



BDO AS

Transparency Report

2024



About the Transparency Report

In accordance with the Norwegian Auditors Act and the EU Audit Regulation, BDO is required to publish an annual transparency report. This report outlines our ownership and governance structure, and explains how we ensure independence and quality in the audit process.

The aim is to provide maximum transparency and insight into how we fulfil our role in serving the public interest. You can read more about how we continuously work to enhance audit quality in this transparency report.

BDO AS is a part of BDO International Limited. When we write "BDO" or "BDO AS" in this report, we are referring to BDO AS with the organisation number 993 606 650. When we refer to our international network, we write BDO Global or BDO International Limited.



Contents

2	About the Transparency Report
3	A culture of quality
4	We take trust seriously
5	Key figures
6	About BDO
8	BDO in Norway
10	Corporate structure and organisation
11	Financial information
12	Quality at BDO
12	Quality and integrity
13	BDO's quality management system
14	Evaluation of the quality management system
15	The Board of Directors and leadership's responsibility for quality
15	BDO's risk assessment process
16	Monitoring and remediation processes
17	Monitoring by the global BDO network
17	Monitoring by the Financial Supervisory Authority of Norway
18	Ethical requirements and independence
19	Acceptance and continuance of client relationships and specific engagements
19	Engagement performance
19	Consultations
19	Engagement quality reviewers
19	Accreditation requirements for specific types of engagement
20	Resources and people at BDO
21	Technological resources
23	Intellectual resources
23	Outsourcing
23	Information security and privacy
24	Information and communication
25	Partner compensation
26	BDO's owners
26	Active equity partners
26	Participants without engagement responsibility (ambassadors)
27	Public interest entities audited by BDO

A culture of quality

The auditor's role as a trusted party in society is a vital part of the Norwegian business landscape. This places clear demands on us as auditors to continuously develop our expertise and consistently deliver high-quality work.

The world is becoming increasingly complex. Geopolitical tensions, conflicts and economic uncertainty affect us all, while technology presents both challenges and opportunities.

Rapid change demands faster decisions – which in turn must be based on reliable and accurate information. This reality shapes our daily work as auditors, as we are entrusted with building confidence in both financial and non-financial reporting, and with helping our clients create and safeguard value. Knowing what and who you can trust is more important than ever.

BDO serves as auditor to more than 25,000 Norwegian entities. That is a significant responsibility, and one we are committed to managing in the best possible way. We work to ensure that both our clients and society at large can rely on us to deliver high-quality assurance with independence and professional scepticism. Earning and maintaining that trust is essential to a well-functioning society.

Our people are our greatest asset and success factor. Our culture is defined by quality and continuous development. While we continually improve our quality management systems, our success ultimately depends on every auditor sharing the same understanding of what quality means. Quality is the foundation of how we work, how we collaborate and how we perform. We strive to stay ahead of change, keep up to date in our technical fields and changes in society, and ensure that we do the right things, even when no one is watching.

In 2024, we further enhanced our quality management system. For the second consecutive year, we have conducted internal evaluations and concluded that the objectives of our quality management system have been achieved. While this is no guarantee that errors or non-conformities will not occur, it reflects that we have both a system and a culture in place that support quality in everything we deliver.

Transparency around our operations and our commitment to continuous improvement are essential for us to fulfil our role and responsibility as auditors. BDO's 2024 Transparency Report provides an insight into how we operate and how we safeguard independence, quality and continuous development in accordance with the laws and regulations that govern us.

I hope you find this report both useful and informative.



MARTIN AASEN
Managing Partner at BDO AS



We take trust seriously

At BDO, around 1,000 auditors carry out audits for 25,000 Norwegian entities each year. These organisations entrust us with ensuring the credibility of their reporting – a major responsibility we take with the utmost seriousness.

We work closely with thousands of large and small enterprises across Norwegian society and businesses. We have a responsibility to stay up to date on all matters that could affect their operations. The global and local markets in which our clients operate are evolving rapidly. In recent years, we have seen first-hand how technology is reshaping business models and ways of working, and how sustainability is becoming an increasingly important premise and driving force for the business sector. Expectations are rising in all areas – from the market, the value chain, politicians and the authorities.

Technology continues to play a growing role, while demands for transparency and reliability are also increasing. We are continuously working to meet, and stay ahead of, these expectations.

BDO invests systematically in technology and innovation, implementing solutions that enhance both the efficiency and quality of audit work. As auditors, we leverage the power of artificial intelligence (AI) and emerging technologies, while also recognising the enduring importance of professional judgement and the human dimension of our work. No matter how fast technology evolves, our role and responsibility as auditors remain unchanged. As technological developments continue to influence both our work and that of our clients, we must keep pace with today's and tomorrow's solutions to remain relevant in our role.

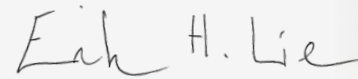
The EU's Corporate Sustainability Reporting Directive (CSRD) was incorporated into Norwegian law in 2024. Many Norwegian companies that have never before been subject to mandatory sustainability reporting are now required to comply with a complex regulatory framework. This development clearly shows that sustainability must become an integral part of business operations, and that sustainability information is becoming just as important as financial information.

Enterprises covered by the new requirements must have their sustainability reporting assured by an auditor. Throughout 2024, we systematically worked on equipping more of our auditors with a solid understanding of our clients' sustainability challenges and the skills needed to carry out statutory assurance engagements. In February 2025, proposed changes to the regulatory framework were introduced, which could mean that far fewer companies than expected will be subject to the new requirements. We will continue to closely monitor developments in this area. Our role as a trusted party also extends to sustainability information, and we are committed to fulfilling that responsibility.

The principle of auditor independence is non-negotiable. It is a fundamental prerequisite for maintaining the trust of our clients and of society in our work and our role. We never compromise on quality – whether in our systems, continuing professional development and expertise development or in how we exercise our professional responsibilities. We stay up to date on the opportunities and challenges facing businesses and continuously take new steps to help our clients create and preserve value.

I am proud to lead an audit practice with so many skilled, dedicated, curious and ambitious professionals.

Year after year, our clients give us high praise for the work we do – a recognition we receive with humility and gratitude. We take trust seriously – and we are committed to continuing to earn it in the years to come.

