaign is part of our philanthropic program that ensures a more equitable and balanced future for our society.

#### Result:

80 colleagues managed to bring a little joy to over 100 beneficiaries (children and old people), via three NGOs – *Inocenti Foundation, Un Pas spre Educație* and *United Way*.

### Fighting for disability – Climb Again

During August, our team consisting of 17 KPMG staff managed to give life to *Climb Again's* new sports center. The Climb Again Gruiu Center has a very special story; it is the sport-educational center project of the *Climb Again Sports Club Association*, the first center of its kind to be built alongside the community and dedicated to children and young people with special needs in Romania. This activity offered the chance to 300 children from disadvantaged or disabled backgrounds to train with specialized athletes and to take part in a community which offers them multisensory, personal development and creative workshops, accommodation services, a climbing center and a lot more.

## To summarize, financial year 2023 meant:

- Over 770 volunteers in our CSR Programs from KPMG in Romania and Moldova- a 168% increase compared to FY22
- More than 50 NGOs and Associations received our help in FY23
- Over 6,680 direct beneficiaries
- Over 2,468 volunteering hours - a 147% increase compared to FY22
- Over 4,200 pro-bono professional hours offered by 19 KPMG people to 20 Associations and NGOs
- Approx. EUR 452K were invested in CSR activities – a 5% increase compared to FY22

| Donations and sponsorships (charitable)       | 2022     | 2023     | Increase compared to prior year |
|---|----------|----------|---------------------------------|
| Money and time donations                      | 430 kEUR | 452 kEUR | 5%                              |
| Charitable sponsorships                       | 213 kEUR | 259 kEUR | 22%                             |
| Total donations and sponsorships (charitable) | 613 kEUR | 711 kEUR | 16%                             |
| Commitment of our employees                   | 2022     | 2023     | Increase compared to prior year |
| Volunteering hours                            | 1000     | 2468     | 147%                            |
| Number of volunteers                          | 287      | 770      | 168%                            |

| Goal  | Sub-Goal | Indicators   Targets  | How we target this   | Page in the report  |
|---|----------|---|--|---|
| <b>Goal 3</b><br><b>Ensure healthy lives and promote well-being for all at all ages</b><br> | 3.4      | By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being   | 3.4.1 Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease<br>3.4.2 Suicide mortality rate   | Our internal well-being program<br>36-37  |
|   | 3.8      | Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all | 3.8.1 Coverage of essential health services (defined as the average coverage of essential services based on tracer interventions that include reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases and service capacity and access, among the general and the most disadvantaged population)<br><br>3.8.2 Proportion of population with large household expenditures on health as a share of total household expenditure or income | Taxes paid to support the state health care system and access to private medical services for our employees<br>35, 52 |
| <b>Goal 5</b><br><b>Achieve gender equality and empower all women and girls</b><br>        | 5.1      | End all forms of discrimination against all women and girls everywhere  | 5.1.1 Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex   | Our hiring, rewarding and evaluation policies<br>35, 41-44  |
|   | 5.5      | Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life  | 5.5.1 Proportion of seats held by women in (a) national parliaments and (b) local governments<br><br>5.5.2 Proportion of women in managerial positions   | Our hiring, rewarding and evaluation policies<br>41-44  |



# Goal 8

## Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



|     |   |   |  |       |
|-----|---|---|--|-------|
| 8.1 | Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries   | 8.1.1 Annual growth rate of real GDP per capita   | Our hiring, rewarding and evaluation policies                            | 41-44 |
| 8.4 | Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead | 8.4.1 Material footprint, material footprint per capita, and material footprint per GDP<br>8.4.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP | Our efforts to reduce water and paper consumption and decrease emissions | 48-49 |
| 8.5 | Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life  | 5.5.1 Proportion of seats held by women in (a) national parliaments and (b) local governments<br>5.5.2 Proportion of women in managerial positions  | Our hiring, rewarding and evaluation policies                            | 44    |

