



2019 JSC KPMG Transparency report

March 2020

kpmg.ru



Introduction and foreword

General information



We are pleased to present the 2019 JSC KPMG's Transparency Report.

At JSC KPMG, we acknowledge that we owe a duty of high quality services to the public. Delivering quality audits that increase the confidence to the financial reporting by investors, business owners and other stakeholders to support their economic decisions – remains our priority.

In providing the professional services, we have always been transparent and honest with all stakeholders, including clients, regulators and our people. In this Transparency Report, we explain our way meeting the highest expectations of the public for quality service.

The backbone of our success is the effective system of quality control, rigorous compliance with applicable laws and regulations, professional standards, ethic and independence requirements, and JSC KPMG's policies with all that based on the dedicated work of highly-qualified professionals and their commitment to professional growth and development. The Report describes for you the key elements of our system of quality control.

In 2019, KPMG has invested significant resources to comprehensively review its processes and procedures making up the quality system to ensure consistency in our approaches to building relationships with the clients and performing the audits.

KPMG as a global network is determined to further focus on improving its system of quality management, monitoring engagement quality, developing and implementing best-in-class technology and tools to support the teams in delivering quality audits.

And in all times and circumstances, we all at KPMG remain true to KPMG values as established in our Code of Conduct.

The 2019 JSC KPMG's Transparency Report illustrates how we deliver on our commitment to high-quality services.

Audit



We, as auditors, act in public interest serving as an independent agent between preparers of business information and ultimate users of such information.

Continuous improvement is one of the key fundamentals at JSC KPMG that helps us to deliver high quality service to our clients.

On our way of the continuous improvement, we never stop. Our professionals are equipped with advanced innovative tools and real-time access to up-to-date knowledge and guidance. KPMG Clara, our smart audit platform, integrates a new audit workflow, improved methodology and powerful high-tech solutions.

The audit environment is changing rapidly. As a team of professional auditors, we continuously improve the way we work, enhance our competences, develop and implement new processes that enable high quality of our services.

This Report shares our strategy and vision, the achievements we made, as well as presents our processes, tools, training programmes and methodologies, which all together contribute to KPMG's system of quality control.

Quality control



Continually delivering quality audits begins with a quality-centric culture. Every KPMG leader is accountable for driving quality and it requires that everyone at KPMG is focused on our mission to lead the industry in continually raising the standard for quality, integrity and public trust. We have committed to an ongoing investment in our system of quality management, monitoring of audit quality, enhanced support, and providing best-in-class technology and tools for engagement teams.

Consistently providing exceptional quality across all our audit engagements is fundamental to our continued success. Quality essentially means doing the right thing, and it remains our highest priority. We must get audit quality right each and every time in order to build public trust and, serve the capital markets and society at large.

In our 2019 JCS KPMG Transparency Report, we will share with you how we deliver on our fundamental promise of audit quality to the public interest, investors, audit committees and the stakeholders we serve.



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Who we are

Our business



JSC KPMG is a professional services firm that delivers Audit, Tax and Advisory services. We operate out of the central office in Moscow and eleven branch offices across Russia and had approximately 4000 people in the year to 31 December 2019.

Full details of the services offered by JSC KPMG can be found on our website <http://www.kpmg.com/ru/ru/services/Pages/default.aspx>.

Our strategy



Our strategy is set by JSC KPMG's Board of Directors and demonstrates a commitment to quality and trust. Our focus is to invest significantly in priorities that form part of a multi-year collective strategy implementation that is taking place across our entire global network.

JSC KPMG's Board of Directors has determined that an audit quality is a key strategic imperative for us. We aim to compete on quality by making clients and regulators aware of our continuing commitment to enhance audit quality. Audit quality relies on our culture of integrity and on attracting, developing and retaining highly skilled professionals, supported by our methodologies and processes.



Our structure and governance

Legal structure and ownership



JSC KPMG is affiliated with KPMG International Cooperative (“KPMG International”). KPMG International is a Swiss cooperative which is a legal entity formed under Swiss law. It is the entity with which all the member firms of the KPMG network are affiliated. Further details about KPMG International and its business activities, including our relationship with it, are available in section ‘Governance and leadership’ to the [KPMG International Transparency Report](#).

JSC KPMG is part of a global network of professional services firms providing Audit, Tax, and Advisory services to a wide variety of public and private sector organizations. KPMG International’s structure is designed to support consistency of service quality and adherence to agreed values wherever its member firms operate.

JSC KPMG, a company incorporated under the Laws of the Russian Federation on 25 May 1992 by Moscow Registration Chamber. The sole shareholder of the firm is OOO KPMG, a legal entity incorporated under the Laws of the Russian Federation on 27 August 2014. The shareholders of OOO KPMG are six individuals, who are Russian audit license holders.

Name, ownership and legal relationships



KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International.

Member firms are generally locally owned and managed. Each member firm is responsible for its own obligations and liabilities. KPMG International and other member firms are not responsible for a member firm’s obligations or liabilities.

Member firms may consist of more than one separate legal entity. If this is the case, each separate legal entity will be responsible only for its own obligations and liabilities, unless it has expressly agreed otherwise.

Responsibilities and obligations of member firms



Pursuant to their membership agreements with KPMG International, member firms are required to comply with KPMG International’s policies, procedures and regulations including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability and being able to adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

Each member firm takes responsibility for its management and the quality of its work.

Member firms commit to a common set of KPMG values (see section “Tone at the top”).

KPMG International’s activities are funded by a levy paid to it by member firms. The basis for calculating such amounts is approved by the Global Board and consistently applied to the member firms. A firm’s status as a KPMG member firm and its participation in the KPMG network may be terminated if, among other things, it has not complied with the policies, procedures and regulations set by KPMG International or any of its other obligations owed to KPMG International.



Governance structure



JSC KPMG apply high standards of corporate governance. The supreme governing body of JSC KPMG is the general shareholders' meeting.

The competence of the general shareholders' meeting includes, among other things, determination of the number of members of the Board of Directors, election of its members, approval of the firm's external auditor and approval of annual accounts.

The Board of Directors

The Board of Directors (the Board) exercises general management of JSC KPMG. The Board is responsible for the long term growth and sustainability of the Firm. It provides leadership to the organisation, sets the Firm's strategy and oversees its implementation, monitoring performance against our business plan. The Board is responsible for developing the business plan within the overall strategy together with its subsequent implementation.

The Board consists of 5 members, the Chairman of the Board, the Head of Quality & Risk Management, the Head of Audit, the Head of Advisory and the Head of Government Relations (Global Oil & Gas Leader).

Chairman of the Board of Directors

The Chairman of the Board is responsible for leading the Board, ensuring that the Board members receive accurate, timely and clear information and enabling effective communication and relationships with the members at large.

The current Chairman of the Board of Directors is a Russian audit license holder.

General Director

The sole executive body of JSC KPMG, the General Director, is responsible for managing the day-to-day operations of the firm. The General Director is a Russian audit license holder.



System of quality control

Overview



Tone at the top, leadership, and a clear set of values and conduct are essential to set the framework for quality. However, these must be backed up by a system of quality control that ensures our performance meets the highest professional standards.

To help all audit professionals concentrate on the fundamental skills and behaviors required to deliver a quality audit, KPMG has developed the Audit Quality Framework, based on International Standards on Quality Control (ISQC 1), issued by the International Auditing and Assurance Standards Board (IAASB), the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), the Code of Ethics for Auditors and the Rules of Independence for Auditors approved by the Audit Council under the Ministry of Finance of the Russian Federation (the Russian Code of Ethics for Auditors, Russian Rules of Independence for Auditors), which apply to professional services firms that perform audits of financial statements .

KPMG International has quality control policies that apply to all member firms. These are included in KPMG’s Global Quality & Risk Management Manual (Global Q&RM Manual) which applies to all KPMG partners and employees. JSC KPMG is required to establish and maintain a system of quality control and design, implement, and test the operating effectiveness of quality controls.

JSC KPMG is required to implement KPMG International policies and procedures and also adopts additional policies and procedures that are designed to address rules and standards issued by local regulators and other relevant regulators as well as applicable legal and regulatory requirements.

Quality control and risk management are the responsibility of all JSC KPMG partners and employees. This responsibility includes the need to understand and adhere to firm policies and associated procedures in carrying out their day-to-day activities. The system of quality control applies to all KPMG partners and employees wherever they are based.

While this Transparency Report summarizes KPMG’s approach to audit quality, it may also be useful for stakeholders interested in member firms’ Tax and Advisory services, as many KPMG quality control procedures and processes are cross-functional and apply equally to all services offered.

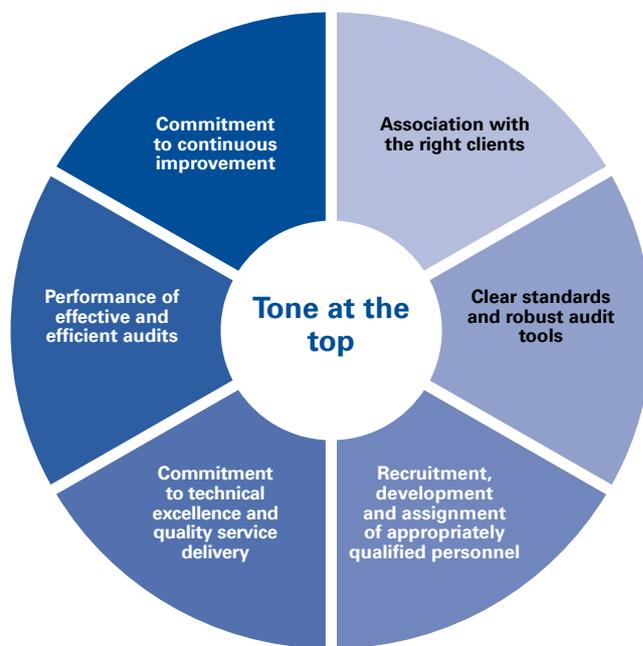
Audit quality framework



At JSC KPMG audit quality is not just about reaching the right opinion, but how that opinion is reached. It is about the processes, thought and integrity behind the auditors’ report. The outcome of a quality audit is the delivery of an appropriate and independent opinion in compliance with relevant professional standards and applicable legal and regulatory requirements.

