Annual and Sustainability Report

October 1, 2022 – September 30, 2023

Bohlinsgruppen AB

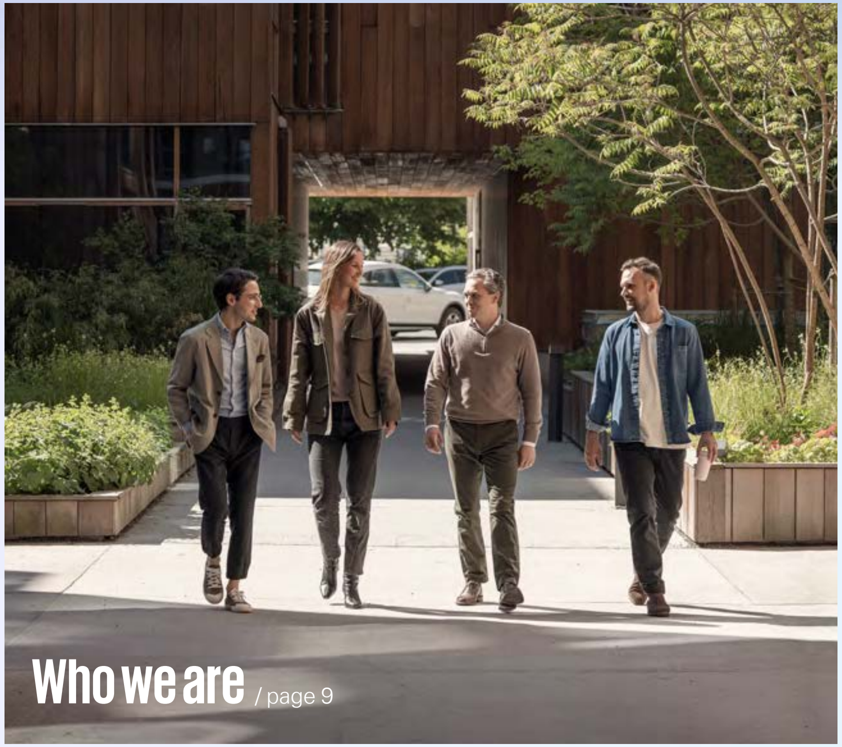
kpmg.se

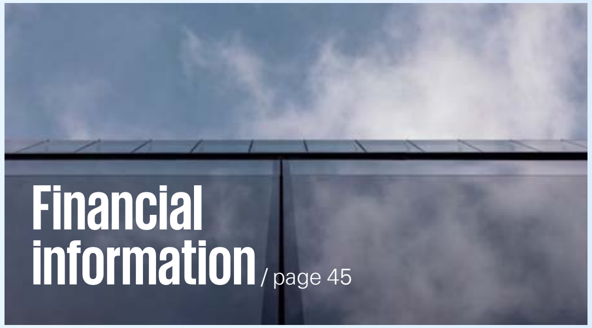
As the world changes we find opportunities together

Our aim is to have a positive impact by building value for companies, developing trust and confidence in markets. As well as contributing to strong and fair societies.

Working together, we will help you to develop the businesses of tomorrow in an insights-led and sustainable way.

KPMG. Make the Difference.





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The statutory annual report covers pages 41–63.

This document is a translation from the Swedish original.

Overview

100 years of commercial and social development

Ever since KPMG in Sweden was founded in 1923, we have been an important element in the growth of the business sector and society. With digitalization and sustainability at the top of the agenda, we are now entering our second century. Our ambition is to remain at the forefront in the field of strategic advice and to offer solutions that help our clients to navigate correctly at all times.

KPMG in Sweden is celebrating its centenary this year. Ever since we started out in 1923, we have been part of the future. We have consistently sought out knowledge and insights that drive both our own company and our clients' businesses forward. Over the years, we have been through both good times and challenging times. We have been there when borders have been redrawn and walls have fallen. We have seen wars break out and peace be made. Our role has always been the same – to be the trusted advisor who develops and presents solutions that shape fundamental structures for business, society and the world around us.

Right from the outset, we have worked closely with our clients and endeavoured to help them successfully run and develop their businesses. We are proud of the fact that, from an early stage, we were entrusted to act as auditors and advisors to a number of Sweden's major innovative companies, which have now grown into large international companies.

Together for the future
We have been experiencing constant change for a century. Together with our clients, we are ready to develop for the future in a situation where global politics are setting a new agenda, where digitalization is entering the next phase, climate change is calling for new ways of thinking and change is shaping our day-to-day lives.

Through new technology and digitalization, we are elevating our services and efficiency without compromizing the personal meeting. 100 years of experience have taught us to embrace the present and find new solutions in the dynamics that arise when the known meets the unknown.

Together, we are creating security that facilitates change and development for the future. We are looking forward to the next century of advice and development in order to build value for companies, society and individuals.

Our purpose

To inspire confidence and empower change.

Our values

Integrity
– We do what is right.

Excellence
– We never stop learning and improving.

Courage
– We think and act boldly.

Together
– We respect each other and draw strength from our differences.

For Better
– We do what matters.

The year in brief

It has been an exciting year, and one that we will remember for a number of reasons. We've already mentioned our 100th anniversary, an amazing milestone in a company's history and a virtual springboard to the future. The centenary in March was celebrated with a much appreciated internal event at the end of the summer.

News

New CEO

After almost four years on the post, Patrik Anderbro handed over responsibility for the company to Mathias Arvidsson, who took over on January 1, 2023.

New Head of Advisory

Johan Engdahl was appointed the new Head of Advisory.

New Chairman of the Board

At the Annual General Meeting on December 1, 2022, Björn Dahl took over as Chairman of the Board.

New Head of Strategic Initiatives and Internal ESG

Madeleine Pulk was appointed the new Head of Strategic Initiatives and Internal ESG.

New Head of People and Culture

Jessica Collins was appointed the new Head of People and Culture.

Centenary celebration has been Greentime certified

This certification means that sustainability has permeated the company's work from start to finish, with environmental, social and organizational perspectives being taken into account.

Awards

Best of the Big 4

In June, the Swedish Quality Index's (SKI) survey of auditing companies reported that both KPMG and the sector are making progress. Success factors include digitalization and a close dialogue with clients. The customer satisfaction rating in the auditing sector has increased from 72.4 to 75.8 this year, and KPMG is ranked the best of the Big 4.

Sweden Transfer Pricing Firm of the Year and Impact Deal of the Year

Towards the end of the fiscal year, the *International Tax Review, ITR EMEA Tax Awards 2023* were held, which reward tax advisors globally on an annual basis. KPMG's tax advisors won the *Sweden Transfer Pricing Firm of the Year* award, and were also awarded *Impact Deal of the Year* for their efforts in a prestigious transaction.

Key performance indicators

730

New employees

2,407

Number of employees

2,283

Average number of employees

Trends

1. Focus on sustainability is setting the agenda and is a competitive advantage
We are witnessing a wave of increased sustainability regulation, which companies and organizations have to deal with. The extensive investment that is required to transform their operations is essential in order to meet the demands of the future and the market. To succeed with their sustainability work, companies need to increase their understanding of sustainability data and CSRD reporting at all levels within their organization. This is key to achieving success in the long term. This often represents a challenge for companies, yet well-executed implementation work will contribute to a positive change with comparable sustainability parameters. This, in turn, provides an opportunity to generate a competitive advantage by building trust in the outside world and on the market.

2. Customer satisfaction and customer experience drive digitalization and transformation
More and more transformation initiatives are based on customer satisfaction and the customer experience – within both B2B and B2C. With new KPIs such as customer satisfaction, companies want to improve the customer experience and become increasingly data-driven in all areas of the business. Going forward, IT will play an even more important role in enabling companies to work in a data-driven manner. The potential to create successful customer interactions and operational efficiency lies in the fact that the entire business is working in a focused manner and in unified flows. This places demands on the business being able to access to the right data at the right time, and for the organization to feel confident in its data. This can then unlock the potential to build positive customer experiences, both now and in the future.

3. Rapid developments within AI placing demands on company strategies
AI is here to stay, and it will have an impact on society, employment, politics, culture and business. Harnessing the transformative power of AI will require a balance between rapid development, well thought-out planning and meticulous risk mitigation. In order to benefit from this development, companies need to have a sound strategy and a clear playbook so as to integrate this exciting technology into their businesses.
AI is a new technology, but the tried and tested methods for successful technology transformation still apply.

"To be trusted advisors with a strong commitment to growth and development – in challenging times as well as good times – has been a success factor for 100 years. Going forward we are strengthening our commitment to helping our clients grow, both through technology and valuable insights for the future."

— **Mathias Arvidsson,** CEO

A word from the CEO

In March 2023, we celebrated the 100th anniversary of our founder, Lars Thure Bohlin, registering his audit firm and launching the business at home in his apartment. A century later, we are one of the leading companies on the market, operating in many different sectors and being part of a global network with 265,000 employees.

The world around us is constantly changing, and the same applies to our clients and their businesses. We have had a fantastic journey, characterised by solid development work combined with clear goals over the years. The drive to follow this development and to be involved in moving it forwards has been and remains a success factor. Our insights make continued development possible, both for ourselves and our clients. With long-term collaborations that prioritize development and continuous improvement, there is a great deal to be gained and values to build.

Continued focus on sustainability, technology transformation and people

The fact that we have reached our 100th birthday in no way means that we are slowing down – quite the opposite. We are continuing to develop both our client and business benefits in the fields of auditing, advisory and tax services. Our core focus areas, namely sustainability, tech transformation and people, represent our strategic compass. We are continuing to invest in these areas going forward, in order to be a relevant advisor to our clients.

We already hold a leading position when it comes to sustainability, and our specialists in this area have continued to strengthen the trust that the market has placed in us. With statutory requirements for sustainability reporting for medium-sized companies and organizations just a few years away, the need for expertise like ours is increasing. We are witnessing a growing desire and level of understanding among our clients to have proper foundations to stand on. We are already helping many clients to increase their competitiveness by having the right focus in their sustainability work. We are also seeing greater demand for sustainable business and operational development, and we have a strong offering in this area and are well prepared for the coming year.

Technology transformation relates to the way that we, with extensive business understanding and technical expertise, are driving transformation work for our clients with client-centricity as a driving force. We have seen many great examples of this during the year. Feel free to read about the KPMG-client-alliance partner case, which is described in greater detail in the Technology Transformation chapter. Tech also relates to the use of technology and digitalization to support our clients in the fields of auditing and tax, where tools and systems are simplifying our clients' day-to-day operations and improving our delivery.

Our third focus area is People, i.e. employees. Without our employees, we can't deliver on our purpose, so caring for their continued development and health are crucial to our business. By elevating People to a focus area, we are making it even clearer that this is business-critical. We have improvements to make, but with continued work and by leaving our foot on the accelerator, we expect to maintain the momentum into the next fiscal year and beyond.

Looking ahead

I took over as CEO on January 1, 2023, when Patrik Anderbro handed over the baton after almost four years on the post. The first quarter of this annual report is therefore Patrik's and I would like to thank him for the excellent work he has done. Under his leadership, we incorporated KPMG's operations in Latvia and Lithuania into our own business, which has provided us with a broader base where synergies and the exchange of knowledge can better satisfy our client offering.

After nine months on the post, I can ascertain that we are continuing to act with presence and awareness. Despite the economic and political turmoil the world has witnessed over the past year, also within the national borders of our own business, there is every reason to look to the future with confidence. We have a great deal to be proud of and a lot to look forward to. With a hundred years behind us, we are continuing to look ahead, where the opportunities lie. By creating security and contributing to change,

we are building value for companies, society and individuals.

A big thank you to all our fantastic employees, whose hard work, drive and dedication are what set us apart from the crowd. Many thanks also to our clients, who continue to trust us to support them and help them develop their businesses: You make us better.

Looking to the future,

Mathias Arvidsson
CEO

Who we are

Our business areas

Audit & Assurance

For Audit & Assurance, the 2022/23 fiscal year has seen a continued high demand for our services.

The auditing business has developed positively and our clients award us high marks and continued trust. According to the Swedish Quality Index's (SKI) annual survey of the auditing sector, customer satisfaction during the year was the highest since 2015 and KPMG was ranked the best of the Big 4.

Digitalization continues to be a strong driving force in the development of our services. Our audits are conducted in the global audit tool KPMG Clara Workflow, ensuring both quality and efficiency in our work.

Our range of services within sustainability is demonstrating strong growth. We are contributing to our clients' development with high-quality advice and reviews of sustainability reporting. Our specialists also contribute as experts in the development of future regulations and practices.

During the year, we have commenced the implementation of a new operating model within Audit & Assurance, which aims to give our employees the best conditions to do their work while strengthening our client offers.

KPMG ranked best of the Big 4 when the Swedish Quality Index (SKI) measures customer satisfaction in the auditing sector.

Our business areas

Tax & Legal

For business area Tax & Legal, 2022/23 has been a year of impressive progress, including a number of noteworthy achievements.

Our position on the market remains strong and has resulted in multiple prestigious assignments from leading companies. In addition, we have successfully pursued cases in which we have helped our clients win significant tax disputes at both government and court level, including successes in the Supreme Administrative Court.

In line with legal developments in Sweden, Latvia and Lithuania, as well as internationally, for example connected to BEPS and Pillar II, we are continuing to develop our transformation services within Tax & Legal. Here we see a clear demand for projects that are related to the transformation of our clients' Tax and Legal functions. We use a range of digital tools in this area, both those available on the market as well as ones that have been developed within KPMG.

We are extremely proud of the fact that Tax & Legal's Transfer Pricing department has been named Sweden Transfer Pricing Firm of the Year at the International Tax Review's annual award event, and that a number of our employees have been awarded top-ranking in the categories General Corporate Tax, Transfer Pricing and Tax Controversy.

These recognitions are further confirmation of our expertise and our unceasing efforts to deliver advice of the highest quality.

Tax & Legal's Transfer Pricing department has been named Sweden Transfer Pricing Firm of the Year at the International Tax Review's annual award event.

Our business areas

Advisory

During the year, Advisory is reporting continued growth in terms of both sales and the number of employees.

Geopolitical and economic factors in the outside world are continuing to affect the market, resulting in varying conditions among the business segments, with Corporate Finance, Financial Services and Capital Markets standing out positively. Initiatives within, for example, sustainability are growing at a rapid pace, and we are winning more and more assignments. It is particularly gratifying to note these are found among some of our key and growth accounts, where we are creating sustainable solutions through digital transformation. Areas such as Management Consulting and Risk Advisory have experienced a challenging year, with increased growth yet declining margins as a result of the development of new service offerings and initiatives.

We are continuing to strengthen and adapt our organization to best meet the needs of our clients, with a focus on investments in areas such as Sustainability, Managed Services and Technology. We have also conducted a number of strategic recruitments aimed at strengthening our sector focus and creating a base for our continued growth journey.

Our operations in Sweden, Latvia and Lithuania are continuing to work as a joint Advisory business area across the three countries. Together, we have made joint deliveries to a number of clients within various offerings.

We are intensifying our collaboration with the other Nordic countries, in part through joint marketing activities and deliveries within all areas. We have also initiated the joint recruitment of specific key competencies. Over the next year, we will continue to build on the investments that have been made within specifically, but not exclusively, Management Consulting and Risk Advisory.

KPMG received the 2023 Service Now Worldwide Transformation Partner of the Year award and the Healthcare Partner of the Year award.

Governance and management

Governance and management
KPMG Sweden is a member of the global KPMG network of professional services firms, providing auditing and advisory services.

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 and external auditors.

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. Björn Dahl was elected Chair of the Board and Senior Partner December 1, 2022. Senior Partner represents the company in the KPMG network.

Chief Executive Officer (CEO)
The CEO is responsible for the ongoing management of the company. Mathias Arvidsson is the CEO since January 1, 2023.

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 CEO. 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 CEO and approved by the Board

Trust and viability
Trust is a prerequisite for success in our industry. Our values, quality management system and risk management processes are designed to ensure that we live up to the demands and expectations of the outside world.

Trust is something we earn by doing the right things and by doing things right – not just occasionally, but all the time. The world is changing rapidly and becoming increasingly complex, and so this simple principle has never been more important. We have high standards in everything we do, both in terms of our personal and our professional actions. Our values are the foundation for what we believe in and how we behave towards each other and the world around us. They are the same across KPMG's entire global operations: *Integrity, Excellence, Courage, Together, For Better.*

Our Global Code of Conduct encapsulates the responsibility that all of KPMG's employees have in relation to each other, our clients and the public. It shows how our values and the aim of our operation inspire us and guide the way we act. It also defines what it means to be part of KPMG, including our individual and collective responsibilities.

Our Global Code of Conduct can be found on KPMG´s webpage.

Quality assurance and risk control
To be able to deliver high-quality services to both domestic and international clients, our quality control and risk management system is of key importance. KPMG in Sweden has full responsibility for ensuring that we and our subsidiaries in Latvia and Lithuania comply with applicable laws, regulations and other rules, including policies and processes that have been established by KPMG International. KPMG in Sweden is also obliged to ensure that our employees understand and comply with these laws and regulations. At the same time, each and every employee has their own personal responsibility to understand and comply with current policies and processes, and there are a range of systems and functions to support this work. The CEO has the overall responsibility for the quality level in the business. The quality control and risk management system is monitored by Risk Management Partner and the Quality & Risk function.