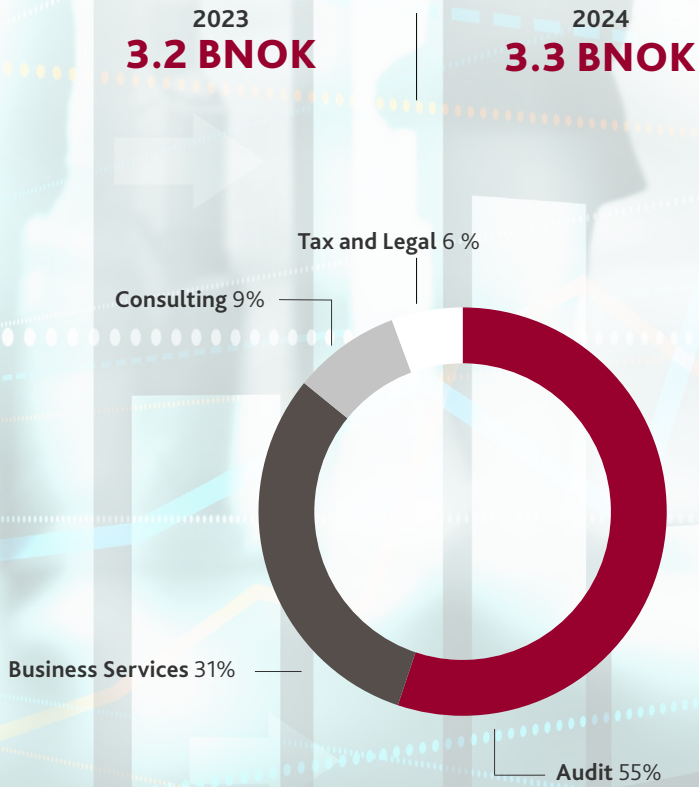


ERIK H. LIE Partner and Head of Audit at BDO AS

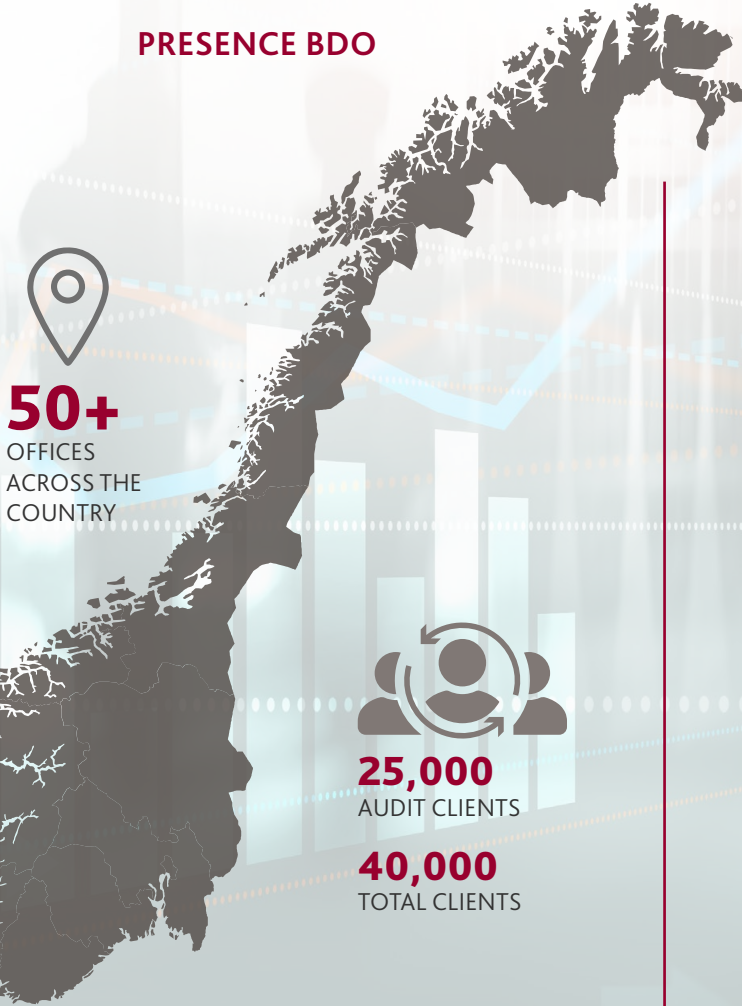


Key figures

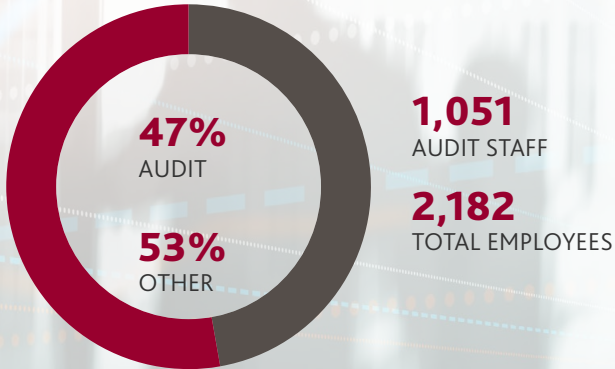
REVENUE BDO NORWAY



PRESENCE BDO



OUR PEOPLE



PERMANENT POSITIONS IN AUDIT IN 2024:

101 RECENTLY QUALIFIED STAFF

57 EXPERIENCED STAFF



GENDER DISTRIBUTION AT BDO AS OF 31 DECEMBER 2024

POSITION LEVEL	WOMEN	MEN
Equity partners	19%	81%
Salaried partners	23%	77%
Director	31%	69%
Senior Manager	48%	52%
Manager	55%	45%
Supervisor	66%	34%
Senior Associate	61%	39%
Associate	49%	51%
ALL EMPLOYEES AND PARTNERS	52%	48%

About BDO

The BDO network is an international network of independent firms operating in 166 countries, with over 119,000 professionals providing audit, tax, accounting and consultancy services. The firms are members of BDO International Limited and provide professional services under the BDO brand name.

Legal and organisational structure of the network
Each BDO Member Firm is a member of BDO International Limited, a UK company limited by guarantee, either as a voting member (one company per country) or as a non-voting member. BDO International Limited is the umbrella company in the BDO network and sets out the terms for membership in its Articles of Association.

The BDO network is governed by the BDO International Limited Council, the Global Board and the Global Leadership Team.

The BDO International Limited Council consists of one representative of each voting member and represents the member firms of BDO International Limited at company meetings. The Council approves the network's central budget, appoints the members of the Global Board and approves any amendments to BDO International Limited's Articles of Association.

The Global Board, which is the Board of Directors of BDO International Limited, consists of one representative of the BDO network's nine-largest member firms, which are each appointed for a three-year term and approved by the Council. The Global Board establishes priorities for the BDO network and oversees the work performed by the Global Leadership Team. The Global Board meets at least four times a year.

The Global Leadership Team is responsible for coordinating the activities of the BDO network. The team is led by the Global Managing Partner and also consists of the Global Chief Strategy & Operations Officer, Global Head of Audit & Assurance, Global Head of Tax, Global Head of People & Culture, Global Head of Advisory, Global Head of Technology, Global Head of Risk & Compliance and Global General Counsel.

The Global Leadership Team is supported by the Global Office through Brussels Worldwide Services BVBA. Brussels Worldwide Services BVBA, a Belgian limited liability company, provides services in connection with the coordination of the BDO network.

BDO International Limited and Brussels Worldwide Services BVBA do not deliver any professional services to clients. Only the member firms, including BDO AS, provide such services.

BDO International Limited, Brussels Worldwide Services BVBA and the member firms of the BDO network are all independent legal entities and have no liability for another such entity's acts or omissions.

Nothing in BDO's structures or Articles of Association constitutes, or shall be construed as constituting, an agency relationship or partnership between BDO International Limited, Brussels Worldwide Services BVBA and/or BDO's member firms.

THE BDO NETWORK

1,800 OFFICES
119,611 EMPLOYEES WORLDWIDE
170 BNOK TOTAL REVENUE
166 COUNTRIES



BDO IN NORWAY

50+ OFFICES
2,182 TOTAL EMPLOYEES AND PARTNERS
3.3 BNOK TOTAL REVENUE
192 PARTNERS

Participants in the BDO network in the EU/EEA

Total revenue for audit services performed by BDO in the EU/EEA: €1 731,071,742.00

Country	Area	Name of BDO Firm in the area
AUSTRIA	Austria	BDO Audit GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
		BDO Austria GmbH
BELGIUM	Belgium	BDO Bedrijfsrevisoren BV / Réviseurs d'Entreprises SRL
BULGARIA	Bulgaria	BDO AFA
CROATIA	Croatia	BDO Croatia D.O.O.
		BDO BH d.o.o. Sarajevo
CYPRUS	Cyprus	BDO Limited
CZECH REPUBLIC	Czech Republic	BDO Group s.r.o.
		BDO Audit s.r.o
		BDO Czech Republic s.r.o.
DENMARK	Denmark	BDO Holding V Statsautoriseret Revisionsaktieselskab
ESTONIA	Estonia	Aktiaselts BDO Eesti
FINLAND	Finland	BDO Oy
		BDO Auditor Oy
FRANCE	France	BDO Atlantique
		BDO IDF
		BDO Lyon Audit
		BDO Méditerranée
		BDO Paris
		BDO Rhone - Alpes
GERMANY	Germany	BDO AG Wirtschaftsprüfungsgesellschaft
		BDO Concunia GmbH Wirtschaftsprüfungsgesellschaft
		BDO DPI AG Wirtschaftsprüfungsgesellschaft
		BDO DPI Mentoring GmbH & Co. KG
		BDO Oldenburg GmbH & Co. KG Wirtschaftsprüfungsgesellschaft
GREECE	Greece	BDO Certified Public Accountants S.A.
HUNGARY	Hungary	BDO Magyarország Könyvvizsgáló Kft. (BDO Hungary Audit Ltd)

Country	Area	Name of BDO Firm in the area
IRELAND	Ireland	BDO
ITALY	Italy	BDO Italia S.p.A.
LATVIA	Latvia	BDO Assurance, LLC
LIECHTENSTEIN	Liechtenstein	BDO (Liechtenstein) AG
LITHUANIA	Lithuania	BDO Auditas ir Apskaita, UAB
LUXEMBOURG	Luxembourg	BDO Audit
MALTA	Malta	BDO Malta CPAs
		BDO Technology Advisory Limited
NETHERLANDS	Netherlands	BDO Audit & Assurance B.V.
NORWAY	Norway	BDO AS
POLAND	Poland	BDO Spółka z Ograniczoną Odpowiedzialnością Sp.k
PORTUGAL	Portugal	BDO & Associados, SROC, Lda
ROMANIA	Romania	BDO Audit SRL
		BDO Audit & Consulting SRL
		BDO Auditors & Accountants SRL
SLOVAKIA	Slovakia	BDO Auditors and Business Advisors SRL
		BDO Audit, spol. s r.o.
SLOVENIA	Slovenia	BDO Revizija d.o.o.
SPAIN	Spain	BDO Auditores, S.L.P.
SWEDEN	Sweden	BDO AB
		BDO Göteborg AB
		BDO Göteborg KB
		BDO Mälardalen AB
		BDO Norr AB
		BDO Sweden AB
		BDO Syd AB
		BDO Syd KB

* The list of participants in the BDO network in the EU/EEA is up to date as of 24 December 2024

BDO in Norway

BDO is organised as an internal partnership, represented externally as a limited liability company, and is an audit firm approved in accordance with the Norwegian Auditors Act. BDO is also an accounting firm approved in accordance with the Norwegian Accountants Act. BDO's activities in Norway are conducted by the companies BDO AS (org. no. 993 606 650) and BDO Advokater AS (org. no. 996 798 577). These two companies have no ownership interests in each other, but all equity partners in BDO Advokater AS are also equity partners in BDO AS. Profits are shared based on the combined results of BDO AS and BDO Advokater AS.

BDO AS is the principal in BDO Internal Partnership, in which all the shareholders of BDO AS participate as individual silent partners. The company structure is based on practical considerations. BDO AS cannot conduct any business other than business performed for BDO Internal Partnership.

BDO AS is the sole member of the company meeting, but all partners have the right to attend. Prior to each company meeting, a partners' meeting is held which, with binding effect on the principal, determines the position on the matters to be addressed at shareholders' meetings.

BDO's business in Norway is owned in its entirety by equity partners. As of 31 December 2024, BDO AS had a total of 136 owners. All partners in BDO AS have an equal ownership interest. These partners are listed in the final section of this report. Each partner is a silent partner in BDO Internal Partnership, together with 13 participants without engagement responsibilities (ambassadors).

