



# Transparency Report 2022/2023

**KPMG Accountants N.V.**

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# Letter from the Board of Management

We are living in increasingly complex times – with economic uncertainty, rising prices, climate change and the continued advance of new technologies. Our economy remains vulnerable to external shocks, not least from the continuing geopolitical unrest in the world.

Times like these require leadership. Recently, the critical importance of leadership was brought home to us at KPMG N.V. with the investigation into answer-sharing during mandatory training tests. Let us be clear: answer-sharing is completely unacceptable. Our business relies on trust and we must act with integrity at all times.

It is in how we respond to these events, that shows our true character. We want to understand why this happened. Therefore, we carried out various methods of investigation, and began a thorough Root Cause Analysis, so that we can undertake remedial measures for meaningful change. We must deepen our understanding of ethical culture and behaviors, reassert the importance of speaking up and holding each other accountable, address attempts to rationalize wrongdoing and make it clear to our people again what we expect in terms of tone and ethical practice.

Currently, we are in the process of concluding the investigation and finalizing the results. In order to include details of the findings in our 2022/2023 Integrated Report, we have decided to postpone its release. In the meantime, we are issuing this separate KPMG Accountants N.V. 2022/2023 Transparency Report.

Over the past year, the investigation into answer-sharing has not deflected us from our purpose. We have taken important steps to further strengthen quality – the bedrock of trust in our business. We continued implementation of our Audit Quality Plan, accelerated IT audit work for selected clients and finalized the roll-out of KPMG Clara, our new smart global audit platform – another step toward being able to conduct a digitally-enabled audit.

We are also pushing new boundaries, standardizing and automating more of our processes and using groundbreaking AI to obtain audit evidence – all measures that will increase efficiency and, more importantly, further increase the quality and reliability of our work.

We start the new fiscal year with a renewed management team, with Mariska van de Luur as our Head of Assurance. Her expertise in people management – and experience of implementing culture programs – will be critical to us as we look to strengthen our ethical culture, while focusing on further increasing audit quality.

On the Supervisory Board, we welcome Sandra Berendsen for her first four-year term. We are also grateful to Bernard Wientjes, who has agreed to serve as Chairman for a maximum period of 18 months.

Across the Board of Management and Supervisory Board, we have the right diversity of experience and leadership – to focus on the future, to invest in our data and digital capacity, in new, more efficient operating models – and to continue KPMG N.V.'s long-standing commitment to quality and excellence.

Amstelveen, 31 January 2024

Board of Management KPMG Accountants N.V.,  
Stephanie Hottenhuis, Mariska van de Luur and Marc Broskij

This KPMG Accountants N.V. Transparency Report 2022/2023 is required by law. It should be noted that any mention of KPMG N.V. in this report also includes KPMG Accountants N.V., unless indicated by the context or stated otherwise. The information presented in this Transparency Report will be consolidated into the KPMG N.V. Integrated Report 2022/2023, scheduled for publication at a later date.

# Our business

We are part of the global KPMG network, operating in 143 countries and territories worldwide. We work with well-known public, private and not-for-profit companies in industries ranging from financial services and consumer retail to energy, infrastructure and healthcare. Through our work, we aim to ensure public trust in companies, institutions and financial markets.

KPMG has offices around the world. KPMG Accountants N.V. is a subsidiary of KPMG N.V., an independent member of the international KPMG network, affiliated with KPMG International Limited (KPMG International), a private UK company limited by guarantee. KPMG is the brand under which the member firms of KPMG International Limited ("KPMG International") operate and provide professional services. Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG N.V. is responsible for its own obligations and liabilities.

KPMG International Limited and its related entities do not provide services to clients. In many countries highly-regulated industries, such as audit and assurance, must be locally owned and managed. As a result, KPMG member firms do not – and cannot – operate as a typical multinational would. Being a member of KPMG International gives us access to KPMG's worldwide resources and expertise. As a member firm, we also abide by common values, and comply with KPMG International's policies, regulations and standards.

Assurance and Advisory are our two primary businesses, supported by Business Services. Tax advisory services are offered through Meijburg & Co B.V., which is also part of the KPMG network.<sup>[1]</sup> KPMG N.V. has twelve offices across the Netherlands, and is headquartered in Amstelveen.

## Assurance

Assurance includes both audit and non-financial assurance. We audit financial statements, reports and other regulatory disclosures, both financial and non-financial. Our Assurance business comprises five main units: National Practice, Financial Services, IT Assurance, ESG Assurance and Accounting Advisory.

## Advisory

Through our Advisory business, we help clients manage risk, improve strategy and performance, digitalize their systems and processes, and seize new opportunities for growth. Our Advisory business is organized by *suites*: Strategy & Operations, Deals, Finance & Business Services, Risk & Regulatory and Technology.

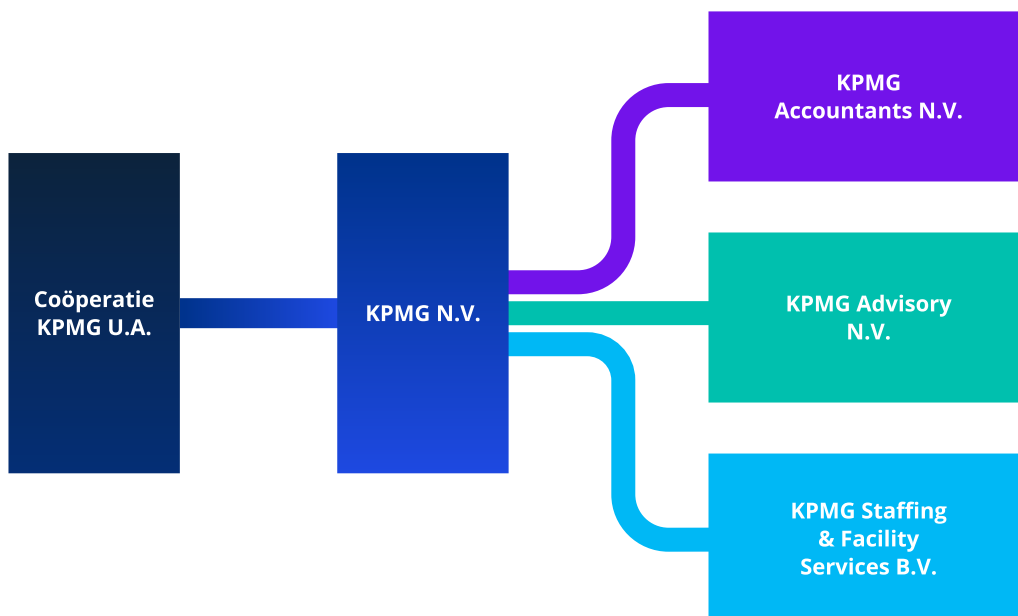
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<sup>1</sup> Please note that KPMG Meijburg N.V., though a member of the KPMG network, is not part of KPMG N.V. and is therefore not covered by this report (unless stated otherwise).

# Our organizational structure

Our system of governance is based on checks and balances, helping ensure we take the best possible decisions. We have a formal governance structure, including a Supervisory Board and a Board of Management. This structure is supported by internal policies, controls and a [Code of Conduct](#), setting out our values and commitment to responsible business.

KPMG N.V. is a holding company for our Assurance, Advisory and Business Services activities. All shares in KPMG N.V. are held by Coöperatie KPMG U.A.. Our equity partners are members of this cooperative through practice companies of the individual equity partners. These partners provide services to KPMG N.V. clients under a management agreement with the cooperative. Under Dutch law, Coöperatie KPMG U.A. board members are considered co-policymakers. KPMG Accountants N.V. is a 100% subsidiary of KPMG N.V.. KPMG N.V. and its subsidiaries are further referred to as the 'KPMG Group'.



