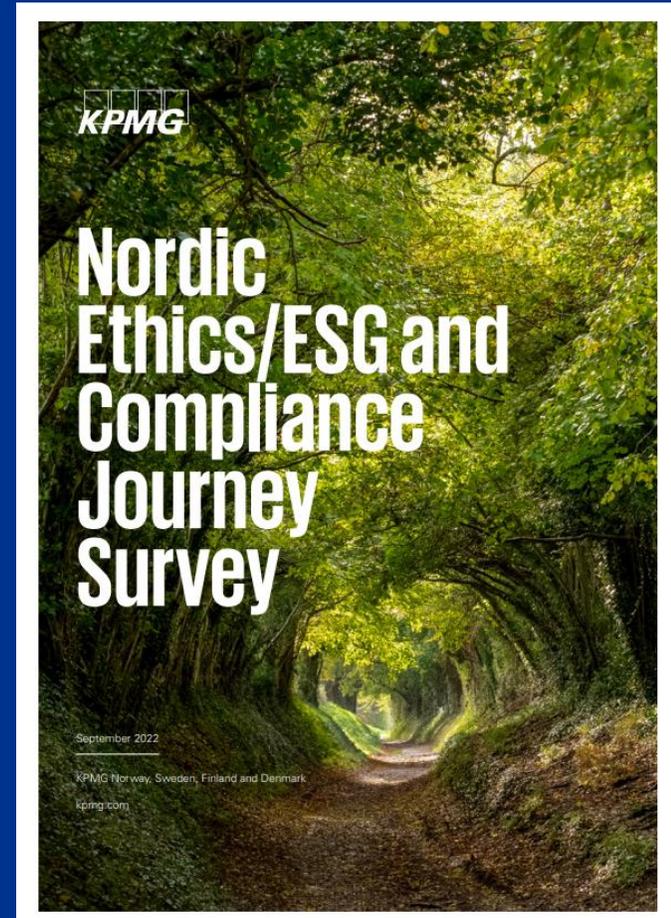




# Nordic Ethics/ESG and compliance journey survey 2022

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# Med dere i dag

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**Beate Hvam-Axelsen**  
Partner  
Business Integrity & Compliance

Siv. Ing. med Master & PhD i Telecom. Før hun begynte i KPMG i 2017, 23 års erfaring telekom- og olje & gass-industrien, herunder 5 år som Head of Compliance.

Tel: +47 93 20 89 95  
Email: beate.hvam-axelsen@kpmg.no



**Kenneth Hansen**  
Direktør KPMG Norge  
Head of Internal audit Solutions

Samfunnsøkonom med executive MBA. Sertifisert internrevisor fra IIA Norge. Før han begynte i KPMG i 2020, 15 års bransjee erfaring fra internrevisjonsfunksjon, virksomhetsstyring og strategi, herunder 3 år som stedfortreder for konsernrevisjonssjef i Avinor.

Tel: +47 907 37 682  
Email: kenneth.hansen@kpmg.no

# Agenda

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**Etikk/ESG & Compliance-reisen og veien fremover**

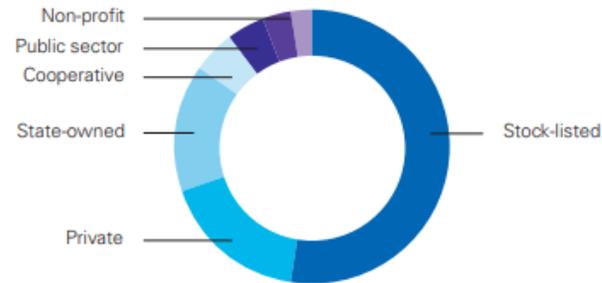
# “Bakteppe” og trender

- » **The ESG risks are complex and dynamic:** The war in Ukraine, the renewed COVID-19 lockdowns, and supply chain crises are increasing the inherent risk of breaching sanctions, the risk of corruption and facilitation payments, as well as the risk of breaching human- and labor rights and environmental laws and regulations.
- » **An increasing amount of data to monitor and control:** An efficient use of new and emerging technologies allows for a more data-driven, efficient, and agile compliance function creating a shared space for cross-functional collaboration and ensuring compliance is a seamless part of day-to-day business operations.
- » **Regulators are getting tougher on ESG breaches:** There are increasing expectations in laws and regulations related to preventive, detective, and response activities. There is an increasing focus from banks on requests for information on how companies work with ESG. Sanctions and trade controls are highly complex and constantly changing. The Norwegian Transparency Act entered into force in July 2022 and introduced stricter requirements related to human rights in supply chains than seen in most, and likely all, other countries.
- » **Professional investigation and learning processes:** Investigations of reports of misconduct require neutral and professional assessments of factual grounds. Equally important is addressing the root causes of the problems rather than just fixing the symptoms, to ensure learning across the whole organization.

