



Transparency Report 2023

Quality is how we make the difference.

KPMG Sweden

[kpmg.se](https://www.kpmg.se)



KPMG Values

KPMG is committed to quality and service excellence in all that we do, helping to bring our best to clients and earning the public's trust through our actions and behaviors both professionally and personally.

Our Values guide our behaviors day-to-day, informing how we act, the decisions we make, and how we work with each other, our clients, companies that we audit, and all of our 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.

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Committed to delivering quality

Quality is as much an outcome as it is the standard for which we hold ourselves to account. It is the gateway to building trusted relationships with clients, stakeholders, and between the people within our own organization. Providing high-quality services is what allows our people to continuously earn and re-earn the trust that has underpinned our organization for more than 100 years.

Building trust is the key to our success and it starts with quality – even more so as the world evolves at a pace unrivaled in recent memory. Businesses are integrating technology in ways once unimaginable, shifting geopolitical winds and economic uncertainty have displaced norms, and businesses need to mobilize action against societal threats like the climate crisis.

The pace and scale of dramatic change happening around us only strengthens our resolve to ensure the quality, consistency and adaptability of our services are fit for this new future. Audit and assurance quality remains the highest priority at KPMG. We have taken a consistent risk-based approach to our System of Quality Management to drive audit quality and meet the requirements of the International Standard on Quality Management (ISQM) 1.

Across the global KPMG organization, significant resources are invested to stay ahead of the curve. This significant investment has occurred in tandem with greater investments in tools, technology and talented people – all to create a more seamless, integrated approach across borders.

Within KPMG AB and in collaboration with KPMG firms across the global organization:

- We have transformed the audit experience by delivering a fully digital audit approach that is more efficient, more consistent and more adaptable
- We are utilizing powerful technologies, including artificial intelligence, and leaning on our alliances with technology leaders to further enhance quality and provide even more value through deeper analysis of businesses, big and small, across the world
- We are upskilling our people and building teams that are fluent in ESG assurance reporting to help our clients meet the goals necessary to build a more sustainable future

No process, technology or investment is foolproof, but our commitment and focus on ensuring that we uphold our standards and those of our profession

is unyielding. We learn from shortcomings and constantly look for opportunities to improve our performance and quality.

We have a responsibility to so many people, businesses, and organizations. By utilizing the breadth of our organization and the expertise of our people, we are here to serve our clients and stakeholders to safeguard the public interest. We will never waiver from our commitment to deliver high-quality audit and assurance services.

We encourage you to read this report* to learn more about how we are working to ensure you can trust KPMG AB to deliver professional excellence and quality.



Mathias Arvidsson
Managing Director
January 29, 2024



Johan Dyrefors
Head of Audit & Assurance
January 29, 2024



Introduction and foreword

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*This report includes all information required by article 13 of the European Union's Regulation 537/2014. It also includes the statement of effectiveness on our system of quality management as required by the International Auditing and Assurance Standards Board (IAASB)'s, International Standard on Quality Management (ISQM1) and KPMG International Limited Policy. Based on the annual evaluation of KPMG AB's System of Quality Management as of 30 September 2023, the System of Quality Management provides the Board of Directors on behalf of the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved. The report has been approved by the Board of Directors on 25 January 2024.

Audit Quality

Audit quality is fundamental to maintaining public trust and is the key measure on which our professional reputation stands.

We define “Audit quality” as the outcome when audits are executed consistently, in line with the requirements and intent of applicable professional standards, within a strong system of quality management.

All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.



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Our system of quality management is foundational for audit quality

Audit and assurance quality is foundational to instilling confidence and public trust in the capital markets and it remains our highest priority.

Across the global organization, KPMG firms have strengthened the consistency and robustness of their system of quality management (SoQM) to meet the requirements of the International Standard on Quality Management (ISQM) 1, issued by the International Auditing and Assurance Standards Board (IAASB). Foundational for quality management, our globally consistent approach to ISQM 1 drives compliance with the requirements of the standard and our efforts to strengthen trust and transparency with our clients, the capital markets and the public we serve.

KPMG International's global approach SoQM and ISQM 1



Sets **policies and procedures** to support KPMG firms' effective SoQM in accordance with ISQM 1 issued by the IAASB



Establishes for each SoQM component, globally consistent **quality objectives, risks and responses**



Provides KPMG firms with a globally consistent **risk assessment framework** to use in identifying incremental KPMG firm specific quality objectives, risks and controls



Supports KPMG firms with **guidance, tools, and training** to drive consistent and effective firm SoQM operation



Includes **monitoring activities** over KPMG firms' SoQM to drive global consistency



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Our globally consistent approach to ISQM 1 drives the robustness of our responses to the risks of achieving the quality objectives set out in the standard. For each component in the standard, we have established minimum required quality objectives, quality risks and responses for all KPMG firms.

KPMG International has established a risk assessment process required to be used by KPMG firms in identifying additional firm specific quality objectives, quality risks, and responses and requirements for testing and evaluation of their system of quality management together with guidance, tools and templates to support the consistent implementation of ISQM 1 across KPMG firms.

The globally consistent approach is used by all KPMG firms across the global organization. The objective of this centralized approach is to drive consistency, robustness, and accountability of responses within KPMG firms' processes.

To provide more transparency on what drives KPMG audit and assurance quality, this report is structured around the KPMG Global Quality Framework. For KPMG, the Global Quality Framework outlines how we deliver quality and how every KPMG professional contribute to its delivery.

The drivers outlined in the framework are the ten components of our KPMG SoQM. In line with ISQM 1, our SoQM also aligns with the requirements of the International Code of Ethics for Professional Accountants (including International Independence

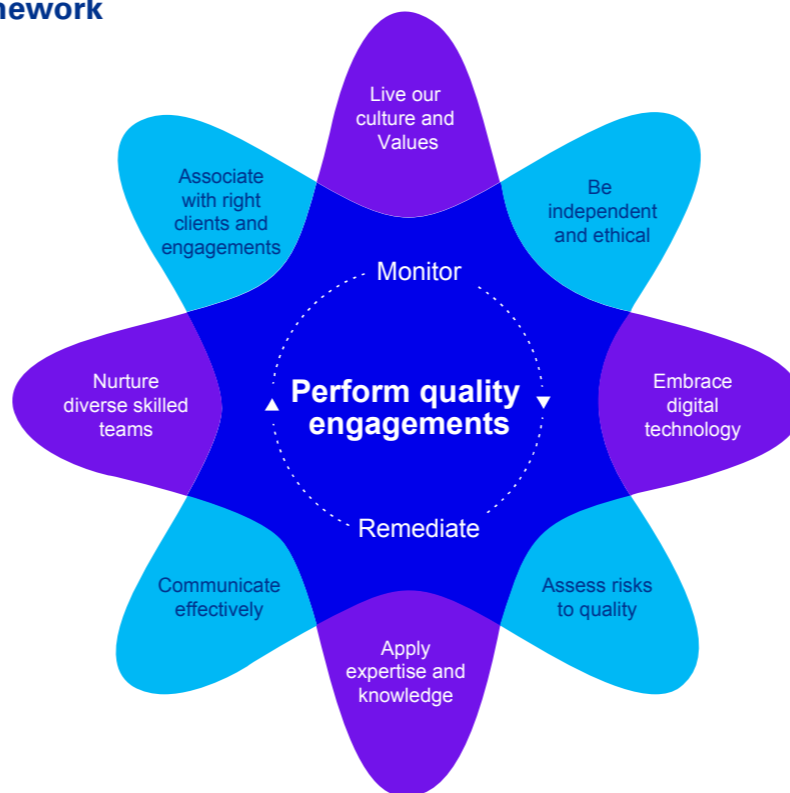
Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which apply to professional services firms that perform audits of financial statements.

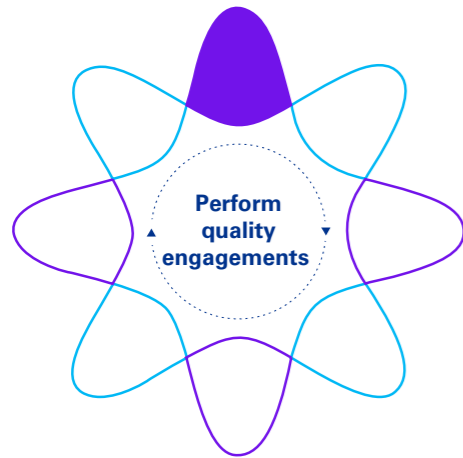
This Transparency Report describes how we effectively operate each SoQM component. Combined with our firm's SoQM Statement of Effectiveness (page 39), this Transparency Report summarizes how our* SoQM

effectively supports the consistent performance of quality engagements. This report may also be useful for stakeholders interested in KPMG firms' Tax and Advisory services, as certain aspects of our firm's SoQM are cross-functional and apply equally as the foundation of quality for all services offered.

*Throughout this document, "we" "KPMG"; "us", and "our" refers to the Swedish organization, KPMG AB.

KPMG's Global Quality Framework





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- **Foster the right culture, starting with tone at the top**
- **Defined accountabilities, roles and responsibilities for quality and risk management**

It's not just what we do at KPMG that matters, we also pay attention to how we do it. Our Values are our core beliefs, guiding and unifying our actions and behaviours. Shared across all personnel and in every country, jurisdiction and territory in which we operate, they are the foundation of our unique culture.

Foster the right culture, starting with tone at the top

KPMG International's leadership, working with regional and KPMG firm leadership, plays a critical role in establishing our commitment to quality and the highest standards of professional excellence and ethics. A culture based on integrity, accountability, quality, objectivity, independence and ethics is essential in an organization that carries out audits and other professional services on which stakeholders rely.

At KPMG, our Values lie at the heart of the way we do things. To do the right thing, the right way. They form the foundation of a resilient culture ready to meet challenge with integrity, so we never lose sight of our principal responsibility to serve the public interest.



And they propel us forward – through our work and the example we set – as we inspire confidence and empower change throughout the world.

We are committed to the highest standards of personal and professional behavior in everything we do. Ethics and integrity are core to who we are and within our [Global Code of Conduct](#), we outline the responsibilities all KPMG people have to each other, our clients and the public. It shows how our Values and Purpose inspire our greatest aspirations and guide all of our behaviors and actions. It defines what it means to work at and be part of the KPMG organization, as well as our individual and collective responsibilities.

Everyone at KPMG can expect to be held accountable for their behaviour consistent with the Code and is required to confirm their compliance with it. Individuals are strongly encouraged to speak up if they see something that makes them uncomfortable or that is not in compliance with the Code or our Values. Everyone at KPMG is required to report any activity that could potentially be illegal or in violation of our Values, KPMG policies, applicable laws, regulations or professional standards.