# Goal 10

## Reduce inequality within and among countries






|      |   |  |   |       |
|------|---|--|---|-------|
| 10.2 | By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status | 10.2.1 Proportion of people living below 50 per cent of median income, by age, sex and persons with disabilities | Our hiring, rewarding and evaluation policies             | 41-44 |
| 10.5 | Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations  | 10.5.1 Financial Soundness Indicators  | Via our work and services as well as our governance model | 10    |

# Goal 12

## Ensure sustainable consumption and production patterns



|      |   |   |                        |       |
|------|---|---|------------------------|-------|
| 12.2 | By 2030, achieve the sustainable management and efficient use of natural resources                | 12.2.1 Material footprint, material footprint per capita, and material footprint per GDP<br>12.2.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP | Our Planet commitments | 46-48 |
| 12.5 | By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse | 12.5.1 National recycling rate, tons of material recycled   | Our Planet commitments | 46-48 |

|                           |  |              |   |   |   |                          |
|---------------------------|--|--------------|---|---|---|--------------------------|
| <p><b>Goal<br/>12</b></p> | <p><b>Ensure sustainable consumption and production patterns</b></p>    | <p>12.6</p>  | <p>Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> | <p>12.6.1 Number of companies publishing sustainability reports</p>   | <p>Our own report as well as the reports published by our clients</p>                           | <p>Our Impact Report</p> |
| <p><b>Goal<br/>13</b></p> | <p><b>Take urgent action to combat climate change and its impacts</b></p>    | <p>13.3</p>  | <p>Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>                   | <p>13.3.1 Extent to which (i) global citizenship education and (ii) education for sustainable development are mainstreamed in (a) national education policies; (b) curricula; (c) teacher education; and (d) student assessment</p> <p>13.3.2 Number of countries that have communicated the strengthening of institutional, systemic and individual capacity-building to implement adaptation, mitigation and technology transfer, and development actions</p> | <p>Our ESG related training programs</p>  | <p>40</p>                |
| <p><b>Goal<br/>17</b></p> | <p><b>Strengthen the means of implementation and revitalize the global partnership for sustainable development</b></p>  | <p>17.14</p> | <p>Enhance policy coherence for sustainable development</p>   | <p>17.14.1 Number of countries with mechanisms in place to enhance policy coherence of sustainable development</p>  | <p>Our participation in international and national bodies promoting sustainable development</p> | <p>11</p>                |



# INDEPENDENT LIMITED ASSURANCE REPORT ON KPMG's IMPACT PLAN 2023

December 2024

Produced by:

Finexpert – Boscolo Audit & Advisory SRL

## **INDEPENDENT LIMITED ASSURANCE REPORT ON KPMG'S IMPACT PLAN 2023**

### **TO THE MANAGEMENT OF KPMG ROMANIA SRL**

We have undertaken a limited assurance engagement on KPMG Romania Combined sustainability information as included in the report "KPMG's: Our Impact Plan 2023".

Our assurance engagement extends to all the information within the scope of assurance linked to or from the Sustainability Information within the report Impact Plan 2023. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than KPMG Romania for our work, for this independent assurance report, or for the conclusions we have reached.

### **OUR LIMITED ASSURANCE OPINION**

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that KPMG ROMANIA's Combined Sustainability Information included in the "KPMG: Our Impact Plan 2023" is not prepared, in all material respects, in accordance with the GRI Standards and the basis of preparation set out in section (2) and (12) of the "KPMG: Our Impact Plan 2023", titled *Sustainability Reporting* and *GRI Content Index*, respectively (see also below under 'Understanding how KPMG Romania has prepared the Sustainability Information').

The scope of assurance was determined by KPMG Romania SRL in accordance with the materiality principles as defined by the GRI. As KPMG Romania's reporting processes mature, the scope of assurance will expand over time. KPMG Romania, does not meet the criteria set by the Romanian legislation for the assurance of sustainability-related information. The organisation is able to select the scope and level of assurance to be provided by a practitioner.