# Respondentene

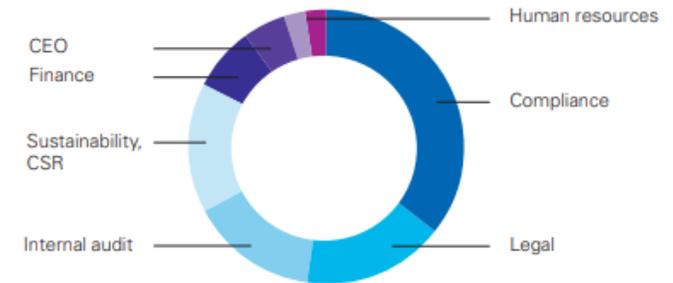
“Some of the biggest companies in the Nordics across industry segments”

## Ownership



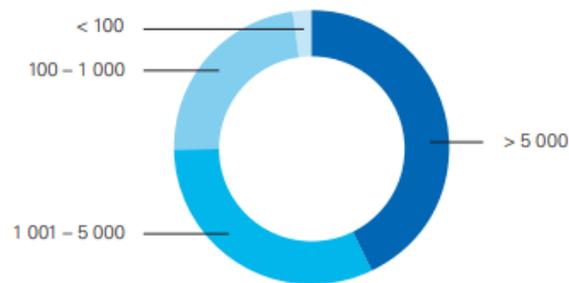
- » The majority of the companies are stock listed or privately owned (not listed).
- » State-owned companies are also in scope of the survey.

## Function



- » Respondents are mainly placed in the 2nd line, within Compliance, Sustainability and Legal.
- » Internal audit representatives are also participating.

## Employees



- » 73% of the companies have more than 1 000 employees globally, representing some of the biggest companies in the Nordics across industries.
- » 40% of the companies have more than 5000 employees

## Industries

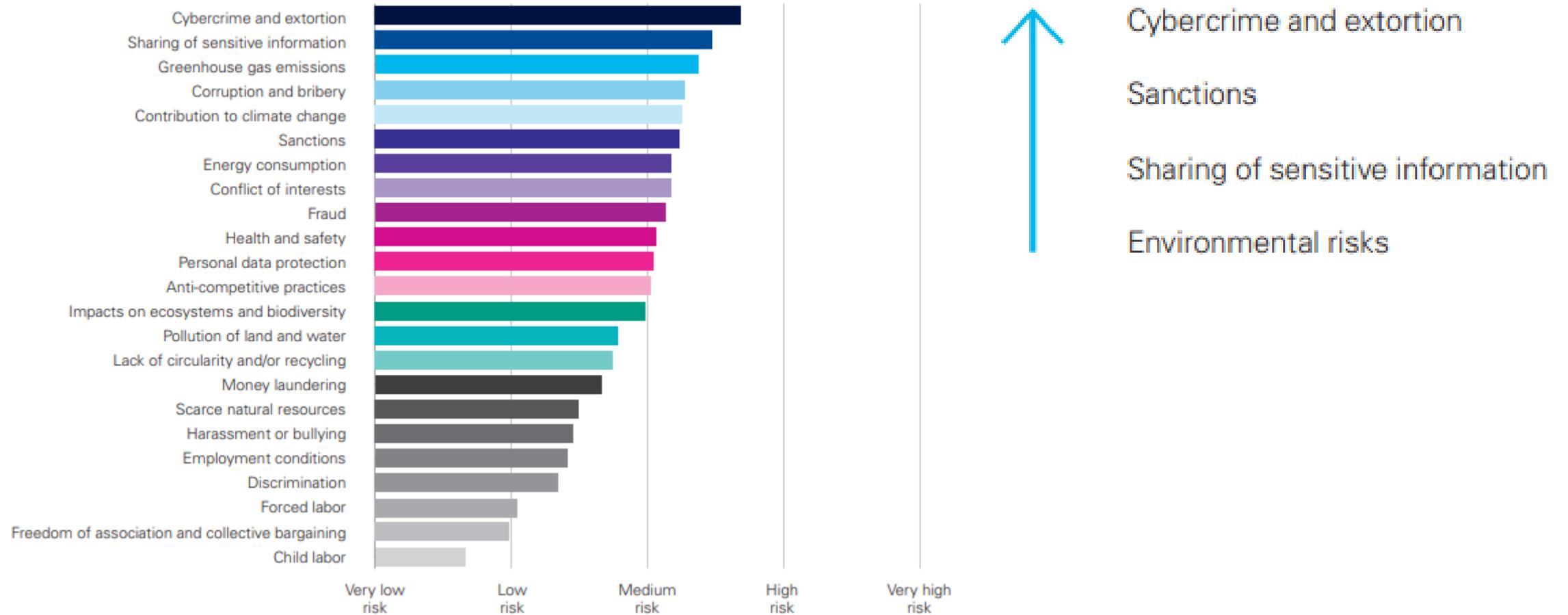


- » The survey represents companies across industries, including amongst other companies in Gas and oil, industrial goods and services, and basic resources.