Legal entities that conduct BDO's business in Norway or in which BDO has ownership interests:

- BDO's activities in Norway are carried out by:
- BDO AS (org. no. 993 606 650)
 - BDO Advokater AS (org. no. 996 798 577)

As of 31 December 2024, BDO had the following wholly owned subsidiaries:

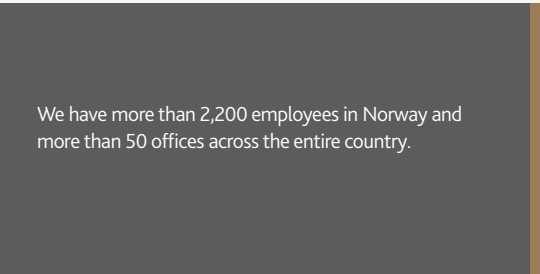
- Godt Sagt AS (org. no. 931 917 056)
- Noraudit AS (org. no. 968 008 358)
- Inter Revisjon Norge AS (org. no. 915 915 167)

BDO AS also has ownership interests in the following companies:

- Ørje Næringspark AS (org. no. 989 686 984)
- Økonomiklyngen AS (org. no. 917 592 950)



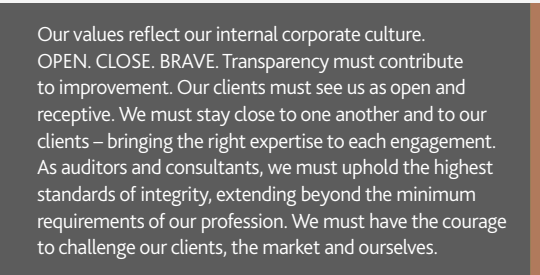
Across the country, thousands of businesses and organisations work hard to create value. And across the country, BDO is there to support them. We are an international consultancy and audit firm with deep roots in Norwegian society and business. We understand the challenges, recognise the opportunities and are strongly committed to helping our clients achieve their goals.



We have more than 2,200 employees in Norway and more than 50 offices across the entire country.



Our clients range from large, global companies to small and medium-sized enterprises. We serve clients across most industries in both the private and public sectors. When needed, we collaborate with the BDO network to serve both international and national clients.



Our values reflect our internal corporate culture. OPEN. CLOSE. BRAVE. Transparency must contribute to improvement. Our clients must see us as open and receptive. We must stay close to one another and to our clients – bringing the right expertise to each engagement. As auditors and consultants, we must uphold the highest standards of integrity, extending beyond the minimum requirements of our profession. We must have the courage to challenge our clients, the market and ourselves.



Corporate structure

General Meeting

BDO AS is governed by the partners through decisions made at the general meeting, which is the highest governing body of BDO AS. The general meeting of BDO AS functions in accordance with the Norwegian Limited Liability Companies Act, the company's Articles of Association and shareholders' agreement and elects the Board of Directors of BDO AS. The Board of Directors of BDO AS Internal Partnership consists of the same members who, at any given time, are elected as the Chair and Board members of BDO AS. The company's Board of Directors is responsible for BDO's activities.

Nomination Committee

The Nomination Committee is elected by the general meeting of BDO AS and proposes members of the Board of Directors. The Nomination Committee consists of three members and one deputy member. The composition of the Nomination Committee should reflect the relative sizes of the various departments. No regions may have more than one member on the Nomination Committee.

Board of Directors

Board representation should reflect both the size and geographical location of each department. The Board must always have a combined level of expertise that serves the best interests of the partners. Employees are entitled to representation on the Board of Directors pursuant to Section 6-4 of the Norwegian Limited Liability Companies Act.

The Board of Directors consists of five to eight members as decided by the general meeting.












In addition, employee representatives serve on the Board. The Board of Directors consists of 11 members, four of whom represent the employees. The members of the Board of Directors are elected for a term of up to two years. The Chair is elected by the general meeting. The Board of Directors elects its Deputy Chair. The Articles of Association of BDO AS state that the composition of the Board must comply with the requirements set out in the prevailing Norwegian Auditors Act. This means that the majority of both the members and the deputy members of the Board of Directors must be authorised auditors.

The Board of Directors consists of the following members:

- Chair, Ingjer Ofstad, Partner
- Deputy Chair, Henrik Dagestad, Partner

Board members:

- Anne Merete Vorpenes, Partner
- Norunn Byrkjeland, Partner
- Børre Skisland, Partner
- Knut Haugen, Partner
- Vidar Såheim, Partner

 <p>Ingjer Ofstad Chair Signature</p>	 <p>Henrik Dagestad Deputy Chair Signature</p>	 <p>Anne Merete Vorpenes Board member Signature</p>
 <p>Norunn Byrkjeland Board member Signature</p>	 <p>Børre Skisland Board member Signature</p>	 <p>Knut Haugen Board member Signature</p>
 <p>Vidar Såheim Board member Signature</p>	 <p>Eirik Tveit Employee representative Signature</p>	 <p>Håvard Tysdal Employee representative Signature</p>
 <p>Elise Aune Wallum Employee representative Signature</p>	 <p>Helene Johannessen Employee representative Signature</p>	

Employee representatives:

- Eirik Tveit, Senior Manager
- Håvard Tysdal, Senior Manager
- Elise Aune Wallum, Manager
- Helene Johannessen, Manager

Organisation of the business

BDO AS has a Managing Partner who is appointed by the Board of Directors of BDO AS. The Managing Partner of BDO AS is also the Managing Partner of BDO Internal Partnership.

BDO has over 50 offices in Norway, which are led by an office manager. Each office is part of a region, and as of 31 December 2024, BDO had five regions. Each region is an independent economic entity, which distributes its profits to equity partners belonging to the entity.

The Managing Partner and leadership team

The Managing Partner's role and responsibilities are laid down by the company's Board of Directors in the rules of procedure for the Managing Partner.

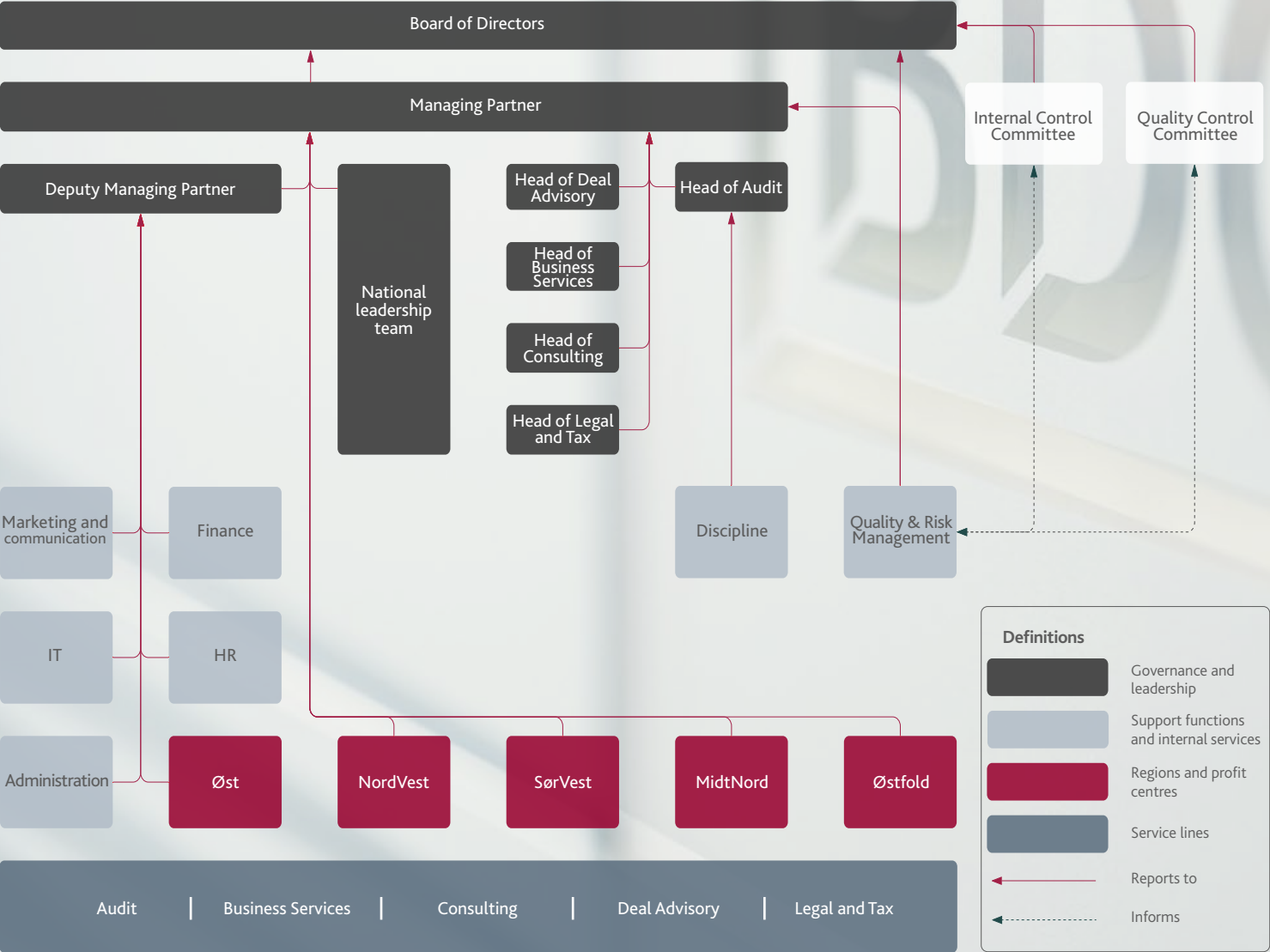
The Managing Partner reports directly to the company's Board of Directors and presents an overview of the organisation's development and key objectives for the future. The Managing Partner keeps employees continuously informed through weekly vlogs, regular information meetings, office visits and presentations at internal events. This provides an insight into BDO's focus and operations, and gives individuals the opportunity to raise questions directly with the Managing Partner.

The Managing Partner develops BDO's business strategy together with the national leadership team and ensures that the strategy is implemented in accordance with the decisions of BDO's Board. Leadership holds monthly meetings.

