



2021 Transparency Report
Deloitte AS

30 September 2021



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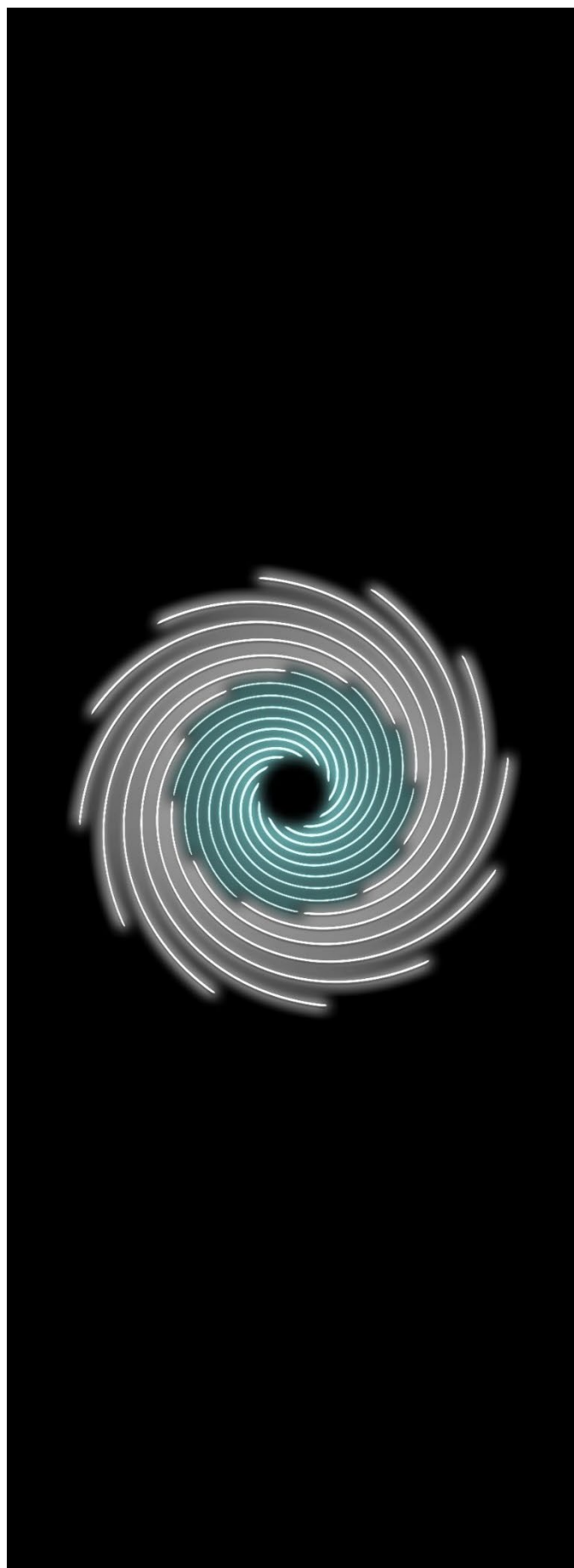
About the Transparency Report

The Act on auditing and auditors with reference to Regulation 537/2014 includes a requirement for auditors of public-interest entities to publish a transparency report. The Act defines public-interest entities as entities with listed securities in a regulated market in an EU/EEA member state, banks, credit institutions and insurance companies.

The Act contains detailed rules regarding the content of the transparency report. The report shall ensure openness and transparency in the audit business, and the duty to provide information applies for circumstances of importance for ensuring auditor independence and audit quality for public-interest entities.

The transparency report primarily covers the company's audit business. As a result of common corporate governance in all business areas and within the Deloitte network, Deloitte will be used as a generic name when specific business area or company specific information is not provided.

The transparency report for Deloitte AS covers the financial year from 1 June 2020 – 31 May 2021.



Message from the CEO

Our society is facing important challenges and changes.

Technology and digitalisation affect all areas of society, with new delivery models for everything from public and private services to merchandise. Working life is in flux, and the pandemic that has left its mark on the world over the last 18 months has made it abundantly apparent how changes can happen quickly and set new standards for working life. The private sector also needs to come to terms with the fact that we are now seeing the end of an oil-driven business cycle. Norway needs to find new growth areas in the future, while at the same time adhering to strict environmental and resource utilisation requirements. International developments mean that we will face new risks and increased uncertainty in many areas.

However, we are no strangers to change. We have weathered major transitions before, and history shows that a society with a high level of institutional security will be well-prepared to tackle changes. A good society is dependent on trust in the country's leaders, legal system, public administration and business sector. The auditor exercises his/her public role in this balance, an assignment rooted in a tradition extending back more than 5,000 years. An auditor helps build trust through assessment and assurance of financial reporting, allowing all stakeholders to know that they can trust audited reporting.

This public role is dependent on society maintaining unwavering trust in the auditor's integrity and the quality of the work. Our clients must feel secure in the fact that using Deloitte contributes to create trust in the market, with regulatory authorities and other stakeholders. At Deloitte, integrity is our most important value, and quality is the centrepiece of everything we do. Our Code of Conduct is clear on our role of occupying a position of trust in society, and our values and ethical principles clearly support this.

Quality starts with the actions and priorities of the leadership, and our leadership principles clarify expectations for the individual leader. In addition to our Code of Conduct, the quality control system comprises policies and guidelines associated with governing the activities and individual engagements. We continuously monitor our activities and verify compliance with our policies and guidelines. The quality control system aims to ensure that the individual auditor's work is carried out in line with statutory and ethical requirements, and that the auditor exercises proper



discretion. The quality control system covers the risk of non-compliance with laws and regulations and for failing to comply with quality requirements. With solid expertise and appropriate methods, personal commitment, and good communication, as well as support in a robust quality control system, we contribute value for our clients and society, and create trust in the private sector and society.

Transparency and assurance are important for credibility in such efforts. This transparency report shows Deloitte's commitment to our public duty and provides insight in the systems and routines we have established to ensure quality throughout. It also describes the external and internal quality monitoring, that has been carried out over the last year to verify this work in Deloitte.

The description is limited to Deloitte's audit practice. The transparency report aims to build confidence in financial reporting from public-interest entities and other businesses that use Deloitte as auditor. Deloitte's quality control system covers all parts of our activities. Our clients can therefore rest assured that the same quality requirements apply to any client relationship and for services of any nature.

Sjur Gaaseide
CEO
Deloitte AS

Oslo, 30 September 2021

Audit in Norway

The topic of audit or auditors is not frequently addressed in Norwegian publicity.

Fortunately, one might say. Audit is a public role which involves providing assurance on the reporting from entities in the private and public sectors. Audit is required by law; the auditor's report is included in the annual report and is presented to the general shareholder meeting.

An auditor's report is the result of professional and targeted work which is of major importance for both the individual client and society as a whole. Each individual entity requires reporting with a high level of quality and diligence, but also good cooperation between client and auditor. For both the private and the public sector, high quality audits provide assurance on the financial reporting to all stakeholders. For society, audit is an institution that creates trust, and a high level of trust represents enormous value for a society.

It is in this tradition, with this public responsibility, that the individual auditors exercise their profession. In order to carry out our public responsibility, we as auditors are dependent on society perceiving us as unassailable in our integrity and uncompromising in our quality. In this report, we present the work Deloitte does both as a company, in client teams, and as individuals, to constantly maintain the high international standard that is required.

The vast majority of auditor's reports we issue are unqualified, i.e., without modifications, in the sense that we have no qualifications or comments to the clients' financial statements. Deloitte audits 13,000 entities each year. In some of these auditor's reports, we need to give a qualified opinion, i.e., criticise factors which cast doubt on the entity's reporting. Society needs to know that when such issues are identified, the auditor must highlight them. In these instances, the criticism will be based on unbiased high quality audit, and compliance with the independence requirements. We therefore invest time and resources in



ensuring that we maintain the high standard that is expected in our audit practice. We must also ensure that we are always able to learn and grow in line with our clients' complexity, developments that take place in the individual market, as well as development in international regulations.

We are in the midst of challenging, yet fascinating times for the profession. I am looking forward to help ensure that the audit practice in Norway retains its high level of trust and continues its important role of serving public and private interests.

Jørn Borchgrevink
Head of Audit & Assurance

The Deloitte network

Deloitte AS - legal structure and ownership

Deloitte AS is associated with the Deloitte network through Deloitte NSE LLP, which is a member firm in Deloitte Touche Tohmatsu Limited (DTTL). NSE is an abbreviation for North South Europe.

Deloitte NSE LLP (Deloitte NSE) is a UK limited liability partnership. Deloitte NSE is the member firm in DTTL to which Deloitte AS reports. Deloitte NSE comprises the Deloitte firms in the UK, the Netherlands, Belgium, Denmark, Finland, Iceland, Norway, Sweden, Ireland, Italy, Greece, Malta, the Middle East and Cyprus. Deloitte NSE is owned by the partners in the respective countries. The mentioned companies will continue to provide services to clients in their respective countries as separate legal entities and in accordance with relevant professional regulations. Deloitte NSE does not take on client engagements.

Deloitte AS is owned by the partners active in Deloitte at any given time, including attorney partners, which together own 100% of the Class A shares, by Deloitte NSE, which owns 1 Class B share (100% of the Class B shares) and by Deloitte NSE No2 Company Limited by Guarantee (Deloitte NSE No2), which owns 1 Class C share (100% of the Class C shares). Deloitte NSE No2 has two-thirds of the votes at the company's general meeting.

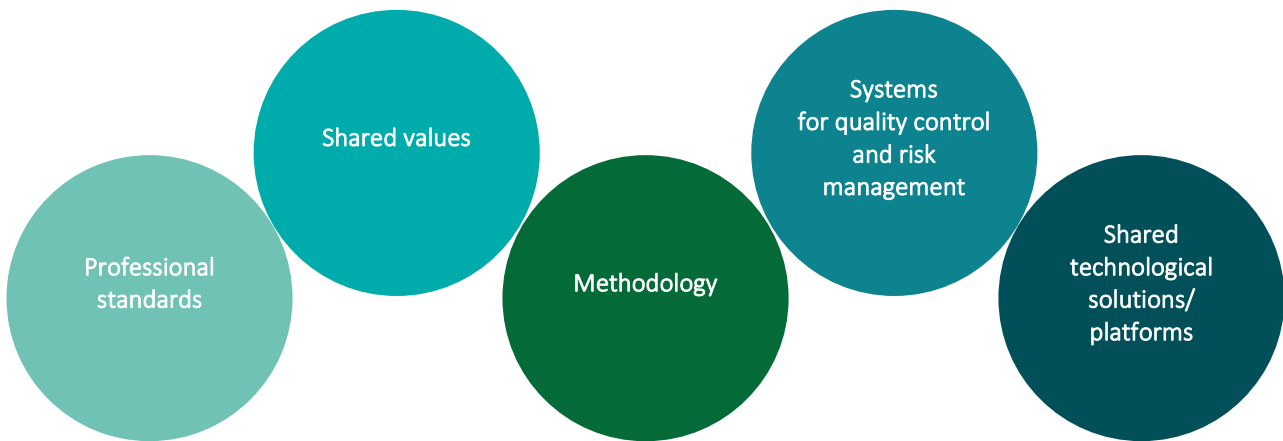
In the following, Deloitte AS will be referred to as "Deloitte" and this report will refer to Deloitte Touche Tohmatsu Limited as "DTTL" or "Deloitte Global".

Deloitte is licensed as an audit firm in Norway.

Network description

The Deloitte network

The Deloitte network (also called the Deloitte organisation) is a global network of member firms and their related entities which operate in more than 150 countries around the world and use the brand name Deloitte.



Deloitte Touche Tohmatsu Limited (DTTL or Deloitte Global)

Deloitte Touche Tohmatsu Limited is a UK Private Company Limited by Guarantee registered in England and Wales. DTTL serves a coordinating role for its member firms and their related entities by requiring adherence to policies and protocols with the objective of promoting a consistently high level of quality, professional conduct and service across the

Deloitte network. DTTL does not provide professional services to clients, or direct, manage, control, or own any interest in any member firm or any member firm's related entities.

Policies, guidelines and procedures are established within DTTL which allow Deloitte to handle potential conflicts of interest and resolve any independence issues that may occur as a result of activities in companies in other countries. For Norwegian based groups, the requirements in the Accounting Act to provide information regarding the auditor's remuneration also covers other member firm's deliveries to subsidiaries abroad.

Deloitte is a brand under which approximately 345,000 dedicated professionals in independent firms throughout the world collaborate to provide audit & assurance, consulting, financial advisory, risk advisory, tax, and related services to select customers. These firms are members of DTTL (Deloitte Touche Tohmatsu Limited). DTTL, these member firms and each of their respective related entities, form "the Deloitte organisation".

Each DTTL member firm and/ or its related entities provide services in particular geographic areas and is subject to the laws, professional regulation of the particular country or countries in which it operates.

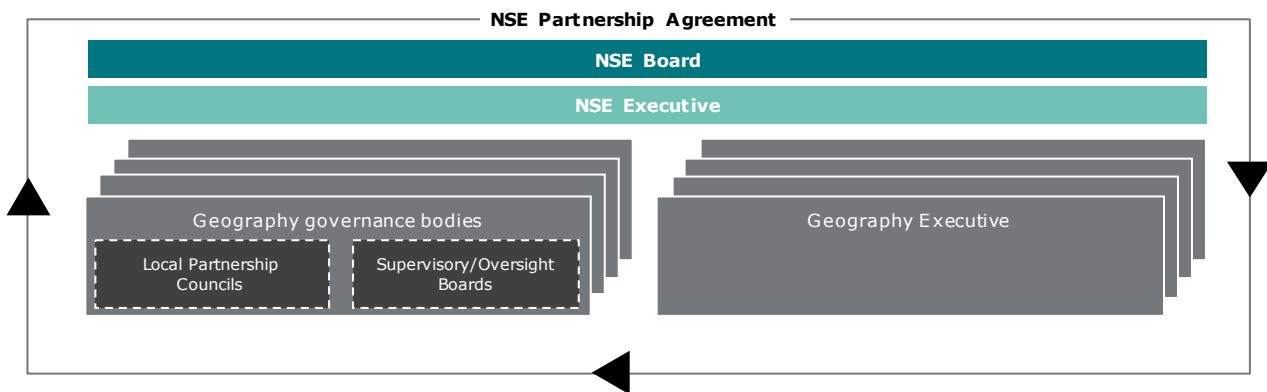
Not all firms included in DTTL or their related entities provide all services, and certain services may not be available to audit clients in accordance with rules and regulations. DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entities are liable only for their own acts and omissions, and not for those of each other. Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL does not provide professional services to clients.

Corporate and governance structure

NSE governance structure

Deloitte NSE's governance structure consists of the NSE Board, NSE Executive, governance bodies in individual geographies within NSE and leadership in the individual geographies, in accordance with the NSE Partnership Agreement.

The NSE Board has established a number of sub-committees to assist in its work, including committees for Compensation, Nomination, Board Election, and Audit & Risk Management.