To safeguard this principle of holding each other accountable, each KPMG firm has agreed to establish, communicate and maintain clearly defined channels to allow KPMG personnel and third parties to make inquiries about, raise concerns in relation to provide feedback on and notify reportable matters, without fear of reprisal, in accordance with applicable law or regulation.

Our local whistleblowing channel and the [KPMG International hotline](#) are mechanisms for KPMG personnel, clients and other third parties to confidentially report concerns they have relating to KPMG International, activities of KPMG firms or KPMG personnel. Reports received by the different channels are taken seriously, and for each of them, KPMG will consider how to respond and where necessary, investigate and take appropriate action.

All KPMG firms and personnel are prohibited from retaliating against individuals who have the courage to speak up in good faith. Retaliation is a serious violation of the Code, and any person who takes retaliatory action will be subject to their firm’s disciplinary policy.

In addition to the processes outlined above, the Global People Survey provides our leadership and KPMG International leadership with results related to upholding the KPMG Values.

The multidisciplinary model

Today’s organizations face complex problems that require the best, most integrated thinking. KPMG International firmly believes that our multidisciplinary model is the best way to serve clients and is essential to delivering the highest levels of quality on the largest and most complex audit, tax and consulting engagements. It allows us to be an agile and resilient business and means we can more easily respond to market conditions, as well, as it makes KPMG a more interesting and exciting place to work for KPMG personnel.

Defined accountabilities, roles and responsibilities for quality and risk management

KPMG demonstrates commitment to integrity, quality, objectivity, independence, and ethics, and communicates our focus on quality to clients, stakeholders, and society. Our leadership plays a critical role in setting the right tone and leading by example – demonstrating an unwavering commitment to the highest standards of professional excellence and championing and supporting major initiatives. Our leadership team is committed to building a culture based on integrity, quality, objectivity, independence, and ethics, demonstrated through their actions. KPMG is required to seek input from the chair of the relevant Global Steering Group or his/her delegee on the performance of certain leaders within KPMG AB whose role most closely aligns with the activities of the Global Steering Group. Input is sought as part of the annual performance process and is based on an assessment of the leader’s performance, which includes matters of public interest, audit quality and risk management activities. The following individuals have leadership responsibilities for quality and risk management at KPMG.

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Leadership responsibilities for quality and risk management



Managing Director

In accordance with the principles in ISQM 1, our Managing Director Mathias Arvidsson is the leader who has ultimate responsibility for our SoQM. Details of some of the measures that the Managing Director and the Board have taken to ensure that a culture of quality prevails within KPMG AB are set out in this transparency report.



Risk Management Partner

The Risk Management Partner (RMP) is responsible for the direction and execution of risk, compliance, and quality control. The RMP is a full member of the Management Team and has a direct reporting line to the Managing Director and the Board of Directors. The RMP consults, as appropriate, with the Managing Director, the Regional Risk Management Partner, Global Quality & Risk Management resources, and the general counsel or external counsel.

The fact that the RMP role is a Management Team position, and seniority of the reporting lines, underlines the importance that the firm places on risk and quality issues. The RMP is supported by a team of partners and professionals in each of the functions.



Ethics and Independence Partner (EIP)

The RMP also holds a role as Ethics and Independence Partner and has thereby also primary responsibility for the direction and execution of ethics and independence policies and procedures in KPMG AB.



Audit & Assurance, Tax & Legal and Advisory – Function Heads

The three heads of the client service functions (Audit & Assurance, Tax & Legal and Advisory) are accountable to the Managing Director for the quality of service delivered in their respective functions. They are responsible for the execution of the risk management and quality management procedures for their specific functions within the framework set by the Risk Management Partner. These procedures make it clear that, at the engagement level, risk management and quality management is ultimately the responsibility of all professionals in the firm.

Head of Audit & Assurance is responsible for the effective management and control of the Audit & Assurance Function. This includes:

- Setting a strong tone and culture supporting audit quality through communication, engagement support and commitment to the highest standards of professional excellence, including professional scepticism, objectivity, and ethics and integrity;
- Developing and implementing an audit strategy which is aligned with KPMG audit quality requirements; and
- Working with the Risk Management Partner to monitor and address audit quality and risk matters as they relate to the Audit practice.



Audit & Assurance Leadership Team

The Audit & Assurance Leadership Team has regular discussions to agree actions about current and emerging audit quality issues arising from external and internal quality review processes, queries being raised by engagement teams, our SoQM evaluation, root cause analysis procedures and other quality matters identified from a variety of sources.

More complex issues (which might require amendments to KPMG’s global audit methodology or audit tools) are raised with KPMG International Global Audit groups for consideration and potential development of solutions by the KPMG Global Solutions Group (KGSG), Global Audit Methodology Group (GAMG) and the International Standards Group (ISG). For more information about the KGSG, the GAMG and the ISG refer to [page 27](#).

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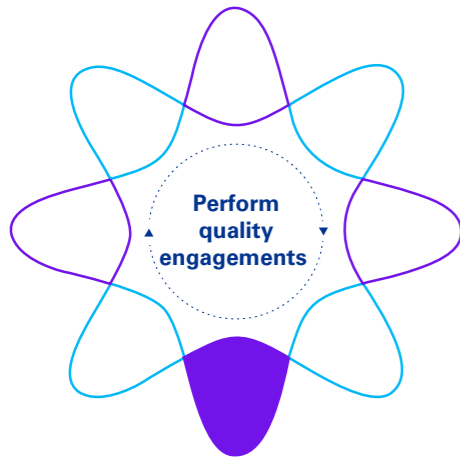
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Apply expertise and knowledge

- **Methodology aligned with professional standards, laws and regulations**
- **Standardized methodology and guidance**
- **Deep technical expertise and knowledge**
- **Quality and risk management policies**

We are committed to continuing to build on our technical expertise and knowledge recognizing its fundamental role in delivering quality audits.

Methodology aligned with professional standards, laws and regulations

Consistent audit and assurance methodology and tools

We use KPMG International's audit and assurance methodology, tools and guidance to drive a consistent approach to planning, performing and documenting audit procedures over key accounting processes.

Key elements include:

- Meeting the applicable standards, including International Standards on Auditing (ISA), Public Company Accounting Oversight Board (PCAOB) and the American Institute of CPAs (AICPA) the EU Audit Regulation, local auditing standards and regulatory, and statutory requirements in Sweden;
- Identifying risks of material misstatements and the necessary audit response;



- Embedded in the practice of our audit and assurance professionals;
- Alignment to the International Standard on Assurance Engagements (ISAE) in response to the growth of ESG reporting;
- Consistent interpretation of how to apply ISAs and ISAEs.

Our audit and assurance methodologies emphasize applying appropriate professional scepticism in the execution of procedures and require compliance with relevant ethical requirements, including independence.

Standardized methodology and guidance

The KPMG standardized methodology and guidance are embedded within KPMG Clara, our smart audit platform, and assist our engagement teams in meeting the ever-changing landscape of corporate reporting.

Deep technical expertise and knowledge

Access to specialist networks

Specialist expertise is an increasingly important part of the modern audit and is a key feature of our multi-disciplinary model. Our engagement teams have access to a network of KPMG specialists to consult – either within our firm or in other KPMG firms. These specialists receive the training they need to ensure they have the competencies, capabilities and

objectivity to appropriately fulfil their role on our audits. They also receive a global annual update on global quality performance issues.

The need for specialists to be assigned to an audit engagement in areas such as information technology, tax, treasury, actuarial, forensic and valuations is considered as part of the audit engagement acceptance and continuance process, as well as during the planning and conduct of the engagement.

Our commitment to audit quality by responding to significant external events and conditions

Significant external events and conditions, such as the impacts arising from climate change, geopolitical events, volatile interest rates and elevated levels of inflation, may have significant financial statement implications, increasing complexity, subjectivity and uncertainty for matters such as management’s going concern assessment, asset impairments and asset valuations. KPMG International issues extensive guidance to assist engagement teams in addressing the financial reporting, auditing and reporting related matters arising from the impacts of these significant external events and conditions.

We also have access to online financial reporting resource center maintained by KPMG International that highlight the potential financial statement implications of matters arising from significant external events to assist financial statement preparers and other

stakeholders in understanding the potential accounting and disclosure implications arising from these significant external events and conditions.

KPMG International’s guidance is continually updated as new significant accounting, auditing and reporting issues emerge.

We are a technology-enabled organization, with technical accounting and auditing resources, guidance, platforms and tools available digitally, which enables our engagement teams to effectively operate in office and remote-working environments.

ESG Assurance quality

KPMG is committed to fulfilling our public interest role in providing robust assurance that can benefit investors and other stakeholders.

We believe the same level of professionalism, quality, consistency and trust should apply to ESG reporting as to financial data. We are making significant investments in putting ESG at the heart of the organization.

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During 2023, as part of our commitments to meeting both the public interest and market demands, we:

- Released an execution guide for ESG Assurance designed to be flexible and scalable, while enabling high quality, globally consistent assurance engagement delivery that complies with assurance standards and aligns with our financial statement audit methodology. The scope of the execution guide is broader than ESG Assurance and is also applicable for all ISAE 3000 assurance engagements;
- Delivered knowledge to be used in conjunction with the methodology that is supported by standardized risks and procedures for Greenhouse gas (GHG) assurance engagements;
- Released learning curriculum to increase the foundational ESG literacy of KPMG professionals and train on the new methodology and KPMG Clara workflow for ESG Assurance.

Quality and risk management policies

KPMG International has global quality and risk management policies that all KPMG firms have agreed to apply to themselves and their personnel and are consistent with ISQM 1, where applicable.



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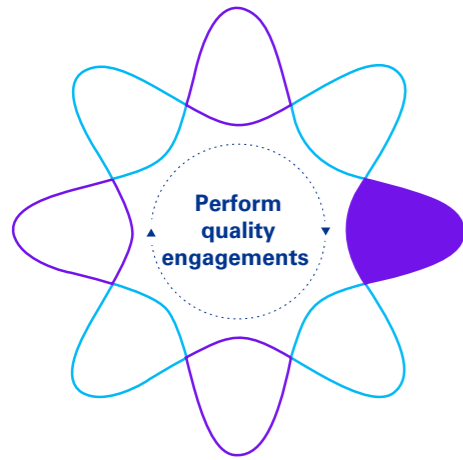
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- **Intelligent, standards-driven audit and assurance workflows**
- **KPMG Clara**
- **Digital data and emerging technologies**

At KPMG, we are anticipating the technologies that will shape our near future and are driving an ambitious innovation agenda. We are transforming the audit experience for our professionals and clients. The alliances and leading technologies used across the KPMG global organization are enhancing audit quality by increasing our ability to focus on the issues that matter.