The national leadership team consists of:

- Martin Aasen, Partner/Managing Partner
- Roger Telle-Hansen, Partner/Deputy Managing Partner/Head of Region Øst
- Stig Are Lauvnes, Partner/Head of Region SørVest
- Trine Agathe Lorentzen, Partner/Head of Region Østfold
- Tom Aleksandersen, Partner/Head of Region MidtNord
- Kristina Bors, HR Director
- Steinar Andersen, Partner/Head of QRM
- Hanne Fritzsønn, Partner/Head of Tax and Legal
- Erik H. Lie, Partner/Head of Audit
- Andreas Ystgaard Tjemsland, Partner/Head of Business Services
- Simen Husby, Partner/Head of Consulting

Corporate structure and organisation



NATIONAL LEADERSHIP TEAM



Martin Aasen
Partner/Managing Partner



Roger Telle-Hansen
Partner/Deputy Managing Partner/Head of Region Øst



Stig Are Lauvnes
Partner/Head of Region SørVest



Trine Agathe Lorentzen
Partner/Head of Region Østfold



Tom Aleksandersen
Partner/Head of Region MidtNord



Kristina Bors
HR Director



Steinar Andersen
Partner/Head of QRM



Hanne Fritzsonn
Partner/Head of Tax and Legal



Erik H. Lie
Partner/Head of Audit

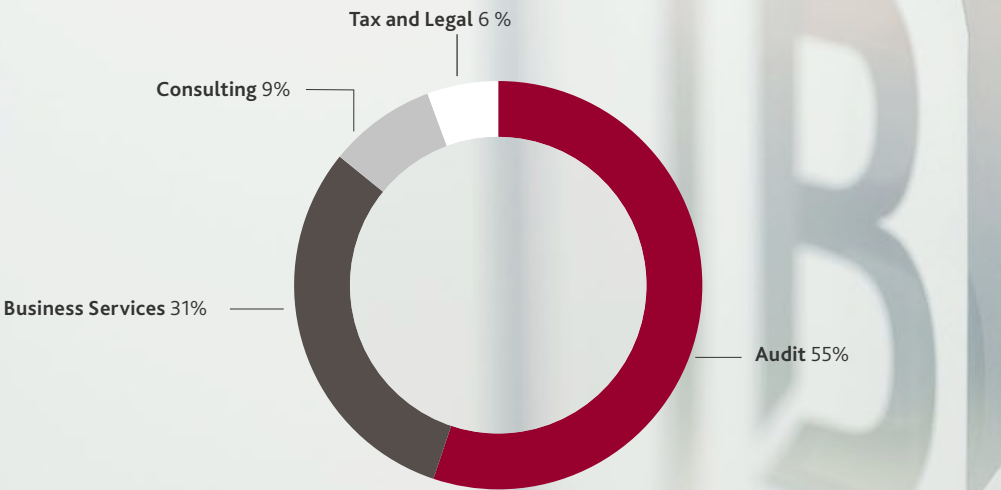


Andreas Ystgaard Tjemsland
Partner/Head of Business Services

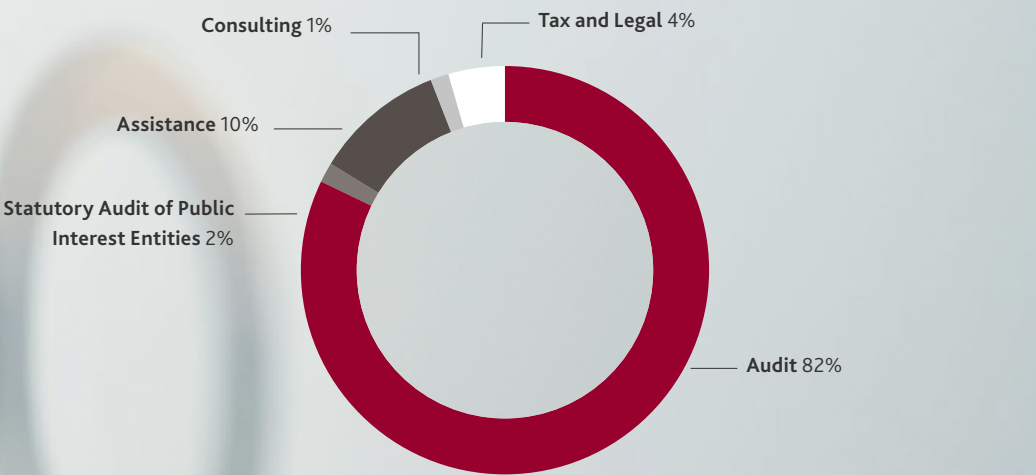


Simen Husby
Partner/Head of Consulting

Financial information



Revenue per business area	2024	2023
(Figures as of 31 December 2024 figures in thousands)		
Audit	1,850,000	1,807,000
Business Services	1,030,000	940,000
Consulting	286,000	243,000
Legal and Tax	189,000	182,000
Total	3,355,000	3,172,000



Audit client revenue	2024	2023
(Project figures as of 31 December 2024 figures in thousands)		
Audit	1,554,000	1,477,000
Statutory audit of public interest entities	31,000	37,000
Assistance	196,000	204,000
Consultancy	27,000	26,000
Legal and Tax	85,000	89,000
Total	1,893,000	1,833,000

*Transactions between BDO AS and BDO Advokater AS have been eliminated.

Quality and integrity

Ongoing quality work is a prerequisite for the trust our clients and society place in the services we deliver. In 2024, we continued to build on our efforts to drive continuous improvement. Quality is our highest priority, and we never rest on our laurels.

High quality and integrity are essential to ensuring that our services meet the expectations of our clients and society at large. We continuously identify and monitor risks that could impact our ability to deliver the required level of quality. This includes all components of the quality management standard ISQM 1, which are described in more detail in the following section on "Quality at BDO".

Global audit

In October 2024, we underwent an Audit Quality Review conducted by our global organisation. This is a periodic review that assesses our compliance with global standards and BDO guidelines. The primary focus of the review was to evaluate whether our internal control activities are operating as intended and enabling us to identify and address any deficiencies or weaknesses ourselves. Both our post-engagement reviews of completed audit assignments and reviews in other areas were examined as part of this global inspection. On 11 March, we received the final conclusion, stating that the results were satisfactory in all material respects. The report contains some recommendations for further improvements, which we will continue to work on in 2025.

New GRC tool

In 2024, we implemented a new GRC (Governance, Risk and Compliance) tool. Considerable effort has gone into bringing together all elements of our quality management system in a single tool, enabling us to better support our work with the systematic monitoring and remediation of quality risks that may affect our operations.

Certification of sustainability reporting

We are continuously working to improve our sustainability reporting processes and controls. In 2024, we began designing future controls for our sustainability assurance work. We have already carried out some review activities in this area in 2024, and we will continue to enhance our controls in this area going forward. However, as of February 2025, it has become clear that the threshold for which companies will be required to have their sustainability reporting assured is likely to be raised, and that the deadline for submitting an assured sustainability report will be postponed. This has created some uncertainty around how – and how quickly – the demand for these services will grow. We will follow this development closely and adapt our control procedures accordingly.

Mandatory KYC engagements

During 2024, we have transferred several engagements from the client teams to our KYC (Know Your Client) team. By centralising responsibilities for client acceptance, independence and anti-money laundering with dedicated specialists, we have seen clear improvements in how we perform in these areas.

While we consistently aim for high quality and work to prevent errors, occasional non-conformities with internal guidelines, laws or standards may still occur. In such cases, we take a range of follow-up actions, tailored to the severity of the issue identified. In 2024, we implemented targeted training initiatives to address recurring findings, changes in engagement partners, follow-up reviews, and the preparation of action plans for individual engagement leaders. In some cases, this also included the removal of engagement responsibility. In addition, in other cases, significant financial deductions have been made in partner compensation as a result of inadequate quality.

In the sections below, we describe our approach to quality and the procedures that support it.



STEINAR ANDERSEN
Partner and Head of Quality and Risk
Management at BDO AS



Quality at BDO

BDO's quality management system

International Standard on Quality Management 1 (ISQM 1) requires all audit firms that conduct audits or limited assurance reviews of financial statements, other assurance engagements or related services to establish a quality management system that meets all the requirements of the standard. A quality management system must be dynamic and resilient, designed to evolve continually in response to changes in the firm's environment, its engagements and any other relevant considerations. BDO has designed and implemented a quality management system in accordance with ISQM 1 that provides reasonable assurance that:

- a. BDO, along with its employees and partners, carries out its responsibilities and duties in accordance with professional standards and applicable laws and regulations. Engagements are performed in compliance with such standards and requirements, and
- b. statements issued by BDO are appropriate under the circumstances.

BDO has incorporated all quality objectives and specified measures set out in ISQM 1 for the eight components included in the standard. The eight components are:

- 1. The firm's risk assessment process
- 2. Governance and leadership
- 3. Relevant ethical requirements
- 4. Acceptance and continuance of client relationships and specific engagements
- 5. Engagement performance
- 6. Resources
- 7. Information and communication
- 8. Monitoring and remediation processes

To support the achievement of the firm's quality objectives, including the establishment and ongoing improvement of the quality management system, BDO has undertaken the following activities in relation to each component of the quality management system:

OBJECTIVE

BDO has established the quality objectives specified in ISQM 1 and set additional quality objectives that the firm considers necessary to achieve the objectives of the quality management system.

QUALITY RISK

BDO has identified and assessed quality risks as a basis for the design and implementation of measures.

MEASURES

BDO has designed and implemented measures (procedures, guidelines or controls) to reduce quality risks to an acceptable level.