KPMG’s audit quality framework introduces a common language that is used by all KPMG firms to describe what drives audit quality and to help highlight to their audit professionals how they contribute to its delivery.

Tone at the top sits at the core of the Audit Quality Framework’s seven drivers of audit quality and helps ensure that the right behaviors permeate all KPMG firms. All of the other drivers create a virtuous circle because each driver is intended to reinforce the others. Each of the seven drivers is described in more detail in the following sections of this report





Tone at the top



KPMG global leadership, working with regional and member firm leadership, plays a critical role in establishing our commitment to quality and the highest standards of professional excellence. A culture based on quality, integrity and ethics is essential in an organization that carries out audits and other services on which stakeholders and investors rely.

At JSC KPMG we promote a culture in which consultation is encouraged and recognized as a strength.

Tone at the top means that JSC KPMG leadership demonstrates commitment to quality, ethics and integrity and communicates its commitment to clients, stakeholders, and society at large to earn public trust.

The KPMG values are set out in [Appendix 2](#).

KPMG Global Code of Conduct

KPMG's commitment to integrity and quality is enshrined in the KPMG values that lie at the heart of the way we do things. They define KPMG's diverse and inclusive culture and our commitment to the right personal and professional conduct emphasizing that, above all, KPMG people act with integrity. The KPMG values are communicated clearly to all people and are embedded into member firms' people processes — induction, performance development and reward.

Building on the KPMG values is the [KPMG Global Code of Conduct](#). Member firms, including JSC KPMG are required to adopt, as a minimum standard, the Global Code of Conduct.

JSC KPMG Code of Conduct

In addition, the JSC KPMG's Code of Conduct lays out the expectations of ethical behavior for all partners and employees at JSC KPMG and is built on the foundation of the KPMG values, the shared set of beliefs and principles at KPMG. In addition, the JSC KPMG's Code of Conduct emphasizes that each partner and employee is personally responsible for following the legal, professional, and ethical standards that apply to his or her job function and level of responsibility. The JSC KPMG's Code of Conduct sets out our commitments and includes provisions that require JSC KPMG personnel, in summary to:

- comply with all applicable laws, regulations, professional standards and JSC KPMG policies;
- work with the right clients and third parties;
- focus on quality;
- maintain our objectivity and independence;
- not tolerate any illegal or unethical acts, committed within JSC KPMG, by clients or suppliers, or public officials with whom we deal;

- protect information;
- compete fairly;
- help our people to be extraordinary;
- be responsible corporate citizens;
- build public trust.

All JSC KPMG partners and employees are required to:

- comply with both the Global Code of Conduct and the JSC KPMG's Code of Conduct and confirm their compliance with the Code of Conduct, and
- complete regular training covering the Code.

Individuals are encouraged to speak up when they see something that makes them uncomfortable or that is inconsistent with the KPMG values. Moreover, everyone at KPMG is responsible for reporting, and is required to report, any activity that could potentially be illegal or in violation of the KPMG values, KPMG policies, applicable laws, regulations or professional standards.

We have procedures and established channels of communication so that our people can report ethical and quality issues. Retaliation is prohibited against individuals who 'raise their hand' and speak up in good faith.

In addition, the [KPMG International hotline](#) is a mechanism for all KPMG partners, employees, clients and other third parties to confidentially report concerns they have relating to certain areas of activity by KPMG International itself, activities of KPMG member firms or the senior leadership or employees of a KPMG member firm.

At JSC KPMG, we regularly monitor the extent to which our people feel that the firm lives the KPMG values through the Global People Survey.

Leadership responsibilities for quality and risk management



JSC KPMG demonstrates commitment to quality, ethics and integrity, and communicates our focus on quality to clients, stakeholders and society.

Our leadership plays a critical role in setting the right tone and leading by example — demonstrating an unwavering commitment to the highest standards of professional excellence and championing and supporting major initiatives.

Our leadership team is committed to building a culture based on quality, integrity and ethics, demonstrated through their actions - written and video communications, presentations to teams and one-to-one discussions.

The following individuals have leadership responsibilities for quality and risk management at JSC KPMG.



Board of Directors and General Director

In accordance with the principles in ISQC 1, the Board of Directors and the General Director have assumed ultimate responsibility for JSC KPMG system of quality control.

Quality and Risk Management Partner

Operational responsibility for the system of quality control, risk management and compliance in JSC KPMG has been delegated to the Quality and Risk Management Partner who is responsible for setting overall professional risk management and quality control policies and monitoring compliance for JSC KPMG. He has a seat on the Board of Directors of the firm and has a direct reporting line to the Chairman. The Quality and Risk Management Partner consults with the appointed Area Quality and Risk Management Leader.

The Quality and Risk Management Partner is supported by a team of partners and professionals in each of the functions.

Ethics and Independence Partner (EIP)

The Quality and Risk Management Partner in JSC KPMG is also a designated Ethics and Independence Partner (EIP). The EIP has primary responsibility for the direction and execution of ethics and independence policies and procedures in JSC KPMG.

The Audit, Tax and Advisory functions – Function Heads

The three heads of the client service functions (Audit, Tax and Advisory) are accountable to the Senior Partner for the quality of service delivered in their respective functions. Between them, they determine the operation of the risk management, quality assurance and monitoring procedures for their specific functions within the framework set by the Quality and Risk Management Partner. These procedures make it clear that, at the engagement level, risk management and quality control is ultimately the responsibility of all professionals.

JSC KPMG Head of Audit is responsible for leading a sustainable high-quality Audit practice that is attractive to KPMG personnel. This includes:

- setting the right 'tone at the top' by demonstrating an unwavering commitment to the highest standards of professional excellence, including skepticism, objectivity, and independence;
- developing and implementing strategies to monitor and maintain knowledge and skills required of partners and employees to fulfil their professional responsibilities;
- working with the Quality and Risk Management Partner to monitor and address audit quality and risk matters as they relate to the Audit practice, including an annual evaluation of activities considered to be key to audit quality.

Audit Leadership Team

The Audit Leadership Team of JSC KPMG met regularly during 2019 to discuss current and emerging audit quality issues arising from external and internal quality review processes, queries being raised by engagement teams, root cause analysis procedures and other quality matters identified from a variety of sources. These were debated, other observations collected from client-facing teams were considered, and actions agreed. Typically, most of these actions are short term, in which case they are developed and communicated through the regular technical briefings issued to the whole Audit function and also, if considered of sufficient magnitude, included in the next mandatory training.

For more complex issues (which might require amendments to KPMG's global audit methodology or audit tools) these will be raised with KPMG International's Global Audit groups for consideration and potential development of solutions by the Global Services Centre (GSC) and the International Standards Group (ISG). For more information about the GSC and the ISG refer to the relevant section below.

Investing in continuous improvement

KPMG globally continues to invest significantly in audit quality across the Global Organization. We are building on our sound audit quality foundations, both in terms of how we manage our firms and our audit engagements.

This means significant ongoing investment in our system of quality management, global monitoring of audit quality, our professionals and enhanced support, technology and tools for engagement teams.

Our global audit quality program ensures consistent deployment of investments to enhance and support a common approach.

Association with the right clients



Acceptance and continuance of clients and engagements

Rigorous global client acceptance and continuance policies are vital to being able to provide high-quality professional services.

KPMG's client and engagement acceptance and continuance systems and processes are designed to identify and evaluate any potential risks prior to accepting or continuing a client relationship, or performing a specific engagement.

KPMG firms must evaluate whether to accept or continue a client relationship, or perform a specific engagement. Where client/engagement acceptance (or continuance) decisions pose significant risks, additional approvals are required.



Client and engagement acceptance process

Client evaluation

JSC KPMG undertakes an evaluation of every prospective client.

This involves obtaining sufficient information about the prospective client, its key management and significant beneficial owners and then properly analysing the information to be able to make an informed acceptance decision. This evaluation includes completion of a questionnaire to assess the client's risk profile and obtaining background information on the client, its key management, directors and owners. In addition, we obtain additional information required to satisfy our local legal and/or regulatory requirements.

A second partner, as well as the evaluating partner, approves each prospective client evaluation. Where the client is considered to be 'high risk' the Quality and Risk Management Partner or a sufficiently skilled and experienced delegate is involved in approving the evaluation.

Engagement evaluation

Each prospective engagement is also evaluated to identify potential risks in relation to the engagement. A range of factors are considered as part of this evaluation, including potential independence and conflict of interest issues (using Sentinel™, KPMG's conflicts and independence checking system), intended purpose and use of engagement deliverables, as well as factors specific to the type of engagement. For audit services, these include the competence of the client's financial management team and the skills and experience of personnel assigned to staff the engagement. The evaluation is made in consultation with other senior JSC KPMG personnel and includes review by quality and risk management leadership as required.

Where audit services are to be provided for the first time, the prospective engagement team is required to perform additional independence evaluation procedures, including a review of any non-audit services provided to the client and of other relevant business and personal relationships.

Similar independence evaluations are performed when an existing audit client becomes a public interest entity or additional independence restrictions apply following a change in the circumstances of the client.

Depending on the overall risk assessment of the prospective client and engagement, additional safeguards may be introduced to help mitigate the identified risks. Any potential independence or conflict of interest issues are required to be documented and resolved prior to acceptance.

A prospective client or engagement will be declined if a potential independence or conflict issue cannot be resolved satisfactorily in accordance with professional standards and our policies, or if there are other quality and risk issues that cannot be appropriately mitigated.

Continuance process

JSC KPMG undertakes an annual re-evaluation of all its audit clients. The re-evaluation identifies any issues in relation to continuing association and any mitigating procedures that need to be put in place (this may include the assignment of additional professionals such as an Engagement Quality Control (EQC) reviewer or the need to involve additional specialists on the audit).