Intelligent, standards-driven audit and assurance workflows

At our firm, all professionals are expected to adhere to KPMG International and our firm's policies and procedures, including independence policies, and are provided with a range of tools and guidance to support them in meeting these expectations. Our policies and procedures set for audit and assurance engagements

incorporate the relevant requirements of accounting, auditing, assurance, ethical and quality management standards, and other relevant laws and regulations. This includes standards issued by the Swedish Inspectorate of Auditors (Revisorsinspektionen), the institute for the accountancy profession in Sweden (FAR) and other relevant laws and regulations such as bribery legislation, the Money Laundering Act, and insider rules.

As a scalable, intuitive cloud-based platform, KPMG Clara is driving globally consistent execution across all KPMG firms. It enables delivery of KPMG audit and assurance methodologies, through data-enabled workflows, that are aligned with the applicable standards, providing an improved experience to auditors.



KPMG Clara

Our intelligent audit and assurance technology platform, KPMG Clara integrates new and emerging technologies, with advanced capabilities that leverage data science, audit automation, and data visualization. It brings new insights by helping auditors to see meaningful patterns across a business, whether conducting risk assessment, tracing transactions through a complex revenue process, or simply adding up the accounts.

A fully digital audit approach is integral to how KPMG firms perform quality audit and assurance engagements and interact with their clients. Policies and guidance are in place to establish and maintain appropriate processes and controls regarding the development, evaluation and testing, deployment and support of technology in our audits.

Client confidentiality, information security, and data privacy

The importance of maintaining client confidentiality is emphasized through a variety of mechanisms, including the KPMG Global Code of Conduct.

We have policies on information security, confidentiality, personal information, and data privacy. We have a document retention policy concerning the retention period for audit documentation and other records relevant to an engagement in accordance with applicable laws, regulations, and professional standards.

KPMG provides training on confidentiality, information protection and data privacy requirements to all KPMG personnel annually.

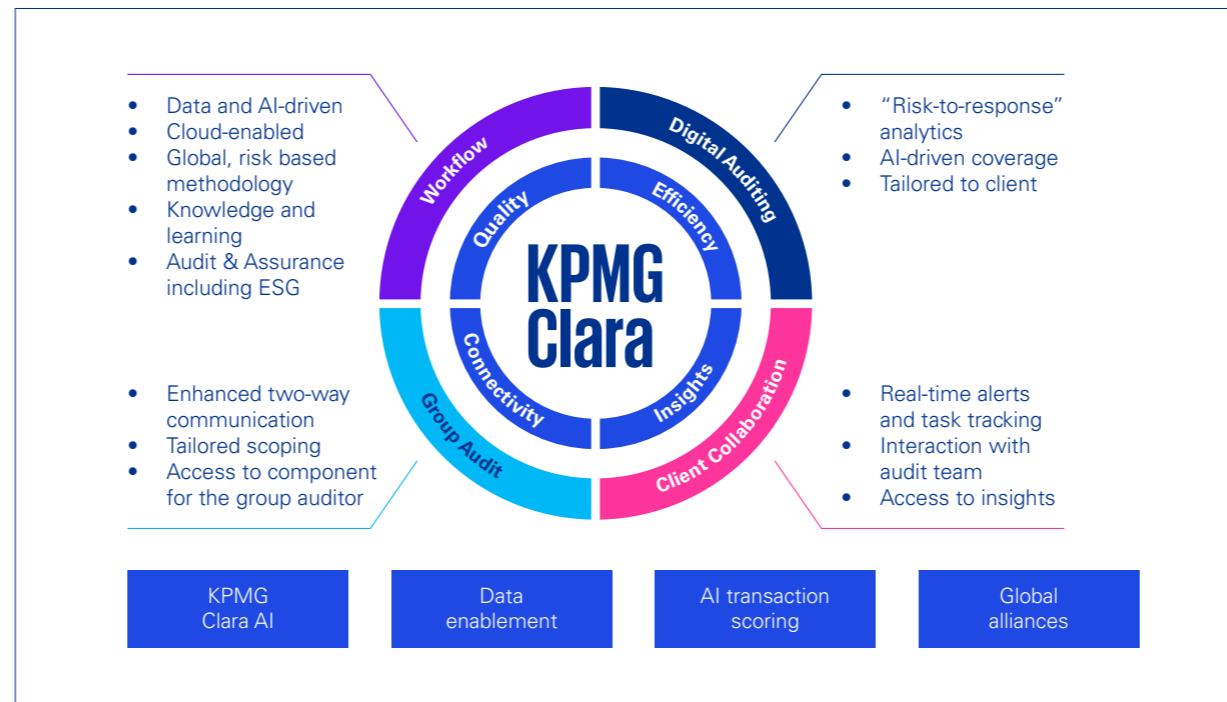
Digital data and emerging technologies

Our vision for the future

KPMG Clara was developed to be a foundational technology platform to deliver audit quality. It evolves with technologies such as artificial intelligence (AI), data & analytics, and cognitive capabilities transforming how audits are delivered.

AI plays an increasingly significant role in delivering audits; for example the alliance with MindBridge is helping to better identify high-risk transactions, allowing us to obtain audit evidence and insights into client data.

The KPMG organization's procurement and global alliance relationships with Microsoft were recently renewed and expanded. The multi-year agreement further integrates data, automation and AI enablement into KPMG Clara to develop deeper, increasingly relevant insights, freeing up KPMG teams to focus on higher-risk areas of audit.



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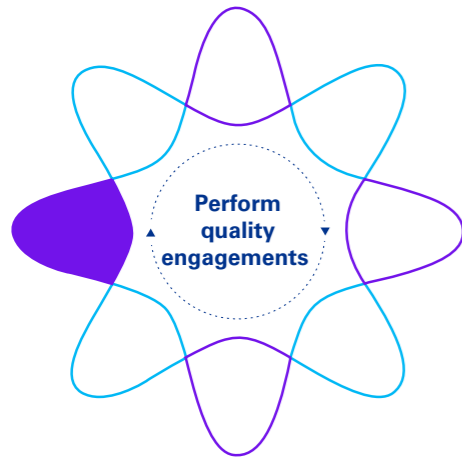
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Nurture diverse skilled teams

- **Recruiting appropriately qualified and skilled people with diversity of specialist skills, perspective, and experience**
- **Assign an appropriately qualified team**
- **Investing in data centric skills – including data mining, analysis and visualization**
- **Focused learning and development on technical expertise, professional acumen, and leadership skills**
- **Recognizing quality**

Our people make the real difference and are instrumental in shaping the future of audit at KPMG. We put quality and integrity at the core of our audit practice. Our auditors have diverse skills and capabilities to address complex problems.

Recruiting appropriately qualified and skilled people with diversity of specialist skills, perspective, and experience

One of the key drivers of quality is ensuring that KPMG professionals have the appropriate skills and experience, motivation and purpose to deliver high-quality audits. This requires the right recruitment, development, reward, promotion, retention, and assignment of professionals.

Recruitment

We have invested in understanding how we can attract the talent we need now and in the future across our firm. This includes building an extraordinary people experience for all current and prospective partners and employees.

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Our recruitment strategy is focused on drawing entry-level talent from a broad talent base, including working with established universities and business schools, but also working with secondary schools, helping build relationships with a younger, diverse talent pool at an early age. KPMG recruits an increasing number of experienced staff and some lateral partner hires on a yearly basis.

All candidates apply and are employed following a variety of selection processes, which may include application screening, competency-based interviews, psychometric and ability testing, and qualification/reference checks. These leverage fair and job-related criteria to ensure that candidates possess the appropriate skills and experience to perform competently, are suitable and best placed for their roles.

We recruited close to 300 new graduates and 200 experienced hires in the year ended 30 September 2023 (2022: approximately 300 graduates and 170 experienced professionals).

Where individuals are recruited for senior grades, a formal independence discussion is conducted with them by the Ethics and Independence Partner or a delegate. We do not accept any confidential information belonging to the candidate's former firm/employer.

Inclusion, diversity and equity programs

At KPMG, we are committed to building a diverse and equitable firm that is inclusive to all. Inclusion, Diversity and Equity (IDE) underpins our Values and is vital to our Purpose.

It leads to better decision-making, drives greater creativity and innovation, and encourages us to stand up, live our Values, and do what is right.

We recognize the KPMG organization's global position working with clients around the world affords us a privileged place. With that comes an opportunity and responsibility to achieve more and push for a fairer, more equitable society.

The KPMG Global Inclusion, Diversity & Equity Collective Action Plan outlines the actions that are necessary to advance inclusion, diversity, and equity across all KPMG firms. In addition KPMG AB have an IDE Steering group with representatives from the different parts of the firm to secure a clear IDE focus and run projects and activities to support the firms IDE ambition.

For more information about Inclusion & Diversity at KPMG, read [here](#).

Reward and promotion

We have compensation and promotion policies that are informed by market data, clear, simple, fair and linked to the performance review process. This helps our partners and employees understand what is expected of them, including audit quality accountabilities outlined in globally consistent audit role profiles and the audit quality goal. The connection between performance and reward is achieved by assessing performance across a peer group to inform reward decisions.

Reward decisions are based on consideration of both personal and individual firm performance.

The extent to which our people feel their performance has been reflected in their reward is measured through the annual Global People Survey, with action plans developed as required.

The results of performance evaluations directly affect the promotion and remuneration of partners and employees and, in some cases, their continued association with KPMG.

Assign an appropriately qualified team

At KPMG we have policies, procedures and controls in place to assign engagement partners and other professionals to a specific engagement on the basis of their skill sets, relevant professional and industry experience, and the nature of the assignment or engagement. Function heads are responsible for the partner assignment process. Key considerations include partner experience and capacity – based on an annual partner portfolio review – to perform the engagement taking into account the size, complexity and risk profile of the engagement and the type of support to be provided (i.e. the engagement team composition and specialist involvement).

Audit engagement partners are responsible for determining that their engagement teams have appropriate competencies, training and capabilities, including time, to perform audit engagements in accordance with our audit methodology, professional standards, and applicable legal and

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regulatory requirements. This may include involving specialists from our own firm, other KPMG firms or external experts.

