Annual and Sustainability report

2024

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Rune Skjelvan's reflections on the past year

Trust as Foundation

In a world characterized by rapid change and uncertainty, trust is our most important resource. KPMG plays a central role in ensuring trust between people, businesses, and institutions. Through insight, advice, and implementation, we create a safe environment for enterprises to invest, create jobs, and deliver valuable services, even in challenging times.

Strong Growth and Strategic Progress

KPMG has completed a successful 2024. We increased revenues by 500 million kroner, a rise of 18 percent from 2023. I am proud of our employees who have contributed to these solid results. Our strategy, where customers, technology, and especially our motivated employees are at the core, ensures we build a modern and robust KPMG for the future. We have invested in our employees through new development programs at all levels, with particular focus on leadership and our values. At the same time, we have earnestly started integrating artificial intelligence into our services, which has contributed to increased efficiency and quality as well as added value for our customers. The strong growth in FY24 shows that we are succeeding thus far. Our goal is not to become the largest, but to be the best. We want KPMG to be a place where people thrive and develop, whether they build a long career with us or take their experience forward to other enterprises. We stand firm in our commitments to diversity and inclusion, even in times when these values are under pressure.

Challenges in a Demanding Year

Many enterprises have faced major challenges in the past year. Geopolitical unrest, economic uncertainty, and regulatory changes have forced leaders to make tough choices. In spring 2024, we interviewed top executives from some of Norway's largest companies, and they were clear that the ability for both rapid transformation and long-term thinking is the key to navigating this uncertain landscape.

The Climate Crisis Still Requires Action

Amid geopolitical and economic unrest, we must not lose sight of the climate crisis. It is equally serious, even though it receives less attention in the public debate now than previously. We must act faster in this area. KPMG has committed to setting climate targets in accordance with Science Based Targets (SBT), and actively contributes expertise and solutions that help the business sector reduce emissions.

A Look Toward the Future

Despite the challenges, we also see great opportunities. For KPMG, for society, and for the climate. We believe in a future characterized by continued growth, innovation, and sustainable solutions – and we will be a driving force in this development.

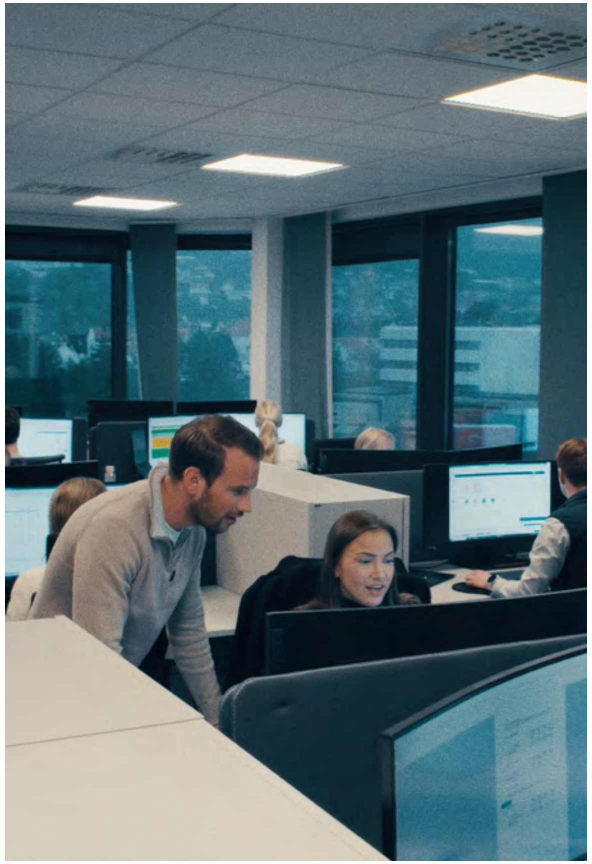
Key figures

Revenue in MNOK:

3,283.1

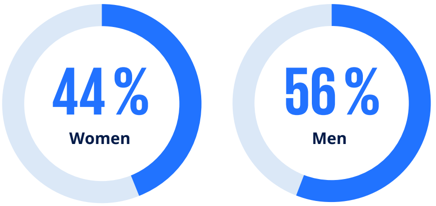
Revenue growth:

15.3 %



Number of employees:

1,720



Share of female partners: 17 %

Initiatives KPMG participates in:

UN Global Compact / Eco Lighthouse / EcoVadis / Seema / Sammen om en jobb (Together for a Job) / Women's Board Award

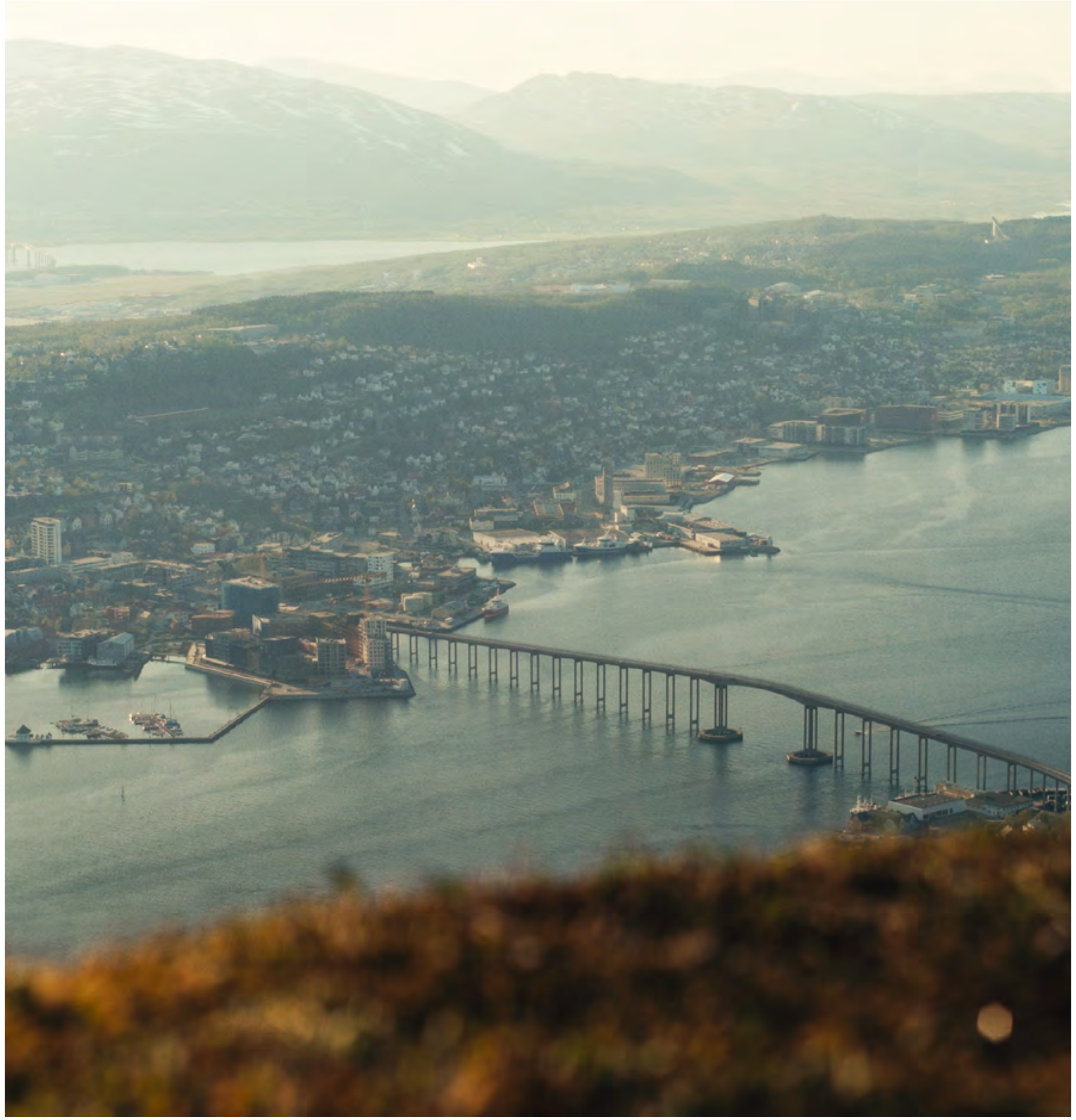
Hours spent on competence development:

59 h

per employee

Business, Values and Strategy

KPMG helps enterprises protect and create value. At KPMG, we work with many of Norway's and the world's largest companies, across all industries and sectors. We know the regulatory environment in all countries and maintain close relationships with international organizations and their networks. This places us in a unique position to help enterprises and authorities worldwide solve the major challenges we face, whether relating to the climate crisis, economic stability, or technology development.



This is KPMG in Norway

The Norwegian KPMG companies consist of KPMG Holding and KPMG Law Advokatfirma, where the latter is a collaborating company. We have a total of around 1,900 employees, distributed across 21 offices throughout the country. One of our major competitive advantages is our ability to share expertise across geography and professional areas to solve complex challenges for our customers.

We are particularly focused on the business sector's framework conditions, sustainable growth, technological transformation, security and total defense, as well as the need for trust between different societal actors.

Our Norwegian history stretches back more than 100 years. Through the years we have grown significantly, and what was previously a pure audit company is now a comprehensive professional services firm that delivers solutions for our customers' entire enterprise.

As auditors and advisors, we have a strong focus on local business conditions and possess deep expertise in Norwegian laws and regulations. At the same time, we always follow international developments closely, and assist customers who operate worldwide. We then leverage our global network, consisting of around 275,000 professionals worldwide. We collaborate closely on projects, share tools, methodology, knowledge and insights, and develop technology and solutions together.

Our global network enables us to make significant investments in innovation and key strategic areas, helping guide international businesses toward a greener and more digital future.

1900	21	275 000
employees	offices	professionals globally

Organization

KPMG Holding AS owns 100% of the subsidiary KPMG AS, an approved Norwegian audit firm. KPMG AS is the main company and general partner in KPMG Indre Selskap. In addition, KPMG AS owns the subsidiaries KPMG Regnskapsservice AS and KPMG Technology Solutions AS.

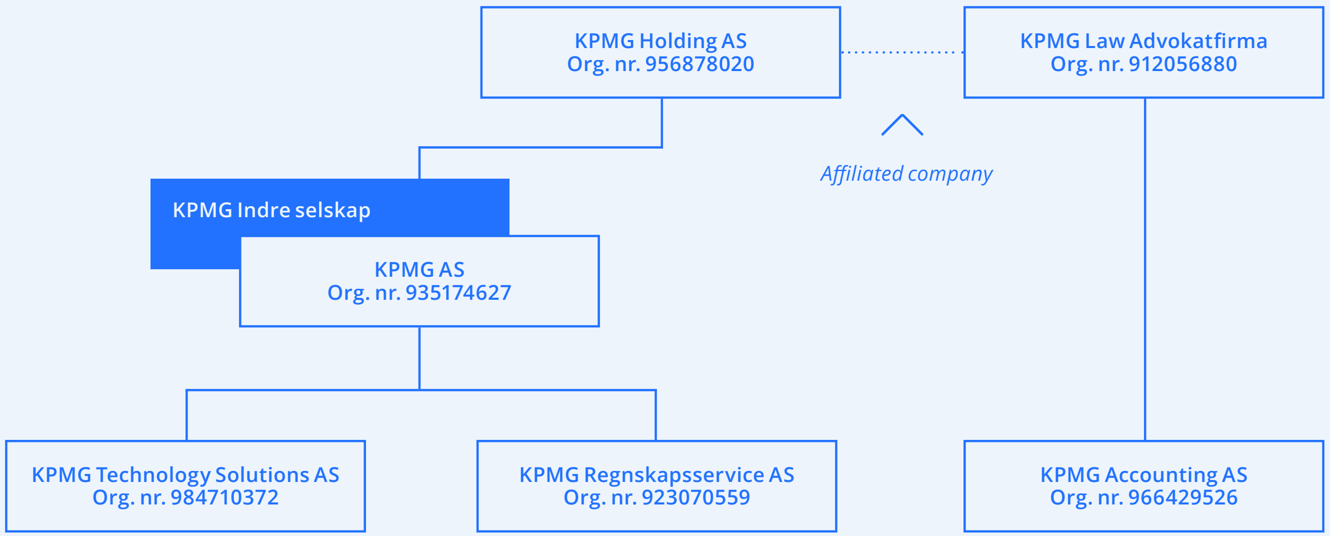
KPMG Law Advokatfirma AS, with its subsidiary KPMG Accounting AS, is an associated company but operates independently. KPMG Law Advokatfirma AS is regulated by the Courts of Justice Act, the Legal Profession Act with regulations, and rules for Professional Legal Conduct .

KPMG Holding AS is approved as an audit firm under section 4-1 of the Auditors Act, but does not conduct audit operations or deliver services directly to customers. Customer-focused services are delivered through:

- KPMG AS (audit and advisory)
- KPMG Regnskapsservice AS (authorized accounting firm)
- KPMG Technology Solutions AS

KPMG Indre Selskap handles all operations within KPMG AS, but does not operate externally. The Norwegian KPMG companies are collectively managed by a national leadership team and are referred to in the report as KPMG Norway.

Organization chart



Business Areas in the KPMG Companies

Audit & Assurance is the audit division of our business. Through our services, we provide quality assurance and verify corporate information, thereby building critical trust between societal stakeholders. We have a broad customer portfolio spanning from large publicly listed companies and international enterprises, to small and medium-sized businesses and non-profit organizations.

Advisory is the consulting division of KPMG. We work with many of Norway's largest and most essential enterprises in both the private and public sectors, but we also work with small and medium-sized businesses throughout the country. Through our services, we contribute to creating more robust and sustainable companies, and to strengthening public sector entities in their mission. We help implement new and appropriate technology, develop strategies, strengthen long-term profitability, reduce risk, and find good solutions to major challenges that affect the entire enterprise.

KPMG Law Advokatfirma is an independent law firm and associated company with KPMG Holding. The company has 179 employees and partners, and delivers services primarily within tax and duties, and business law.

KPMG Accounting AS, which is a wholly-owned subsidiary of KPMG Advokatfirma, delivers accounting and financial services to both public and private sector Norwegian companies, and foreign companies with operations in Norway.

Our values

Our values reflect who we are and what we stand for. They guide our behaviors day-to-day, informing how we act, the decisions we make, and how we work with each other, our clients and all stakeholders.

Integrity

We do what is right.

Excellence

We never stop learning and improving.

Courage

We think and act boldly.

Together

We respect each other and draw strength in our differences.

For Better

We do what matters.

Our Strategy

In a rapidly changing world, we need trust between people, institutions and businesses. At KPMG, we assist enterprises with insight, advice and execution capability, so they can continue to invest, hire and deliver services and products that people need, even in tougher times.

Complex challenges require broad expertise. KPMG's model combines audit, legal services and advisory, which allows us to assemble strong, multidisciplinary teams. This makes us both better equipped to help our customers and to be an attractive workplace with exciting development opportunities.

KPMG's ambition is to be Norway's most attractive multidisciplinary company. Our vision and mission will take us toward this ambitious goal.

Our vision is to be The Clear Choice

The market we operate in is highly dynamic and places great demands on us as a company. We must constantly remain relevant and stay ahead of developments.

Our mission - together we make a difference KPMG contributes to a robust and sustainable society by strengthening Norwegian enterprises, ensuring compliance with laws and regulations, and making them more competitive, both domestically and internationally.

Strategic focus on our goals

Our goal is to drive positive change for our customers and for society. In our strategy, which extends toward 2026, we plan for a strong and aggressive focus on the most important areas to become the clear choice for customers and employees, and to succeed in creating noticeable, positive change where we are involved. This means that we must be best at adopting new technology, know and understand our customers' reality, be innovative and quick to develop new services and have the most motivated people.

