

# Transparency Report 2021

**KPMG Switzerland**  
kpmg.ch

# Transparency Report 2021

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# Glossary of Acronyms

**ACI**  
Audit Committee Institute

**AICPA**  
American Institute of CPAs

**AOA**  
Swiss Audit Oversight Act

**AQC**  
Audit Quality Committee

**AQL**  
Audit Quality Leader

**ARL**  
Area Quality & Risk Management Leader

**ASPAC**  
Asia Pacific

**CEAOB**  
Committee of European Auditing Oversight Bodies

**DPP**  
Department of Professional Practice

**EIP**  
Ethics & Independence Partner

**EMA**  
Europe, the Middle East and Africa

**EQC reviewer**  
Engagement Quality Control reviewer

**ESMA**  
European Securities and Markets Authority

**FAOA**  
Swiss Federal Audit Oversight Authority

**FINMA**  
Swiss Financial Market Supervisory Authority

**FMA**  
Liechtenstein "Finanzmarktaufsicht"

**FORM**  
Functional Quality & Risk Management

**GAMG**  
Global Audit Methodology Group

**GAQMG**  
Global Audit Quality Monitoring Group

**GAQWG**  
Global Audit Quality Working Group

**GCR**  
Global Compliance Review

**GPS**  
Global People Survey

**GQ&RM**  
Global Quality & Risk Management

**GORMSG**  
Global Quality & Risk Management Steering Group

**IAASB**  
International Auditing and Assurance Standards Board

**ICOFR**  
Internal Control Over Financial Reporting

**ICP**  
Independence Clearance Process

**IESBA**  
International Ethics Standards Board for Accountants

**IFIAR**  
International Forum of Independent Audit Regulators

**IOGC**  
International Office of General Counsel

**IPG**  
Information Protection Group

**ISA**  
International Standards on Auditing

**ISG**  
International Standards Group

**ISMS**  
Information Security Management System

**ISQC 1**  
International Standard on Quality Control

**ISQM 1**  
International Standard on Quality Management

**KGSG**  
KPMG Global Solutions Group

**KPMGI**  
KPMG International

**LAEP**  
Lead audit engagement partner

**LRE**  
Listed and related entity

**NQRMP**  
National Quality & Risk Management Partner

**NSO**  
National Security Officer

**OGC**  
Office of the General Counsel

**PIE**  
Public Interest Entity

**PSG**  
PCAOB Standards Group

**QPR**  
Quality Performance Review

**QRMM-CH**  
KPMG Switzerland Quality & Risk Management Manual

**QRMM-G**  
KPMG Global Quality & Risk Management Manual

**RCA**  
Root cause analysis

**RCP**  
Risk Compliance Program

**SEC**  
U.S. Securities and Exchange Commission

**SSC**  
Shared service center

**STMs**  
Specific team members

**U.S. GAAP**  
U.S. Generally Accepted Accounting Principles

**U.S. GAAS**  
U.S. Generally Accepted Auditing Standards

**U.S. PCAOB**  
U.S. Public Company Accounting Oversight Board



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# Message from the Senior Partner



KPMG<sup>1</sup> has a simple but bold ambition: to become the most trusted and trustworthy professional services organization. We are here to change things for better, to help shape our communities in a positive, meaningful way.

I am pleased to provide you with our Transparency Report, covering our financial year ended 30 September 2021. This report documents how we manage quality – by investing in new technologies, processes and resources, while building an even stronger culture of consistency and accountability. We additionally share how our relentless focus on quality underpins our commitment to serve the public interest.

Audit is the cornerstone of our business and the basis on which KPMG was founded. We have an unwavering commitment to audit quality, knowing that our standards must be of the highest level in order to build and maintain public trust. This past year we have continued to invest in our system of quality management, monitoring of audit quality, and enhanced support of our audit teams.

We are expanding access to and training for innovative technology and tools for our engagement teams, such as KPMG Clara, our smart audit platform, to drive consistency, collaboration and efficiency. We also recognize the significance of the International Sustainability Standards Board, announced at COP26, and our evolving role to provide assurance over sustainability disclosures with the same focus that our auditors deliver over financial statements.

All our actions are guided by our Values. They drive our daily behaviors, guide our decisions, and shape our ethical culture. Integrity is a core Value – we do what is right, in the right way, at the right time. We embody our Values of integrity and excellence in our commitment to quality, and our new Global Quality Framework outlines how every partner and employee contributes to delivering high-quality audits.

Our people are at the heart of our business. Providing an effective work environment and supporting their wellbeing remain a priority through these challenging times. Driving audit quality relies on exceptional people always doing the right thing, not taking shortcuts, and being able to speak up without fear of retaliation.