When considering the appropriate competence and capabilities expected of the engagement team as a whole, the engagement partner's considerations may include the following:

- Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- Understanding of professional standards and legal and regulatory requirements;
- Appropriate technical skills, including those related to relevant information technology and specialized areas of accounting or auditing;
- Knowledge of relevant industries in which the client operates;
- Ability to apply professional skepticism;
- Understanding of KPMG's quality control policies and procedures and
- Quality Performance Review (QPR) results and results of regulatory inspections.

Investing in data centric skills – including data mining, analysis and visualization

The KPMG organization is strategically investing in prospective talent by partnering with world-class institutions to sustain strong leadership, while

also looking forward to cultivating the skills and capabilities that will be needed in the future. We are recruiting and training professionals who specialize in software, cloud capabilities and AI and who can bring leading technology capabilities to the smart audit platform that we use. We provide training on a wide range of technologies to help ensure that field professionals not only meet the highest professional standards but are also upskilled in new technology. With this approach we are bringing together the right people with the right skills and the right technology to perform quality audits.

Focused learning and development on technical expertise, professional acumen, and leadership skills

Commitment to technical excellence and quality service delivery

All KPMG professionals are provided with the technical training and support they need to perform their roles. This includes access to internal specialists and the professional practice department for consultation.

Lifetime learning strategy

Annual training priorities for development and delivery are identified by the Audit Learning and Development groups at global, regional and, where applicable, KPMG firm level.

Minimum mandatory learning requirements for audit professionals across the KPMG organization are established annually. Training is delivered using a blend of learning approaches and performance support.

Mentoring and on-the-job coaching

Learning is not confined to a single approach – rich learning experiences are available when needed through coaching and just-in-time learning and aligned with job-specific role profiles and learning paths.

Mentoring and on-the-job experience play key roles in developing the personal qualities important for a successful career in auditing, including professional judgment, technical excellence and instinct.

We support a coaching culture as part of enabling KPMG professionals to achieve their full potential and instill that every team member is responsible for building the capacity of the team, coaching other team members and sharing experiences.

Licensing and mandatory requirements for IFRS® Standards and US GAAP engagements

Licensing

All KPMG professionals are required to comply with applicable professional license rules and satisfy the Continuing Professional Development requirements stipulated by the Swedish Inspectorate of Auditors (Revisorsinspektionen) as well as the institute for the accountancy profession in Sweden (FAR).

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KPMG International/KPMG AB policies and procedures are designed to facilitate compliance with licence requirements. We are responsible for ensuring that audit professionals working on engagements have appropriate audit, accounting and industry knowledge, and experience in the local predominant financial reporting framework – IFRS as well as K3 and K2 (Swedish GAAP).

Mandatory requirements – IFRS Standards and US GAAP engagements

In addition, KPMG International has specific requirements for partners, managers and Engagement Quality Control (EQC) reviewers working on IFRS Standards engagements in countries where IFRS Standards are not the predominant financial reporting framework. These requirements apply for countries where Swedish clients have subsidiaries and where IFRS is not the predominant financial reporting framework but not for Sweden as we have IFRS as our predominant financial reporting framework.

Similar policies apply to engagements performed outside the US to report on financial statements or financial information prepared in accordance with US GAAP and/or audited in accordance with US auditing standards, including reporting on the effectiveness of the entity’s internal control over financial reporting (ICOFR). These require that at a minimum, all partners, managers and, if appointed, the EQC reviewers (and for engagements conducted in accordance with US GAAP and/or US auditing standards engagements, the engagement partner, engagement manager, engagement in-charge and, if appointed, the EQC reviewers) assigned to the engagement have

completed relevant training and that the engagement team, collectively, has sufficient experience to perform the engagement or has implemented appropriate safeguards to address any shortfalls.

Recognizing quality

Our approach to performance development, ‘Open Performance Development’, is built around the ‘*Everyone a Leader*’ performance principles which are supplemented by the ‘global audit technical core competencies’ to provide a holistic view of expectations. The performance development approach includes:

- Globally consistent audit role profiles (including role profiles specific to audit quality accountabilities and responsibilities);
- A goal library (including a mandatory audit quality goal applicable to everyone covered by the globally consistent audit role profiles and additional optional audit quality content);
- Standardized review forms (with provision for audit quality ratings).

Open Performance Development is linked to the KPMG Values and designed to articulate what is required for success – both individually and collectively. We know that by being clear and consistent about the behaviours and competencies we expect and rewarding those who demonstrate them, we will continue to drive a relentless focus on audit quality.

At the same time, we are driving a shift in our performance-driven culture, supported by and enacted

through leading technology made available by KPMG International that allows us to embed audit quality into the assessment of performance and the decisions around reward, as well as drive consistency across the global organization.

We consider quality and compliance metrics in assessing the overall evaluation, promotion and remuneration of partners [and directors and managers]. These evaluations are conducted by performance managers and partners who are able to assess performance.

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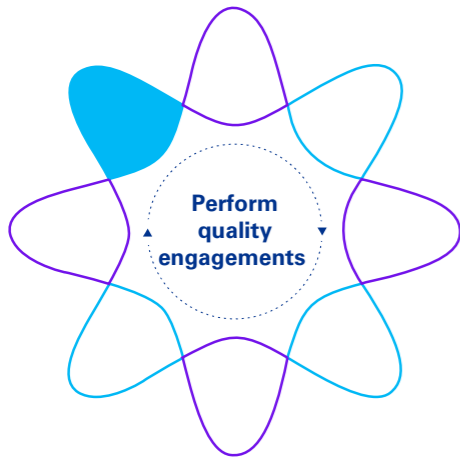
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Associate with the right clients and engagements

- **Global client and engagement acceptance and continuance policies**
- **Accepting appropriate clients and engagements**
- **Manage portfolio of clients**

Rigorous global client and engagement acceptance and continuance policies are vital to being able to provide high-quality professional services.

Global client and engagement acceptance and continuance policies

KPMG International's global client and engagement acceptance and continuance policies and processes are designed to help KPMG firms identify and evaluate potential risks prior to accepting or continuing a client relationship or performing a specific engagement.

KPMG firms evaluate whether to accept or continue a client relationship or perform a specific engagement. Where client/engagement acceptance (or continuance) decisions pose significant risks, additional approvals are required.

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Accepting appropriate clients and engagements

Client evaluation

Our evaluation of a prospective client includes an assessment of the client's risk profile and background information on the client, its key management, directors and owners. If necessary, the evaluation includes obtaining and assessing additional information required to satisfy applicable legal and regulatory requirements.

Engagement evaluation

We consider a range of factors considered when we are evaluating each prospective engagement including:

- Potential independence and conflict of interest issues,
- Intended purpose and use of engagement deliverables,
- Public perception,
- Whether the services would be unethical or inconsistent with our Values.

In addition, the evaluation of an audit engagement includes an assessment of the competence of the client's financial management team and the skills and experience of KPMG professionals. Where we are providing audit services for the first time,

additional independence evaluation procedures are performed, including a review of any non-audit services provided to the client and of other relevant business, financial and personal relationships.

Similar independence evaluations are performed when an existing audit client becomes a public interest entity or additional independence restrictions apply following a change in the circumstances of the client.

Any potential independence or conflict of interest issues are required to be documented and resolved prior to acceptance.

A prospective client or engagement will be declined if a potential independence or conflict issue cannot be resolved satisfactorily in accordance with professional standards and our policies, or if there are other quality and risk issues that cannot be appropriately mitigated.

Continuance process

We undertake an annual re-evaluation of all audit clients to identify risks in relation to continuing our association and mitigating procedures that need to be put in place.

In addition, clients and engagements are required to be re-evaluated if there is an indication that there may be a change to the risk profile

Withdrawal process

When we come to a preliminary conclusion that indicates we should withdraw from an engagement or client relationship, we must consult internally and identify any required legal, professional and regulatory responsibilities with respect to that relationship. We also consider further communications with those charged with governance and any other appropriate authority as required under its professional obligations.

Manage portfolio of clients

KPMG International and KPMG firms have policies and procedures to enable our firm to monitor the workload and availability of engagement partners, managers and staff and personnel to provide sufficient time to complete their responsibilities.

Our firm's engagement partners are responsible for determining that members of the engagement team collectively have the appropriate competence and capabilities, including sufficient time, to successfully perform the engagement in accordance with professional standards and regulatory and legal requirements. [See page 17.](#)



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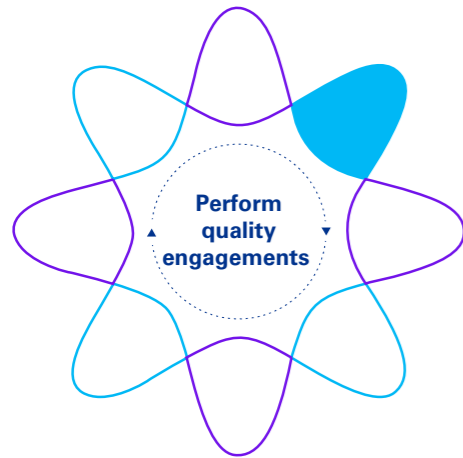
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Be independent and ethical

- **Acting with integrity and live our Values**
- **Maintain an objective, independent and ethical mindset, in line with our Code of Conduct and policies**
- **Zero tolerance of bribery and corruption**

Auditor independence is a cornerstone of international professional standards and regulatory requirements.

Acting with integrity and live our Values

We know that trust is earned by doing the right thing. We are committed to the highest standards of personal and professional behaviour throughout our firm in everything we do. Ethics and integrity are core to who we are. Within our global Code of Conduct, we outline the responsibilities KPMG people have to each other, our clients and the public. It shows how our Values inspire our greatest aspirations and guide all of our behaviours and actions.

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Maintain an objective, independent and ethical mindset, in line with our Code of Conduct and policies

KPMG International's independence policies and procedures incorporate the IESBA Code of Ethics, covering areas such as firm and personal independence, firm financial relationships, employment relationships, partner rotation, and approval of audit and non-audit services.

Policies are supplemented to help ensure compliance with the Swedish Auditors Act, the EU audit regulation and the SEC independence rules (as relevant), as well as rules and pronouncements by the Swedish Inspectorate of Auditors (Revisorsinspektionen).

Our Ethics and Independence Partner (EIP) is responsible for communicating and implementing KPMG policies and procedures and ensuring that any additional local independence policies and procedures are established and effectively implemented.

Automated tools identify potential independence and conflict of interest issues and facilitate compliance with these requirements. KPMG firm compliance with independence requirements is part of the global KPMG Quality & Compliance Evaluation (KQCE) program.