## External regulation

The Authority for the Financial Markets (AFM) is responsible for overseeing audit firms in the Netherlands. This oversight is, among others, based on two Acts:

- [Wet toezicht accountantsorganisaties \(Wta, Dutch Audit Firms Supervision Act\)](#)
- [Wet op het accountantsberoep \(Wab, Dutch Auditors' Profession Act\)](#)

To operate, all audit firms must have a license from the AFM. KPMG N.V. aims to maintain an active, two-way communication with the AFM, which conducts regular inspections of KPMG, as do the US Public Company Accounting Oversight Board (PCAOB) and the Royal Netherlands Institute for Chartered Accountants (NBA). Please see [External reviews, inspections and interactions with regulators](#) for more information on recent inspections.

In the Netherlands, audit clients – if they are classified as public interest entities (PIEs) according to Dutch law – must change their audit firm at least once every ten years. They need to change the external auditor at least once every five years. In addition, there is a four-year cooling-off period before a former audit firm may be re-hired. We also endorse the principles and best practices in the [Dutch Corporate Governance Code](#); while an unlisted firm as KPMG N.V. is not legally required to apply the Code, we voluntarily use it as guidance in the corporate governance disclosures made and undertake to adhere to the principles where relevant.

At an international level, KPMG regularly discusses industry matters with the International Forum of Independent Audit Regulators (IFIAR) and representatives from the Committee of European Auditing Oversight Bodies (CEAOB). See [Quality management](#) for more information on our compliance with industry policies and procedures.

## Role of Board of Management and Supervisory Board

We have a two-tier management structure:

- Our **Board of Management** manages the firm. It is responsible for strategy, performance and value creation.
- The work of the Board of Management is overseen by our **Supervisory Board**, which operates in part through three committees: Assurance Quality, Audit & Risk and Remuneration & Appointment.

Our Board of Management is made up of four members: our Chief Executive Officer (CEO), our Chief Operating Officer (COO), and Heads of our Advisory and Assurance businesses.

Our Supervisory Board comprises six members. These members are all external and independent of the firm's management. All Supervisory Board members are appointed by the shareholder, Coöperatie KPMG U.A.. Supervisory Board members are elected for terms of up to four years, and may serve no more than two terms. Our Supervisory Board members are also considered co-policymakers under the [Dutch Audit Firms Supervision Act](#). Board of Management members are appointed by our Supervisory Board, following approval by its shareholders, the cooperative. Members may serve up to a maximum of eight consecutive years. For further information, see our [Supervisory Board Report](#).

KPMG Accountants N.V.'s Board of Management acts as the formal policymaker under the terms of the [Audit Firms Supervision Act](#) in the Netherlands. The Board of Management of KPMG N.V. acts as co-policymaker. Our Assurance leadership team is responsible for the operational management of KPMG Accountants N.V.. Members of this leadership team are also qualified co-policymakers under the Act.

We aim for diversity among members of both our Board of Management and Supervisory Board. We believe diversity makes for better long-term decision-making. Diversity is built into the rules of procedure and profile descriptions for both the Board of Management and Supervisory Board. Under the rules, our aim is to have 50% women on our Supervisory Board and a minimum of 40% women (or, if applicable, 40% men) on the Board of Management. We established 50% gender balance on our Board of Management and Supervisory Board.

Our Supervisory Board and Board of Management Rules may also be found online on the [KPMG N.V. website](#).

# Our revenue

The tables below provide a breakdown of KPMG Netherlands' revenue of KPMG Accountants N.V.. Amounts are based on our taxonomy and are provided by our clients' legal entities. Statutory legal audits are those where there is a legal obligation to have financial statements audited by an independent auditor. These audits may relate either to Public Interest Entity (PIE<sup>[1]</sup>) clients or to non-PIE clients.

For PIEs, we use the definition contained in the Dutch Audit Firms Supervision Act (Wet toezicht accountantsorganisaties, Wta), Article 1.p, to determine the segmentation of revenue. Other audit and assurance (-related) reports, referred to in the tables below, include: financial statement audits, attestation reports, sustainability assurance, ISAE 3402 certification, IT audits etc. Advisory engagements are those that include certification or audit elements.

To uphold standards of independence, we do not deliver non-audit services to PIEs that are audited by us. None of our audit clients accounted for more than 15% of total audit fees received in 2022/2023, in line with International Federation of Accountants (IFAC) thresholds.

For reference, Article 13(2)(k) of EU Regulation 537/2014 regarding statutory audit of PIE clients, relates to the following:

- i. Revenues from the statutory audit of annual and consolidated financial statements of PIEs and entities belonging to a group of undertakings whose parent undertaking is a PIE;
- ii. Revenues from the statutory audit of annual and consolidated financial statements of other entities;
- iii. Revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm;
- iv. Revenues from non-audit services to other entities.

(in EUR million)

KPMG Accountants N.V. <sup>[*]</sup> 2022/2023	Wta audits	Other financial statements audits	Other assurance services	Total assurance services	Advisory services	Subtotal	Services within KPMG Group <sup>[**]</sup>	Other	Total
OOB clients (Wta)	76.6	5.7	8.4	90.7	-	90.7	-	-	90.7
Non-OOB clients (Wta)	164.7	16.4	9.6	190.7	5.4	196.1	-	-	196.1
Other audit clients	-	48.2	7.0	55.2	0.7	55.9	-	-	55.9
Other clients	-	-	11.7	11.7	27.3	39.0	9.9	0.3	49.2
<b>Total</b>	<b>241.3</b>	<b>70.3</b>	<b>36.7</b>	<b>348.3</b>	<b>33.4</b>	<b>381.7</b>	<b>9.9</b>	<b>0.3</b>	<b>391.9</b>

\* Please note that KPMG Accountants N.V. is part of the business function Assurance, which is broader as it also includes certain accounting support services provided by KPMG Advisory N.V.

\*\* Relates to services provided to other entities of the KPMG Group

1 In Dutch: organisaties van openbaar belang

(in EUR million)

<b>KPMG Accountants N.V.<sup>[*]</sup> 2021/2022</b>	Wta audits	Other financial statements audits	Other assurance services	Total assurance services	Advisory services	Subtotal	Services within KPMG Group <sup>[**]</sup>	Other	<b>Total</b>
OOB clients (Wta)	70.1	4.8	8.4	83.3	-	83.3	-	-	83.3
Non-OOB clients (Wta)	135.9	18.6	10.7	165.2	2.8	168.0	-	-	168.0
Other audit clients	-	49.5	6.0	55.5	0.7	56.2	-	-	56.2
Other clients	-	-	9.4	9.4	29.8	39.2	5.1	-0.4	43.9
<b>Total</b>	<b>206.0</b>	<b>72.9</b>	<b>34.5</b>	<b>313.4</b>	<b>33.3</b>	<b>346.7</b>	<b>5.1</b>	<b>-0.4</b>	<b>351.4</b>

\* Please note that KPMG Accountants N.V. is part of the business function Assurance, which is broader as it also includes certain accounting support services provided by KPMG Advisory N.V.

\*\* Relates to services provided to other entities of the KPMG Group



# Quality management

Trust enables us to set ambitions, execute our strategy and reach our goals. We know that without trust, we cannot grow and maintain our business. Our aim, ultimately, is to be the most trusted and trustworthy firm in our industry. Over the past year, we have worked hard to further improve the quality of our work, finalizing the roll-out of KPMG Clara and reducing workloads for our auditors. At the same time, we want to be recognized as a responsible corporate citizen. So, during 2022/2023, we continued to invest in local communities, worked to further reduce our environmental footprint, and expanded our ESG practice to support both clients and our people to understand the consequences of ESG on their operations.

Retaining trust depends ultimately on the quality of our work – that is why we see quality as a *business imperative*.

We have an extensive System of Quality Management (SoQM), which applies across our business units. This system helps ensure we maintain high quality standards. Our current SoQM was implemented in December 2022 in line with the new International Standard on Quality Management (ISQM 1).