Common policies, processes and controls regarding quality, risk management, ethics and independence are established by KPMG internationally and supplemented by KPMG in Sweden. The former also include standards for regular quality assurance and inspection of company-wide processes. Locally established governing documents comprise policies established by the Board of Directors and guidance from the company's management, which are also linked to corresponding standards and regulations that have been established internationally. Checks are also performed in accordance with the Money Laundering Act.

KPMG's Quality Policy and Security Policy are examples of overall governing documents that are adopted annually by the Board of Directors. The latter adheres to the ISO/IEC 27000 standard. The International Standard on Quality Management 1 (ISQM 1), issued by The International Auditing and Assurance Standards Board (IAASB), is an international quality standard for companies that perform statutory audits and similar tasks. Although its provisions are, strictly speaking, intended to be applied within the auditing business, KPMG applies the majority of these principles in all areas of its operations.

The International Standard on Quality Management 1 (ISQM 1) is the new, enhanced quality standard that entered into force on December 16, 2022, replacing the previous standard ISQC 1. ISQM 1 has a fundamentally different starting point than ISQC 1. ISQC 1 was a quality control standard with a focus on policies, procedures and checklists, whereas ISQM 1 stipulates demands for a complete quality management system. This has involved extensive work, including the implementation of a System of Quality Management (SoQM) developed by KPMG International and covering approximately 350 areas in which quality objectives have been developed. In addition, we have identified risks in respect of the quality objectives not being achieved, and controls have been implemented to reduce or eliminate these risks. We have implemented a new system support for Governance, Risk and Compliance along with other KPMG companies in the Nordic region and the Baltic States. We have also established a new unit, Nordic Quality Assurance (NQA), which is responsible for continually testing the design, implementation and effectiveness of the quality management system. In those cases where these controls prove to be ineffective, action plans are drawn up and implemented, after which NQA tests the controls once more. KPMG launched this implementation work back in 2019, and the system was implemented in full in 2022.

Integrity and objectivity
The quality control system helps KPMG's employees to act with integrity and objectivity, to comply with applicable laws and regulations and to satisfy professional requirements. The system encompasses the following eight components:

- Company-wide risk assessment process
- Governance and leadership, which includes the management's responsibility for quality within the company
- Relevant professional ethical requirements
- Procedures for accepting and maintaining client relationships and working on specific assignments
- Processes for carrying out assignments efficiently
- Resources in terms of personnel, intellectual and technological resources
- Information and communication
- The monitoring and remediation process

Our quality work is constantly being evaluated and developed to ensure high quality. KPMG invests significant sums in relation to this every year.

Our Ethics & Independence unit has overall responsibility for professional ethics issues within the company, as well as for establishing and maintaini ng an ethical culture alongside our People & Culture unit. A compulsory training program, which all employees must undergo every year, helps to ensure that all employees receive knowledge about the policies and guidelines that apply in day-to-day work.

Protective mechanisms for conflicts of in terest and anti-corruption
Our independence in relation to our clients is managed through procedures for evaluating clients and assignments. We do not take on clients or assignments that do not meet KPMG's stringent requirements within a range of areas, nor if there are any conflicts of interest in relation to completed or ongoing assignments. This is checked against the entire global KPMG network through the KPMG-wide Sentinel system. We also have a structured process for analysing our integrity in auditing and other certification assignments. In each individual case, we assess whether circumstances exist that could damage confidence in the responsible auditor's ability or willingness to perform the assignment. If this should be the case, the assignment will be declined. A corresponding assessment is performed for advisory assignments, with the main emphasis on any conflicts of interest.

In order to manage our obligations in respect of client due diligence etc. under the Act on Measures against Money Laundering and Terrorist Financing, checks are carried out on new and existing clients. These checks, which are performed prior to the approval of new clients, also cover the management's integrity, business-related risks and financial risk. During the year, a small proportion of the evaluated clients and assignments were deemed to entail an increased risk, which in some cases has resulted, in accordance with our statutory duty to report, in us submitting reports to the Swedish Financial Intelligence Unit, prematurely cancelling existing assignments and leaving clients, as well as rejecting potential clients.

The rules relating to risk management and independence are set out in our global risk manual: KPMG Global Quality & Risk Management Manual (GQ&RMM). The rules are based, for example, on the International Ethics Standards Board for Accountants (IESBA) and the International Standard on Quality Management 1 (ISQM 1), issued by the International Auditing and Assurance Standards Board (IAASB).

Internal and external controls are contributing to compliance
The effectiveness of our processes and the protection mechanisms that are intended to prevent the violation of rules and reduce the risk of conflicts of independence and interests as well as corruption, is monitored on an ongoing basis. This takes place through periodic audits by KPMG International, through ongoing testing by the Nordic Quality Assurance unit, a unit that is run jointly by the Nordic companies, as well as through ongoing and periodic audits internally in the company. In addition, inspections are carried out by FAR and the Swedish Inspectorate of Auditors. We are not only under the supervision of the Swedish Inspectorate of Auditors, but also of PCAOB in the USA, which carries out inspections, according to a special schedule, of the auditing companies that have audit assignments for SEC-registered companies or related parties.

Focus area

Sustainability

Sustainability, with all its various facets, is the precondition for a future society in which future generations can develop and live well. The field of sustainability already represents a competitive advantage. The companies that invest in and include sustainability in their business strategy will be the winners.

Within KPMG, we talk about ESG – Environmental (environment and climate), Social (social responsibility) and Governance (corporate governance) – with the aim of bringing together all the sustainability issues that affect companies, organizations and society. We have already consolidated our position as an advisor in respect of governance in previous years, where our Assurance team and area experts help businesses and companies to conduct their sustainability reporting correctly. With the upcoming CSRD regulations for reporting, our clients have both the need and strong desire for doing things right.

During this fiscal year, we have also made major advances in terms of our sustainability offering within organizational and operational management. Our internal units have been brought together with renewed clarity to create further conditions for successful client journeys. Through insight and experience, we are helping our clients to build long-term, sustainable businesses where development, the environment and social responsibility are jointly creating the conditions for both business development and financial success. Focusing on sustainability within the business can become an organization's greatest asset.

ESG is not something that is managed separately, rather it is included in everything we do. There is a particularly clear link to digitalization and technology transformation, where technical solutions are often the prerequisite for the sustainability work, both in terms of reporting and business development. In this respect, we also benefit greatly from the strong global alliances we enjoy with industry-leading companies such as Microsoft and ServiceNow. The section Focus area Technology Transformation provides an excellent example of when a partnership between the client, an alliance partner and KPMG has worked particularly well. Feel free to read about the Södra-Microsoft example there.

"With the right support, the sustainability work will be a fantastic investment."

Christopher Larsson is one of the leading sustainability experts on the Nordic market, both in respect of advisory and reporting. Through his work in EFRAG, he has advised the European Commission on issues regarding the new EU framework for sustainability reporting, and at KPMG he plays a key role in major sustainability assignments.

For Christopher, sustainability is not just a professional assignment – it is something he's passionate about. "Fairness has always been important to me, equal opportunities and equal value no matter where you are born, but that's not the world we live in today. That's the reason why I enjoy working with sustainability issues, because they are the key to creating a better and fairer world for everyone. As auditors and advisors, we play a major role in this respect, both by ensuring that companies are transparent in the reporting of their sustainability work and by helping them in the transition to a more sustainable society."

Christopher joined KPMG Assurance in August 2017, and right from the outset displayed an interest in working on a broad scale and across disciplines. He has worked with both auditing and assurance assignments, and in recent years he has been involved in developing our services within sustainability.

Christopher's role as a specialist and advisor within the EU has contributed to him becoming a much-appreciated participant in panel discussions and presentations, and he has had assignments in both Norway and Finland.

"Sustainability is incredibly wide-ranging and global, and so collaboration is essential if we are to succeed in creating a more sustainable society," says Christopher.

"The fact that we have clear objectives within the EU is fantastic, but there is a great deal that needs to be done for us to achieve them. I hope to be able to continue developing KPMG's range of services and solutions linked to sustainability, at the same time as being part of KPMG's global solutions in this area."

One important insight that Cristopher is happy to share is viewing the sustainability work as a long-term investment, not a cost. "Starting to report in accordance with the new regulations or transforming a business can be very challenging and hard to get a grip of. But simply waiting or trying to avoid this is not healthy for the business, because the longer you wait, the greater and more demanding the effort is likely to become in order to deal with the challenge. The transition and inc reased reporting requirements entail an increased cost, but this should be viewed as an opportunity. Once the work has been done, you have not only laid the foundations for the sustainable development of your company, you have also invested in the future. That's something any business leader with long-term goals can appreciate."

Christopher Larsson
Advisor, Sustainability & Assurance

Calculating the cost of intolerance

There has been a great deal of focus on the environment when it comes to sustainability reporting and numbers. One reason for this is that, unlike social responsibility and corporate governance, it is easier to quantify with kilowatt hours, air travel and emissions. However, there is a considerable need to measure sustainability in other areas as well.

In 2022, KPMG in Latvia was contacted by the organization Mozaika, which works with LGBTQ+ issues in Latvia, focusing on inclusion, diversity and equal rights. The assignment related to whether it was possible to produce figures regarding the costs of intolerance for the Latvian economy, and our colleagues had no hesitation about taking on the task.

Armine Movsisjana, Managing Partner of our operation in Latvia, explains: "We worked according to the principle that inclusion contributes to the efficient utilization of people's qualities, skills and knowledge, thereby developing human capital. It also has a positive impact on health, which in turn increases productivity in the economy."

They also took into account the fact that economic development contributes to increased demands for human rights. In other words, inclusion and economic development are mutually reinforcing factors.

The report that KPMG produced for Mozaika observed that Latvia – where a large proportion of the population has a negative attitude towards LGBTQ+ issues, laws in this context are inadequate and public awareness is low – stands to lose 1–2% of GDP annually as a result of emigration, declining productivity, failing health and even suicide within the target group.

Armine says: "We have presented this report to the European Commission in Brussels as well as other forums, and we hope that the report and its recommendations will be decisive in shaping public opinion. Prior to the outbreak of the war in Ukraine, the losses linked to these challenges were equivalent to a third of Latvia's annual healthcare budget. In the latest figures, these costs are equivalent to almost the entire defence budget."

"Despite this," Armine concludes, "we hope to be able to move away from quantifying costs, in order one day to be able to assess benefits and gains. And it's a universal truth that all individuals are equally important and valuable, isn't it?"

"It's a universal truth that all individuals are equally important and valuable, isn't it?"

Armine Movsisjana
Managing Partner,
KPMG Lettland

Focus area

Technology Transformation

Change is permanent: society and humanity will always seek to improve and simplify the world around us.

The pace of change is high, and it's only going to increase. In his speech at the World Economic Forum in Davos in 2018, Justin Trudeau, Prime Minister of Canada, said: "The pace of change has never been this fast, yet it will never be this slow again."

The pace of change is higher in the field of technological development than in most other areas. It's easy to conclude that technology itself is the solution, but that's not all – when it's dark, new lighting isn't the answer if it's a case of the electricity being badly wired – and this is where we come in. With our experience and knowledge, we can help the client find their way when it comes to understanding their challenge and the solution that suits their business. Together with our alliance partners, we are able to offer security, a long-term perspective and development opportunities.

An example of this might be a major player considering a new business system to create increased opportunities for simplified governance and administration. Opting for the technical solution that suits your particular business is important, yet a well-balanced and customised implementation process is just as important. For the company, there are significant costs at stake if new systems or solutions are not well received in the business or if it turns out that the old technology was concealing an organizational challenge rather than a lack of technology.

"To opportunity work with innovation together with KPMG and Microsoft has accelerated the production of an innovative solution which will strengthen Södra when it comes to reporting as well as creating new insights through data-driven analysis."

Cristian Brolin
CDO, Södra

Technology Transformation in the real world

One area where the demand for digitalization and technological transformation is increasing – and probably more than many other areas right now – is sustainability reporting. New legislation and an area that generally lags behind in terms of digitalization mean that the demand for tools has increased exponentially. In addition, it isn't just the sustainability reporting, but also follow-up, analysis and decision-making that lack tools and are driving demand.

One example of a company that is focusing on improvements is Södra, which has an ambitious sustainability agenda. Through a new initiative alongside KPMG and our alliance partner Microsoft, a solution has been developed that is automating and modernizing the gathering of sustainability data in the organization, although other processes are also being collected in a more modern, digital manner. Current reporting requirements are driving up the volume of sustainability data that has to be collected and analyzed. By automating a large proportion of this collection work, Södra is freeing up time to analyze its sustainability data and make better decisions. Digitalizing the process also serves to reduce the risk of errors when collecting information.

Monitoring the work on climate impact in the value chain requires access to comprehensive and frequently updated sustainability information, and with the new solution that is now being implemented, Södra will have access to sustainability data in real time. This information has been collected before, but not nearly as frequently and in time-consuming manual processes. The new system means that Södra is gaining access to the information in real time, with the result that the insights will be more easily accessible and help drive the strategic change management process forward.

In this respect, you get a technical boost when certain processes are digitalized, and so become better informed and more efficient. However, it also provides a boost for the sustainability work, which needs to be followed up and enables an acceleration of the business's change management process.

"By highlighting and clarifying sustainability data at the right time and at the right level, we are able to help create business value."

Caroline Kolmodin Palm is the project manager for the major project together with Södra and Microsoft. Her area of expertise is transformation, where she has a particular interest in sustainability. Within the project, Caroline, along with a team from KPMG and representatives from both Microsoft and Södra, has created a solution for Södra in which the strategic sustainability and change management work can be conducted more efficiently.

Many parts of the project that are worth highlighting. Caroline explains:

"We have really succeeded in getting the right people and skills involved i n this project. Building a team that comprises members from several different parts of our operation has contributed to solutions and insights in a fantastic way."

Caroline greatly appreciates the fact that the transformation project also had a clear sustainability perspective. She continues: "Sustainable business practices are a precondition for us meeting the challenges facing the planet and society. It's incredibly enjoyable to be able to work with these issues in a professional capacity. The fact that sustainability has emerged as a top priority for companies is something we are noticing in different areas, not least legislation. Being able to be part of and contribute to this transformation is incredibly stimulating."

The in-house expertise in respect of development and digitalization that exists at KPMG, in combination with the right product from Microsoft, has created exactly what the customer needed. Caroline concludes: "I am absolutely convinced that smart, digital tools are a prerequisite for companies being able to drive their sustainability work in future, particularly when it comes to coping with the increased reporting requirements."

Tech is a prerequisite for the sustainability work conducted within all types of businesses. It is here that it creates the conditions for simplifying, clarifying and understandings – insights that, in turn, create opportunities for further improvement and success.

Caroline Kolmodin Palm
Advisor, Finance Transformation & Sustainability

Focus area

People

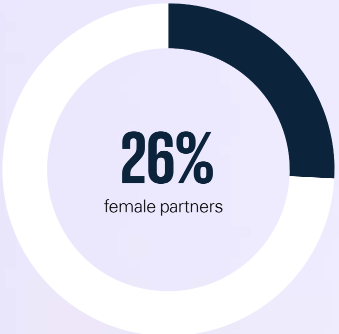
Our employees are the core of our business. It is their knowledge and experience that our clients are seeking, and it is their commitment and motivation that drives our business forward.

Caring for your employees is expected of most companies, but by highlighting People as a focus area, we are aiming to demonstrate that, for us, our employees are so much more than a hygiene factor. They are our most valuable asset.

Our People agenda is a matter of working consistently to achieve diversity and inclusion, as well as creating progressive and sustainable working conditions, which for a knowledge-based company like KPMG are a prerequisite for being a relevant employer.

Things have returned to normal very quickly following the pandemic. We have a clearly defined hybrid way of working, where our employees divide their time between the office, the client and their home office. Some of our clients are continuing to work from home to a large extent, in which case the clients' office is not as obvious a workplace for our colleagues. However, having a good balance and the opportunity to choose according to need is important to all of us.

During the year, we have also continued to work to bring the three countries in the Group – Sweden, Latvia and Lithuania – closer together. As part of this initiative and to move closer to each other, the employees in all three countries were invited to attend the large-scale celebration of KPMG Sweden's 100 years as a company. Almost 2,000 employees took part in the festivities, which also contributed to excellent opportunities for both formal and informal collaborations, strengthening our shared culture and internal pride.



Inclusion, Diversity & Equity (IDE)

We gather our inclusion, diversity and equality work and initiatives under the global umbrella term IDE: Inclusion, Diversity and Equity. We are convinced that we deliver better and create greater value when both our leadership and our operations are permeated by diversity, equity and inclusion.

The IDE initiatives are found under the People & Culture organization's umbrella, yet many of the initiatives and a significant proportion of the work are spear-headed by the employees themselves. An IDE team comprised of representatives from the business is developing and implementing activities and initiatives, and these will be found right across the Group and be implemented in all countries in the future.

Below are a selection of initiatives and activities that have been carried out during the year:

- Pride was celebrated at our offices in Stockholm and Gothenburg with breakfast meetings and internal activities
- During International Women's Week in March, digital lectures and relevant discussions were held every day as part of a joint Nordic initiative
- Since September 2023 we have partnered with Mentor Sweden, where we contribute to their work strengthen young people and providing them with faith in the future. It is also an opportunity for us to learn from them and do what counts: to contribute to inclusion and a socially sustainable society and to improve the opportunities for young people in Sweden
- An employee survey focusing on IDE topics has been conducted and we are seeing something of a positive trend in regards to our employees' perception of our work with these questions.

Our IDE initiatives are presented in the IDE report. The purpose of the report is to highlight the work that is being carried out within IDE, both internally and in collaboration with external organizations. These include Diversity Charter Sweden, a knowledge exchange network where KPMG, along with other companies, identifies and shares diversity initiatives and experiences.