Recurring or long running non-audit engagements are also subject to periodic re-evaluation.

In addition, clients and engagements are required to be re-evaluated if there is an indication that there may be a change in their risk profile, and as part of the continuous independence evaluation process, engagement teams are required to identify if there have been any changes to previously identified threats or if there are new threats to independence. The threats are then evaluated and, if not at an acceptable level, are eliminated or appropriate safeguards are applied to reduce the threats to an acceptable level.

Client portfolio management

Our leadership appoints engagement partners who have the appropriate competence, capabilities, time and authority to perform the role for each engagement.

We review each audit partner's client portfolio at least annually in individual discussions with the audit partner. The reviews consider the industry, nature and risk of the client portfolio as a whole along with the competence, capabilities and capacity of the partner to deliver a quality audit for every client.

Clear standards and robust audit tools



All JSC KPMG professionals are expected to adhere to KPMG International and JSC KPMG policies and procedures, including independence policies, and are provided with a range of tools and guidance to support them in meeting these expectations. The policies and procedures set for audit engagements incorporate the relevant requirements of accounting, auditing, ethical and quality control standards, and other relevant laws and regulations.

Our approach to audit

KPMG has been investing significantly in evolving the Global Organization's audit capabilities and will continue to do so in the coming years including a new global electronic audit workflow delivered through KPMG Clara platform – KPMG's smart, modular audit platform – capable of continually integrating new and emerging technologies, with advanced capabilities embedded that leverage data, automation, and visualization. Data & Analytics (D&A) is integral to the way how KPMG member firms obtain audit evidence and interact with clients in the digital era.



KPMG’s high-quality audit process will continue to include:

- **timely partner and manager involvement** throughout the engagement;
- **access to the right knowledge** including involvement of specialists, training and experience requirements and relevant industry expertise;
- **critical assessment of all audit evidence obtained during the audit**, exercising appropriate professional judgment;
- **ongoing mentoring, supervision and review** of the engagement team;
- managing and documenting the audit.

Consistent audit methodology and tools

The KPMG audit methodology, developed by the KPMG Global Solutions Group (KGSG) is based on the requirements of the International Standards on Auditing (ISAs) as well as the auditing standards of PCAOB and AICPA. The KPMG audit methodology is set out in KPMG Audit Manual (KAM) and includes additional requirements that go beyond the ISAs, which KPMG International believes enhance the quality of the audit. The methodology emphasizes applying appropriate professional skepticism in the execution of audit procedures and requires compliance with relevant ethical requirements, including independence. Enhancements to the audit methodology, guidance and tools are made regularly to be in compliance with standards, emerging auditing areas of focus and audit quality results (internal and external). Key topics include risk identification, assessment and response, accounting estimates, group audits and audit sampling.

KPMG member firms may add local requirements and/or guidance in KAM to comply with additional professional, legal, or regulatory requirements.

KAM contains examples and guidance for, among other things, procedures intended to identify and assess the risk of material misstatement and procedures to respond to those assessed risks.

The KPMG audit workflow is enabled through eAudit’s, an activity-based workflow and electronic audit file. eAudit is KPMG’s audit documentation workflow that allows professionals to complete high quality and consistent audits. eAudit integrates KPMG’s audit methodology, guidance and industry knowledge, and the tools needed to execute and document the audit work performed.

eAudit can be “scaled” to present the relevant requirements and guidance, depending on the nature of the entity to be audited and in accordance with professional standards and applicable legal and regulatory requirements. It provides direct access to KPMG’s audit guidance, professional standards and documentation templates.

Significant investments are underway to revise and enhance the KPMG audit methodology (KAM) and workflow tool (eAudit), with the deployment of KPMG Clara workflow. Refer to section “KPMG Clara, KPMG Clara Workflow and Audit Data & Analytics” for more details on the KPMG Clara workflow.

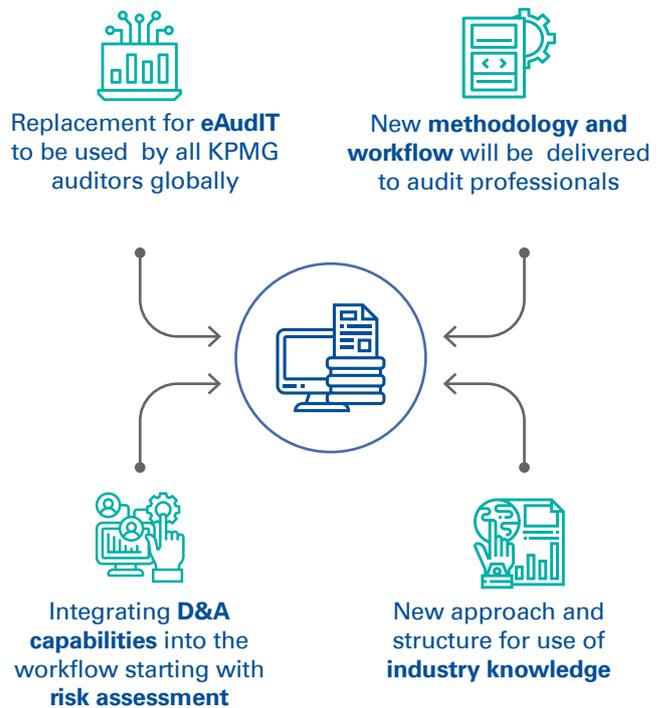
KPMG Clara, KPMG Clara Workflow and Audit Data & Analytics (D&A)

KPMG International is making significant investments to improve audit quality, drive consistency in execution of audits and strengthen both the member firm and global monitoring of engagements.

KPMG Clara

The global launch of KPMG Clara created a smart audit platform that brings together KPMG’s Audit Data & Analytics (D&A) capabilities, innovative new technologies, collaboration capabilities and audit workflow.

Delivered through KPMG Clara Smart Audit Platform





KPMG Clara workflow

Building on the launch of KPMG Clara in 2017, KPMG International is creating a new workflow tool that will be used by KPMG member firm audit teams to execute and document KPMG audits. It will be intuitive, user-friendly and modern. The new system will genuinely be a workflow – guiding audit teams through a series of steps in a logical sequence aligned to the standards with a clear display of information and visuals, knowledge and guidance available at the moment of need, and with embedded advanced data and analytics (D&A) capabilities. The workflow and methodology will also be scalable – adjusting the requirements to the size and complexity of the audit engagement. This globally-driven project will significantly overhaul and redesign the execution of an audit by KPMG professionals and drive improvements in audit quality.

KPMG Clara workflow incorporates monitoring capabilities (e.g. data mining) at the engagement level for use by member firms. The KPMG Clara workflow was piloted in 2018, with initial deployment globally in 2019 and full deployment beginning in 2020. The predecessor audit workflow tool, eAudIT, is expected to be decommissioned in the 2021 fiscal year.

Audit data & analytics (D&A)

KPMG's audit, powered by D&A is designed to:

- **enhance audit quality**; by providing a deeper understanding of data populations, giving focus to higher risk transactions;
- **be secure**; by restricting access to data both in transit and within KPMG's IT environments; and
- **be transparent**; by facilitating detailed analysis to uncover the reasons behind, and root causes of, outliers and anomalies and provide increased visibility into higher risk transactions and process areas.

D&A tools and routines are built on principles and professional standards underlying an audit and do not relieve auditors of their responsibilities.

Independence, integrity, ethics and objectivity

Overview

Auditor independence is a cornerstone of international professional standards and regulatory requirements.

KPMG International has detailed independence policies and procedures, incorporating the requirements of the IESBA Code of Ethics. These are set out in KPMG's Global Quality & Risk Management Manual, which applies to all KPMG member firms. Automated tools, which must be used for every prospective engagement to identify potential independence and conflict of interest issues, facilitate compliance with these requirements.

These policies are supplemented by other processes to ensure compliance with the Russian Code of Ethics for Auditors, Russian Rules of Independence for Auditors and

requirements set in part of independence in the Federal Audit Law 307-FZ. These policies and processes cover areas such as firm independence (covering, for example, treasury and procurement functions), personal independence, firm financial relationships, post-employment relationships, partner rotation and approval of audit and non-audit services.

The Partner-in-Charge of the Global Independence Group is supported by a core team of specialists to help ensure that robust and consistent independence policies and procedures are in place at KPMG member firms, and that tools are available to help the firms and their personnel to comply with these requirements.

JSC KPMG has a designated Ethics and Independence Partner (EIP) who has primary responsibility for the direction and execution of ethics and independence policies and procedures in JSC KPMG. The EIP is responsible for communicating and implementing KPMG global policies and procedures and ensuring that local policies and procedures are established and effectively implemented when they are more stringent than the global requirements. The EIP fulfills this responsibility through:

- implementing/monitoring the ethics and independence quality control process and structure within the firm;
- approving/appointing partners responsible for ethics and independence within the firm;
- overseeing the processes related to the evaluation of specific independence threats in connection with clients and prospective clients;
- participating in the development and delivery of training materials,
- monitoring compliance with policies;
- implementing procedures to address non-compliance; and
- overseeing the disciplinary process for ethics and independence matters.

Amendments to KPMG International's ethics and independence policies in the course of the year are included in regular quality and risk communications with member firms. Member firms are required to implement changes as specified in the communications, and this is checked through the internal monitoring programs.

JSC KPMG partners and employees are required to consult with the EIP on certain matters as defined in the Global Q&RM Manual. The EIP may also be required to consult with the Global Independence Group, depending upon the facts and circumstances.

Personal financial independence

KPMG International policies require that KPMG member firms and KPMG professionals are free from prohibited financial interests in, and prohibited financial relationships with, KPMG member firm assurance and audit clients (by definition, 'audit client' includes its related entities or



affiliates), their management, directors, and, where required, significant owners. All KPMG partners — irrespective of their member firm and function — are generally prohibited from owning securities of any audit client of any member firm. JSC KPMG implemented additional procedures for partners, officers and other employees to meet independence requirements set by Russian legislation.