Quality is what our profession is built on, and we remain relentless in our approach to delivering it. Thank you for the trust that you have in us.

**Stefan Pfister**  
CEO KPMG Switzerland

<sup>1</sup> Throughout this document, “KPMG”, “we”, “our” and “us” refers to the global organization or to one or more of the member firms of KPMG International Limited, each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International Limited or any other member firm vis-à-vis third parties, nor does KPMG International Limited have any such authority to obligate or bind any member firm. Throughout this document, references to “KPMG firm”, “member firm” and “KPMG member firm” refer to firms which are either: members of KPMG International Limited; sublicensee firms of KPMG International Limited; or entities that are wholly or dominantly owned and controlled by an entity that is a member or a sublicensee. The overall governance structure of KPMG International and its associated entities is provided in the ‘Governance and leadership’ section of the 2021 KPMG International Transparency Report.

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# Living our culture and Values

It's not just what we do at KPMG that matters: we also pay attention to how we do it. Our Values are our core beliefs, guiding and unifying our actions and behaviors. Shared across every level and in every country, jurisdiction and territory in which we operate, they are the foundation of our unique culture.



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## 2.1 Fostering the right culture, starting with tone at the top

### 2.1.1 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 accountability, quality, objectivity, independence, integrity and ethics is essential in an organization that carries out audits and other services on which stakeholders rely.

At KPMG Switzerland<sup>2</sup> we promote a culture in which consultation is encouraged and recognized as a strength.

We communicate our commitment to clients, stakeholders and society at large to earn the public's trust.

Our Values lie at the heart of the way we do things. To do the right thing, the right way, at the right time. Always. They drive our daily behaviors, guide our decisions, and shape our character. They form the foundation of a resilient culture ready to meet challenges with integrity, so we never lose sight of our principal responsibility to protect the public interest. They propel us forward – through our work and the example we set – as we inspire confidence and empower change throughout the world.

Outlined in [KPMG's Global Code of Conduct](#) are the individual and collective responsibilities all KPMG personnel have to each other, the public and our clients. It shows how our Values inspire our greatest aspirations and guide all of our behaviors and actions. It defines what it means to work at and be part of KPMG.

The KPMG Switzerland Code of Conduct ("the Code") lays out our expectations of ethical behavior for all partners and employees at KPMG Switzerland. It is built on KPMG's Global Code of Conduct and Values. The Code 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.

All KPMG Switzerland partners and employees are required to behave consistent with, and confirm their compliance with the Code. All KPMG personnel are also required to take annual training covering the Code. We are committed to holding ourselves accountable for behaving in a way that is consistent with the Code. Individuals are encouraged to speak up if they see something that makes them uncomfortable or is not in compliance with the Code, or our Values.

## We communicate our commitment to clients, stakeholders and society at large to earn the public's trust.

Moreover, everyone at KPMG is required to report any activity that could potentially be illegal or in violation of our Values, KPMG policies, applicable laws, regulations or professional standards.

To safeguard this principle of holding each other accountable, each KPMG firm is required to establish, communicate and maintain clearly defined channels to allow KPMG personnel and third parties to make inquiries about, raise concerns in relation to, provide feedback on, and notify reportable matters, without fear of reprisal, in accordance with applicable law or regulation.

KPMG Switzerland operates a [whistle-blowing hotline](#), which is available to KPMG personnel, clients and other parties to confidentially report concerns (via telephone, secure internet line or in writing) to a third-party organization. Our people can raise matters anonymously and without fear of retaliation.

KPMG Switzerland takes any complaints about the quality of its services or the behavior of its people very seriously. We undertake to investigate them promptly and take appropriate action to address the concerns raised. Matters reported to the hotline are investigated under the supervision of an independent Ombudsman. During the year ended 30 September 2021 there were three issues reported (2020: 0) via our [whistle-blowing hotline](#). In addition, the Ombudsman received one notification from an employee during the year ended 30 September 2021 (2020: 1). Other matters reported directly to designated individuals of the Firm are documented, coordinated and monitored by the National Quality & Risk Management Partner (NQRMP) or the Ethics & Independence Partner (EIP) with involvement of the independent Ombudsman as appropriate. All issues reported during the year ended 30 September 2021 were properly investigated and are considered closed.



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<sup>2</sup> KPMG Holding AG together with its wholly owned subsidiaries covers the operating territories of Switzerland and the Principality of Liechtenstein, and is referred to throughout this report as "KPMG Switzerland", the "Swiss Firm", "the Firm" or "our Firm".