## Why is quality so important?



In 2022/2023, we have made significant progress in several areas, including the implementation of our KPMG Clara smart audit platform, and decreasing workload on our auditors – an important factor in maintaining quality.

## Performance against quality indicators

Over the past year, we have taken steps to further strengthen quality. We finalized roll-out of KPMG Clara, refreshed our Root Cause Analysis (RCA) process, accelerated IT audit for selected clients, and continued implementation of our Audit Quality Plan. Independence violations due to late or inaccurate registrations decreased by nearly 50%. None of them impaired the independence of the firm. We expect a further decrease next year because of rigorous measures to help our people and by strengthening our guidelines on disciplinary actions.

This work continues the steps taken and investments made in recent years, which have resulted in encouraging results against our KPIs for audit quality. In 2022/2023, we are on target for eight out of the thirteen measured KPIs. The number of engagements with Engagement Quality Control Reviews (EQCR) is 9% point above our target, partner involvement in public interest entity (PIE) engagements increased year-on-year, and we are also involving more specialists – including IT – and providing more technical support to audit engagements.

Even so, 5 KPIs have come in under target, including our Quality Performance Review (QPR) scores, following internal audit inspections. Overall, the percentage of our files that are rated 'compliant' in internal reviews remained stable at 94%, which means that 6% is non-compliant. The 94% score contains both 'compliant' (82%) and 'compliant - improvement needed' (12%). This means we did not meet our target of 86% 'compliant' quality reviews, which is an unsatisfactory outcome. Inspections show a variety of reasons for this, with no firm-wide issue apparent.

Going into the next year, our goal is to further improve our QPR scores and to strengthen audit quality. We do this through Root Cause Analysis, analyzing recurring findings from our different quality initiatives. Along with this, while our Global People Survey (GPS) results on quality remain the same as last year, we are refocusing on ethical culture and behavioral elements that affect the quality of our work. We will also focus on targeted and relevant learning in live and virtual classrooms, as well as quality coaching and the sector specific focus of our Audit Quality Professional Practice Department (AQPPD). In addition, we will continuously work on further reducing workload as another means of ensuring our people have the conditions to deliver quality work.

### KPIs – Ongoing focus on (audit) quality

		2022/2023	2021/2022	On target
Results of internal KPMG N.V. audit inspections	☑	82%	84%	no
Results of external inspections	☑	n/a	94%	n/a
Percentage of engagements involving EQCR	☑	29%	30%	yes
EQCR hours spent as percentage of total hours spent on EQCR engagements (scope: all EQCR engagements excl. three largest clients)	☑	1.2%	1.2%	yes
Partner hours:				
in PIE audit engagements	☑	9%	8%	no
in non-PIE audit engagements	☑	6%	7%	yes
Average number of hours spent in training per client-facing professional in audit	☑	210	210	yes
Hours spent by IT and other specialists:				
in PIE audit engagements	☑	18%	16%	yes
in non-PIE audit engagements	☑	6%	5%	yes
Technical resources support (FTEs) as % of total audit FTEs	☑	7%	6%	yes
Number of technical consultations as % of total audit engagements	☑	19%	20%	yes
Financial statements with restatements as % of audit opinions issued	☑	2%	2%	no
Independence violations, both internal and external, as % of total audit headcount	☑	4%	7%	no
GPS survey results relating to coaching and audit quality	☑	81%	81%	no

☑ Audit Quality Indicators

Abbreviations: AQI (audit quality indicator), EQCR (Engagement Quality Control Review), FTE (full-time equivalent) and PIE (public interest entity), n/a (not applicable). Definitions can be found in the appendix Definitions of Audit Quality Indicators (AQIs).

Notes:

Figures are rounded to the nearest percentage.

In 2020, the Dutch government appointed two quartermasters to oversee reform in the audit sector. As part of their work, these quartermasters are drafting common AQIs, which are applicable across the industry. We are working to bring our AQIs into line with the quartermasters' recommendations. The quartermasters have released their final report in November 2023. See KPMG N.V.'s website for further details and our response to public consultations on this matter.

**Engagements involving EQCRs:** the number of engagements during the year does not necessarily equate to the number of reports issued. An engagement may result in multiple reports. Moreover, reports may not be produced for engagement still active at the end of the financial year.

**EQCR hours:** The three largest clients are excluded from this AQI and are measured separately, because they have a significant higher number of regular audit hours compared to EQCR hours (due to specialist involvement, component audits, etc.). If they are included, the total EQCR hours spent as percentage of total hours spent on EQCR engagements is 1.0% (2021/2022: 1.0%).

**GPS and Pulse surveys:** figures show positive responses ("strongly agree" and "agree" on a 5-point scale) to GPS questions relating to coaching and quality as % of total responses. Results from culture survey also relate to coaching and quality, but are assessed according to a 'traffic light' system as red, amber or green.

**Restatements:** In 2022/2023, 52 material errors have been detected in prior financial statements of clients. These errors do not include cases in which the errors have led to a serious deficiency in the view given by the client's financial statements as stated in Section 2:362(6) Dutch Civil Code.

## External reviews, inspections and interactions with regulators

- The **Authority for the Financial Markets (AFM)**, our main regulator in the Netherlands, conducted an exploratory theme investigation on Non-Financial Information (NFI) in November 2022. Two engagement files of KPMG were in scope of the review. KPMG discussed the AFM's preliminary observations in February 2023, which we will take on board. The AFM also conducted a combined exploratory and regular inspection, focused specifically on EQCR, in July-September 2023. As part of its inspection, the AFM reviewed four engagements. We expect the AFM to release its public report on EQCR within the sector shortly. Furthermore, the AFM issued a critical sector-wide report based on their review on the audit of fraud risks. During the year, we also discussed several topics with the AFM, including the AFM's plans for data-driven oversight. During the year, we reported 4 formal incidents (2021/2022: 4) to the AFM:
  - One incident reported was related to events at a PIE audit client of which we gained knowledge as auditor.
  - Two incidents reported were related to instances where KPMG member firms outside the Netherlands provided non-audit services to PIE audit clients.
  - One incident reported concerned a further whistleblower notification related to the investigation into answer-sharing.
- The **US Public Company Accounting Oversight Board (PCAOB)** conducted its regular three-year inspection in November-December 2021. The inspection reviewed three engagements. Of these, two attracted no comments. Action has been taken to correct the finding relating to the third engagement. In addition, there were two findings on the System of Quality Management that are in the process of being remediated. We have informed the PCAOB of our remediation plan and the progress thereof.
- The **Royal Netherlands Institute for Chartered Accountants (NBA)** carried out its inspection in September 2022. <sup>[1]</sup> As part of the inspection, the NBA reviewed 30 engagements. Of these engagements, it rated 29 engagements as satisfactory. One was rated unsatisfactory. Remedial action has been taken to correct this. The NBA stated KPMG's System of Quality Management complies with the **Auditors' Profession Act**.

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1 The Royal Netherlands Institute for Chartered Accountants reviews only those engagements not covered by the AFM (legal audits) or the PCAOB (US engagements).

## Investigation into answer-sharing

In 2022, we started an investigation into answer-sharing related to mandatory training tests after our Compliance Office was notified by a whistleblower. Our main regulators – the Dutch Authority for the Financial Markets (AFM) and the Public Company Accounting Oversight Board in the US (PCAOB) have been informed about the investigation. The investigation has found that, over the past five years, more than 100 employees on average every year, had been involved in answer-sharing.

Answer-sharing related to mandatory training tests is completely unacceptable – we realize that we need to act with ethics and integrity at all times. A disciplinary process has been initiated. People involved have been (financially) sanctioned and, depending on their involvement and job level, a number of individuals have left the firm. In the context of the investigation, Roger van Boxtel resigned from his position as Chairman of the Supervisory Board and Marc Hogeboom stepped down as Head of Assurance.

