



Code of Conduct

KPMG in the CIS

kpmg.ua

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Leadership message

A Message from Oleg Goshchansky



Oleg Goshchansky

Chairman of the Board and
Managing Partner
KPMG in the CIS

Speed is of fundamental importance these days. Change is happening rapidly, with decisions adopted instantly. Managing to keep up at a time of rapid development is in indeed a real challenge. However, there is an even bigger challenge – you have to maintain quality standards and keep your reputation at such speed.

This is particularly important for our professions: you choose auditors and consultants from people you trust, and that is why businesses take decisions based on our opinions or advisory engagements, often in cases where any error would be costly. The impeccable quality of the work, the high level of professionalism of our team, the reliable protection of information, business ethics and rapid response time – these are the basic expectations that clients have of consultants at our level. We also expect employees to be honest, act in good faith and remain objective. These are the underlying principles of our Code of Conduct that you are now reading.

The Code challenges us to demonstrate by personal example that we comply with the ethical norms adopted at KPMG, and disseminate them to other employees. Our

corporate culture is formed from these principles that permeate our Values. Without these principles, our mission cannot be attained.

These are not simply fine words. In actual fact, it makes common sense: Yes, we are all here to make money and create a successful company. At the same time, however, all our employees must understand that when we interact with any external party - regardless of whether this is a client, fellow applicant, the supplier and regulator – as our behaviour establishes the impression of our firm. Our brand and reputation has been formed for decades by people from all corners of the world. Now the four letters in our firm's name open up numerous doors to us. I call on us all to make sure that these doors stay open for generations to come. I am confident that you will find this document useful.

Best regards,

Oleg Goshchansky

Introduction

Our Vision is to be the Clear Choice for our people, our clients and the public, through knowing how to balance global strength and consistency with local relationships.

In order to do this, we strive to demonstrate that:

- our people are extraordinary
- clients see a difference in us
- the public trusts us.

A core component of achieving this is to have a Code of Conduct that sets out clearly what is expected of our people and promotes a consistent KPMG¹ environment and culture.

¹ Throughout this Code, "KPMG CIS", "KPMG in the CIS", "we", "KPMG", "us" and "our" refer to KPMG in Russia and the CIS, member firms of the KPMG network of independent member firms operating under KPMG name and affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity, or to one or more of these firms or to KPMG International. KPMG International provides no client services. 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.

This Code of Conduct is intended for use:

- by all our people, to understand what is expected of them and the responsibility resting on each of them to make sure we all adhere to the Values, for the benefit of each other, KPMG, clients, and the wider communities in which we operate
- by our leadership and management teams, to help them ensure that the decisions they make, the role models they are, and the expectations they have of their colleagues take into

account both their responsibilities and the organization's Values

- by new and prospective employees
- by regulators, clients or parties associated with clients, suppliers, subcontractors, associated third parties and the general public, as they seek to understand the values of the organization with which they are dealing.

The Code of Conduct (Code) is a publicly available document that may be accessed through the KPMG website at www.kpmg.ua.

Code of Conduct

The Code will be kept under review in light of comments and suggestions, and where member firms have adapted the Code for their local requirements, they undertake to maintain it and keep it up to date.

The Code connects our Vision to be the Clear Choice with the detailed policies and procedures that member firms and our people follow.

Our Values

Ethical values are the foundation of business ethics. KPMG Values lie at the heart of the way we do things. They define our diverse and inclusive culture and our commitment to the highest principles of personal and professional conduct.

We lead by example — at all levels acting in a way that exemplifies what we expect of each other and our member firms' clients.

We work together — bringing out the best in each other and creating strong and successful working relationships.

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

We seek the facts and provide insight — challenging assumptions, pursuing facts and strengthening our reputation as trusted and objective business advisors.

We are open and honest in our communication — sharing information, insight and advice frequently and constructively and managing tough situations with courage and candor.

We are committed to our communities — acting as responsible corporate citizens and broadening our skills, experience and perspectives through work in our communities.

Above all, we act with integrity — constantly striving to uphold the highest professional standards, provide sound advice and rigorously maintain our independence.

We aim to live the Values, acting as role models and promoting ethical behavior.



Commitments

KPMG and our people commit to acting lawfully, ethically and in the public interest.

While compliance with applicable laws, regulations, professional and quality standards is fundamental, our commitments extend beyond compliance to broader obligations to clients, our colleagues and society as a whole.



Our collective commitments:

Complying with laws, regulations and standards

- We are fully comply with all laws, regulations and professional standards that apply to us.