Our IDE report can be found on KPMG's webpage.

We are continuing our targeted efforts aimed at achieving an even distribution between women and men in senior positions, and the proportion of women in managerial posts currently stands at 49%. When it comes to partners, there is still some way to go, however, as the latest figure stands at 26% female partners. This is significantly better than ten years ago, but still a long way from our objective.

Working to achieve diversity and inclusion is in itself a sustainability issue, as it relates to building for the future and ensuring that we continue to attract the best talent.

Our IDE team is made up of employees who have chosen to get involved in the company's work with inclusion, diversity and equity. They represent various parts of the business, and for one or more years they have been investing time in developing activities, initiatives and conditions that will generate commitment and understanding of these topics. The team consists of a steering group made up of nine people, as well as some 60 IDE ambassadors around the business.

The long-term goal is for inclusion, diversity and equality to be integrated in everything we do, the way we act and what we value when we are recruiting new employees.

The areas that the IDE team is working on include:

- Training and awareness: mandatory IDE training for all employees, recurring dilemma workshops with all business areas and lectures given by external speakers
- Transparency and reporting: continual internal updates in order to communicate work and progress
- Collaboration: active collaboration with external organizations as well as with KPMG globally, e.g. the global LGBTQ+ network.

"Our differences enrich KPMG, and together we have the strength to build a future for generations to come."

Everyone in the team has their own reasons for getting involved in the IDE work, but it is clear that these topics are important. Thaissa Olinisck says: "I have been engaged in gender equality initiatives ever since I was a student, and since I started working, I have clearly seen the importance of diversity and multi-cultural teams. As a woman and a young expat in Sweden, I have a personal connection to these issues."

Amanda Megrya has personally experienced prejudice and bigotry, and is committed to being able to exert influence and bring about change. She says: "As a second-generation immigrant as well as a woman, I have often felt underrepresented and excluded. I am working to ensure that appearance, gender and ethnicity will not be decisive when it comes to achieving success; we are just as important, skilled and hardworking, and we deserve the same opportunities as others."

They agree that the IDE team is important and the work is significant. But that's not enough.

"KPMG has made great strides when it comes to raising and promoting these issues, especially concerning building an inclusive work environment."

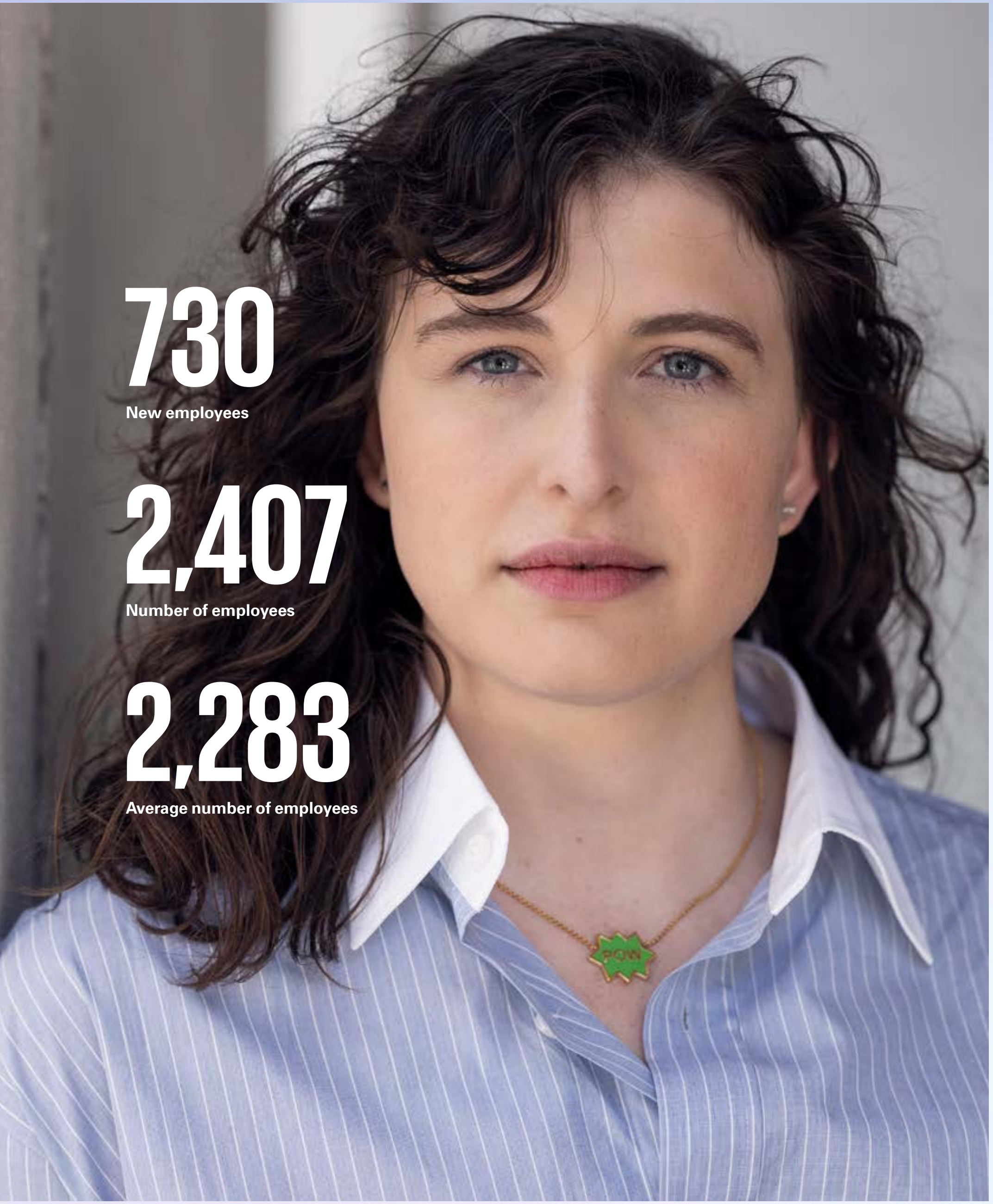
"But as always, there is more to be done, such as further anchoring IDE in our culture."

The management team is represented by Jessica Collins, Head of People & Culture, and she is is the team's sponsor. Jessica says: "I can only agree. We have done a great deal and we have a lot to be proud of, but there are still plenty of challenges to tackle. The IDE team is doing a great job, a necessary job, and their dedication remains a central part of our internal work."

The group has only been working within the Swedish arm of the business to date, but during 2023–24 will be working to expand the group to include Latvia and Lithuania.

Pictured: Amanda Geries, Hanna Stjernström, Amanda Megrya and Thaissa Olinisck.

Other team members: Hanna af Geijersstam, Vladimir Marica, Emily Petersen, Jessica Collins and Sara Weberyd.



730
New employees

2,407
Number of employees

2,283
Average number of employees

The People agenda is a sustainability matter

The People agenda highlights the importance of ensuring that our fantastic employees continue to develop here at KPMG, and that they can see new career paths and inspirational challenges within the company.

Future Partner Academy is a program that was launched in 2021/22, in which we identify skilled employees with potential, who could possibly become new partners within a few years. Those who are nominated to join the program will receive training, coaching and guidance to help them develop, be challenged and grow in their roles, and new participants are selected annually.

Major investments have been made during the year in terms of the employees' opportunities for continuous learning and development. KPMG has a new global learning platform, a turnkey solution and a common entry point to our entire ecosystem for training and further training. Our organization implemented the new platform, Degreed, at the start of the fiscal year, and there is enormous potential for our employees to identify development opportunities.

Degreed offers a wide range of training courses in areas such as technology and digitalization, where a certification provides the employee with a tangible and measurable knowledge boost. These certifications make the employee more attractive in client assignments, and at the same time boost our own internal skills levels. During the next fiscal year, we will be placing additional focus on internal skills enhancement, and Degreed will remain the focal point for learning.

Learning and development are natural elements of the day-to-day work for everyone at KPMG. Our employees develop primarily through their practical work within assignments and through ongoing guidance and feedback from their colleagues. Together with their Performance Manager and manager, the employees create a training plan in which certain courses are mandatory and others elective based on individual development goals. The employee can then largely control when their training is carried out.

Our Performance Managers play an important role for the employees they coach. They provide support both in ensuring that we are all challenged and develop in the right direction, and from the human perspective. Our Performance Management process includes regular meetings in order to monitor how our employees are feeling and what their workload is like in current assignments and projects. We evaluate our managers on an ongoing basis and will continue to work to give them the best possible preconditions to build strong teams, both through individual coaching as well as through training for Performance Managers in general.

Sustainability report 2022–2023

Sustainability report 2022–2023

Throughout KPMG's value chain, we have an opportunity to both protect and create value for people, the environment and society at large. We create value through the insights we share as well as the advice and auditing we provide, and our aim is to contribute to positive social development by including the sustainability perspective in everything we do.

KPMG in Sweden, Latvia and Lithuania are members of KPMG International, one of the world's leading auditing and advisory organizations, with more than 265,000 employees in 143 countries and territories. On a global level, KPMG has summarized our commitments and successes related to sustainability in a transparent manner in our Impact Plan. KPMG's global sustainability commitment relates to the way we as a company influence, accept responsibility for and contribute to a more sustainable world.

In line with our overall aim of inspire confidence and empower change, we want to make a significant contribution from a global perspective when all the countries in the KPMG network undertake to strive to achieve the same sustainability goals. Together with various stakeholders, such as our employees, clients, local communities, governments, regulators and the public at large, KPMG has identified twelve material areas that require particular focus and attention at a global level.

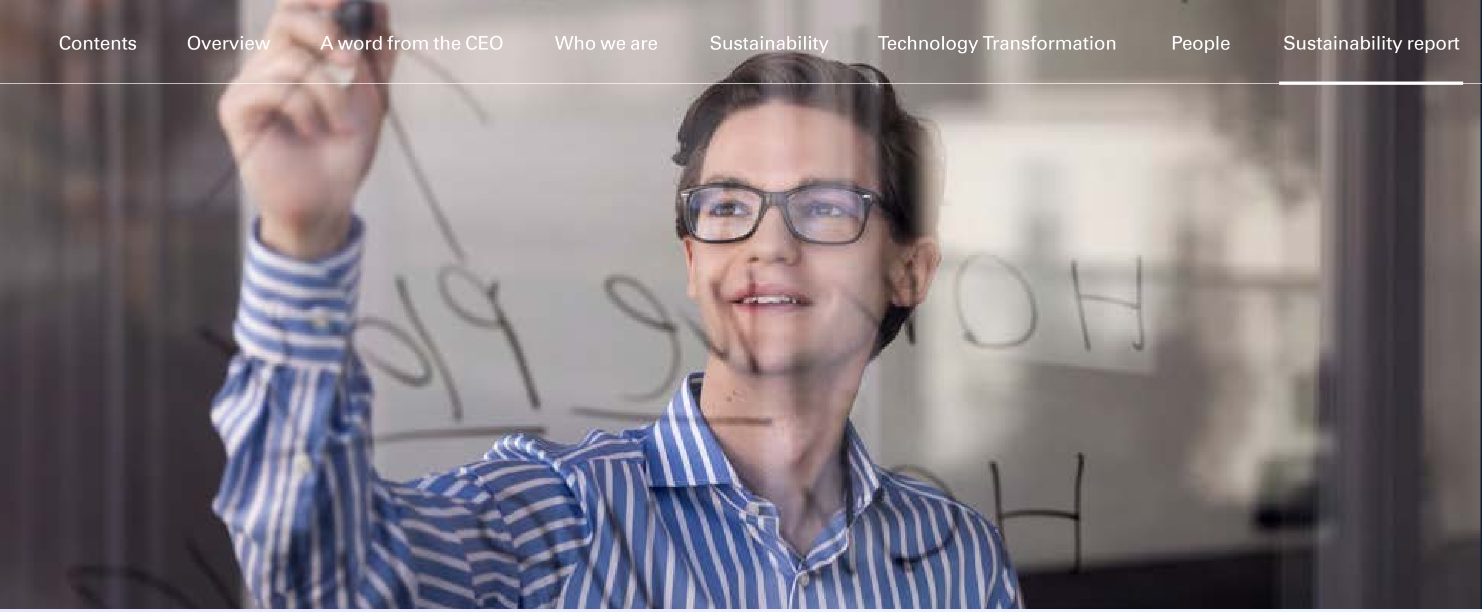
These areas are:

1. Ethics, integrity and independence
2. Transparency and accountability
3. Relevant quality services for the benefit of the public
4. Information security
5. Purpose, culture and values
6. Attract, develop and retain talent
7. Inclusion, diversity and equity
8. Health, well-being, workload and job security
9. Environmental sustainability
10. Financial, operational and brand resilience
11. Technology and development
12. Impactful community involvement

In Our Impact Plan, we have divided our sustainability work into four principal areas:

Governance
People
Planet
Prosperity

Our Sustainability Report is also organized to these areas.



100% of our employees

- have confirmed their compliance with our Global Code of Conduct
- have confirmed their independence

Governance

Business model and ownership structure
KPMG offers advanced services within advisory, auditing and tax. Our business model is based on our in-depth expertise and experience in our business areas, supported by the collective expertise of KPMG's global networks, and that we offer our clients advice, solutions and auditing in order to create security and contribute to change.

Together with our clients, we are developing businesses and society, where our joint responsibility for a world that is sustainable in the long term is becoming increasingly significant. Read more about our operations under "General information about the business" in the Directors' report.

Sustainability work
The Board of Directors has the ultimate responsibility for ensuring that KPMG's operations are conducted with a long-term perspective.The day-to-day operations are delegated to the CEO, where our sustainability agenda and strategy are interwoven with the operational work. KPMG has presented a common global approach regarding sustainability through *Our Impact Plan,* which also permeates our operations in Sweden, Latvia and Lithuania.

KPMG's Sustainability Policy helps us guide our efforts to become a more sustainable company by creating a joint focus on our 12 material areas, which are set out in the introduction to the Sustainability Report.

Ethics and independence
Impartiality and independence, along with an ethical approach, are the cornerstones of KPMG's operations. The Ethics & Independence function has overall responsibility for professional ethics issues in the company. Ethics & Independence ensures that all employees undergo a compulsory training program every year, and ensures that everyone receives knowledge about the policies and guidelines that apply in day-to-day work. The training program includes the Code of Conduct and ethical decisions, as well as how we combat bribery and corruption.

KPMG's Global Code of Conduct applies to all member companies around the world. Every year, all of KPMG's employees are required to confirm their compliance with the Code and undergo training on this topic, which provides an overview of our values, our Code of Conduct and a framework for how to make ethical decisions. All employees also confirm their independence and undergo global independence training every year. Thanks to the focus on our Code of Conduct, we have a corporate culture that is steeped in our values, shared commitments and responsibilities.

KPMG's Disciplinary Policy helps us to reduce the risk of transgressions in the fields of ethics and independence by explaining, in a transparent manner, the responsibilities placed on each employee, what a transgression is, the fact that all potential transgressions should be reported as well as what such transgressions might entail in terms of discipline.

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An important aspect in this respect is our whistleblower function, which our employees can use if they want to report a suspected transgression anonymously. All transgressions that are reported via our Swedish whistleblower function are forwarded to an external law firm, and it is possible to report these digitally, by phone or in a physical meeting depending on the wishes of the employee. We also have a global whistleblower function that all employees can turn to, and they are always able to contact their manager or our HR function directly.

Corruption and bribery
Here at KPMG, we have zero tolerance for corruption and bribery. Both of these are unethical and unacceptable, and are contrary to our values and Code of Conduct. For KPMG, compliance with laws, regulations and standards is of the utmost importance.

We prohibit involvement in any form of bribery – even when it might be permitted under local laws. We also do not tolerate bribery from third parties, such as our clients, suppliers or public officials.

All our employees and partners are required to undergo training regarding compliance with laws, regulations and professional standards in respect of anti-corruption and bribery, including reporting suspected or actual transgressions or shortcomings. In the event of suspected or actual transgressions or shortcomings, our employees are able to report this, for example through our whistleblower functions.

Data protection and information security
KPMG views data, information and IT systems – both our own and those of our clients – as valuable assets that are a central part of our business operations and that have to be carefully monitored and preserved. Maintaining the confidentiality of our clients and our employees is a vital part of our business. In order to do this, we focus consistently on information security in a range of ways, partly by working in accordance with processes and procedures in established policies (such as the data protection policy, archiving policy, processing of personal data policy, information security policy, confidentiality policy and by ensuring that our IT solutions maintain a good standard), and partly by communicating our Code of Conduct and our global risk manual.

Human rights
KPMG Global has developed a position in relation to human rights. This position is in line with the UN Guiding Principles on Business and Human Rights. In our Global Code of Conduct, we undertake to never tolerate illegal or unethical acts, including human rights violations.

Through KPMG Sweden's Code of Conduct for suppliers, we place demands on them, in part, by calling on them to tell us if they suspect that human rights violations are being committed.

In a global perspective, KPMG has identified education in *Our Impact Plan* as a crucial area for lifting people out of poverty and creating wealth. Education is one of the most significant driving forces for economic growth, social development and prosperity. That's why we are committed to supporting education and lifelong learning. Globally, KPMG assists UNESCO with pro bono resources for the Global Education Coalition.