Personal financial independence

KPMG firms and KPMG personnel are required to be free from prohibited financial interests in, and prohibited financial relationships with, KPMG firm audit and assurance clients (by definition, 'audit client' includes its related entities or affiliates), their management, directors and, where required, significant owners. All KPMG partners – irrespective of their firm or function – are generally prohibited from owning securities of any audit client of any KPMG firm.

KPMG firms use a web-based independence compliance system to assist KPMG professionals in complying with personal independence investment policies. The system facilitates monitoring by identifying and reporting impermissible investments and other non-compliant activity (i.e. late reporting of an investment acquisition).

We monitor partner and manager compliance with this requirement as part of our program of independence compliance audits of professionals. KPMG International provides guidance and required procedures relating to the audit and inspection by KPMG firms of personal compliance with KPMG independence policies. This includes sample criteria including the minimum number of professionals to be audited annually.

In 2023, 59 of our partners and employees were subject to these audits (this included approximately 25% of our partners).

Employment relationships

Any KPMG professional providing services to an audit or assurance client irrespective of function is required to notify the firm EIP if they intend to enter into employment negotiations with that client. For partners, this extends to any audit client of any KPMG firm that is a public interest entity. Specific prohibitions, and in some instances, cooling off periods apply to accepting certain roles at audit and assurance clients.

Firm financial independence

KPMG firms are required to also be free from prohibited interests in, and prohibited relationships with, audit clients, their management, directors and, where required, significant owners.

KPMG's independence compliance system records direct and material indirect investments in listed entities and funds (or similar investment vehicles) as well as in non-listed entities or funds. This includes investments held in associated pension and employee benefit plans.

All KPMG firms borrowing and capital financing relationships, as well as custodial, trust and brokerage accounts that hold member firm assets must also be recorded.

On an annual basis, we confirm compliance with independence requirements as part of the global KPMG KQCE program.



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Business relationships/suppliers

We have policies and procedures in place to ensure our business relationships with audit and assurance clients are maintained in accordance with the IESBA Code of Ethics and other applicable independence requirements, such as those promulgated by the SEC.

Business acquisitions, admissions and investments (if applicable)

Any acquisition of, or investment in, a business requires sufficient due diligence procedures to identify and address any potential independence and risk management issues prior to closing the transaction. Specific consultations with KPMG International are required to enable independence and other issues to be addressed when integrating the business into the wider global organization.

Independence training and confirmations

All KPMG partners and client-facing professionals, as well as certain other individuals, are required to complete independence training upon joining KPMG and on an annual basis thereafter and must sign an annual confirmation of compliance.

We also provide all partners and employees with annual training on the Global Code of Conduct.

Non-audit services

All KPMG firms have agreed, at a minimum, to comply with the IESBA Code of Ethics and applicable laws and regulations related to the scope of services that can be provided to audit clients. KPMG AB supplements the global independence policy with local Swedish requirements issued by the Swedish Inspectorate of Auditors and FAR as well as the requirements of the EU Audit Regulation where they are more restrictive than the global policy.

KPMG's mandatory conflicts and independence checking system supports our compliance with independence requirements. Certain information on all prospective engagements, including detailed service descriptions, deliverables and estimated fees, are required to be entered as part of the engagement acceptance process. When the engagement is for an audit client, an evaluation of potential independence threats and safeguards are also required to be included in the submission.

Lead audit engagement partners are required to maintain group structures for their public interest entity and certain other audit clients including their related entities/affiliates. They are also responsible for identifying and evaluating any independence threats that may arise from the provision of a proposed non-audit service and the safeguards available to address those threats.

KPMG firms are prohibited from evaluating or compensating audit partners on selling non-audit services to their audit clients.

Fee dependency

KPMG firms have agreed to consult with their Regional Risk Management Partner where total fees from an audit client are expected to exceed 10 percent of the annual fee income of the KPMG firm for two consecutive years.

If the total fees from a public interest entity audit client and its related entities were to represent more than 15 percent of the total fees received by a particular KPMG firm in a single year, this would be disclosed to those charged with governance at the audit client. Where the total fees continued exceed 15 percent for two consecutive years, we would engage a partner from another KPMG firm as the engagement quality control (EQC) reviewer and the fee dependency would be publicly disclosed.

Avoiding conflicts of interest

All KPMG firms and personnel are responsible for identifying and managing conflicts of interest, which are circumstances or situations that have, or may be perceived to have, an impact on a firm's and/or its partners' or employees' ability to be objective or otherwise act without bias.

KPMG firms use the mandatory conflicts and independence checking system for potential conflict identification so that these can be addressed in accordance with legal and professional requirements.

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KPMG personnel are prohibited from offering or accepting inducements, including gifts and hospitality to or from audit clients, unless the value is trivial and inconsequential.

Independence breaches

All KPMG personnel are required to report an independence breach as soon as they become aware of it. All breaches of independence requirements of the IESBA Code of Ethics or other external independence requirements are required to be reported to those charged with governance as soon as possible, except where alternative timing for less significant breaches has been agreed with those charged with governance.

We have a disciplinary policy in relation to breaches of independence policies, incorporating incremental sanctions reflecting the seriousness of any violations.

Partner rotation

Our partners are subject to periodic rotation of their responsibilities for audit clients under applicable laws, regulations, independence rules and KPMG International policy. These requirements place limits on the number of consecutive years that partners in certain roles may provide audit services to a client, followed by a 'time-out' period during which time these partners are restricted in the roles they can perform.

Firm rotation

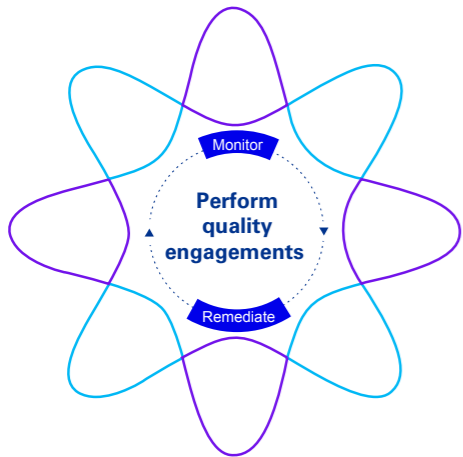
KPMG AB is permitted to act as an auditor for Public Interest Entities as defined in the EU Audit Regulation ("EU PIE"). This means that the firm is subject to firm rotation rules stipulating a maximum number of years as the statutory auditor and not to act as auditor for such clients for a specified period thereafter (referred to as "cooling off period"). We have processes in place to track and manage compliance with audit firm rotation requirements.

Zero tolerance of bribery and corruption

We have zero tolerance of bribery and corruption.

All KPMG firms' partners and employees are required to take training covering compliance with laws, regulations and professional standards relating to anti-bribery and corruption, including the reporting of suspected or actual non-compliance.

Further information on KPMG International anti-bribery and corruption policies can be found on the [anti-bribery and corruption site](#).



Perform quality engagements

- **Consult when appropriate**
- **Critically assess audit evidence, using professional judgement and skepticism**
- **Direct, coach, supervise and review**
- **Appropriately support and document conclusions**

How an audit is conducted is as important as the result. Everyone at KPMG is expected to demonstrate behaviors consistent with our Values and follow all policies and procedures in the performance of effective and efficient audits.

Consult when appropriate

Encouraging a culture of consultation

KPMG encourages a culture of consultation that supports engagement teams in KPMG firms throughout their decision-making processes and is a fundamental contributor to audit quality. At KPMG, we promote a culture in which consultation is recognized as a strength and that encourages all KPMG professionals to consult on difficult or contentious matters.

To help with this, our firm has established protocols for consultation and documentation of significant matters, including procedures to facilitate resolution of differences of opinion on engagement issues. In addition, KPMG audit, assurance and risk reporting manuals also include required consultations on certain matters.



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Technical consultation and global resources

Technical accounting, auditing and assurance support is available to all KPMG firms through a number of subject matter expert global teams.

Global Audit Methodology Group (GAMG):

Develops KPMG International’s audit and assurance methodology based on the requirements of the applicable audit and assurance standards of the IAASB, PCAOB and AICPA.

KPMG Global Solutions Group (KGSG): Develops and deploys global audit and assurance solutions, including new technology and automation innovations.

Located across regions the GAMG and KGSG teams bring diverse experience and innovative ways of thinking to further evolve KPMG firms’ audit and assurance capabilities.

International Standards Group (ISG): Promotes consistency of interpretation of IFRS Accounting Standards and IFRS Sustainability Disclosure Standards by KPMG firms, and develops global audit guidance in response to emerging issues and to promote global consistency.

PCAOB Standards Group (PSG): Promotes consistency in the interpretation of PCAOB auditing standards in KPMG firms’ audits of non-US components and foreign private issuers and non-US components of SEC issuers, as defined by SEC

regulations. The PSG also provides input into the development of training for auditors who work on PCAOB audit engagements and, where practicable, facilitates delivery of such training.

Professional practice resource

Provide consultation support on auditing and assurance, as well as technical accounting matters to their audit professionals through professional practice resources (referred to as Department of Professional Practice or DPP) on local, regional and global level when required.

Across our firm the role of DPP is crucial in terms of the support that it provides to the Audit & Assurance function. It provides technical guidance to client service professionals on specific engagement related matters, develops and disseminates specific topic related guidance on emerging local technical and professional issues and disseminates international guidance on IFRS and ISAs.

Consultation with a team member at a higher level of responsibility than either of the differing parties usually resolves differences. In other circumstances, the matter may be elevated through the chain of responsibility for resolution by technical specialists. In exceptional circumstances, a matter may be referred to the Head of Audit & Assurance, Head of DPP, Head of Quality and Risk (or appropriate nationally qualified delegates) or ultimately the Managing Director.

Critically assess audit evidence using professional judgment and skepticism

On all KPMG audits, the nature and extent of the audit evidence we gather is responsive to the assessed risks. We consider all audit evidence obtained during the course of the audit, including contradictory or inconsistent audit evidence. Each team member needs to exercise professional judgment and maintain professional skepticism throughout the audit engagement. Professional skepticism involves a questioning mind and remaining alert to contradictory, or inconsistencies in, audit evidence. Professional judgment encompasses the need to be aware of and alert to biases that may pose threats to sound judgments.

Direct, coach, supervise and review

Embedding ongoing coaching, supervision and review

We promote a coaching culture as part of enabling our professionals to achieve their full potential. We support a continuous learning environment where every team member is responsible for building the capacity of the team, coaching other team members and sharing experiences while directing, supervising and reviewing their work.