We are performing a thorough Root Cause Analysis (RCA) because we want to understand why this happened, and how we can prevent it from happening again. Findings so far show we need to underline the importance of speaking up, address attempts to rationalize wrongdoing and reassert what we expect in terms of tone and ethical practice at all levels in our organization. Along with this, we need to evaluate the design of online training and ensure these trainings are relevant to those taking it.

In our *Statement of Effectiveness 2022/2023* we identified a missing monitoring control, categorized as severe but not pervasive. As a remediation measure to mitigate the risk of answer-sharing we implemented this additional monitoring control in our System of Quality Management. This control is operational as per fiscal year 2023/2024.

Furthermore, we started a culture program on ethics and integrity for all our people. The remediation process will be closely monitored by the Supervisory Board and our regulators.

# Our system of quality management

Quality remains our foremost priority. To manage our commitment to quality, we have an extensive System of Quality Management (SoQM). This system is in line with the International Standard on Quality Management (ISQM 1), which came into effect in December 2022. Our SoQM also meets the following standards and regulations:

- The International Code of Ethics for Professional Accountants
- Wet toezicht accountantsorganisaties (Wta, Dutch Audit Firms Supervision Act)
- Besluit toezicht accountantsorganisaties (Bta, Dutch Audit Firms Supervision Decree)
- Wet op het accountantsberoep (Wab, Dutch Auditors' Profession Act)
- Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Dutch Code of Ethics for Professional Accountants)
- Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics)

Our system describes how we ensure quality and accountability throughout the organization, and puts emphasis on quality management rather than simply quality controls (in line with ISQM 1).

Under the system, our Board of Management has ultimate responsibility for quality. The Board sets *tone at the top* and makes sure we have the right skills and knowledge within the organization to maintain quality standards. Every year, the Board reviews the effectiveness of our SoQM.

Within our business units, the Heads of Assurance and Advisory are responsible for managing and upholding our SoQM, assisted by our Country Quality & Risk Management Partner, who reports to the CEO and works closely with other member firms across the KPMG network.

All staff are required to understand and abide by quality management policies and procedures. To ensure this, staff undergo regular mandatory training and updates. In addition, we emphasize the importance of personal responsibility – it is important that quality is part of our DNA and is not regarded merely as an issue of compliance.

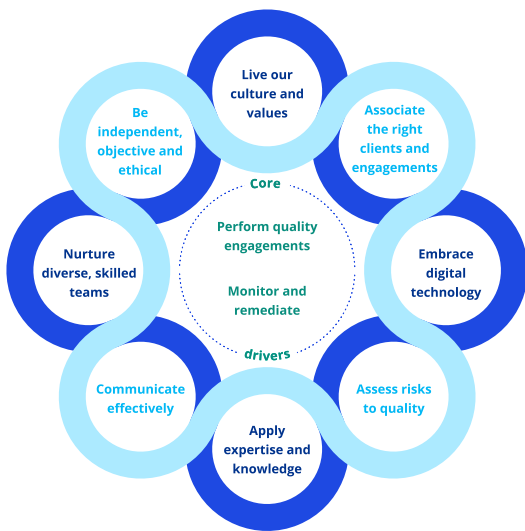
In addition, we have a Head of Audit Quality, whose role it is to oversee all quality initiatives, ensure we maintain our focus on quality and continue to identify areas of improvement. Our quality management policies apply to all KPMG member firms, and these are included in our Global Quality and Risk Management manual. Our Supervisory Board oversees our approach to quality, partly through the work of its Assurance Quality Committee.

## Quality drivers

Our SoQM is built around ten quality drivers, ranging from culture and values to knowledge application, effective communications and nurturing diversity. Formally, our SoQM applies to Assurance, but where appropriate we use the same basic approach for Advisory and Business Services as well. Both in Assurance and Advisory, the Financial Supervision Office (Bureau Financieel Toezicht) performs inspections.<sup>[1]</sup> We also track our performance internally through a series of Audit Quality Indicators (AQIs) and targets; reporting against these AQIs is done twice a year.

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<sup>1</sup> Inspections are carried out by various regulatory authorities, including the Authority for the Financial Markets (AFM), the US Public Company Accounting Oversight Board (PCAOB), the Royal Netherlands Institute of Chartered Accountants (NBA), NOREA (the Dutch professional organization for IT auditors), Financial Supervision Office (BFT), the central government audit services (Auditdienst Rijk, ADR), 'De Nederlandse Zorgautoriteit' (NZA) and 'Inspectie van het Onderwijs'.



For ease of use, these drivers are divided into three categories: *core drivers*, *value drivers* and *supporting drivers*, as follows:

Value drivers		
	<b>Live our culture and values</b>	Quality begins with having the right culture – tone at the top is important in setting our culture. All other quality drivers depend, to one degree or another, on culture. Our values, behaviors and Code of Conduct all support our culture of quality.
	<b>Embrace digital technology</b>	We are committed to continuous innovation. Technology makes us more efficient, speeds up our processes, provides new insights and ultimately improves the quality of our audits.
	<b>Apply expertise and knowledge</b>	We continue to build on our technical expertise and knowledge – these are fundamental to quality. We have a clear, consistent audit methodology, beyond basic standards, supported by our KPMG Clara smart audit platform.
	<b>Nurture diverse, skilled teams</b>	We work hard to ensure our professionals have the right skills, experience and diversity. Quality is built into our HR processes from recruitment to reward and promotion.
Supporting drivers		
	<b>Associate the right clients and engagements</b>	When taking on new work, we apply strict acceptance criteria – we don't want to work with clients who pose an unacceptable financial, operational or ethical risk.
	<b>Assess risks to quality</b>	We continuously assess risks to audit quality, and act to reduce or eliminate risk where possible. Failure to comply with quality or other professional standards is one of our strategic risks.
	<b>Communicate effectively</b>	We encourage open, honest and effective communication – this means obtaining feedback from clients and other stakeholders, and acting to make improvements.
	<b>Be independent, objective and ethical</b>	To ensure quality, our professionals must be independent and objective; they must live up to the highest ethical standards.
Core drivers		
	<b>Perform quality engagements</b>	We base our audits on an assessment of likely risks. We consider all audit evidence, even if it's contradictory or inconsistent. Auditors are required to exercise their professional judgement and remain alert to possible biases.
	<b>Monitor and remediate</b>	We have programs to monitor quality and compliance – this allows us to identify deficiencies, perform Root Cause Analyses (RCAs) and remedy shortcomings where necessary.

## Quality processes

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

**Personal independence and rotation** – For all employees, we have clear rules on personal independence, and a system of regular rotation for partners and other senior team members, so that no individual remains in an engagement longer than allowed or appropriate. KPMG complies with the applicable rotation requirements of the Wta (Dutch audit firms supervision act), ViO (Dutch regulation on the independence of auditors in assurance engagements), IESBA Code of Ethics and the US Securities and Exchange Commission. Monitoring of rotation requirements and overall threats to independence arising from the long-term association of senior members of the audit team is performed by engagement teams with use of tools and checklists. Compliance with partner rotation requirements is monitored centrally via partner portfolio review procedures. In 2022/2023, we carried out 158 personal independence audits, compared with 173 the previous year. During the year, we identified two independence violations, which were mainly related to untimely or incorrect internal registration. None of them impaired the independence of the firm.

**Technical support** – Technical support is provided by our Audit Quality Professional Practice Department (AQPPD) and our Quality & Risk Management Group. Our auditors can also access support through KPMG's global network. In 2022/2023, there were 713 technical consultations with the AQPPD on difficult or contentious issues (compared with 774 the previous year).<sup>[1]</sup> Approximately 11% of these consultations related to 'going concern' issues, fraud, money laundering and anti-bribery.