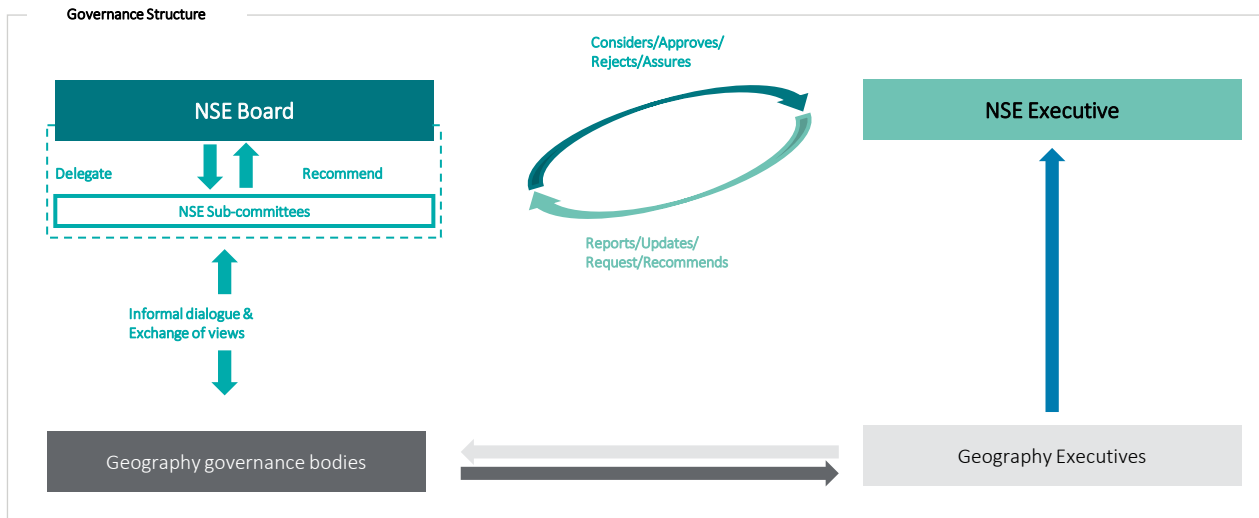
The NSE Partnership Agreement forms the basis for governing NSE.

The NSE Board is the primary governance body in NSE and is responsible for ensuring good governance and administration of NSE. The NSE Board cooperates with the NSE Executive to stipulate and approve the long-term strategic objectives for NSE. The NSE Board also monitors risk-taking in each business area, monitors leadership functions, ensures compliance with DTTL obligations and is responsible for promoting and protecting the partners' interests.

The NSE Executive is responsible for developing NSE's strategy, visions and policies, and for verifying implementation and completion thereof.

Governance bodies are established in individual geographies where this is agreed or required pursuant to legal and/or regulatory provisions and their purpose is also to monitor local partner issues.

Individual geography executives work together with the NSE Executive to ensure development and implementation of approved plans in line with the NSE strategy, tailored to reflect local market conditions.



Nordic governance structure

Since 1 June 2016, Deloitte AS has been part of Deloitte Nordic, which consists of Deloitte in Norway, Denmark, Sweden, Finland and Iceland.

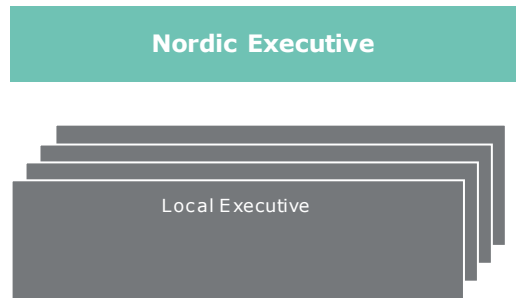
Deloitte Nordic is a geography within NSE. Deloitte Nordic's governance structure consists of the Nordic leadership team Nordic Executive. A Nordic Partner Council has been established in order to safeguard Nordic governance and the individual partner's interests. Nordic is represented as a geography in both the NSE Board and NSE Executive.



Nordic Partner Council

The Nordic Partner Council (NPC) consists of ten members; two partners from each country, one of which is the chair of the Partner Council in the respective country. This is in addition to an observer from NSE, who is not entitled to vote.

It is incumbent on NPC to monitor and supervise Nordic integration, including leadership and operations, and safeguard the individual partner's interests.



Nordic Executive

The Nordic leadership team, Nordic Executive, consists of the CEOs in each country. Each business area is also represented by a joint Nordic chair, a total of five people. The group also consists of the following Nordic leaders; COO, Chief Strategy Officer, Clients & Industries Leader, Private Clients Leader, Reputation and Risk Leader and Talent Leader. The Nordic Executive is chaired by the Nordic CEO, Anders Dons, who is also the CEO of Deloitte Denmark.

Nordic Executive's primary task is to establish and implement the joint Nordic strategy and business plan in line with the strategy in NSE. Nordic Executive shall also ensure compliance with DTTL guidelines in the individual country, including audit quality, and monitor risk management.

Governance structure in Norway

The Auditor Act contains provisions concerning company structure for audit firms, board composition and voting rights. Audit firms must be approved by the Financial Supervisory Authority of Norway (Finanstilsynet) in order to be eligible for selection as an auditor.

Deloitte AS is organised as a private limited liability company. The provisions of the Limited Liability Companies Acts for general corporate bodies and corporate governance are therefore the foundation for the governance structure.

The Deloitte group consists of the following companies:



Deloitte AS, org. no. 980 211 282, is the licensed audit firm. The audit practice is carried out by this company, and Deloitte AS is elected as auditor. The business areas Audit & Assurance, Risk Advisory, Consulting and Financial Advisory are included in the company.

Out of consideration for internal factors under corporate law, Deloitte AS is the principal and general partner in Deloitte Norge Indre Selskap (Deloitte Norge IS), where the partners are personally silent partners. The internal partnership corporate structure is an appropriate organisation for governing internal relationships between the partners and internal capital structure. Deloitte Norge IS does not operate externally as a company.

Deloitte AS also owns the company Deloitte Services AS, which is a licensed accountancy firm.

Deloitte Advokatfirma AS, org. no. 994 116 177, consists of the business area Tax & Legal. This company is owned by the attorney partners and is associated with Deloitte AS through an agreement.

Deloitte Advokatfirma AS owns the company Deloitte Prosjekt AS, which delivers services within VAT advisory. This company is a licensed accountancy firm.

Deloitte Advokatfirma AS also owns the company Dronning Eufemia AS, which does not conduct activity.

The Deloitte Board as of 1 June 2021

Name	Position	Auditor	Period
Sylvi Bjørnslett (chair)	Partner	Yes	2017-2021
Rune Norstrand Olsen	Partner	Yes	2015-2021
Olav Kristian Stokkenes	Partner	Yes	2017-2021
Ole Martin Ø. Braaten	Manager	No	2017-2021
Kristine Rånås	Senior Manager	Yes	2019-2021
Morten Østigård	Director	Yes	2017-2021
Eivind Ungersness, deputy	Partner	Yes	2017-2021
Gry Kjersti Berget, deputy	Partner	Yes	2017-2021
Sigrídur Elin Stefánsdóttir, deputy	Manager	No	2019-2021

The majority of directors and deputy members in Deloitte AS are state authorised public accountants, and Deloitte thus satisfies the majority requirement in the Auditors Act.

The Partnership Agreement for Deloitte Norge IS establishes that Deloitte AS' approval as an audit firm is the fundamental basis for Deloitte's activities. The partners are therefore obliged to accept representation on the Board and exercise their right to vote such that the terms for approval are satisfied at all times.

The partnership

The number of partners in Deloitte will normally vary from year to year. Appendix C to the transparency report includes a list of partners in Deloitte as of 1 June 2021, categorised as signing audit partners and other partners, including their ownership interest.

New partners are admitted upon resolution in the partner meeting or Partner Council following an extensive process with recommendation from the business area leader, presentation to the partner meeting or Partner Council,

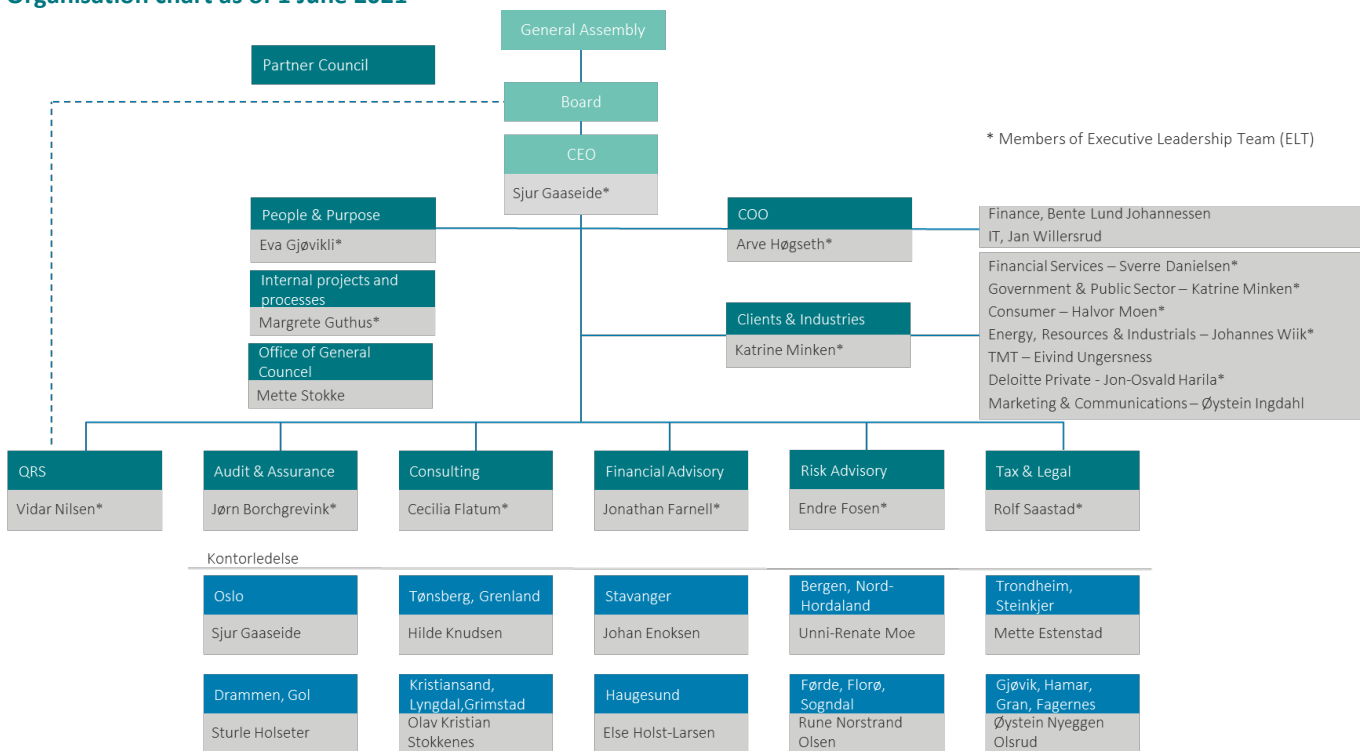
interview with the leadership team and consultation with NSE, before admission takes place.

The Partnership Agreement for Deloitte Norge IS contains provisions concerning the partners' rights, responsibilities, obligations and tasks, including capital contribution and profit sharing. The Partnership Agreement also governs the entry and exit of partners as well as consequences of any potential breach of the agreement. Changes to the Partnership Agreement can be adopted by Deloitte AS, albeit such that major changes also require endorsement from the Class B share.

A Partner Council has also been established in Norway, which consists of representatives from the partnership who are elected by the partners. The objective of the Partner Council is to safeguard the interests of the individual partner.

Corporate governance is exercised through the election of the board of Deloitte AS, election of the Partner Council and election of the CEO for Deloitte AS. Corporate governance is also exercised through the approval of the financial reporting of Deloitte AS:

Organisation chart as of 1 June 2021



Leadership

Deloitte AS is required to have a CEO appointed by the board, following a recommendation from the Partner Council and Nordic CEO and approval from the partner meeting.

The leadership team for Deloitte consists of the CEO, COO, business area managers, Reputation & Risk Leader, Leader of People & Purpose, Internal Projects & Processes Lead, C&I Leader, Deloitte Private Leader and Sector Heads.

In accordance with the Limited Liability Companies Act's provisions concerning the board's tasks and obligations, the Deloitte AS board is responsible for verifying, and the CEO is responsible for ensuring, that the standard for quality control (ISQC 1), has been implemented and operates satisfactorily. The Board is furthermore responsible for ensuring that the

Regulation relating to risk management and internal control, which entered into force for audit firms from 1 January 2021, is implemented. The CEO must ensure that proper risk management and internal control is established, continuously follow up changes in the entitie`s risks and provide relevant and timely information to the board. This implementation is carried out through Deloitte`s quality control system, which also covers the auditor independence requirements.

The CEO has delegated the authority to manage Deloitte`s quality control system to the Reputation & Risk Leader, who facilitates, supports and monitors compliance with the professional requirements. The Audit Leader and the individual auditor responsible for audit engagements are responsible for implementing policies, guidelines and other professional requirements.

The Reputation & Risk Leader reports to the CEO, the board and the Nordic RRL. The Reputation & Risk Leader is the head of the Quality Risk and Security (QRS) function. The Director of Independence, Ethics Officer and Regulatory Partner, as well as several other roles, are covered by QRS. The functions in QRS and their relationship with the corporate bodies and business areas are disclosed in the organisation chart below.

The Audit & Assurance Leader is appointed by the Deloitte CEO. The Audit & Assurance Leader and Deloitte’s leadership team develop and implement the strategy for Audit & Assurance, and also develop and implement associated guidelines and procedures. The Deloitte leadership team is responsible for the general objective of audit quality, including compliance with relevant professional standards, laws and regulations.