The extent of evidence-gathering procedures for a limited assurance engagement is less than for a reasonable assurance engagement, and therefore a lower level of assurance is provided. Our conclusions are based on the appropriate application of the criteria outlined in KPMG Romania's environmental reporting methodologies.

### **UNDERSTANDING HOW KPMG ROMANIA HAS PREPARED THE SUSTAINABILITY INFORMATION**

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure sustainability information allows

for different but acceptable measurement techniques that can affect comparability between entities and over time.

Consequently, the Sustainability Information needs to be read and understood together with the GRI Standards used, and the basis of preparation set in section (2) and (12) of the “KPMG: Our Impact Plan 2023”, titled *Sustainability Reporting* and *GRI Content Index*, respectively (together ‘the Criteria’), which KPMG Romania has used to prepare the Combined Sustainability Information.

## **INHERENT LIMITATIONS IN PREPARING THE SUSTAINABILITY INFORMATION**

The Sustainability Information may include information based on hypothetical situations such as climate-related scenarios or other future events subject to inherent uncertainty because of incomplete scientific and economic common knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.

## **KPMG ROMANIA’S RESPONSIBILITIES**

The management of KPMG Romania SRL is responsible for preparing the Report “KPMG’s: Our Impact Plan 2023” and the information and statements within it. They are responsible for the identification of stakeholders and material issues, for defining objectives with respect to sustainability performance, and for establishing and maintaining appropriate performance management and internal control systems from which reported information is derived.

Also KPMG Romania is responsible for:

- Selecting or establishing suitable criteria for preparing the Sustainability Information, taking into account applicable law and regulations related to reporting the Sustainability Information;
- The preparation of the Sustainability Information in accordance with the Criteria;
- Designing, implementing, and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.

## OUR RESPONSIBILITIES

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error.
- Forming an independent opinion, based on the evidence we have obtained; and
- Reporting our opinion to the KPMG Romania governance.
- As we are engaged to form an independent opinion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

## PROFESSIONAL STANDARDS APPLIED

We performed a limited assurance engagement in accordance with *International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information* and, in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with *International Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board.

## OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

An independent and multidisciplinary team carried out our work, including assurance practitioners, engineers, and sustainability specialists. We remain solely responsible for our assurance conclusion.

## **SUMMARY OF THE WORK WE PERFORMED AS THE BASIS FOR OUR ASSURANCE CONCLUSION**

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Information. The nature, timing and extent of procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error, in the Sustainability Information. In making those risk assessments, we considered internal control relevant to KPMG ROMANIA's preparation of the Sustainability Information. A limited assurance engagement also includes:

- Evaluating the suitability in the circumstances of KPMG ROMANIA's use of the Criteria, as the basis for preparing the Sustainability Information;
- Evaluating the appropriateness of measurement and evaluation methods, reporting policies used and the limitedness of estimates made by KPMG ROMANIA; and
- Evaluating the disclosures and overall presentation of the Sustainability Information.

To form our conclusions, we undertook the steps outlined below:

1. Interviewed a selection of KPMG Romania's process owners to understand the current status of sustainability activities and the progress made during the reporting period.
2. Reviewed selected group level documents relating to sustainability aspects of KPMG Romania's performance to understand the progress made across the organisation and test the coverage of topics within the Report.
3. Carried out the following activities to review sustainability data samples and processes:
  - a. Reviewed disaggregated sustainability data reported by a sample of KPMG Romania areas of activity to assess whether the data had been collected, consolidated and reported accurately.
  - b. Reviewed and challenged supporting evidence from the sample of businesses.
  - c. Tested whether sustainability data had been collected, combined, and reported appropriately at the group level.