MONITORING

BDO has established a monitoring and remediation process to provide relevant, reliable and timely information about the design and implementation of the quality management system, and to address identified weaknesses in a timely manner. In addition, based on the results of the root cause analysis, we have designed and implemented remedial measures to address any identified weaknesses.

Evaluation of the quality management system

ISQM 1 requires the person(s) assigned ultimate responsibility for the quality management system to evaluate the system on behalf of the entity. The evaluation is carried out at a specific time at least once a year.

The annual evaluation considers information related to the design, implementation and results of monitoring activities, results from cyclical reviews of completed engagements, incidents, testing of measures, findings from internal and external engagement reviews and assessment of other relevant information obtained from the quality management system, carried out in the period up to the evaluation date. The evaluation date for BDO was 1 November 2024.

For any identified deficiency, the underlying root causes must be determined, and an evaluation must be carried out to assess both the severity and the pervasiveness of the deficiency's impact. BDO exercises professional judgement in determining whether findings, individually or in combination with other findings, represent a deficiency in the quality management system.

Statement on the effectiveness of the quality management system

The Board and management have carried out an evaluation in accordance with ISQM 1 and have concluded that the quality management system provides the firm with reasonable assurance that the objectives of the system have been achieved as of the date of the evaluation.

Reasonable assurance is achieved when the quality management system reduces the risk of not achieving the objectives of the system to an acceptably low level. Reasonable assurance is not absolute, as there are inherent limitations in any quality management system.

Based on the results of root cause analyses, BDO will design and implement remedial actions to address any identified weaknesses. The progress of implementing such actions is monitored on an ongoing basis.



The Board of Directors and leadership's responsibility for quality

At BDO, the Board, together with the Managing Partner, has overall responsibility for the quality management system. An Internal Control Committee has been established to monitor internal control at firm level. The Internal Control Committee is responsible for ensuring that the monitoring activities function as intended, including closing material non-conformities and implementing new control measures. The Committee also contributes to improvements in the quality management system, risk management and internal control. The Committee is elected by the Board, from among the company's equity partners, and the Chair is elected from among the Board members.

An independent QRM Committee has also been established, consisting of national Heads of Service Lines, the Managing Partner and the Head/Deputy Head of QRM (quality and risk management). The Committee discusses matters related to quality and risk management within the firm.

An Audit Quality Control Committee has been established to oversee cyclical reviews of completed engagements (SIFO reviews) that require auditor approval. This Committee is made up of partners who are authorised auditors with hands-on experience as engagement partners in practice. Analogous quality control committees have been established for the firm's other services. The quality control committees report to the Head of Monitoring and Remediation (HMR) and the Board.

Leadership is responsible for designing, implementing and following up governance and controls that safeguard the firm's dedication to quality, including a culture of quality, roles and responsibilities, actions and conduct, organisation and resource allocation. The company has set clear operational frameworks through its governance manual, policies and procedures to support and uphold quality requirements.

All leaders at BDO, regardless of their level, have a duty to lead by example and signal to everyone they lead that quality is a high priority at BDO. This is also regularly communicated through various forums, such as gatherings of new managers and partners in the company.

The Head of the QRM department (HAAQM – Head of Audit & Assurance Quality Management) has operational responsibility for the design and implementation of the company's quality management system. The QRM department is a dedicated function within BDO responsible for matters related to quality and risk management.

The QRM department's responsibilities include risk management, ethics, independence and interest conflicts, monitoring and compliance, anti-money laundering, privacy and internal legal affairs. The QRM department has access to dedicated teams within the firm's corporate functions who are responsible for overseeing strategic and operational second-line control activities. The QRM department helps provide the Board and Managing Partner with satisfactory assurance that BDO operates within the requirements set for the company as a provider of services within audit, accounting, consultancy and legal and tax services. This work takes place in parallel along three dimensions:

Preventive activities

- Develop policies, procedures and guidelines
- Inform and conduct training activities
- Build a quality-oriented corporate culture

Ongoing assistance and consultancy in individual cases

- Handle consultations from engagement leaders and staff
- Review complaints and insurance cases
- Maintain dialogue with external supervisory bodies
- Report suspicious transactions to Økokrim

Control and follow-up of compliance

- Coordinate and conduct internal quality reviews
- Monitor compliance with external and internal guidelines and requirements
- Keep the Managing Partner and Board continuously informed of important matters

Ongoing responsibility for the monitoring and remediation process is assigned to the Head of Monitoring and Remediation (HMR). The HMR is an engagement partner with relevant experience, knowledge, influence and authority within the firm. The HMR is independent of the individuals with overarching responsibility for the quality management system.

As part of the quality management system, BDO conducts periodic evaluations of the Managing Partner, Head of QRM, HMR, Heads of Regions, Heads of Service Lines, as well as others assigned responsibilities related to quality management at BDO.

BDO's risk assessment process

BDO has established a risk assessment process that meets the requirements of ISQM 1 and regulations on risk management and internal control. This process encompasses all business areas at BDO.

The quality management system is designed to be a dynamic process, where the risk assessment process continuously analyses information about various incidents, conditions, actions or inactions. The purpose is to identify the need for any new quality objectives or changes in quality risks or measures that may be required as a result of changes at BDO or in our activities. The risk assessment process is based on the firm's defined objectives and strategies and evaluates key risks. For all business areas, a systematic assessment is carried out to determine whether BDO's risk management and internal control are sufficient to address identified risks in an appropriate manner.

The Managing Partner provides a formal summary of the risk assessment process to the Board annually.

Monitoring and remediation processes

BDO must comply with relevant standards, legal requirements, regulations and guidelines to which the business is subject, including requirements and guidelines issued by BDO Global and set out in internal governing documents. BDO has established a monitoring and remediation process to ensure relevant, reliable and timely information regarding the design and implementation of the quality management system, and to address identified weaknesses in a timely manner.

BDO also manages and implements a compliance programme designed to support compliance with both external and internal requirements, ensure appropriate quality management and enable effective execution of the monitoring and remediation process.

The compliance programme consists of activities and components that help ensure the availability of relevant, reliable and timely information about the quality management system and facilitate the timely remediation of any identified weaknesses.

Monitoring activities

BDO has designed and carries out monitoring activities to identify weaknesses in the quality assurance system. A number of factors are taken into account to determine the nature, timing and extent of monitoring activities.

The activities are set out in an annual monitoring plan that HMR prepares and submits to the Managing Partner, the HAAQM and the Internal Control Committee (ICC). The plan may be presented to the boards of BDO AS and BDO Advokater AS if special circumstances arise. In the event of a changed risk landscape, unforeseen events or other circumstances indicating the need for revised or new monitoring activities, such activities are designed and implemented accordingly.

Cyclic reviews of completed engagements

BDO has incorporated cyclical reviews of completed engagements (SIFO reviews) into its monitoring activities. SIFO reviews form a significant part of BDO's monitoring activities and are used in all BDO's service lines. This transparency report only covers SIFO reviews of audit-related activities.

All engagement partners are subject to a SIFO review at least every three years. All newly appointed engagement partners are subject to a review after their first year in their role. A subject of review may be selected more frequently than every three years, based on a risk assessment or through random sampling. A SIFO review may also be carried out as a follow-up measure in response to external reviews or other events requiring closer monitoring. Such reviews may be carried out as often as deemed appropriate to enhance service quality or reduce risk.

The reviews are carried out by engagement quality reviewers who receive annual training in the execution of SIFO reviews. To ensure independence, reviewers may not review engagements from their own department or in other situations where independence or neutrality could be compromised.

After the reviews have been completed, a meeting of the (Audit) Quality Control Committee is held where the results of the checks are reviewed. The Quality Control Committee is responsible for reaching a conclusion at engagement level and determining any further actions to be taken. Each subject of review is issued with a conclusion based on the findings of the quality review. The Quality Control Committee can issue the following conclusions at engagement level:

Approved / Approved with need for improvement

- The engagement quality review contains no errors or only minor deficiencies
- Any identified errors or deficiencies are not sufficiently serious to warrant criticism of the engagement partner/BDO in a quality review conducted by external parties

Need for significant improvements

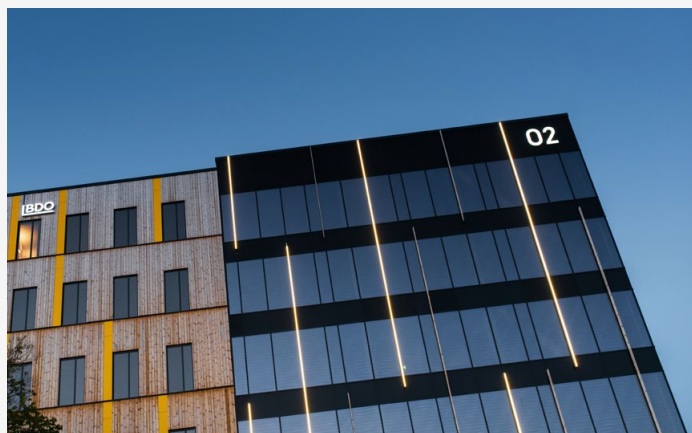
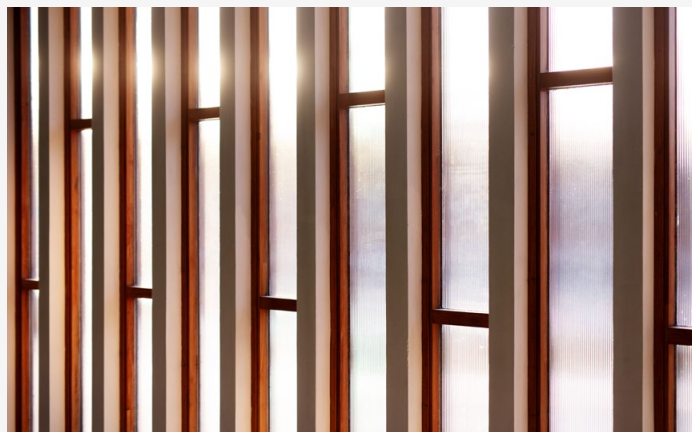
- Material errors/deficiencies have been identified during the engagement review

Not approved

- The engagement review reveals severe errors/deficiencies.