# KPMG's Values

Our Values represent what we believe in, and what's important to us as an organization. They guide our behaviors day-to-day, informing how we act, the decisions we make and how we work with each other, our clients, companies that we audit and all our stakeholders.



## Integrity

We do what is right



## Excellence

We never stop learning and improving



## Courage

We think and act boldly



## Together

We respect each other and draw strength from our differences



## For Better

We do what matters

Our Values express our firm's long-standing core beliefs, and in 2021 the language was updated to make them bolder, simpler and more memorable to help each of us bring them to life every day.



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The [KPMG International hotline](#) is a mechanism for KPMG personnel, clients and other third parties to confidentially report concerns they have relating to certain areas of activity by KPMG International, activities of KPMG firms or KPMG personnel.

One matter reported to the KPMG International hotline during the year ended 30 September 2021 was relevant to the Swiss Firm (2020: 0). The matter was investigated and is considered closed.

All KPMG firms and personnel are prohibited from retaliating against individuals who have the courage to speak up in good faith. Retaliation is a serious violation of the Code, and any person who takes retaliatory action will be subject to their respective firm's disciplinary policy.

The Global People Survey provides KPMG Switzerland leadership and KPMG International leadership with results related to upholding the KPMG Values. KPMG Switzerland and KPMG International monitor the results and take appropriate actions to communicate and respond to any findings (refer to section 9.2).

### 2.1.2 System of quality control

Tone at the top, leadership, and a clear set of Values and conduct are essential to set the framework for quality. However, these are required to be backed up by a system of quality control that holds us accountable to meet the highest professional standards.

KPMG 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 KPMG firms and how KPMG firms execute audit engagements.

This means ongoing investment in the system of quality management, global monitoring of audit quality, enhanced support, and providing best-in-class technology and tools for engagement teams.

KPMG's global audit quality program supports consistent deployment of investments to enhance and drive a common approach.

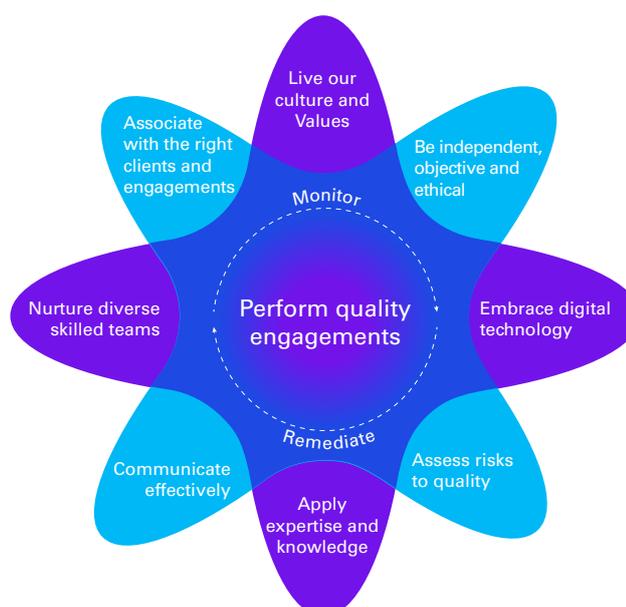
A robust and consistent system of quality control is essential to delivering quality services. KPMG International has quality control policies that apply to all KPMG firms. These are included in KPMG's Global Quality & Risk Management Manual (GQ&RM Manual), which applies to all KPMG personnel.

To adopt the new International Standard on Quality Management (ISQM 1), which was approved by the IAASB and will be effective from December 2022, KPMG International (KPMGI) initiated a program to redesign the network-wide requirements for member firms' systems of quality management. ISQM 1 requires each KPMG firm to design, implement and operate a system of quality management to consistently deliver quality audits, and to evaluate the effectiveness of the system on an annual basis.

As we prepare for ISQM 1, we have adopted a new Global Quality Framework to better outline how we deliver quality at KPMG, and how everyone at KPMG is accountable for its delivery. The principle of 'perform quality engagements' sits at the core along with our commitment to continually monitor and remediate our processes as necessary.

The Global Quality Framework also meets the requirements of the current International Standard on Quality Control (ISQC 1) issued by the International Auditing and Assurance Standards Board (IAASB), and the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which apply to professional services firms that perform audits of financial statements.

While this Transparency Report summarizes KPMG's approach to audit quality, it may also be useful for stakeholders interested in our Firms' tax and advisory services, as many KPMG quality control procedures and processes are cross-functional and apply equally to all services offered.