4. Reviewed the coverage of material issues within the Report “KPMG’s: Our Impact Plan 2023” against the key sustainability issues derived from KPMG Romania’s processes for determining material sustainability issues.
5. Reviewed information or explanations about selected data, statements, and assertions within the Report regarding KPMG Romania’s sustainability performance.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

**Camillo Giovannini**



Registered with the Chamber of Auditors in Romania

With authorization no. 4354/2012

Registered with the Authority for Public Supervision  
of the Statutory Audit Activity

With authorization no. 139273/2024

*Finexpert-Boscolo Audit & Advisory srl*  
**Finexpert - Boscolo Audit and Advisory SRL**

Popa Petre Street, No.5 , District 2, Bucharest

Registered with the Chamber of Auditors in Romania

With authorization no. 334/2002

Registered with the Authority for Public Supervision  
of the Statutory Audit Activity

With authorization no. 141921/2024

2<sup>nd</sup> of December, 2024



# GRI Content Index

| GRI Standards                                 | Disclosure   | Location     | Omission               |        |             |
|---|--|--------------|------------------------|--------|-------------|
|   |  |              | Requirement(s) omitted | Reason | Explanation |
| <b>GRI 2:<br/>General Disclosure<br/>2021</b> | Disclosure 2-1: Organizational details   | Pages 8-9    |                        |        |             |
|   | Disclosure 2-2: Entities Included in the organization's sustainability reporting | Page 8       |                        |        |             |
|   | Disclosure 2-3: Reporting period, frequency and contact point                    | Pages 15, 72 |                        |        |             |
|   | Disclosure 2-4: Restatement information  | Page 15      |                        |        |             |
|   | Disclosure 2-5: External assurance   | Page 15      |                        |        |             |
|   | Disclosure 2-6: Activities, value chain and other business relationships         | Pages 8-10   |                        |        |             |

# GRI 2: General Disclosure 2021

|  |                |   |                |  |
|--|----------------|---|----------------|--|
| Disclosure 2-7 Employees   | Pages 8, 32-34 | Non guaranteed hours of employment<br>Temporary employees | Not applicable | No legal support for this type of working contract<br>We had no such employees during the reporting period |
| Disclosure 2-8: Workers who are not employees  |                | Workers who are not employees                             | Not applicable | We do not have this type of worker   |
| Disclosure 2-9: Governance structure and composition   | Page 22        |   |                |  |
| Disclosure 2-10: Nomination and selection of the highest governance body                     | Page 22        |   |                |  |
| Disclosure 2-11: Chair of the highest governance body  | Page 22        |   |                |  |
| Disclosure 2-12: Role of the highest governance body in overseeing the management of impacts | Page 22        |   |                |  |
| Disclosure 2-13: Delegation of responsibility for managing impacts                           | Page 22        |   |                |  |
| Disclosure 2-14: Role of the highest governance body in sustainability reporting             | Page 22        |   |                |  |
| Disclosure 2-15: Conflict of interest  | Pages 25-26    |   |                |  |

# GRI 2: General Disclosure 2021

|   |                 |  |
|---|-----------------|--|
| Disclosure 2-16: Communication of critical concerns                           | Page 22         |  |
| Disclosure 2-17: Collective knowledge of the highest governance body          | Page 22         |  |
| Disclosure 2-18: Evaluation of the performance of the highest governance body | Pages 41-42     |  |
| Disclosure 2-19: Remuneration policies  | Page 44         |  |
| Disclosure 2-20: Process to determine remuneration                            | Page 44         |  |
| Disclosure 2-21: Annual total compensation ratio                              | Page 44         |  |
| Disclosure 2-22: Statement on sustainable development strategy                | Pages 5-6       |  |
| Disclosure 2-23: Policy commitments   | Pages 22, 24-28 |  |
| Disclosure 2-24: Embedding policy commitments                                 | Pages 22, 24-28 |  |
| Disclosure 2-25: Processes to remediate negative impacts                      | Page 22         |  |
| Disclosure 2-26: Mechanisms for seeking advice and raising concerns           | Page 22         |  |