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Engagement quality control (EQC)

The EQC review is an important part of our approach to quality. An EQC reviewer is required to be appointed for audit engagements, including any related review(s) of interim financial information, of all listed entities, non-listed entities with a high public profile, engagements that require an EQC review under applicable laws or regulations, and other engagements, including certain assurance engagements, as designated by our Risk Management Partner or our Head of Audit & Assurance.

An EQC review is an objective evaluation of the significant judgments made by the engagement team and its related conclusions, performed by the EQC reviewer, and completed on or before the date of the report. The EQC reviewer's evaluation of significant judgments includes an evaluation of the engagement team's assessment of significant risks, including fraud risks, the related responses and whether the related conclusions are appropriate. The EQC review is completed only after the EQC reviewer is satisfied that all significant matters they raised have been resolved, though the engagement partner is ultimately responsible for the resolution of accounting and auditing matters.

EQC reviewers are required to meet training, knowledge and experience criteria to perform the EQC review for a particular engagement. Reviewers must be objective, cannot be members of the engagement team and must be independent of the audit client.

Appropriately support and document conclusions

Reporting

Engagement leaders form all audit opinions based on the audit performed and evidence obtained. In preparing auditors' reports, engagement leaders have access to extensive reporting guidance and technical support through consultations with our Department of Professional Practice, especially where there are significant matters to be reported to users of the auditors' report (e.g. a modification to the opinion or

through the inclusion of an 'emphasis of matter' or 'other matter' paragraph).

Engagement documentation

Our firm's audit documentation is completed and assembled in accordance with KPMG International policy and applicable auditing standards. We have implemented safeguards to protect the confidentiality and integrity of client and firm information and we have reduced the time period permitted to assemble audit documentation.



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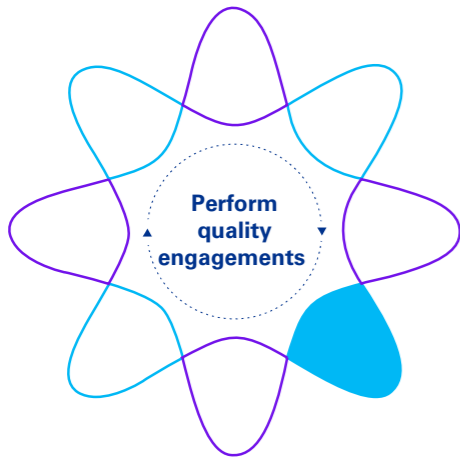
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Assess risks to quality

- **Identify and understand risks to quality and implement effective responses**

The quality of a KPMG audit rests on the foundational SoQM and our approach to ISQM 1 emphasizes consistency and robustness of controls within our processes.

Identify and understand risks to quality and implement effective responses

The quality of a KPMG audit rests on the foundational SoQM and our approach to ISQM 1 emphasizes consistency and robustness of controls within our processes. KPMG International performs an annual iterative risk assessment process (I-RAP) to determine the baseline expected quality objectives, quality risks, process risk points and controls (responses to this

risks) that all KPMG firms agree to adopt. KPMG firms also perform their own I-RAP, annually, to identify any additional quality objectives, quality risks or controls specific to their firm's facts and circumstances.

The consistent global approach:

- Sets the minimum controls to be implemented within all KPMG firms' SoQM processes in response to globally identified risks to meeting SoQM quality objectives

- Defines the SoQM methodology used by KPMG firms in their annual evaluation of SoQM to demonstrate the SoQM controls are implemented and operating effectively.

In our firm, we also perform our own I-RAP, annually, to identify any additional quality objectives, quality risks or controls specific to our firm's facts and circumstances.

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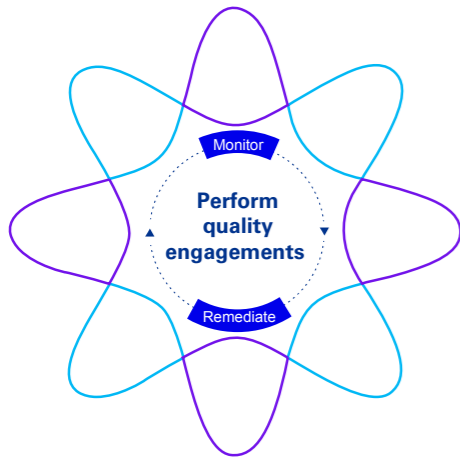
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Monitor and remediate

- **Rigorously monitor and measure quality**
- **Obtain evaluations and act on stakeholder feedback**
- **Perform root cause analysis**

Integrated quality monitoring and compliance programs enable KPMG firms to identify quality deficiencies, to perform root cause analysis and develop, implement, and report remedial action plans, both in respect of individual audit engagements and the overall SoQM.

Rigorously monitor and measure quality

Commitment to continuous improvement

KPMG firms have committed to continually improving the quality, consistency and efficiency of their audits. The quality monitoring and compliance programs are globally consistent in their approach across all KPMG firms, including the nature and extent of testing and reporting. In our firm, we compare the results of our internal monitoring programs with the results of any external inspection programs and take appropriate action.

Internal monitoring and compliance programs

Quality monitoring and compliance programs that are created by KPMG International are used by KPMG firms to identify quality issues, perform root cause analysis and develop remedial action plans, both for individual audits and for their overall SoQM.

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The programs evaluate:

- Engagement performance in compliance with the applicable professional standards, applicable laws and regulations and key KPMG International policies and procedures;
- Our firm’s compliance with key KPMG International policies and procedures and the relevance, adequacy and effective operation of key quality control policies and procedures.

The internal monitoring and compliance programs also contribute to the evaluation of our SoQM operating effectiveness. These programs include:

- Audit Quality Performance Review (QPR)
- The global KPMG Quality & Compliance Evaluation (KQCE)
- Global Quality & Compliance Review (GQCR).

The results and lessons from the integrated monitoring and compliance programs are communicated and we establish action plans to make improvements where needed. Results are also considered by KPMG International.

KPMG Quality & Compliance Evaluation (KQCE) program

The KQCE program encompasses the testing and evaluation requirements of a KPMG firm’s SoQM which are necessary to support their compliance with ISQM 1, and compliance with quality and risk management policies. KQCE program requirements are to be completed by all KPMG firms.

The 2023 KQCE program covered the period from 1 October 2022 to 30 September 2023 and helps support our conclusion on the operating effectiveness of our SoQM as of 30 September 2023 and compliance with quality and risk management policies.

Global Quality & Compliance Review (GQCR) program

A GQCR is carried out by a KPMG International team and firms are selected for review using a risk-based approach, which considers a number of factors, including financial conditions, country risks, results of monitoring programs and people surveys, with each firm subject to a GQCR at least once in a four-year cycle.

The GQCR team comprises partners and managers who are independent of the firm subject to review. The overall objective of the GQCR programme is to assess the firm’s compliance with selected KPMG International policies, including those related to governance and SoQM.

Internal monitoring and compliance program reporting

Findings from the monitoring and compliance programs are disseminated to our professionals through written communications, internal training tools, and periodic meetings with leadership.

Findings are also emphasized in subsequent monitoring and compliance programs to gauge the extent of continuous improvement.

Lead audit engagement partners are notified of Audit QPR not compliant ratings if relevant to their respective cross-border engagements.

Remediation and monitoring

In our firm, we develop remedial action plans to respond to findings identified through our monitoring and compliance programs. Progress on action plans is monitored and results are reported, as appropriate, to regional and global leadership.

Audit Quality Performance Review (QPRs) program

The Audit QPR program assesses engagement-level performance and identifies opportunities to improve engagement quality.

Risk-based approach

Each engagement leader is reviewed at least once in a four-year cycle. A risk-based approach is used to select engagements.

KPMG AB conducts the annual QPR program in accordance with KPMG International QPR instructions which promote consistency across the KPMG organization. Reviews are overseen by an independent experienced lead reviewer from another KPMG firm. QPR results are reported to KPMG International.

Evaluations from Audit QPR

Across the global organization, consistent criteria are used to determine engagement ratings and KPMG firm Audit practice evaluations.

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Audit engagements selected for review are rated as 'Compliant', 'Compliant- Improvement Needed' or 'Not Compliant'.

Obtain evaluations and act on stakeholder feedback

Regulators

As a registered audit firm KPMG AB is subject to supervision through external regulatory review processes performed by various regulators. In Sweden, the Swedish Inspectorate of Auditors (SIA) performs independent inspections in accordance with Swedish Auditors Act (2001:883) with regards to individual auditors as well as registered audit firms. The SIA completed their most recent inspection work in June 2021. The public report on the inspection was released on 22 June 2021 and is available on the SIA website revisorsinspektionen.se. In addition, we are subject to quality controls performed by FAR, the institute for the accountancy profession in Sweden. KPMG AB is also registered with the US PCAOB and the Japanese Financial Services Authority. The most recent inspection by the US PCAOB was performed in 2014 and reported to KPMG AB on 21 December 2015. A final follow up report dated 6 July 2017 was received in August 2017. None of the external inspections have identified any issues that have a material impact on the conduct of our statutory audit business.

KPMG International has regular two-way communication with the International Forum of Independent Audit Regulators (IFIAR), principally

through IFIAR's Global Audit Quality Working Group (GAQ WG), to discuss thematic audit quality issues along with targeted strategies for improvement. We value the open, honest and transparent dialogue that IFIAR facilitates on global audit quality issues.

Every KPMG firm is expected to maintain professional and respectful relationships with applicable regulators, including proactively engaging, responding to questions in a timely manner and taking appropriate remedial actions.

Client feedback

We proactively seek feedback from clients through in-person conversations and third-party surveys to monitor their satisfaction with services delivered.

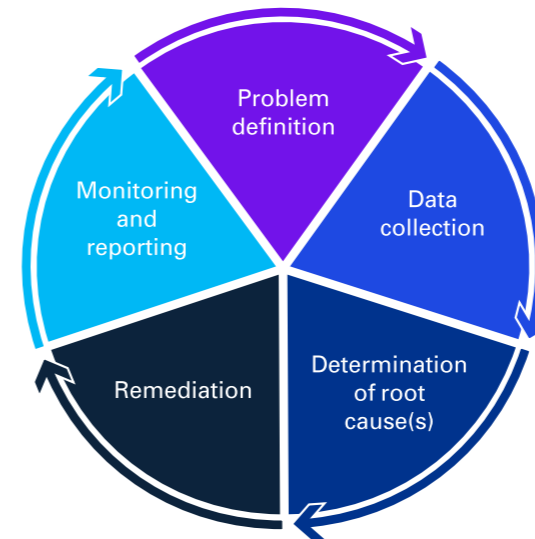
Monitoring of complaints

We have procedures in place for monitoring and addressing complaints received relating to the quality of our work. These procedures are detailed on our website and in our general terms of business.