People

Our employees

Our employees are KPMG's most valuable asset. It is their work, expertise, experience and commitment to helping our clients develop and create value in their operations that form the basis for our entire business. It is KPMG's employees and managers who make us the obvious choice for both clients and employees. This section is about all our employees from Sweden, Latvia and Lithuania, but the shared statistics are mainly regarding employees in Sweden. Next year, we aim to include statistics for all three countries. Table 2 shows average number of employees and gender distribution per country. All other tables only shares statistics for employees in Sweden.

Our ability to attract, develop and retain employees is crucial when it comes to being able to run the company sustainably and in a long-term perspective. We are a professional service company with a value-driven culture, where our focus is on health and well-being, diversity, learning, development and high level of job satisfaction. We have a clearly formulated Employee Value Proposition (EVP) to describe what you can expect as an employee at KPMG. Together, we are building a creative, stimulating and progressive workplace through our five cornerstones within EVP – *Do work that matters, Come as you are, Thrive with us, Learn for a lifetime* and *Make your mark*.

Working in our industry sometimes involves a very high tempo and demands for delivery within tight time frames. The industry attracts high-performing individuals with considerable drive and commitment to their work and their duties. The wishes of our clients, the high tempo and the abrupt changes between different projects and work duties contribute to making the work both enjoyable and rewarding. But at times this can also involve stress that can lead to ill health. All managers and employees have an important role to play, both regarding their own work environment and the work environment of others, and we therefore have to support each other. Our hybrid working method makes it easier to achieve a balance between private and working life, and our "Home Hub Offer" provides employees with the opportunity to acquire furniture and fittings for their home office, delivering the conditions for good ergonomics and a good work environment when working from home as well.

During the summer months, we shorten our working hours to 34 hours per week, and we offer health examinations, a wellness allowance of SEK 5,000 per year and partial financing of joint sports activities, as well as other protection and benefits to our employees.

During the 2023 fiscal year, sickness absence was 1.86%, which is lower than last year. Regarding long-term sickness absence, this has increased slightly in relation to normal sickness absence levels and is now on a par with the 2020 fiscal year (see Table 1).

Our Employee Policy is an important governing document that describes the responsibilities between KPMG as an employer and our employees. The Policy describes the expectations and demands that employees should place on us as a company and, in the same way, the expectations that are placed on KPMG's employees. The Policy is introduced to all employees when they join KPMG and can always be found on our intranet.

Table 1. **Employee sick leave**

Fiscal year	2020	2021	2022	2023
Sick leave	1.86%	1.71%	2.04%	1.86%
Long-term sick leave of total sick leave	44.35%	46.16%	43.38%	44.35%

Work environment
Work environment issues relate not only to the physical workplace, but are also to a very large extent a matter of psychosocial aspects and the way we organize the company and the work. Offering a good ergonomic work environment that promotes health is important to us, because it impacts our well-being, our safety and our competitiveness. We are careful to comply with applicable legislation and regulations in respect of the work environment, which we realize through our systematic work environment management and the investments we make in the work environment aimed at achieving a high level of job satisfaction, high motivation at work and low sickness absence among our employees.

Inclusion, diversity and equity
Inclusion, Diversity and Equity (IDE) are not just something we talk about, they are the foundation we stand on and an important part of our employee value proposition. In order to be the clear choice for our clients, the market and society, we need to offer an innovative and trustworthy perspective. And we are able to do this thanks to our greatest and most important asset
– our employees.

Diversity among our employees is a strength, and we are a company whose foundations are built on our employees' various abilities, skills and backgrounds. As a result, we have a responsibility to make a positive impact in society and to ensure that we provide a workplace in which all employees feel secure in being exactly who they are. This is one of the cornerstones of our employee value proposition – "Come as you are".

To ensure that our work aimed at achieving greater inclusion, diversity and equity maintains a good pace and the right focus, we have established a steering group for this work at KPMG in Sweden. The steering group acts as a link between our employees and management, analyzes our key performance indicators linked to this area, conducts external monitoring and ensures that we perform relevant activities in all parts of the organization to support our journey. In addition to the steering group, there are some 60 IDE ambassadors right across Sweden from various departments and levels of seniority who, together with the steering group, provide information about IDE and carry out both national and local activities.

Our focus areas in respect of IDE are:
- Corporate culture and leadership
- Salary and benefits
- Recruitment and career development
- Learning and development
- Parenthood

Our annual IDE survey is a complement to our global employee survey. Based on this, we are able to assess our progress and develop remedial measures where needed. The latest survey was conducted in March 2023 and focuses on three areas that are important for our company-wide IDE work. The outcomes for each area can be seen below:

- Career opportunities
  – 84% of our employees experience equal career opportunities regardless of their gender, age and background, which is an improvement compared to the previous year. We will continue to train our managers and employees as part of our efforts to reach 100%.
- Work-life balance
  – 82% of our employees agreed that KPMG supports a work-life balance, that the perceived level of flexibility within KPMG wis good, for example when combining a career with children and family.
  – 80% of our employees were also comfortable using flexible working hours in order to combine their working day with their personal life, when required.
  – Our employees who have children consider that there are good opportunities to combine a career at KPMG with family life.
- Culture
  – 83% of our employees consider that KPMG is on the right path when it comes to diversity and inclusion.
  – The majority feel that KPMG is an inclusive workplace, and most also respond that KPMG has clear expectations and rules in respect of non-discriminatory behaviour.

At a global level, KPMG's aim is for women to hold 33% of partner and director positions by 2025. In Sweden, the proportion of women in these positions has increased every year since 2020, but we have not yet reached our goal, with 32% of partner and director positions being held by women in the 2023 fiscal year (see Table 3).

Table 2. **Average number of employees – Sweden, Latvia, Lithuania**

Fiscal year	2023	*% of men*	2022	*% of men*
Sweden	1,784	50%	1,588	51%
Latvia	257	37%	229	35%
Lithuania	242	32%	215	32%
Total	2,283	46%	2,032	47%

Table 3. **Gender distribution, directors and partners**

Fiscal year	2020	%	2021	%	2022	%	2023	%
Women	55	26%	62	29%	72	30%	86	32%
Men	156	74%	155	71%	168	70%	179	68%
Total	211		217		240		265	

When we look at gender distribution among partners in Sweden, we can also see that the proportion of women has increased every year between the 2020 and 2023 fiscal years; during the 2023 fiscal year, the proportion of female partners stood at 26% (see Table 4).

In the 2023 fiscal year, three women and six men were promoted to partners (see Table 5).

The proportion of women among our managers also increased between the 2020 and 2023 fiscal years, and in the 2023 fiscal year, 47% of managerial positions were held by women.).

If we look at all our employees in Sweden, the gender distribution was even during the 2023 fiscal year: of our 1,932 employees, 50% were women and 50% were men (see Table 7).

Table 4. **Gender distribution, partners**

Fiscal year	2020	%	2021	%	2022	%	2023	%
Women	23	21%	25	22%	30	25%	32	26%
Men	89	79%	91	78%	90	75%	90	74%
Total	112		116		120		122	

Table 5. **Partner promotions by gender**

Calendar year	2020	%	2021	%	2022	%	2023	%
Women	3	38%	0	0%	1	100%	3	33%
Men	5	63%	3	100%	0	0%	6	67%
Total	8		3		1		9	

Table 6. **Gender distribution, management***

Fiscal year	2020	%	2021	%	2022	%	2023	%
Women	340	44%	353	45%	374	45%	407	47%
Men	430	56%	432	55%	457	55%	464	53%
Total	770		785		831		871	

**Refers to Manager, Senior Manager, Director and Partner*

Table 7. **Gender distribution – all employees**

Fiscal year	2020	%	2021	%	2022	%	2023	%
Women	827	51%	865	52%	908	50%	966	50%
Men	801	49%	799	48%	891	50%	966	50%
Total	1,628		1,664		1,799		1,932	

Table 8. **Gender and age distribution – all employees**

Grade	Women	%	Men	%	Tot. number employees	< 30 years old	30-50 years old	> 50 years old
Client facing								
Partner	32	26%	89	74%	121	0%	42%	58%
Director	46	35%	86	65%	132	0%	51%	49%
Senior Manager	110	48%	119	52%	229	0%	72%	28%
Manager	163	54%	137	46%	300	17%	78%	5%
Senior Associate	222	58%	164	42%	386	61%	38%	1%
Associate	271	46%	315	54%	593	90%	10%	0%
Total 2023	844	48%	910	52%	1,754	47%	41%	12%
Total 2022	795	48%	845	52%	1,640			
Non-client facing								
Partner	0	0%	1	100%	1	0%	0%	100%
Director	8	73%	3	27%	11	0%	36%	64%
Senior Manager	18	56%	14	44%	32	0%	53%	47%
Manager	30	67%	15	33%	45	2%	69%	29%
Senior Associate	54	73%	20	27%	74	23%	43%	34%
Associate	12	80%	3	20%	15	33%	60%	7%
Total 2023	122	69%	56	31%	178	13%	52%	35%
Total 2022	113	71%	46	29%	159			

Discrimination and harassment
At KPMG, we do not tolerate any form of harassment, discrimination or expressions of racism, sexism or exclusionary behaviour based on gender, sexual orientation, age, family situation or ethnicity. This is clearly set out in our Code of Conduct, which all employees have to confirm compliance with every year.

Freedom of association and collective bargaining
KPMG Sweden's employees are covered by collective agreements (collective agreements for auditing and consulting companies, between the parties Almega, Unionen and Akademikerförbunden). KPMG Akademikerförening works actively and on an ongoing basis with issues at both an individual and a contract level. The association is the largest in the auditing sector and has been operating actively since the 1990s. The main task of the association is to contribute, independently from the employer, to ensuring that the business is conducted in a way that is good for the employees. The association has its own page on the intranet, where employees can obtain information about the association's work.

Skills development
An important part of our offer to our employees relates to the opportunity for continuous and forward-looking development and training.

We can offer all our employees the opportunity to learn and develop as part of their day-to-day activities and ongoing work – learning in the flow of work – which is a prerequisite for being able to be relevant in the rapidly changing environment at our clients and on the market. The fact that we have implemented the AI-based tool Degreed means that we have also provided all our employees with equal opportunities and access to customised training.

With Degreed, we can increase expertise across many areas where we want everyone to possess awareness and knowledge. Two primary areas are digital transformation and ESG/sustainability (knowledge in the fields of climate, sustainability and governance).

Increased access to personal development and learning also increases our employees' motivation and desire to get involved. With a greater focus on learning and the desire to learn, our employees will be able to develop knowledge in entirely new areas, something that is vital when it is challenging to find such knowledge and skills through recruitment.

One significant challenge in the increased need for learning and development is the time it takes and how to manage this as a manager. A possible way forward is therefore *learning in the flow of work*.

Planet

Climate change, the shortage of resources and the negative impact on ecosystems are three of the biggest and most pressing challenges of our time. In recent years, we have witnessed both more and greater environmental disasters than before. KPMG's *Our Impact Plan* is our response to this, and a promise that we at KPMG will continue to do everything we can to contribute to achieving global climate goals, which are based on the UN's Sustainable Development Goals and Agenda 2030.

Our environmental policy is a governing document that affects all parts of our business. It requires that, when making decisions, both in terms of our client work and our internal work, we always take resource efficiency into account, reflect on and include our indirect environmental impact in decisions, work towards clear environmental goals and utilize of our employees' knowledge and commitment, as well as be transparent and active in the general sustainability debate.

CO_2-neutral in 2030

KPMG International is committed to being carbon-neutral by 2030. In practice, being a carbon-neutral business means that the amount of carbon dioxide emissions that are generated is equal to the amount of carbon dioxide that is removed from the atmosphere. In order to achieve this, there is a need to focus in part on phasing out the use of fossil fuels (decarbonization), and the goals are aligned with the 1.5°C goal under the Paris Agreement.

At a global level, KPMG has set two Science Based Targets (SBTs). These are:

- Reduce greenhouse gas emissions by 50% by 2030 compared to 2019
  – At a global level, KPMG initiated the Global Climate Response (GCR) in 2008, which is KPMG's response to the challenges associated with climate change. Although KPMG is made up of many independent member firms globally, it is important for us to work together to do our utmost to prevent climate change. Every year, we report on our various activities that have an impact on climate, such as electricity use, heating, travel, etc., and KPMG International employs emission factors to convert our activities into greenhouse gases. Later in this report you will see the greenhouse gas emissions and calculation methods for Sweden, Latvia and Lithuania. It is our ambition to improve the amount of factual data and the quality of the data.

KPMG International

Important goals 2030:

- CO_2 neutral
- Reduced emissions fromfossil fuels by 50%
- 100% renewable electricity

- Increase our use of renewable electricity from 50% in 2019 to 100% in 2030
  - KPMG is actively working with our electricity supplier to map our electricity consumption. Our hope is that, by the next financial year, we will be able to present validated data regarding our electricity consumption. Later in this report you will see the greenhouse gas emissions and calculation methods for Sweden, Latvia and Lithuania. It is our ambition to improve the amount of factual data and the quality of the data.

Other means for achieving the goal of being carbon-neutral at a global level include:

- Energy efficiency
  - Most of our rental agreements are green, which means that both KPMG and the landlords are continually aiming to identify environmentally and resource-efficient operating solutions. Several of our office premises are environmentally classified in accordance with BREEAM and LEED.
- Ensuring sustainable travel
  - During the pandemic, the amount of travel we conducted naturally decreased. Since travel is often an important part of client contact, it is of the utmost importance for us to ensure that we travel sustainably, now that we have once again started visiting our clients. We can do this by opting for the train rather than air travel, as well as by considering when trips can be avoided and meetings can be held digitally instead.
- Placing demands on our suppliers
  - The fact that our suppliers share and work according to the same values as KPMG is a significant part of the work aimed at reducing our climate impact. We coordinate our purchases and procurements through a central purchasing function, both to achieve cost-effectiveness and to ensure the right quality of the goods and services we purchase. We have developed a more comprehensive Supplier Code of Conduct during 2023. This places high demands on our suppliers to act in accordance with our values, which means, for example, that they need to:
    - act with integrity and always endeavour to achieve the highest standards as regards ethics and professionalism
    - never engage in improper activities, such as corruption, bribery, use of slave labour
    - understand our strict demands as regards gifts, entertainment, etc.
    - respect human rights, promote fair working conditions and support an inclusive work environment that is free from discrimination
    - have the same standards and practices as KPMG in order to eradicate modern slavery and human trafficking.
- Work in a circular manner
  - In Sweden, we have made a major investment in waste management at our office in Stockholm during the year. In addition to sorting our waste, we have also made circularity possible during the 2023 calendar year by turning all food waste into compostable soil that our employees can take home and use or give to our clients. This will also be implemented at our other offices across Sweden in future.
- Be nature positive. This means that we need to contribute to the resilience of the planet by reversing the negative trend in biodiversity
  - We are looking forward to working on this more in the coming years.
- Carbon removal
  - The closer we get to the goal of becoming carbon-neutral, the more we will need to invest in solutions that can reduce the amount of carbon dioxide in the atmosphere. This can be done by planting trees, which will then improve the conditions for photosynthesis and, as a result, the uptake of carbon dioxide.

KPMG's greatest impact is achieved by helping our clients

We achieve our greatest impact on the climate by helping our clients with their transitions and business development. We do this by advising them on how they can achieve more sustainable business by transforming supply chains and production processes, as well as by helping them obtain and secure data, and develop systems and IT environments in order to report in accordance with current and future sustainability requirements.

Greenhouse gas emissions – Sweden

Carbon dioxide emissions (tCO_2e)		Emissions 2023
Direct emissions (Scope 1)	Vehicles	515
Indirect emissions from purchased energy (Scope 2)	Heating	158
	Cooling	2
	Electricity	13
Other indirect emissions (Scope 3)	3.1 Purchased goods and services	28,653
	3.3 Fuel and electricity (upstream)	174
	3.4 Upstream transport and distribution	158
	3.5 Generated and recycled waste in the operation	0.57
	3.6 Business travel	1,599
	3.7 Employees' travel to and from work	530
Total emissions		**31,803**

Calculation of greenhouse gas emissions

Scope 1 – Direct greenhouse gas emissions

When calculating emissions from the vehicles that KPMG Sweden owns and leases, we use the latest conversion factors from the UK Department for Business, Energy and Industrial Strategy (BEIS). The emissions are calculated on the basis of the number of kilometers traveled by the vehicle during the financial year.

Scope 2 – Indirect emissions from purchased energy

KPMG Sweden's electricity is made up of direct electricity from electricity suppliers and property electricity. The calculation of emissions from electricity is based on consumption in kilowatt hours (kWh) from electricity suppliers as well as kWh from property electricity. Some properties also procure and supply direct electricity. KPMG receives separate data regarding direct electricity for 17 out of its 38 offices, which corresponds to 68.2% of KPMG Sweden's utilized area in square meters. For those offices where there is no data regarding direct electricity, a standard based on other offices has been used.

During the financial year, KPMG has relocated some of its offices to new properties, as well as terminating contracts for certain offices. The number of offices and the area for which emissions have been calculated are weighted against the number of months out of the full year that KPMG has utilized the space.

KPMG Sweden has data relating to property electricity from those properties in which our offices are located in Stockholm, Gothenburg, Malmö and Växjö. KPMG's share of the property electricity has been calculated on the basis of KPMG's share of the property's total area. In terms of square meters, Växjö is representative of other offices and has been used as the standard for kWh per square meter in relation to property electricity for other offices in Sweden.

Heating and cooling in kWh have been calculated on the basis of actual activity data from the properties in Stockholm, Gothenburg and Malmö, and on KPMG's share of each property. Activity data from the property in Växjö has been used as the standard for calculating kWh per square meter and thereby consumption and emissions for other small offices. Conversion factors from the International Energy Agency (IEA) are used when calculating these emissions.