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### 2.1.3 Leadership responsibilities for quality and risk management

KPMG Switzerland demonstrates commitment to quality, objectivity, independence, 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, objectivity, independence, integrity and ethics, demonstrated through their actions – written and video communications, presentations to teams and one-to-one discussions.

KPMG Switzerland is required to seek input from the chair of the relevant Global Steering Group or his/her delegatee on the performance of certain leaders within KPMG Switzerland whose role most closely aligns with the activities of the Global Steering Group. Input is sought as part of the annual performance process and is based on an assessment of the leader's performance, which includes matters of public interest, audit quality and risk management activities.

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

#### Senior Partner

In accordance with the principles in ISQC 1, our Senior Partner, Stefan Pfister, has assumed ultimate responsibility for KPMG Switzerland's system of quality control. He has in turn allocated responsibility for quality to the NQRMP and the national Function Heads (Audit, Financial Services, Tax & Legal and Advisory). Individual engagement quality and performance are controlled primarily at the level of the engagement team and the respective function/department, with appropriate oversight by Functional and National Quality & Risk Management. The national Function Heads and the NQRMP report to the Senior Partner.

#### National Quality & Risk Management Partner (NQRMP)

The NQRMP is responsible for the direction and execution of risk, compliance, and quality control in KPMG Switzerland. He is a member of the Executive Committee and reports to the Senior Partner. Further, the NQRMP consults with the Area Quality & Risk Management Leader (ARL) appointed by KPMG International.

The fact that the NQRMP role is an Executive Committee position with a direct reporting line to the Senior Partner underlines the importance that the Swiss firm places on quality, risk management and compliance. The NQRMP is supported by a team of partners and professionals at the center and in each of the functions. He further oversees the Office of the General Counsel (OGC) and the National Security Office.

#### Ethics and Independence Partner (EIP)

The EIP has primary responsibility for the direction and execution of ethics and independence policies and procedures of the Swiss Firm and reports to the NQRMP.

#### The Heads of Audit, Financial Services, Tax & Legal and Advisory functions

The heads of the client service functions are accountable to KPMG's Executive Committee for the quality of service delivered in their respective functions. They are responsible for the execution of risk management and quality assurance procedures for their specific functions within the framework set by the NQRMP. These procedures make it clear that, at the engagement level, risk management and quality control is ultimately the responsibility of all professionals in the Firm.

The Head of Audit is responsible for the effective management and control of the Audit Function. This includes:

- setting a strong tone and culture supporting audit quality through communication, engagement support and commitment to the highest standards of professional excellence, including professional skepticism, objectivity, and ethics and integrity;
- developing and implementing an audit strategy which is aligned with KPMG Switzerland's audit quality requirements; and
- working with the NQRMP to monitor and address audit quality and risk matters as they relate to the Audit practice.



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### Audit Quality Leader

KPMG Switzerland has strengthened its system of quality management in the Audit function by establishing an Audit Quality Unit under the direction of an Audit Quality Leader. The Audit Quality Leader reports to the Head of Audit and ensures risk and quality matters are a priority for Audit leadership. The role of KPMG Switzerland's Audit Quality Leader is to consider matters relating to maintaining and improving audit quality, including monitoring detailed findings (and related actions) from external regulatory reviews, the internal Quality Performance Review (QPR) program and other quality control programs and sources. The Audit Quality Unit considers a range of issues in a manner designed to allow us to challenge ourselves in various aspects of audit quality and continuous improvement.

Specifically, the Audit Quality Leader's responsibilities include:

- establishing and maintaining a system of quality management;
- implementing and monitoring work streams aligned with global audit quality initiatives;
- performing root cause analyses of findings from internal and external quality reviews and defining remediation actions; and
- setting and promoting a strong tone and culture supporting audit quality through communication and engagement support.

### Audit Quality Committee

KPMG Switzerland has established an Audit Quality Committee (AQC) which is chaired by the Audit Quality Leader. The overarching role of the AQC is to promote consistent quality of financial statement audits across the audit practice and to oversee those activities which relate to improving and maintaining the consistency and quality of audits undertaken. The AQC oversees quality related activities including significant global and local audit initiatives, internal quality monitoring programs, results of and responses to inspections by external regulators and the principal projects and initiatives relevant to audit quality – including root cause analysis – undertaken by KPMG Switzerland.

## 2.2 Clearly articulated strategy focused on quality, consistency, trust and growth

### 2.2.1 Our business

KPMG Switzerland employs 2,129 partners and employees (FTEs as of 30 September 2021) and operates out of 10 offices in Switzerland and one office in Liechtenstein, offering audit, tax and advisory services in a multidisciplinary business model.