Financial Results

– FY24 in numbers

KPMG Norway delivered solid financial results in 2023/24, with strong revenue growth and increased profitability. The group has a solid financial position, good liquidity and a sustainable capital structure. Through targeted management, skills development and strategic investments, the company is well positioned for continued growth. The board and management view the future positively and continue the work to ensure quality and sustainability across all operations.

Financial Results

KPMG Holding has a non-standard financial year covering the period from October 1, 2023 to September 30, 2024. The company achieved an annual result of MNOK 38.8, an increase from MNOK 32.8 the previous year. The result is considered satisfactory, given the company's role as a holding company. The group's results for 2023/24 show solid growth:

Total revenue in MNOK:

3,283.1

(+15.3% from MNOK 2,846.4 last year)

Operating result in MNOK:

451.8

(up from MNOK 326.0)

Annual result in MNOK:

446.4

(increase of MNOK 134.1)

Equity ratio as of 30.09.24:

17.1 %

(down from 20.3% the year before)

Cash Flow and Investments:

Net cash flow from operational activities:

MNOK 422.8

(increase from MNOK 252.5)

Net change in cash:

MNOK 81.7

(up from MNOK -47.9)

Main reasons for variance between operating result and cash

– Ordinary depreciation
– Changes in work performed but not invoiced
– Customer receivables and supplier debt

Investments:

MNOK 37.3

(versus MNOK 45.1 last year)

Liquidity and Debt:

Liquidity holdings as of 30.09.24:

MNOK 345.5

(up from MNOK 263.8)

Short-term debt as share of total capital:

MNOK 37.3

(versus MNOK 45.1 last year)

Solid liquidity and financing situation:

The group can meet short-term debt with available liquidity.

The group has a strong financial position, with good capacity for self-funded investments and a sustainable capital structure. No research and development activities were conducted during the financial year. The company assesses the uncertainty related to results and financial position as low. The board confirms that the annual accounts provide a true and fair view of the group's position. There are no material events after the balance sheet date that affect the assessment of the company's results or financial situation.

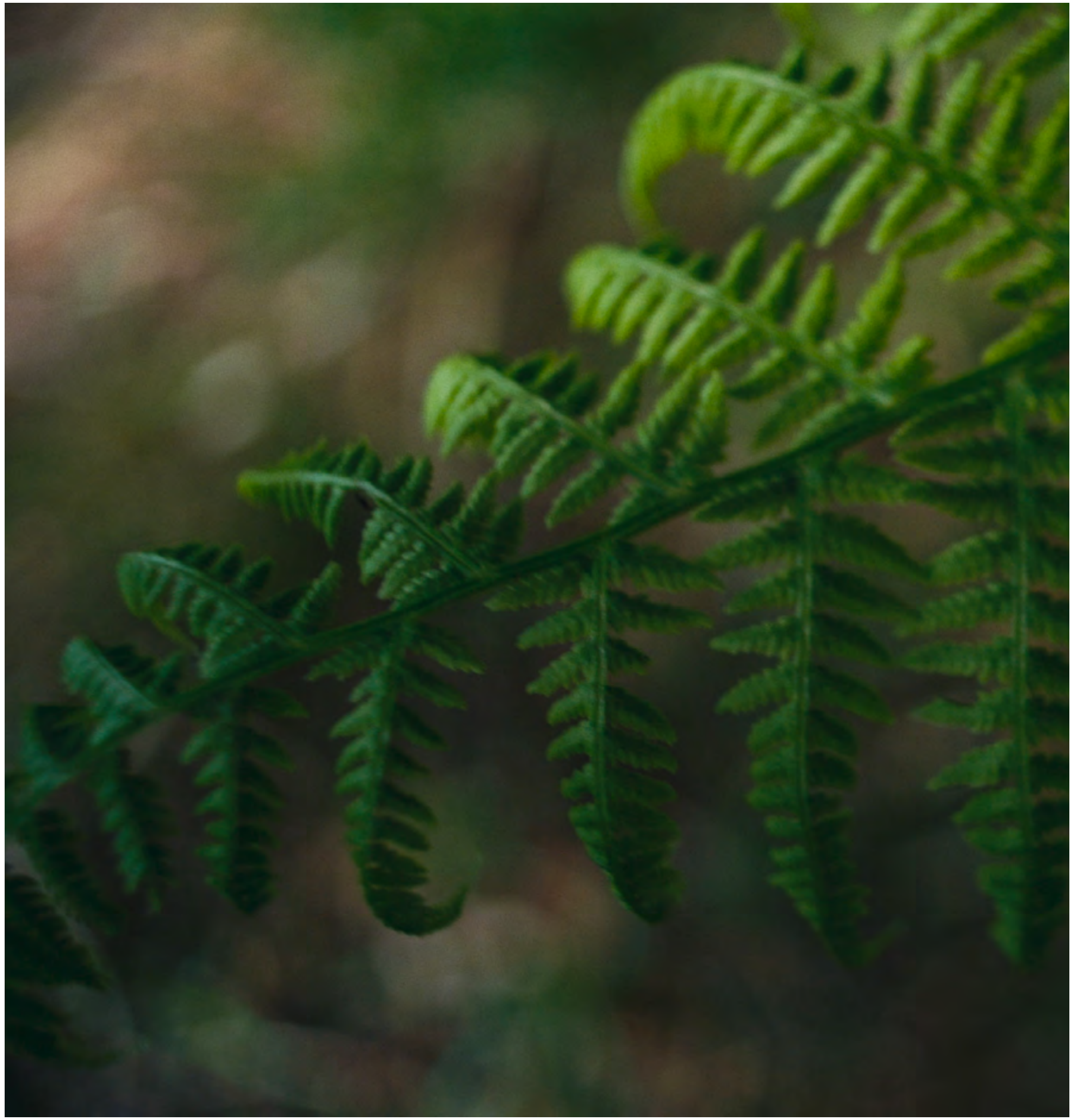
Sustainability Statement

We face turbulent times characterized by complex challenges. Climate change, biodiversity loss, overconsumption, demographic changes, political instability and technological development are just some of the critical issues society must handle today. KPMG aims to be a driving force for positive change by helping businesses and authorities navigate these complex challenges. We assist companies with strategy development, corporate governance and to succeed with sustainable transformation. It is through our customer-oriented work that KPMG has the greatest opportunity for positive impact.

We have a responsibility for how our own business affects society: to reduce our own footprint and contribute to the transition to a low-emission society, maintain high ethical standards and live by the values we promote, as well as ensure fair working conditions and prevent human rights violations in our value chains.

As a leading driver for sustainable transformation, we aim to ensure that our customers and society can trust the information that is reported - and that we live by the values we promote. KPMG Holding has committed to setting science-based targets through the Science Based Targets initiative (SBTi) and is a certified Eco-Lighthouse (Miljøfyrtårn). We are also a member of UN Global Compact and report on our sustainability work in EcoVadis, where we were awarded a silver medal for our sustainability work in 2023-2024.

This report describes our approach to sustainability across KPMG's Norwegian operations, highlights our areas of greatest impact, and outlines our guidelines and initiatives within our key sustainability matters. The report refers to ESRS requirements. For an overview of relevant reporting requirements that have been addressed, see the ESRS index on page 62.



General Disclosures

General basis for preparation of sustainability statement and disclosure of specific circumstances (BP-1, BP-2)

The sustainability report covers the 2024 fiscal year, from October 1, 2023 to September 30, 2024, and applies to KPMG Holding. From fiscal year 2026 (FY26), KPMG Holding will be required to report sustainability information in accordance with the Accounting Act and the EU's Corporate Sustainability Reporting Directive (CSRD). KPMG uses the European Sustainability Reporting Standards (ESRS) as the framework for a voluntary transition report. KPMG has previously reported according to the WEF framework.

KPMG Holding is collectively governed by a national management team and is referred to in the report as KPMG Norway. KPMG Law Advokatfirma has its own board and management team. The ownership and organization of the Norwegian KPMG companies is described on page 7.

Climate accounting and EU taxonomy

KPMG does not report on the EU taxonomy this year. KPMG will report according to the taxonomy regulation once KPMG Holding AS becomes subject to it. The climate accounting published in this report has been prepared for KPMG Holding and KPMG AS. Total emissions and measures to reduce emissions are monitored internally for the Norwegian KPMG companies. KPMG works continuously to improve data quality and reduce uncertainties in the climate accounting.

Supply chain insights

KPMG has limited insight beyond first-tier suppliers and therefore bases assessments on publicly available data and reports. This limits the precision of our impact, risk and opportunity analyses, as well as our internal reporting on these areas.

Improvements and uncertainties in climate accounting

In this year's climate accounting, both data collection and quality have been significantly strengthened. However, some uncertainties remain, particularly related to data sources and estimates:

- Data collection: Use of email and Excel increases the risk of human error, especially for scope 1, 2 and 3.
- Missing emission factors: Limited access to factors for detailed calculations in scope 3 category 1 (purchased goods and services) and category 2 (capital goods).
- Spend-based calculations: Used for category 1 (purchased goods and services), category 2 (capital goods) and category 4 (upstream transportation and distribution).
- Scaling up of calculations: Done for category 5 (waste) and category 7 (employee commuting) due to incomplete measurements, which increases uncertainty.
- Missing data on leased assets: Estimates used for category 8 (upstream leased assets), particularly related to leasing cars.

Governance and sustainability management

(GOV-1, GOV-2)

The Board

The Board is KPMG Holding's supreme governing and supervisory body. It has responsibility for long-term sustainable growth, risk management, internal control and strategy. The Board monitors business results and protects the KPMG brand. It also ensures that KPMG Norway reports on sustainability in accordance with legal requirements and handles sustainability-related risks and opportunities.

The Board consists of five shareholder-elected and four employee-elected members. The gender balance in KPMG AS is 40% women, 60% men. Employee representatives have the same rights as shareholder-elected members. All board members must safeguard the company's common interests.

In addition to the board, KPMG has the following committees/groups:

- **Election committee**
- **Partner committee**
- **National leadership team**
- **Disciplinary committee**
- **Compensation committee**

KPMG Holding has no independent board members.

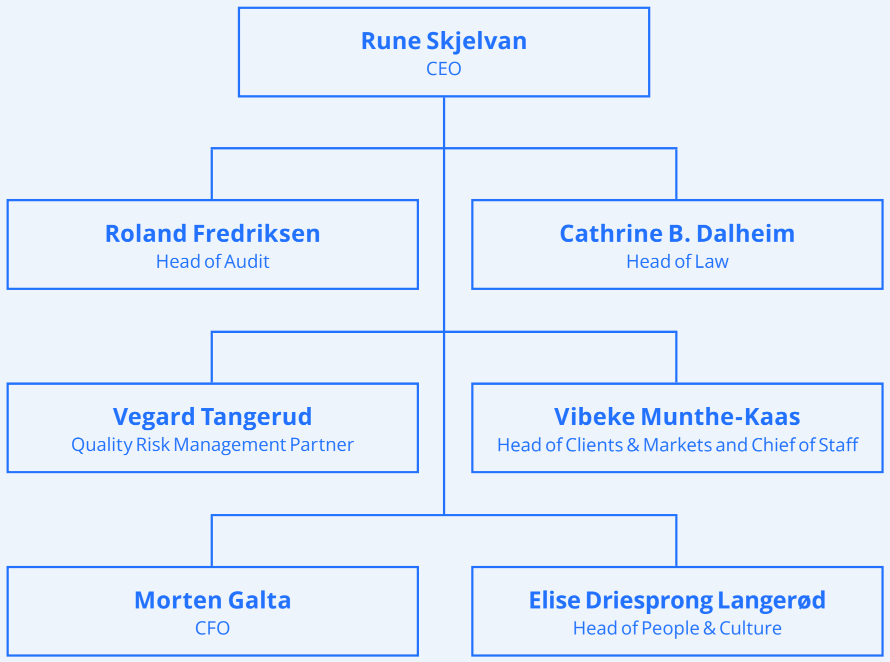
National leadership team

The national leadership team manages daily operations and implements the business plan within the Board's strategy. The team handles, among other things:

- Financial results and budgets
- New business opportunities and marketing
- Technology development and recruitment
- Salary and compensation policy
- Resource allocation and risk management

The leadership team consists of five members with a gender distribution of 60% men and 40% women. It is led by CEO Rune Skjelvan, who also appoints the members. As of October 2024, the team consists of:

National leadership team



The CEO has overall responsibility for the company's sustainability work and ensures compliance with ethics and business conduct guidelines.

Responsible roles within sustainability

Several leaders have specific sustainability responsibilities:

- **CFO:** Responsible for financial and sustainability reporting
- **Head of People & Culture:** Responsible for people strategy, IDE, HSE and employee due diligence assessments
- **Quality Risk Management Partner:** Ensures ethical standards, risk management and compliance
- **Head of Clients & Markets:** Handles communication, strategic partnerships and internal mobilization

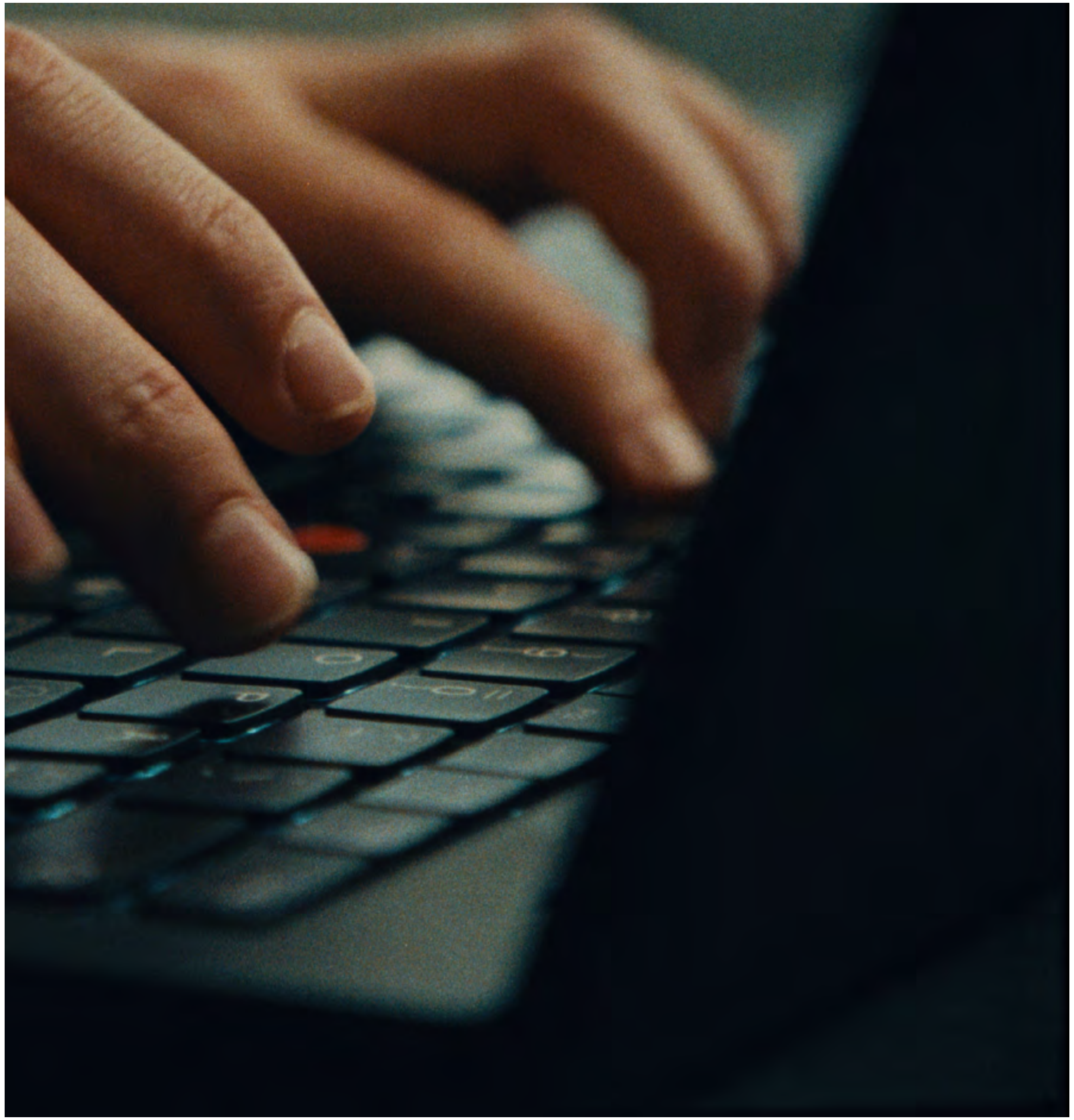
The **Procurement Officer** oversees procurement guidelines, due diligence assessment and supplier monitoring, reporting to the CFO. KPMG also draws on internal subject matter experts to ensure CSRD compliance and ESRS reporting.