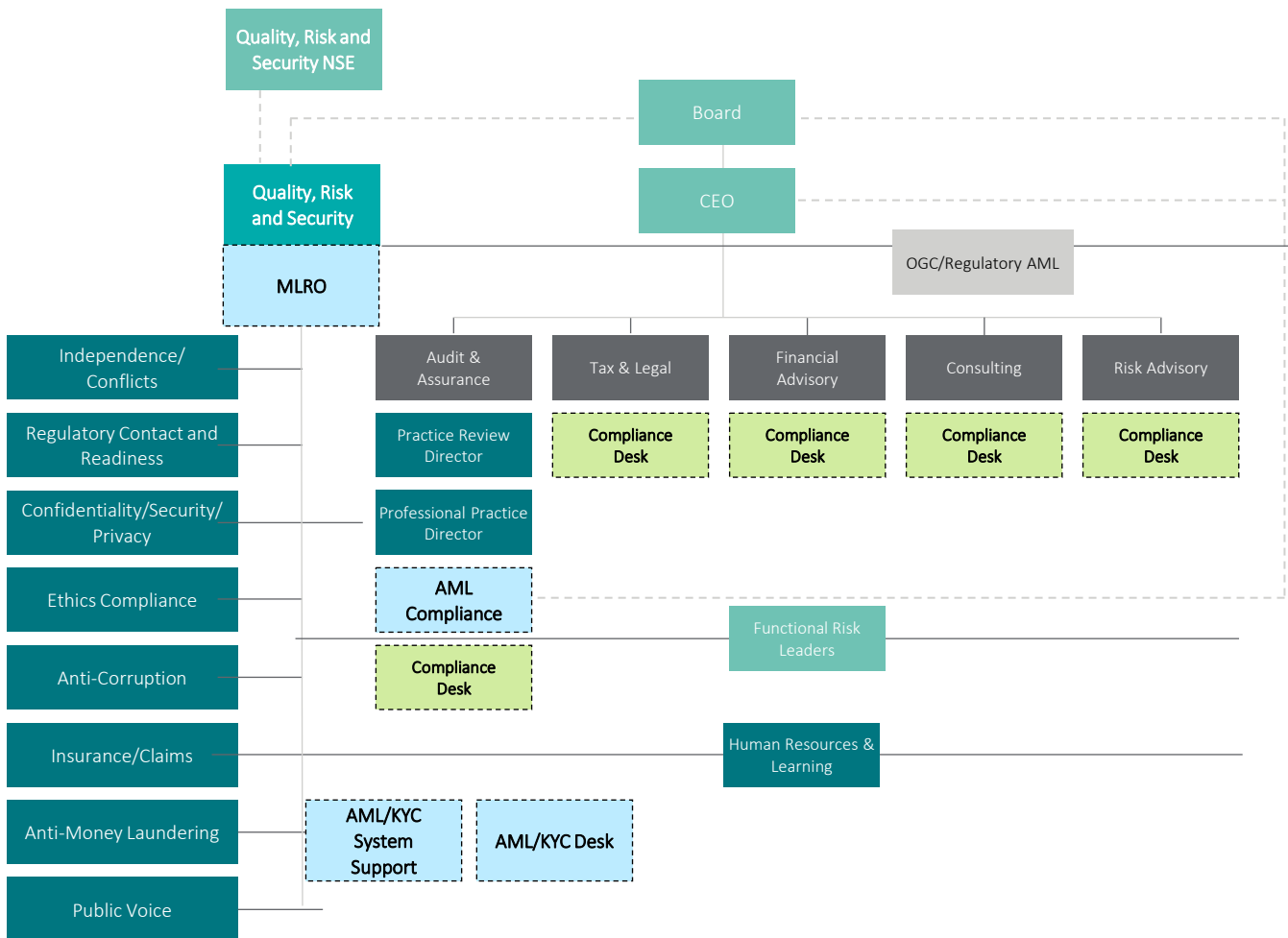
Deloitte’s Audit & Assurance Leader participates in relevant bodies in the Deloitte network which establish and monitor

the standard of quality in the services we deliver. This is also the basis for implementing a number of initiatives associated with audit quality.

Through the Partnership Agreement, the partners have assumed responsibility for complying with professional standards and Deloitte’s policies and guidelines. The partners are obliged to comply with confidentiality requirements and help ensure that no conflicts of independence arise in relation to audit clients. The partners are obliged to give confirmations, and to accept inspections by regulatory authorities, Deloitte, NSE and DTTL.

In certain instances, other approved auditors may be authorised to act as signing auditor, and the company's authority to issue instructions then follows from the employment agreement. The CEO, the Audit & Assurance Leader or other partners with delegated authority will assign a signing auditor for audit engagements.

Governance structure as of 1 June 2021



Professional support functions

Audit & Assurance includes a Technical Department which is managed by the National Professional Practice Director. The Technical Department is signing for addressing, assessing and concluding on accounting and audit issues, communicating news as to technical issues and training in audit and accounting, as well as preparing guidelines and processes to ensure adherence with professional requirements in engagements. One of the Technical Department's most important tasks is to assist in resolving technical issues in connection with consultations. In order to ensure compliance with professional requirements for auditors, the Technical Department works in close contact with the QRS function.

The National Professional Practice Director and the Technical Department work closely with equivalent functions in Nordic and NSE. Regular meetings are held to discuss best practice and share experience and solutions to professional issues. Work is also carried out on shared policies and guidelines with the goal of improving processes. The National Professional Practice Director and the Technical Department also have direct access to specialised expertise within the network to discuss professional issues.

The Audit & Assurance business area has established an independent function which, in collaboration with DTTL, conducts annual quality controls on selected audit engagements. The function is led by a Practice Review Director, who reports to the Professional Practice Director, the Audit & Assurance Leader, Reputation & Risk Leader and the CEO.

Deloitte has an independent Learning function which assists in implementing training plans for the business areas. This function is responsible for planning and carrying out training, registration and follow-up. The function is managed by a Learning Leader, who cooperates closely with learning leaders from other countries in the Nordic and NSE. Regular meetings are held at the Nordic and NSE level to ensure uniform implementation of mandatory courses required by Global Audit & Assurance Learning, and to discuss best practice with the intent to improve implementation and completion of internal training activities.

A shared Nordic and NSE learning strategy have been prepared which aims for more extensive collaboration in the future, e.g. within the following areas:

- facilitator pool and education of facilitators
- implementing courses in Nordic/NSE
- developing digital learning solutions
- developing technical solutions to follow up the implementation of mandatory courses

Cooperation agreements

The Auditor Act sets forth the same independence requirements for audit and advisory firms. This is important both as regards to personal and financial relationships and in the provision of services, as well as fulfilling the Accounting Act's disclosure requirements regarding auditor's fees.

Deloitte has no agreements with other auditors or audit firms in Norway. Deloitte maintains extensive cooperation with Deloitte Advokatfirma AS through agreements. The audit firm and law firm must therefore be viewed as one pursuant to the Auditor Act's provisions concerning independence and in relation to the Accounting Act's disclosure requirements regarding auditor's fees.

Our purpose is to make an impact through quality

At Deloitte, our purpose is to make an impact that matters. For Audit & Assurance, this means a focus on delivering independent high-quality audits and instilling confidence and trust in the capital markets through the services we deliver. This requires us to continuously build capabilities and invest in new technology, and also contribute to shaping the future of the audit profession.



Deloitte Audit & Assurance provides trust in the capital markets

Audit & Assurance Transformation

Being a relevant profession of the future and a sustainable practice that evolves with the pace of change in technology and society is critical. Driving this goal is the Deloitte Audit & Assurance Transformation initiative, which is currently being developed and deployed across the Deloitte network, including Deloitte Norway.

Audit & Assurance Transformation is an important shift across the network in the way Deloitte professionals work and includes:

The Deloitte Way: standardising audit processes supported by our global technology base	Real-time audit quality monitoring
Enhanced talent model which includes learning, rewards and recognition, centers of excellence, and delivery centers	Agile deployment of tools and technologies to respond to changing environments

Deloitte’s Global Executive Team

The Deloitte Global Audit & Assurance Leadership Team is led by Jean-Marc Mickeler, Deloitte Global Audit & Assurance Business Leader whose responsibilities include:

- Developing and driving Deloitte Global Audit & Assurance strategy
- Setting audit methodology standards and approving audit policy and methodology changes with the objective of enhancing audit quality across the Deloitte network.
- Driving key audit quality initiatives and policies across the Deloitte network

Deloitte’s efforts in audit quality and change

In line with its global initiatives, Deloitte is in an ongoing transformation process aiming to improve audit quality, bolster innovation and create growth. Technology and society are developing rapidly, which means that we need to change the way we deliver our services. The investments are being made in new technology, audit processes, policies and our quality control system. All the investments support audit quality.

The changes have a considerable impact on how we carry out the audit and conduct our audit business and will result in improved audit quality and increased client satisfaction.

Audit quality is e.g., related to standardisation of the audit process and identification of and increased attention to risks. In the development of this audit methodology, we will to a greater extent adapt the audit to client and entity-specific factors, as well as geographical and regulatory aspects. The efforts to develop technology will also support transparency, increased use of analytic tools in the audit and use of real-time information.

The development we are seeing in Norwegian society requires us to continually recruit the best talents with the necessary up-to-date expertise. This change process is reflected in our internal training plan, which devotes considerable time to new technology and focus on the audit.

In order to continually maintain attention on audit quality, an Audit Quality Plan is prepared annually which includes specific measures aimed at audit quality. These measures are based on observations from e.g., quality controls and completed causal factor analyses. The Audit Quality Plan is updated continuously.

Innovation

With “The Deloitte Way”, Deloitte is bringing innovation into the core of how our audits are executed: with automation that improves routine tasks, analytics that yield a deeper and more insightful view into the data, and artificial intelligence that enhances human discovery and problem-solving. As a result, clients get an experience that is less burdensome, with more transparency and deeper insight.

Innovation and technology enablement are an expectation in today’s fast-changing business environment, and this expectation holds true for the audit profession as well. Today’s complex business environment requires that the audit be dynamic, multidimensional, and insightful. There is a demand for real-time, relevant information, and clients expect audits to evolve as they innovate their businesses and processes. Deloitte’s auditors are enhancing procedures by making more use of data-driven analytics, as well as cognitive and cloud-based technologies like Artificial Intelligence (AI). This is due in part to the increased automation and effectiveness these provide, but also the need for us to stay ahead of technological advances used by the entities that we audit.

Innovation is an integrated part of the audit delivery, which is supported through Deloitte’s three leading platforms: Cognia, Illumia and Magnia.

Deloitte greatly emphasises the use of analytical tools in the audit, which provide better insight and audit quality, in addition to valuable information for the client.

Deloitte has implemented various analytical tools for audit clients, particularly in the large and medium-size segment. For our largest clients, we have utilised the Spotlight tool, which is an advanced analysis tool that forms the basis for analysing transactions. In addition to efficient audit, this tool also provides valuable insight for clients. Other analysis tools

are used extensively for other client groups, such as Excel Analytics, Reveal (which is used for regression analyses) and ACL (which can analyse vast volumes of data), in addition to visualisation tools such as Power BI and Tableau.

There is significant focus on using analytical tools in the competence development plan. A dedicated expert group has also been established in Norway which is e.g., responsible for training and coaching of teams to assist in conducting analyses at engagement level. The use of analytical tools in our work for audit clients takes place in close cooperation with the Risk Advisory business area. Deloitte also uses expertise from its own audit department and the Consulting business area to develop automation of solutions tailored to current audit standards. The development of major automating projects is generally initiated by and involves expertise from Deloitte’s global activities.

Deloitte has made considerable investments in recent years toward evolving the audit process in line with the digital development. For large engagements, Deloitte uses a standardised work process for audit of large entities, called "The Deloitte Way", which supports thorough risk assessment and standardises the audit based on a completed risk assessment. This is the first stage of implementing the cloud-based audit tool Omnia and using the Regional Audit Delivery Center (RADC).

As regards to audit of small and medium-sized entities, Deloitte has started testing a new audit tool, Levvia, which is based on a simplified version of "The Deloitte Way".

Deloitte has regional delivery centres with expertise on audit of standardised and uncomplicated areas. Standardised working papers are used, and all work carried out is supervised and reviewed by the audit team. Deloitte Norway uses such a centre to a certain extent, where deliveries take place from a dedicated team. The governing model and follow-up of the delivery centre are integrated in Deloitte's quality control processes.

Environmental, social responsibility, and governance (ESG).¹

Financial reporting today

To better assess the resiliency of corporate strategies in relation to climate related and other ESG matters, investors and stakeholders are seeking reliable and comparable information on the impact of these matters. These matters could have implications on a company’s financial accounting and reporting, in the context of the existing accounting standards and the financial statement audit. Deloitte is increasing awareness of the potential impacts of climate

¹ For more information about Deloitte’s sustainability reporting, please refer to the Deloitte Impact Report.

related and other ESG matters on financial reporting through guidance, tools, templates, learning, and leading practices.

Corporate reporting of the future

In addition, market participants and broader stakeholders are calling for greater insight into corporate performance, specifically demanding enhanced transparency around ESG impacts and dependencies of a company's business model and strategy. Over time, many standard setters and other organizations have developed frameworks or standards for reporting metrics and ESG information for use by companies. However, currently there is no global enforcement mechanism or assurance requirements for consistent adherence or adoption. Deloitte supports the International Financial Reporting Standards Foundation's (IFRSF) proposal to establish an International Sustainability Standards Board (ISSB) that, alongside the International Accounting Standards Board and under the governance and oversight of the IFRSF, would provide a set of global standards.

There is a growing interest for companies to integrate climate-related and other ESG considerations into systems of internal control, enhancing the maturity of systems, processes, and governance over climate-related and other ESG information. Those charged with governance (e.g., Audit Committees, Boards) are moving toward incorporating ESG considerations in their oversight responsibilities of companies' management, readiness and skillsets, as well as implementation of processes and controls to collect data.

Deloitte supports efforts to make publicly disclosed ESG information consistent, comparable, and reliable. Assurance provides a greater confidence in ESG information. Deloitte believes that there is a benefit of ESG assurance being provided by an audit firm. Objectivity, credibility, and integrity are qualities valued most in assurance providers. These are in addition to independence, professional skepticism, commitment to quality, and appropriate training that are equally critical. All of these are covered under the typical infrastructure of audit firms and will be further reinforced with the adoption of ISQM 1, which becomes effective in December 2022.

Deloitte supports the continued collaboration of all participants in the financial reporting ecosystem, working together to develop and implement common standards upon which to measure, disclose, and ultimately assure ESG information.

Further, to help the world achieve the goals of the Paris Agreement, Deloitte has launched [WorldClimate](#), a strategy to drive responsible climate choices within the Deloitte network and beyond.

Client and engagement acceptance and continuance

As part of Deloitte Global Audit & Assurance's commitment to supporting the capital markets, Deloitte is focused on audit of public-interest entities, for which Deloitte perform a quality audit in accordance with applicable ethical and professional standards.

At Deloitte, we focus on good client and engagement acceptance and continuance processes, and the importance of a thorough acceptance and continuation assessment is regularly communicated by leadership.

The implementation of customer due diligence measures pursuant to the Money Laundering Act is integrated in our processes. As part of the transformation process, global measures are being established to promote a standardised approach to acceptance of audit engagements in the Deloitte network, which contributes to consistent risk assessments and conclusions.

Deloitte has detailed guidelines and procedures for accepting potential clients and engagements, and to assess engagement risk and money laundering risk. These guidelines and procedures are designed with the objective that Deloitte only accepts engagements where we:

- are able to perform the engagement, which includes that we have the time and resources,
- can comply with all relevant statutory and ethical requirements, as well as professional standards, including assessments of independence and potential conflicts of interest, and
- have assessed the integrity of the potential client's management.

Audit engagements with high engagement risk must be approved by the Audit Risk Leader. Enhanced customer due diligence measures are carried out for audit engagements with high money laundering risk, depending on the underlying cause of the risk classification. Engagements with elevated money laundering risk due to politically exposed persons (PEP) are subject to approval from the Audit Risk Leader.

We have a system developed by DTTL (DRMS), which is applied for public-interest entities to document collected information, background checks, assessments pursuant to the Money Laundering Act, conflict and independence checks, assessments of engagement risk, potential measures, conclusion and approval by another partner.

The planning and implementation of the audit take identified risk into account.