**Engagement Quality Control Reviewer (EQCR)** – For many engagements, we appoint Engagement Quality Control Reviewers to oversee decisions made by our assurance teams. In 2022/2023, EQCRs applied to 29%<sup>[2]</sup> of all assurance engagements. We expect our partners to be closely involved in engagements, and measure this as an AQI. Partners' involvement helps set the right tone and ensures our teams benefit from partners' skills and experience. Partners and directors must demonstrate their commitment to quality before being promoted to these positions.<sup>[3]</sup>

**Quality monitoring and compliance** – Across the firm, we have extensive quality monitoring and compliance programs, as well as quality coaching and training. These include regular Quality Performance Reviews (QPRs) and our KPMG Quality & Compliance Evaluation (KQCE) program. To support continuous improvement, we also perform Root Cause Analysis (RCAs) on problems emerging during our work; these RCAs are based on a five-step approach to: 1) define the problem; 2) collect and analyze relevant data; 3) determine the root causes; 4) decide and implement corrective actions; and 5) monitor the effectiveness of these actions. Our RCAs are conducted by an RCA team, which is part of AQPPD. In 2022/2023, we conducted engagement specific RCA on non-compliant quality reviews and all restatements. Furthermore, we carried out three RCAs on firm-wide issues, including the ongoing RCA related to the investigation into answer-sharing. Generally, these RCAs showed the importance of:

- Maintaining a culture of quality, accountability, and ethical decision-making
- Improving internal communications and didactic quality of our trainings
- Acting more quickly on reports of shortcomings in current processes

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1 *KPMG N.V. has protocols governing technical consultations with AQPPD, including specific procedures to resolve any differences of opinion between professionals.*

2 *Percentage of engagements involving EQCRs.*

3 *For partners, we have a specific program called Audit Quality Curriculum for Partner Promotion.*

- Internal quality reviews** – In **Assurance**, Quality Performance Reviews (QPRs) are conducted regularly by our Internal Audit & Compliance Office, led by partners and senior management. Engagements are rated as follows:
- *Compliant* – i.e., the engagement complied, in all significant respects, with all relevant audit, assurance, accounting and other professional standards.
  - *Compliant – improvement needed* – i.e., the engagement complied with relevant standards in all significant respects, but instances of non-compliance that were more than minor but not significant were also identified.
  - *Not compliant* – i.e., the engagement did not comply with relevant standards in respect of a significant matter and remedial action was required.

## Audit Quality Indicators (AQIs)

This table has been prepared in accordance with guidelines published by the Royal Netherlands Institute of Chartered Accountants (NBA). For our performance on our AQIs see KPIs – Ongoing focus on (audit) quality<sup>[1]</sup>.

◆ Value driver
 ♥ Supporting driver
 ● Core driver

Quality driver	Indicator
◆ Live our culture & values	GPS survey results relating to coaching and audit quality
◆ Embrace digital technology	Investments in developing new audit technologies and tools as % of total audit revenue
◆ Apply expertise and knowledge	Technical resources support (FTEs) as % of total audit FTEs
◆ Nurture diverse, skilled teams	Partner hours in PIE audit engagements
◆ Nurture diverse, skilled teams	Partner hours in non-PIE audit engagements
◆ Nurture diverse, skilled teams	Average number of hours spent in training per client-facing professional in audit
◆ Nurture diverse, skilled teams	Hours spent on PIE audit engagements by IT and other specialists
◆ Nurture diverse, skilled teams	Hours spent on non-PIE audit engagements by IT and other specialists
♥ Be independent, objective and ethical	Independence violations, both internal and external as % of total audit headcount
● Perform quality engagements	Number of technical consultations as % of total audit engagements
● Perform quality engagements	Percentage of engagements involving EQCRs
● Perform quality engagements	EQCR hours spent as % of total hours spent on EQCR engagements (scope: all EQCR engagements excl. three largest clients)
● Perform quality engagements	Financial statements with restatements as % of audit opinions issued
● Monitor and remediate	Results of external inspections
● Monitor and remediate	Results of internal KPMG N.V. audit inspections

<sup>1</sup> Excluding investments in developing new audit technologies and tools as % of total audit revenue.



# Statement of Effectiveness

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

As required by the International Auditing and Assurance Standards Board (IAASB)'s, International Standard on Quality Management (ISQM 1) and KPMG International Limited Policy, KPMG N.V. and its subsidiaries (jointly referred to as 'KPMG') have responsibility to design, implement and operate a System of Quality Management for audits or reviews of financial statements, or other assurance or related services engagements performed by KPMG.

The objectives of the System of Quality Management are to provide KPMG with reasonable assurance that:

- a. KPMG and its personnel fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- b. Engagement reports issued by KPMG or engagement partners are appropriate in the circumstances.

Integrated quality monitoring and compliance programs enable KPMG to identify and respond to findings and quality deficiencies both in respect of individual engagements and the overall System of Quality Management. The programs include the conduct of an internal review of compliance with the independence regulations and the monitoring that the continuing education policy of the partners, directors and staff of KPMG has been followed.

If deficiencies are identified when we perform our annual evaluation of the System of Quality Management, we evaluate the severity and pervasiveness of the identified deficiencies by investigating the root causes, and by evaluating the effect of the identified deficiencies individually and in the aggregate, on the System of Quality Management, with consideration of remedial actions taken as of the date of the evaluation.

Based on the annual evaluation of KPMG's System of Quality Management as of 30 September 2023, we identified a deficiency that was evaluated as having an effect on our System of Quality Management that was severe but not pervasive. We evaluated actions taken to address the identified deficiency and concluded that those actions were effective in limiting the effect of the deficiency as of 30 September 2023. Further details in respect of the identified deficiency are included in the [investigation into answer-sharing section](#).

As of 30 September 2023, except for matters related to the identified deficiency that has a severe but not pervasive effect, the System of Quality Management provides KPMG with reasonable assurance that the objectives of the System of Quality Management are being achieved.

Amstelveen, 30 November 2023<sup>[1]</sup>

Stephanie Hottenhuis  
CEO of KPMG N.V. and Country Senior Partner

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<sup>1</sup> The statement as of the end of our financial year is dated on 30 November 2023, when we finished our test work and issued the statement in accordance with the instructions of KPMG International.

# Partner remuneration

Our equity partners do not receive salary; they receive a share of profits, which is also adjusted for performance (starting with quality). Pay for partners is determined by two factors: the company's profit for the year and personal performance.

Equity partners are subject to clawbacks; this allows the firm to recover part of their annual management fees in the case of "demonstrably culpable conduct". A deferred profit-sharing scheme is also in place for assurance partners (in line with measure 3.5, published by the Royal Netherlands Institute for Chartered Accountants).

Management monitors closely any partners scoring 4 or 5 (the two lowest grades). For these, individual improvement plans are put in place. This process is overseen by the Supervisory Board.

# Supervisory Board Report

## Letter from the Supervisory Board Chairman

When reflecting on the past year, it is impossible to ignore the decreased stability and predictability of the world order, accompanied by increased polarization and a decline in trust in institutions.

In these distressing times, people, businesses and governments alike seek certainty – for 'anchors'. There is a growing need for reliable information to counter misinformation and disinformation. Reliable information needs knowledgeable and trustworthy sources. The Supervisory Board believes that KPMG N.V. should fulfil this role and is uniquely positioned to do so.

Businesses and institutions increasingly feel responsible for the community in which they operate. ESG (Environmental, Social and Governance) is no longer an abstract concept but rather a touchstone for their actions. Therefore, there is a considerable demand for support and advice in pursuing ESG goals. There are also strong societal forces calling for reviews of ESG outcomes. The Supervisory Board applauds KPMG's efforts to lead in advising and providing assurance on ESG. Not only because there is a compelling business case but also because it will contribute toward creating a better society. A dedicated focus on societal developments is also a prerequisite for strengthening KPMG's appeal as an employer. Ongoing investment in diversity, inclusion and culture is vital to maintaining and attracting talent.