In 2025, KPMG will establish a five-member sustainability group with representatives from different business areas covering our material sustainability matters.

These individuals will dedicate part of their time to developing and implementing sustainability initiatives and reporting. The group will report to KPMG's leadership team through the CFO.

Throughout the reporting period, the board and management received comprehensive briefings on CSRD and KPMG's preparations, particularly regarding science-based targets and corporate emissions. The double materiality assessment results have been discussed and endorsed by both the board and management.

Management reviews KPMG's diversity and inclusion (IDE) work and corporate culture (Culture Compass) at least twice annually. Starting in FY25, the national leadership team and board will conduct annual evaluations of our double materiality assessment, climate targets and transition plan. Sustainability progress, including target achievement, is reported quarterly. The sustainability group leader reports to the CFO and provides regular board and management updates following an established schedule.



Sustainability in incentive schemes (GOV-3)

Partner compensation at KPMG is determined annually based on a model designed to motivate, recognize and reward contributions to the company's development. The model promotes desired behaviors aligned with KPMG's strategy, leadership principles, objectives and values. For senior management, incentive schemes are linked to key sustainability matters, including diversity and inclusion, employee surveys, ethics and corporate culture.

Due diligence statement (GOV-4)

KPMG has established strategies and plans for sustainable business practices, along with relevant policies and guidelines for due diligence assessments approved by management. We have assigned internal responsibility for due diligence assessments and work continuously to integrate these assessments into daily operations.

We take a risk-based approach to due diligence and categorize and prioritize our suppliers and partners using recognized sources while also mapping risks in our own operations.

sFollow-up of classified risks and relevant stakeholders is tailored and differentiated for low, medium and high-risk categories. We also assess our leverage on outcomes. While our leverage doesn't directly change our responsibility, it helps determine which risk mitigation measures are appropriate.

The Procurement Officer and CFO are responsible for monitoring the effectiveness of our due diligence processes and measures implemented to address the company's material risks of harm or negative impact on people, society and the environment. We use our experience from due diligence work to ensure continuous improvement.

Central elements in due diligence assessments	Page in sustainability report
a) Embedding due diligence in governance, strategy and business model	16, 42, 52, 56
b) Engaging with affected stakeholders in central steps of the due diligence process	22, 43, 52
c) Identify and assess actual or potential negative impacts	18, 23, 26
d) Stop, prevent and reduce negative impacts	45, 53, 59
e) Monitor implementation and results, and communicate how impacts are addressed	45, 53, 59

Duties under the Transparency Act	Page in sustainability report
Description of the business and our stakeholders	15-22
Account for actual negative impacts and material risk identified through due diligence assessments in own operations	23, 26, 40-41
Account for actual negative impacts and material risk identified through due diligence assessments in the supply chain	23, 26, 51
Actions and results	45, 46, 53

Norwegian Transparency Act

KPMG AS and KPMG Technology Solutions are individually subject to the Norwegian Transparency Act requirements under section 3(a)(1-3). While KPMG Holding AS and KPMG Regnskapsservice AS are not directly covered, KPMG Regnskapsservice AS must still be included in KPMG AS's due diligence assessments and reporting under the consolidation rule.

The companies collaborate on shared functions including finance and procurement. All KPMG Norway companies are covered through our due diligence assessments and reporting. We have not identified any actual violations of human rights or decent working conditions in our supply chain during the reporting year. For information on how KPMG systematically conducts due diligence assessments and fulfills Transparency Act obligations, see the references in the table on the left.

Risk management and internal control

(GOV-5)

KPMG has begun formalizing procedures for risk management and internal control in sustainability reporting. The goal is to integrate these processes into the company's existing risk management and internal control systems. We work systematically with data collection and quality assurance, and have involved subject matter experts to ensure that reporting for FY2025 is complete and accurate in accordance with ESRS requirements.

As part of this transition report, we have developed a reporting tool that structures data collection and quality assurance. The tool reduces the risk of reporting errors by providing clear guidance on which requirements should be addressed, what data types should be used, and who is responsible for quality control. Through this process, we also ensure that underlying data is sufficiently documented and can be verified in future audits.

The reporting team maintains regular dialogue with the CFO and other management to identify and address risks and challenges along the way. In preparing for CSRD reporting, we have identified several risk factors, particularly related to availability of information to meet reporting requirements. This is especially challenging for upstream value chain data, where we depend on information from external parties.

Working on the transition report has given us valuable insights into the challenges of sustainability reporting. We are using this experience to further strengthen our procedures for data collection, risk management and internal control.

Sustainability in strategy and business model

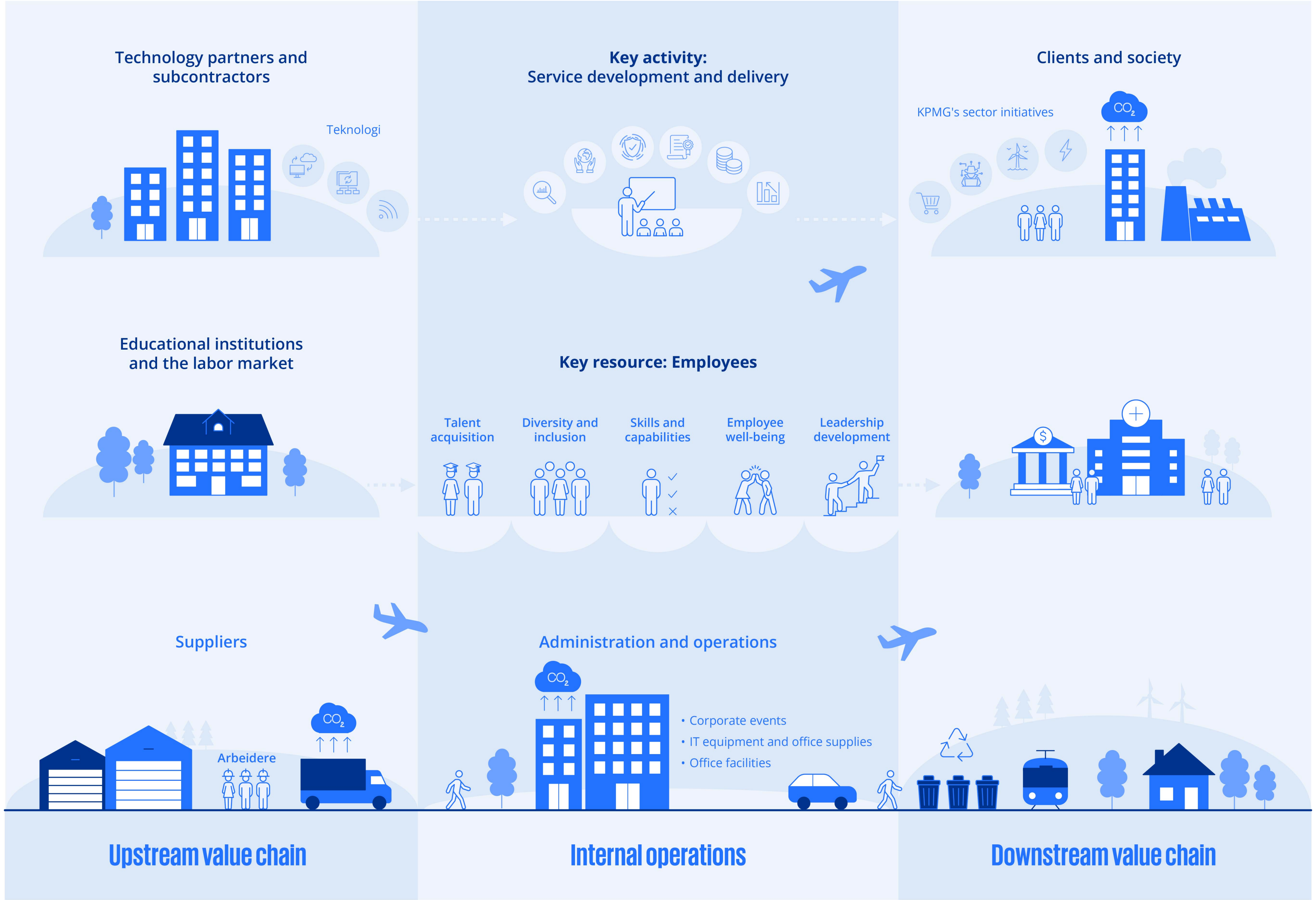
(SBM-1)

KPMG's greatest sustainability impact comes through helping clients comply with laws and regulations while conducting audits and assessments of economic, social and governance matters. We support companies through their sustainable transitions – from initial mapping and reporting preparation to strategy development and embedding sustainability into core business operations.

As auditors, we provide independent assurance on both financial and non-financial reporting, building trust in the information companies share with stakeholders. We integrate sustainability and environmental considerations throughout our daily operations. Our people are our most valuable asset, which is why we focus on creating an excellent work environment, fostering an inclusive culture and maintaining strong ethical standards.

We're actively working to reduce our climate footprint through emission-reduction initiatives in our offices and business travel. Our travel policy influences how we deliver services, and in FY2025 we'll establish clearer targets and actions to minimize our environmental impact. These changes will influence not just our own operations, but also our partners and clients across the value chain.

Our sustainability efforts directly support our vision of being the clear choice for clients and employees, and our mission to help build a robust and sustainable society through our expertise.



Value chain

KPMG Norway is a professional services firm delivering audit, assurance and advisory services. Our business model centers on developing and delivering services, either directly or through strategic partnerships. We primarily serve Norwegian clients, except for our aid and international development services, which have a global reach.

Our value chain encompasses service planning, execution and delivery, where collaboration with KPMG firms in other countries and technology partners is essential. Beyond our core activities, relationship building, sales and marketing are crucial, and our people are our most valuable asset. We recruit from the broader workforce while maintaining close partnerships with educational institutions to attract recent graduates. At KPMG, we develop many of tomorrow's leaders for Norwegian business. Our operations involve business travel and procurement of goods and services for internal and external use, and our people and facilities generate emissions and waste.

Our clients range from small and medium-sized enterprises to Norway's largest companies, including listed corporations. We also serve public sector entities and non-profit organizations. KPMG has particular expertise in healthcare, retail, infrastructure, energy, seafood, financial services and the public sector.

Stakeholders

KPMG has a broad range of stakeholders, and as a multidisciplinary business it's crucial that we listen actively to deliver services aligned with stakeholder expectations. Our most important stakeholder groups are shown in the table to the right.

The purpose of stakeholder dialogue is to identify and understand KPMG's direct and indirect impacts on our stakeholders and relevant sustainability matters such as climate, nature and social responsibility. Through dialogue, we also map the economic and operational risks and opportunities that stakeholders believe are important for KPMG to address.

Stakeholder input and materiality (SBM-2)

Dialogue with our stakeholders has provided important insights into KPMG's strategy and business model through our double materiality analysis. Employees are crucial to the company's operations and value creation, with themes related to work environment, equality, diversity and work-life balance highlighted as particularly important.

Trust and reputation themes, including independence, anti-corruption, anti-money laundering and corporate culture, are also emphasized as material among stakeholders. Environmental and climate matters as well as responsible supply chains are considered important areas, but are currently less directly connected to the company's core activities.

Description of stakeholders

Clients
KPMG delivers services that are strategically important, legally required or business-critical for our clients. Close dialogue with clients is crucial for fostering a trust-based relationship and providing relevant management advice. Also in work with independent attestations, dialogue and understanding of the client's reality is crucial.
Employees
Our people are our most important resource. Their well-being, motivation and professional development are crucial to KPMG's success. We depend on attracting employees with diverse skills, experience and backgrounds to deliver leading services.
Partners (owners)
Partners are owners, leaders and active contributors to the company's development and operations. A diverse partnership with broad competencies is crucial for succeeding with shared strategic goals.
Authorities
KPMG AS is regulated by the Financial Supervisory Authority. Other important regulatory bodies are the Norwegian Labour Inspection Authority and the Equality and Anti-Discrimination Ombud. We assist authorities through policy evaluation, ensure clients comply with laws and regulations, including payment of taxes and fees, and build trust through independent attestations.
Strategic alliances and technology platforms
KPMG collaborates closely with leading international technology platforms and strategic partners like Microsoft, ServiceNow and SAP. We contribute expertise that enables effective implementation and use of technology for our clients within workflow, data management, reporting and security.
Educational and research institutions
KPMG actively collaborates with educational institutions through lectures, internships, hiring of recent graduates and cooperation with research environments. Examples of important collaboration partners are the Research Center "Digital Innovation for Growth" at NHH, and educational institutions that offer master's programs in accounting and auditing.
Media and the public
We maintain ongoing dialogue with media to ensure transparency and contribute to an informed public debate. KPMG appears as experts within our subject areas, answers questions and provides media with relevant information we believe should be highlighted.

Material impacts, risks and opportunities (SBM-3)

The table below shows KPMG's material impacts, risks and opportunities. This is the first time we are reporting based on findings from our double materiality assessment, and thus also the first time these results are presented in the company's sustainability report.

KPMG has begun work on a climate transition plan. Through this work, we will gain better insight into the effects of various measures and make strategic choices that can affect the company's overall strategy and business model. Examples of such measures are reduced travel activity and less procurement of goods and services related to our service delivery and daily operations at our offices.