Our engagement acceptance criteria require communication with the signing auditor, who provides an opportunity for timely assessment of potential approval. For public-interest

entities, the communication takes place through a separate DTTL system (SRM). Deloitte has established procedures for consultation which require the involvement of the Director of Independence in challenging issues, in addition to the requirement to report possible breaches of the independence rules.

A continuance assessment is conducted annually to determine whether or not we should continue the client relationship, which also includes whether new risks have arisen which are significant for the audit.

We follow up our client and engagement acceptance procedures in the form of periodical verification of compliance with established procedures and periodical assessment of the client portfolio. Measures are implemented when this is deemed necessary.

The corona virus (Covid-19) outbreak

Deloitte's highest priority is the safety and well-being of its professionals. In this changing global environment as the impacts of COVID-19 continue to unfold, investors and stakeholders are looking to auditors more than ever to provide an independent opinion on companies' financial statements. Deloitte remains committed to this critical role and delivering the highest quality audits.

Through the course of the year, both company leadership and the auditors have been affected by travel restrictions and home office. When such restrictions affected the companies' employees, information was obtained in new or different ways, and the companies' management and employees communicated with the auditor in different ways than through physical presence.

Deloitte's global technology and infrastructure enabled a quick and agile response to the various consequences of Covid-19. Deloitte prepared for various contingencies in order to support changing needs and to support its professionals during periods when they were required to work remotely. We have been able to meet our clients' changing needs and have kept Deloitte's employees informed while they worked from home. We have also succeeded in conducting training for Deloitte's employees and partners through virtual programmes, and we also use these experiences to achieve continuous improvement.

All stakeholders of the financial reporting ecosystem must exercise significant judgment in this unprecedented and uncertain environment—governments, when projecting the length of closures; bankers, when deciding if a loan can be repaid in full; management, when evaluating if a company can continue operating as a going concern and audit committees providing oversight of management; auditors, when assessing these judgments; and investors, when

analyzing the available financial information in light of these unprecedented uncertainties.

Deloitte takes a positive approach to observations and guidance from the authorities which acknowledge the uncertainty at the time, and which is somewhat still the case, and emphasises the importance of forward-looking corporate disclosures. Importantly, some regulators have conveyed that good faith attempts to provide investors and other market participants with appropriately framed forward-looking information will not be second-guessed. Throughout this period, Deloitte has worked to increase awareness in areas that create challenges and require more investigation, assessments, increased scepticism and documentation. There is benefit to the public for greater transparency from various financial reporting ecosystem stakeholders raising awareness about these issues. This includes providing more clarity on the responsibilities of management, audit committees, companies, auditors, regulators, and other stakeholders. Deloitte's business continuity plans have been effective, and we made sure that our Audit & Assurance services and solutions had the latitude to ensure continuity. We launched the technical resource centre "Deloitte Global Audit & Assurance Technical Delivery Resource Center" - a centre where all Deloitte employees around the world have access to relevant and locally tailored audit resources and advice linked to Covid-19. Different industry specific information associated with Covid-19 was also incorporated in the audit tool, e.g., as regards risk factors, subsequent incidents, as well as management reports and analyses. Continuous information has been provided concerning the effects of Covid-19, guidelines and support materials for important assessments. These measures have allowed us to continue to reinforce implementation of Deloitte audits throughout the pandemic.

From an audit risk perspective, the changing economic and health environments globally continue to put pressure on the risk of fraud, asset impairments, and continued operation in certain industries. Operational challenges in some industries can manifest into financial reporting challenges, while other industries may be benefiting from the current environment. The professional standards, Deloitte policies and guidelines, skilled consultation and specialist networks, and strong diligence continue to form the basis for Deloitte's execution of high-quality audits.

Deloitte has also led global initiatives to understand the implications of working virtually for professionals, to provide them with support to enhance team collaboration and to consider new ways of working in a remote environment.

The transformation of audit execution in an increasingly dynamic work environment has led Deloitte to respond to the rapidly changing needs and requirements of the talent landscape. As Deloitte is organising the return to the

workplace in several countries, it is challenging its historical working methods and considering a hybrid working environment.

Going forward, Deloitte will continue to deliver audits that meets the expectations of the clients and it`s own workforce.

Professional development in our organisation

The Deloitte culture and the design of our learning programmes and other learning activities ensure that partners and employees are at the forefront of developments across all industries.

Deloitte ensures the continuous development of employees and partners. Further development of expertise and practical experience, as well as flexible career opportunities, will attract future auditors.

Deloitte's partners and employees have different backgrounds, knowledge and expertise, which strengthens our ability as an organisation to deliver the highest audit quality.

The way we conduct our activities, efficient management of our operations, and a shared audit approach will also contribute to quality audits.

We are driving a sustainable audit business that recognizes and rewards its people and with ongoing investments in the business.



Continuing professional education (CPE)

Deloitte’s transformed approach to audit delivery is changing the audit experience for professionals. Audit teams are empowered by advanced tools and technologies and more extensive use of data analytics within a guided workflow to execute the end-to-end audit cycle. For Deloitte professionals, this means focusing on how the engagement is planned, executed, and managed consistently across the globe using forward looking techniques and capabilities. It also offers opportunities to enhance their technical and professional skillsets and competencies. For example, the following skills become more important—enhanced data analytics, project management, critical thinking, communication, enhanced professional judgment, and the application of accounting and audit principles to work more effectively and deliver higher quality engagements.

Deloitte has made substantial investments in talent and learning strategies and transformed the technical audit curriculum to build the refreshed skillsets and proficiency required by level:

- At the core, Deloitte has a single, global mandatory training programme, targeting learners by level, using a dynamic blend of live instructor-led, digital on-demand courses, and on-the-job activities. This is supplemented based on local requirements and needs.
- Deloitte also has specific continuing professional education (CPE) programmes for specialists. A mix of auditors and specialists in engagement teams provides complementary skills, but also entails a need for different training programmes.
- All client service professionals are required to complete at least 20 hours of CPE each year and at least 120 hours over a three-year period, through structured, formal training programmes, such as internal or external courses, seminars, or e-learning covering all areas of the competency model (e.g., shared expertise, function-specific technical expertise, and expertise in areas of specialisation).

The CPE programme for State Authorised Public Accountants comprises topics such as specialisation in IFRS and US GAAP, professional audit topics, ISA standards, PCAOB audit standards, methodology, taxes and duties, ethics and independence. Employees must complete training in audit and accounting.

Deloitte provides structured, formal training programmes such as internal and external courses, seminars and e-learning that satisfy requirements in the talent standards. All employees that interact with customers have clearly defined role expectations, and our global talent standards indicate their required expertise at various levels.

Better project management, which is an important skill for conducting audit engagements, has been included in annual

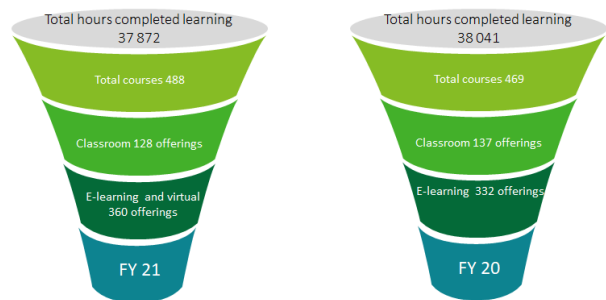
development programmes, which consist of a mixture of technical expertise and personal skills.

Deloitte’s Code of Conduct is an important part of Deloitte’s onboarding programme and is integrated in training at various levels.

Deloitte has an accrediting scheme for partners and employees who conduct audits on PCAOB engagements. Apart from a practical requirement, the individual must complete mandatory annual CPE in audit standards issued by PCAOB and SEC. Deloitte has a corresponding accreditation scheme for partners and key employees on audit engagements for entities that submit accounts according to IFRS and for PIEs.

The goal of Deloitte’s professional development programme is to help partners and employees maintain and strengthen their professional expertise and ensure consistency in conducting audits.

Our investment in continuing education



To continuously ensure a high level of competency, and in order to stay ahead of the development, average annual training significantly exceeds the minimum requirement. Deloitte had an average of 75 hours of organised training per employee last year. This is in addition to extensive on-the-job training.

The CPE programme consists of a combination of mandatory and needs-based courses. Deloitte registers participation in course activities in a system (SABA Cloud), which provides documentation of and reports on the completion of CPE, and also provides reports on completed training in relation to plans. Upon participation in external courses, course certificates and other documentation will be obtained as a basis for approving the course in the individual's CPE. This allows Deloitte to maintain an overview of the individual partner’s and employee's CPE profile for use in allocating personnel for audit engagements, in promotions and in performance reviews.

The Auditor Act contains CPE requirements for signing partners and State Authorised Public Accountants. Deloitte has a system for registering and following up statutory

requirements for CPE, thus allowing Deloitte to ensure that anyone appointed as signing auditor has fulfilled the statutory requirements.

Deloitte adheres to the guidelines for CPE in Article 13.2 (h) of Directive 2006/43/EC, as codified in the Auditor Act.

Deloitte recruits from universities and encourages employees to take a master's degree in accounting and auditing and to become State Authorised Public Accountants. One half of the employees in Audit & Assurance are State Authorised Public Accountants.

Engagement partners and engagement leaders shall ensure the transfer of knowledge and experience and provide feedback to employees during implementation of the audit. Deloitte's coaching system handles the needs for CPE, as well as evaluation of expertise in connection with promotions.

Deloitte University **Deloitte** University

Deloitte University is Deloitte's international arena for learning and skills development. Deloitte University is a combination of course and

learning development, implementing training programmes at six university locations in the US, Europe and Asia. The universities are state-of-the-art institutions for learning and development built exclusively for Deloitte, anchored in the principles of connection and leadership in a highly inclusive learning environment. Deloitte uses the opportunities provided by Deloitte University to a great extent within executive development and industry expertise. The annual plan was that approx. 170 employees would participate in the various courses offered. Due to Covid-19, no courses were held face-to-face during the period in question, but most courses were provided virtually instead.

Workforce diversity and inclusion

As a corporate citizen, employer and service provider, Deloitte has increased its focus on workforce diversity and inclusion. We recognise that different backgrounds promote innovation, provide deeper insight, better decisions, and mobilise the potential of our employees.

We believe this makes us even better in our work with our clients. Therefore, it is important for us that everyone who works at Deloitte feels equal and respected. Our global and local "All In" strategy aims to ensure that we reach our goals for workforce diversity and inclusion.

At Deloitte, we work actively to guarantee equal opportunities for women and men, as well as equal pay in comparable positions. In connection with promotions and wage adjustments, we ensure that assessments are not affected by unconscious bias. Despite making an effort over the last few years to promote women to executive levels, we still have work to do before we reach our goal.

Gender distribution among our employees and partners in Deloitte AS as of 1 June 2021 (women/men):

	Women	Men
Partners	32/147	115/147
Directors	25/86	61/86
Senior managers and managers	184/403	219/403
Senior staff and staff	308/577	269/577
Staff	140/169	29/169

Ratio of women in the partnership: 22%

Gender distribution among our employees and partners in Audit & Assurance as of 1 June 2021 (women/men):

	Women	Men
Partners	14/61	47/61
Directors	8/23	15/23
Senior managers and managers	75/158	83/158
Senior staff and staff	147/271	124/271
Staff	21/24	3/24

Ratio of women in the partnership in Audit & Assurance: 23%

Employee retention

Our employees possess a high level of professional expertise and skills in demand which are highly attractive in the market. This is a factor that contributes to a somewhat high turnover of employees in our industry. Nevertheless, we perceive a high level of employee retention in Audit & Assurance.

The table below shows turnover among our employees over the last two years, for Deloitte AS and Audit & Assurance.

	FY20	FY21
Audit & Assurance	13%	11.7%
Deloitte AS	16%	17.1%

Our partners in Audit & Assurance have an average of 23 years of experience.

As a knowledge-intensive business, we are dependent on a well-functioning, healthy and safe working environment at all our offices. We apply a preventive and long-term approach to our working environment efforts as an integrated part of our daily activities. Deloitte aims to provide a good and safe working environment at all our offices, with focus on welfare and job satisfaction, as well as a healthy balance in everyday life.

Leadership appointments in Audit & Assurance (A&A)

Critical A&A Leadership roles are clearly defined. A role profile and key performance indicator framework provide a basis for consistent leadership appointment and evaluation across the Deloitte A&A network and align member firm and Deloitte Global A&A strategic objectives. Deloitte has introduced globally consistent standards for member firm A&A leaders, including A&A Business Leaders, A&A Quality Leaders, and A&A Risk Leaders through clearly defined roles, responsibilities, and expected success outcomes. These inform objective setting and evaluation processes and reinforce Deloitte’s culture of quality and excellence. Robust monitoring of succession planning is in progress to ensure Deloitte is developing and appointing the appropriate individuals with the capabilities to achieve these consistent standards.

Partner remuneration

Execution of high-quality audits is expected from all professionals and is embedded across the Deloitte network. Audit quality is recognized through reward and recognition programmes and is built into performance standards at every level, against which professionals’ overall evaluations are measured.

Our shared NSE partner model is the foundation for partner remuneration. The partner model presumes that a partner

acts with integrity in line with our values and ethical principles and contributes to quality in all our processes.

The partner model clarifies the criteria for awarding profit shares and is based on an evaluation of a number of factors of both a quantitative and qualitative nature, in line with the NSE partner model.

The key points in this model are: "Non-negotiables":

- quality, ethics and integrity
- collegial conduct, supporting colleagues
- a clear voice, open and honest
- living our values

The individual partner is also measured against the following:

- Client: sales, portfolio and developing relationships
- Business: developing our activities in line with our strategy.
- People: developing employees, teams and themselves
- Stewardship: stewarding our activities with the intent of handing them over in an even better condition to new generations of partners and employees.
- Collaboration: cooperation and "As One" conduct.

In accordance with the guidelines, Deloitte’s partners are evaluated on an annual basis, and depending on the outcome of the evaluation, partner remuneration can be increased or reduced.

The partners are primarily remunerated for carrying out the primary task of delivering professional services of high quality, and the remuneration is reduced for lack of compliance with professional requirements.

The partner model contains no criteria which entail extra remuneration for delivering non-audit services to audit clients. Neither does the partner model promote significant sales, a large number of clients or major clients in the partner's portfolio. This is how the partner model counteracts potential pressure that could lead to independence issues or could lead to a drop in quality.

Partners are compensated annually, but the model has mechanisms to ensure a long-term perspective and equalisation from year to year. A potential loss of a major audit client as a result of a tender process or termination of an engagement on behalf of Deloitte will not have an impact on partner remuneration. The partner model thereby protects the individual partner's integrity. The compensation is less affected by client acquisition, additional sales to existing clients and loss of, or termination of clients.

With support from the business area leaders and following input from the Reputation & Risk Leader about potential quality or independence issues, the CEO will prepare a draft for partner remuneration.