Scope 3 – Other indirect emissions

KPMG Sweden has calculated emissions under Scope 3 for those categories where it has been possible to obtain activity data. A large proportion of these emissions are estimated on the basis of information about expenditure and transactions. One ambition for next year's reporting is to obtain more actual data.

3.1 Purchased goods and services: Emissions have been calculated on the basis of the cost of goods and services. Conversion factors from the Carbon Disclosure Project (CDP) have been used in order to calculate the emissions.

3.3 Fuel and electricity (upstream): This category includes emissions related to the production of fuel and energy that have been purchased during the reporting year and that are not included in Scope 1 or Scope 2. For fuel, the emissions are calculated on the basis of the number of kilometers traveled by the vehicle during the financial year. See under Scope 2 for more information about how data for electricity has been calculated. When calculating these emissions, we use the latest conversion factors from BEIS.

3.4 Upstream transport and distribution: Emissions have been calculated on the basis of the cost of goods and services. Conversion factors from CDP have been used in order to calculate the emissions.

3.5 Produced and recycled waste in the operation: Waste and its emissions have been calculated for KPMG's offices in Stockholm, which also represents an estimate for the rest of KPMG Sweden's offices. It is noted that the amount of waste may be higher than that which has been estimated, and that the recycled portion of the waste produced may be higher than indicated. When calculating these emissions, we use the latest conversion factors from BEIS.

3.6 Business travel: Emissions have been calculated on the basis of the number of kilometers traveled by rail and air that have been registered via KPMG Sweden's travel service provider. Emissions from travel by car have been calculated on the basis of the number of kilometers traveled and registered in KPMG's mileage reimbursement system. For air travel, emissions have been adjusted depending on the passenger class in which the journey has been carried out. KPMG possesses actual data for 96% of conducted air and rail travel, while the remaining 4% has been estimated based on the other journeys. For journeys made by car, the emissions data has been adjusted depending on the type of fuel the vehicle uses. The distribution between different types of fuels has been assumed to be the same as for Scope 1, for which KPMG Sweden has actual data.

The number of hotel nights is calculated on the basis of actual data from our travel service provider. All emissions have been calculated on the basis of emission factors from hotel nights in Sweden. Around 15% of all hotel nights have been spent abroad, however, although there is no precise data regarding which countries these nights were spent in. When calculating these emissions, we use the latest conversion factors from BEIS.

3.7 Employees' travel to and from work: KPMG Sweden has no precise data regarding how employees commute to and from work, but it has made an estimate based on where employees live and how they are likely to get to work using different means of transport in the various cities. The number of employees, the number of vacation days and the distribution between working in the office and working from home have also been taken into consideration in the calculation. When calculating these emissions, we use the latest conversion factors from BEIS.

Greenhouse gas emissions – Latvia

Carbon dioxide emissions (tCO_2e)		Emissions 2023
Direct emissions (Scope 1)	Vehicles	56
Indirect emissions from purchased energy (Scope 2)	Heating	*No separate data available*
	Cooling	*No separate data available*
	Electricity	7
Other indirect emissions (Scope 3)	3.1 Purchased goods and services	3,007
	3.3 Fuel and electricity (upstream)	17
	3.4 Upstream transport and distribution	*No separate data available*
	3.5 Generated and recycled waste in the operation	0.02
	3.6 Business travel	28
	3.7 Employees' travel to and from work	106
Total emissions		**3,221**

Calculation of greenhouse gas emissions
Scope 1 – Direct greenhouse gas emissions
When calculating emissions from the vehicles that KPMG Latvia owns and leases, we use the latest conversion factors from BEIS. The emissions are calculated on the basis of the number of kilometers traveled by the vehicle during the financial year.

Scope 2 – Indirect emissions from purchased energy
KPMG Latvia's electricity consumption is made up of direct electricity from the electricity supplier and property electricity. The consumption of kWh for the office in Latvia is reported by the owner of the building in which the office is located. Purchased electricity in 2023 is primarily derived from non-renewable sources. Renewable electricity has begun to be purchased and used during September 2023. There is no separate emissions data for heating and cooling for the financial year. Conversion factors from the IEA are used when calculating of these emissions.

Scope 3 – Other indirect emissions
KPMG Latvia has calculated emissions under Scope 3 for those categories where it has been possible to obtain activity data. A large proportion of these emissions are estimated on the basis of information about expenditure and transactions. One ambition ahead of next year's reporting is to obtain more actual data.

3.1 Purchased goods and services: Emissions have been calculated on the basis of the cost of goods and services. Conversion factors from CDP have been used in order to calculate the emissions.

3.3 Fuel and electricity (upstream): This category includes emissions related to the production of fuels and energy that have been purchased during the reporting year and that are not included in Scope 1 or Scope 2. For fuel, the emissions are calculated on the basis of the number of kilometers traveled by the vehicle during the financial year. See more information under Scope 2 regarding how data for electricity has been calculated. When calculating these emissions, we use the latest conversion factors from BEIS.

3.4 Upstream transport and distribution: No data was available for the financial year.

3.5 Produced and recycled waste in the operation: Data regarding collected and recycled waste has been obtained from the owner of the building in which KPMG's office is located. When calculating these emissions, we use the latest conversion factors from BEIS.

3.6 Business travel: Data has been collected on the basis of the number of kilometers traveled by rail, air, and car, as registered in KPMG Latvia's business travel reports during the financial year. Business travel by car has been gathered in on the basis of the number of kilometers that have been traveled. The distribution between different types of fuels is assumed to be the same as for Scope 1, for which KPMG Latvia has actual data. The number of hotel nights is calculated on the basis of actual data from the business travel reports. When calculating these emissions, we use the latest conversion factors from BEIS.

3.7 Employees' travel to and from work:
KPMG Latvia has conducted a survey to ascertain the commuting habits of its employees. The survey was intended to chart how often employees work from the office per week, how far they travel to the office and using what vehicle. Emissions from commuting have been estimated on the basis of the results of the survey (average distance, percentage of commuting and attendance index). Approximately 60% of KPMG's employees in Latvia took part in the survey. When calculating these emissions, we use the latest conversion factors from BEIS.

Greenhouse gas emissions – Lithuania

Carbon dioxide emissions (tCO_2e)		Emissions 2023
Direct emissions (Scope 1)	Vehicles	*No separate data available*
Indirect emissions from purchased energy (Scope 2)	Heating	0.14
	Cooling	7
	Electricity	109
Other indirect emissions (Scope 3)	3.1 Purchased goods and services	1,742
	3.3 Fuel and electricity (upstream)	1
	3.4 Upstream transport and distribution	*No separate data available*
	3.5 Generated and recycled waste in the operation	0.02
	3.6 Business travel	35
	3.7 Employees' travel to and from work	*No separate data available*
Total emissions		**1,894**

Calculation of greenhouse gas emissions
Scope 1 – Direct greenhouse gas emissions
No data was available regarding the number of kilometers driven in vehicles owned or leased by KPMG Lithuania. For this reason, no emissions have been calculated for Scope 1.

Scope 2 – Indirect emissions from purchased energy
KPMG Lithuania has two offices. KPMG's office in Vilnius receives electricity from renewable sources, whereas the office in Klaipėda receives electricity from non-renewable sources. Data regarding electricity, heating and cooling is obtained from the property owners in kilowatt hours, using meters located in the offices. Conversion factors from the IEA are used when calculating of these emissions.

Scope 3 – Other indirect emissions
KPMG Lithuania has calculated emissions within Scope 3 for those categories where it has been possible to obtain data. Some of the data has been estimated. One ambition for next year's reporting is to obtain more actual data.

3.1 Purchased goods and services: Emissions have been calculated on the basis of expenditure data and conversion factors from CDP.

3.3 Fuel and electricity (upstream): This category includes emissions related to the production of fuel and energy purchased during the reporting year that are not included in Scope 1 or Scope 2. For fuel, the emissions are calculated on the basis of the number of kilometers traveled by the vehicle during the financial year. See more information under Scope 2 regarding how data for electricity has been calculated. When calculating these emissions, we use the latest conversion factors from BEIS.

3.4 Upstream transport and distribution: No data was available for the financial year.

3.5. Produced and recycled waste in the operation: No data was available for waste produced at KPMG's office in Vilnius, and no estimate has been made. KPMG's office in Klaipėda is charged for the handling of a fixed amount of waste and recycling per month. This amount has been used as an estimate for the Klaipėda office. When calculating these emissions, we use the latest conversion factors from BEIS.

3.6 Business travel: Emissions have been calculated on the basis of the number of kilometers that employees travel by rail, air, and car, as well as the number of hotel nights that have been registered by KPMG Lithuania's travel service providers. When KPMG Lithuania organizes work-related travel, they use a selected travel agency. Data regarding itineraries was only available for air travel, while data for rail travel was only registered as expenditure. The number of hotel nights is calculated on the basis of actual data from KPMG Lithuania's travel service provider. When calculating these emissions, we use the latest conversion factors from BEIS.

3.7 Employees' travel to and from work: KPMG Lithuania had no data regarding how employees commute to and from work. No estimate has been made.

Prosperity

Being a responsible company is important to KPMG. Every year, we invest a proportion of our earnings in the community. This commitment consists in part of financial contributions, voluntary activities, knowledge-sharing and the development of services. Our greatest contribution is achieved through one of the cornerstones of our business – auditing. This part of our operation contributes to society by generating trust between different players and stakeholders, thereby creating the conditions for sound and sustainable business.

Contribution to society
We contribute to society by being an employer that creates jobs and, as mentioned above, by providing services that help our clients with their sustainability transition – *We do work that matters!* We also share our knowledge with society, for example through seminars at Almedalen.

On a financial level, we contribute through our earnings which generate tax payments, which benefit society through our corporation tax and social security contributions paid directly by KPMG, preliminary tax on our employees' salaries that we submit to the Swedish Tax Agency, and net VAT, which is the sum of input VAT less output VAT.

Financial contribution:	*KPMG AB*
Corporation tax	67,339
Social security contributions	389,796
Preliminary tax on employees' salaries	400,659
Net VAT (opening and closing)	646,650
Total tax contribution, 2023 fiscal year	1,504,444

During the fiscal year, KPMG has donated money to Queen Silvia's Children's Hospital, Médecins Sans Frontières and the Childhood Foundation, the latter two through our employees' charity Christmas present. In connection with KPMG Sweden's centenary celebrations at the end of the fiscal year, it was also announced that we will be donating money to the Tim Bergling Foundation, which works to promote the mental health and well-being of children and young people. We have also donated money to the Stiftelsen Centrum för Skatterätt (Centre for Tax Law Foundation), whose purpose is to promote research regarding tax law and closely related areas on topics of high relevance to Swedish business.

Non-profit involvement
KPMG also contributes to society through voluntary activities and by supporting and being a member of several organisations (see below) that work in various ways to bring about a more sustainable society.

Mentor
During KPMG Sweden's centenary celebrations, our new partnership with Mentor Sweden was announced. Mentor Sweden is a non-profit organization that works to help young people grow, gain in strength and believe in themselves with the aid of mentorship, and we hope to be able to contribute to this through our partnership. It is also an opportunity for us to learn from them, to "Do work that matters" by increasing social sustainability, inclusion and improving conditions for young people in Sweden. Through the partnership, our employees will be given the opportunity to get involved in the work with Mentor, and KPMG supports this work with up to 8 working hours per year per employee.

Our employees can get involved in a number of different ways:

Mentor – By becoming a mentor, we can support one or more young people based on our own experiences, giving them the opportunity to develop in order to reach their full potential. In the role of mentor, you are there to provide additional adult support, for example by helping with homework, being a sounding board in respect of difficult issues, or simply taking a walk together.

Coach – As a coach, you take part in workshops alongside ninth graders and high school students, giving them the opportunity to reflect on their own identity and their future goals. As an employee from KPMG, you are there to contribute with your knowledge and to be a role model for life after school.

Inspirer – During a digital presentation, our employees can talk about study choices, professions and careers in order to inspire young people ahead of their future career choices.

We create value for society, companies and individuals

Junior Achievement

KPMG has been a partner of Junior Achievement (JA) since 2015. The JA organization can be found all over Sweden and works closely with schools to introduce entrepreneurship and business involvement into the education system. The goal of our involvement in JA has been to help more young people open their eyes to entrepreneurship, thereby promoting a vibrant and successful business community. We have done this by:

- Contributing with support, knowledge and inspiration for the young people who run JA companies, both through personal coaching and advice from our employees, as well as through our presence at the Junior Achievement Swedish Championships and other JA activities around the country.
- Contributing towards continuing training among JA teachers within our areas of expertise.
- Raising the quality of the educational materials for JA students and teachers.
- Building relationships with JA entrepreneurs through the Alumni Network.

KPMG has been on the jury since 2016, handing out the prize for the best annual report at the Junior Achievement Swedish Championships. This has been our last year as a partner of Junior Achievement Sweden and we are incredibly grateful and proud of the work we have done together.

Jobbsprånget

Through Jobbsprånget, KPMG offers internship programs lasting four months per year. Jobbsprånget is an organization that helps newly arrived academics to enter the Swedish labour market. This initiative is rewarding for KPMG, which gets help to find new talent, while at the same time helping people who are new to Sweden to take their first steps into the labour market.

Women Corporate Directors

Women Corporate Directors (WCD) is the world's largest network of female directors. WCD was established in 1998 and can be found in 80 locations around the world. The aim is to inspire visionary and inclusive board work, for example by increasing and facilitating the recruitment of qualified female board candidates. KPMG International has been the lead sponsor of WCD for more than ten years, and has enjoyed a long-term collaboration at both global and local levels. Each local WCD chapter is run by an external, independent chair and a co-chair from KPMG. In our Swedish chapter, Tina Zetterlund from KPMG has the role of co-chair and Kia Orback Pettersson is involved as the external, independent chair.

Within WCD Sweden, we are convinced that the sustainable society of the future has to be driven to an even greater extent by our companies. The boards of large and important companies play a central role in this respect, both through the responsibility for and the opportunity to contribute to positive social development. As a result, WCD is an important forum for highlighting the challenges and opportunities that boards today need to be able to handle.

During the fiscal year, our Swedish WCD chapter has arranged three network meetings on topical and inspirational subjects. Sustainable enterprise has been an overarching theme, where the WCD network plays a role in driving the sustainable society of the future through its seats on the boards of large, influential companies.

Diversity Charter Sweden

KPMG is a member of Diversity Charter Sweden, a network for companies and organizations that are actively seeking successful ways of working with diversity. The network offers the exchange of experiences and the development of knowledge, and for us at KPMG, membership of Diversity Charter Sweden is another step in constantly improving and learning in the various disciplines. Diversity and inclusion are in themselves sustainability issues where, as a knowledge-based company, our aim is to be a positive role model in the field as well as to ensure that we have the best talents and the leading experts in all positions.

Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders in Bohlinsgruppen AB,
corporate identity number 556360-5301

Engagement and responsibility
It is the board of directors who is responsible for the sustainability report for the financial year 2022-10-01 – 2023-09-30 on pages 25–39 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the examination
Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion
A statutory sustainability report has been prepared.

Stockholm on the date indicated by our electronic signature

Mazars AB

Michael Olsson
Authorized Public Accountant

Directors’ report

Directors' report

The Board of Directors and the CEO of Bohlinsgruppen AB (556360-5301), which has its registered office in Stockholm, herewith submit their annual report for the financial year October 1, 2022 – September 30, 2023.

Bohlinsgruppen AB in general

Bohlinsgruppen AB is the parent company of the Group. The head office is located in Stockholm. The business operations are mainly conducted through the subsidiary, KPMG AB. On the market, the name KPMG is used for the overall business. KPMG offers audit, tax, and advisory services. KPMG's operations in Latvia and Lithuania are also part of the Group. The total number of employees in the three countries amounts to 2,283, of which 1,779 are in KPMG AB.

KPMG AB is a member of KPMG International, one of the world's leading auditing and advisory organizations. By helping other organizations to reduce risk and seize opportunities, we can drive positive, sustainable change for clients, employees, and society at large. KPMG operates in 143 countries and territories and has more than 265,000 employees. We cater to the needs of national and international corporations, small, medium-sized, and owner-managed companies, the public sector, and non-profit organizations.

In addition to the head office in Stockholm, KPMG also has offices in locations across Sweden. In Latvia, our office is in Riga, while in Lithuania there are offices in Vilnius and Klaipeda.

The Group also includes a wholly owned insurance company, Bohlinsgruppen i Sverige Försäkring AB, whose purpose is to take out the liability insurance required for the operations conducted within the Group.

Our business areas

Audit & Assurance

Audit & Assurance supplies audits and audit-related services to the entire market, from the largest international listed companies to small and medium-sized, owner-managed companies. Auditing builds trust between the actors on the market and creates the conditions for sound business, good control, and effective governance. It creates stability and quality-assurance of financial information for the benefit of owners, investors, lenders, and other stakeholders.
A KPMG audit provides a professional and independent assessment of whether the annual report provide a true and fair view of a company's operations, results, assets, and liabilities.
The audit also ensures that the annual report complies with the rules that exist for financial reporting. KPMG's assurance services help to maintain trust between shareholders, investors and other stakeholders through independent quality reviews and assurance of internal and external reporting. In line with the increased demands for transparency in respect of sustainability information, we help companies bring order to the ever-growing range of reporting. We provide support all the way to ensure effective sustainability reporting that lives up to demands and regulations, such as CSRD and the EU Taxonomy. We combine leading expertise regarding sustainability regulation with expertise in the fields of data, IT, processes, internal control, and auditing to ensure a holistic approach to sustainability reporting. When the Swedish Quality Index

(SKI) examines auditing firms, success factors include digitalization and a close dialogue with clients. KPMG's client satisfaction is ranked highest in a comparison of the Big 4.