E1 Climate and environment				
Climate change	Actual negative impact	KPMG has a negative impact on climate change through direct and indirect greenhouse gas emissions related to heating of offices, electricity use, purchased goods and services and business travel.	Upstream, own operations	Short
Energy consumption	Actual negative impact	Negative impact resulting from energy consumption in buildings.	Own operations	Short, medium
Climate adaptation	Financial risk	More extreme weather can lead to increased insurance premiums or rental costs. It can also create disruptions in the communities where KPMG operates, which can result in revenue loss for the company.	Own operations	Long
Climate adaptation	Financial risk	If KPMG does not deliver high quality advisory and audit services related to clients' climate targets and transition plans, the company risks being accused of greenwashing, loss of trust and loss of potential revenue.	Own operations	Medium, long
Climate adaptation	Positive impact	By delivering high-quality advisory and audit services related to clients' climate targets, climate risk assessment, and transition plans, KPMG builds trust in our clients' climate initiatives, reduces greenwashing risks, and strengthens	Own operations, downstream value chain	Medium, long
S1 Own workforce				
Training and skills development	Actual positive impact	KPMG has a positive impact on the workforce through broad offerings for continuing education and skills development, both at a theoretical and practical level.	Own operations	Medium
Work environment	Faktisk positiv påvirkning	KPMG organizes several social gatherings for employees that contribute to social networks and new relationships.	Own operations	Short

Working conditions	Actual negative impact	Periods with high workload can lead to increased stress, burnout among employees, higher absence rates and a negative effect on work-life balance.	Own operations	Short
Gender equality	Potential negative impact	Underrepresentation of female partners and the risk of differential treatment in bonus arrangements for women and men can have a negative impact on employees' experience of having equal opportunities.	Own operations	Short
Diversity	Financial risk	If KPMG does not meet market expectations for diversity and inclusion, the company can lose tender processes and face challenges with recruiting new employees.	Own operations	Medium
Diversity	Financial opportunity	A systematic approach to diversity and inclusion can strengthen KPMG's ability to solve complex problems that require different perspectives and approaches.	Own operations	Medium, long
Training and skills development	Financial opportunity	A strong focus on skills development can increase KPMG's long-term revenue and competitiveness. By positioning itself as an employer that offers good career opportunities, it becomes easier to recruit and retain talents.	Own operations	Medium
S2 Workers in the value chain				
Working conditions	Potential negative impact	Failure to secure decent working conditions and respect for human rights in KPMG's value chain can create negative impact on workers.	Upstream value chain	Short, medium

Working conditions	Financial risk	Limited oversight of working conditions in KPMG's value chain poses financial risks, as the company may unknowingly collaborate with suppliers that violate human rights or maintain poor working conditions, leading to potential reputational damage, fines, and lost revenue.	Own operations, upstream value chain	Medium, long
G1 Business conduct				
Corporate culture	Financial risk	KPMG's combination of audit and advisory services can challenge the company's independence, which is crucial for maintaining trust and integrity in audit work.	Own operations	Medium, long
Corporate culture	Financial opportunity	Investing in initiatives that enhance customer trust and security, combined with driving organizational improvements, enables the company to attract top talent and secure more client engagements.	Own operations	Medium
Corporate culture	Potential negative impact	Breach of data protection regulations can put the company's customers at risk if sensitive data becomes public.	Downstream value chain	Medium
Management of supplier relationships	Financial risk	KPMG risks working with suppliers that negatively impact the environment and human rights due to limited visibility into its supply chain beyond direct suppliers.	Own operations	Long

Management of supplier relationships	Potential negative impact	Weak procurement processes and insufficient supplier oversight may result in adverse impacts including water overconsumption, deforestation, irresponsible mineral extraction, human rights violations, and environmental pollution affecting local communities and workers in the value chain.	Upstream value chain	Medium
ESG customer risk	Financial risk	Weaknesses in KPMG's QRM system can lead to the company inadvertently delivering services to or collaborating with companies that have significant negative impact on people, environment, climate or tax practices. Such relationships can damage KPMG's reputation and result in economic losses through loss of customers.	Own operations	Medium, long
Corporate governance	Potential positive impact	KPMG specializes in addressing complex societal challenges including financial crime, corruption, cybersecurity threats, human rights violations, and economic criminality. Our services in these areas can create positive impacts across society.	Downstream value chain	Short, medium, long
Corruption and bribery	Potential positive impact	Corruption, bribery and insider trading can harm both individuals and communities by fostering social inequality, undermining trust in public institutions, and creating economic instability.	Own operations, downstream value chain	Medium, long
Corruption and bribery	Financial risk	Risk of corruption and insider trading can lead to fines and weakened reputation.	Own operations	Medium
Protection of whistleblowers	Potential negative impact	Inadequate protection of whistleblowers can undermine trust in reporting systems, discouraging employees from raising concerns and risks creating unsafe work environments.	Own operations	Medium, long

KPMG's Double Materiality Assessment

(IRO-1)

KPMG has conducted a double materiality assessment based on the ESRS framework's list of topics and sub-topics to identify the company's material impacts, risks and opportunities (IRO). The work was carried out through a structured four-step process:

1 Understand

In the first step, KPMG mapped its activities, business relationships and relevant stakeholders to define the scope of the analysis. This included mapping which parts of the value chain could have actual or potential impacts on climate, environment, social conditions or governance.

2 Identify

In the second step, concrete impacts, risks and opportunities related to KPMG's operations and business relationships were identified to develop a comprehensive list of ESG-related IROs. We conducted interviews with 15 stakeholders, including representatives from KPMG's service areas, support functions, clients, and external experts. The interviews focused on how stakeholders experience KPMG's impact on ESG topics, or how ESG issues affect KPMG.

In addition to interviews, we analyzed approximately 20 internal guidelines and reports, conducted media searches, benchmarked against competitors, and engaged in dialogue with colleagues at other European KPMG offices.

3 Assess

In the third step, the comprehensive list of IROs was assessed through systematic scoring to prioritize the most material impacts, risks and opportunities. We evaluated impact materiality based on severity and likelihood, and financial materiality based on the likelihood and magnitude of economic effects, in accordance with ESRS 1.

All IROs were scored on a five-point scale. For potential negative human rights-related impacts, severity was prioritized over likelihood, in line with the ESRS framework.

The assessments were quality-assured through internal workshops with subject matter experts. The quantitative scoring was supplemented with an overarching qualitative assessment to ensure the shortlist accurately reflects KPMG's most material IROs.

4 Validate

In the final step, the analysis results were validated. IROs scoring above 3.5 were determined to be material for KPMG. The final list of material IROs was approved by KPMG's board and national leadership team.

Following the analysis, KPMG has begun establishing processes for monitoring and managing the IROs, including relevant guidelines, measures and targets for each sustainability matter.

The double materiality assessment covered matters within climate and environment, social conditions and governance. However, KPMG has not yet conducted specific climate or nature risk analyses or assessed individual locations for specific environmental IROs such as pollution, water consumption or circular economy impacts. Climate-related risks were identified and categorized as either physical or transition risks, but were not evaluated using scenario-based analysis.

In 2024, KPMG updated its previous materiality assessment, which was based on GRI standards and focused exclusively on impact materiality. Going forward, the double materiality assessment will be updated annually to ensure it continues to reflect the company's current situation.

KPMG's Material Sustainability Matters

Based on KPMG's double materiality assessment, the sustainability report includes information related to the following topics: (IRO-2)

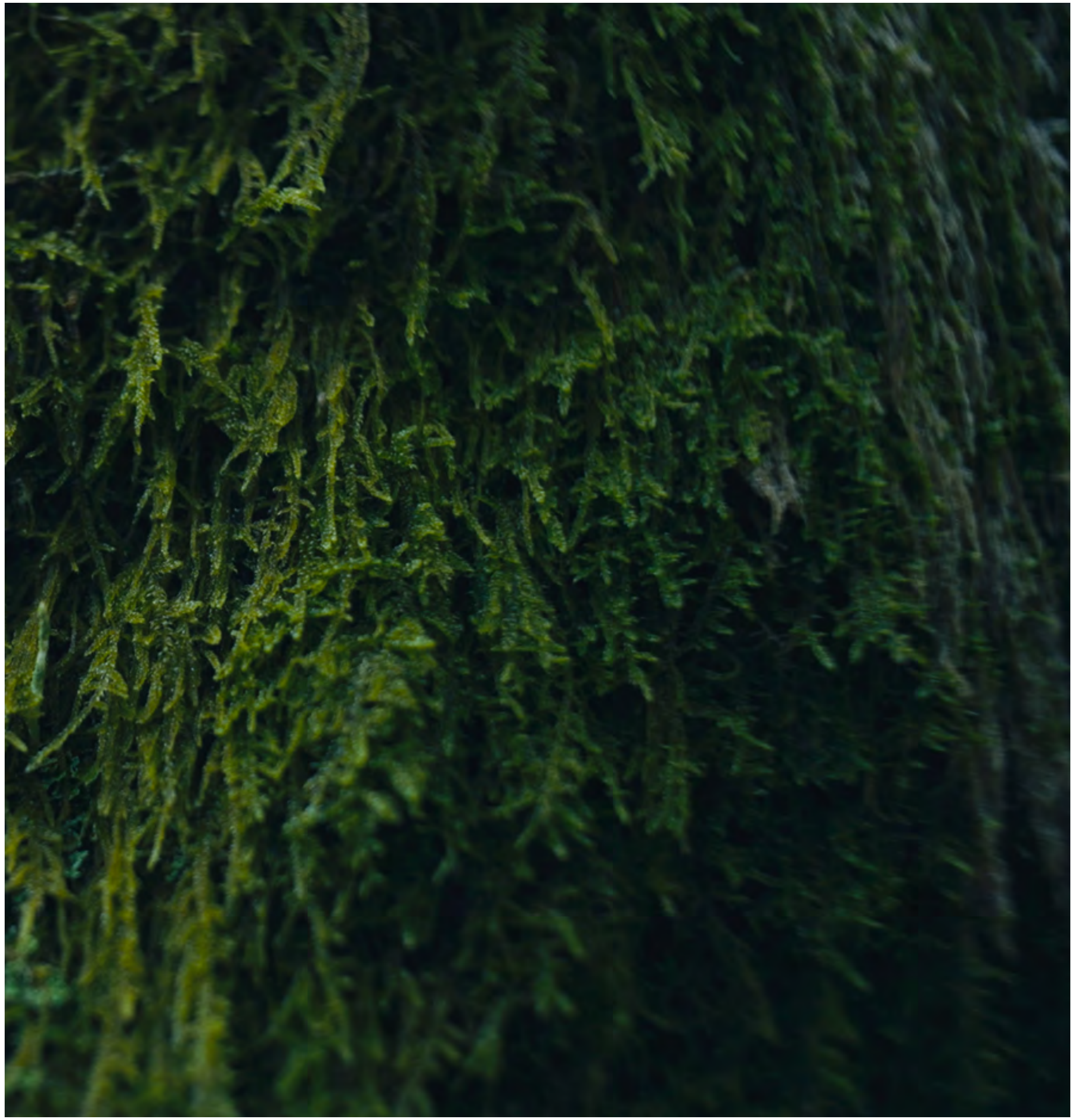
E1	S1	S2	G1
Climate change	Own workforce	Workers in the value chain	Business conduct

These topics are reported because KPMG has identified material impacts, risks or opportunities from either the impact perspective, the financial perspective, or both. To determine which specific reporting requirements should be included, KPMG has used EFRAG's guidance.

The conclusion is presented in the table below, which shows which requirements are considered material and where in the report these are addressed. In accordance with ESRS 1 section 3.2, we have assessed whether the material reporting requirements enable an accurate and precise description of our impacts, risks and opportunities.

Within certain areas, we have therefore chosen to adjust or supplement the information requirements in line with ESRS 2. For example, under reporting requirement S1-15 (work-life balance), we have provided additional information beyond the requirement for parental leave.

Conversely, we have chosen not to report on G1-6 (payment practices), despite having identified material risks related to supplier management. This is because the risk does not concern payment practices, but rather risk assessment and monitoring of suppliers' environmental and social conditions. This matter is adequately and precisely addressed under G1-2.



E

Climate and environment

Climate change has major consequences for people and society. The solution requires political measures and personal responsibility, but also significant efforts from the business sector. KPMG helps clients navigate new regulations and reporting requirements related to climate, nature and renewable energy. Through our services in climate transition, nature risk, circular business models and renewable energy, we are a driver of the green transition.

In our sustainability strategy, we have committed to setting science-based climate targets and reducing our own emissions. We work to minimize our own impact on climate, resource use and nature. At the same time, we provide financial markets, clients and leaders with clear and thorough information about the consequences of climate change, and ensure that our clients' reporting is verifiable and accurate.

Climate Change

Transition plan for climate change mitigation (E1-1)

KPMG has not yet established a transition plan for climate change mitigation, and therefore does not have specific financial resources linked to OpEx or CapEx within this area. In connection with developing our science-based targets, we are developing a climate transition plan towards 2050 that involves collaboration with employees, suppliers, business relationships and customers. The transition plan will be completed during 2025.

Material impacts, risks and opportunities (E1. SMB-3)	Sustainability	Impact, risk or opportunity	Description	Value chain	Time horizon
	Climate change	Actual negative impact	KPMG has a negative impact on climate change through direct and indirect greenhouse gas emissions related to heating of offices, electricity use, purchased goods and services and business travel.	Upstream, own operations and downstream	Short
	Energy consumption	Actual negative impact	Negative impact resulting from energy consumption in buildings.	Upstream, downstream	Medium, long
	Climate adaptation	Financial risk	More extreme weather can lead to increased insurance premiums or rental costs. It can also create disruptions in the communities where KPMG operates, which can result in revenue loss for the company.	Own operations	Long
	Climate adaptation	Financial risk	If KPMG does not deliver high quality in advisory and audit services related to clients' climate targets and transition plans, the company risks accusations of greenwashing, loss of trust and loss of potential revenue.	Own operations	Medium, long
	Climate adaptation	Positive impact	By delivering high-quality advisory and audit services related to clients' climate targets, climate risk assessment, and transition plans, KPMG builds trust in our clients' climate initiatives, reduces greenwashing risks, and strengthens	Own operations, downstream value chain	Medium, long

Material impacts, risks and opportunities (SBM-3)

KPMG's material impacts, risks and opportunities (IROs) related to climate and environment encompass both our own operations and our value chain. We have identified climate change, energy consumption and climate adaptation as our most material topics within climate and environment.

KPMG has an actual negative impact on the climate through own emissions from offices, electricity use, purchased goods and services as well as business travel, in addition to energy consumption at KPMG's offices. Climate adaptation entails financial risk, both through increased costs as a result of extreme weather and potential loss of trust and revenue if the company does not deliver high quality in sustainability-related services.

At the same time, there is a significant opportunity in being a reliable advisor for clients' climate targets and transition work. By ensuring high quality in auditing and advisory services, KPMG can contribute to increased trust, reduced greenwashing risk and better risk management for clients.

Policies (E1-2)

KPMG Norway follows KPMG Global's "Impact Plan" as the foundation for our climate work. We have adapted relevant ambitions and targets from the global plan to Norwegian conditions. In addition, KPMG Norway has its own environmental policy that describes the standards for our environmental management system, includes concrete measures to reduce the company's environmental impact, and establishes guidelines for a corporate culture characterized by environmental considerations.

The policies apply to all employees, form the basis for supplier selection, and influence how we develop our services. The national leadership group is responsible for and adopts the company's environmental policy.

KPMG Norway complies with the Eco-Lighthouse (Miljøfyrtårn) standard at all offices, except our five smallest offices (Elverum, Larvik, Mo i Rana, Tynset and Ulsteinvik). Eco-Lighthouse sets requirements for energy consumption, paper use, waste management, recycling, travel activities and water consumption, among other things.

The environmental policy is designed with consideration for key stakeholders, particularly employees and suppliers, and is made available through our intranet and on KPMG's websites.

Our travel policy is designed to ensure that business travel is conducted in a sustainable, efficient and safe manner. The policy encourages digital meetings and the use of environmentally friendly transport alternatives when physical meetings are necessary. The goal is that at least 50% of board and national leadership meetings should be conducted digitally to reduce greenhouse gas emissions. The travel policy is an important tool for promoting environmentally friendly travel habits and reducing the company's total climate footprint.

Actions (E1-3)

KPMG Norway has been Eco-Lighthouse certified since 2011. This recognized certification scheme documents companies' environmental efforts, and through it KPMG regularly reports on our policies, targets and measures. By 2024, over 11,000 companies had achieved certification through this scheme.

Currently, the company does not have a dedicated resource focused solely on climate work. Instead, we distribute these responsibilities among key members of the national leadership team, with the CTO and HR serving as central actors. They are supported by internal subject matter experts who assist with various aspects of our climate work, including the preparation of KPMG's carbon accounting.