The proposed profit-sharing will be addressed by the Norwegian Partner Council, Nordic Partner Council, and then by the Deloitte NSE Executive, who will reconcile this with the Deloitte NSE level and assess the process within the individual geography/country. Observers from the Deloitte NSE Board will participate in the final assessment. The process aims to ensure that the profit sharing is subject to a thorough and appropriate process within the individual geography/country, and at the Deloitte NSE level. The process must also take into account equal treatment of genders and fair treatment for the individual partner, and that the distribution corresponds with financial results and business plans. The assessment by Deloitte NSE completes the profit-sharing process.

The process leading up to the final allocation aims to ensure in the best possible manner that the remunerations are perceived as reasonable and prudent.

Partner compensation consists of a dividend on their ownership interest in Deloitte AS, remuneration for work and a profit share. Neither bonus nor wages are disbursed to partners.

There is full transparency as to profit sharing among partners in Deloitte.

Audit quality

Deloitte's commitment to audit quality is central to everything we do, from instilling a culture of quality and excellence across the network, to business and financial priorities, and the processes, tools and technologies applied in the execution of audits.

Making sure audit quality keeps pace with emerging economic, business, and regulatory conditions, as well as technological advances is critical to the continual enhancement of Deloitte's role in protecting the public interest and supporting the effective functioning of the financial ecosystem.

Deloitte's brand is defined by the high-quality audits delivered and by the unwavering commitment to continuous improvement.



Deloitte's quality control system

Pursuant to the Auditor Act, an audit firm must establish proper systems for internal quality controls for the audit activity, and audit firms are obliged to comply with the requirements in ISQC 1 – the International Standard on Quality Control for audit firms that conduct audits and limited audits, as well as other assurance engagements and associated services.

The Standard on Quality Control (ISQC 1) sets forth the framework for the audit firms' quality control system of their audit practice. The objective of the quality control standard is for the audit firm to establish and maintain a quality control system that provides reasonable assurance that:

- the audit firm and its employees comply with professional standards, as well as regulatory and statutory requirements
- reports issued by the audit firm or signing auditors are appropriate based on the circumstances

Deloitte believes an effective system of quality control is crucial for the consistent performance of high-quality audit engagements and we continue to make significant investments in the people, processes, and technologies that underlie Deloitte's quality control processes.

The Regulation relating to risk management and internal control entered into force for audit firms on 1 January 2021. Deloitte has implemented the Regulation, which includes identifying relevant risks and stipulating a risk framework and principles for risk management, as well as identified relevant policies, guidelines and controls linked to identified risks. Risks, policies and controls are codified in a risk and response matrix that complements the general principles. In line with the Regulation, the external auditor will issue an independent confirmation to the board regarding completed risk assessments and an assessment of internal controls and documentation, in connection with auditing the annual accounts for the financial year from 1 June 2021 to 31 May 2022.

Regulators and standard setters in Norway and globally are also focused on driving further improvements in the firms' quality control systems. In December 2020, IAASB launched its new, revised International Standard on Quality Management 1 ("ISQM 1"). ISQM 1 enters into force on 14 December 2022 and focuses on quality management at firm level.



Deloitte is well under way in implementing ISQM 1, and we are working to ensure a proactive approach in safeguarding the quality of our engagements. We do this by identifying and working on risk associated with audit quality and finding improvement opportunities in quality control processes.

Consistent with Deloitte's culture of continuous improvement and innovation, these standard-setting activities provide the opportunity to challenge ourselves. This includes examining areas where we can further improve and transform the quality control system. Audit quality is always front and centre, and robust audit quality monitoring and measurement processes play an integral role in our ability to continually improve.

In order to ensure application of and compliance with relevant standards, ISQC 1 requires that the audit firm's quality control system comprises guidelines and routines for leadership responsibility regarding quality assurance, ethics and independence, acceptance and continuance of client relationships and individual engagements, the staff's capacity and expertise, as well as completing engagements and monitoring.

In accordance with the requirements of the Auditor Act, Deloitte has established a quality control system that covers the requirements of the Auditor Act and ISQC1.

Deloitte's quality control system constitutes part of the comprehensive risk management of our overall operations, and the description in this report covers Deloitte's audit practice.

The quality control system is multi-dimensional, and the following areas are subject to quality assurance:

- compliance
- quality
- independence

The components of the quality control system cover the following areas:

- organisation and governance
- Deloitte policy and guidelines
- audit policy and guidelines
- engagement based requirements
- internal quality control and monitoring
- external quality control

Leadership obligations and attitudes

Deloitte's culture of quality and excellence begins with a strong tone from the top, starting with senior leadership through to the leaders in all our offices and audit engagements. Deloitte's focus on audit quality is evident through the direct involvement of leaders across all levels and through consistent messaging that reinforces the importance placed on audit quality. Deloitte's continuous pursuit of quality defines not only what we do, but who we are.

Compliance, quality and independence

It is fundamental to ensure compliance with all laws and regulation that apply for the audit business. However, Deloitte views quality as something more than compliance with statutory requirements and applying audit standards. Quality therefore comprises more than the absence of errors, deficiencies and weaknesses. Quality must also provide a sense of cooperation, ethical conduct and integrity and implies that expectations are met. Deloitte similarly emphasises that auditor independence should not only be measured as compliance with specific rules, but also that our independence should be unquestionable and that there should be no factors that weaken confidence in Deloitte as an auditor.

Quality impairment in the form of errors, deficiencies and weaknesses can largely be counteracted, prevented or identified through organisation, routines and systems. However, this primarily applies for systemic impairments in quality. In order to control non-systemic errors, deficiencies and weaknesses that could frequently have greater consequences, it is necessary to establish a solid culture of quality and trust. This is one of the many reasons why attitude-forming measures are an important part of quality in Deloitte. It's about personal conduct and culture. Through various measures, Deloitte has made a significant effort over several years to create the right attitudes, encouraging professional conduct and expecting a personal commitment from our employees. The significance of binding cooperation and a good relationship of trust with the audit clients has also been emphasized.

Independence, objectivity, and professional scepticism

The execution of high-quality audits requires independence, objectivity, and professional scepticism. This means a continuous focus on Deloitte's critical role in protecting the public interest, including creating a culture of quality where doing the right thing is of paramount importance. Based on this role, professional scepticism is of crucial significance when we perform our work. This approach to the audit is reflected in many aspects of Deloitte policies, methods, actions, and learning, and is reinforced through quality control and accountability measures.

Multi-disciplinary model

The description of the quality control system covers Deloitte's audit practice within the **Audit & Assurance** business area. However, it also impacts the other business areas in Deloitte, **Tax & Legal, Consulting, Financial Advisory** and **Risk Advisory**. This because the independence rules for auditors affect which personal and financial relationships partners and employees can have, and which services can be provided from the other business areas to audit clients.

Sufficient knowledge of requirements for auditors is achieved through the establishment of shared Deloitte policies and guidelines based on auditing being the core activity. Further, the requirements are incorporated in the engagement acceptance procedures for each business area. Prudent conduct within business areas other than Audit & Assurance in light of the auditor's framework, is safeguarded in the quality control system, in part through the signing auditor's management of the client relationship and in part through shared monitoring systems.

By delivering services to clients other than audit clients, Deloitte accrues significant expertise and thereby also a high level of attractiveness in recruiting for the business areas. This gives the audit business access to top expertise from other servicelines - and business areas. Servicelines- and business areas outside of Audit & Assurance contribute with significant specialist competence, particularly within IT audits, internal control, taxes, corporate law and valuation. The business areas thereby play an important role in ensuring quality audits.

Multi-disciplinary model

MDM is an important contributor to high-quality audits. Auditors increasingly use the work of specialists in a number of areas, including to assist in their evaluation of accounting estimates and fair value measurements. This has been more important than ever as companies' financial statements were required to reflect the uncertainties presented by COVID-19. Financial statements may continue to grow in complexity due to new ESG considerations and other focus areas. Further, as big data utilization becomes more pervasive in line with other digital advances, the demand for data analysts and IT specialists will grow accordingly. Among the benefits of the MDM are:

- Possibility to develop industry insights through multiple lenses, which enhances auditors' understanding of business risks relevant to conducting audits.
- Immediate access for the audit practice to specialized resources in other business lines. This promotes audit quality because auditors can leverage the knowledge and experience of advisory professionals who are skilled in subjects beyond audit and assurance.
- A diverse organization helps attract and retain premier talent.
- Availability of intellectual capital within the network to innovate audit processes, technologies, etc.
- Parts of the business grow at different rates during various time periods across markets. Deloitte's MDM provides a safeguard against market volatility that is important to long-term viability of the network and makes significant investments in audit quality and innovation possible, even in times of financial pressures on the audit business.

Deloitte's response to COVID-19 demonstrates both resiliency in putting audit quality and the public interest first which is further supported by the significant benefits of the MDM. Each non-audit Deloitte business has a shared and vested interest in supporting audit quality initiatives and Deloitte's strategy to deliver high-quality, globally consistent service to clients.

Components of Deloitte's quality control system

The individual components are addressed in various chapters of the transparency report.

Organisation and governance

Deloitte has organised its activities in accordance with the provisions of the Auditor Act. The company's organisation is addressed in more detail on page 8.

Deloitte policy and guidelines

The Auditor Act defines the auditor's role as a provider of assurance to relevant stakeholders and society. The auditor shall perform his/her work with integrity, objectivity and prudence.

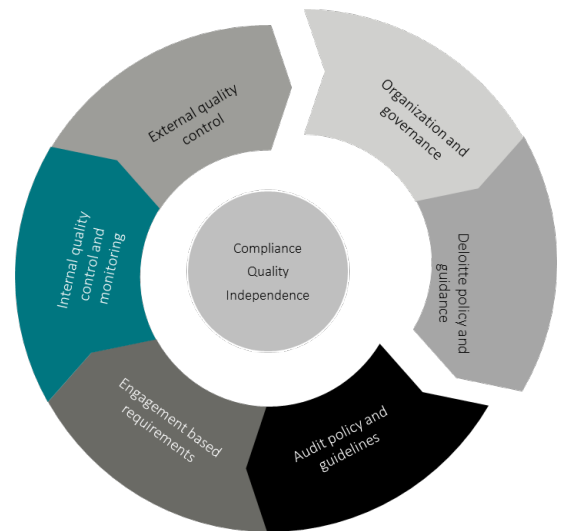
Deloitte is in the profession of audit and assurance. A profession is characterised by acknowledging a social responsibility and basing its activity on values and ethical principles. Based on the core activity – audit - DTTL and Deloitte have designed policies and guidelines that apply to all parts of the activities.

The policies and guidelines for DTTL member firms are compiled in the DTTL Policies Manual. Based on the shared requirements codified in the Manual, specific manuals have been prepared for each business area. General shared requirements mean that important factors for the Audit & Assurance business area are incorporated in policy manuals for other business areas. This particularly applies to guidelines for accepting engagements, ethics, independence and conflicts of interest.

Deloitte has adopted a Code of Conduct which applies for all partners and employees. It addresses our values, ethical principles and guidance for moral actions based on our corporate social responsibility, client responsibility and collegial responsibility. Our Code of Conduct, guidelines and work surrounding ethics are addressed in more detail on page 37.

All business areas also share various security measures and guidelines which e.g., cover confidentiality, security of client information, IT security and physical security. A dedicated policy has been established concerning anti-corruption, which specifies zero tolerance in this area.

Deloitte has established a disciplinary system and has prepared clear guidelines for the duty to report in the event of incidents, criticism and claims, which give the QRS function the opportunity to take action in an early phase to identify and process potential breaches of professional requirements or unfortunate incidents.



Audit policy and guidelines

The Auditor Act governs amongst other the auditor's responsibilities when auditing annual accounts. Generally accepted audit standards and practices require that the audit be carried out in accordance with statutory laws and regulations and detailed audit standards.

DTTL has prepared a policy manual for the Audit & Assurance business area, and Deloitte has also prepared national guidelines that cover the provisions of the Auditor Act, the Auditor Regulation, specific Norwegian audit standards adopted by the Norwegian Institute of Public Accountants, directions from Finanstilsynet and other regulatory requirements established for audit practice.

Deloitte has prepared detailed guidelines and routines for acceptance and continuance of client relationships and individual engagements. See page 15 for more on client and engagement acceptance.

Deloitte has established routines for resource planning and staff allocation to ensure that sufficient capacity and expertise are available to deliver the audit engagements. The employees' professional and personal development is followed up regularly through coaching systems, which include evaluation of engagement completion, discussions of training needs and career planning.

DTTL has prepared an audit methodology based on international (and corresponding Norwegian) audit standards. The method is codified in a manual – the Deloitte Audit Approach Manual, with detailed requirements for conducting the audit and documentation thereof.

Deloitte's audit methodology is designed by our global team and adapted locally to ensure compliance with national legislation. Deloitte is obliged to use the audit methodology in all audit engagements.

At its core, the method is a robust, fact-based risk assessment, with audit procedures that address the risk assessment. It is an ongoing process with continuous improvements to the audit methodology. A standardised work process, "The Deloitte Way", is used in audits of larger entities to promote greater consistency in conducting the method across member states. As to areas of audit that are carried out in the same manner each time (for example bank testing), each of these workflows contains a guided risk assessment, defined actions and templates, use of analysis and the possible use of delivery centres, as well as associated guidance. These workflows will ensure that any errors are revealed and escalated at an early stage and will contribute to continuous quality improvement. As regards to audit of small and medium-sized entities, we have started testing a new audit tool, Levvia, which is based on the same principle as "The Deloitte Way".

Our method is built into tailored software and provides a clear framework for procedures to be carried out. It also gives our partners and employees the tool necessary to assess risks and implement robust procedures and assessments and presumes regular partner and manager involvement throughout the audit process. At the same time, the system enables effective governance of progress in the engagement, and appropriate documentation of procedures and assessments in the audit file. The software is upgraded regularly.

The resources applied by Deloitte partners and employees in the performance of their audits also include guidelines, materials, and practical aids, which are available to all our partners and employees in the Deloitte Global Technical



Library, an extensive online library. Deloitte regularly issues accounting and audit guidance to our partners and employees and communicates factors that may affect audit quality.

Deloitte's approach to a high-quality audit thus involves an audit methodology used across the Deloitte network, supplemented by audit tools for use by our partners and employees to plan, perform, supervise, review, document, conclude, and communicate the results of each audit. Deloitte's audit approach is based on professional standards.

This audit methodology is dynamic—it evolves continuously to keep pace with the changing demands of investors, companies, and other stakeholders. It recognises that access to and management of large data sets and statistical methods are relevant to continuing to enhance the quality of Deloitte audits. Deloitte's audit methodology is risk-based, focusing on the financial statement account balances, disclosures, and supporting evidence that have a reasonable possibility of being materially misstated.

Deloitte's audit teams carry out their engagements with professional scepticism.

Quality and risk management considerations are integral to Deloitte's audit business. Therefore, Deloitte views consultations as an important element in risk management. Deloitte's consultation policies require that conclusions are documented, understood, and implemented. In addition to formal consultations, whenever engagement partners and teams need additional information or assistance, they are encouraged to consult with the Technical Department, or others in the organisation with specialised knowledge. DTTL's Audit Policy Manual indicates the instances in which consultation is required in professional issues and who can and must be consulted. Deloitte seeks to maintain a consultation culture, where professional issues are discussed with competent colleagues. In complex and important issues and in the event of disagreement, the National Professional Practice Director must be involved in the decision.