Advisory
Advisory offers business advice, operational development and risk management with a global network and extensive experience of helping companies with transactions, advanced accounting and initiatives designed to create more efficient organizations, processes, and IT systems. By identifying and managing risks in the client's business, we can ensure the long-term and sustainable development of our clients.

A growing proportion of our assignments are related to transformation linked to digitalization and sustainability – areas where our breadth of expertise provides significant benefits. By helping our clients to digitalize their sustainability work and reporting, we are able to ensure efficient flows, as well as the potential for following-up and reporting in accordance with current requirements. We support our clients on their journey towards net zero emissions, and are involved all the way from measuring and setting goals and plans to implement the necessary changes. We help them gain control over their product flows, set up tracking, and perform company valuations and due diligence from a sustainability perspective. Working alongside our alliance partners, we can be involved all the way from needs analysis and the specification of requirements to the implementation of system support for the sustainability work.

At the point where business, industry and technology come together, we enable digital transformation – from strategy to implementation. Technology Transformation combines wide-ranging expertise in the fields of organization, finance, and leadership with extensive experience of optimized digitalization and IT. This is achieved with a diverse background and expertise as our greatest strength, and in close partnership with market-leading system players and KPMG's global network of management consultants. We run projects in a number of sectors, with cutting-edge expertise in the financial and industrial markets, and with a long history in the automotive industry. Thanks to our global digital transformation practices, we are able to combine our business expertise with technical proficiency in order to realize our clients' transformation journeys.

Tax & Legal
Tax & Legal offers specialist expertise within Swedish and international corporate taxation, indirect taxation, employer issues, company establishment, as well as legal services and legal advice. With the support of our specialists, companies can ensure that they are complying with the existing legal requirements, as well as being able to take advantage of the opportunities arising from laws in the field of taxation or other legal areas. We also offer services in the field of Tax Management Consulting, with a focus on transformation, technology, and transparency. The aim is to create security in a world that is becoming increasingly regulated and where stakeholders such as investors, the media and authorities are placing ever greater demands on the way companies handle tax issues.

Through these services, KPMG is able to support the development of leading tax functions, the management of financial and business risks related to tax, as well as the implementation of digital tools and new operating models. This contributes to more efficient and secure tax management – which also is prepared for the digital tax climate of the future.

In recent years, tax as a sustainability concern and transparency in relation to tax have become issues that are increasingly high up on the agendas of companies, investors, and authorities. Tax has become a trust issue, as these stakeholder groups are demanding an ever better understanding of companies' tax strategies. This development has been driven by a number of factors, such as new regulations, media reporting and scandals, as well as increased demands on the part of investors. KPMG has an integrated team that possesses in-depth experience of both sustainability and tax issues, offering companies support when it comes to navigating the new landscape. Tax & Legal's advice covers the needs of large, international listed companies as well as those of smaller, family-owned businesses.

Significant events during the year
KPMG in Sweden is celebrating its centenary
Ever since we started out in 1923, we have been part of the future. We have consistently sought out knowledge and insights that drive both our own company and our clients' businesses forward. We have been through good times and bad times over the years. We have been there when borders have been redrawn and walls have fallen, we have seen wars break out and peace be made. Our role has always been the same: to be the trusted advisor who looks for answers, develops and presents solutions that shape fundamental structures for business, society, and the world around us. We have experienced constant change for a century and are ready, along with our clients, to now take the next step, where global politics are setting a new agenda, where digitalization is entering the next phase, climate change is calling for new ways of thinking and change is shaping our day-to-day lives. Our experiences have taught us to embrace the present and find new solutions in the dynamics that arise when the known meets the unknown. We are there for our clients, and are creating the security that enables change.

New CEO
Mathias Arvidsson has taken over as the new CEO during the year.

Transfer Pricing Firm of the Year
KPMG's tax advisors were rewarded at the International Tax Review, ITR EMEA Tax Awards 2023, which rewards tax advisors globally on an annual basis. This year, KPMG was named Sweden Transfer Pricing Firm of the Year, and was also awarded Impact Deal of the Year for its efforts in one prestigious transaction.

Non-financial disclosures
Every year, KPMG publishes a Transparency Report that has been prepared in accordance with the EU's Eighth Company Law Directive, Section 22(a) of the Auditors Act (2001:883) and the Auditors Regulation (1995:665). KPMG's Transparency Report describes the organization and governance, systems for quality assurance, the treatment of independence issues, remuneration to shareholders and financial information. The transparency report will be published in January and is available to read and download at kpmg.com/se.

Anticipated future developments
We are still living in challenging times, both geopolitically and economically. At the same time, technological developments are accelerating. Here at KPMG, we have historically been able to adapt our client offering successfully in order to

meet changing market conditions. Our assessment is that we will see continued demand for advanced auditing, tax, and advisory services. This development is being motivated by companies and organizations across the board digitalizing both their systems and their processes in order to streamline, future-proof, and improve the governance in their operations.

At the same time, expectations regarding sustainable business practices are on the increase, which is placing higher demands as regards compliance with additional, more far-reaching regulations, as well as for transparent reporting and auditing in the field of sustainability. KPMG possesses the expertise as well as having the market's confidence to assist as a partner in these journeys of change. We need to continue to be sensitive to the way our clients are affected, and to monitor fluctuations in demand in order to quickly adapt and meet different scenarios. We are also continuing to develop the collaboration with our Nordic KPMG colleagues in order to jointly become even more attractive as an employer and stronger on the market.

Our employees

We believe in providing the opportunity for our employees to make their mark and drive change, with our purpose and values as a foundation and with our differences as a strength. The average number of employees has increased by 251 during the year to 2,283 (2,032).

Risks and risk management

KPMG is affected by the general political, financial, and economic development.

Generally speaking, KPMG's significant business risks are made up of reduced demand for our services, difficulty in attracting and retaining skilled personnel, price risks, credit risks and, to a lesser extent, currency risks. KPMG's financial risks are minimized through a finance and investment policy that has been adopted by the Board of Directors. Within our operations, claims for damages are made from time to time which, in some cases, are attributable to judicial reviews of our commitments.

Sustainability report

KPMG has prepared its statutory sustainability report as a separate component of this annual report. See the chapter "Sustainability report".

Earnings and financial position

Group

The Group's net sales increased to SEK 3,907 (3,517) million and staff costs increased to SEK 2,195 (1,929) million. Other external expenses increased by SEK 142 million to SEK 1,246 (1,104) million. Profit after financial items decreased by SEK 28 million to SEK 437 (465) million. The equity/assets ratio stood at 30.3 (29.4) percent. Cash and cash equivalents amounted to SEK 708 (918) million at the end of the financial year.

Parent company

Bohlinsgruppen AB provides services to its subsidiaries and administers loans from partners. The operations and administration are largely conducted in coordination with the subsidiary KPMG AB. The average number of employees stood at 5 (3). Salaries and other benefits amounted to SEK 5 (3) million. Further information can be found in Note 6.

During the year, the parent company has conducted a new share issue totaling 1,400 shares, where SEK 3,689 thousand is additional stockholder's equity.

Multi-year review *Note 36*

Group

Amounts in SEK millions	*2022/2023*	*2021/2022*	*2020/2021*	*2019/2020*	*2018/2019*
Net sales	3,907	3,517	2,950	2,562	2,420
Operating profit	437	478	424	274	286
Profit/loss after financial items	437	465	413	262	274
Profit/loss for the year	340	362	327	202	210
Non-current assets	107	92	92	112	86
Current assets	1,639	1,741	1,567	1,283	1,488
Equity	530	538	493	362	366
Provisions	41	23	36	27	38
Non-current liabilities	136	109	-	-	-
Current liabilities	1,039	1,163	1,130	1,007	1,170
Total assets	1,746	1,832	1,659	1,396	1,574
Operating margin, %	11.2	13.6	14.4	10.7	11.8
Equity/assets ratio, %	30.3	29.4	29.7	25.9	23.2
Liquidity	708	918	772	655	822
Net sales per employee (SEK 000)	1,711	1,731	1,534	1,617	1,729
Staff cost per employee (SEK 000)	961	949	922	976	1,015
Average number of employees	2,283	2,032	1,923	1,585	1,400

Proposed allocation of the company's profit

The Board of Directors proposes that the non-restricted equity of SEK 502,105,137 be distributed as follows:

Dividend (72,200 shares × SEK 4,572/share)	330,098,400
Profit brought forward	172,006,737
Total	502,105,137

More detailed disclosures about the financial results and position can be found in the subsequent income statements, balance sheets and accompanying notes.

Financial information

Consolidated income statement

Amounts in SEK thousands

	Note	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Net sales	3	3,906,870	3,516,681
Other operating income	4	20,964	26,055
		3,927,834	3,542,736
Operating expenses			
Other external expenses	5	-1,246,376	-1,103,596
Staff costs	6	-2,194,719	-1,929,276
Depreciation, amortization, and impairment of assets	7	-50,064	-31,651
Other operating expenses		-172	–
Operating profit	8	436,503	478,213
Profit/loss from financial items			
Profit/loss from shares in associated companies		14	60
Other interest and similar income	10	18,134	1,248
Interest and similar expenses	11	-17,440	-14,317
Profit after financial items		437,211	465,204
Profit before tax		437,211	465,204
Tax on profit for the year	12	-97,200	-102,706
PROFIT/LOSS FOR THE YEAR		340,011	362,498
Attributable to shareholders of the Parent company		340,011	362,498

Consolidated balance sheet

Amounts in SEK thousands

	Note	09/30/2023	09/30/2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Internally generated software	13	24,262	38,599
Acquired software	14	7,635	10,183
Licenses	15	–	–
Goodwill	16	3,300	6,867
Advance payments for intangible assets	17	86	–
		35,283	55,649
Property, plant and equipment			
Leasehold improvements	18	9,491	2,815
Equipment, tools, and installations	19	61,654	32,301
		71,145	35,116
Financial fixed assets			
Investments in associated and jointly controlled companies	21	278	263
Other securities held as non-current assets	22	647	647
Participations in other companies		0	0
		925	910
Total non-current assets		107,353	91,675
CURRENT ASSETS			
Current receivables			
Trade receivables		535,421	542,136
Current tax assets		38,345	30,109
Accrued income, not invoiced		202,465	105,543
Other receivables		57,972	56,622
Prepaid expenses and accrued income	23	96,208	88,633
		930,411	823,043
Cash and bank balances		707,980	917,666
Total current assets		1,638,391	1,740,709
TOTAL ASSETS		1,745,744	1,832,384

	Note	09/30/2023	09/30/2022
EQUITY AND LIABILITIES			
Equity	24		
Share capital	25	11,025	10,811
Other paid-in capital		175,571	172,096
Retained earnings, including profit for the year		343,085	355,044
Total equity		529,681	537,951
Provisions			
Provisions for pensions and similar obligations	26	1,286	1,302
Deferred tax liability	27	39,936	21,322
		41,222	22,624
Non-current liabilities	29		
Loans from shareholders		135,791	108,793
		135,791	108,793
Current liabilities			
Trade payables		177,608	169,664
Loans from shareholders		261,284	391,589
Current tax liability		994	–
Other liabilities		158,656	154,608
Accrued expenses and prepaid income	29	440,508	447,155
		1,039,050	1,163,016
TOTAL EQUITY AND LIABILITIES	30	1,745,744	1,832,384

Consolidated statement of changes in equity

Amounts in SEK thousands

09/30/2022	Share capital	Other paid-in capital	Retained earnings incl. profit for the year	Total equity
Opening balance	10,958	174,184	307,618	492,760
Profit for the year			362,498	362,498
Changes directly in relation to equity				
Translation difference	–	–	2,300	2,300
Total	–	–	2,300	2,300
Transactions with owners				
Dividend			-317,372	-317,372
New share issue	45	658		703
Withdrawal of own shares	-192	-2,746	–	-2,938
Total	-147	-2,088	-317,372	-319,607
At the end of the year	10,811	172,096	355,044	537,951

09/30/2023	Share capital	Other paid-in capital	Retained earnings incl. profit for the year	Total equity
Opening balance	10,811	172,096	355,044	537,951
Profit for the year			340,011	340,011
Changes directly in relation to equity				
Translation difference	–	–	2,141	2,141
Total	–	–	2,141	2,141
Transactions with owners				
Dividend			-354,112	-354,112
New share issue	214	3,475		3,689
Withdrawal of own shares				–
Total	214	3,475	-354,112	-350,423
At the end of the year	11,025	175,571	343,085	529,681

Consolidated cash flow statement

Amounts in SEK thousands

	Note	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Operating activities			
Profit after financial items	31	437,211	465,204
Adjustment for non-cash items	33	50,034	32,414
		487,245	497,618
Income tax paid		-85,788	-75,516
Cash flow from operating activities before changes in working capital		401,457	422,102
Cash flow from changes in working capital			
Increase/Decrease in operating receivables		-99,595	-71,550
Increase/Decrease in operating liabilities		5,347	68,605
Cash flow from operating activities		307,209	419,157
Investing activities			
Acquisition of property, plant, and equipment		-64,889	-21,704
Acquisition of intangible assets		-586	-10,221
Disposal of intangible assets		463	2,441
Cash flow from investing activities		-65,012	-29,484
Financing activities			
New share issue		3,689	703
Withdrawal of own shares		–	-2,939
Change in deposits from partners		-103,307	73,487
Dividend paid to shareholders of the Parent company		-354,112	-317,372
Cash flow from financing activities		-453,730	-246,121
Cash flow for the year		-211,533	143,552
Cash and cash equivalents at the beginning of the year		917,666	772,050
Exchange differences in cash and cash equivalents		1,847	2,064
Cash and cash equivalents at the end of the year	32	707,980	917,666

Parent company income statement

Amounts in SEK thousands

	Note	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Net sales	3	5,326	3,528
Other operating income	4	570	26
		5,896	3,554
Operating expenses			
Other external expenses	5	-22	-35
Staff costs	6	-5,562	-3,554
Operating profit/loss		312	-35
Profit/loss from financial items			
Profit/loss from shares in Group companies	9	343,919	325,480
Other interest and similar income	10	11,656	1,988
Interest and similar expenses	11	-17,097	-13,951
Profit after financial items		338,790	313,482
Appropriations			
Group contributions		27,000	55,000
Profit before tax		365,790	368,482
Tax on profit for the year	12	-4,503	-8,858
PROFIT FOR THE YEAR		361,287	359,624

Parent company balance sheet

Amounts in SEK thousands

	Note	09/30/2023	09/30/2022
ASSETS			
NON-CURRENT ASSETS			
Financial non-current assets			
Investments in Group companies	20	225,471	225,471
Investments in associated and jointly controlled companies	21	204	204
Investments in other companies		0	0
		225,675	225,675
Total non-current assets		225,675	225,675
CURRENT ASSETS			
Current receivables			
Receivables from Group companies		342,131	359,748
Current tax assets		2,146	–
Other receivables		558	7,848
Prepaid expenses and accrued income	23	1,846	–
		346,681	367,596
Cash and bank balances		340,469	421,653
Total current assets		687,150	789,249
TOTAL ASSETS		912,825	1,014,924

	Note	09/30/2023	09/30/2022
EQUITY AND LIABILITIES			
Equity	24		
Restricted equity			
Share capital	25	11,025	10,811
Statutory reserve		1,882	1,882
		12,907	12,693
Unrestricted equity			
Share premium reserve		51,767	48,292
Retained earnings		89,051	83,538
Profit for the year		361,287	359,624
		502,105	491,454
Total equity		515,012	504,147
Non-current liabilities	28		
Loans from shareholders		135,791	108,793
		135,791	108,793
Current liabilities			
Loans from shareholders		261,284	391,589
Liabilities to Group companies		120	120
Current tax liability		–	9,566
Other liabilities		327	148
Accrued expenses and prepaid income	29	291	561
		262,022	401,984
TOTAL EQUITY AND LIABILITIES	30	912,825	1,014,924

Parent company statement of changes in equity

Amounts in SEK thousands

09/30/2022	Restricted equity		Unrestricted equity		
	Share capital	*Statutory reserve*	*Share premium reserve*	*Retained earnings incl. profit for the year*	*Total equity*
Opening balance	10,958	1,689	50,380	401,105	464,132
Profit for the year				359,624	359,624
Transactions with owners					
Dividend				-317,372	-317,372
New share issue	45	–	658	–	703
Withdrawal of own shares	-192	193	-2,746	-193	-2,938
Total	-147	193	-2,088	-317,565	-319,607
At the end of the year	10,811	1,882	48,292	443,162	504,147

09/30/2023	Restricted equity		Unrestricted equity		
	Share capital	*Statutory reserve*	*Share premium reserve*	*Retained earnings incl. profit for the year*	*Total equity*
Opening balance	10,811	1,882	48,292	443,162	504,147
Profit for the year				361,287	361,287
Transactions with owners					
Dividend				-354,112	-354,112
New share issue	214	–	3,475	–	3,689
Total	214	–	3,475	-354,112	-350,423
At the end of the year	11,025	1,882	51,767	450,338	515,012

Parent company cash flow statement

Amounts in SEK thousands

	Note	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Operating activities			
Profit after financial items	*31*	338,790	313,482
		338,790	313,482
Income tax paid		-16,215	-14,067
Cash flow from operating activities before changes in working capital		322,575	299,415
Cash flow from changes in working capital			
Decrease in operating receivables		50,061	23,334
Decrease in operating liabilities		-91	-1,631
Cash flow from operating activities		372,545	321,118
Investing activities			
Disposal of financial assets		–	2,040
Cash flow from investing activities		–	2,040
Financing activities			
New share issue		3,689	703
Withdrawal of own shares		–	-2,938
Change in deposits from partners		-103,307	73,487
Dividend paid to shareholders of the Parent company		-354,112	-317,372
Cash flow from financing activities		-453,730	-246,120
Cash flow for the year		-81,185	77,038
Cash and cash equivalents at the beginning of the year		421,653	344,617
Cash and cash equivalents at the end of the year	*32*	340,468	421,655

Notes

Amounts in SEK thousands unless otherwise indicated

Note 1 Accounting policies

The Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's General Recommendations BFNAR 2012:1 Annual report and consolidated statements (K3).