The table below outlines the key climate measures we have implemented during the year, along with initiatives planned for the future. Looking ahead, we will develop a detailed action plan for emission reduction and minimizing our environmental impact by the end of 2025. This plan will align with MDR-A requirements in ESRS and will comprehensively cover scope (including upstream and downstream value chain, geography and affected stakeholders), time horizon and expected results of our actions.

Actions to reduce emissions and environmental impact

Through our environmental management system, KPMG has implemented specific measures to address the most significant environmental aspects of our operations. These measures are integral to KPMG's continuous improvement process and environmental responsibility. Examples include:

Waste management	• Implementing return schemes for paper, batteries and electronic waste • Enhanced focus on electronic and electrical waste handling (EE-waste) • Reusing and repairing office furniture, with resale, recycling or proper disposal of used items
Reduced consumption	• Electronic invoicing to reduce paper consumption • Using electronic course materials where possible • Distributing electronic payslips • Installing smart office solutions at all locations and on servers • Automatic shutdown of PCs and monitors after working hours to save energy • Incorporating environmental due diligence into procurement processes
Reduced travel activity	• Implementing a strict travel policy that prioritizes digital meetings for internal gatherings • Promoting train, bus and video conferencing with continuous equipment updates • "Fly less and meet smarter" initiatives and user guidance • Training employees on public transport and car sharing options, including collaboration with ride-sharing and car-sharing services
New head office	• Selecting a rehabilitation project with environmental certification • Central location with excellent public transport access • Reduced focus on material consumption and increased use of electric vehicles • Reusing office furniture from previous locations to minimize waste • Prioritizing sustainable suppliers that provide environmental documentation for new furniture. Emphasizing Norwegian and Nordic design/production for better supply chain control and shorter transport distances • New canteen featuring seasonal, allergen-friendly and vegetarian options
Climate targets	• KPMG will set science-based targets in accordance with SBTi during FY2025
Climate targets	• KPMG will evaluate transitioning to a system-based solution for carbon accounting by FY2025.

Targets

KPMG Norway recognizes our responsibility to reduce the company's climate footprint. We are actively working to establish our own targets for emission reduction and climate adaptation, aiming to complete this work by the end of 2025.

Climate targets (E1-4)

Since 2019, KPMG Norway has supported KPMG Global's science-based targets. We are now developing our own climate targets, which we plan to submit to the Science Based Targets Initiative (SBTi) for approval during 2025.

Establishing our own SBTi-approved targets marks a significant strategic shift in KPMG's approach to climate action. We are moving our primary focus away from offsetting greenhouse gas emissions through external measures toward achieving direct emission reductions from our own operations and indirect reductions throughout our entire value chain.

While we will continue investing in external projects and initiatives outside our value chain, these will no longer count toward our carbon offsetting calculations. Instead, we will treat such investments as supplementary measures that complement, but remain separate from, our overall net-zero strategy.

Energy consumption and energy mix (E1-5)

The table below shows our energy consumption and energy mix for KPMG's direct (Scope 1) and indirect (Scope 2) emissions, calculated using the location-based method.

Energy consumption and energy mix	Amount (MWh)	Percentage of total consumption
Energy consumption from fossil sources	177	3.05 %
Energy consumption from nuclear sources	72	1.24 %
Energy consumption from renewable	5576	95.71 %
– Fuel consumption renewable sources	0	
– Purchased electricity, heating, steam and cooling	5576	
– Self-produced renewable energy	0	

KPMG's climate accounting

(E1-6)

KPMG prepares annual climate accounting that covers the company's financial year (October 1 - September 30). The climate accounting includes all relevant activities within scope 1, 2 and 3, and follows the standards of the GHG Protocol (Greenhouse Gas Protocol). The reporting covers all greenhouse gases defined in the Kyoto Protocol.

Emissions are allocated using IFRS guidance based on the principle of financial control, as well as IFRS rules related to leasing. KPMG is not subject to the emissions trading scheme.

To ensure complete coverage, KPMG has conducted a screening of all scope 3 categories to identify any emission-related activities. Empty fields in this year's climate accounting indicate categories where KPMG has no emission-relevant activities.

	Retrospective				Environmental impacts and target			
	2023	2023	2024	%N / N-1	2025	2030	2050	Annual target/ baseline year
Klimagassutslipp Scope 1								
Scope 1	5.87	5.87	6.81	16 %				
Percentage of greenhouse gas emissions within scope 1 from regulated emissions trading schemes (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Greenhouse gas emissions Scope 2								
Location-based	80.74	80.74	77.19	-4 %				
Market-based	1,736.66	1,736.66	878.85	-49 %				
Greenhouse gas emissions Scope 3								
Total scope 3 emissions	1,196.17	1,196.17	4,460.65	273 %				
1. Purchased goods and services	3.96	3.96	1,546.44	38,951 %				
Under category: Cloud computing and data center services	No data	No data	15.44					
2. Capital goods	No data	No data	103.67					
3. Fuel and energy related activities	No data	No data	86.60					
4. Upstream transport and distribution	N/A	N/A	29.32					
5. Waste generated in operations	18.06	18.06	0.65	-96 %				
6. Business travel	1,174.08	1,174.08	2,031.00	73 %				
7. Employee commuting	No data	No data	577.21					
8. Upstream leased assets	No data	No data	70.35					
9. Downstream transport	N/A	N/A	N/A					
10. Processing of sold products	N/A	N/A	N/A					
11. Use of sold products	N/A	N/A	N/A					
12. End-of-life treatment of sold products	N/A	N/A	N/A					
13. Downstream leased assets	N/A	N/A	N/A					
14. Franchises	N/A	N/A	N/A					
15. Investments	N/A	N/A	N/A					

Summary of climate accounting

KPMG Holding will be subject to CSRD requirements from 2025, with mandatory climate targets and transition plans beginning in FY26. In preparation for these requirements, we have excluded emissions from KPMG Law from this year's climate accounting (FY24).

Since KPMG Norway's climate work is monitored collectively across all companies, separating individual company emissions presents challenges. We have therefore calculated and excluded KPMG Law's scope 3 emissions based on employee numbers for categories 1, 2, 4, 6 and 7.

KPMG's total emissions for FY24 reached 4,545 tonnes CO_2 equivalents (scope 1, 2 and 3), representing an increase of approximately 254 percent from FY23. This significant increase primarily reflects our first-time inclusion of all relevant scope 3 emissions and the implementation of more comprehensive mapping processes.

Scope 1 and 2

We collect scope 1 and 2 data from KPMG's offices and consolidate it manually, which introduces some risk of human error. Our calculations use emission factors from NVE, Norsk Energi, DEFRA and Norsk Fjernvarme's CO_2 calculator.

Scope 1:

All scope 1 emissions originate from natural gas consumption at a single office on the West Coast. Natural gas usage increased to 2,998 Sm^3 this year, up from the corrected consumption of 2,589 Sm^3 in the previous year.

Scope 2:

These emissions stem from energy consumption—electricity, district heating and cooling—across our offices. We calculate both location-based emissions (using national energy mix) and market-based emissions (adjusted for guarantees of origin). Five offices held guarantees of origin in FY24, covering 2,479 MWh total. While energy consumption rose from 4,880 MWh to 5,791 MWh, location-based scope 2 emissions decreased due to lower national emission factors. Market-based emissions showed an even more significant reduction because we now properly account for guarantees of origin, which were previously excluded from our calculations.

Scope 3:

Our scope 3 calculations combine economic transaction data (spend data) with activity data. To ensure comprehensive coverage, we collected detailed data for the largest emission sources while aggregating smaller items:

Category 1 (Purchased goods and services):

Data collection for purchased goods and services requires significant effort, as detailed supplier-specific data is essential for calculating accurate emission factors. While only paper was included in FY2023, this year's climate accounting incorporates all significant purchased goods and services that impact emissions.

Category 2 (Capital goods):

We handle this data similarly to category 1, using spend data, economic groupings and aggregated calculations.

Category 3 (Fuel and energy-related emissions):

No estimates have been made, but minor inaccuracies may occur due to manual data collection. The emission factors used are generic rather than specific to Norwegian conditions.

Category 4 (Upstream transport and distribution):

Due to limited specific supplier data, we estimated that 3% of total procurement costs represent transport-related emissions.

Category 5 (Waste):

We estimate all office waste based on annual measurements and scaling according to square meter area, particularly for the Oslo office. This year's emission reduction is due to corrected emission factors from DEFRA. Waste quantities totaled 192,044 kg, down from 116,333 kg in 2023.

Category 6 (Business travel):

As our policy requires using Egencia for travel bookings, we have comprehensive access to travel data. However, some travel may still occur outside this system, and annual data collection for flights was more extensive in FY2024, which may explain the increase compared to the previous year.

Category 7 (Commuting):

We estimate commuting emissions based on a employee survey addressing commuting distance and frequency. Approximately half of the employees participated, and we extrapolated the results across the entire organization.

Category 8 (Upstream leased assets):

These emissions stem from employee use of company cars, where emissions are calculated based on maximum allowable driving distances. This approach may lead to overestimated emissions since actual driving distances are not systematically tracked.

GHG intensity

The table presents KPMG's greenhouse gas intensity calculated as total emissions per million kroner of net income, based on both location-based and market-based emissions. As explained in the climate accounting chapter, this year's figures cannot be directly compared with last year's due to changes in calculation methodology and the inclusion of additional scope 3 categories.

KPMG's location-based GHG intensity for FY24 was 1.38 tonnes CO_2e per million kroner of net income.

GHG intensity per net income	Comparison	N	%Δ/N-1
Total greenhouse gas emissions (location-based) per net income	0.000000451	0.000001384	207 %
Total greenhouse gas emissions (market-based) per net income (tonnes	0.000001032	0.000001628	58 %

Carbon credits for forest conservation

(E1-7)

Since 2023, KPMG has supported the Fossagrim project through the purchase of carbon credits, aimed at preserving forest in the Kvistaul area of Åmotsdal, Seljord. Through this initiative, forest owners receive financial compensation from KPMG and Gjensidige, enabling them to preserve forest that was originally scheduled for logging in January 2024.

The owners have committed to contractual restrictions on logging both within the Kvistaul area and other regions, extending beyond ordinary regulatory limitations. Through this initiative, KPMG contributes to preserving a total of 47 hectares of forest, with an estimated annual carbon sequestration of 187 tonnes CO_2 equivalents (CO_2e).

The complete Fossagrim project encompasses 951 hectares of forest, with an expected carbon sequestration of 3,807 tonnes CO_2e over a 30-year period. Last year's report incorrectly stated 187 tonnes for the entire period; this error has now been corrected.

Methodology

Carbon sequestration calculations utilize Heureka modeling and “discounted ton-year accounting,” methodologies that ensure accurate and reliable climate calculations. Fossagrim is also working toward achieving ISO 14064-2 certification, which will further quality-assure the project’s documentation and results.

Fossagrim’s compliance with ICVCM carbon principles

Fossagrim adheres to The Integrity Council for the Voluntary Carbon Markets (ICVCM) ten carbon principles, organized across three main categories:

A. Governance

1. Effective governance: Programs must ensure sound governance, transparency, accountability, continuous improvement and high-quality carbon credits.
2. Tracking: Programs must utilize a clear registry that uniquely identifies, registers and tracks carbon credits, enabling secure transaction traceability.
3. Transparency: Programs must ensure public access to detailed and transparent information about all carbon-reducing activities.
4. Independent validation and verification: Programs require independent third-party validation and verification of emission reduction measures.

B. Emission impact

1. Additionality: Emission reductions or carbon removal must represent additional effects that would not otherwise occur without revenue from carbon credits.
2. Permanence: Reductions or carbon sequestration must be permanent, or risks of reversal must be managed through compensatory measures.
3. Robust quantification: Emission reductions or carbon sequestration must be reliably measured using conservative and scientific methods.
4. No double counting: Emission reductions or carbon sequestration must not be counted more than once against different climate goals or commitments.

C. Sustainable development

5. Sustainable benefits and safeguards: Programs must ensure that carbon-reducing measures follow recognized best practices in social and environmental sustainability, with clear guidelines and expectations.
6. Contribution to net zero: Carbon measures must avoid supporting technologies or practices that lock businesses into high greenhouse gas emissions. Fossagrim fulfills these requirements by valuing forest areas beyond their timber value and promoting their potential for carbon sequestration and positive environmental impact, including biodiversity and water and soil regulation. This enables families to preserve forest areas with spruce trees older than 140 years, which continue functioning as carbon stores over time.

S

Social

We are a people-centered business, with our values forming the foundation of who we are and what it's like to work with us. We succeed best when we develop the finest talent, and we view diversity of experience and expertise as a strategic advantage. By bringing together individuals with different backgrounds, experiences and talents, we can challenge established truths and discover new opportunities. This benefits not only our own organization, but also our clients, local communities and the environment. Diversity brings varied perspectives, which in turn drives innovation and creates more robust solutions.

Creating a culture and work environment where our colleagues thrive is essential for delivering services at the high level our clients expect. When the best people choose us to build their careers and perform their work with high quality and integrity, we can create positive ripple effects for our clients, colleagues, local communities and people throughout our supply chain.

KPMG's operations impact people—whether our employees, people in our supply chain, or those we collaborate with through our clients and business partners. We are committed to ensuring that our influence is positive. This work never ends but remains an ongoing effort as we systematically seek ways to improve and better understand our impacts.

S1

Own workforce

Motivated employees drive everything we do at KPMG. We focus on building an inspiring and engaging workplace that offers flexibility and attractive working conditions, helping us attract and retain top talent. We want our people to have the freedom to thrive, grow and succeed both in their current roles and throughout their careers.

Meaningful work emerges from our collaborative culture and cross-company knowledge sharing, creating opportunities to make a real difference for clients and society. KPMG embraces diverse experiences, perspectives and personalities—we want everyone to feel comfortable bringing their authentic selves to work. This diversity strengthens our ability to tackle future challenges and develop innovative solutions alongside our clients.

Material impacts, risks and opportunities (S1. SMB-3)	Sustainability	Impact, risk or opportunity	Description	Value chain	Time horizon
	Training and skills development	Actual positive impact	KPMG positively impacts our workforce through comprehensive continuing education and skills enhancement opportunities, delivered at both theoretical and practical levels.	Own operations	Medium
	Work environment	Actual positive impact	KPMG organizes various social gatherings for employees that contribute to social networking and relationship building.	Own operations	Short
	Working conditions	Actual positive impact	Periods of heavy workload can lead to increased stress and burnout among employees, higher	Own operations	Short
	Gender equality	Potential negative impact	Underrepresentation of female partners and risks of differential treatment in bonus arrangements for women and men can negatively impact employees' perception of equal opportunities.	Own operations	Short
	Diversity	Financial risk	If KPMG fails to meet market expectations for diversity and inclusion, the company may lose tender processes and face recruitment challenges.	Own operations	Medium
	Diversity	Financial opportunity	A systematic approach to diversity and inclusion can strengthen KPMG's ability to solve complex problems requiring diverse perspectives and approaches.	Own operations	Medium, long
	Training and skills development	Financial opportunity	Strong focus on skills enhancement can increase KPMG's long-term revenue and competitiveness. By positioning ourselves as an employer offering excellent career opportunities, recruiting and retaining talent becomes easier.	Own operations	Medium

Material impacts, risks and opportunities related to our own workforce (SBM-3)

KPMG's material impacts, risks and opportunities related to our own workforce encompass the company's own employees, including auditors, advisors and administrative personnel employed at KPMG Norway. Within our business context, we have identified no risks related to forced labor or child labor. Instead, our identified impacts, risks and opportunities relate to industry and entity-specific challenges around working hours, equality, diversity and career development.