Deloitte has clear guidelines requiring all audit engagements for public-interest entities and a certain number of other audit and assurance engagements to be subject to objective quality control before auditor's reports and other reports are issued. As regards audits of public-interest entities, this quality control must be carried out by an objective and experienced partner and must e.g., comprise the independence assessment, necessary consultations, and professional judgements.

Engagement-related requirements

DTTL's Audit Policies Manual and Deloitte Audit Approach Manual also stipulate tasks and obligations for the signing auditors and engagement leads. The requirements correspond with the responsibility for conducting audit engagements which follows from the international audit standard Quality Management for an Audit of Financial Statements (ISA 220). The requirements harmonise with the responsibility assigned to signing auditors pursuant to the Auditor Act.

The audit standard on quality control of engagements requires that the signing auditor shall be responsible for the overall quality of the individual audit engagement, implementing quality control requirements and providing the audit firm with relevant information about independence which is of significance for the company's quality control system. Signing auditors in Deloitte are conscientious of and act in accordance with this responsibility, and thus carry out important functions in Deloitte's quality control system.

The signing auditor must ensure that employees on the engagement comply with ethical requirements. The signing auditor must also obtain and evaluate information of significance for independence, conduct acceptance procedures, assess staffing, conduct the engagement in accordance with guidelines and provide feedback on Deloitte's quality control system of significance for the individual engagement.

The signing auditor for public-interest entities must be vigilant in relation to the special duty of care that applies, as well as the particular precautions the legislator has established. or the audit committee has laid down to ensure auditor independence. The signing auditor must be in contact with the audit committee and ensure communication as required by the Auditor Act and the prevailing Code of Conduct.

Internal quality control and monitoring

The Auditor Act stipulates that a representative of the audit firm shall issue a statement on how the quality control systems have worked and confirmation of compliance with the guidelines for independence. The basis for this confirmation will be the result of internal quality control and monitoring.

Deloitte conducts various monitoring measures to obtain reasonable assurance that Deloitte, as the auditor, complies with the independence requirements and conducts audits of consistent high quality. Deloitte's internal monitoring programmes to ensure quality in the audit are addressed in more detail on page 28.

The QRS function and the Technical Department perform an important monitoring by being consulted and directly involved in discussions. This happens, in close cooperation with the leadership team and with the individual partner and employee. Challenging cases are solved, and mitigating measures are implemented. Deloitte's open culture of quality and trust is an important element in Deloitte's quality control system.

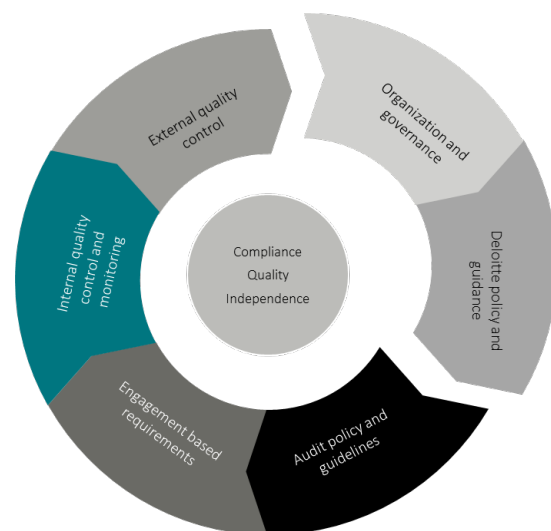
Annual Audit Practice Reviews are conducted with representatives of and under the supervision of DTTL. Audit Practice Reviews are addressed on page 33 in connection with our established AQMM programme.

None of the monitoring activities have revealed serious errors, deficiencies or weaknesses in Deloitte's quality control system. Deloitte has only reported minor deviations from policies and guidelines to DTTL. Observations that have indicated need for improvements have been duly considered in the preparation and clarification of guidelines, information and training measures and the adjustment of processes and procedures. There have been no serious breaches of professional requirements by partners or employees.

External quality control

Finanstilsynet inspects audit firms that audit public-interest entities at least once every three years. This inspection includes an assessment of the company's internal systems for quality control.

External quality controls are addressed in more detail on page 34.



External and internal quality controls

Internal quality controls

Audit quality is fundamental to Deloitte's business and long-term strategic goals, and it is crucial that an audit conducted by Deloitte is consistent and high quality, regardless of where in the world it is carried out.

The Audit Quality Monitoring & Measurement programme (AQMM) is Deloitte's programme for work on quality controls in audit engagements and includes a comprehensive approach to monitoring the quality of the engagements, both during the audit and on completed engagements.

The objective of the AQMM programme is to:

- transform the way audit quality is monitored and measured and audit deficiencies are resolved; and
- enhance the internal system of quality control which all Deloitte network firms follow

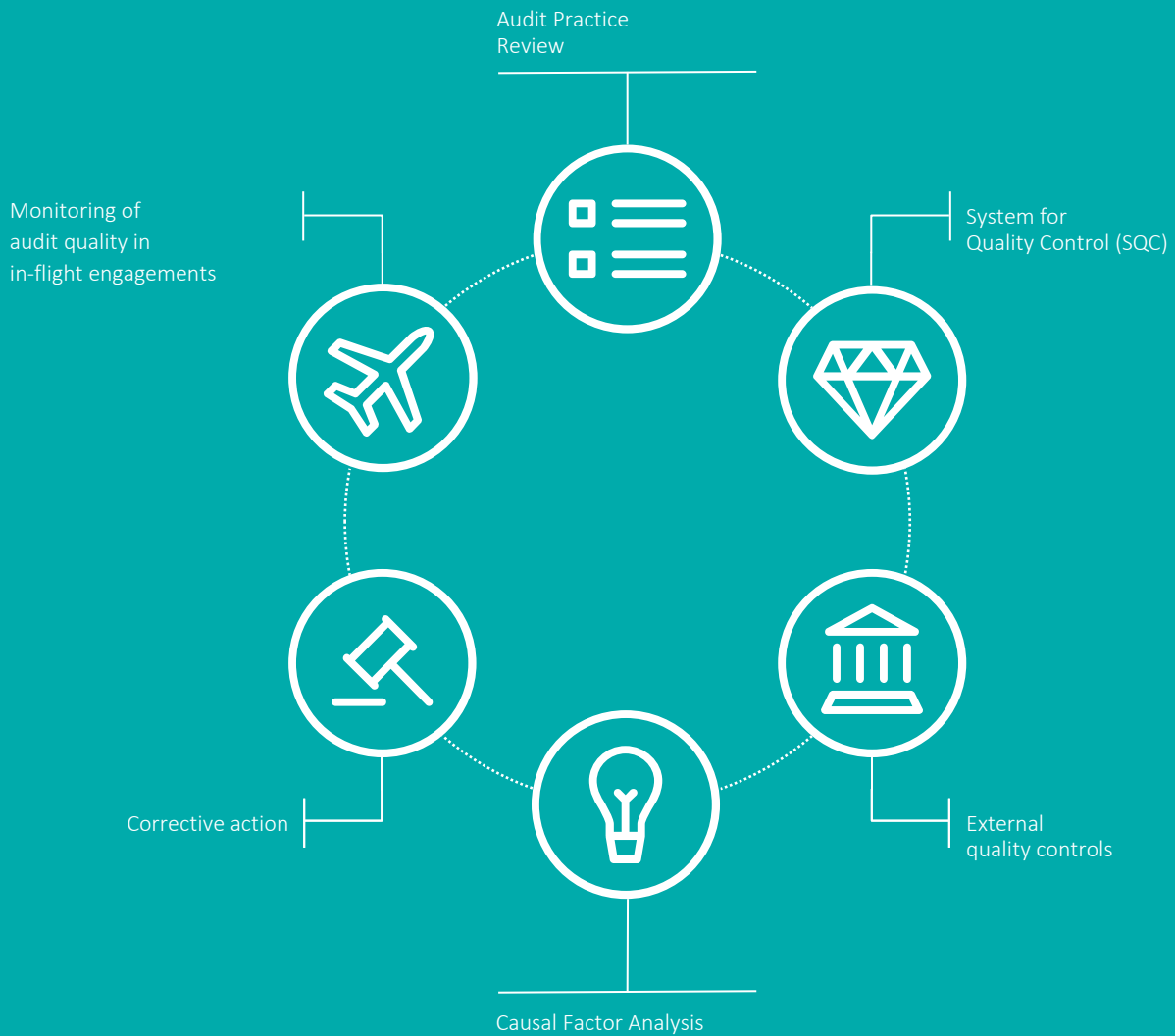
The AQMM programme is focused on driving:

- timely implementation of the audit process, by establishing milestones for public-interest entities and major engagements.
- continuous, consistent and robust monitoring of completed and current engagements with continuous feedback from a quality controller and implementation of any improvement measures during the process.
- in-depth understanding of any identified weaknesses through analysis of underlying causes, which provides a basis for measures both at the engagement and organisation level.
- systematic monitoring of quality factors in the audit portfolio, using analytical tools to continuously identify improvement areas.
- greater transparency and consistency in reporting goals for audit quality.

Deloitte has guidelines and procedures to promote an internal culture based on the recognition that quality is priority number one. Deloitte considers professional conduct and proficiency to be crucial elements in achieving audit quality on a consistent basis.

The importance of quality is regularly communicated from management and is a key factor in employee and partner evaluation. Compliance with our guidelines and policies contributes to promote audit quality.

Monitoring and measurement of audit quality



Monitoring of audit quality in in-flight engagements

In line with the AQMM programme, quality controls are carried out on certain selected in-flight engagements, i.e., before the engagement is complete. The quality controller provides input to the audit and points out improvement areas as needed. The objective is increased audit quality and skills development.

Continuous audit quality monitoring drives a faster response to audit issues on “in-flight” engagements, driving identification, timely solutions, and real time corrective actions achieved by:

- using Diagnostics, an analytical tool developed by DTTL, which allows the engagement partner and the audit team, as well as leadership, to continuously monitor audit quality and initiate necessary actions.
- using "health checks" in specific areas to help the audit team and leadership to monitor progress and identify potential challenges in “in-flight” engagements.
- evaluating the quality of “in-flight” engagements to determine whether the audit teams require additional support with regard to compliance with the audit methodology or updates thereto.

Audit Practice Review

Annual Audit Practice Reviews are conducted with representatives of and under the supervision of DTTL.

The quality control covers all signing auditors that audit public-interest entities over a three-year period and other signing auditors over a five-year period. The quality control measures whether or not selected audit engagements are conducted in accordance with DTTL's audit methodology and documentation requirements, including assessments of whether the auditor's report and other reports are appropriate. At the same time, Deloitte's quality control system and documentation thereof are subject to assurance.

Tested engagements are classified based on whether weaknesses and improvement areas are identified in the audit. Actions are implemented when this is deemed necessary.

Key elements of the quality control include:

- risk-based engagement selection, which also ensures compliance with the rotation requirement.
- a mandatory moderation panel which evaluates findings from the quality control to ensure consistent assessment of findings and classification of engagements.
- using partners and employees from the Deloitte network as quality controllers to drive global consistency.
- using partners and professionals from the Deloitte-network to perform the quality control to strengthen global consistency.

System for Quality Control (SQC)

The SQC contains a number of elements, including documentation of key areas and controls, as well as testing compliance with the system. Implementation of the quality control system is addressed on page 24.

Deloitte is preparing for implementation of ISQM 1 and monitoring compliance with this new standard. These preparations are further advancing quality control processes and the approach to monitoring and contribute to strengthening our culture of continuous improvement. Audit Quality Indicators (AQIs), used in conjunction with other metrics, further assist Deloitte in developing and monitoring audit quality action plans and reporting on the progress in its audit quality journey. AQIs are integrated with ongoing AQMM activities.

The establishment of and compliance with a satisfactory quality control system in accordance with ISQC 1 is the foundation of our activities. Policies and guidelines that follow from ISQC 1 are easily accessible to partners and employees and changes are communicated. To verify whether the system works satisfactorily, compliance with key policies and guidelines is continuously tested. Based on the result of the testing, actions are implemented where this is deemed necessary.

In addition to reviews of individual engagements, Annual Audit Practice Reviews also comprise a review of the System for Quality Control. The objective of the review is to test whether the established System for Quality Control is in accordance with ISQC 1 and Deloitte's guidelines and policy, whether this is satisfactorily documented, as well as compliance therewith.

In addition, proper timing and sequencing of audit activities, including timely reviews of work performed and the resolution of matters identified, are closely associated with high quality audits. Audit Quality Milestones are intended to drive consistency of engagement teams in project management, timing of when work is done, and necessary focus on engagement staffing, including sufficiency and the skills, knowledge, or experience of assigned resources

Causal factor analysis and actions

Continuous improvement is essential to Deloitte's culture of quality and excellence. Understanding why audit deficiencies occur is critical to the design of effective actions to remediate findings. Further, actions are taken when audit deficiencies are identified during the performance of an audit engagement. Engagement level remediation is imperative to drive continuous improvement in audit quality and avoid future similar findings. An audit quality plan is prepared and provides for effective implementation and monitoring of key audit quality priorities.

External quality controls

In addition to Deloitte's own monitoring of audit quality, we are subject to external inspections of our audit business.

Finanstilsynet inspects audit firms that audit public-interest entities at least once every three years. These inspections include an assessment of the company's internal systems for quality control and will also comprise an assessment of independence, resourcing, auditor's remuneration and audit execution. The result is described in a report, and comments must be remediated by the audit firm without undue delay.

In the following we will address company inspections and thematic inspections carried out during the period from 1 June 2018 through 31 May 2021.

Finanstilsynet and the Public Company Accounting Oversight Board (PCAOB) in the US conducted a joint inspection of Deloitte in November 2018. Finanstilsynet inspected Deloitte's quality control system and two audit engagements. Finanstilsynet's comments were presented in a letter of 17 June 2019. Finanstilsynet had two comments on the System for Quality Control linked to pre-approval from the signing partner upon delivery of non-audit services to audit clients, and to partner rotation overview. No deliveries of prohibited services or breaches of the partner rotation scheme were identified. As regards the two inspected engagements, they pointed out that one item addressed in a board meeting should have been

included in a numbered letter, and there were weaknesses in one engagement associated with auditing the calculation of capital adequacy. The report is available at finansstilsynet.no. Deloitte has taken the necessary steps to remediate Finanstilsynet's comments. PCAOB inspected Deloitte's quality control system and two audit engagements. PCAOB's report was published on 23 May 2019, and no weaknesses were identified related to the two audit engagements.

Deloitte was included in Finanstilsynet's thematic inspection in 2018 concerning engagement control, and the report was published on 6 July 2018. The thematic inspections have not identified any factors resulting in a need to initiate special actions.

Statement on the effectiveness of the internal quality control system

We confirm that our internal quality controls and systems are robust, operate effectively, and allow us to readily identify any areas of potential enhancement. We continually seek to refine all aspects of our business and we use the findings of the practice reviews, other internal reviews, and external regulatory inspections to enhance our system of quality control.