The parent company applies the same accounting policies as the Group, except in those cases described below in the section "The parent company's accounting policies".

The accounting policies are unchanged from the previous year.

Assets, provisions and liabilities are measured at cost, unless otherwise stated below.

Intangible assets

Internally generated software

When capitalizing expenses for development, the capitalization model is applied. This means that expenses incurred during the development phase are recognized as assets when all of the following conditions are met:

- It is technically possible to finalize the intangible asset so that it will be available for use or sale.
- It is the intention to finalize the intangible asset and use or sell it.
- The conditions exist to use or sell the intangible asset.
- It is probable that the intangible asset will generate future economic benefits.
- Necessary and adequate technical, financial, and other resources are available to complete the development and to use or sell the intangible asset.
- The expenditure attributable to the intangible asset can be measured reliably.

Other intangible assets

Other intangible assets consist mainly of acquired software and are recognized at cost less accumulated amortization. Cost includes the initial purchase price, external consulting expenses and internally incurred expenditure on further development.

Amortization

Amortisation is applied on a straight-line basis over the asset's estimated useful life, and begins when the asset is available for use. Amortization is recognized as an expense in the income statement.

Internally generated intangible assets	*Useful life*
Internally generated software	4–5 years

Acquired intangible assets	*Useful life*
Acquired software	3–5 years
Licences	5 years
Goodwill	5 years

Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and impairment. In addition to the purchase price, cost also includes expenses that are directly attributable to the acquisition.

Amortization

Amortization is applied on a straight-line basis over the asset's estimated useful life, as it reflects the expected pattern of consumption of the asset's future economic benefits. Amortization is recognized as an expense in the income statement.

	Useful life
Leasehold	Remaining improvements period, 2–7 years
Equipment	3–6 years
Computers and major purchases of mobile phones	3 years

Impairment – property, plant and equipment, intangible assets, and investments in Group companies

At each reporting date, an assessment is made of whether there is any indication that an asset's value is lower than its carrying amount. If the asset's recoverable value is less than its carrying amount, impairment loss is recorded.

Leases

Operating leases

All leases have been recognized as operating leases. Lease payments are expensed on a straight-line basis over the lease term.

Foreign currency

Foreign currency items
Monetary items in foreign currencies are translated at the exchange rates on the reporting date. Non-monetary items are not translated, rather they are recognized at the acquisition date rate.

Exchange rate differences arising on the settlement or translation of monetary items are recognized in the income statement in the financial year in which they arise.

Translation of foreign operations
Assets and liabilities, including goodwill and other consolidated surplus and deficit values, are translated into the reporting currency at the closing day rate. Income and expenses are translated at the daily spot rate on the day for the business events, unless a rate that represents an approximation of the actual exchange rate is used (e.g. average rate for the period). Exchange rate differences arising on translation are recognized directly against equity.

Financial assets and liabilities
Financial assets and liabilities are recognized in accordance with Chapter 11 (Financial instruments measured at cost) in BFNAR 2012:1.

Recognition in and derecognition from the balance sheet
A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the contractual provisions of the instrument. A financial asset is derecognized from the balance sheet when the contractual entitlement to receive the cash flow from the asset has expired or been settled. The same applies when the risks and rewards of ownership are substantially transferred to another party and the company no longer controls the financial asset. A financial liability is derecognized from the balance sheet when the contractual obligation has been fulfilled or expired.

Measurement of financial assets
At initial recognition, financial assets are measured at cost, including any transaction costs directly attributable to the acquisition of the asset.

Financial assets are subsequently measured at cost or the net realizable value at the reporting date, whichever is lower.

Trade receivables and other receivables that constitute current assets are measured individually at the amounts expected to be received.

Non-current financial assets are subsequently measured at cost less any impairment losses, and with the addition of any potential revaluations.

Measurement of financial liabilities
Financial liabilities are measured at accrued cost. Expenses that are directly attributable to borrowings adjust the loan's acquisition value and are allocated to a particular period using the effective interest method.

Employee benefits

Post-employment benefits
Post-employment benefit plans are classified as either defined-contribution or defined-benefit.

In the case of defined-contribution plans, determined fees are paid to another entity, normally an insurance company, and the company no longer has any obligation to the employee once the contribution has been paid. The size of the employee's post-employment benefits depends on the contributions that have been paid, together with the investment returns arising from the contributions.

In the case of defined-benefit plans, the company has an obligation to provide the agreed benefits to present and former employees. The company essentially bears the risk of the benefits being higher than anticipated (actuarial risk), as well as the risk of the return on the assets differing from expectations (investment risk). An investment risk exists, even if the assets are transferred to another company.

Defined-contribution plans
The fees for defined-contribution plans are recognized as an expense. Unpaid contributions are recognized as a liability.

Defined-benefit plans
The company has opted to apply the simplification rules presented in BFNAR 2012:1.

Plans for which pension premiums are paid are recognized as defined-contribution plans, which means that the fees are expensed in the income statement.

Termination benefits
Termination benefits, to the extent that they do not provide the company with any future financial benefits, are only recognized as a liability and an expense when the company has a legal or informal obligation to either:

a) terminate the employment of an employee or group of employees before the normal time for the employment's termination, or

b) provide termination benefits as a result of offerings that encourage voluntary termination.

Termination benefits are only recognized when the company has a detailed plan for the termination and does not have any realistic possibility of cancelling the plan.

Tax
Tax on profit for the year in the income statement consists of current tax and deferred tax. Current tax is income tax for the current financial year that relates taxable profit for the year, as well as the portion of the previous financial year's income tax that has not yet been recognized. Deferred tax is income tax for taxable profit in respect of future financial years as a result of previous transactions or events.

Deferred tax liabilities are recognized for all taxable temporary differences, although not for temporary differences attributable to initial recognition of goodwill. Deferred tax assets are recognized for deductible temporary differences and for the possibility of using tax loss carryforwards in the future. The measurement is based on the way in which the carrying amount of the corresponding asset or liability is expected to be recovered or settled. The amounts are based on the tax rates and tax rules that had been enacted as at the reporting date and have not been discounted to the present value. In the consolidated balance sheet, untaxed reserves are divided into deferred tax and equity.

In Latvia, tax is paid on distributed profits and non-deductible costs.

Provisions
A provision is recognized in the balance sheet when the company has a legal or informal obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of this amount can be made.

At initial recognition, provisions are measured at the best estimate of the amount that will be required to settle the obligation at the reporting date. The provisions are reviewed on every reporting date.

The provision is recognized at the present value of future payments that are required to settle the obligation, if the effect of when the payment is made is material.

Contingent liabilities
A contingent liability is:

- A potential obligation that arises or fails to arise as a result of past events, and whose existence will only be confirmed by one or more uncertain future events that are not wholly within the control of the company, or
- An existing obligation resulting from past events, but which is not recognized as a liability or provision as it is not probable that an outflow of resources will be required to settle the obligation or because the amount of the obligation cannot be estimated with sufficient reliability.

Contingent liabilities is a summary term for warranties, financial commitments and any obligations that are not recognized in the balance sheet.

Claims for damages
Claims for damages may be made against KPMG and individual auditors or advisers as a result of their professional practice. A provision, or a contingent liability, is made in those cases where there is a formal or informal obligation and it is probable that a claim for damages will require an outflow of resources.

Revenue recognition and reporting of uninvoiced fees
The inflow of financial benefits that the company has received or will receive on its own behalf is recognised as revenue. Revenue is measured at the fair value of the consideration that has been or will be received, less any discounts.

The Group recognizes service contracts on an ongoing basis as the work is performed.

Ongoing, uninvoiced service contracts are recognized in the balance sheet up to the estimated invoicing value of work performed. Fixed-price contracts are recognized based on the percentage of completion of the work.

Consolidated financial statements
Subsidiaries
Subsidiaries are companies in which the parent company directly or indirectly holds more than 50% of the voting rights or otherwise has a controlling influence. A controlling influence implies an entitlement to formulate a company's financial and operational strategies in order to obtain economic benefits. The recognition of business combinations is based on the entity method. This means that the acquisition analysis prepared on the date on which the acquiring party gains a controlling influence. From this point on, the acquiring party and the acquired entity are viewed as one accounting entity. The application of the entity method also means that all assets (including goodwill) and liabilities, as well as income and expenses, are also included in their entirety for partly-owned subsidiaries.

The cost of acquisition for subsidiaries is calculated as the sum of the fair value on the acquisition date of assets that have been paid for, liabilities incurred or assumed, issued equity instruments, expenses that are directly attributable to the business combination and any additional consideration. The acquisition analysis determines the fair value on the acquisition date of acquired identifiable assets, assumed liabilities and non-controlling interests, with a few exceptions. Non-controlling interests are measured at fair value on the acquisition date. The acquired company's income and expenses, identifiable assets, and liabilities, as well as any goodwill or negative goodwill that has arisen, are included in the consolidated financial statements from the acquisition date.

Goodwill
Consolidated goodwill arises when the cost of acquired interests in subsidiaries exceeds the value of the acquired company's identifiable net assets as shown in the acquisition analysis. Goodwill is recognized at cost value less accumulated amortization and any impairment losses.

Associated companies
Shareholdings in associated companies, in which the Group has a minimum of 20% and not more than 50% of the votes or otherwise has a significant influence over operational and financial governance, are recognized in accordance with the equity method. The equity method means that the Group's carrying amount for of shares in associated companies corresponds to the Group's share in the associated companies' equity, any residual values of consolidated surplus and deficit values, including goodwill and negative goodwill less any internal profits. In the consolidated income statement, the Group's share in the associated companies' profit after tax, adjusted for any depreciation or dissolution of acquired surplus or deficit values, including amortization of goodwill/dissolution of negative goodwill, is recognized as "Share in associated companies' profit". Dividends received from associated companies reduce the carrying amount. Profit shares earned after the acquisitions of associated companies that have not yet been realized through dividends are allocated to the equity fund.

The parent company's accounting policies
The parent company's accounting policies are consistent with the accounting policies set out above for the consolidated financial statements, except in the following cases.

Anticipated dividend
As the parent company holds more than half the votes for all shares in the subsidiary, dividends are recognized when the entitlement to receive dividends is established and the amount can be calculated reliably.

Group contributions
Group contributions that have been received/submitted are recognized as an appropriation in the income statement. The received/submitted Group contributions have affected the company's current tax.

Shares in associated companies
Shares in associated companies are reported at cost of acquisition. Included in the cost of acquisition, in addition to purchase price, are any costs directly related to the purchase.

Note 2 Accounting estimates and judgements

The preparation of financial statements and the application of accounting policies are based on the management's judgements, estimates and assumptions that are considered reasonable and correctly assessed at the time they were made. The most important assumptions about the future, and other significant sources of uncertainty in estimates on the reporting date, are described below.

Trade receivables
The Group performs regular analyses of the risk in outstanding receivables, and impairment losses are recognized for doubtful receivables.

Accrued income, not invoiced
The Group regularly evaluates income that has been earned but not invoiced. An assessment is conducted of the amount that is expected to be received, and any difference is recognized as a provision.

Goodwill
The management makes judgements related to acquisitions that have been made. The purchase consideration is allocated into identifiable assets, liabilities and contingent liabilities measured at fair value. Excess amounts are recognized as goodwill.

Impairment testing is carried out as soon as there is an indication that the asset has decreased in value, and at least annually.

Claims for damages
Claims for damages may be made against KPMG for alleged deficiencies. In the event of claims for damages, the Board of Directors' assessment of risk in claim are based on the statement made be external lawyers.

Note 3 Net sales by business segment and geographical market

	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Group		
Net sales by business segment		
Audit & Assurance	1,667,200	1,493,757
Advisory	1,569,599	1,488,186
Tax & Legal	670,071	534,738
	3,906,870	3,516,681
Net sales by geographical market		
Sweden	3,654,878	3,316,220
Latvia	136,214	104,092
Lithuania	115,778	96,369
	3,906,870	3,516,681

	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Parent company		
Net sales by business segment		
Intra-Group sales	5,326	3,528
	5,326	3,528
Net sales by geographical market		
Sweden	5,326	3,528
	5,326	3,528

Note 4 Other operating income

	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Group		
Exchange rate gains on operating assets/liabilities	7,622	19,458
Revenue, external exchange rates	240	786
Revenue, Law firm, Latvia and Lithuania	5,822	2,469
Gain on the sale of equipment	15	–
Other	7,265	3,342
	20,964	26,055
Parent company		
Other	570	26
	570	26

Note 5 Auditors' fees and expenses

	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Group		
Mazars AB		
Audit services	881	512
	881	512
BDO		
Audit services	–	156
	–	156
SIA PKF Latvia		
Audit services	79	–
	79	–
SIA Taxlink Consulting, Correspondent of Mazars		
Audit services	–	91
	–	91
UAB Ecovis Proventus		
Audit services	79	42
	79	42
Group total	1,039	801

The parent company's audit fees are borne by KPMG AB.

Audit services refer to the statutory audit of the annual report and the accounting records, the administration by the Board of Directors and the CEO, as well as any auditing and other reviews performed in accordance with agreements or contracts.

This includes other procedures required to be carried out by the company's auditors, as well as advice or other assistance arising from observations made during the audit or while performing such other procedures.

Note 6 Employees, staff costs and fees to the Board of Directors

Average number of employees	10/01/2022 –09/30/2023	of which men	10/01/2021 –09/30/2022	of which men
Parent company				
Sweden	5	40%	3	33%
Parent company total	5	40%	3	33%

Average number of employees
The average number of employees is calculated by taking the total time worked and dividing this by theoretical working hours less absence.

	10/01/2022 –09/30/2023	of which men	10/01/2021 –09/30/2022	of which men
Subsidiaries				
Sweden	1,779	50%	1,585	51%
Latvia	257	37%	229	35%
Lithuania	242	32%	215	32%
Subsidiaries total	2,278	46%	2,029	47%
Group total	2,283	46%	2,032	47%

Gender distribution among senior executives	09/30/2023 Proportion of women	09/30/2022 Proportion of women
Parent company		
Board	29%	29%
Group total		
Board	37%	29%
Other senior executives	38%	38%

Salaries and other benefits, as well as social security contributions, including pension costs	10/01/2022 – 09/30/2023 Salaries and remuneration	10/01/2022 – 09/30/2023 Social security contributions	10/01/2021 – 09/30/2022 Salaries and remuneration	10/01/2021 – 09/30/2022 Social security contributions
Parent company *(of which pension costs)*	4,532	926 *(189)*	2,508	950 *(197)*
Subsidiaries *(of which pension costs)*	1,400,641	624,379 *(172,780)*	1,214,997	565,013 *(164,008)*
Group total *(of which pension costs)*	1,405,173	625,305 *(172,969)*	1,217,505	565,963 *(164,205)*

Salaries and other benefits divided between Board members etc. and other employees	10/01/2022 – 09/30/2023 Board, CEO and Deputy CEOs	10/01/2022 – 09/30/2023 Other employees	10/01/2021 – 09/30/2022 Board, CEO and Deputy CEOs	10/01/2021 – 09/30/2022 Other employees
Parent company	–	4,532	–	2,508
Subsidiaries *(of which bonuses etc.)*	3,003 *(–)*	1,397,638 *(–)*	5,154 *(–)*	1,209,843 *(–)*
Group total	3,003	1,402,170	5,154	1,212,351

All Board members work as auditors and consultants in the subsidiary KPMG AB.
The Board members do not receive any Director's fees.

All persons in the company's management are members of contractual pension plans.
According to their employment contracts, a mutual notice period of six months generally applies.

Not 7 Depreciation, amortization and impairment of property, plant and equipment and intangible assets

	09/30/2023	09/30/2022
Group		
Depreciation and amortization according to plan divided by asset		
Internally generated software	14,337	12,061
Acquired software	3,052	2,955
Licences	–	76
Goodwill	3,604	3,604
Leasehold improvements	2,366	2,329
Equipment, tools and installations	26,705	10,626
	50,064	31,651

Note 8 Operating leases

	09/30/2023	09/30/2022
Leases where the company is the lessee		
Group		
Future minimum lease fees in respect of non-cancellable operating leases		
Within one year	140,964	138,634
One to five years	385,298	323,633
After five years	177,488	147,905
	703,750	610,172

	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Expensed lease payments for the financial year	139,278	135,939

The lease payments essentially relate to costs for renting premises.