KPMG member firms use a web-based independence compliance system (KICS) to assist our professionals in complying with personal independence investment policies. This system contains an inventory of publicly available investments and provides a tracking mechanism for required users to report acquisitions and disposals of their financial interests. The system facilitates monitoring by identifying and reporting impermissible investments and other non-compliant activity (i.e., late reporting of an investment acquisition).

All Partners and all manager grade and above client-facing employees are required to use the KICS system prior to entering into an investment to identify whether they are permitted to do so. They are also required to maintain a record of all of their investments in publically traded entities in KICS, which automatically notifies them if any investment subsequently becomes restricted. Newly restricted investments must be disposed of within five business days of the notification. KPMG monitors partner and manager compliance with this requirement as part of our program of independence compliance audits of a sample of professionals. The Global Independence Group provides guidance and suggested procedures relating to the audit and inspection by KPMG member firms of personal compliance with KPMG's independence policies. This includes sample criteria including the minimum number of professionals to be audited annually.

In 2019 83 of JSC KPMG partners and employees were subject to these audits (this included approximately 65% of our partners and partner equivalents).

Employment relationships

Any professional providing services to an audit client irrespective of function is required to notify our EIP if they intend to enter into employment negotiations with that audit client. For partners, this requirement extends to any audit client of any KPMG member firm that is a public interest entity.

Former members of the audit team or former partners of JSC KPMG are prohibited from joining an audit client in certain roles unless they have disengaged from all significant connections to JSC KPMG, including payments which are not fixed and determined and/or would be material to JSC KPMG and ceased participating in JSC KPMG business and professional activities.

Key audit partners and members of the chain of command for an audit client that is a public interest entity are subject to time restrictions (referred to as 'cooling-off' periods) that

preclude them from joining that client in certain roles until a defined period of time has passed.

We communicate and monitor requirements in relation to employment of JSC KPMG professionals by audit clients.

Firm financial independence

KPMG member firms must also be free from prohibited interests in, and prohibited relationships with, audit clients, their management, directors and, where required, significant owners.

In common with other KPMG member firms, JSC KPMG uses KICS to record its own direct and material indirect investments in listed entities and funds (or similar investment vehicles) as well as in non-listed entities or funds. This includes investments held in pension, and employee benefit plans. JSC KPMG is also required to ensure the firm's compliance with independence requirements set by the IESBA Code of Ethics and Russian Rules of Independence for Auditors.

Additionally, JSC KPMG is required to record in KICS all borrowing and capital financing relationships, as well as custodial, trust and brokerage accounts that hold member firm assets, if any.

On an annual basis, JSC KPMG confirms compliance with the firm independence requirements as part of the Risk Compliance Program.

Business relationships

JSC KPMG has policies and procedures in place that are designed to ensure that business relationships are maintained in accordance with the IESBA Code of Ethics, Russian Rules of Independence for Auditors and other applicable independence requirements, such as those promulgated by the SEC.

Ethics & Independence training and confirmations

All JSC KPMG partners and client facing professionals, as well as certain other individuals, must complete independence training that is appropriate to their grade and function upon joining JSC KPMG and on an annual basis thereafter.

New audit professionals who are required to complete this training must do so by the earlier of (a) seven days after joining JSC KPMG or (b) before providing any services to, or becoming a member of the chain of command for, any audit client (by definition, "audit client" includes its related entities or affiliates).

We also provide all partners and employees with biennial training on:

- the Code of Conduct and ethical behavior, including KPMG's anti-bribery policies, compliance with laws, regulations, and professional standards; and
- reporting suspected or actual non-compliance with laws, regulations, professional standards, KPMG and KPMG's policies.



New partners and employees are required to complete this training upon joining JSC KPMG.

All KPMG partners and employees are required to sign, upon joining JSC KPMG and thereafter, an annual confirmation stating that they have remained in compliance with applicable ethics and independence policies throughout the year.

Non-audit services

All KPMG firms are required, at a minimum, to comply with the IESBA Code of Ethics and applicable laws and regulations related to the scope of services that can be provided to audit clients.

JSC KPMG are required to establish and maintain a process to review and approve all new and modified services that are developed by JSC KPMG. JSC KPMG's EIP is involved in the review of potential independence issues.

In addition to identifying potential conflicts of interest, Sentinel™, facilitates compliance with these policies. Certain information on all prospective engagements, including service descriptions and fees must be entered into Sentinel™ as part of the engagement acceptance process. When the engagement is for an audit client, an evaluation of potential threats and safeguards is also required to be included in the Sentinel™ submission. Lead audit engagement partners are required to: maintain group structures for their publicly traded and certain other audit clients as well as their related entities or affiliates in Sentinel™, and they are also responsible for identifying and evaluating any independence threats that may arise from the provision of a proposed non-audit service and the safeguards available to address those threats.

Independence clearance process

JSC KPMG follows specific procedures to identify and evaluate threats to independence related to prospective audit clients that are public interest entities; these procedures, also referred to as 'the independence clearance process,' must be completed prior to accepting an audit engagement for these entities.

Fee dependency

KPMG International's policies recognize that self-interest or intimidation threats may arise when the total fees from an audit client represent a large proportion of the total fees of the member firm expressing the audit opinion. These policies require KPMG member firms to consult with their Area Q&RM Leader where it is expected that total fees from an audit client will exceed 10 percent of the annual fee income of the member firm for two consecutive years. In the event that the total fees from a public interest entity audit client and its related entities were to represent more than 10 percent of the total fees received by a particular

member firm for two consecutive years, these policies further require that:

- This would be disclosed to those charged with governance at the audit client; and
- A senior partner from another KPMG member firm would be appointed as the engagement quality control (EQC) reviewer.

No audit client accounted for more than 10 percent of the total fees received by JSC KPMG over the last two years.

Resolving conflicts of interest

Conflicts of interest can arise in situations where JSC KPMG partners or employees have a personal connection with the client which may interfere, or be perceived to interfere, with their ability to remain objective, or where they are personally in possession of confidential information relating to another party to a transaction. Consultation with the Quality and Risk Management Partner or the EIP is required in these situations.

KPMG International policies are also in place to prohibit KPMG partners and staff from accepting gifts and hospitality from audit clients, unless the value is trivial and inconsequential, is not prohibited by relevant law or regulation and is not deemed to be offered with the intent to improperly influence the behavior of the audit team member or the member firm. KPMG partners and staff are also precluded from offering inducements, including gifts and entertainment, which are made or perceived to be made with the intent to improperly influence the behavior of the recipient or which would cast doubt on the individual's or the member firm's integrity, independence, objectivity or judgment.

All KPMG member firms and personnel are responsible for identifying and managing conflicts of interest, which are circumstances or situations that have, or may be perceived to have an impact on a member firm and/ or its partners or employees in their ability to be objective or otherwise act without bias.

All KPMG member firms must use Sentinel™ for potential conflict identification so that these can be addressed in accordance with legal and professional requirements.

JSC KPMG has risk management resources who are responsible for reviewing any identified potential conflict and working with the affected member firms to resolve the conflict, the outcome of which must be documented.

Escalation and dispute resolution procedures are in place for situations in which agreement cannot be reached on how to manage a conflict. If a potential conflict issue cannot be appropriately mitigated, the engagement is declined or terminated.



Independence breaches

All JSC KPMG personnel are required to report an independence breach as soon as they become aware of it to the EIP. In the event of failure to comply with our independence policies, whether identified in the compliance review, self-declared or otherwise, professionals are subject to an independence disciplinary policy. All breaches of independence rules must be reported to those charged with governance as soon as possible except where alternative timing for less significant breaches has been agreed to with those charged with governance.

JSC KPMG has a documented and communicated disciplinary policy in relation to breaches of independence policies, incorporating incremental sanctions reflecting the seriousness of any violations. Matters arising are factored into our promotion and compensation decisions and, in the case of engagement leaders and managers, are reflected in their individual quality and risk metrics.

Compliance with laws, regulations, and anti-bribery and corruption

Compliance with laws, regulation and standards is a key aspect for everyone at JSC KPMG. In particular, we have zero tolerance of bribery and corruption.

We prohibit involvement in any type of bribery — even if such conduct is legal or permitted under applicable law or local practice. We also do not tolerate bribery by third-parties, including by our clients, suppliers or public officials.

The Anti-Corruption Policy has been released in JCS KPMG in accordance with the provisions of the Russian Federal Law No. 273-FZ of 25 December 2008 “On Combating Corruption”, the Guidelines on Development and Adoption of Measures to Prevent and Combat Corruption by Organizations approved by the Ministry of Labour and Social Protection of the Russian Federation on 8 November 2013 and the Guidelines on Organization and Implementation of Measures to Combat Corruption by Audit Firms and Individual Auditors approved by the Audit Council on 23 September 2015 (Minutes No. 18).

Further information on KPMG International anti-bribery and corruption policies can be found on the [anti-bribery and corruption site](#).

Partner rotation

KPMG International partner rotation policies are consistent with or exceed the requirements of the IESBA Code of Ethics and require all member firms to comply with any stricter local applicable rotation requirements.

JSC KPMG partners are subject to periodic rotation of their responsibilities for audit clients under applicable laws, regulations, independence rules and KPMG International

policy. These requirements place limits on the number of consecutive years that partners in certain roles may provide audit services to a client, followed by a ‘time-out’ period during which time these partners may not:

- participate in the audit;
- provide quality control for the audit;
- consult with the engagement team or the client regarding technical or industry-specific issues;
- in any way influence the outcome of the audit;
- lead or coordinate professional services at the client;
- oversee the relationship of the firm with the audit client; or
- have any other significant or frequent interaction with senior management or those charged with governance at the client

JSC KPMG monitors the rotation of audit engagement leaders (and any other key roles, such as the Key Audit Partner and Engagement Quality Control Reviewer, where there is a rotation requirement) and develops transition plans to enable allocation of partners with the necessary competence and capability to deliver a consistent quality of service to clients.