Independence, ethics and security

Deloitte Global Independence



Establishes **policies and procedures associated with independence**, based on the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, as well as the independence standards issued by the US Securities and Exchange Commission and the Public Company Accounting Oversight Board.

Conducts quality controls associated with the independence standards in three-year cycles; annual reviews as part of Audit Practice Reviews in intermediate years, and follow-up in-depth reviews as needed.



Conducts **ongoing monitoring activities** on member firms, which enables the continuous improvement of global guidelines, quality controls, tools and supporting activities.



Delivers **global systems** to give partners and employees information about clients, to support compliance with personal and professional independence requirements, including financial interests and approval of service deliveries.



Supports awareness surrounding **independence standards** in the Deloitte network through active involvement with global groups that work on independence, periodical communication and notices, as well as preparing guidance, training and guidelines.

Independence

DTTL has established policies and detailed guidelines in accordance with international independence rules (IESBA), with the addition of special SEC and PCAOB rules. Chapter 8 of the Auditor Act, as well as EU Regulation 537/2014 also provide an additional framework and detailed rules for auditor independence. The independence rules regulate personal and financial relationships and deliveries of non-audit services to audit clients. Deloitte has incorporated special Norwegian independence rules in accordance with the provisions of the Auditor Act and EU Regulation, as a supplement to DTTL's policies and guidelines.

Deloitte devotes considerable attention to the independence rules. The leadership in Deloitte reinforces the importance of compliance with independence and related quality control standards, thereby setting the appropriate tone at the top and instilling its importance into the professional values and culture of Deloitte. Strategies and procedures to communicate the importance of independence to partners, other professionals, and support staff have been adopted, emphasizing each individual's responsibility to understand and meet the independence requirements. The Director of Independence is responsible for overseeing independence matters within the member firm, including the design, implementation, operation, monitoring, and maintenance of the system of quality control related to independence.

The independence rules are easily accessible to everyone, and the Deloitte Code of Conduct also prescribes compliance with the independence rules.

The training takes place in the form of mandatory courses with a test which must be passed, and independence rules are integrated in various training activities. Everyone has access to databases containing national and international audit clients, and a separate system (DESC, see below for info) for clients which are public-interest entities.

Partners and employees in all business areas are obliged to familiarise themselves with, understand and comply with the requirements for auditor independence. New hires must sign an independence confirmation upon employment, and everyone must file a confirmation annually and upon resignation. These confirmations cover personal and financial relationships.

The signing auditor for the entity has professional responsibility for assessing independence situations of any nature which affect the audit client. This assessment takes place on the basis of a stringent duty of care for audit clients that are public-interest entities. The signing auditor will address any issues with the audit committee, request pre-approval for, or inform about any non-audit services. The signing auditor will issue a confirmation of independence once the audit is complete.

Formal consultation and approval routines have been established to address instances of doubt, and the disciplinary system applies for any breaches.

Within QRS, Deloitte has established an expert function led by the Director of Independence, which administers the rules for, and monitors compliance with independence. This function covers the handling of potential conflicts of interest in engagements, both internally and in relation to DTTL.

The key elements in the System for Quality Control which Deloitte has implemented in accordance with global independence guidelines comprise the following:

- engagement acceptance and monitoring
- monitoring long association of partners and professionals with audited entities
- business relationship assessments and monitoring
- use of independence business process tools, including the Deloitte Entity Search and Compliance (DESC) system, the Service Request Monitoring (SRM) application, and the Global Independence Monitoring System (GIMS).
- an Inspection & Testing programme, and annual and special purpose independence confirmations, to monitor individuals' compliance with independence requirements
- consultation processes including the identification of individuals who are to be contacted for independence matters
- procedures to identify and analyze non-compliance with independence requirements and apply related disciplinary measures and actions
- independence-related learning and communications
- an internal review of independence compliance was conducted during the year.



DESC

Deloitte Entity Search and Compliance

Global, searchable database containing specific entity information relevant in determining personal and professional independence restrictions.



SRM

Service Request Monitoring

An application integrated with DESC that provides standard business processes for submitting and reviewing pre-approval requests to provide services to clients.



GIMS

Global Independence Monitoring System

Database containing information about financial/ownership relationships with information about relevant independence restrictions.

Partners and employees in managerial positions continuously register their own and their closest family's listed securities and other financial investments in GIMS. The monitoring system automatically reports investments that must be divested as a result of new restrictions. Follow-up takes place through non-conformance reports from GIMS.

All partners and employees annually confirm their independence and compliance with Deloitte's ethical values. Compliance with the independence rules is also tested both annually and on an ongoing basis. In audit engagements, compliance with the independence rules is tested with spot checks, and non-conformance is followed up with signing partners and at firm level. Non-conformance is reported to the client when this is required. Personal independence for partners and employees is tested regularly. Deloitte has established a disciplinary system, which e.g., requires that non-conformance is reported to management and followed up.

Confirmation on quality control associated with independence

Pursuant to Article 13.2 (g) of EU Regulation 537/2014, we confirm that our quality control system associated with independence is subject to regular internal control. Our internal quality controls and other monitoring of compliance provide sufficient assurance as regards compliance with our policies and guidelines, with the exception of certain instances of non-compliance where actions are initiated to avoid subsequent non-compliance. Compliance monitoring also includes an assessment of compliance with Deloitte's policies and guidelines associated with independence and compliance with the provisions of the Auditor Act and the EU Regulation concerning independence. The result of the monitoring activities is reported to the company's management and board.

Long associations between partners/employees and audit client, including rotation of signing partner

Pursuant to the EU Regulation and DTTL policy, signing auditors for public-interest entities must rotate every seven years. Rotation plans are established for the engagements to ensure that this requirement is fulfilled. The timing for rotating and appointing a new signing auditor is determined in collaboration with the audit committee, or the company board as part of the ongoing evaluation of the audit and assessment of auditor independence.

The EU Regulation also sets forth that leading employees in audit teams that audit public-interest entities must rotate gradually. Deloitte has determined that no State Authorised Public Accountants can be part of an audit engagement for public-interest entities for a period exceeding 10 years from when they first became subject to the criterion for rotation.

Long associations between partners/employees and audit clients are also followed up with individual assessments of individual circumstances and rotation requirements where such relationships could affect the independence assessment.

Ethics

All Deloitte professionals are expected to act with integrity in accordance with high ethical standards as described in the Deloitte Global Principles of Business Conduct (“Global Code”). The Global Code is embedded into each member firm’s Code of Conduct and defines the commitments that all Deloitte professionals make regarding ethical standards, as well as explaining each individual’s responsibilities to their clients, colleagues, and society.

Deloitte underpins its obligation to comply with ethical requirements and act with integrity through communication, training programmes, processes for compliance and monitoring systems. It has also established reporting channels (the Speak Up whistleblowing channel) which are supported by defined protocols for handling incidents. Regular programme evaluations and testing are conducted in the pursuit of continuous improvement, and feedback is secured through an annual ethics survey. In addition, Deloitte requires all partners and employees to confirm annually that they have read and comprehended the member firm’s Code of Conduct and understand that it is their responsibility to comply with it.

The ethics area in Deloitte is led by the Deloitte Global Ethics Officer at the global level, the NSE Ethics Officer at the NSE level and by the Ethics Officer at the local level. These are experienced partners and employees with direct access to the companies’ CEOs and governing bodies. Deloitte Global and the companies’ Ethics Officers work together to monitor risk at all times and ensure that the Global Code is adhered to.

Deloitte’s values

- Lead the way
- Serve with integrity
- Take care of each other
- Foster inclusion
- Collaborate for measurable impact

Deloitte Global’s ethical principles

Below follows an overview of topics in our Code of Conduct:

- Integrity
- Quality
- Professional behaviour
- Objectivity
- Competence

The ethical requirements for audit and related assurance services provided by Deloitte are in accordance with the Auditor Act, Deloitte also complies with Deloitte Global policies and procedures, which align with the requirements and guidance set out in the international Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, a standard-setting body of the International Federation of Accountants (IFAC). When the national professional requirements are more restrictive than the Deloitte Global policies and procedures, Deloitte follows the applicable national requirements.

Security

Protecting the client's data and our ability to serve our clients are fundamental for our activities, and Deloitte invests significantly in measures linked to security, data privacy and confidentiality. Deloitte Norge is certified according to the ISO/IEC 27001:2013 standard "Information technology – Security techniques – Information security management systems – Requirements". This standard sets requirements for the company's establishment and maintenance of a management system for information security, as well as measures ("controls") to secure information. The scope of Deloitte's certification is client-confidential information with associated operational processes and technology for handling such information. The certification is issued by the British Standards Institution (BSI) as a joint certification for Deloitte Nordic.

The global threat scenario associated with information security is constantly developing, with increasing complexity and ever more sophisticated attacks. To address this increasing threat, Deloitte has multiple levels of data security with a permanent national security team to safeguard guidelines and monitor processes for security, confidentiality and data privacy. Deloitte Norway participates in global DTTL programmes as well as joint Deloitte NSE and Nordic programmes associated with cyber security and information security. These programmes include penetration testing and vulnerability assessments, as well as continuous reinforcement of technical controls in line with technological development.

Our security programmes have key elements such as technical inspections and programmes to ensure necessary familiarity, focus and compliance with procedures for secure handling of information for all our employees. The framework comprises both statutory requirements and contractual responsibilities, in addition to standards that follow from the ISO framework and DTTL-related standards and requirements. All employees issue an annual confirmation of their understanding of and compliance with security-related requirements.

Incident handling with clear internal reporting lines and handling procedures has been established and comprises clear guidelines for dialogue with the client in instances that involve client data.

The ability to maintain operations is included as a focus area in our security framework, and we have established clear plans for handling incidents that escalate to a level where business continuity must be preserved. ISO 22301 Business Continuity is used as a framework in quality assurance and updating our preparedness and resilience plans.

Personal data protection

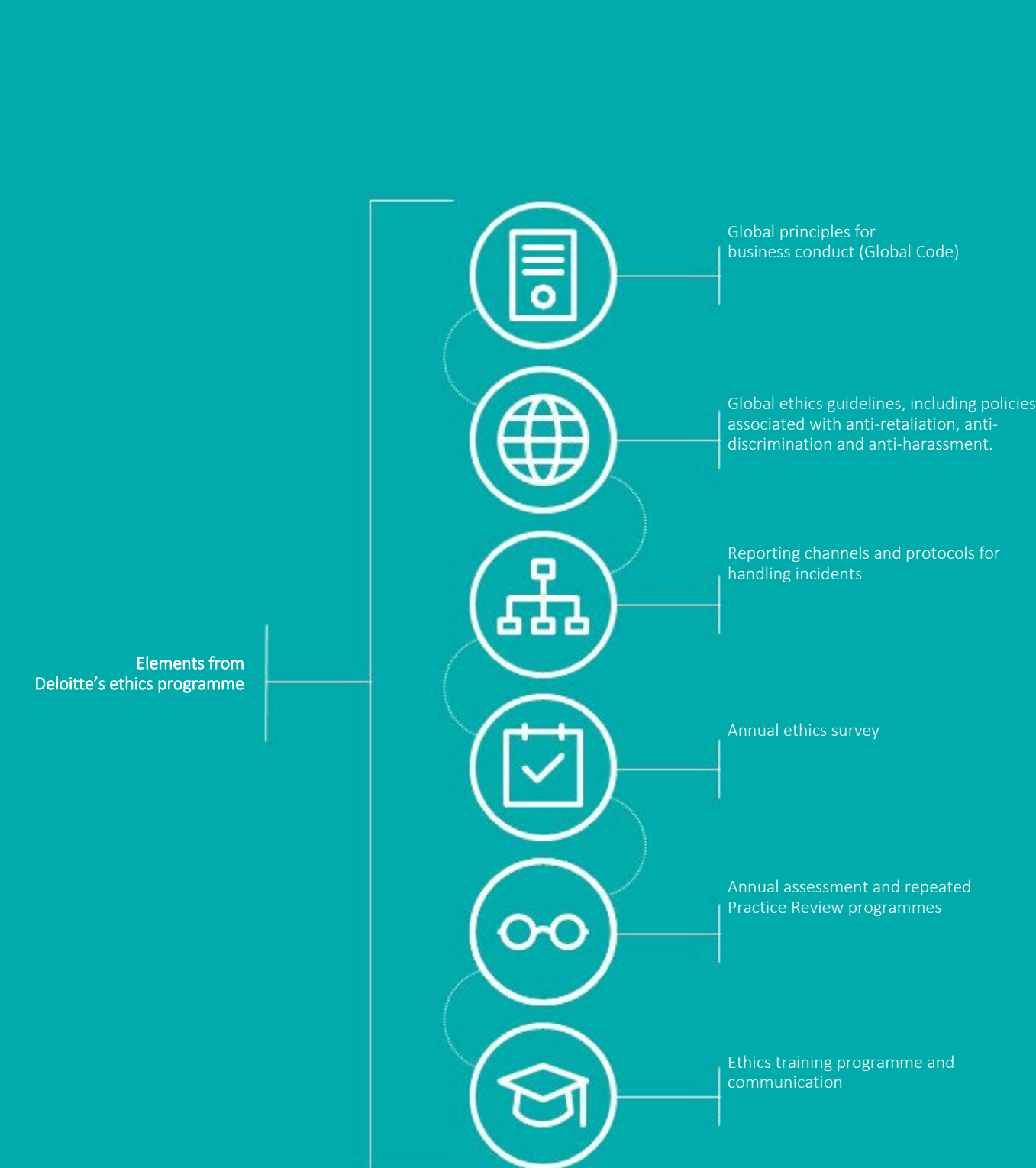
Deloitte has established appropriate controls, updated internal guidelines and procedures, and provides good information to, and training of employees, to ensure compliance with the General Data Protection Regulation (GDPR). Deloitte has also implemented a programme for contract assessments of the company's contracts to ensure that appropriate requirements are understood and agreed with our clients and third parties, and data processor agreements are entered into as relevant.

Collected personal data is handled in accordance with the principles of the GDPR and internal storage and deletion routines ensure that the information is only stored for as long as this is necessary to fulfil the agreement and the purpose for which they were collected. It is of high priority for Deloitte to safeguard and secure client data and personal data, and internal guidelines ensure that any security breaches are handled in accordance with relevant legislation.

Deloitte Global Ethics and Integrity Imperative

Deloitte is obligated to conduct its activities with transparency, quality and high standards for professional conduct.

Deloitte's global business principles ("Global Code") describe Deloitte's ethical responsibilities as a network and the expectations for Deloitte's approx. 345,000 employees as regards creating a strong foundation for these principles. The basis for the network's ethics programme consists of the following elements:





Shaping the future of the audit profession

Deloitte is proactively engaging with a range of stakeholders – including policy makers, regulators, investors, company directors, audit committee chairs and industry bodies – to help to ensure audit and the corporate governance and reporting regime continues to evolve to meet the needs of society and to serve its purpose in promoting confidence and trust in the capital markets. All of these stakeholders play a critical role in supporting the provision of relevant information in the public interest. The drive to bring innovation to the audit reflects Deloitte’s commitment to enhance the audit of today as well as establish a long-term vision for the future of audit.