Non-conformities in quality may result in financial sanctions against the engagement partner. In addition to financial sanctions, the Quality Control Committee may recommend to the Board that the engagement partner be restricted from signing off on all or certain types of engagements, based on findings from the quality review.





Monitoring by the global BDO network

Our international network conducts regular quality reviews of BDO in Norway, as a rule at least once every three years. These reviews assess internal guidelines and procedures, how well they are followed, and include an evaluation of multiple audit engagements. BDO Global conducted an internal review of BDO's business in Norway in autumn 2024. On 11 March 2025, we received the final conclusion, which found the results to be satisfactory in all material respects. The report contains some recommendations for further improvements, which we will continue to work on in 2025.

In addition to the formal quality review conducted by BDO Global, BDO reports regularly to our global organisation, including on various defined Audit Quality Indicators (AQIs).

Monitoring by the Norwegian Financial Supervisory Authority

As BDO audits public interest entities, the firm is subject to direct oversight by the Financial Supervisory Authority of Norway. Every three years, the Financial Supervisory Authority of Norway carries out a firm-wide inspection. The Financial Supervisory Authority's firm inspections are a regular part of its oversight of the largest audit firms. The inspection includes a review of multiple audit engagements, as well as an assessment of internal policies and procedures. The firm-wide inspection also includes an assessment of our internal quality reviews.

The Financial Supervisory Authority of Norway may also carry out other types of reviews, including on-site inspections and thematic reviews. Reports from the Authority's various supervisory activities are published on its website.

The next firm-wide inspection is scheduled to take place in the autumn of 2025.

Ethical requirements and independence

BDO has a Code of Ethics established by the company's Board. We set absolute requirements for the integrity and independence of our employees and partners. We must be – and be perceived to be – independent of our clients. This means that we cannot provide services or enter into business relationships with our clients that could impair our integrity or objectivity.

All partners, employees and contracted personnel confirm, on joining the firm and annually thereafter, that they comply with our Code of Ethics. At the same time, they confirm their independence with respect to our audit clients. This process is supported by training activities related to our Code of Ethics, as well as ongoing monitoring of compliance with independence rules. In addition, all staff and partners assigned to an audit engagement confirm their independence for each specific engagement in which they are involved.

Restrictions related to ownership interests

Leadership, partners, directors, state-authorised public accountants and members of BDO's Board are prohibited from holding investments in entities audited by BDO. The same restriction applies to other members of the audit engagement team in question. Similar restrictions apply to the audit team's close relatives; however, exemptions may be requested where ownership interests are deemed to be immaterial. The definition of close relatives is consistent with the definition set out in the Norwegian Auditors Act. Leadership, Board members and individuals with access to information related to clients not in the public domain are prohibited from holding investments in any BDO client that qualifies as a public interest entity, regardless of the nature of the services provided. Other employees may not hold material investments in entities audited by BDO. If BDO accepts an audit engagement that results in a breach of the guidelines described above, the individuals concerned will be required to dispose of their ownership interests. All ownership interests must be recorded in the firm's register of Board positions and ownership interests.

Restrictions related to Board positions

As a general rule, employees and partners are not permitted to hold Board positions. This restriction also applies to similar roles, such as membership of control committees, supervisory boards or equivalent bodies. Exceptions to this rule may be granted upon application and must be registered in the firm's register of Board positions and ownership interests. Under no circumstances will exceptions be granted for positions held at any BDO audit client.

Gifts and anti-corruption

BDO has zero tolerance for corruption and trading in influence.

Individuals representing BDO must not offer, solicit, promise, accept or provide any form of undue advantage, service or incentive to anyone in connection with the performance of their duties, with the intention of securing personal or business-related benefits. This applies regardless of whether such benefits are offered directly or indirectly through others.

All individuals representing BDO must adhere to the guidelines outlined in the preceding paragraph to ensure that such offers do not compromise our objectivity, independence or integrity. Transparency and the reporting of gifts or benefits help to uphold these principles.

Rotation of key personnel in audit engagements

For public interest entities audited by BDO, rotation plans have been established to ensure compliance with the Norwegian Auditors Act, the EU Audit Regulation and the IESBA's Code of Ethics. This means that engagement partners, engagement quality reviewers and co-partners must be rotated off engagements after a maximum of seven years. The same applies to other senior personnel (state-authorised public accountants and managers) involved in the engagement, although such parties may continue in their roles for a longer period where considered appropriate and subject to approval by the QRM department. In addition, there is a requirement to change the audit firm after a maximum of 20 years.

Statement on independence practices

In accordance with Article 13.2(g) of the EU Audit Regulation, BDO confirms that the firm has internal guidelines in place for monitoring and ensuring compliance with independence requirements on audit engagements. BDO also confirms that it complies with applicable legislation, professional standards and internal guidelines.

Independence is confirmed at engagement level by each individual team member, by the engagement partner as part of the annual continuance assessment and through the firm-wide annual independence declaration required of all partners, employees, and contracted personnel. The Quality and Risk Management (QRM) department conducts compliance reviews to ensure adherence to applicable independence requirements and BDO's internal Code of Ethics.

Acceptance and continuance of client relationships and specific engagements

BDO has established formal procedures for the acceptance and continuance of engagements and client relationships. The firm carries out ongoing monitoring to ensure these procedures are followed. A key element of our approach to client and engagement acceptance is our dedicated Know Your Client (KYC) team, which possesses specialised expertise in anti-money laundering, independence and client risk assessment. This team serves as an important partner for our client teams and helps ensure that we meet high standards in client integrity and risk management.

Our processes and procedures for engagement acceptance and continuance include the following:

- Conflict checks to identify potential independence and interest conflicts, both nationally and within our international network.
- Independence checks to ensure independence between our clients and our senior personnel.
- Engagement acceptance assessments to identify other risk factors, including requirements related to independence, specific expertise within the engagement team and obligations under the Norwegian Anti-Money Laundering Act.
- Procedures for following up on previous auditors.
- A dedicated procedure governs the approval process for all engagements with new clients, as well as for any engagement exceeding certain contract value thresholds.
- An annual confirmation from all partners, employees and contracted personnel that they are familiar with the client acceptance procedure.
- A system safeguard prevents new clients from being set up in internal systems until the client acceptance process is complete, including the approval of all required roles.

Engagement performance

Audit methodology

BDO's audit methodology is developed at global level and is based on the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB). The methodology is divided into the following phases:

- Scoping
- Planning
- Obtain evidence
- Completion

Our audit methodology ensures compliance with auditing standards and that the greatest effort is directed towards the audit areas of highest risk. The methodology is used by all auditors across BDO globally to ensure consistent quality across geographical regions.

Consultations

Audit engagements occasionally involve complex accounting and auditing issues. Consultation provides the audit teams with access to the expertise of experienced colleagues or specialists, enabling the teams to address and resolve complex issues accurately and effectively.

BDO has a system of formal consultation procedures that require members of the audit team to seek advice from qualified individuals within the firm, including the Technical Department and the Quality and QRM Department, whenever complex or contentious matters arise during the course of an engagement. In certain cases, formal consultation with our global organisation is also required. All consultations must be appropriately documented in accordance with defined requirements.

Engagement quality reviewers

BDO appoints an Engagement Quality Reviewer (EQR) for all audits of public interest entities and for other engagements classified as high-risk. The EQR is responsible for conducting an objective evaluation of the material judgements made by the engagement team and the conclusions reached. EQRs are appointed in accordance with the requirements set out in professional standards and BDO's internal guidelines, including the requirements and guidance contained in ISA 220 (Quality Management for an Audit of Financial Statements), ISQM 2 (International Standard on Quality Management 2) and the EU Audit Regulation. These requirements include criteria related to the EQR's expertise, capabilities, capacity, and compliance with relevant ethical requirements.

BDO places particular emphasis on ensuring that the engagement quality reviewer meets high standards of expertise and integrity, in order to safeguard the quality and reliability of the engagement quality review process.

Accreditation requirements for specific types of engagement

Engagements for public interest entities (including listed companies), entities listed on various non-regulated markets, and/or entities that report in accordance with IFRS require specialised expertise and heightened diligence from us as auditors. Such organisations are often entities of significant public interest, subject to specific regulatory requirements and heightened public scrutiny. BDO therefore imposes specific

accreditation requirements for engagement partners and managers involved with these clients. These requirements also apply to those performing quality reviews as engagement quality reviewers on audit engagements. Accreditation is divided into two main categories: "Public Interest" and "IFRS."

Public interest accreditation for listed entities is required for companies with listed securities (such as shares, bonds, equity certificates, etc.) on regulated markets in Norway and other regulated markets within the EU/EEA. BDO also requires public interest accreditation for audit clients with listed securities on non-regulated markets, where the listing rules of the marketplace impose requirements similar to those for entities listed on a regulated market.

General IFRS accreditation is required for all audit engagements involving entities with securities listed on either regulated or non-regulated markets that report in accordance with IFRS, whether in their single-entity or consolidated financial statements. The same requirements apply to audit engagements for entities that report in accordance with IFRS that are classified as high-risk clients for other reasons. To obtain accreditation, specific training programmes must be completed.