## GRI 2: General Disclosure 2021

Disclosure 2-27: Compliance with laws and regulations

Pages 22, 24

Disclosure 2-28: Membership associations

Page 11

Disclosure 2-29 Approach to stakeholder engagement

Page 19

Disclosure 2-30: Collective bargaining agreements

Page 32

## GRI 201

Economic Performance

Page 10

## GRI 202

Market presence

Page 8

## GRI 203

Indirect economic impacts

Page 52

## GRI 204

Procurement practices

Pages 28, 52

## GRI 205

Anti-corruption

Pages 22, 25

## GRI 206

Anti-competitive behavior

Pages 22, 24

## GRI 207

Tax

Page 52

|                |                                    |             |  |               |  |
|----------------|------------------------------------|-------------|--|---------------|--|
| <b>GRI 301</b> | Materials                          |             |  | Not material  |  |
| <b>GRI 302</b> | Energy                             | Page 49     |  |               |  |
| <b>GRI 303</b> | Water and effluents                | Pages 48-49 |  |               |  |
| <b>GRI 304</b> | Biodiversity                       |             |  | Not material  |  |
| <b>GRI 305</b> | Emissions                          | Pages 46-47 |  |               |  |
| <b>GRI 306</b> | Effluents and waste                |             |  | Not material  |  |
| <b>GRI 308</b> | Supplier environmental assessments |             |  | Not performed |  |
| <b>GRI 401</b> | Employment                         | Pages 32-44 |  |               |  |
| <b>GRI 402</b> | Labor/Management relations         | Page 33     |  |               |  |
| <b>GRI 403</b> | Occupational Health&Safety         | Page 26     |  |               |  |
| <b>GRI 404</b> | Training and Education 2016        | Pages 38-40 |  |               |  |

|                |  |                     |  |                |  |
|----------------|--|---------------------|--|----------------|--|
| <b>GRI 405</b> | Diversity and Equal Opportunity                  | Pages 42-44         |  |                |  |
| <b>GRI 406</b> | Non-discrimination                               | Pages 33, 35, 41-42 |  |                |  |
| <b>GRI 407</b> | Freedom of association and collective bargaining |                     |  | Not applicable |  |
| <b>GRI 408</b> | Child labor                                      |                     |  | Not applicable |  |
| <b>GRI 409</b> | Forced or compulsory labor                       |                     |  | Not applicable |  |
| <b>GRI 410</b> | Security practices                               |                     |  | Not applicable |  |
| <b>GRI 411</b> | Right of Indigenous People                       |                     |  | Not applicable |  |
| <b>GRI 413</b> | Local communities                                |                     |  | Not applicable |  |
| <b>GRI 415</b> | Public policy                                    | Pages 29, 52-55     |  |                |  |
| <b>GRI 416</b> | Customer Health and safety                       |                     |  | Not material   |  |
| <b>GRI 417</b> | Marketing and labelling                          |                     |  | Not material   |  |
| <b>GRI 418</b> | Customer privacy                                 | Pages 22, 26-27     |  |                |  |