The Supervisory Board supports and encourages the focus on quality without compromise. Quality should not and cannot ever be sacrificed. Society cannot and does not expect this from KPMG N.V.. The fact that we suffered a slight decrease in the Quality Performance Review scores last year, after several years of steadily improving quality outcomes, is an incentive to increase our efforts in this regard. The Assurance Quality Committee, which includes all Members of the Supervisory Board, will make undiminished efforts to stimulate this. Investments in new technology, such as artificial intelligence, will also strengthen audit quality. The continued rollout of the smart audit platform is expected to play a major role in this.

Answer-sharing, which was exposed by internal whistleblowers, deeply shocked the Supervisory Board, the Board of Management and the entire KPMG community. It is totally unacceptable that hundreds of KPMG N.V. employees shared answers to questions for mandatory training tests. Along with the Board of Management, the Supervisory Board believes that KPMG must thoroughly investigate the causes and take clear measures to prevent this in the future. The Supervisory Board has intensified its supervisory role and is performing its own investigation following the stepping down of Roger van Boxtel as Chair of the Supervisory Board, and Marc Hogeboom as Head of Assurance. This investigation is currently in the finalization phase.

Given that she had already served a maximum of eight years, Vice President Jolande Sap could only briefly serve as Chair following Roger van Boxtel's departure. During her entire tenure as Supervisory Board Member, Vice-Chair and Chair of the Assurance Quality Committee, Jolande Sap made a major contribution to KPMG N.V.. The Supervisory Board hereby expresses its gratitude to her for her dedication. We are pleased to announce that we have appointed Sandra Berendsen as her successor. She possesses the knowledge and experience needed to make a significant mark on the Supervisory Board's work. Finally, the Supervisory Board also welcomes Mariska van de Luur as Head of Assurance and a member of the Board of Management. Her attention to the personal aspects of auditing and a sharp eye for quality make her a perfect addition to the Board of Management. Given the current situation, I have been asked to act as chairman of the Supervisory Board for a maximum of eighteen months. Although it is my pleasure to assume this role, I certainly do not underestimate the challenges it poses in these difficult times.

Given KPMG N.V.'s importance to society and the inherent strength and quality of its partners and staff, I am convinced that its future is as bright as ever. Going into the next year, KPMG N.V. will continue to push toward this vision of the future, under our Board of Management, supported and supervised by the Supervisory Board in close cooperation with the Cooperative, as representatives of the equity partners, and the Works Council.

**Bernard Wientjes**

Chair of the Supervisory Board

## Functioning of the Supervisory Board

The Supervisory Board is responsible for overseeing and advising the Board of Management, with a view to protecting public interest and creating long-term value for the firm's stakeholders. This includes advising on Assurance and Advisory businesses (as well as the challenges and opportunities that arise from KPMG being present in both businesses).

The Supervisory Board also advises the Board of Management on KPMG N.V.'s supporting organization, including the internal risk controls in place as part of the firm's Enterprise Risk Management (ERM) Framework. The Supervisory Board's responsibilities are set out in KPMG N.V.'s Articles of Association and the Board's own rules of procedure, available [online](#).<sup>[1]</sup>

## Consultation with internal and external stakeholders

Members of the Supervisory Board regularly meet other internal stakeholders. These stakeholders include Board members at Coöperatie KPMG U.A., equity partners, employees, Young Board Now and representatives from the firm's Works' Council. The Board also maintains regular contact with KPMG International, clients, regulators and other external stakeholders. These conversations keep the Supervisory Board informed of developments, and help it constantly assess and review its role within KPMG N.V..

## Current Board composition and membership of committees

At the end of 2022/2023, our Supervisory Board comprised six members. Each of these members complied with the profile description set out in the Supervisory Board Rules. Taken together, the Board has considerable expertise in management, finance, IT, risk and compliance, ESG, governance and human resources.

On 25 June 2023, Roger van Boxtel stepped down as Supervisory Board Chair, two years ahead of the end of his mandate. He made the decision to resign following his role in answer-sharing. On his resignation, Vice-Chair Jolande Sap served as interim Chair with immediate effect, until 18 August 2023 – the end of her second and final mandate as a member of KPMG N.V.'s Supervisory Board. Linda Hovius took over as interim Chair as of the end of the term of Jolande, until 13 September 2023, when Bernard Wientjes was appointed Chair. He was Chairman of the Supervisory Board for 6.5 years between 2015 and 2021 and has now been appointed for a maximum period of 1.5 years. One other new member was appointed to the Supervisory Board during the year: as of 1 September 2023, Sandra Berendsen will further strengthen the Board's diversity and expertise, particularly in ESG.

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<sup>1</sup> *These rules of procedure are compliant with the Audit Firms Supervision Act and measures introduced by the Royal Netherlands Institute of Chartered Accountants as part of its 2014 Public Interest Report, as well as the Supervisory Board's 'Toezichtsvisie'. For more information, please see KPMG's website.*

Details of Board members, their appointments and committee membership may be found in the table below:

Supervisory Board members	Appointed	First term, ending	Second term, ending	Committee memberships	Relevant experience
<b>Gosse Boon</b>	1 August 2016	2020	2024	Assurance Quality Audit & Risk	Legal, Finance & Management
<b>Claartje Bulten</b>	1 September 2020	2024		Assurance Quality Audit & Risk	Legal
<b>Kuldip Singh</b>	1 March 2022	2026		Assurance Quality Audit & Risk	Digital technologies
<b>Linda Hovius<sup>[1]</sup></b>	8 March 2022	2026		Assurance Quality Remuneration & Appointment	Industry experience, Finance & Management
<b>Sandra Berendsen<sup>[1]</sup></b>	1 September 2023	2027		Assurance Quality Remuneration & Appointment	Industry experience, Finance & Management
<b>Bernard Wientjes<sup>[2]</sup></b>	13 September 2023	n/a	n/a	Assurance Quality	Leadership, Industry experience, Change Management, Quality Management

<sup>1</sup> Supervisory Board members appointed on the recommendation of the Works' Council are, by law, members of the Board's Remuneration & Appointment Committee. Of the Committee's current members, this provision applies to Linda Hovius and Sandra Berendsen only.

<sup>2</sup> Bernard Wientjes re-joins as temporary Chair of the Supervisory Board for a period of 1.5 years. He will, among other things, be responsible for appointing a future Chair.

Former members, leaving Board during 2023	Appointed	First term, ending	Second term, ending	Committee memberships	Date of departure
<b>Roger van Boxtel (Chair)</b>	1 June 2021	2025		Assurance Quality Remuneration & Appointment	Resigned position on 25 June 2023
<b>Jolande Sap (Vice-Chair)</b>	19 August 2015	2019	2023	Assurance Quality Remuneration & Appointment	Served as Chair between 25 June and 18 August, end of her second and final mandate as a member of the Supervisory Board

## Board independence

All Supervisory Board members qualify as *independent* under the terms of the Dutch Corporate Governance Code and Audit Firms Supervision Act (as well as KPMG N.V.'s own Supervisory Board Rules). Members' independence is monitored by the Ethics & Independence unit, part of our Quality and Risk Management function. Supervisory Board members are obligated to notify KPMG N.V.'s Ethics & Independence department of any material change in their positions. Members' continued independent status is verified at all meetings of the Supervisory Board, and members must inform the Chair of potential conflicts of interest.

## Training

There is a training curriculum for all Supervisory Board members that comprises:

- Board program training modules and meetings
- Internal KPMG and other e-learning courses (covering subjects such as data privacy, Board independence and information protection)

There is also an extensive induction program for new Supervisory Board members. During the past year, the Supervisory Board focused its training program on ESG, digital, and inclusion, diversity & equity.

## Board evaluation

When relevant during the year, discussions took place during closed preparatory sessions of the Supervisory Board. Profile and composition of the Supervisory Board were extensively discussed in light of (upcoming) vacancies and the conclusions thereof were implemented in the recruitment processes. The performance of the members of the Board of Management ((against agreed targets) was discussed in advance of the yearly evaluation conversations with members of the Board of Management.