KPMG's positive impacts stem from investments in a strong social work environment alongside skills enhancement and continuing education for employees. Our success builds on talented colleagues who create value for clients, which is why we actively invest in our employees' wellbeing, careers and professional development.

The negative impacts represent typical challenges within our business and industry, rather than isolated incidents. KPMG's dependence on a solid workforce with high performance capabilities and expertise also creates financial risks and opportunities. Our positive initiatives strengthen the company's attractiveness as an employer, helping us retain existing talent and attract new people. At the same time, we recognize that lack of gender equality can lead to increased financial and reputational risks due to growing expectations from both employees and clients.

These material impacts are closely tied to our strategy and business model, which focuses on customer-driven work and services targeting large clients with comprehensive needs. Strong customer focus can sometimes result in high and unpredictable workloads for our employees. Workload is largely driven by client needs, tight deadlines and project deliveries. Balancing client expectations with consideration for employees' working hours and personal lives is essential. Audit season and year-end present particular challenges, involving increased workload within short periods each year.

Policies

(S1-1)

KPMG has established clear guidelines to address material impacts, risks and opportunities related to our own workforce. Our most important policies include our **Code of Conduct, IDE policy (Inclusion, Diversity and Equity), Health, Safety** and **Environment (HSE) policy,** and our systematic **Performance Development work.**

Code of Conduct

KPMG's global Code of Conduct (CoC) defines ethical behavior standards that apply to all employees. It clarifies what working at KPMG means and emphasizes our individual and collective responsibility to act in accordance with our values: **Integrity, Excellence, Courage, Together, For Better.** In KPMG Norway, the Risk Management Partner and Head of People & Culture are responsible for implementing and following up on these guidelines in practice.

IDE-policy

Our IDE policy defines KPMG's commitments to promoting inclusion, diversity and equity throughout the entire employment process. The policy involves systematic and targeted efforts against any form of harassment or discrimination based on gender, pregnancy, parental leave related to birth or adoption, caregiving responsibilities, ethnicity, religion, beliefs, disability, sexual orientation, gender identity, gender expression, age or other significant characteristics. KPMG actively works with inclusion and anti-discrimination efforts through the Activity and Reporting Obligation (ARP), described in more detail in our ARP report. The national leadership team is responsible for implementing and following up on the IDE policy.

Health, Safety and Environment (HSE)

KPMG's HSE policy ensures a systematic approach to health, environment and safety, aiming to create a healthy physical and psychosocial work environment. HSE is integrated into relevant work processes, with efforts particularly focused on preventing sick leave, injuries, strain-related problems and stress-related health challenges. Our primary work-related health risks are connected to psychosocial factors and strain injuries such as musculoskeletal problems. The Head of People & Culture is responsible for implementing and following up on the HSE policy, working closely with the Work Environment Committee (AMU) and safety representatives.

KPMG is also committed to the UN **Global Compact** and reports annually on our progress ("Communication on Progress") in areas including human rights and working conditions.

Performance Development (PD)

KPMG actively promotes a culture characterized by continuous learning and professional development. Through Performance Development, we create opportunities for each employee to reach their ambitions and develop necessary competencies. PD is a structured employee development process that follows an annual cycle with clear milestones. The process begins with goal setting and developing an individual career plan, including regular feedback on goal achievement, behavior, professional quality and career progression. The annual evaluation forms the basis for rewards and recognition. We also encourage leaders and employees to conduct regular conversations outside the formal PD process. These conversations enable ongoing feedback, goal adjustments and dialogue about other relevant topics. Supporting materials and guidance are available on our intranet and communicated through various internal forums to support this process.

Employee engagement and dialogue

(S1-2)

KPMG fosters active dialogue and employee engagement through several well-established channels and initiatives:

Sounding Board

Our Sounding Board acts as an employee voice, comprising representatives from across departments and all organizational levels. This group provides leadership with valuable input, improvement suggestions, strategic perspectives and feedback on new initiatives. We complement this with regular all-hands meetings and KPMG Live broadcasts to maintain ongoing communication across the entire organization.

Work Environment Committee (AMU)

AMU ensures we maintain a safe and supportive work environment throughout KPMG. The committee maintains equal representation between employees and management, alongside our chief safety representative.

Meeting quarterly or more frequently as needed, AMU actively monitors critical areas including working hours, overtime usage, sick leave patterns, employee turnover, and workplace injuries or incidents. The committee also conducts workplace assessments, develops comprehensive action plans and provides strategic recommendations for prioritizing health and safety initiatives.

Global People Survey (GPS)

Our annual anonymous employee survey provides crucial insights into organizational strengths and improvement opportunities across key areas such as diversity, trust, professional development and employee engagement. The 2024 survey achieved an impressive 85% response rate, demonstrating strong employee participation. Survey results drive concrete action plans across all business units, supported by targeted workshops and systematic follow-up processes.

Our People & Culture team collaborates closely with department leaders to ensure thorough implementation of improvement initiatives.

Additional surveys

Beyond our core survey, KPMG employs various supplementary feedback tools that enable employees to actively contribute to organizational development. These encompass onboarding assessments, pulse surveys, exit interviews and comprehensive evaluations of training programs. We also conduct specialized surveys addressing diversity initiatives and ethical compliance. All feedback systematically informs our action planning and improvement strategies, forming an integral component of KPMG's commitment to continuous organizational enhancement.

Whistleblowing

(S1-3)

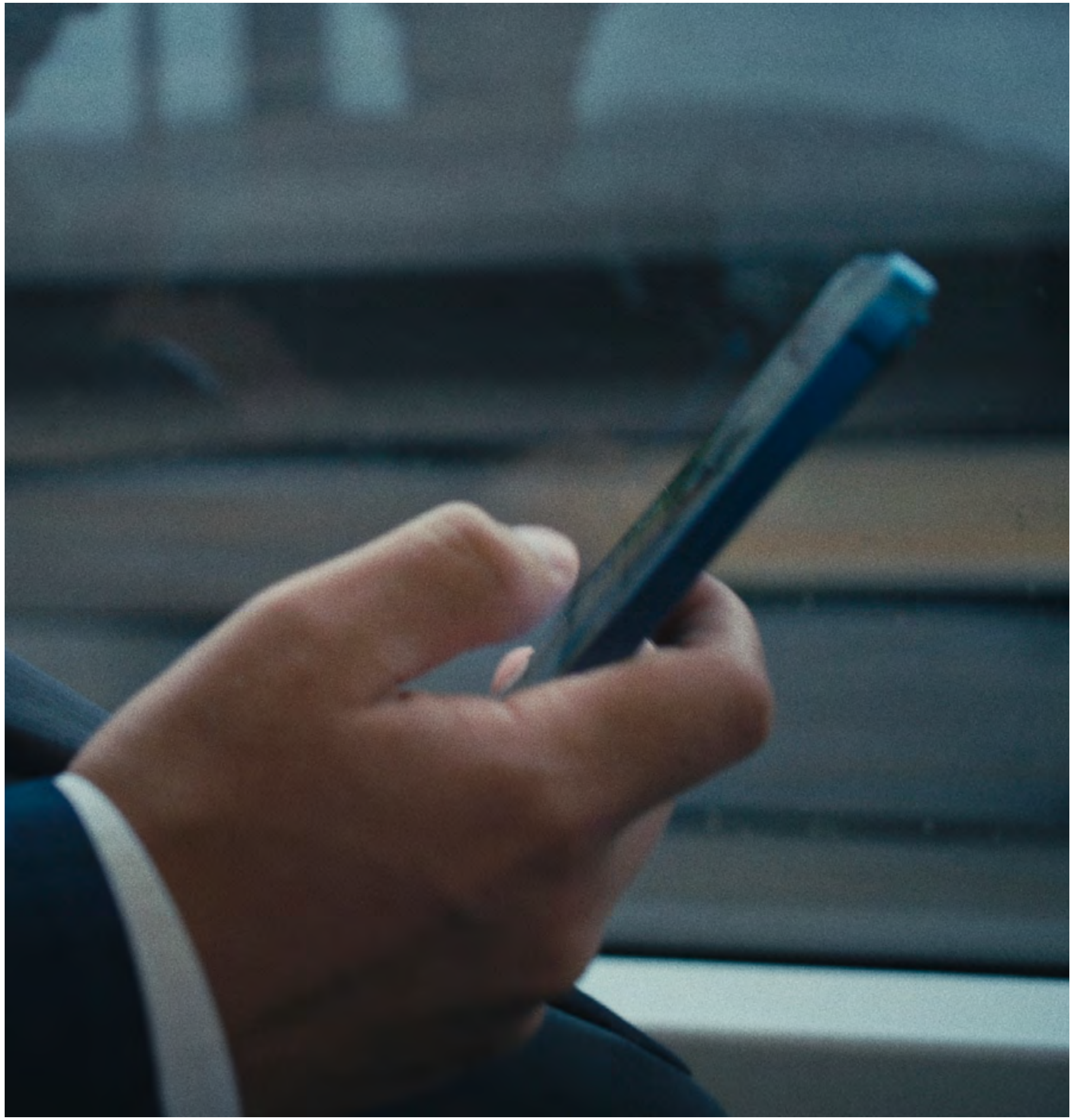
KPMG maintains zero tolerance for discrimination, bullying and harassment. We encourage all employees to report incidents they find concerning or that violate legislation and KPMG's ethical guidelines (Code of Conduct). Our whistleblowing procedures and channels are accessible to all staff through our intranet, covering both permanent employees and contracted personnel.

Employees can raise concerns with their immediate supervisor, HR Business Partner, Head of People & Culture, Risk Management Partner, safety representatives or the chief safety representative. Whistleblowing can be done anonymously. We also provide an external, independent whistleblowing channel through the KPMG international hotline, administered by an independent third party for those who prefer this option over internal channels.

Employees may also report directly to KPMG's external ombudsman at Bull & Co Advokatfirma AS.

All reports are handled according to established due process principles. This ensures the whistleblower's identity remains protected, cases are treated confidentially, case handlers have no personal interests in the matter, and accused parties receive opportunities to present their perspective. Whistleblowers are also protected against retaliation in accordance with the Working Environment Act.

Our disciplinary committee processes all reports and maintains documentation of any implemented measures. The Board receives annual reporting on whistleblowing cases and their outcomes.



Actions
(S1-4)

KPMG has established systematic processes for employee support through our People & Culture department. HR works systematically with diversity, inclusion and skills development activities as an integrated part of our annual cycle. Based on our identified material impacts, risks and opportunities (IROs), we recognize the need to strengthen and further concretize this work. We aim to increase efforts to reduce negative impacts and financial risks while enhancing our opportunities.

As part of this commitment, KPMG has begun establishing a sustainability group responsible for operationalizing the company's sustainability strategy. Anchoring initiatives and goals related to our workforce will be prioritized, with the group working closely alongside People & Culture.

During the reporting year, KPMG has prioritized three main areas with concrete actions:

Working conditions – workload and overtime

To reduce negative impacts related to workload and overtime, we have implemented clear overtime guidelines, introduced systematic monitoring of overtime usage across all business areas, and strengthened resource management to handle workload proactively. We pay particular attention to audit teams during year-end periods. The timeline for these initiatives extends to September 30, 2025.

Diversity – expectations for IDE work

To minimize financial risks related to diversity and growing expectations from employees and clients, we are strengthening follow-up on our systematic IDE work in accordance with the Activity and Reporting Obligation (ARP). We are also developing and measuring additional relevant diversity KPIs while clarifying our IDE efforts externally and in tender processes. The timeline for these initiatives extends to September 30, 2026.

Kompetanseutvikling – karrieremuligheter

We recognize significant opportunities in strengthening employee competencies and career prospects. To realize these opportunities, we have conducted employee workshops on career planning and development, continued competency initiatives within ESG, technology and AI, and strengthened leadership development programs to cultivate better leadership capabilities. The timeline for these initiatives extends to September 30, 2026.

For more detailed information about risk assessments, actions and progress on initiatives related to our work preventing discrimination and promoting diversity and equality, see KPMG's ARP report.

Targets

(S1-5)

KPMG has established clear targets for addressing material impacts, risks and opportunities related to our own workforce. We particularly prioritize monitoring workload and overtime usage, alongside efforts for skills development, diversity and equality. These goals are defined based on insights from our annual employee survey and developed in collaboration with HR operational groups and personnel responsible for "people processes" within each department.

People & Culture (HR department) monitors progress through workshops and action plans, regularly evaluating advancement in close collaboration with all departments. Our goals for 2025 are shown in this illustration:

Workload and overtime

Move **20 %** of workload related to year-end audit from spring to autumn.

No violations of the Working Environment Act's provisions on overtime work.

Diversity and equality

30 % female partners by 2030.

Gender balance of at least **40/60** at all job levels.

Training and skills development

All employees to complete the annual **Performance Development-prosessen.**

All leaders in all business areas to complete **basic training in coaching**

(«Coaching Fundamentals»)

Our employees in numbers

(S1-6)

The figures show the number of employees as of September 30, 2024, including employees on leave or long-term sick leave. Permanent employees are defined as employees without an agreed end date, while temporary employees include internal substitutes and employees associated with our Global Mobility program. The category "employees without guaranteed working hours" comprises hourly-paid temporary staff.

Permanent employees (Women)	Temporary employees (Women)	Employees without guaranteed working hours (Women)
750	7	46
Permanent employees (Men)	**Temporary employees (Men)**	**Employees without guaranteed working hours (Men)**
955	8	49

The table shows the total number of permanent and temporary employees who left during the reporting period from October 1, 2023 to September 30, 2024. The turnover rate is calculated by dividing the number of employees who left during the period by the average number of employees during the period.

Total number of employees who have left (Women)	Turnover rate (Women)
124	16.6 %
Total number of employees who have left (Men)	**Turnover rate (Menn)**
151	16.0 %

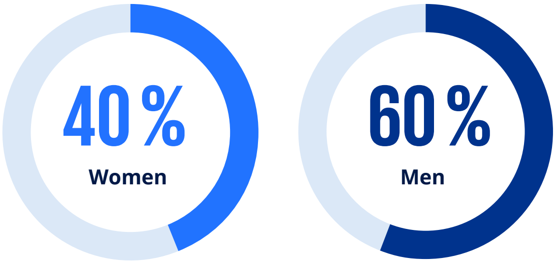
Contracted workers (S1-7)
Suppliers, temporary workers and consultants

- Suppliers are external consultants affiliated with vendor companies that deliver services invoiced to KPMG. Suppliers do not represent KPMG externally.
- Temporary workers are contracted personnel from external temp agencies. These are employed by the temp agency, which also handles payroll. KPMG pays for services directly to the temp agency.
- Consultants are individuals with specialist expertise who have entered direct agreements with KPMG. These consultants represent KPMG externally in projects and client assignments.

Consultants, suppliers and external temporary workers (Women)	Consultants, suppliers and external temporary workers (Men)
19	91

Gender distribution in leadership group (S1-9)

The national leadership group consists of two women and three men.



Age distribution (S1-9)

The figures include only permanent employees and temporary employees (internal substitutes and Global Mobility employees).

Number of employees Under 30 years	738	43 %
Number of employees Between 30 and 50 years	806	47 %
Number of employees Over 50 years	176	10 %

Training and skills development (S1-13)

The average number of training sessions is based on hours self-reported by employees who have registered completed training. Due to self-reporting, data quality may be somewhat reduced.