Working with the right clients and third parties

- We carefully evaluate prospective clients and third parties with whom we intend to work, including government entities. The factors assessed include assessing their integrity and the environment in which they operate.
- We will not work with clients, or enter into business relationships with third parties, who do not live up to our core ethical standards as exemplified by our Values.

Focusing on quality

- We are committed to delivering a high-quality service, applying KPMG methodologies and procedures, and following professional standards.
- We only accept engagements that we can perform consistent with our high-quality standards.
- We address challenging situations in the right way by applying professional ethics and consulting with experienced people to reach the right conclusions.
- We strive at all times to protect and enhance KPMG's brand and reputation.

Maintaining our objectivity and independence

- We maintain our objectivity in all the work that we do and do not allow bias, conflicts of interest or undue influence to override our professional or business judgments at any time, including in deciding to accept or continue with clients or engagements.
- We maintain our independence as auditors, following the spirit as well as the letter of the rules, regulations and standards, and understanding how the public may perceive our role.
- We identify and resolve conflicts of interest before accepting an engagement that would present a potential conflict.
- We have strict gift and entertainment policies, which are at least as restrictive as relevant regulations require.

Not tolerating illegal or unethical acts

- We do not tolerate behavior within KPMG, by clients or suppliers, or public officials with whom we deal, that is illegal, unethical or breaches human rights.
- We do not accept or offer bribes, or participate in corrupt practices, and have a zero tolerance for bribery and corruption in any form by any party.

Protecting information

- We protect clients' confidential information and only use it for proper business purposes.
- We respect an individual's privacy and the confidentiality of their personal data, and do not use personal information other than for the purposes for which it was obtained.
- We prohibit the use of information for insider trading.
- We keep assets and resources safe and use them only for appropriate business purposes.
- We respect the intellectual property of KPMG, clients, our competitors and third parties.

Competing fairly

- We promote KPMG's services honestly and compete fairly.
- We unequivocally support the goal of a free and competitive market.

Helping our people to be extraordinary

- We are committed to providing a work environment free from harassment including sexual harassment.
- We are committed to equality and to a culture that is free from discrimination whether based on race, ethnicity, gender, gender identity, sexual orientation, disability, age, marital status or religious belief.
- We treat everyone with respect and dignity.
- We value, celebrate and create an inclusive environment where everyone can thrive.
- We value work/life balance.
- We maintain a just and fair approach to remuneration.
- We provide a safe and healthy work environment.
- We invest in our people's professional development so that they can reach their full potential.

- We encourage our people to raise ethical and professional issues without fear of retaliation.
- We train our people to be objective, ethical and professional.

Being responsible corporate citizens

- We act as responsible corporate citizens, playing an active role in global initiatives relating to climate change, sustainability and international development.
- We aspire to the ten principles of the UN Global Compact.
- We encourage good corporate citizenship.
- We enhance the role of the accounting profession and build trust in the global capital markets.
- We contribute to a better-functioning market economy.
- We manage our environmental impacts so as to limit them.
- We work with other businesses, governments, and charitable organizations to create stronger communities.

Building public trust

- We know that the way KPMG professionals work is just as important as the work itself. It requires a relentless focus on quality, keeping public trust responsibilities at the forefront of everything we do, doing the right thing in the right way, every day.
- Setting the right 'tone from the top' is essential. There is importance in continually reinforcing a commitment as leaders and professionals to earn the public's trust every day.
- Public trust is also built through engaging with a broad group of external stakeholders — from regulators, investors and clients, to local communities and other spokespeople for civil society. These discussions are sometimes challenging, but they bring different perspectives and new thinking on how KPMG firms can continue to develop and meet the changing business landscape and societal expectations.

Further details on KPMG's commitment to building public trust can be found in our latest *Transparency report*, available on www.kpmg.com.

Responsibilities — How to apply the Code



Individual responsibilities

Everyone in KPMG should:

- **Stay informed about laws, regulations, professional standards and KPMG policies that apply to you in your work.** Participate in training, read communications, use KPMG resources, consult as necessary.
- **Stand firm against pressure to achieve targets or to act in an inappropriate way.** You should never compromise KPMG Values. Do not be afraid to express differences of opinion or deliver unwelcome messages.
- **Conduct your personal affairs in a manner that is consistent with the Code.**
- **Speak up if something does not seem right.** Our people have a responsibility to speak up when they see behavior inconsistent with our Values. See next page for “Where to get help”.
- **Consult when in doubt.** You are not expected to know everything. You should also consult if you think you or someone else might have made a mistake.