For audit engagements involving public interest entities and high-risk clients that prepare their financial statements in accordance with IFRS, an IFRS review of the financial statements must be performed. The purpose of the IFRS review is to identify potential errors or departures from IFRS. The review is carried out by individuals affiliated with or appointed by the firm's Technical Department, who are independent of the audit engagement team.

Resources and people at BDO

People at BDO

In our business strategy, we put "People First". When we create the best employee experiences, we also create the best client experiences and high-quality deliveries.

Learning, culture and engagement

As a consultancy and audit firm, we depend on the trust of clients and society at large. For us, this means being fully committed to delivering high-quality services at all times. We must make sure everyone has access to relevant, up-to-date and attractive opportunities for learning and development. This makes continuous learning a cornerstone of our culture.

Our courses and development initiatives align with BDO's strategic goals and are built around the three dimensions of our competency model: Clients, People and One BDO. We constantly strive to ensure that our courses and learning activities are current, in terms of content, technology and educational approach, while also aligning with our evolving expertise needs.

At BDO, we measure well-being and engagement through an annual employee survey and regular "pulse checks". The results consistently show high levels of engagement – and that our people feel a strong sense of community and belonging.

Development

We say that "BDO should be a great place to work for engaged, motivated and skilled professionals and partners". In this way, we reaffirm our commitment to offering and facilitating both professional and personal development. Everyone at BDO should have the opportunity to grow, be supported and be recognised for their contributions. This helps ensure that our people, both employees and leaders, stay engaged, motivated and equipped to deliver quality and exceptional client experiences.

BDO has established clear processes and tools to support ongoing leadership and employee development. All employees and leaders have individual development plans, which set clear goals, including measures that contribute to the desired development. Performance and development reviews are held three times a year with the leader responsible for human resources. These are structured, planned and carefully considered talks focusing on each employee's professional and personal growth. They serve as a key tool to ensure that BDO employees have the right skills, engagement and motivation – and that they receive the support they need to achieve both their short-term and long-term goals. In addition, ongoing conversations between employees and managers take place throughout the year, along with regular leadership evaluations.

Arrangements are made to ensure that all employees and leaders at BDO receive feedback in a structured and systematic manner. We conduct a number of feedback and evaluation processes throughout the year, both simple and more comprehensive, voluntary and mandatory. The evaluations are primarily intended to provide qualitative and constructive feedback with a focus on both perceived strengths and potential development areas.

Recruitment and onboarding

To deliver high-quality services, we must ensure that we have the right expertise and the right people in the right place – both recently qualified and experienced. We continuously strive to strengthen our brand as an employer, and to embed professional recruitment processes of the same high quality across offices and service lines.

It is essential that every new recruit feels welcomed and supported from day one at BDO. We invest a lot of resources in ensuring the best onboarding experience for both recently qualified and experienced employees. Recently qualified team members take part in a comprehensive four-year programme. Experienced new team members with comparable experience and expertise follow the same programme. Onboarding covers everything from professional, service-specific and technical training to personal development and leadership

Continuing professional development

The Norwegian Auditors Act requires all state-authorised public accountants to complete a set number of hours of continuing professional development. BDO sets stricter requirements than those outlined in the Act, including defined minimum hours for each professional category that engagement partners are required to meet. Sustainability auditors at BDO are also required to complete a defined number of hours in both sustainability reporting and sustainability assurance. Minimum thresholds have been established for each of these subject areas.

The requirements for continuing professional development are met through participation in internal and/or external courses and conferences. We conduct annual checks of continuing professional development hours to ensure that the legal requirement and BDO's internal requirements are met. Mandatory courses must be completed regardless of whether the requirement for continuing professional development has been fulfilled.

Statement on continuing professional development

BDO confirms that, in accordance with Article 13.2(h) of the EU Audit Regulation, we facilitate and monitor that state-authorised public accountants receive sufficient continuing professional development, as required under the Norwegian Auditors Act. As of 31 December 2024, no engagement partners were found to be in breach of the continuing professional development requirements set out in the Norwegian Auditors Act.

Technological resources

At BDO, technology is seamlessly integrated into the audit process. This is reflected in our use of smart digital solutions and our digital expertise. This combination enables us to deliver efficient, value-adding audits of the highest quality.

Digital expertise

As technology continues to advance and businesses become increasingly digital, the need for technological insight among auditors is growing. At BDO, digital expertise is a core part of our learning and development framework¹. This includes both proficiency in using digital tools and a solid understanding of the technologies our clients rely on. In this way, we help ensure high-quality audits, even when navigating emerging technologies and complex data-related audit challenges².

Digital solutions

BDO's portfolio of digital solutions includes third-party applications, proprietary systems and tools developed by BDO's global organisation. The development, operation and management of core audit systems and applications are carried out in close collaboration between the IT Department, the Technical Department and the Digital Audit unit. Effective collaboration between these functions helps ensure high quality and robust information security. All data is processed in accordance with applicable laws and regulations, as well as BDO's internal guidelines and procedures.

Formal guidelines have been established to ensure the reliability of the technological tools we use. This includes procedures for updating our global audit platform and formal approval processes for both technical and professional changes to the tools. Each change is subject to thorough discussion and documentation to ensure transparency and traceability. Technological tools that rely on functionality provided by our international network are subject to formal testing procedures, which are conducted by the global network.

¹ See section on People at BDO.

² You can read more in the section on Information security and privacy.



Our most important digital solutions include:

Our Audit Process Tool (APT)

APT is BDO's global audit platform, which is used by auditors to ensure that they comply with the firm's audit methodology. Our audit tool supports high-quality audits and helps ensure compliance with ISA standards by adapting seamlessly to the size, complexity and industry of each client.

The flexible platform on which the audit tool is built was developed in collaboration with Microsoft and enables audit teams to collaborate efficiently on both large and small engagements, including across borders. The tool is also designed to integrate seamlessly with other support systems used in daily operations.

Data and analysis tools

1. Heartbeat

Developed by BDO Norway, Heartbeat is BDO's own data and analytics platform, purpose-built to meet the needs of our clients. It includes working paper templates that support audit quality by promoting a consistent and structured approach. Heartbeat is integrated with both public and private data sources, as well as directly with our clients' accounting systems. This facilitates the collection of real-time financial data for both clients and BDO, while automated data flows help reduce the risk of errors.

2. BDO Audit Insight

BDO Audit Insight is a powerful tool for analysing large amounts of financial data. The solution combines analysis with predefined criteria, statistical methods and AI through machine learning, which helps deliver a more targeted audit. The platform is delivered as a Software as a Service (SaaS) solution by MindBridge.

3. Microsoft Power Platform

Several of the tools in Microsoft's Power Platform package are used for data analysis. Key tools include Power BI for customised analyses and Power Automate for process mining. These solutions give auditors easy access to insights into clients' financial statements and processes, helping create quality and value for both BDO and our clients.

BDO's Client Portal

Our client portal serves as a seamless and secure workspace for information-sharing and collaboration between BDO and our clients. We also use the portal, which is shared by BDO in all countries, to collaborate with auditors at subsidiaries and other group entities where we act as the group auditor. The portal offers benefits to clients across all service lines and supports secure and efficient communication for task follow-up and document sharing.

Salesforce

Salesforce is our CRM system. In addition to traditional CRM tasks such as sales support and client communication, we use Salesforce in our client acceptance and continuance processes, as well as in our anti-money laundering efforts.



³ See section on Audit methodology.

Intellectual resources

Intellectual resources comprise information used to ensure the implementation of the quality management system and promote consistency in the performance of engagements. At BDO, we are particularly committed to acquiring and utilising intellectual resources that help promote high quality and consistency in engagement performance. We have established guidelines to govern the use of intellectual resources. The guidelines set requirements for the use of specific types of intellectual resources in the execution of assignments. These resources must, for example, be used when drafting engagement letters and in mandatory reporting to clients and authorities.

Outsourcing

As an audit and accounting firm, BDO is subject to a number of specific requirements when outsourcing activities. Outsourcing refers to the use of external contractors to carry out tasks that fall within the scope of our licensed services. Agreements granting the right to use software, platforms, or infrastructure – such as ICT systems and services – hosted on a contractor's servers, typically under 'Software as a Service' (SaaS) arrangements, are also considered outsourcing from a regulatory perspective. BDO has established processes and guidelines to ensure compliance with all applicable laws and regulations governing outsourcing.

Information security and privacy

BDO's role and responsibilities require the trust of both our clients and the wider public. Maintaining that trust depends on our ability to handle data securely. That is why we place strong emphasis on information security and privacy in our day-to-day work. All data is processed in accordance with applicable regulations, as well as BDO's internal requirements for information security and data protection.

Organisation

BDO has appointed a Chief Information Security Officer (CISO), a dedicated role responsible for overseeing our information security efforts, supported by a specialised security team. The CISO leads the development and implementation of the organisation's overarching information security strategy. The security team works to ensure that our systems, data, and processes are robust and aligned with the latest security standards.

The work on data protection is led by the QRM department, which has specialised resources in this field. One such resource is BDO's Data Protection Officer, who advises leadership and employees on data protection compliance and monitors adherence to applicable regulations.

Control system

BDO has implemented management systems for information security and privacy. BDO's Information Security Management System (ISMS) is based on the ISO 27001 standard, which is a globally recognised standard for information security. This system provides a structured approach to identifying, managing and minimising risks related to information security. Our Information Security Management System (ISMS) is aligned with industry standards and is subject to regular audits to ensure it remains effective and fit for purpose.