In February 2023 a joined session of the Supervisory Board and the Board of Management took place to assess the cooperation between the Supervisory Board and the Board of Management. This session was facilitated by an external party. In September 2023 the Supervisory Board underwent the annual self-assessment. In this self-assessment inter alia the composition of committees of the Supervisory Board, board room dynamics with the Board of Management and the functioning of the members of the Supervisory Board and the Board of Management were discussed. As a follow-up action, another joined session with the Board of Management to evaluate the cooperation took place in November 2023.

# Supervisory Board activities

During the past year, the Supervisory Board worked closely with KPMG N.V.'s Board of Management in several important areas:

- Strategy and value creation (implementation of the firm's long-term vision and strategy; digital & innovation; business growth; regulatory developments; new business models and services; and brand management)
- Quality and independence (implementation of a vision/strategy for quality; policies, controls and measures to further improve quality and protecting independence and supporting a broader culture of quality within the firm)
- Culture (helping the Board of Management create a culture that encourages high performance, innovation and integrity; supporting greater openness, diversity and inclusion and encouraging our people to show accountability and leadership)

During the year, the Supervisory Board held 6 meetings, based on the annual plan, each beginning with a closed preparatory session. In light of the investigation into answer-sharing and the impact it had on both Boards, many further meetings were held on this subject during the year. Attendance at all regular meetings was 100%. The meetings addressed a number of topics – some part of the Board's annual planning, others relating to events or developments during the year. Principal topics discussed in 2022/2023 were:

- The investigation into answer-sharing, including preliminary Root Cause Analysis (RCA), mitigating measures, and communication with stakeholders.
- Recent developments in the firm's operating environment, including the economic slowdown, rising prices, climate change and continued skills shortages within the profession
- Trust & Growth, with the Board regularly reviewing progress on the firm's strategy, focusing on quality, ESG and digital & innovation
- Annual Integrated Report, with the Board discussing the external auditor's report prior to publication (in the presence of both the auditor and the Board of Management)

## Work of Supervisory Board Committees

The Supervisory Board operates through three committees: Assurance Quality, Audit & Risk, and Remuneration & Appointment. The terms of reference for these committees can be found online. Committee meetings are attended by subject matter specialists, where necessary.



## Assurance Quality Committee (AQC)

<b>Responsibilities</b>	<p>Overseeing the firm's system of controls affecting audit quality, independence, integrity and stakeholder/public interest</p> <p>Advising the Board of Management on quality performance</p> <p>Approving the long-term vision and strategy to further improve the firm's approach to quality</p>
<b>2022/2023 meetings and other activities</b>	<p>All Supervisory Board members are also members of the AQC. AQC meetings are held in the presence of members of the Board of Management. The AQC held five meetings during the year.</p> <p>The main topics of discussion were:</p> <ul style="list-style-type: none"><li>• Results of external inspections</li><li>• Outcomes of Quality Performance and Engagement Quality Control Reviews</li><li>• Annual ratings for the firm's equity partners with respect to quality</li><li>• Recent policy developments in the Dutch accountancy sector</li><li>• Implementation of KPMG Clara and ISQM 1</li></ul>

## Audit Risk Committee (ARC)

<b>Responsibilities</b>	<p>Monitoring the functioning of the firm's ERM framework, as well as compliance with laws and regulations, including the EU's General Data Protection Regulation (GDPR)</p> <p>Overseeing financing of operations, financial and non- financial reporting, the firm's tax position, and the use of IT</p> <p>Advising on accounts, budgets and investments, and monitoring delivery of the Trust &amp; Growth strategy</p> <p>Nominating, selecting, assessing and maintaining regular dialogue with the firm's external auditor<sup>[1]</sup></p>
<b>2022/2023 meetings and other activities</b>	<p>The ARC met 7 times in 2022/2023 in the presence of the Chief Operating Officer, Chief Financial Officer and Head of the Internal Audit &amp; Compliance Office. Representatives from the new external auditor PwC were also present at relevant moments in several meetings. During the year, one closed meeting took place involving the ARC and the previous external auditor BDO.</p> <p>The main topics of discussion were:</p> <ul style="list-style-type: none"><li>• Business plan, financial and business performance, tax, insurance, fraud risk, ERM and 'soft controls'</li><li>• External audit scope, approach and fees, and annual management letter</li><li>• Cybersecurity as part of the firm's overall digital and data strategy</li><li>• Enterprise service management</li><li>• Internal audit &amp; compliance plan and Annual Report, M&amp;A strategy and IT general controls</li><li>• Findings from internal and external audits and follow-up actions</li><li>• Annual accounts and Annual Integrated Report for 2022/2023</li><li>• GDPR compliance</li></ul>

<sup>1</sup> The external auditor is assessed annually, using the following criteria: professional performance, communications, independence and professional criticism, and expertise/composition of the audit team. The auditor's independence is also (re-)confirmed every year. We started working with a new external auditor in 2022/2023: PwC Netherlands.

## Remuneration & Appointment Committee (RAC)

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<b>Responsibilities</b>	<p>Overseeing remuneration, selections and (re-)appointments</p> <p>Monitoring compliance with policies related to remuneration and appointments</p> <p>Reviewing performance of Board of Management members</p> <p>Advising Supervisory Board on appointment or dismissal of external auditors</p>
<b>2022/2023 meetings and other activities</b>	<p>The RAC held 5 meetings during the year, with the CEO and Chief HR Officer present for most agenda items.</p> <p>At these meetings, the main topics of discussion were:</p> <ul style="list-style-type: none"><li>• Results of the annual Global People Survey (and follow-up actions), together with Young Board representatives.</li><li>• Overview of the firm's People Agenda, including talent management; culture; inclusion, diversity &amp; equity; and psychological safety</li><li>• Search for and selection of a new Supervisory Board Chair, a new member of the Supervisory Board, and a new Head of Assurance</li><li>• Overseeing the firm's policies and procedures for the appointment of partners and directors</li><li>• Setting of key performance indicators and performance assessment for members of the Board of Management</li></ul>

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# Appendices

# List of Public Interest Entity (PIE) clients

The following is a list of our public interest entity clients (as at 30 September 2023). These are clients for whom KPMG partners have either signed an audit opinion on behalf of KPMG Accountants N.V., or have started work on a legal audit by the date above (in accordance with the [Dutch Audit Firms Supervision Act](#)).

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ABN AMRO Levensverzekering N.V.

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ABN AMRO Schadeverzekering N.V.

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Almunda Professionals N.V.

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AMG Advanced Metallurgical Group N.V. (new name: AMG Critical Materials N.V.)

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AnderZorg N.V.

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ASM International N.V.

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ASML Holding N.V.

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ASR Aanvullende Ziektekostenverzekeringen N.V.

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ASR Basis Ziektekostenverzekeringen N.V.

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ASR Levensverzekering N.V.

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ASR Nederland N.V.

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ASR Schadeverzekering N.V.

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AT Securities B.V.

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ATF Netherlands B.V.

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Atlanteo Capital B.V.

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Bank Mendes Gans N.V.

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Bank ten Cate & Cie N.V.

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Boiro Finance B.V.

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Bumper NL 2020-1 B.V.

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Centrale Zorgverzekeringen NZV N.V.

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Cetin Finance B.V.

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Cnova NV

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Corbion N.V.

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Coteq Netbeheer B.V.

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Credit Europe Bank N.V.

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CTP N.V.

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CZ Zorgverzekeringen N.V.

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Digi Communications N.V.

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Douro Finance B.V.

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E.ON INTERNATIONAL FINANCE B.V.

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Enel Finance International N.V.

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Enel Insurance N.V.

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Energy Transition Partners B.V.

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Envipco Holding N.V.