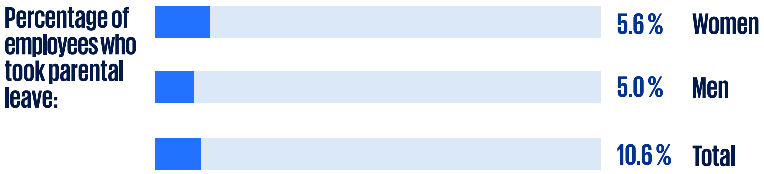
	Women	Men	Total
Number of employees who have been promoted	129	171	300
Number of employees who have completed the Year-End process	435	505	940
Number of employees who have completed the Mid-Year process	533	647	1180
Average number of training hours among employees who have registered training	57t	61t	59t

Health, environment and safety (S1-14)

KPMG currently does not have systematically registered data on work-related health issues or number of lost working days due to health challenges. This is primarily due to lacking reporting routines for such information. The company also has very limited insight into the causes of sick leave.

	Target
Percentage of persons in own workforce covered by HMS system based on legal requirements and/or recognized standards or guidelines	100 %
Number of fatalities as a result of work-related injuries and work-related ill health	0
Number of work-related injuries	0
Number of cases of work-related ill health	N/A
Number of days lost due to work-related injuries and fatalities as a result of work-related incidents, work-related ill health and fatalities as a result of ill health	N/A

Work-life balance (S1-15)



Compensation (pay gap and total compensation) (S1-16)

Pay differences between female and male employees, illustrated as women's share of men's pay in the table below:

	Differences between base salary levels for female and male employees compared with men	Differences between average total employment relationship for female and male employees compared with men	Differences between average bonus for female and male employees compared with men	Differences for average total comparative pay for female and male employees compared with men
Associate	100 %	84 %		99.0 %
Senior Associate	98.7 %	72 %		94.5 %
Manager	99.2 %		85 %	97.3 %
Senior Manager	98.1 %		98 %	97.5 %
Director	99.4 %		85 %	95.7 %

Salary data used to calculate gender pay differences comes from KPMG's payroll system. The dataset includes gross compensation paid during the 2024 financial year and encompasses all annual compensation for both permanent and temporary employees.

Differences in pay and rewards can be attributed to variations in seniority, educational background and workplace performance. KPMG follows a structured Performance & Development process where employee behavior and career development are evaluated. These assessments form the basis for salary and bonus determination.

Gender differences in overtime compensation and bonuses can be partially explained by women on average taking longer parental leave, having higher sick leave rates and working fewer overtime hours than men.

Annual total compensation ratio:	Explanation
34 %	The ratio between the annual total compensation rate for the highest paid person and the average annual total compensation for all employees (excluding the highest paid person). Contracted annual salary has been used as an indicator for total compensation ratio.

Incidents, complaints and severe human rights impacts (S1-17)

	Number	Explanation
Number of complaints received through employee grievance	11	11 cases have been handled by KPMG's disciplinary committee in FY24
Amount of material fines, penalties and compensation for damages resulting from violations of social and human rights factors	0	
Number of severe human rights impacts and incidents related to own workforce (for example forced labor, human trafficking or child labor)	0	
Number of severe human rights impacts and incidents related to own workforce that do not respect UN Guiding Principles and OECD Guidelines for Multinational Enterprises	0	
Amount of material fines, penalties and compensation for severe human rights impacts and incidents related to own workforce	0	

Workers in the value chain

Material impacts, risks and opportunities related to workers in the value chain (SBM-3)

KPMG's material impacts, risks and opportunities (IROs) related to workers in the value chain encompass several types of workers. Through our procurement and operations, we affect both employees at our suppliers and their producers.

The greatest risks and potential negative impacts arise in industries and regions where violations of human rights and workers' rights are known to occur. This particularly applies to our indirect procurement—purchases that support KPMG's core business but are not directly linked to our business strategy. The risk of workers' rights violations particularly concerns suppliers of transport and IT services, as well as procurement of ICT products, promotional items and office supplies. Challenges in these value chains include wages below minimum wage levels, long working hours and weak health and safety standards.

For suppliers' producers, risks may be even greater, especially in sectors such as mineral extraction and ICT production, where instances of forced and child labor occur. KPMG therefore works to strengthen our due diligence assessments and procurement controls to ensure responsible supply chains. No actual violations of human or workers' rights were identified during the reporting year.

Social conditions – S2 – Workers in the value chain
Material impacts, risks and opportunities (S2.SBM-3)

Sustainability theme	Impact, risk or opportunity	Description	Value chain	Time horizon
Working	Potential negative impact	Failure to ensure decent working conditions and respect for human rights in KPMG's value chain can negatively impact workers.	Upstream value chain	Short, medium
Working conditions	Financial risk	KPMG's limited visibility into working conditions within its value chain creates a risk of inadvertently partnering with companies that violate human rights or fail to ensure decent working conditions.	Own operations, Upstream value chain	Medium, long

Policies

(S2-1)

KPMG Norway has several policies governing responsible supplier management and risk management related to workers in the value chain. The three most important are:

- **Due diligence procedures**
- **Procurement guidelines**
- **Supplier**

The due diligence procedures outline KPMG's approach to due diligence assessments, including integration into our systems and routines, and implementation requirements for KPMG Norway.

The procurement guidelines establish decision-making authorities, responsibilities and spending limits for all procurement activities at KPMG Norway. They specify authorization levels for different types of purchases and corresponding spending thresholds.

The procurement manager oversees these guidelines.

The Supplier Code of Conduct sets out KPMG's expectations for suppliers regarding compliance with the Transparency Act, OECD Guidelines for Responsible Business Conduct, ILO Core Conventions for decent working conditions, and the UN Declaration of Human Rights. Suppliers commit to eliminating child labor, forced labor and discrimination based on age, ethnicity, religion, gender, sexual orientation or disability. This Code forms part of all supplier contracts and is managed by Quality & Risk Management (QRM).

Additionally, KPMG Global has published a Global Business and Human Rights Statement, grounded in the UN Guiding Principles on Business and Human Rights. KPMG Norway has also signed the "Future Proof" pledge, demonstrating our commitment to workplace human rights.

In FY24, KPMG received 12 whistleblowing cases. We processed and closed eleven cases by year-end, with one case still under review. None of the reports required remedial action.

Engagement and dialogue (S2-2)

Stakeholder dialogue plays a crucial role in helping KPMG understand our impact on value chain workers and associated risks. Throughout FY24, our due diligence efforts have involved procurement managers, health and safety personnel, finance teams, internal due diligence specialists, and staff responsible for governance documentation and processes. We have also maintained dialogue with first-tier suppliers.

We have not yet established direct contact with affected parties beyond first-tier suppliers. We continuously evaluate opportunities for broader engagement, including potential dialogue with trade unions and employees at supplier and sub-supplier levels.

Whistleblowing channels and remediation procedures (S2-3)

KPMG Norway has established external whistleblowing channels accessible through our website, operating in partnership with Clearview Connects. This system enables anonymous reporting while ensuring confidential case management. We actively encourage reporting of misconduct and maintain strong protections against retaliation.

Our national crisis management framework defines our response when we have caused or contributed to adverse impacts on people or the environment. These situations trigger immediate action to restore normal conditions through comprehensive damage assessment, remediation planning, and systematic engagement with affected stakeholders.

Actions (S2-4)

KPMG has identified insufficient insight into working conditions within our value chain as a material risk. To reduce the likelihood of negative impacts, we have implemented measures to strengthen our monitoring efforts and due diligence assessments.

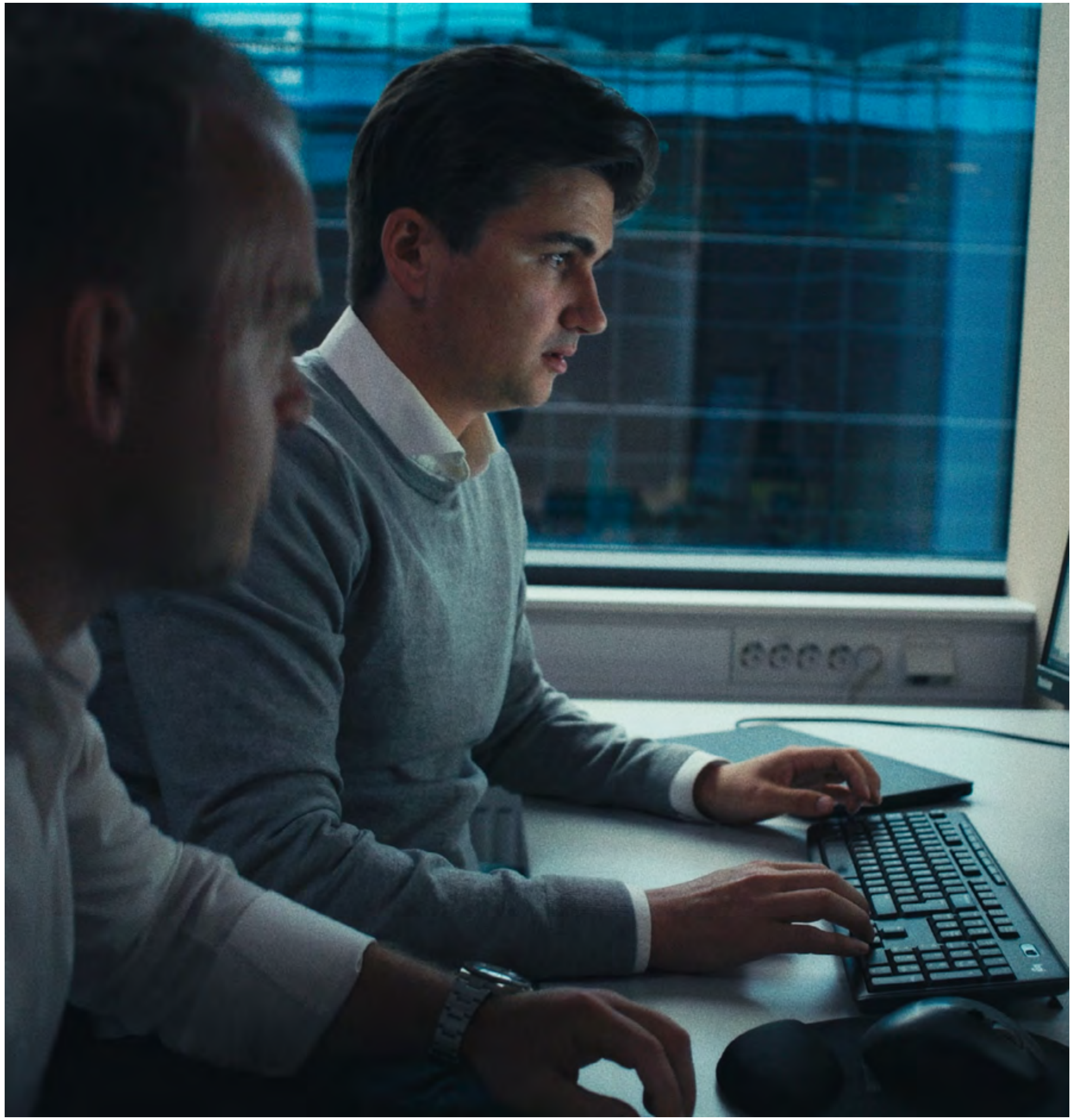
During FY24, our initiatives included:

- Comprehensive supplier risk categorization updates
- Guideline revisions aligned with industry best practices
- ERP system integration planning for supplier risk assessments (completing in 2025)
- Universal implementation of our Supplier Code of Conduct across all contracted suppliers

We will further strengthen due diligence through a dedicated project focused on supplier risk assessment and additional supplier monitoring measures, alongside deeper integration of due diligence processes into existing roles and internal procedures. From January 1, 2025, a dedicated resource will drive implementation and track progress systematically.

Targets (S2-5)

We have committed substantial human and financial resources to developing operational due diligence targets. Our comprehensive framework of time-bound supplier monitoring and due diligence objectives will be finalized throughout 2025.



G

Business conduct

At KPMG Norway, we aim to play a pivotal role in helping businesses and authorities navigate today's challenges and those that lie ahead. Our success depends fundamentally on living our values—they guide our decision-making and shape how we collaborate with colleagues, clients, audit clients and other stakeholders throughout society.

We embrace continuous learning and improvement, drawing from our experiences to enhance our capabilities.

We remain steadfast in our commitment to supporting clients and society through services characterized by exceptional quality, unwavering integrity and professional excellence. Our ability to deliver on this promise stems from our motivated and skilled workforce, cutting-edge technology, rigorous standards and robust quality management systems.

Material impacts, risks and opportunities related to business (SBM-3)

KPMG's material impacts, risks and opportunities (IROs) related to business conduct and corporate governance primarily concern our own operations, while also extending to aspects of our upstream and downstream value chains. We have identified corporate culture, supplier management, customer risk, corruption and whistleblower protection as our most material themes within business conduct.

Our governance model and incentive structures present potential financial risks when short-term objectives take precedence over long-term sustainability and ESG requirements. Additionally, our combination of audit and advisory services can challenge our independence—a cornerstone for maintaining trust and integrity in our audit work.

Topic	Impact, risk or opportunity	Description	Value chain	Time-horizon
Corporate culture	Financial risk	KPMG's governance framework and incentive structures are heavily geared toward short-term performance, which could expose the company to increased risk as ESG standards and stakeholder expectations continue to rise.	Own operations	Medium
Corporate culture	Financial risk	KPMG's combination of audit and advisory services can challenge the company's independence, which is crucial for maintaining trust and integrity in audit work.	Own operations	Medium, long
Corporate culture	Finansiell mulighet	Investing in initiatives that enhance customer trust and security, combined with driving organizational improvements, enables the company to attract top talent and secure more client engagements.	Own operations	Long
Corporate culture	Finansiell mulighet	Ved å investere i tiltak som fortsetter å skape trygghet og tillit hos kundene, samt drive frem endringer, kan selskapet fortsette å tiltrekke seg flere ansatte og vinne flere kundeprosjekter.	Own operations	Medium
Corporate culture	Potensiell negativ påvirkning	Brudd på personvernregler kan sette selskapets kunder i fare om sensitiv data kommer på avveie.	Nedstrøms verdikjede	Medium
Forvaltning av leverandør-forbindelser	Finansiell risiko	KPMG risikerer å jobbe med leverandører som har en negativ påvirkning på klima, natur, miljø og mennesker fordi selskapet har begrenset innsikt forbi førsteledd.	Own operations	Long
Forvaltning av leverandør-forbindelser	Potensiell negativ påvirkning	Manglende robusthet i KPMGs innkjøpsprosess kan føre til negative konsekvenser som overforbruk av vann, avskoging, uansvarlig mineralutvinning, brudd på menneskerettigheter og arbeidstakerrettigheter, naturforringelse eller forurensning som påvirker lokalsamfunn og arbeidere i verdikjeden.	Oppstrøms verdikjede	Medium
ESG kunderisiko	Finansiell risiko	Svakheter i KPMGs QRM-system kan føre til at selskapet uforvarende leverer tjenester til eller samarbeider med virksomheter som har betydelig negativ innvirkning på mennesker, miljø, klima eller skattepraksis. Slike forbindelser kan skade KPMGs omdømme og resultere i økonomiske tap gjennom tap av kunder.	Own operations	Medium, long
Korrupsjon og bestikkelser	Potensiell negativ påvirkning	Korrupsjon, bestikkelser og innsidehandel kan ha alvorlige konsekvenser for både enkeltpersoner og lokalsamfunn. Slike hendelser kan føre til økt sosial ulikhet, mistillit til offentlige institusjoner og økonomisk ustabilitet.	Egen virksomhet, nedstrøms verdikjede	Medium, long
Korrupsjon og bestikkelser	Finansiell risiko	Risiko for korrupsjon og innsidehandel kan føre til bøter og svekket omdømme.	Own operations	Medium
Vern av varslere	Potensiell negativ påvirkning	Mangelfull beskyttelse av varslere kan undergrave tilliten til varslingssystemene, noe som kan føre til at ansatte nøler med å rapportere bekymringer. Dette kan resultere i et utrygt arbeidsmiljø.	Own operations	Medium

Policies

(G1-1)

Responsible corporate culture presents significant opportunities. High-quality advisory and audit services, combined with strategic investments in client trust, enable us to attract exceptional talent while driving sustainable growth. However, supplier relationships require careful management—insufficient value chain oversight risks partnerships with suppliers involved in environmental degradation or human rights violations.