Leadership responsibilities

If you have a leadership role – whether a partner or the supervisor of a small team — you should also:

- **Lead by example.** Show through your actions what it means to act with integrity and to act in accordance with the principles of the Code. Be prepared to do the right thing.
- **Support your team.** Ensure that those you lead know and understand the Code and have access to the resources they need to adhere to the KPMG Values.

- **Develop your team.** Set clear, measurable, and challenging goals that promote ethical behavior and the highest standards of client service.
- **Uphold exemplary standards.** As a leader, you should enforce KPMG Values and standards consistently and fairly, and promote compliance with the Code among those you lead.
- **Exercise your judgment.** Respond thoughtfully and carefully to those who raise questions and concerns in good faith.
- **Be accountable.** You should be prepared to be held personally accountable for any shortcomings in your own behavior as well as those of the people you lead.

Dealing with ethical dilemmas

Our ethical behavior—that is to say our personal recognition of what is appropriate, what is right and what is in the wider public interest—should guide our response to the situations that arise in the course of our work at KPMG. These behaviors must clearly be compliant with applicable laws, regulations, standards and KPMG policies. At the same time, they should reflect wider ethical considerations, including our Values and Commitments.

This applies to personal actions and to those of the team or a member firm as a whole.

The Ethics Checklist set out below has been prepared to help you decide how you should respond to day-to-day dilemmas as well as difficult decisions or situations.

Always ask yourself:

- Is my behavior consistent with KPMG Values and ethical or professional standards?

- Does my action comply with KPMG policy and applicable laws or regulations?
- Does my decision reflect the right thing to do?
- Is my decision being driven by responsible professional judgment?
- Am I capable of making an objective decision or do I need to consult?
- Could a failure to consult on a decision be seen, with hindsight, as a mistake?
- Am I confident that my decision would not cause KPMG reputational and brand damage if it were made public?
- Do the actions taken by a colleague or client comply with applicable laws, regulations and ethical standards and (if a colleague) with KPMG policy?

If the answer to any of these questions is ‘no,’ or if you are not sure, then you need to get help. This includes situations where:

- you are uncertain about the interpretation of applicable policies, laws, regulations or professional standards—many of these can be complex
- differences of opinion make the course of action unclear
- potential actions (or inaction) or decisions make you uncomfortable
- the situation you are involved in is complex or high risk.

Where to get help

Help and guidance are always available. You are not expected (and should not try) to deal with complex situations on your own.

There are many avenues available to you to get help, and you should select the ones you think are most appropriate to the situation. Examples of where to go for help include:

- your supervisor, line manager, or performance manager
- your engagement partner
- your member firm's:
 - Function risk management
 - Human Resources professionals
 - Internal legal counsel

If you do not feel comfortable speaking to someone else you can use:

- CIS Whistle-blowing hotline — click on [this link](#) for detailed information
- International hotline — click on [this link](#) for more details.

Additionally, you may access regional or global sources for help or advice, or to report concerns, when necessary. These resources include:

- Area Quality & Risk Management leader
- CIS Head of Quality and Risk Management
- Global Quality & Risk Management
- International Office of General Counsel.



Compliance with the Code

Everyone at KPMG is required to comply with the Code of Conduct and to confirm their compliance with the Code.

KPMG people are required to take regular training covering the Code.

The Code of Conduct reminds each of us how to behave regardless of the challenges we face as professionals in our local business environment.

Speaking up

If you see something you are uncomfortable about, we encourage you to speak up. This includes situations where you believe that colleagues are acting inappropriately or not in compliance with the Code.

Everyone at KPMG is responsible for reporting — and is required to report — any activity that could potentially be illegal or in violation of our Values, KPMG policy, applicable laws, regulations or professional standards.

KPMG will take action where noncompliance with the Code or relevant supporting policies or procedures are identified.

This includes situations when you know or suspect that colleagues, clients or parties associated with clients, or suppliers, subcontractors or associated third parties are engaged — or may be about to engage — in illegal or unethical activity.

It does not matter how large or small the matter is or who is involved.

Individuals that report in good faith will not suffer any detriment, regardless of whether or not the concern is ultimately substantiated. All member firms and KPMG personnel are prohibited from retaliating against individuals who 'raise their hand' and speak up in good faith. Retaliation is a serious violation of the Code of Conduct and any retaliation by a KPMG person will be subject to disciplinary action.



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