Note 9 Profit/loss from shares in Group companies

	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Parent company		
Dividend	13,584	13,311
Anticipated dividend	330,335	312,169
	343,919	325,480

Note 10 Interest and similar income

	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Group		
Interest income, trade receivables	470	1,193
Interest income, tax account	863	–
Interest income, other	16,614	5
Other	187	50
	18,134	1,248
Parent company		
Interest income, Group companies	8,642	1,971
Interest income, other	3,014	16
	11,656	1,988

Note 11 Interest and similiar expenses

	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Group		
Interest expenses, trade payables	-167	-32
Interest expenses, partner funds	-17,097	-13,951
Interest expenses, tax account	–	-2
Other	-176	-332
	-17,440	-14,317
Parent company		
Interest expenses, partner funds	-17,097	-13,951
	-17,097	-13,951

Note 12 Tax on profit for the year

	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Group		
Current tax expense	-79,646	-116,045
Deferred tax	-17,554	13,339
	-97,200	-102,706

	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Parent company		
Current tax expense	-4,503	-8,858
	-4,503	-8,858

Reconciliation of effective tax	10/01/2022 –09/30/2023		10/01/2021 –09/30/2022	
	Percent	*Amount*	*Percent*	*Amount*
Group				
Profit before tax		437,211		465,204
Tax according to parent company's applicable tax rate	20.6%	-90,065	20.6%	-95,832
Effect of other tax rates for foreign subsidiaries	-0.3%	1,173	-0.1%	573
Amortization of consolidated goodwill	0.1%	-640	0.1%	-640
Other Group adjustments	-0.3%	1,100	0.0%	–
Other non-deductible expenses	2.0%	-8,629	1.4%	-6,608
Non-taxable income	0.0%	180	0.0%	–
Tax attributable to previous years	0.0%	-7	0.1%	-359
Standard income on contingency reserve	0.0%	-12	0.0%	–
Costs to be deducted but not included in the recognized profit	0.0%	20	0.0%	149
Other	0.1%	-318	0.0%	11
Recognized effective tax	22.2%	-97,200	22.1%	-102,706

	10/01/2022 –09/30/2023		10/01/2021 –09/30/2022	
	Percent	*Amount*	*Percent*	*Amount*
Parent company				
Profit before tax		365,790		368,482
Tax according to parent company's applicable tax rate	20.6%	-75,353	20.6%	-75,907
Non-deductible expenses	0.0%	–	0.0%	–
Non-taxable income	-19.4%	70,849	-18.2%	67,049
Recognized effective tax	1.2%	-4,503	2.4%	-8,858

Note 13 Internally generated software

	09/30/2023	09/30/2022
Group		
Accumulated cost		
At the beginning of the year	82,028	73,835
Internally generated assets	–	9,576
Sales and disposals	–	-1,527
Reclassifications	–	144
At the end of the year	82,028	82,028
Accumulated amortization		
At the beginning of the year	-43,429	-32,895
Reversal of amortization on sales and disposals	–	1,527
Amortization for the year	-14,337	-12,061
At the end of the year	-57,766	-43,429
Carrying amount at the end of the year	24,262	38,599

Of assets generated internally during the year, SEK 0 (6,021) thousand relates to assets under development, for which amortization has not begun.

Note 14 Acquired software

	09/30/2023	09/30/2022
Group		
Accumulated cost		
At the beginning of the year	14,736	14,209
New acquisitions	497	503
Translation differences for the year	20	24
At the end of the year	15,253	14,736
Accumulated amortization		
At the beginning of the year	-4,553	-1,581
Amortization for the year	-3,052	-2,955
Translation differences for the year	-16	-17
At the end of the year	-7,621	-4,553
Carrying amount at the end of the year	7,635	10,183

Note 15 Licenses

	09/30/2023	09/30/2022
Group		
Accumulated cost		
At the beginning of the year	651	651
At the end of the year	651	651
Accumulated amortization		
At the beginning of the year	-651	-575
Amortization for the year	–	-76
At the end of the year	-651	-651
Carrying amount at the end of the year	–	–

Note 16 Goodwill

	09/30/2023	09/30/2022
Group		
Accumulated cost		
At the beginning of the year	30,041	29,939
Disposals	-11,168	–
Translation differences for the year	139	102
At the end of the year	19,012	30,041
Accumulated amortization		
At the beginning of the year	-21,174	-17,586
Disposals	9,168	–
Amortization for the year	-3,604	-3,604
Translation differences for the year	-102	16
At the end of the year	-15,712	-21,174
Accumulated impairment losses		
At the beginning of the year	-2,000	-2,000
Disposals	2,000	–
At the end of the year	–	-2,000
Carrying amount at the end of the year	3,300	6,867

Note 17 Advance payments for intangible assets

	09/30/2023	09/30/2022
Group		
Advances paid during the year	86	–
Carrying amount at the end of the year	86	–

Note 18 Leasehold improvements

	09/30/2023	09/30/2022
Group		
Accumulated cost		
At the beginning of the year	13,918	15,400
New acquisitions	8 940	1 246
Sales and disposals	-363	-2,751
Translation differences for the year	120	23
At the end of the year	22,615	13,918
Accumulated amortization		
At the beginning of the year	-11,103	-10,818
Reversal of amortization on sales and disposals	351	2,073
Amortization for the year	-2,366	-2,358
Translation differences for the year	-7	–
At the end of the year	-13,125	-11,103
Carrying amount at the end of the year	9,491	2,815

Note 19 Equipment, tools, and installations

	09/30/2023	09/30/2022
Group		
Accumulated cost		
At the beginning of the year	120,894	114,001
New acquisitions	56,040	20,590
Sales and disposals	-246	-14,186
Translation differences for the year	440	489
At the end of the year	177,128	120,894
Accumulated amortization		
At the beginning of the year	-88,593	-91,105
Reversal of amortization on sales and disposals	167	13,522
Amortization for the year	-26,706	-10,696
Translation differences for the year	-342	-314
At the end of the year	-115,474	-88,593
Carrying amount at the end of the year	61,654	32,301

Note 20 Investments in Group companies

	09/30/2023	09/30/2022
Parent company		
Accumulated cost		
At the beginning of the year	258,960	258,960
At the end of the year	258,960	258,960
Accumulated impairment losses		
At the beginning of the year	-33,489	-33,489
At the end of the year	-33,489	-33,489
Carrying amount at the end of the year	225,471	225,471

Specification of the parent company's and the Group's holdings of shares in Group companies

			09/30/2023	09/30/2022
Subsidiary / Reg. no. / Registered office	*Number of shares*	*Holding, %**	*Carrying amount*	*Carrying amount*
KPMG AB, 556043-4465, Stockholm *KPMG Baltics SIA, 40003235171, Riga* *KPMG Baltics UAB, 111494971, Vilnius*	21,240	100.0	180,301	180,301
Bohlinsgruppen i Sverige Försäkring AB, 516406-0211, Stockholm	10,000	100.0	45,000	45,000
Bohlins Revisionsbyrå AB, 556046-1641, Stockholm	1,000	100.0	120	120
Everdon Security AB, 556986-2278, Stockholm	500	100.0	50	50
			225,471	225,471

*Refers to the ownership share, which also corresponds to the share of votes for the total number of shares.

Note 21 Investments in associated companies and jointly controlled companies

	09/30/2023	09/30/2022
Group		
Accumulated cost		
At the beginning of the year	263	204
Profit in controlled companies	15	59
At the end of the year	278	263
Carrying amount at the end of the year	278	263
Parent company		
Accumulated amortization		
At the beginning of the year	204	204
At the end of the year	204	204
Carrying amount at the end of the year	204	204

Associated companies / Reg. no./ Registered office	*Adjusted equity / Profit/loss for the year*	*Shares / number as a %*	*Capital portion's value in the Group*	*Carrying amount of the parent company*
Directly owned				
KPMG Nordic Services OÜ, 16121740, Tallin, Estonia	1,487	–		
	70	20.0	278	204
			278	204

Note 22 Other securities held as non-current assets

	09/30/2023	09/30/2022
Group		
Accumulated cost		
At the beginning of the year	647	647
At the end of the year	647	647
Carrying amount at the end of the year	647	647

Note 23 Prepaid expenses and accrued income

	09/30/2023	09/30/2022
Group		
Rent	26,367	26,582
Insurance	25,229	23,987
IT, software and licensing costs	10,580	5,961
Rental of computers, mobile phones, and conference equipment	1,744	9,568
Accrued interest income	13,058	792
Accrued income	3,536	–
Other items	15,692	21,743
	96,208	88,633
Parent company		
Accrued interest income	1,846	–
	1,846	–

Note 24 Allocation of profit

Proposed allocation of the company's profit

The Board of Directors proposes that the non-restricted equity of SEK 502,105,137 be distributed as follows:

Dividend (72,200 shares × SEK 4,572 per share)	330,098,400
Profit broght forward	172,006,737
Total	502,105,137

Note 25 Number of shares and par value

	09/30/2023	09/30/2022
Class A shares		
Number of shares	500	500
Par value	152.69	152.69
Class C shares		
Number of shares	71,700	70,300
Par value	152.69	152.69

During the year, a new share issue has been registered with 1,400 Class C shares.

Note 26 Provisions for pensions and similar obligations

	09/30/2023	09/30/2022
Group		
Carrying amount at the beginning of the year	1,302	1,686
Amounts used during the year	-16	-384
Carrying amount at the end of the year	1,286	1,302

Note 27 Deferred tax

			09/30/2023
	Deferred tax assets	*Deferred tax liabilities*	*Net*
Group			
Essential temporary differences			
Equipment	1,661	503	1,158
Tax value of work in progress	–	40,181	-40,181
Pension provisions	265	–	265
Other	1,081	–	1,081
Deferred tax on untaxed reserves	–	2,259	-2,259
Deferred tax assets/liabilities	3,007	42,943	-39,936

			09/30/2022
	Deferred tax assets	*Deferred tax liabilities*	*Net*
Group			
Essential temporary differences			
Equipment	1,565	285	1,280
Tax value of work in progress	–	21,672	-21,672
Pension provisions	268	–	268
Other	1,267	–	1,267
Deferred tax on untaxed reserves	–	2,465	-2,465
Deferred tax assets/liabilities	3,100	24,422	-21,322

Note 28 Non-current liabilities

	09/30/2023	09/30/2022
Group		
Liabilities maturing more than five years from the balance sheet date: Loans from shareholders	121,154	93,673
	121,154	93,673
Parent company		
Liabilities maturing more than five years from the balance sheet date: Loans from shareholders	121,154	93,673
	121,154	93,673

Note 29 Accrued expenses and prepaid income

	09/30/2023	09/30/2022
Group		
Accrued salaries, holiday and overtime pay	254,661	258,625
Accrued social security contributions including special employer's contribution	153,491	155,011
Other items	32,356	33,519
	440,508	447,155
Parent company		
Accrued salaries, holiday and overtime pay	150	309
Accrued social security contributions including employer's contribution	141	252
	291	561

Note 30 Pledged assets and contingent liabilities

	09/30/2023	09/30/2022
Group		
Pledged assets	21,720	19,106
Contingent liabilities	None	None

Pledged assets refer to an unused overdraft facility in KPMG Baltics SIA.

	09/30/2023	09/30/2022
Parent company		
Pledged assets	None	None
Contingent liabilities	None	None

Note 31 Interest received and paid

	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Group		
Interest received	3,224	1,270
Interest paid	-14,782	-10,305

	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Parent company		
Interest received	9,810	2,003
Interest paid	-14,612	-11,202

Note 32 Cash and cash equivalents

	09/30/2023	09/30/2022
Group		
The following components are included in cash and cash equivalents:		
Bank balances	707,980	917,666
	707,980	917,666

The above items have been classified as cash and cash equivalents on the basis that:
- They have an insignificant risk of fluctuations in value.
- They can be readily converted into cash.
- They have a maturity of not more than 3 months from the date of acquisition.

There are also unused overdraft facilities of SEK 200 (200) million in KPMG AB and EUR 1,000 (1,000) thousand in KPMG Baltics SIA.

	09/30/2023	09/30/2022
Parent company		
The following components are included in cash and cash equivalents:		
Bank balances	340,469	421,653
	340,469	421,653

The above items have been classified as cash and cash equivalents on the basis that:
- They have an insignificant risk of fluctuations in value.
- They can be readily converted into cash.
- They have a maturity of not more than 3 months from the date of acquisition.

Note 33 Other information for the cash flow statement

Adjustment for non-cash items etc.	10/01/2022 –09/30/2023	10/01/2021 –09/30/2022
Group		
Amortization	50,064	31,648
Capital gain/loss on the sale of non-current assets	–	1,210
Provisions/receivables in respect of pensions	-16	–
Other items not affecting cash flow	-14	-444
	50,034	32,414

Note 34 Group information

Intra-Group purchases and sales
Of the total revenue in the parent company, 100% has been invoiced to other companies within the Bohlinsgruppen Group. There have been no intra-Group purchases.

Note 35 Significant events after the end of the financial year

No significant events have occurred after the end of the financial year.

Note 36 Definition of key ratios

Operating margin: Operating profit divided by net sales
Total assets: Total assets in the balance sheet
Equity/assets ratio: Total equity divided by total assets
Net sales per employee: Net sales divided by the average number of employees
Staff cost per employee: Staff cost divided by the average number of employees

Stockholm, on the date indicated by our electronic signature

Björn Dahl
Chairman of the Board

Helena Arvidsson Älgne
Board member

Maria Andersson
Board member

Henrik Lind
Board member

Nigel Rouse
Board member

Joakim Thilstedt
Board member

Fredrik Waern
Board member

Mathias Arvidsson
Chief Executive Officer

Our Audit Report has been submitted on the date indicated by our electronic signature

Mazars AB

Michael Olsson
Authorized Public Accountant

mazars

Audit Report

To the General Meeting of Bohlinsgruppen AB, reg. no. 556360-5301

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts for Bohlinsgruppen AB for the financial year October 1, 2022 – September 30, 2023. The company's annual accounts are included on pages 41–63 of this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the Group at September 30, 2023, and their financial performance and cash flow for the year in accordance with the Annual Accounts Act. The Director's report is consistent with the other parts of the annual report and the consolidated accounts.

We therefore recommend that the General Meeting of shareholders adopt the income statements and balance sheets for the parent company and the Group.

Basis for opinions

We conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility in accordance with these standards is described in greater detail in the Auditor's Responsibilities section. We are independent of the parent company and Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibility in accordance with these requirements.

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

Information other than the annual accounts

The Board of Directors and the CEO are responsible for this other information. The other information comprises pages 1–40 of the published annual report. Our opinion on the annual accounts does not cover this other information, and we do not express any form of assurance or conclusion regarding this other information. In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and assess whether the information appears to contain material misstatements. If, based on the work performed concerning this information, we conclude that this other information contains a material misstatement, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the CEO are responsible for the preparation of the annual accounts and consolidated accounts and for ensuring that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the CEO are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They clarify, when applicable, circumstances that may affect the ability to continue operations and to use the going concern assumption. However, the going concern assumption is not applied if the Board intends to liquidate the company or cease operations, or has no realistic alternative to taking either of these steps.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material error when there is one. Misstatements can arise as a result of fraud or error, and are considered material if, individually or collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As a part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the overriding of internal controls.

- obtain an understanding of the part of the company's internal control that is of importance to our audit, in order to design audit procedures that are appropriate in the circumstances, but not in order to express an opinion on the effectiveness of the internal control.

- we evaluate the appropriateness of the accounting policies used and the reasonableness of the Board's and the CEO's accounting estimates and related disclosures.

- draw a conclusion on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether there is any material uncertainty factor related to events or circumstances that may lead to significant doubt concerning the company's and group's ability to continue operations. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause a company and a Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors, among other matters, about the planned scope, emphasis, and timing of the audit. We must also provide information about significant audit findings, including any significant deficiencies in internal control we have identified.

Report on other statutory requirements and other provisions

Opinions

In addition to our audit of the annual accounts and the consolidated accounts, we have also audited the Board of Directors' and the CEO's administration of Bohlinsgruppen AB for the financial year October 1, 2022 – September 30, 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the Directors' report and that the members of the Board and the CEO be discharged from liability for the financial year.

Basis for opinions

We have conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities in accordance with this are further described in the Auditor's Responsibilities section. We are independent of the parent company and Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibility in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal concerning the appropriation of the company's profit or loss. Proposing a dividend includes an assessment of whether the dividend is justifiable considering the requirements that the nature, scope and risks of the company's and the Group's operations place on the size of the parent company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of its affairs. This includes continuous assessment of the company's and Group's financial situation and ensuring that the company's organization is designed so that accounting, asset management and the company's financial affairs are otherwise controlled in a satisfactory manner. The CEO must manage the ongoing administration according to the Board of Directors' guidelines and instructions, and take the actions that are necessary to fulfil the company's accounting in accordance with the law and to conduct the management of assets in a reassuring manner.

Auditor's responsibilities

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO, in any material respect, has:

- undertaken any action or been guilty of any omission that could give rise to liability with respect to the company, or

- in any other way acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriation of the company's profit or loss, and thus our statement in this regard, is to assess with a reasonable degree of assurance whether the proposal is consistent with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to a liability to the company, or that the proposed appropriation of the company's profit or loss is not consistent with the Swedish Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriation of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement, on the basis of risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations or violations would have particular importance for the company's situation. We examine and test decisions made, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion concerning the Board's proposed appropriation of the company's profit or loss, we have examined the Board's reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is consistent with the Swedish Companies Act.

Our Audit Report has been submitted in Stockholm on the date indicated by our electronic signature.

Mazars AB

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Authorized Public Accountant

KPMG

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