Recruitment, development and assignment of appropriately qualified people



One of the key drivers of quality is ensuring that all KPMG professionals have the appropriate skills and experience, passion and purpose, to deliver the highest quality in audit. This requires the right recruitment, development, reward, promotion, retention and assignment of professionals.

Recruitment

JSC KPMG is committed to building an extraordinary people experience for all KPMG partners and employees and prospective partners and employees.

Our recruitment strategy is focused on drawing entry-level talent from a broad talent base, including working with established universities, colleges and business schools, but also working with secondary schools, helping build relationships with a younger, diverse talent pool at an early age.

JSC KPMG also recruits people at an experienced hire and partner level.

All candidates submit an application and are employed following a variety of selection processes, which may include application screening, competency-based interviews, psychometric and ability testing, and qualification/reference checks. These leverage fair and job-related criteria to ensure that candidates possess the appropriate characteristics to perform competently, are suitable and best placed for their roles.



JSC KPMG recruited 587 new graduates in the year ended 31 December 2019 (453 in 2018).

Where individuals are recruited for senior grades, a formal independence discussion is conducted with them by the Ethics and Independence Partner or a delegate. JSC KPMG does not accept any confidential information belonging to the candidate's former firm/employer.

Personal development

JSC KPMG is launching a new approach to performance development built around the Everyone a Leader performance principles, Open Performance Development, which includes:

- Global role profiles;
- a goal library; and
- Standardized review forms.

Open Performance Development is linked to the KPMG values and designed to articulate what is required for success — both individually and collectively. We know that by being clear and consistent about the behavior we're looking for and rewarding those who role model these behaviors, will enhance our ability to achieve quality and we have articulated this through our performance principles of seeking growth, inspiring trust and delivering impact.

At the same time, we are driving a shift in our performance-driven culture, supported by and enacted through leading technology that allow us to embed audit quality to the assessment of performance and the decisions around reward as well as drive consistency across the Global Organization.

JSC KPMG monitors quality and compliance incidents and maintains quality and compliance metrics in assessing the overall evaluation, promotion and remuneration of partners, directors and managers. These evaluations are conducted by performance managers and partners who are in a position to assess performance.

Inclusion and Diversity programs

JSC KPMG works hard to foster an inclusive culture. Being inclusive enables us to bring together successful teams with the broadest range of skills, experiences and perspectives.

Our leadership and management teams also need to reflect the diversity within our firm and the diversity of our clients.

We believe that the established KPMG Global Inclusion and Diversity strategy provides the framework to drive the actions that are necessary to promote inclusive leadership at JSC KPMG and across all KPMG member firms.

For more about Inclusion & Diversity at KPMG read [here](#).

Reward and Promotion

JSC KPMG's policy prohibits audit partners from being evaluated on or compensated based on their success in selling non-assurance services to audit clients.

Reward

KPMG has compensation and promotion policies that are informed by market data, clear, simple, and linked to the performance review process. This helps our partners and employees know what is expected of them, and what they can expect to receive in return. The connection between performance and reward is achieved through calibration meetings where relative performance across a peer group is discussed and used to inform reward decisions.

Reward decisions are based on consideration of both individual and organizational (member firm) performance.

The results of performance evaluations directly affect the promotion and remuneration of partners and employees and, in some cases, their continued association with KPMG.

The extent to which our people feel their performance has been reflected in their reward is measured through the Global People Survey, with action plans developed accordingly.

Promotion

The results of performance evaluations directly affect the promotion and remuneration of partners and employees and, in some cases, their continued association with KPMG.

Assignment of professionals

JSC KPMG has procedures in place to assign both engagement partners and other professionals to a specific engagement on the basis of their skill sets, relevant professional and industry experience, and the nature of the assignment or engagement. Function heads are responsible for the partner assignment process. Key considerations include partner experience and capacity - based on an annual partner portfolio review - to perform the engagement taking into account the size, complexity and risk profile of the engagement and the type of support to be provided (i.e. the engagement team composition and specialist involvement).

Audit engagement partners are required to be satisfied that their engagement teams have appropriate competencies, training and capabilities, including time, to perform audit engagements in accordance with KAM, professional standards, and applicable legal and regulatory requirements. This may include involving specialists from our own firm, other KPMG member firms or external experts.

When considering the appropriate competence and capabilities expected of the engagement team as a whole, the engagement partner's considerations may include the following:

- an understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- an understanding of professional standards and legal and regulatory requirements;



- appropriate technical skills, including those related to relevant information technology and specialized areas of accounting or auditing;
- knowledge of relevant industries in which the client operates;
- ability to apply professional judgment;
- an understanding of JSC KPMG quality control policies and procedures;
- Quality Performance Review (QPR) results and results of regulatory inspections.

Insights from our people – Global People Survey (GPS)

Biennially JSC KPMG invites all its people to participate in an independent Global People Survey to share their perception about their experience working for KPMG. The GPS provides an overall measure of our people's engagement through an Engagement Index (EI) as well as insights into areas driving engagement which may be strengths or opportunities. Results can be analyzed by functional or geographic area, grade, role, gender to provide additional focus for action. Additional insight is provided on how we are faring on categories known to impact engagement.

The survey also specifically provides JSC KPMG leadership and KPMG global leadership with results related to quality and risk behaviors, audit quality, upholding the KPMG values, employee and partner attitudes to quality, leadership and tone at the top.

JSC KPMG participates in the GPS, monitors results and takes appropriate actions to communicate and respond to the findings of the survey. The results of the GPS are also aggregated for the entire Global Organization and are presented to the Global Board each year and appropriate follow-up actions agreed.

Commitment to technical excellence and quality service delivery

All JSC KPMG professionals are provided with the technical training and support they need to perform their roles. This includes access to internal specialists and the professional practice department,



either to provide resources to the engagement team or for consultation. Where the right resource is not available within JSC KPMG, access is provided to a network of highly skilled KPMG professionals in other KPMG member firms.

At the same time, audit policies require all KPMG audit professionals to have the appropriate knowledge and experience for their assigned engagements.

Lifetime learning strategy

Formal training

Annual training priorities for development and delivery are identified by the Audit Learning and Development steering

groups at global, regional and, where applicable, at a local level. Training is delivered using a blend of classroom, digital learning and performance support to assist auditors on the job.

Mentoring and on the job training

Learning is not confined to the classroom — rich learning experiences are available when needed through coaching and just-in-time learning, available at the click of a mouse and aligned with job specific role profiles and learning paths. All classroom courses are reinforced with appropriate performance support to assist auditors on the job.

Licensing and mandatory requirements for audit engagements

Licensing

All JSC KPMG professionals are required to comply with applicable professional licence rules and satisfy the Continuing Professional Development (CPD) requirements in the jurisdiction where they practice. JSC KPMG policies and procedures are designed to facilitate compliance with licence requirements. We are responsible for ensuring that audit professionals working on engagements have appropriate audit, accounting and industry knowledge, and experience in the local predominant financial reporting framework.

Mandatory requirements –U.S.GAAP engagements

In addition, KPMG has specific requirements for audit professionals working on engagements performed outside the U.S. to report on financial statements or financial information prepared in accordance with U.S. GAAP and/or audited in accordance with U.S. auditing standards, including reporting on the effectiveness of the entity's internal control over financial reporting (ICOFR). These require that at a minimum, all partners, managers, engagement in-charges and EQC reviewers assigned to the engagement have completed relevant training and that the engagement team, collectively, has sufficient experience to perform the engagement or has implemented appropriate safeguards to address any shortfalls.

Access to specialist networks

JSC KPMG engagement teams have access to a network of local KPMG specialists as well as specialists in other KPMG member firms. Specialists who are members of an audit team and have overall responsibility for specialist involvement on an audit engagement have the competencies, capabilities and objectivity to appropriately fulfill their role. Training on audit concepts is provided to these specialists.

The need for specialists (e.g. Information Technology, Tax, Treasury, Actuarial, Forensic, Valuation) to be assigned to a specific audit engagement is considered as part of the audit engagement acceptance and continuance process.



Culture of Consultation

KPMG encourages a strong culture of consultation that supports member firm teams throughout their decision-making processes and is a fundamental contributor to audit quality. JSC KPMG promotes a culture in which consultation is recognized as a strength and that encourages all KPMG professionals to consult on difficult or contentious matters.

To assist audit engagement professionals in addressing difficult or contentious matters, protocols have been established for consultation and documentation of significant accounting and auditing matters, including procedures to facilitate resolution of differences of opinion on engagement issues. In addition, the KPMG Global Q&RM Manual includes mandatory consultation requirements where certain matters are identified such as concerns over client integrity.

Technical consultation and global resources

Technical auditing and accounting support is available to all member firms and their professionals through the KPMG Global Solutions Group (KGSG) (formally referred to as the Global Service Centre (GSC) and the ISG as well as the US Capital Markets Group for SEC foreign registrants.

KPMG Global Solutions Group (KGSG)

The KGSG's mission is to drive success for KPMG's global network of Audit practices through collaboration, innovation and technology. The KGSG develops, maintains and deploys KPMG's audit methodology and technology-based tools used by KPMG audit professionals to facilitate effective and efficient audits. With three global locations, one in each region, the KGSG Audit team is made up of professionals with backgrounds in audit, IT, data science, mathematics, statistics, and more from around the world who bring diverse experiences and innovative ways of thinking to further evolve KPMG's audit capabilities.

International Standards Group (ISG)

The ISG works with Global IFRS and ISA topic teams with geographic representation from around the world to promote consistency of interpretation of IFRS and auditing requirements between member firms, identify emerging issues, and develop global guidance on a timely basis.