Perform root cause analysis

In our firm, our SoQM provides the foundation for consistent delivery of quality engagements and our Root Cause Analysis (RCA) program is an integral element of the monitoring and remediation component of the SoQM, driving enhancements to audit quality. Leveraging inputs from internal monitoring programs, external inspections and other activities, we identify

audit quality issues and undertake root cause analysis corresponding to the nature and severity of the issues. Firms design their RCA program in accordance with the KPMG international's RCA guide.



Upon completion of the root cause analysis, we design and implement remedial actions that respond to the underlying cause of the audit quality issues and subsequently monitor the effectiveness of such actions. The RCA remedial action plans and monitoring results are reported to regional and global leadership.

Our Head of Audit & Assurance is responsible for audit quality, including the remediation of audit quality issues. Our firm's RMP monitors the remediation plans' implementation.

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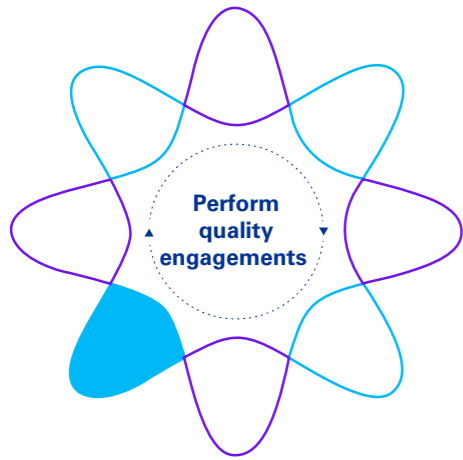
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Communicate effectively

- **Provide insights, and maintain open and honest two-way communications**
- **Conduct and follow up on the Global People Survey (GPS)**

We recognize that another important contributor to upholding audit quality is to obtain and promptly act upon feedback from key stakeholders.

Provide insights, and maintain open and honest two-way communications

At KPMG we stress the importance of keeping those charged with governance informed of issues arising throughout the audit through guidance and supporting resources. We achieve this through a combination of reports and presentations, attendance at Audit Committee or board meetings, and ongoing discussions with management and members of the Audit Committee.

The role of Audit Committees is key in supporting quality auditing by overseeing the relationship between company and auditor and challenging what auditors do and how they do it.



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Global IFRS Institute

The KPMG [Global IFRS Institute](#) provides information and resources to help Board and Audit Committee members, executives, management, stakeholders and government representatives gain insight and access thought leadership about the evolving global financial and sustainability reporting frameworks.

Conduct and follow up on the Global People Survey (GPS)

Only with engaged, talented people can we deliver audits in line with our audit quality expectations. Annually, our personnel are invited to participate in KPMG's Global People Survey (GPS) to share their perception on their experience of working at KPMG. Results can be analyzed by several factors, including functional or geographic area, grade and gender to provide additional focus for action.

Through the GPS, KPMG measures our people's engagement and gains additional insight about what drives engagement for KPMG people. The GPS includes specific audit quality questions for those individuals who participated in an audit in the previous 12 months, giving us a particular data set for audit quality related matters.

The survey also provides KPMG leadership and KPMG International leadership with insights related to quality and risk behaviours, audit quality, upholding the KPMG Values, and employee and partner attitudes to quality, leadership and tone at the top.



We participate in the GPS, monitor results and take appropriate actions to communicate and respond to the findings of the survey. The results of the GPS, and the appropriate follow up actions, are also aggregated for the entire global organization and are presented to the Global Board each year.

Audit-specific analysis of GPS results is also undertaken, with a particular focus on audit quality. Results and key themes are presented to the Global Audit Steering Group on an annual basis for consideration of appropriate remedial action, if needed.

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Revenues are presented in accordance with the Annual Accounts Act and included for

1. Revenues from the statutory audit of annual and consolidated financial statements of PIEs, and entities belonging to a group of undertakings whose parent undertaking is a PIE.
2. Revenues from the statutory audit of annual and consolidated financial statements of other entities.
3. Revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm.
4. Revenues from non-audit services to other entities.

Revenues amounts disclosed in this report include revenues from both audit and non-audit clients.

Financial information for the 12 months ended 30 September 2023 expressed in SEK million

	FY23	FY22
1. Statutory audits of PIEs	289	254
2. Statutory audits of non-PIEs	1 183	1 032
3. Permitted non-audit services to entities that are audited by KPMG	482	456
4. Non-audit services to other entities	1 708	1 578
Total	3 662	3 320

For more detailed financial information, please refer to our [annual report](#).

Total turnover achieved by EU/EEA audit firms resulting from the statutory audit of annual and consolidated financial statements*

Aggregated revenues generated by KPMG firms, from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements was 2.4 billion euros during the fiscal year ending 30 September 2023.

The EU/EEA aggregated statutory audit revenue figures are presented to the best extent currently calculable and translated at the average exchange rate prevailing in the 12 months ended 30 September 2023.

*The financial information set forth represents combined information of the separate KPMG firms from EU and EEA Member States that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.



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Clearly articulated strategy focused on quality, consistency, trust, and growth

Our business

KPMG AB is a professional services firm that delivers Audit & Assurance, Tax & Legal and Advisory services. We operate out of 38 offices across Sweden and had an average of 1 779 employees in the year 1 October 2022 to 30 September 2023. Our audit services in Sweden are delivered through KPMG AB. Full details of the services offered by KPMG AB can be found on our website.

Our strategy

Our strategy set by the Board of KPMG AB demonstrates a commitment to quality and trust. Our focus is to invest significantly in priorities that form part of a multi-year collective strategy implementation that is taking place across the global organization.

Legal structure

KPMG AB is a limited liability company incorporated under the Swedish Companies Act (sw. "Aktiebolagslagen"). It is wholly owned by its parent company Bohlinsgruppen AB. As of 30 September 2023, there were 131 shareholders in Bohlinsgruppen AB,

whereof 10 are partners employed in our subsidiaries in Latvia and Lithuania (2022: 129 shareholders, 9 of them in Latvia and Lithuania).

Governance structure

KPMG AB applies high standards of corporate governance.

The shareholders

The Annual General Meeting of the shareholders is the highest decision-making body. At the Annual General Meeting, decisions are made on, among other things, the election of the Board of Directors and the auditor, dividends to shareholders, approval of results and balance sheet as well as discharge of liability for the board members and the CEO. In addition to the Annual General Meeting, shareholder meetings are held to, among other things, select new shareholders, members of the shareholders' committee, members of the nominations committee and other questions concerning the partner group.

Shareholders' committee

The primary task of the shareholders' committee is to deal with shareholder-related issues. The

shareholders' committee works directly on behalf of the shareholders.

Nominations committee

The task of the nominations committee is to nominate members for the Board of Directors, the shareholders' committee and the nominations committee, and to nominate the Chairman of the Board, Senior Partner and external auditors.

The Compliance Committee

The Board of Directors of KPMG AB has appointed a Compliance Committee to be involved in certain decisions in accordance with the Firm's disciplinary policy. The disciplinary policy applies to all KPMG individuals, including partners. KPMG individuals should report all breaches of ethical conduct and/or independence requirements to the Ethics and Independence Partner (EIP) or to the Risk Management Partner (RMP) as soon as they become aware of the breach. Breaches are classified in four categories ranging from minor to extremely serious, with commensurate consequences. All level of breaches will be assessed by the EIP and if necessary, referred to the Compliance Committee.



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The Board

The Board of Directors is responsible for determination the over-all goals and strategy for the company, and their work is lead by the Chair of the Board. Central questions for the Board concerns strategy work, follow-up and control the operation and risks of the company, created value and monitoring of the company's compliance with internal and external rules. The Chair of the Board organizes and leads the work of the Board to ensure this is in line with the Swedish Companies Act, other laws and regulations and in accordance with the KPMG membership. The Board appoints the Chief Executive Officer and, in some cases, a deputy Chair of the Board. During the fiscal year the Board had seven members. The Chairman of the Board, Björn Dahl, was appointed as Chair and Senior Partner on December 1, 2022. Senior Partner represents the company in the KPMG network.

The Management Team

The Management Team consists of those responsible for the Functions and the team is responsible for the management of the day-to-day operations. The Management Team is lead by the Managing Director. They develop the business plan within the overall strategy set by the Board, together with its subsequent implementation. It deals with operational matters affecting the firm (including monitoring operating and financial performance, budgets, new business proposals, marketing, technology development, recruitment, retention and general

remuneration, prioritization and allocation of resources and investment, and managing the risk profile according to the Board's directive).

The Management Team members are appointed by the Managing Director and approved by the Board. The Management Team is presented in Appendix 2.

Audit Quality Committee

The Audit Quality Committee, chaired by the Head of Audit & Assurance, reports to the Management Team and the Board and ensures that risk and quality matters are a priority for audit leadership.

Specifically, its responsibilities include:

- Reviewing the proposed significant audit initiatives ensuring the objectives and outcomes align with maintaining or enhancing audit quality.
- Recommending the strategic prioritization, resourcing and timetabling of audit initiatives as they impact audit quality across all offices.
- Confirming the robustness of our monitoring activities as consistent with our audit quality priorities.

Principles of remuneration to partners

The basis for remuneration to partners is the role and responsibility for the partner and specific key areas which consider several factors including Quality & Trust, People, Market & Growth, Building the firm and acting according to the KPMG Values. Audit partners

are not permitted to have objectives related to, or receive any remuneration from, selling non-audit services to their audit clients. In addition, a part of their performance related component, is based on an assessment of their ability to deliver audit quality. Partners are assessed yearly, which includes a self-evaluation, 360-review, assessment at function level and firm level. Evaluations of quality, compliance and independence are particularly important components. The remuneration committee, which is a sub-committee of the Board of Directors, monitors the remuneration process. A partner's remuneration consists of several components, such as salary, dividend, pension, and other benefits.

KPMG International structure and governance

Our firm and all other KPMG firms are party to membership and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organization are members in, or have other legal connections to, KPMG International Limited, an English private company limited by guarantee.

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KPMG International Limited acts as the coordinating entity for the overall benefit of the KPMG member firms. It does not provide professional services to clients, directly or indirectly. Professional services to clients are exclusively provided by member firms.

KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International.

KPMG International and the KPMG member firms are not a global partnership, single firm, multinational corporation, joint venture, or in a principal or agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG International, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG International or any of its related entities have any such authority to obligate or bind any member firm.

Further detail on the revised legal and governance arrangements for the KPMG global organization can be found in section 'Governance and leadership' of the [KPMG International Transparency Report](#).