BDO's privacy management system is based on the requirements of the Norwegian Personal Data Act and the General Data Protection Regulation (GDPR), as well as BDO's Global Privacy Programme. The latter contains a set of rules, templates, guidance and information to ensure that companies in the BDO network process personal data in accordance with the GDPR. A key element of the programme is BDO's Binding Corporate Rules for Controllers and Processors, which constitute a valid transfer basis for any transfer of personal data within the BDO network.

Education and awareness training

BDO provides continuous and regular training on information security and data protection for all employees. This includes dedicated training programmes on information security and privacy, along with regular phishing simulations to raise awareness of potential security threats. In addition, all employees are required to annually confirm their compliance with our internal policies on information security, privacy and related areas.

Security monitoring

Security monitoring of our environment is performed by a professional external party. This includes continuous monitoring of network traffic, system log files and potential threat indicators.

ISO 27001 certification

Many of our systems are delivered by BDO's global organisation, which is ISO 27001 certified. This enables us to leverage an internationally recognised information security framework across several of our services and tools.

Annual audits

To maintain high standards in information security, BDO conducts annual, external, independent audits. These audits assess the effectiveness of our security systems, identify any weaknesses and make recommendations for continuous improvement. This ensures that we take a proactive approach to addressing new threats and maintaining a solid level of security.

Information and communication

Reliable and relevant information is a crucial component of BDO's quality management system. We have established a communications strategy and plan that is actively implemented to ensure the company maintains an appropriate system for both internal and external communication.

Written procedures and processes have been established to ensure compliance with legal, regulatory and professional requirements for communicating information to external parties. This includes reporting suspicious transactions to Økokrim, as well as notifying clients, the Norwegian Data Protection Authority and affected individuals in the event of a personal data breach.

BDO has dedicated reporting channels for raising concerns in line with the Norwegian Working Environment Act, as well as for other incidents – such as personal data breaches or other information security issues. These channels are available to all employees through our intranet, and we constantly strive to raise awareness of the importance of speaking up across the organisation. The channels play an important role in helping us identify and address errors or deficiencies, making them a key component of our quality management system.

BDO shares the results of internal quality reviews and other monitoring activities with both the subject of the review and relevant stakeholders to ensure proper follow-up and continuous learning and improvement. This includes reporting to direct supervisors as well as oversight and governance bodies. Such communication helps strengthen an organisational culture that supports effective management and control, and ensures that the importance of quality is clearly embedded at senior leadership level.

BDO has established formal guidelines that govern communication with clients in the event of quality deficiencies. This includes cases where findings related to specific engagements indicate that required actions were not taken during the engagement, or that the engagement partner's statement was incorrect. In such instances, the firm must assess the impact on both the client and BDO, and take appropriate corrective measures.

As part of our ongoing commitment to quality, BDO holds regular meetings for key leaders across the organisation, with a focus on relevant quality dimensions (such as Quality at BDO meetings and partner meetings). These sessions are designed to engage management in key aspects of quality work and serve as a critical component in strengthening how quality-related information is communicated within the company's leadership and throughout the organisation.

We also conduct regular employee surveys to assess how leadership's focus on quality is perceived. The results of these surveys provide valuable insight and a better understanding of how quality-related information and communication are conveyed and received within the firm.





Partner compensation

At BDO, we distinguish between salaried partners and equity partners. Salaried partners are employed by BDO and are compensated through salary and performance-based bonuses. Equity partners are members of BDO's Internal Partnership and are compensated through a share of the firm's annual profits.

Profit is distributed to equity partners on an annual basis. Remuneration is determined locally within the respective regions. The compensation models are performance-based, where individuals' effort and contributions are recognised. Quality is a key factor in the evaluation process, and each equity partner is assessed individually in relation to quality when determining compensation. Quality deficiencies may result in deductions from compensation, as was the case in 2024. For salaried partners, quality issues can lead to a reduction or loss of performance-based bonuses.

The compensation models also take into account individual contributions to employee development, client portfolio growth and overall business development. The models do not reward cross-selling of services from other service lines to audit clients. Final compensation for equity partners consists of a work-related component and a share of the firm's profit.

BDO's owners

Active equity partners as of 31 December

ACTIVE EQUITY PARTNERS

Abelsen, Jan-Petter
Aleksandersen, Tom
Andersen, Steinar
Andreassen, Knut
Ardem, Kjetil André
Aslaksrud, Yngve
Aunli, Anders Olai
Bergin, Jan Ove
Bjerke, Anders
Bjørnevåg, Hanne
Bjørseth, Thomas
Borchgrevink, Gro Kristin
Bronken, Alexander
Buset, Dagfinn
Byrkjeland, Norunn
Bårdsen, Charlotte
Bårdsen, Kjetil
Casso, Eli-Ann Murberg
Dagestad, Henrik
Dalby, Christian Reegård
Dalsegg, Henning
Dalstø, Solveig Bø
Eide, Bente Kroslid

Elstad, Kristen
Eskedal, Per Harald
Fiskerstrand, John Arne
Fjell Dahl, Stig Andre
Forr, Stig
Fritzsønn, Hanne
Gake, Azad
Garberg, Arve
Giske, Per Ove
Giæver, John
Gjesteby, Ole Anders Stenerud
Gjethammer, Yngve
Glesne, Rolf Udnes
Grure, Kjell Henriksen
Grødal, Lars Erik
Gulestø, Trine
Haider, Samran
Halsen, Audun
Hansen, Klaus
Hansen, Per Aage
Hansen, Roger-Telle
Harsem, Øistein
Haug, Pål Alfstad
Haugen, Knut

Haugland, Roald
Haukvik, Jarle
Hermansen, Vidar
Hjemgård, Øyvind
Hodne, Bente
Hombornes, Eivind
Hukkelås, Ingeborg
Husabø, Harald
Husby, Simen
Håland, Jostein
Iversen, Jostein Ødegaard
Iversen, Rune
Jensen, Reidar
Johansen, Erik Langlo
Karlsen, Cathrine Sæther
Karlsen, Marianne Rygvold
Kjær, Eivin Aleksander Redbo
Klæth, Lars Terje
Knutsen, Stein
Kristiansen, Frode
Krogstad, John
Kveine, Gunhild
Kvello, Lene
Lausund, Anders

Lauvnes, Stig Are
Lehne, Tom Erik
Lie, Erik H
L'orange, Johan Henrik
Lorentzen, Trine Agathe
Lorås, Ståle
Ludvigsen, Frode
Løken, Jørn
Løkken, Einar Giljarhus
Løvaas, John Christian
Mamelund, Håvard
Marvik, Ellen Marie Mo
Mauland, Karl-Ludvig
Moum, Elisabeth
Nordahl, Anders
Nygaard, Lars Kristian
Ofstad, Ingjer
Olsen, Geirr Fuglestad
Pettersen, Rune
Ramberg, Anders
Rambjør, Roger
Rasmussen, Martin
Ratvik, Johan
Reinfjord, Erik Ritch

Romuld, Håkon
Rygg, Jan Inge
Rødal, Henning
Rødssæteren, Kåre
Selvik, Sigbjørn
Skisland, Børre
Stabell, Kent Olav
Stavran, Idar
Storvik, Marius Christoffer
Sunde, Arve
Sæter, Tone Solem
Sæther, Stein Erik
Sørensen, Geir Bjarne
Såheim, Vidar
Thuve, Morten
Tjemslund, Andreas Ystgaard
Torgersen, Henning
Torset, Jan Inge
Trædal, Espen
Tvedt, Terje
Tveita, Frank
Ulfsnes, Toril
Urdal, Anders
Urkedal, Hans Petter

Velure, Olav
Viken, Roald
Volodina, Ekaterina
Vorpenes, Anne Merete
Wathne, Asbjørn
Weiby, Irene Bredvold
Winther, Ole Jørgen
Ørbeck, Øyvind
Øveraasen, Siv Merethe
Øvrebø, Kristine
Aabø, Leif Åge
Aarvold, Sven Mozart
Åsebø, Erlend
Aasen, Martin
Aasen, Siv Irene
Aasheim, Magne
Åsulfen, Espen

PARTICIPANTS WITHOUT
ENGAGEMENT RESPONSIBILITY
(AMBASSADORS*)

Almklov, Arne
Evensen, Knut
Hagen, Jens Arne
Horghagen, Erik
Hyllestad, Kurt Inge
Iversen, Else
Iversen, Kjell
Lindberg, Trond-Morten
Marthinsen, Jan Erik
Nyerrød, Knut
Svensbakken, Roar
Vettestad, Trond Vidar
Øhre, Dag Georg

*These are former active partners in the company

Public interest entities audited by BDO⁵

- Airthings ASA

Arribatec Group ASA

Bud og Hustad Forsikring Gjensidig

Cultura Sparebank

Drangedal Sparebank

Gentian Diagnostics ASA

Gram Car Carriers ASA

Gyldendal ASA

Hydrogenpro ASA

Ly Forsikring ASA

Medistim ASA

Olav Thon Eiendomsselskap ASA

Otovo ASA

Petronor E&P ASA

Pioneer Property Group ASA

Romsdal Sparebank

Salmon Evolution ASA
- Spir Group ASA

Surnadal, Heim og Tingvoll Gjensidig Brannkasse

Valdres Gjensidig Brannkasse

Varig Forsikring Nordmøre og Romsdal Gjensidig

Varig Hadeland Forsikring

Varig Orkla Forsikring

Ørskog Sparebank

Østfold Energi AS

⁵ Public interest entities for which BDO has issued an audit report in 2024.



BDO AS
www.bdo.no

BDO AS, a Norwegian limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and is part of the international BDO network, which consists of independent companies in individual countries.

BDO is the brand name for the BDO network and for each of the BDO member firms.

Copyright © April 2025 BDO AS. All rights reserved. Published in Norway.

Photo: BDO/Shutterstock