Member firm professional practice resource

Appropriate consultation support on auditing and technical accounting matters is provided to audit engagement professionals through our professional practice resources (referred to as Department of Professional Practice or DPP). DPP also assists engagement teams where there are differences of opinion either within teams or with the EOC reviewer. Unresolved differences are required to be escalated to senior partners for final resolution. The ISG is also available for consultation when required.

Developing business understanding and industry knowledge

A key part of quality is having a detailed understanding of the client's business and industry.

For significant industries, global audit sector leads are appointed to support the development of relevant industry information, which is made available to audit professionals through the KPMG audit workflow. This knowledge comprises examples of industry audit procedures and other information (such as typical risks and accounting processes). In addition, industry overviews are available that provide general and business information in respect of particular industries, as well as a summary of the industry knowledge provided in the KPMG audit workflow.

Performance of effective and efficient audits



How an audit is conducted is as important as the final result. JSC KPMG partners and employees are expected to demonstrate certain key behaviors and follow certain policies and procedures in the performance of effective and efficient audits.

Ongoing mentoring, supervision and review

We understand that skills build over time and through exposure to different experiences. To invest in the building of skills and capabilities of KPMG professionals, without compromising on quality, JSC KPMG promotes a continuous learning environment and supports a coaching culture.

Ongoing mentoring, coaching and supervision during an audit involves:

- engagement partner participation in planning discussions;
- tracking the progress of the audit engagement;
- considering the competence and capabilities of the individual members of the engagement team, including whether they have sufficient time to carry out their work, whether they understand their instructions, and whether the work is being carried out in accordance with the planned approach to the engagement;
- helping engagement team members address any significant matters that arise during the audit and modifying the planned approach appropriately;
- identifying matters for consultation with more experienced team members during the engagement.

A key part of effective mentoring and supervision is timely review of the work performed so that significant matters are promptly identified, discussed and addressed.



Timely engagement quality control (EQC) reviewers

EQC reviewers are independent of the engagement team and have the appropriate experience and knowledge to perform an objective review of the more critical decisions and judgments made by the engagement team and the appropriateness of the financial statements.

The EQC is an important part of KPMG's framework for quality. An EQC reviewer is required to be appointed for audits, including any related review(s) of interim financial information, of all listed entities, non-listed entities with a high public profile, engagements that require an EQC review under applicable laws or regulations, and other engagements as designated by the Quality and Risk Management Partner or country Head of Audit.

Although the engagement partner is ultimately responsible for the resolution of financial reporting and auditing matters, the EQC reviewer must be satisfied that all significant questions raised have been resolved before an audit can be considered complete.

JSC KPMG is continually seeking to strengthen and improve the role that the EQC reviewer plays in audits, as this is a fundamental part of the system of audit quality control.

Reporting

Auditing standards and local regulation largely dictate the format and content of the auditors' report that includes an opinion on the fair presentation of the client's financial statements in all material respects. Experienced engagement partners form all audit opinions based on the audit performed.

In preparing auditors' reports, engagement partners have access to extensive reporting guidance and technical support through consultations with our DPP, especially where there are significant matters to be reported to users of the auditors' report (e.g. a modification to the opinion or through the inclusion of an 'emphasis of matter' or 'other matter' paragraph, as well as key audit matters to be communicated).

Insightful, open, and honest two-way communication

Two-way communication with those charged with governance, often identified as the Audit Committee, is key to audit quality and is a key aspect of reporting and service delivery.

At JSC KPMG we stress the importance of keeping those charged with governance informed of issues arising throughout the audit and the need to listen to and understand their views. We achieve this through a combination of reports and presentations, attendance at Audit Committee or board meetings, and, when appropriate, ongoing informal discussions with management and members of the Audit Committee.

Audit Committee Institute

In recognition of the demanding and important role that Audit Committees play for the capital markets and also of the challenges that they face in meeting their responsibilities, the Audit Committee Institute (ACI) aims to help audit committee members enhance their commitment and ability to implement effective audit committee processes. The ACI operates in more than 40 countries across the globe including JSC KPMG and provides audit committee members with authoritative guidance (such as the ACI Audit Committee Handbook) on matters of interest to Audit Committees; updates on issues like EU audit reform, changes to accounting standards and other matters of interest to Audit Committees (such as cyber security and corporate culture); and the opportunity to network with their peers during an extensive program of technical updates and awareness seminars.

The ACI's offerings cover the array of challenges facing Audit Committees and businesses today — from risk management and emerging technologies to strategy and global compliance.

Further details and insights on Audit Committee Institute are available [here](#).

IFRS Institute

KPMG's Global IFRS Institute provides information and resources to help the JSC KPMG Board and Audit Committee members, executives, management, stakeholders and government representatives gain insight and access thought leadership about the evolving global financial reporting framework.

Client confidentiality, information security, and data privacy

The importance of maintaining client confidentiality is emphasized through a variety of mechanisms including the Global Code of Conduct, training, and the annual affidavit/confirmation process, that all KPMG professionals are required to complete.

We have a formal document retention policy concerning the retention period for audit documentation and other records relevant to an engagement in accordance with the relevant requirements of the Russian Federal Law No. 307-FZ "On Auditing" (Federal Audit Law 307-FZ), ISQC 1, ISAs, SEC rules as well as other applicable foreign regulatory bodies' standards and regulations.

We have clear policies on information security that cover a wide range of areas. Data Privacy policies are in place governing the handling of personal information, and associated training is required for all JSC KPMG personnel.



Commitment to continuous improvement



KPMG commits to continually improve the quality, consistency and efficiency of KPMG audits.

Integrated quality monitoring and compliance programs enable member firms to identify quality deficiencies, to perform root cause analysis and develop, implement and report remedial action plans, both in respect of individual audit engagements and the overall system of quality control.

The quality monitoring and compliance programs (see section “Internal monitoring and compliance programs” for details) are globally administered and consistent in their approach across all member firms, including the nature and extent of testing and reporting. JSC KPMG compares the results of its internal monitoring programs with the results of those of any external inspection programs and take appropriate action.

Internal monitoring and compliance programs

JSC KPMG monitoring programs evaluate both:

- engagement performance in compliance with the applicable standards, applicable laws and regulation and KPMG International policies and procedures; and
- JSC KPMG compliance with KPMG International policies and procedures and the relevance, adequacy and effective operation of key quality control policies and procedures.

Our internal monitoring program also contributes to the assessment of whether our system of quality control has been appropriately designed, effectively implemented, and operates effectively. These include:

- Quality Performance Reviews (QPR) and Risk Compliance Programs (RCP), which are conducted annually across the Audit, Tax and Advisory functions; and
- A cross functional Global Compliance review (GCR) program which is conducted at least every three years.

The results and lessons from the integrated monitoring programs are communicated internally and appropriate action is taken at local, regional and global levels.

Audit Quality Performance Reviews (QPRs)

The QPR program assesses engagement level performance and identifies opportunities to improve engagement quality.

Risk-based approach

Each engagement leader is reviewed at least once in a three year cycle. A risk-based approach is used to select engagements.

JSC KPMG conducts the annual QPR program in accordance with KPMG International QPR instructions. The reviews are performed at JSC KPMG level and are monitored regionally and globally. Member firm Audit QPR reviews are overseen by a senior experienced lead reviewer independent from the member firm.

Reviewer selection, preparation and process

There are robust criteria for selection of reviewers. Review teams include senior experienced lead reviewers that are independent of the member firm under review.

Training is provided to review teams and others overseeing the process, with a focus on topics of concern identified by audit oversight regulators and the need to be as rigorous as external reviewers.

Evaluations from Audit QPR

Consistent criteria are used to determine engagement ratings and member firm Audit practice evaluations.

Audit engagements selected for review are rated as ‘Satisfactory’, ‘Performance Improvement Needed’ or ‘Unsatisfactory’

Reporting

Findings from the QPR program are disseminated to member firm professionals through written communications, internal training tools, and periodic partner, manager and staff meetings.

These areas are also emphasized in subsequent inspection programs to gauge the extent of continuous improvement.

Lead audit engagement partners are notified of less than satisfactory engagement (defined as ‘Performance Improvement Needed’ or ‘Unsatisfactory’) ratings on their respective cross-border engagements. Additionally, lead audit engagement partners of parent companies/head offices are notified where a subsidiary/affiliate of their client group is audited by a member firm where significant quality issues have been identified during the QPR.

Global Audit Quality Monitoring Group (GAQMG)

The GAQMG is comprised of a team of partners, directors and senior managers experienced in performing QPR program reviews of listed and related entity (LRE) audit engagements. The team also includes partners and professionals with experience in auditing general information technology controls and application controls.

Each of the GAQMG reviewers attends the Global QPR training delivered for their respective member firm. The GAQMG team is responsible for performing selected QP reviews of LRE audit engagements



Risk Compliance Program (RCP)

KPMG International develops and maintains quality control policies and processes that apply to all KPMG member firms. These policies and processes, and their related procedures, include the requirements of ISQC 1. During the annual RCP, we perform a robust assessment program consisting of documentation of quality controls and procedures, related compliance testing and reporting of exceptions, action plans and conclusions.

The objectives of the RCP are to:

- document, assess and monitor the extent of compliance of JSC KPMG system of quality control with Global Quality & Risk Management policies and key legal and regulatory requirements relating to the delivery of professional services; and
- provide the basis for JSC KPMG to evaluate that the firm and its personnel comply with relevant professional standards and applicable legal and regulatory requirements.

Where deficiencies are identified, we are required to develop appropriate action plans and monitor the status of each action item.

Global Compliance Review (GCR) program

Each member firm is subject to a GCR conducted by KPMG International’s GCR team, independent of the member firm, at least once in a 3 year cycle.