Responsibilities and obligations of KPMG member firms

Member firms have agreed with KPMG International to comply with KPMG International's policies and regulations including quality standards governing

how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability and being able to adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

Each KPMG firm takes responsibility for its management and the quality of its work. Member firms commit to a common set of KPMG Values.

KPMG International's activities are funded by amounts paid by member firms. The basis for calculating such amounts is approved by the KPMG International Global Board and consistently applied to the firms.

A firm's status as a KPMG member firm and its participation in the KPMG global organization may be terminated if, among other things, it has not complied with the policies set by KPMG International or any of its other obligations agreed with KPMG International.

Professional Indemnity Insurance

Insurance cover is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis.

Governance structure

The key governance and management bodies of KPMG International are the Global Council, the Global Board, and the Global Management Team. Further details on KPMG International's governance structure can be found in the [2023 KPMG International Transparency Report](#).

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Statement on the effectiveness of the System of Quality Management of KPMG AB

Statement on the effectiveness of the System of Quality Management of KPMG AB as at 30 September 2023

As required by the International Auditing and Assurance Standards Board (IAASB)'s, International Standard on Quality Management (ISQM1) and KPMG International Limited Policy, KPMG AB (the "Firm") has responsibility to design, implement and operate a System of Quality Management for audits or reviews of financial statements, or other assurance or related services engagements performed by the Firm. The objectives of the System of Quality Management are to provide the Firm with reasonable assurance that:

a) The Firm and its personnel fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and

b) Engagement reports issued by the Firm or engagement partners are appropriate in the circumstances.

KPMG AB outlines how its System of Quality Management supports the consistent performance of quality engagements in the Transparency Report 2023.

Integrated quality monitoring and compliance programs enable KPMG AB to identify and respond to findings and quality deficiencies both in respect of individual engagements and the overall System of Quality Management.

If deficiencies are identified when KPMG AB performs its annual evaluation of the System of Quality Management, KPMG AB evaluates the severity and pervasiveness of the identified deficiencies by investigating the root causes, and by evaluating the effect of the identified deficiencies

individually and in the aggregate, on the System of Quality Management, with consideration of remedial actions taken as of the date of the evaluation.

Based on the annual evaluation of the Firm's System of Quality Management as of 30 September 2023, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.

Stockholm, December 2023

Mathias Arvidsson
Managing Director



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Appendix 1

Audit clients that are public interest entities (PIEs)

EU public interest entities (as defined in EU Directive 2014/56/EU) for which we carried out statutory audits between October 2022 and September 2023 are listed below.

AAK AB (publ)
Active Biotech AB (publ)
AddLife AB
Addtech AB
AFRY AB
Fagerhult Group AB
Alligo AB
Annehem Fastigheter AB (publ)
Apikal Fastighetspartner AB (publ)
Apikal Fastighetspartner II AB
AQ Group AB
Arwidsro Fastighets AB
Avanza Bank AB
Avanza Bank Holding AB
Avarda AB
B3 Consulting Group AB (publ)
Balco Group AB
Beijer Alma AB

Bergman & Beving Aktiebolag
Billerud Aktiebolag (publ)
BioInvent International Aktiebolag
Bravida Holding AB
Catena AB
CellaVision AB
Christian Berner Tech Trade AB
Cibus Nordic Real Estate AB (publ)
Concejo AB (publ)
Concentric AB
Desenio Group AB (publ)
Dina Försäkring AB
Dina Försäkringar Mitt, ömsesidigt
Dina Försäkringar Väst ömsesidigt
Eastnine AB (publ)
Eir Försäkring AB
Elos Medtech AB
Eltel AB
EQT AB
Erik Penser Bank AB
Esmæilzadeh Holding AB
Ework Group AB
Fastighets AB Stenvalvet (publ)
Ferronordic AB
FM Mattsson AB (publ)

Fortnox Aktiebolag
Froda AB
Fryksdalens Sparbank
Försäkringsaktiebolaget Avanza Pension
Försäkringsaktiebolaget Skandia (publ)
Försäkringsbolaget Pri Pensionsgaranti Ömsesidig
Försäkringsbranschens Pensionskassa, Förs.Fören
Gamla Livförsäkringsaktiebolaget SEB Trygg Liv (publ)
Hansa Biopharma AB
Hemsö Fastighets AB
Humana AB
Humlegården Fastigheter AB
Husqvarna AB
ICA Banken AB
ICA Försäkring AB
ICA Gruppen Aktiebolag
Idun Liv Försäkring AB
Ikano Bank AB (publ)
Intea Fastigheter AB (publ)
Investment AB Öresund
Inwido AB (publ)
IRRAS AB
Isofol Medical AB (publ)
K2A Knaust & Andersson Fastigheter AB (publ)
KABE Group AB



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Kinnevik AB
Knowit Aktiebolag (publ)
Kommunassurans Försäkring AB
Kommuninvest i Sverige Aktiebolag
Kyrkans Försäkring AB (publ)
Kåpan Tjänstepensionsförening
Lagercrantz Group Aktiebolag
Livförsäkringsbolaget Skandia, ömsesidigt
LSTH Svenska Handelsfastigheter AB
Luossavaara-Kiirunavaara Aktiebolag
Länsförsäkringar Bergslagen Ömsesidigt
Länsförsäkringar Gotland
Länsförsäkringar Skåne – Ömsesidigt
Länsförsäkringar Värmland
Länsförsäkringar Älvsborg
Länsförsäkringar Östgöta
Löf regionernas ömsesidiga försäkringsbolag
Maiden General Försäkrings AB
Maiden Life Försäkrings AB
MedCap AB (publ)
Micro Systemation AB (publ)
Midstar Hotels AB
Midsummer AB
Mips AB
Mjölbackes Sparbank
Modern Times Group MTG AB
Momentum Group AB
mySafety Group AB
Nelly Group AB (publ)
Net Insight AB
NIBE Industrier AB

Nilörngruppen Aktiebolag
Nordisk Bergteknik AB (publ)
Nordiska kreditmarknadsaktiebolaget (publ)
NP3 Fastigheter AB
Nyfosa AB
OK-Q8 Bank AB
PostNord AB
Qliro AB
Rebellion Operations AB
Rottneros AB
Sappisure Försäkrings AB
SAS AB
SBF Bostad AB (publ)
SinterCast Aktiebolag
Skandiabanken Aktiebolag (publ)
Sollentuna Stinsen JV AB
Sparbanken Boken
Sparbanken Skaraborg AB (publ)
Sparbanken Tanum
Sparbanken Tranemo
Stockholmsregionens Försäkring AB
Studsvik AB
Sveaskog AB
Sveaskog Försäkringsaktiebolag
Swedavia AB
SynAct Pharma AB
Synsam AB (publ)
Södra Hestra Sparbank
Sörmlands Sparbank AB
TF Bank AB
Titania Holding AB (publ)

Vff Pension Tjänstepensionsförening
Viaplay Group AB (publ)
Vivesto AB
Volvofinans Bank AB
Wallenstam AB
Westra Wermlands Sparbank
XANO Industri AB
Xspray Pharma AB (publ)
Xvivo Perfusion Aktiebolag
Åse Viste Sparbank
Öresundsbro Konsortiet

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Appendix 2

KPMG AB Management team, September 30 2023



Mathias Arvidsson
Managing Director



Jessica Collins
Head of People & Culture



Tina Zetterlund
Head of Clients & Markets



Annika Lindström
Head of Tax & Legal



Johan Dyrefors
Head of Audit & Assurance



Johan Engdahl
Head of Advisory



Anders Bäckström
Risk Management Partner



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KPMG AB Board, September 30 2023



Björn Dahl
Chairman of the Board



Maria Andersson
Board Member



Helena Arvidsson Älgne
Board Member



Henrik Lind
Board Member



Nigel Rouse
Board Member



Joakim Thielstedt
Board Member



Fredrik Waern
Board Member



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Appendix 3

List of KPMG audit firms located in EU & EEA

This is a list of KPMG audit firms as defined in Article 2 (3) of EU Directive 2006/43/EC which are located in EU/EEA countries. It has been prepared in accordance with Regulation (EU) No 537/2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC. It is prepared on behalf of KPMG International Limited, a company limited by guarantee incorporated in England and Wales, which provides no professional services to clients. To the best of our knowledge, the list is accurate as at 30 September 2023. However, we cannot and do not warrant its accuracy at any given time.

Austria	KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Wien)
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Austria	KPMG Niederösterreich GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Belgium	KPMG Bedrijfsrevisoren / KPMG Réviseurs d'Entreprises

Bulgaria	KPMG Audit OOD
Croatia	KPMG Croatia d.o.o. za reviziju
Cyprus	KPMG
Cyprus	KPMG Limited
Czech Republic	KPMG Česká republika Audit, s.r.o.
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Estonia	KPMG Baltics OÜ
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Finland	KPMG Julkistarkastus Oy
France	KPMG SA
France	KPMG Audit FS I S.A.S.
France	KPMG Audit IS S.A.S.
France	KPMG Audit Nord S.A.S.
France	KPMG Audit Ouest S.A.S.
France	KPMG Audit Rhône Alpes Auvergne S.A.S.
France	KPMG Audit Sud-Est S.A.S.
France	KPMG Fiduciaire de France
France	SALUSTRO REYDEL S.A.
Germany	KPMG AG Wirtschaftsprüfungsgesellschaft
Germany	KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
Greece	KPMG Certified Auditors S.A.
Greece	KPMG Auditing A.E.
Hungary	KPMG Hungária Kft.

Iceland	KPMG ehf.
Ireland	KPMG
Italy	KPMG S.p.A.
Italy	KPMG Audit S.p.A.
Latvia	KPMG Baltics SIA
Liechtenstein	KPMG (Liechtenstein) AG
Lithuania	KPMG Baltics UAB
Luxembourg	KPMG Audit S.à.r.l.
Malta	KPMG
Netherlands	KPMG Accountants N.V.
Norway	KPMG Holding AS
Norway	KPMG AS
Poland	KPMG Audyty Services Spółka z ograniczoną odpowiedzialnością
Poland	KPMG Audyty Spółka z ograniczoną odpowiedzialnością
Poland	KPMG Audyty Spółka z ograniczoną odpowiedzialnością Spółka Komandytowa
Portugal	KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A.
Romania	KPMG Audit SRL
Slovakia	KPMG Slovensko spol. s r.o.
Slovenia	KPMG Slovenija, podjetje za revidiranje, d.o.o.
Spain	KPMG Auditores, S.L.
Sweden	KPMG AB



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Appendix

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