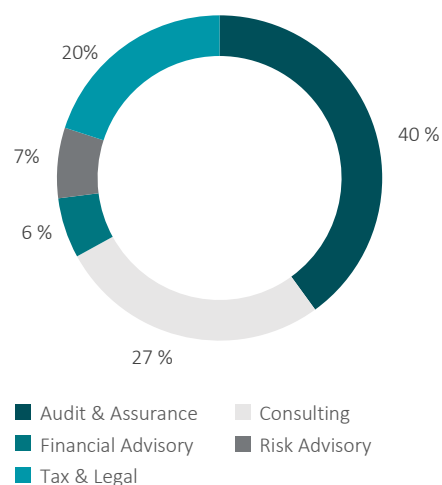
Appendices

Appendix A | Financial information

The Auditor Act requires that financial information shall be provided to disclose the total revenues for the audit business, and revenue from audit clients split on fees for audit and non-audit services. This information shows the significance of the core activity and scope of services closely linked to audit.

Revenue in Deloitte during the 2020/2021 financial year

Business area	Revenue (NOK million)	Share of revenue
Audit & Assurance	1,034	40%
Consulting	696	27%
Financial Advisory	158	6%
Risk Advisory	192	7%
Tax & Legal	524	20%
Total before elimination	2,604	100%
Elimination	-29	
Total:	2,575	



Revenue in Deloitte during the 2020/2021 financial year distributed across the following categories ²	Revenue NOK million
i) income from statutory audits of annual accounts and consolidated accounts for public-interest entities, as well as subsidiaries and parent companies of public-interest entities	171
ii) income from statutory audits of annual accounts and consolidated accounts for other entities	531
iii) income from non-audit services provided to audit clients	287
iv) income from non-audit services provided to entities other than audit clients	1,586

² The revenue is based on consolidated figures for Deloitte AS

Appendix B | Public-interest entities audited by Deloitte

The client list comprises public-interest entities, cf. Section 5a-1 of the Auditor Act, entities listed on NYSE, as well as branches of foreign banks and insurance companies where Deloitte has served as auditor for the last financial year.

ABG Sundal Collier Holding ASA
 Atea ASA
 Avida Finans AB (NUF)
 Bank Norwegian ASA
 BKK AS
 Borgestad ASA
 Bustadkreditt Sogn og Fjordane AS
 Care Bidco AS
 Color Group AS
 Danica Pensjonsforsikring AS
 Danske Bank (NUF)
 DHT Holdings Inc
 Eika Boligkreditt AS
 Eika Forsikring AS
 Eika Kredittbank AS
 Ekspress Bank (NUF)
 Ensurge Micropower ASA
 Entra ASA
 Etne Sparebank
 Fana Sparebank
 Fana Sparebank Boligkreditt AS
 Finse Forsikring AS
 Fjordkraft Holding ASA
 Gjensidige Forsikring ASA
 Gjensidige Pensjonsforsikring AS
 Goodtech ASA
 Haugesund Sparebank
 Hemne Sparebank
 Ikano Bank AB (publ), Norway Branch (NUF)
 Jæren Sparebank
 Knif Trygghet Forsikring AS
 Kongsberg Automotive ASA
 Magseis Fairfield ASA
 Maritime & Merchant Bank ASA
 Melhus Sparebank
 Multiconsult ASA
 NattoPharma ASA
 Nordnet Bank (NUF)
 Nordnet Livsforsikring AS
 NorgesGruppen ASA

Norwegian Finans Holding ASA
 Norwegian Hull Club - Gjensidige Assuranceforening
 Orkla Sparebank
 Pexip Holding ASA
 Polaris Media ASA
 Sandnes Sparebank
 Sats ASA
 Sbanken ASA
 SBanken Boligkreditt AS
 Scana ASA
 Skudenes & Aakra Sparebank
 Songa Container AS
 Sparebank 1 Hallingdal Valdres
 Sparebanken 1 Modum
 Sparebank 1 Ringerike Hadeland
 Sparebank 1 Østlandet
 Sparebanken Sogn og Fjordane
 Sparebanken Vest
 Sparebanken Vest Boligkreditt AS
 SSB Boligkreditt AS
 Statkraft AS
 Statkraft Forsikring AS
 Statnett Forsikring AS
 Statnett SF
 Steen & Strøm AS
 Telia Finance Norge (NUF)
 Tryg Forsikring (NUF)
 Varig Hadeland Forsikring
 Vegamot AS
 Verd Boligkreditt AS
 Wilson ASA
 Yara International ASA

Appendix C | EU/EEA audit firms

Countries where entities within the Deloitte network are registered as audit firms, have an office, an administration, or otherwise conduct activities.

Name of each audit firm:

EU/EEA member state	Name of audit firm in the member state
Austria	Deloitte Audit Wirtschaftsprüfungs GmbH
	Deloitte Burgenland Wirtschaftsprüfungs GmbH
	Deloitte Niederösterreich Wirtschaftsprüfungs GmbH
	Deloitte Oberösterreich Wirtschaftsprüfungs GmbH
	Deloitte Salzburg Wirtschaftsprüfungs GmbH
	Deloitte Tirol Wirtschaftsprüfungs GmbH
	Deloitte Wirtschaftsprüfung Styria GmbH
Belgium	Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises BV / SRL
Bulgaria	Deloitte Audit OOD
Croatia	Deloitte d.o.o. za usluge revizije
Cyprus	Deloitte Limited
Czech Republic	Deloitte Audit s.r.o.
Denmark	Deloitte Statsautoriseret Revisionspartnerselskab
Estonia	AS Deloitte Audit Eesti
Finland	Deloitte Oy
France	Deloitte & Associés
	Deloitte Marque & Gendrot
	Audalian Commissaire
	BEAS
	Cisane
	Constantin Associés
	DB Consultant
	ECA Audit
	Jacques Serra et Associés
	Laurens Michel Audit
	Opus 3.14 Audit et Conseil
	Pierre-Henri Scacchi et Associés
	Revi Conseil
Germany	Deloitte GmbH Wirtschaftsprüfungsgesellschaft
	Deutsche Baurevision GmbH Wirtschaftsprüfungsgesellschaft
	SüdTreu Süddeutsche Treuhand GmbH Wirtschaftsprüfungsgesellschaft
Greece	Deloitte Certified Public Accountants S.A.
Hungary	Deloitte Könyvvizsgáló és Tanácsadó Kft.

EU/EEA member state	Name of audit firm in the member state
Iceland	Deloitte ehf.
Ireland	Deloitte Ireland LLP
Italy	Deloitte & Touche S.p.A.
Latvia	Deloitte Audits Latvia SIA
Liechtenstein	Deloitte (Liechtenstein) AG
Lithuania	Deloitte Lietuva UAB
Luxembourg	Deloitte Audit
Malta	Deloitte Audit Limited
Netherlands	Deloitte Accountants B.V.
Norway	Deloitte AS
Poland	Deloitte Audyt spółka z ograniczoną odpowiedzialnością spółka komandytowa Deloitte Audyt spółka z ograniczoną odpowiedzialnością
Portugal	Deloitte & Associados, SROC S.A.
Romania	Deloitte Audit SRL
Slovakia	Deloitte Audit s.r.o.
Slovenia	Deloitte Revizija d.o.o.
Spain	Deloitte, S.L.
Sweden	Deloitte AB
United Kingdom ³	Deloitte LLP Deloitte Limited Deloitte N.I. Limited

The total revenue for the audit firms that are members of the Deloitte network related to statutory audits of annual accounts and consolidated accounts amount to EUR 1.9 billion⁴.

³ As of 31 January 2020, the UK is no longer part of the EU. Pursuant to the agreement between the UK and the EU, the UK is part of the EU customs union and single market and continues to use EU legislation until the end of the transition period (i.e., 31 December 2020). The listed revenue includes revenue in the UK for the period from 1 June 2020 to 31 December 2020.

⁴ This amount is the best estimate. Some Deloitte audit firms provide non-audit services. Deloitte does its best to obtain figures of total revenue associated with statutory audits from each EU/EEA Deloitte entity, but in certain instances, revenue from non-audit services may be included. The revenue indicated is as of 31 May 2021, with the exception of a limited number of instances where certain Deloitte entities have a different financial year and therefore have not completed their reporting as of this date. In such instances, the revenue is based on the relevant financial year or previous financial year. If a currency other than EUR is used in the member state, it is converted to EUR using the average exchange rate for the period from 1 June 2020 to 31 May 2021.

Appendix D | Partner overview

The table shows ownership interests as of 1 June 2021

signing audit partners		signing audit partners	
Alm, Thomas Hagen	0.48%	Ludvigsen, Reidar	0.88%
Alsos, Morten	0.63%	Mamelund, Bård	0.50%
Antonsen, Arnstein	0.65%	Marcussen, Jørn-Didrik	0.78%
Berge, Eivind Bollum	0.48%	Moe, Unni-Renate	0.60%
Berget, Gry Kjersti	0.88%	Myrhaug, Kenneth	0.48%
Bjørnaas, Jon	0.58%	Nesdal, Ragnar	0.60%
Bjørnslett, Sylvi	1.18%	Nilsen, Vidar	1.03%
Borchgrevink, Jørn	2.15%	Nordal, Mats	0.88%
Bruheim, Gunn Iren Sviggum	0.70%	Olsen, Rune Norstrand	0.93%
Dahle, Torgeir	1.30%	Prestegard, Bjørn	0.70%
Ege, Helge	0.63%	Rogde, Asbjørn Magne	1.00%
Elgåen, Grete	0.88%	Skailand, Ommund	1.33%
Enoksen, Johan K.	1.33%	Skaug, Eivind	1.23%
Eriksen, Bengt	0.70%	Stokkenes, Olav Kristian	0.98%
Eriksen, Joachim	0.48%	Teige, Tord	0.48%
Estenstad, Mette	0.85%	Thorbjørnsen, Espen	0.63%
Fagerland, Knut Terje	1.68%	Torvestad, Dag Jarle	1.08%
Frøyland, Bård	0.65%	Ugland, Jens Bjørner Owren	0.55%
Furholm, Roger	1.08%	Ungersness, Eivind	0.88%
Gundersen, Magnus Pensgård	0.48%	Vadheim, Roar Inge	0.63%
Habbestad, Per Sølve	0.58%	Viholmen, Morten	0.73%
Harila, Jon-Osvald	0.95%	Woxholt, Henrik Johannes	1.35%
Heimvik, Guro Magnetun	0.48%		
Herdlevær, Mette	1.10%		
Holseter, Sturle	0.90%		
Holst-Larsen, Else	0.95%		
Hov, Trond Edvin	1.30%		
Jilg-Scherven, Stian	0.80%		
Johansen, Espen	1.23%		
Johnsen, Helge-Roald	1.28%		
Jonassen, Bjarne Munkejord	1.00%		
Karlsen, Kenneth	0.75%		
Kirkeeide, Hans Jørgen	0.68%		
Knudsen, Hilde S. Bruseth	0.50%		
Kvamme, Kjartan	0.83%		
Larsen, Siv Vøllestad	0.48%		
Lauvsnes, Lars Atle	0.48%		

Other partners		Other partners	
Aamelfot, Torill Hasle	0.08%	Kazmi, Syed Wajahat H.	0.48%
Aannø, Sondre Reistad	1.00%	Klein, Andreas Brattlund	0.78%
Askautrud, Arild	0.03%	Kristoffersen, Bjørn Tore	0.53%
Bachke, Ole Marius	0.06%	Larsen, Erik Øxnevad	0.05%
Bamrud, Helene Raa	1.90%	Larsen, Svein Aage	0.03%
Basteviken, Marius	0.03%	Li, Wensing	0.02%
Bjørkelo, Birte	0.48%	Lian, Are	0.03%
Bru, Jon	0.65%	Malde, Sheil	0.48%
Bryn, Martin	0.98%	Melby, Geir Arne	0.05%
Byrkjeland, Stein	0.73%	Minken, Katrine Høysæter	0.63%
Danielsen, Sverre	0.90%	Moen, Halvor	1.20%
Disch, Rolf Erik	0.04%	Myrset, Britt Otterdal	0.57%
Downing, Christine Haugstvedt	0.02%	Norborg, Lars Erik	0.05%
Edal, Svenn Erik	1.10%	Nyquist, Thorvald	0.09%
Eike, Roy Arne	0.03%	Ofstad, Bjørn	0.02%
Evers, Per Christian	0.07%	Pedersen, Christian Hvidsteen	0.02%
Farnell, Jonathan	1.00%	Pedersen, Jens-Petter	0.03%
Fjeld, Anette	0.02%	Rabben, Jonny Ivan	0.03%
Flatum, Cecilia Louise	0.85%	Rafteseth, Arve	1.10%
Fosen, Endre	0.80%	Rahlff, Andre	0.48%
Frøland, Audun	0.10%	Reikvam, Marianne	0.48%
Gaaseide, Sjur	1.93%	Rowe, Jason	0.80%
Garmann, Bjørn	0.48%	Saastad, Rolf J.	0.12%
Gjøvikli, Eva	0.85%	Sandseter, Rune	0.03%
Grenman, Bjørn	0.73%	Sivertsen, Tor Kramvik	0.63%
Grønevik, Malin	0.48%	Sjøgren, Lennart	0.90%
Gulbrandsen, Hanne Pernille	0.02%	Skar, Trond Ivar	1.25%
Gullaksen, Joachim	0.55%	Skjæveland, Ivan	0.05%
Guthus, Margrete	1.00%	Skjøøy, Are	0.80%
Hau, Alexander	0.02%	Snipsøy, Oddvar	0.78%
Haukås, Carsten	0.48%	Songstad, Stein Ove	0.95%
Helvik, Gro Forsdal	0.06%	Sperre, Stig Arild	0.09%
Herde, Daniel M H	0.03%	Stathopoulou, Kjersti Agnete Thrane	0.63%
Holmen, Henriette	0.02%	Sundbye, Per Andre	0.72%
Husebø, Tom	0.63%	Talén, Thomas	0.03%
Høgseth, Arve	1.23%	Tangen, Håvard	0.06%
Jacobsen, Kirsten Lucie	1.00%	Thorstad, Eivind	0.03%
Jensen, Frode Vik	0.55%	Tranby, Kirsti Merethe	0.63%
Johannessen, Trond	0.03%	Tveiten, Jan Erik	0.88%
Johansen, Bjørn-Olav	0.05%	Vangstein, Lasse Cornelius	0.48%
Jonassen, Bjørn	0.88%	Veglo, Geir Arne	0.63%
Jones, Anne Randmæl	0.88%	Vestengen, Arild	0.05%
Jørgensen, Hans-Martin	0.06%	Vollan, Jørund	0.60%

Other partners

Waalén, Jon	0.58%
Wetlesen, Mari Elisabeth	0.05%
Wiik, Johannes	0.75%
With, Alexander	0.09%
Ølmheim, Kjetil Johan	0.58%
Østlund, Nina Kristine	0.48%



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