# Status for compliancearbeidet blant nordiske virksomheter

	Elementer et Compliance program	Modenhhet	Trend	Hovedobservasjoner
Preventivt	Tone og handling fra toppen		↑	Styret godkjenner complianceprogrammer i 70% av selskapene. 57% har etablert compliance relaterte KPIer. Generelt sterk tone fra toppen.
	Roller og ansvar		→	Kun 50% mener at linjeledere tar ansvar for compliance i sine avdelinger. Linjen eier risikoen i sine operasjoner og må ta ansvar for etterlevelse.
	Styrende dokumenter		↑	Etiske regler er stort sett på plass hos de fleste selskaper. <b>Det er utfordringer knyttet til operasjonaliseringen av rutiner.</b> Krever kommunikasjon og forståelse.
	Risikostyring		→	60% av respondentene gjennomfører regelmessige risikovurderinger for compliance. <b>Grad av involvering fra linjen varierer.</b>
	Kommunikasjon og opplæring		↑	70% av respondentene gjennomfører hensiktsmessig og risikobasert opplæring av ansatte og innleide. <b>Opplæring må være tilpasset roller.</b>
Avdekke og respons	Kontrollaktiviteter og testing		→	60% av respondentene gjennomfører hensiktsmessig og risikobasert kontroller. <b>Testing av kontroller synes å være sporadiske og ikke regelmessige.</b>
	Varslingsmekanismer		↑	Varslingsordninger er stort sett på plass i nordiske virksomheter. Synes å være tillit blant respondenter til at varslinger blir håndtert profesjonelt.
	Rapportering, konsekvenser og læring		→	70% av respondenter mener at sørger for at man tar læring fra situasjoner med brudd på interne/eksterne regler. <b>Utfordringer knyttet å systematisere arbeidet.</b>
	Teknologi og dataanalyse		→	<b>Selskaper sliter fortsatt med å bruke teknologiske verktøy på en effektiv måte.</b> Kun 34% oppgir benytter teknologiske verktøy i sine compliance operasjoner

# Og utvikling i risikobildet deres....



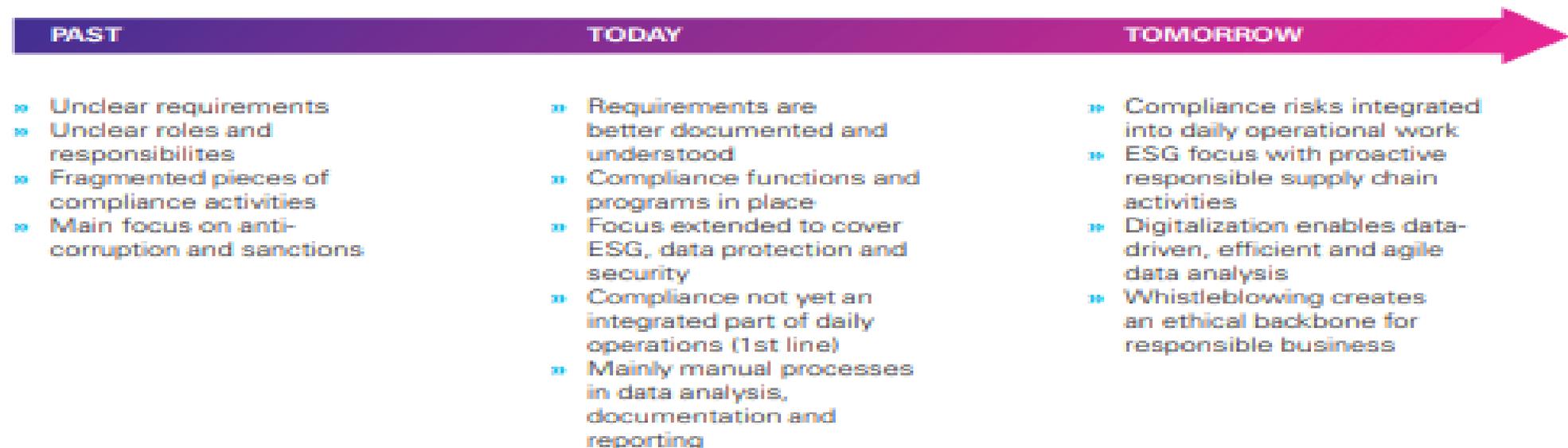
# Etikk/ESG & Compliance-reisen og veien fremover.....

## Key drivers for the evolution

- » Wave of regulations, including increased social-related requirements with the Norwegian transparency act coming into force. The EU is looking at implementing similar legislation
- » Still increased expectations from external stakeholders, such as customers and banks
- » Cyberthreats constantly evolving
- » Geopolitical uncertainties in Europe following the war in Ukraine affecting commodity prices

## Main challenges ahead

- » Making the first line responsible and accountable for compliance; empowerment and accountability hand-in-hand
- » Establish effective controls and conduct regular testing of effectiveness
- » Follow up of third parties throughout the lifecycle, not only focusing on pre-engagement screening



**KPMG**