The GCR team performing the reviews is independent of the KPMG member firm and is objective and knowledgeable of Global Quality and Risk Management policies. GCRs assess compliance with selected KPMG International policies and procedures and share best practices among member firms. The GCR provides an independent assessment of:

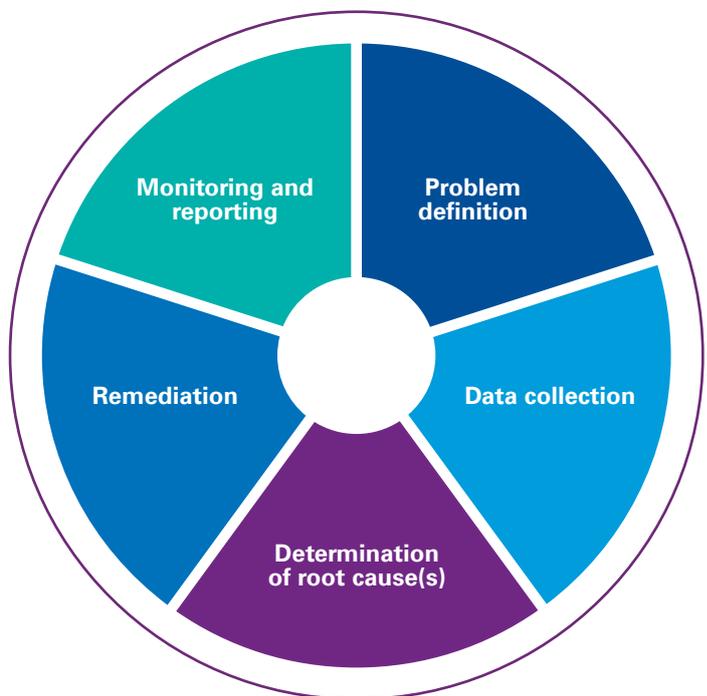
- a member firm’s commitment to quality and risk management (tone at the top) and the extent to which its overall structure, governance and financing support and reinforce this commitment;
- a member firm’s compliance with KPMGI policies and procedures; and
- the robustness with which the member firm performs its own compliance program (RCP).

JSC KPMG develop action plans to respond to all GCR findings and agree these with the GCR team. Our progress on action plans is monitored by the GCR central team. Results are reported to the Global Quality & Risk Management Steering Group and, where necessary, to appropriate KPMG International and regional leadership, to help ensure timely remedial actions taken by the member firm

Root Cause Analysis (RCA)

JSC KPMG performs root cause analysis to identify and address audit quality issues in order to prevent them from recurring and help identify good practices as part of continuous improvement. RCA training based on our Global RCA 5 Step Principles was attended by those individuals at JSC KPMG who will be performing RCA or directing those performing RCA. The training provides a common platform for advancing the practices and skills associated with resourcing, planning and conducting RCA.

The Global RCA 5 Step Principles are as follows:



It is the responsibility of all KPMG member firms to perform RCA and thereby identify and subsequently develop appropriate remediation plans for the audit quality issues identified.

JSC KPMG’s Head of Audit is responsible for the development and implementation of action plans as a result of RCA, including identification of solution owners. Our Quality and Risk Management Partner monitors their implementation.



Recommendations for improvements

At a global level, through the GAQSC and the Global Quality & Risk Management Steering Group, KPMG International reviews the results of the quality monitoring programs, analyzes member firm root causes and action plans and develops additional global actions as required.

Global remediation plans developed by KPMG International are aimed at changing culture and behavior across the Global Organization and at driving consistent engagement team performance within KPMG member firms. The remediation plans have been implemented through the development of global training, tools and guidance to drive consistency, ensure the fundamentals are right and that best practice is shared across the Global Organization.

External feedback and dialogue

Regulators

In accordance with the Federal Audit Law 307-FZ, JSC KPMG is subject to an external quality reviews by a self-regulated organization of auditors and the Federal Treasury.

The latest external quality control review by the auditor's self-regulatory organization Russian Union of Auditors was conducted in September-October 2019.

The latest external scheduled quality control review by the Federal Treasury was conducted from 19 October to 14 December 2018.

As a SEC registered audit firm with less than 100 SEC listed audit clients, JSC KPMG is subject to inspection by the PCAOB. The PCAOB carried out an inspection visit from 5 October 2009 to 15 October 2009.

As a Jersey Recognized Auditor registered with the Jersey Financial Services Commission, JSC KPMG underwent an audit quality monitoring visit by the Institute of Chartered Accountants in England and Wales (ICAEW) in May 2019.

Wherever the external quality reviews has resulted in any finding or recommendations, we have considered each of such findings and recommendations and have implemented actions to address issues and strengthen policies and procedures as appropriate.

Client feedback

We proactively seek feedback from clients through in-person conversations and third-party surveys to monitor their satisfaction with services delivered. We endeavour to take this feedback and make dynamic changes at both the engagement level and firm level to meet clients' needs.

Monitoring of complaints

We have procedures in place for monitoring and addressing complaints received relating to the quality of our work. These procedures are detailed in the CIS Quality & Risk Management Manual, which is published on our internal web-site.

Other assessments of audit quality

The Department of Professional Practice pre-issuance reviews of all financial statements of listed, public interest and other high or moderate risk engagements as required by the firm's policy. Any issues identified need to be cleared before the report can be issued.

Feedback is provided to individual engagement leaders as regards the quality of reports submitted for review and the annual results are taken into account in the engagement leader's performance evaluation.



Financial information

The summary of revenues presented below is for JSC KPMG for the year ended 31 December 2019. The revenues include amounts billed to clients and to other member firms of KPMG International. The revenue figures are shown net of VAT or other mandatory payments.

JSC KPMG's revenue earned in 2019 from audit, audit related and other assurance services provided to Russian and foreign entities and conducted under ISAs or other professional standards or requirements, including any component work under group auditor's instructions and the issuance of comfort letters in connection with securities offerings, was over 6 billion rubles. The revenue includes costs and expenses billed to clients and other KPMG member-firms. The revenue is shown net of VAT or other mandatory payments.

Service type	Year ended 31 December 2019 'billion RUR
Statutory audit, entities defined in the Federal Audit Law 307-FZ, Article 5, part 3	1,5
Statutory audit, other entities	1,7
Voluntary audit	0,7
Audit services, total	3,9
Review, agreed-upon procedures, compilations, other services for audit clients	1,8
Review, agreed-upon procedures, compilations, other services for other entities	4,9
Non-audit services, total	6,7
Revenue total	10,6

The combined revenue in KPMG Russia for 2019 (JSC KPMG, KPMG Limited, LLC KPMG Tax and Advisory, LLC KPMG) was over 14 billion rubles. The revenue includes costs and expenses billed to clients and other KPMG member-firms. The revenue is shown net of VAT or other mandatory payments.

Additional financial information disclosed by JSC KPMG as a Third Country Auditor in the EU

The summary of revenues presented below is for JSC KPMG earned from the statutory audit and non-audit services of the firm's non-EU/EEA entities that are listed in the EU, which were audit clients of JSC KPMG during 2019 calendar year.

The revenues are combined, not consolidated; include costs and expenses billed to clients and other KPMG member firms.

Service	Year ended 31 December 2019 'billion RUR
Revenue for services from statutory audit of non-EU/EEA entities that are listed in the EU	0,5
Revenue for services from statutory audit of other entities	3,4
Revenue from non-audit services to non-EU/EEA entities that are listed in the EU	0,3
Revenue from non-audit services to other entities	6,4



Partner remuneration

Partners' profit share

Partners are remunerated out of the distributable profits of JSC KPMG (such profits being determined by the JSC KPMG Board of Directors) and are personally responsible for funding pensions and most other benefits. The final allocation of profits to partners is made by JSC KPMG after assessing each partner's contribution for the year. The JSC KPMG Board's Compensation and Nomination Committee (comprising partners of the Board) approves this process and oversees its application.

There are two elements to partner remuneration:

- base component – a proportion of the JSC KPMG budgeted profits are allocated to members as base component; this is effectively member salary. The amount of base component reflects the role and seniority of each partner; and
- profit related performance component – rewards performance in the year by each partner against individual objectives previously agreed and the overall profits of their part of JSC KPMG as a whole. Our policies for this variable element of partner remuneration take into account a number of factors including quality of work, excellence in client service, growth in revenue and profitability, leadership and living the KPMG values. Audit partners are not permitted to have objectives related to, or receive any remuneration from, selling non-audit services to their audit clients. In addition, a part of their performance-related component is based on an assessment of their ability to deliver audit quality.



Network arrangements

Legal Structure

The independent member firms of the KPMG network are affiliated with KPMG International, a Swiss cooperative which is a legal entity formed under Swiss law.

KPMG International carries on business activities for the overall benefit of the KPMG network of member firms but does not provide professional services to clients. Professional services to clients are exclusively provided by member firms.

One of the main purposes of KPMG International is to facilitate the provision by member firms of high-quality Audit, Tax, and Advisory services to their clients. For example, KPMG International establishes and facilitates the implementation and maintenance of uniform policies, standards of work and conduct by member firms, and protects and enhances the use of the KPMG name and brand.

KPMG International is an entity that is legally separate from each member firm. KPMG International and the member firms are not a global partnership, joint venture, or in a principal or agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Responsibilities and obligations of member firms

Under agreements with KPMG International, member firms are required to comply with KPMG International's policies and regulations including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability and being able to adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

Each member firm takes responsibility for its management and the quality of its work. Member firms commit to a common set of KPMG values (as set out in Appendix 3 to this document).

KPMG International's activities are funded by amounts paid by member firms. The basis for calculating such amounts is approved by the Global Board and consistently applied to the member firms. A firm's status as a KPMG member firm and its participation in the KPMG network may be terminated if, among other things, it has not complied with the policies and regulations set by KPMG International or any of its other obligations owed to KPMG International.

Professional Indemnity Insurance

Insurance cover is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis and is principally written through a captive insurer that is available to all KPMG member firms.

Governance structure

The key governance and management bodies of KPMG International are the Global Council, the Global Board, and the Global Management Team.

Global Council

The Global Council focuses on high-level governance tasks and provides a forum for open discussion and communication among member firms.

It performs functions equivalent to a shareholders' meeting (albeit KPMG International has no share capital and, only has members, not shareholders).