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EQUATE Petrochemical B.V.
Eurocommercial Properties N.V.
EXMAR Netherlands B.V.
FBN Finance Company B.V.
ForFarmers N.V.
Goudse Levensverzekeringen N.V.
Goudse Schadeverzekeringen N.V.
HMH Holding B.V.
Holland Colours N.V.
Iberdrola International B.V.
Icebear Steenwijk B.V.
ING Bank N.V.
ING Groenbank N.V.
ING Groep N.V.
Koninklijke Ahold Delhaize N.V.
Koninklijke Bibliotheek
Koninklijke DSM N.V. (new name: DSM B.V.)
Koninklijke Heijmans N.V.
Laurentius
LeasePlan Corporation N.V.
Lifetri Verzekeringen N.V.
Madrileña Red de Gas Finance B.V.
MEGlobal B.V.
Menzis N.V.
Menzis Zorgverzekeraar N.V.
Mercedes-Benz International Finance B.V. (previously: Daimler International Finance B.V.)
N.V. Levensverzekering-Maatschappij "De Hoop"
Nationale-Nederlanden Bank N.V.
Nationale-Nederlanden Levensverzekering Maatschappij N.V.
Nationale-Nederlanden Schadeverzekering Maatschappij N.V.
NN Group N.V.
NN Non-Life Insurance N.V.
NN Re (Netherlands) N.V.
OCI N.V.
OHRA Zorgverzekeringen N.V.
Onderlinge Levensverzekering-Maatschappij 's Gravenhage U.A.
Onderlinge Verzekering Maatschappij Donatus U.A.
Onderlinge Waarborgmaatschappij CZ groep U.A.
Onderlinge Waarborgmaatschappij SAZAS U.A.
Onderlinge Waarborgmaatschappij voor Instellingen in de Gezondheidszorg MediRisk B.A.

Orange Lion 2013-10 RMBS B.V.
Orange Lion XVI RMBS B.V.
Postnl N.V.
Qiagen N.V.
Robeco Afrika Fonds N.V.
Robeco Sustainable Global Stars Equities Fund N.V.
Robeco Umbrella Fund I N.V.
Robeco US Conservative High Dividend Equities N.V.
Robeco US Large Cap Equities N.V. (previously: Robeco Customized US Large Cap Equities N.V.)
Rolinco N.V.
RoodMicrotec N.V.
Royal Schiphol Group N.V.
Sika Capital B.V.
Stichting Algemeen Pensioenfonds KLM
Stichting Cazas Wonen (previously: Stichting Groenwest)
Stichting de Alliantie
Stichting Domesta
Stichting Elan Wonen
Stichting Havensteder
Stichting HW Wonen
Stichting Pensioenfonds ABP
Stichting Pensioenfonds PGB
Stichting Pensioenfonds Vliegend Personeel KLM
Stichting Vidomes
Stichting Welbions
Stichting Woningbedrijf Velsen
Stichting Woonbedrijf ieder1
Stichting Woonservice Drenthe
Stichting Woonwaarts
Südzucker International Finance B.V.
Syngenta Finance N.V.
Unilever Finance Netherlands B.V.
Unilever Insurances N.V.
Vivoryon Therapeutics N.V.
Vonovia Finance B.V.
VVAA Schadeverzekeringen N.V.
Wereldhave N.V.
Woningborg N.V.
Woningstichting Wierden en Borgen
Woonstichting Lieven de Key

# Other KPMG member firms in EU and/or European Economic Area (EEA)

The following is a list of KPMG audit member firms in the EU and/or the European Economic Area (as at 30 September 2023) in compliance with EU Regulation 537/2014/Article 13, paragraph 2 sub b (ii and iii). In 2022/2023, turnover from these firms totaled EUR 2.4 billion (based on the statutory audit of annual and consolidated financial statements).

Location	Firm name
Austria	KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Wien)
Austria	KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Wien)
Austria	KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Linz)
Austria	KPMG Niederösterreich GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Belgium	KPMG Bedrijfsrevisoren / KPMG Réviseurs d'Entreprises
Bulgaria	KPMG Audit OOD
Croatia	KPMG Croatia d.o.o. za reviziju
Cyprus	KPMG
Cyprus	KPMG Limited
Czech Republic	KPMG Česká republika Audit, s.r.o.
Denmark	KPMG P/S
Estonia	KPMG Baltics OÜ
Finland	KPMG Oy Ab
Finland	KPMG Julkistarkastus Oy
France	KPMG SA
France	KPMG Audit FS I S.A.S.
France	KPMG Audit IS S.A.S.
France	KPMG Audit Nord S.A.S.
France	KPMG Audit Ouest S.A.S.
France	KPMG Audit Rhône Alpes Auvergne S.A.S.
France	KPMG Audit Sud-Est S.A.S.
France	KPMG Fiduciaire de France
France	SALUSTRO REYDEL S.A.
Germany	KPMG AG Wirtschaftsprüfungsgesellschaft
Germany	KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
Greece	KPMG Certified Auditors S.A.
Greece	KPMG Auditing A.E.
Hungary	KPMG Hungária Kft.
Iceland	KPMG ehf.
Ireland	KPMG

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



# Definitions of Audit Quality Indicators (AQIs)

Indicator	Definition
Results of internal KPMG N.V. audit inspections	Percentage of audit engagements rated compliant during internal Quality Performance Reviews completed during the reporting period
Results of external inspections	Percentage of external reviews by AFM, NBA and PCAOB performed during the reporting period rated satisfactory as percentage of total external reviews carried out
Percentage of engagements involving EQCR	Number of EQCRs being carried out prior to publication of auditor's report as percentage of statutory audits being conducted during the reporting period
EQCR hours spent as % of total hours spent on EQCR engagements (scope: all EQCR engagements excl. three largest clients)	Number of hours spent on EQCRs by the EQCR partner and designated EQCR assist (senior manager and up) as percentage of total hours spent on audit engagements involving an EQCR during the reporting period – excluding the three largest clients
Partner hours in PIE audit engagements	Percentage of hours spent by KPMG N.V. partners and directors on financial statement audit engagements for PIE clients during the reporting period
Partner hours in non-PIE audit engagements	Percentage of hours spent by KPMG N.V. partners and directors on financial statement audit engagements for non-PIE clients during the reporting period
Average number of hours spent in training per client-facing professional in audit	Average number of hours spent by audit professionals (excl. non-client facing staff) in study or training during the reporting period
Hours spent on PIE audit engagements by IT and other specialists	Percentage of hours spent by specialists working in Assurance departments (other than audit) on financial statement audit engagements for PIE clients during the reporting period
Hours spent on non-PIE audit engagements by IT and other specialists	Percentage of hours spent by specialists working in Assurance departments (other than audit) on financial statement audit engagements for non-PIE clients during the reporting period
Technical resources support (FTEs) as % of total audit FTEs	Percentage of FTE support from Quality & Risk Management, Internal Audit & Compliance Office and Department of Professional Practice provided to audit engagements during the reporting period as % of total audit FTEs
Number of technical consultations as % of total audit engagements	Technical audit or accounting consultations at the Audit Quality Professional Practice Department that are finalized as percentage of total financial statement audit engagements during the reporting period
Financial statements with restatements as % of audit opinions issued	The number of consultations for material errors in financial statements to be corrected during the reporting period as a percentage of the average number of audit opinions issued during the current and prior reporting period
Independence violations, both internal and external, as % of total audit headcount	Number of internally (Internal Audit & Compliance Office) and externally (AFM) reported violations of personal financial independence and employment relationship rules as percentage of average total headcount of audit employees (excl. non-client facing staff) during the reporting period
GPS survey results related to coaching and audit quality	Percentage of positive responses to GPS questions (“strongly agree” and “agree” on a 5-point scale) relating to coaching and quality as % of total response by employees who indicated in the survey that they worked on audit engagements in the reporting period



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