Corruption, bribery and insider trading represent substantial financial and reputational risks. Inadequate whistleblower protection can also undermine confidence in internal reporting systems and create an unsafe work environment. To mitigate these risks, KPMG continuously maintains rigorous governance systems, ensures robust control mechanisms and constantly improves transparency and accountability across our operations and value chain.

Guidelines for ethical business conduct and corporate culture

KPMG is committed to fostering a culture characterized by openness, accountability and high ethical standards throughout our organization. We ensure compliance with legal and ethical requirements, along with professional independence standards, through clear guidelines and comprehensive risk management procedures.

KPMG's global **Code of Conduc**t and core values drive our corporate culture, with these principles integrated into performance discussions and reward processes at every level. Adherence to KPMG values forms a central evaluation criterion for partner admission and leadership promotions.

Code of Conduct

Our global Code of Conduct establishes clear standards for how employees, leaders and future colleagues must conduct themselves. It commits the company to integrity, fairness and accountability while specifying requirements for independence, confidentiality, objectivity and professional ethics. Any violation of independence rules must be reported immediately.

These guidelines are owned by the **Head of Global Ethics**, monitored by **KPMG International** and broadly communicated to regulators, clients, suppliers and society to ensure transparency about our values. The Code serves as a tool for promoting a culture of ethics, respect and professionalism while providing shared understanding of expected behavior. We regularly evaluate and update these guidelines to ensure relevance and alignment with company and societal developments.

Anti-money laundering and terrorist financing guidelines

KPMG maintains comprehensive anti-money laundering and terrorist financing guidelines that outline our procedures for customer due diligence, training, investigation obligations and reporting. These guidelines ensure compliance with anti-money laundering regulations and cover areas including bribery, economic sanctions, fraud and other financial crimes. The Board has adopted these guidelines, which are owned by **Quality & Risk Management (QRM)** and reviewed annually.

Gift and entertainment guidelines

KPMG enforces strict gift and entertainment guidelines. No employee may receive or accept gifts that could compromise the company's integrity, independence or objectivity. Furthermore, no employee may accept gifts or benefits that could be perceived as attempts to influence decisions or business relationships.

Mechanisms for identifying, reporting and investigating ethical breaches

KPMG Norway operates within our global quality and integrity framework, ensuring robust processes for identifying, reporting and investigating violations of ethical guidelines. We maintain clear internal reporting structures that are thoroughly communicated across our organization.

Business conduct violations, including corruption and bribery, undergo rapid, independent and objective review through our established escalation protocol:

- Customer-related issues are handled by the relevant Engagement Partner when they are not personally involved
- Cases involving the Engagement Partner escalate to our Risk Management Partner
- When the Risk Management Partner is also involved, review transfers to our Senior Partner or KPMG International

Our **Head of Ethics & Independence, Risk Management Partner, Head of People & Culture and General Counsel** provide oversight for all reporting procedures.

Guideline violations undergo evaluation using KPMG's **disciplinary framework**, with risk assessment on a four-point scale (1 representing low risk, 4 indicating high risk).

We maintain established procedures for reporting potentially suspicious customer activities. Money laundering concerns require immediate notification to our designated AML officer. Serious suspicions undergo evaluation for potential reporting to Norwegian **economic crime** authorities through **MT-report** submissions.

Whistleblowing channels

The KPMG International Hotline provides anonymous reporting access for employees and external parties. This service complies with applicable legislation, including **EU Directive 2019/1937**, ensuring comprehensive whistleblower protection against retaliation.

KPMG Norway employees can also report anonymously directly to our external ombudsman at Bull & Co Advokatfirma AS. Both channels utilize independent ombudsman review—individuals not employed by KPMG but engaged specifically to investigate reported matters and recommend appropriate action.

Business conduct and corporate culture training

(G1-1)

Our comprehensive business conduct training strategy encompasses all KPMG Norway personnel, including professional staff and support functions. This training ensures employees understand our ethical guidelines and recognize their personal responsibility for acting in accordance with these standards.

All personnel must complete mandatory annual e-learning courses covering ethical business conduct. Completion is required within **14 days** of receiving course invitations. Course content and duration vary according to job level and area of responsibility (detailed in the table below).

Course name	Target audience	Mandatory	Content	Duration
Anti-Money Laundering	All professionals	Yes	Course provides introduction to obligations under anti-money laundering legislation, including preventive measures. Covers underlying laws and regulations addressing potential money laundering effects.	1 hour
We do what is right: Integrity at KPMG	All employees	Yes	This annual course introduces KPMG's integrity and independence obligations, providing comprehensive review of policies governing Code of Conduct compliance. Covers key topics including conflicts of interest, confidential information, intellectual property, business ethics, political activities and insider trading prohibitions.	1.5 hour
Global Independence training	All professionals	Yes	This annual course provides fundamental review of KPMG independence rules, focusing on personal independence regulations and risk management. Covers statutory requirements for corruption and bribery prevention. The course includes guidance on compliance requirements and addresses regulatory obligations.	3 hour
KICS Training	All employees from manager level up	Yes	Designed to increase knowledge about KICS (KPMG Independence Compliance System)—a system ensuring awareness of investments that may conflict with independence requirements.	45 min
Independence - Basic training	All professionals in Audit	Yes	Fundamental understanding of applicable rules for different customer types.	1 hour
Onboarding QRM for Advisory	All employees in Advisory	Yes	Course for new Advisory employees covering basic QRM principles and focus on CFAC and Sentinel usage. Conducted every 3 months.	1 hour

Annual independence confirmation

Beyond mandatory training courses, all employees must annually sign a Compliance Confirmation—a declaration confirming adherence to regulatory requirements and KPMG's internal guidelines.

Departments with heightened exposure to corruption and bribery

We generally assess corruption and bribery risks as low across all KPMG departments. While certain departments face somewhat elevated exposure, we continue to evaluate these risks as low:

Department	Risk Assessment	Rationale
IDAS (Forensic)	Low	Conducts investigations of companies in countries with known corruption issues.*
Procurement	Low	Responsible for contract negotiations, supplier selection and pricing decisions.
Market	Low	Customer negotiations and sales processes.
Finance	Low	Transaction handling, payment approvals and access to confidential financial data.

**IDAS assists in detecting corruption and bribery and does not face genuinely elevated risk. All department employees complete mandatory integrity training.*

Supplier relationships

(G1-2)

KPMG Norway maintains high standards for our suppliers and expects full compliance with our ethical standards and guidelines. We ensure this through our **Supplier Code of Conduct** and procurement guidelines, which define requirements for acquisition processes and supplier monitoring.

In 2023, we upgraded our procurement solution to streamline supplier management and enable systematic human rights due diligence throughout our supply chain. This enhancement has strengthened our ability to monitor and mitigate value chain risks.

Our upgrade included improved data quality for ongoing agreements, featuring more precise supplier contract categorization to ensure better monitoring capabilities. Our **Procurement Manager** holds overall responsibility for supplier oversight and supply chain risk management. We maintain strong commitment to risk management within our supplier portfolio, ensuring compliance with ethics, environmental, auditor independence and **Code of Conduct** requirements.

Measures for responsible supplier management

1. Supplier Code of Conduct

- All suppliers commit to our supplier code, which is signed and included in contracts.
- Documents are stored in our central contract archive (ServiceNOW).

2. Annual risk assessment

- All suppliers undergo annual assessment in accordance with Transparency Act requirements to ensure compliance with our standards.

3. Review of top 10% of suppliers

- Our largest suppliers undergo rotating 24-month review cycles.
- Results are documented and stored as attachments in the contract archive.

4. Annual updates of third-party agreements

- When engaging personnel or consultant services, we renew Onboarding of Third Parties and Confidentiality and Independence Agreements (including NDAs).

5. Spot checks and reviews

- We conduct regular controls to ensure continuous compliance and identify potential deviations early.

These measures ensure fair and transparent supplier management at KPMG Norway.

Climate, environmental and social considerations in supplier selection

KPMG Norway maintains unwavering commitment to responsible procurement practices, establishing clear requirements for social and environmental conditions throughout our supply chain. Our ethical guidelines mandate supplier compliance with the Transparency Act, OECD Guidelines for Responsible Business Conduct, and ILO Core Conventions for decent working conditions.

- New suppliers must complete questionnaires addressing human rights and environmental impact
- Audit obligation: Suppliers commit to availability for audit within 14 days upon request, in accordance with the Transparency Act

Procurement guidelines

Our procurement guidelines define decision-making levels, responsibilities, prerequisites and authorities for all company acquisitions. This framework ensures clear procurement guidance and compliance regarding:

- Authorization for making purchases
- Spending limits applicable to various authorization levels

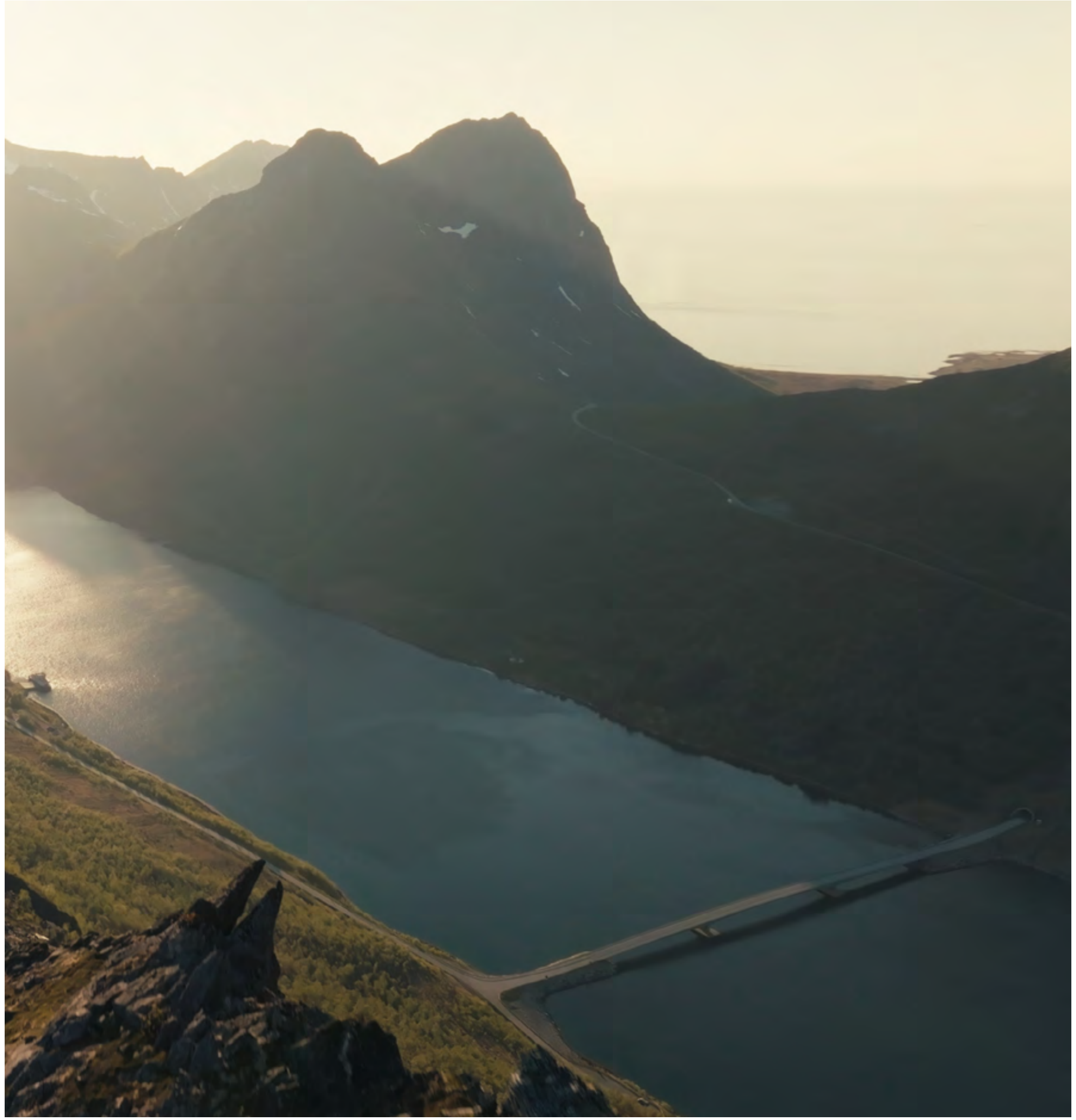
Environmental and sustainability requirements in procurement

All acquisitions must comply with KPMG's environmental requirements, with environmental considerations weighted in decision-making processes. Priority areas include:

- Climate and energy
- Transport and travel
- ICT equipment
- Office and consumable materials
- Furniture

KPMG is a member of Grønt Punkt Norge and holds an Eco-Lighthouse certification. We prioritize suppliers demonstrating environmentally responsible operations and products through:

- Preference for eco-labeled products and services
- Sustainable transport solutions
- Energy consumption monitoring and waste reduction



Prevention and detection of corruption and bribery

(G1-3)

Definitions of corruption and bribery

- Bribery: Offering or receiving improper advantage to obtain or retain business benefits
- Corruption: Accepting or receiving such advantages

Procedures and reporting routines

KPMG has established clear guidelines to prevent, detect and handle corruption and bribery cases:

1. Reporting obligations

- All employees must report suspected violations
- For specific client engagements, the Engagement Partner must be notified, who then escalates to the Risk Management Partner (RMP)
- Other cases are handled through KPMG's general whistleblowing procedures (see GOV-1)

2. Violation consequences

Internal sanctions: Disciplinary measures, impact on compensation/promotion, or termination

External consequences: Fines, loss of professional licenses or legal sanctions, including imprisonment

Independent entities without conflicts of interest conduct investigations of corruption cases

3. Gift and entertainment guidelines

- See G1-1, Guidelines for ethical business conduct and corporate culture

4. Ongoing information and updates

- KPMG's Quality & Risk Management (QRM) publishes updated corruption and bribery procedures on the company intranet

Reporting to administration, management and control bodies

Results from KPMG's anti-corruption and compliance work are regularly reported to administration, management and control bodies.

Corruption and bribery training

Anti-corruption and bribery training is mandatory for all KPMG Norway employees, including administration, management and control bodies.

- 100% of employees in risk-exposed departments receive specially tailored training
- See GOV-1 for overview of KPMG's mandatory courses in business ethics, corruption and bribery

Incidents of corruption and bribery (G1-4)

KPMG Norway is committed to full transparency regarding any incidents related to corruption and bribery. During the 2024 reporting year, there have been no public legal proceedings related to such matters, and no cases of corruption or bribery have been identified.

Overview of corruption and bribery cases:

Category	Number
Convictions and fines for violations of corruption and bribery laws	0
Confirmed cases of corruption or bribery	0
Number of employees dismissed or subjected to disciplinary action for corruption or bribery	0
Contracts with business partners terminated or not renewed due to corruption or bribery	0

This overview confirms that KPMG's measures to prevent corruption and bribery are effective, with no violations occurring during the reporting period.

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