Among other things, the Global Council elects the Global Chairman and also approves the appointment of Global Board members. It includes representation from 59 member firms that are "members" of KPMG International as a matter of Swiss law. Sublicensees are generally indirectly represented by a member.

Global Board

The Global Board is the principal governance and oversight body of KPMG International. The key responsibilities of the Global Board include approving strategy, protecting and enhancing the KPMG brand, overseeing management of KPMG International, and approving policies and regulations. It also admits member firms.

The Global Board includes the Global Chairman, the Chairman of each of the three regions (the Americas; Asia Pacific (ASPAC); and Europe, the Middle East, and Africa (EMA)) and a number of senior partners of member firms.

It is led by the Global Chairman, who is supported by the Executive Committee, consisting of the Global Chairman, the Chairman of each of the regions and currently three other senior partners of member firms. The list of Global Board members, as at October 2019 is available in the [KPMG Global Review](#).

One of the other Global Board members is elected as the lead director by those Global Board members who are not also members of the Executive Committee of the Global Board ("non-executive" members). A key role of the lead director is to act as liaison between the Global Chairman and the "non-executive" Global Board members.



Global Management Team

The Global Board has delegated certain responsibilities to the Global Management Team. These responsibilities include developing global strategy by working together with the Executive Committee. The Global Management Team also supports the member firms in their execution of the global strategy and is responsible for holding them accountable for commitments.

It is led by the Global Chairman and includes the Global Chief Operating Officer, Global Chief Administrative Officer, global function and infrastructure heads, and the General Counsel.

The list of Global Management Team members as at October 2019 is available in the [KPMG Global Review](#).

Global Steering Groups

The Global Steering Groups represent the function and infrastructure groups of KPMG International and are the main driving groups of the organization. They act under delegated authority from the Global Board and oversight by the Global Management Team. In particular the Global Audit Steering Group, Global Audit Quality Steering Committee and Global Quality Risk Management Steering Group work closely with regional and member firm leadership to:

- establish and communicate appropriate audit and quality/risk management policies;
- enable effective and efficient risk processes to promote audit quality;
- proactively identify and mitigate critical risks to the network.

The roles of the Global Audit Steering Group and the Global Quality & Risk Management Steering Group are detailed in section 'Governance and leadership' of the [KPMG International Transparency Report](#).

Each member firm is part of one of three regions (the Americas, ASPAC, and EMA). Each region has a Regional Board comprising a regional chairman, regional chief operating officer, representation from any sub-regions, and other members as appropriate. Each Regional Board focuses specifically on the needs of member firms within their region and assists in the implementation of KPMG International's policies and processes within the region.

Further details about KPMG International including the governance arrangements, can be found in section 'Governance and leadership' of the [KPMG International Transparency Report](#).

Area Quality & Risk Management Leaders

The Global Head of Quality, Risk and Regulatory appoints Area Quality & Risk Management Leaders (ARL) who serve a regular and ongoing monitoring and consultation function to assess the effectiveness of a member firm's efforts and processes to identify, manage and report significant risks that have the potential to damage the KPMG brand. Significant activities of the ARL, including member firm issues identified and related member firm response/remediation, are reported to Global Quality & Risk Management (GO&RM) leadership. The objectives of the ARL role are to:

- assist GO&RM leadership in the monitoring of member firms' quality and risk activities;
- work with GO&RM leadership and the International Office of General Counsel (IOGC) when significant brand and legal risk issues occur to assist in ensuring that matters are properly handled; and
- assist in monitoring the effectiveness of member firm remediation of significant issues, including identification of the root cause(s) of serious quality incidents.



Statement on the effectiveness of quality controls and independence

The measures and procedures that serve as the basis for the system of quality control for JSC KPMG outlined in this report aim to provide a reasonable degree of assurance that the statutory audits carried out by our firm comply with the applicable laws and regulations. Because of its inherent limitations, the system of quality controls is not intended to provide absolute assurance that non-compliance with relevant laws and regulations would be prevented or detected.

The Board of JSC KPMG has considered:

- the design and operation of the quality control systems as described in this report;
- the findings from the various compliance programs operated by our firm (including the KPMG International Review Programs and our local compliance monitoring programs); and
- findings from regulatory inspections and subsequent follow up and/or remedial actions.

Taking all of this evidence together, the Board of JSC KPMG confirms with a reasonable level of assurance that the system of quality control within our firm have operated effectively in the year to 31 December 2019.

The Board of JSC KPMG confirms that an internal review of independence compliance within our firm has been conducted in the year to 31 December 2019.

Further, the Board of JSC KPMG confirms that in 2019 JSC KPMG's specialists who are Russian certified auditors complied with the applicable continuing professional development requirements set in part 9 article 11 of the Russian Federal Law No. 307-FZ "On Auditing".



Appendix 1

Public interest entity audit clients

Entities defined in the Federal Audit Law 307-FZ, part 3, article 5

Audit clients of JSC KPMG that are entities defined in the Federal Audit Law 307-FZ, part 3, article 5 (including listed). Listed entities are marked with * in the list below.

- Acron PAO*
- Akcept Bank AO
- Asia-Invest Bank AO
- Atomic Energy Power Corporation AO*
- Atomstroykompleks-Stroitelstvo OOO*
- Avangard-Agro AO*
- Avtoban-Finance AO*
- Aziatsko-Tikhookeanskiy Bank PAO*
- Bank Saint-Petersburg PAO*
- BCS Bank AO
- BMW Bank OOO
- Burovaya Kompaniya Eurasia OOO*
- Chelindbank PAO
- Chelyabinvestbank PAO
- Citibank AO
- Coface Rus Insurance Company OOO
- Concern Rossium OOO*
- Credit Suisse Bank (Moscow) AO
- Dalnevostochny Bank PAO
- Deutsche Bank OOO
- Energotransbank AO
- Ergo SAO
- Ergo Zhizn OOO
- ER-Telecom Holding AO*
- ERV Travel Insurance AO
- Etalon LenSpetsSMU AO*
- Eurasian Bank PAO
- EVOCORP Management company OOO
- Far Eastern Shipping Company PAO*
- Finservice Bank AO
- First Collecting Bureau NAO*
- GAZ PAO*
- Gazfond NPF AO
- Gazprombank AO*
- Group of Companies PIK PAO*
- Home Credit and Finance Bank OOO*
- ICBC Bank AO
- ING Bank (Eurasia) AO*
- INGRAD PAO*
- International airport Vnukovo AO
- Intesa Bank AO*
- Irkutskenergo PAO*
- J and T Bank AO
- Kapital Life Insurance OOO
- Korean Exchange Bank RUS OOO
- Krasny Kotelschik TKZ OAO*
- Leader ZAO
- LOCKO-Bank KB AO*
- LSR Group PAO*
- LUKOIL PAO*
- MAKS Insurance Company AO
- MAKS-M AO
- Managing company Transneft Invest OOO
- MB Bank AO
- MegaFon PAO*
- Mercedes-Benz Bank RUS OOO



- Moscow Credit Bank PAO*
- MOSTOTREST PAO*
- MUFG Bank (Eurasia) AO
- NORILSK NICKEL PAO*
- North-West Concession Company OOO*
- North-Western Shipping Company PAO*
- OMZ PAO*
- Pervaya Gruzovaya Kompaniya AO*
- PhosAgro PAO*
- Pioneer Group AO*
- Plus Bank PAO
- Power machines PAO*
- PPF Life insurance OOO
- RESO Garantiya PAO*
- RESO-Leasing OOO*
- Rossiyskie Avtomobilnye Dorogi*
- RUSAL Bratsk PAO*
- Rusnano AO*
- Ruspilimet PAO*
- Samolet Group of companies PAO*
- Sarovbusinessbank AKB PAO
- Setl Group OOO*
- Severgazbank PAO
- Severstal PAO*
- Soglasie Insurance Company OOO
- State Transport Leasing Company PAO*
- SUEK-Finance OOO*
- Sumitomo Mitsui Rus Bank AO
- TKB Investment Partners AO
- TNS Energo Kuban PAO*
- TNS energo Mariy El PAO*
- TNS energo Nizhny Novgorod PAO*
- TNS energo Rostov-on-Don PAO*
- TNS energo Voronezh PAO*
- TNS energo Yaroslavl PAO*
- TNS Energo PAO*
- Toyota Bank AO*
- Transneft AK PAO*
- Transneft NPF AO
- URALSIB Bank PAO*
- Uralsib Insurance OOO
- URALSIB Life AO
- Vseinstrumenty.ru OOO*
- VSMPO-AVISMA Corporation PAO*
- VTB Pension Fund AO
- World Trade Center PAO*

Non-EU/EEA entities that are listed in the EU

Audit clients of JSC KPMG that are non-EU/EEA entities with transferable securities admitted to trading on a regulated market within the EU.

- Acron PAO
- EN+ Group MKPAO (fka: EN+ Group Plc)
- LSR Group PAO
- LUKOIL PAO
- PhosAgro PAO
- Severstal PAO

Appendix 2

The KPMG values

KPMG people work together to deliver value to clients. We believe strongly in a common set of shared values which guide our behavior when dealing with both clients and each other:



We lead by example:

At all levels we act in a way that exemplifies what we expect of each other and our clients.



We are open and honest in our communication:

We share information, insight, and advice frequently and constructively and manage tough situations with courage and candor.



We work together:

We bring out the best in each other and create strong and successful working relationships.



We are committed to our communities:

We act as responsible corporate citizens by broadening our skills, experience, and perspectives through work in our communities and protecting the environment.



We respect the individual:

We respect people for who they are and for their knowledge, skills, and experience as individuals and team members.



Above all, we act with integrity:

We are constantly striving to uphold the highest professional standards, provide sound advice and rigorously maintain our independence.



We seek the facts and provide insight:

By challenging assumptions and pursuing facts, we strengthen our reputation as trusted and objective business advisers.

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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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