## Abbreviations and acronyms

|                       |   |
|-----------------------|---|
| <b>BREEAM</b>         | Building Research Establishment Environmental Assessment Method |
| <b>CDP</b>            | Carbon Disclosure Project                                       |
| <b>CO<sub>2</sub></b> | Carbon dioxide  |
| <b>CSR</b>            | Corporate Social Responsibility                                 |
| <b>DEE</b>            |   |
| <b>ERM</b>            | Enterprise Risk Management                                      |
| <b>ESG</b>            | Environment, Social and Governance                              |
| <b>EU</b>             | European Union  |
| <b>FY</b>             | Financial year  |
| <b>GHG</b>            | Greenhouse Gas  |
| <b>GRI</b>            | Global Reporting Initiative                                     |
| <b>H</b>              | Hours   |
| <b>IBC</b>            | International Business Council                                  |
| <b>IESBA</b>          | International Code of Ethics for Professional Accountants       |
| <b>IIRC</b>           | International Integrated Reporting Council                      |
| <b>ISQM1</b>          | International Standard on Quality Management 1                  |
| <b>KPI</b>            | Key Performance Indicators                                      |
| <b>KQCE</b>           | KPMG Quality & Compliance Evaluation                            |
| <b>NGO</b>            | Non-governmental organization                                   |
| <b>QPRs</b>           | Quality Performance Reviews                                     |
| <b>SBTI</b>           | The Science Based Targets initiative                            |
| <b>SDGs</b>           | Sustainable Development Goals                                   |
| <b>TCFD</b>           | Task Force on Climate-related Financial Disclosures             |
| <b>UNGC</b>           | United Nations Global Compact                                   |
| <b>WBCSD</b>          | World Business Council for Sustainable Development              |
| <b>WEF</b>            | World Economic Forum  |



**Ramona Jurubiță**  
Country Managing Partner  
KPMG in Romania



**René Schöb**  
Partner,  
Head of Tax & Legal  
KPMG in Romania



**Tudor Grecu**  
Partner,  
Head of Advisory  
KPMG in Romania



**Adela Ciucioi**  
Partner,  
Head of Audit & Assurance  
KPMG in Romania



**Cezar Furtună**  
Partner,  
Audit  
KPMG in Romania



**Inga Țigai**  
Partner,  
Tax  
KPMG in Romania



**Ori Efraim**  
Partner,  
Audit  
KPMG in Romania



**Aura Giurcaneanu**  
Partner,  
Audit  
KPMG in Romania



**Laura Toncescu**  
Partner,  
Head of KPMG Legal-  
Toncescu și Asociații



**Angela Manolache**  
Partner,  
Advisory  
KPMG in Romania



**Andreea Vasilescu**  
Partner,  
Audit  
KPMG in Romania



**Horațiu Mihali**  
Partner,  
Audit  
KPMG in Romania



**Alin Negrescu**  
Partner,  
Tax  
KPMG in Romania



**Daniel Pană**  
Partner,  
Tax  
KPMG in Romania



**Mădălina Racovițan**  
Partner,  
Tax  
KPMG in Romania



**Nicoleta Rusu**  
Partner,  
Audit  
KPMG in Romania



**Raluca Soare**  
Partner,  
Audit  
KPMG in Romania



**Daniela Strusevici**  
Partner,  
Audit  
KPMG in Romania



**Richard Perrin**  
Partner,  
Advisory  
KPMG in Romania



**Gabriel Tănase**  
Partner,  
IT Advisory  
KPMG in Romania



**Ioana Rizea-Popp**  
Partner,  
Audit  
KPMG in Romania



**Irina Rubeli**  
Partner,  
Audit  
KPMG in Romania



**Mihaela Ionescu**  
Partner,  
Markets  
KPMG in Romania



**Andreea Niculae**  
Partner,  
Advisory  
KPMG in Romania

## CONTACT



**Corina Constantin**  
Associate Partner,  
Energy, Sustainability  
and Climate Change  
KPMG in Romania



**Roxana Suci**  
Director,  
Energy, Sustainability  
and Climate Change  
KPMG in Romania

### KPMG in Romania

KPMG in Romania,  
DN1, Soseaua Bucuresti-Ploiesti nr. 89A,  
Sector 1, Bucuresti 013685,  
Romania,  
P.O. Box 18 – 191  
Tel: +40 372 377 800



**Antonela Ghindă**  
Board Member,  
KPMG in Romania



**Robert Maxim**  
Board Member,  
KPMG in Romania



**Bogdan Vlad**  
Audit Partner,  
Risk Management Partner  
KPMG in Romania

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