Our business is organized on a partnership basis. The responsibility for leadership is borne by an Executive Committee (identical to the Executive Board of KPMG AG) that sets the framework conditions for the successful activities of all partners and employees, geared toward clients and markets.

During the year ended 30 September 2021 there was an average of 125 equity and non-equity partners (2020: 132 partners). Effective 1 October 2021, the Swiss partnership model was changed whereby partners generally are equity partners.

Audit services in Switzerland and Liechtenstein are delivered through KPMG AG, Ostschweizerische Treuhand-Gesellschaft AG and KPMG (Liechtenstein) AG. Full details of the services offered by KPMG Switzerland can be found on our website: [www.kpmg.ch](http://www.kpmg.ch).

### 2.2.2 Our strategy

Our strategy is set by the Board of Directors of KPMG Holding AG in cooperation with the Executive Committee and demonstrates a commitment to quality and trust. It is based on our global firm's vision to inspire confidence and empower change. Our focus is to invest significantly in priorities that form part of a multi-year collective strategy implementation that is taking place across the global organization.

We want to achieve our collective ambition to be the most trustworthy and trusted professional services firm. By inspiring confidence in our people, clients and society, we help empower the change needed to solve the toughest challenges and lead the way forward.

#### This is why our strategy focuses on the following cornerstones:

**Client:** We inspire confidence through our deep expertise, creating trusting relationships and through the quality of our work, we empower change by pairing deep-rooted local knowledge and global connectivity to help clients to make bold, impactful decisions.

**People:** We empower people at KPMG to grow their careers, explore their creativity, working side-by-side with inclusive teams from around the world to solve challenging issues that leave the world a better place.



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**Firm:** We are improving our processes, optimizing our organizational set-up and working to become a data-driven firm, while offering the right infrastructure, tools and latest working models to our business.

Further information about KPMG Switzerland is provided in the [2021 KPMG Switzerland Annual Report](#).

## 2.3 Structure and governance

### 2.3.1 Legal structure

KPMG Holding AG is domiciled in Zurich, Switzerland and is the parent company of the following, directly or indirectly wholly owned subsidiaries:

- KPMG AG, Zurich
- KPMG (Liechtenstein) AG, Vaduz
- Ostschweizerische Treuhand-Gesellschaft AG, St. Gallen
- Fides Revision AG, Zurich
- KPMG Tax & Legal Services AG, Zurich

Further details regarding these entities, including their legal form, regulatory status, the nature of their business and area of operation are set out in Appendix 1.

Effective 1 October 2020, KPMG Switzerland and all other KPMG firms entered into new membership and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organization became members in, or have other legal connections to, KPMG International Limited, an English private company limited by guarantee. KPMG International Limited acts as the coordinating entity for the overall benefit of the KPMG member firms. It does not provide professional services to clients. Professional services to clients are exclusively provided by member firms.

Further details on the revised legal and governance arrangements for the KPMG global organization from 1 October 2020 can be found in section 'Governance and leadership' of the [2021 KPMG International Transparency Report](#).

KPMG International Limited and the KPMG member firms are not a global partnership, single firm, multi-national corporation, 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 Limited, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG International Limited or any of its related entities have any such authority to obligate or bind any member firm. KPMG Switzerland is part of the KPMG global organization of professional services firms providing audit, tax and advisory services to a wide variety of public and private sector organizations. The KPMG organization structure is designed to support consistency of service quality and adherence to agreed values wherever its member firms operate.

### 2.3.2 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.

KPMG Holding AG, being the parent company of the Swiss Firm, is wholly owned by the Equity Partner Pool. During the year ended 30 September 2021 there was an average of 70 equity partners (2020: 70). Effective 1 October 2021, the Swiss partnership model was changed whereby partners generally are equity partners. The number of equity partners as of 1 October 2021 was 124.



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### 2.3.3 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 an ownership, governance and management structure that ensures continuity and stability and being able to comply with policies issued by KPMG International, 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 2.1.1).

KPMG International's activities are funded by an annual payment from 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 organization 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.

### 2.3.4 Governance of KPMG Switzerland

#### The Board and Executive Committee

The main governing bodies of KPMG Switzerland are the Board of Directors of KPMG Holding AG and the Executive Committee of KPMG Switzerland, the latter also acting as the Board of Directors ("Executive Board") of KPMG AG, our key operating firm.

As of 30 September 2021, the Board of Directors of KPMG Holding AG comprised the Chairwoman and two additional members. The Board of Directors is responsible for the strategic direction of the Swiss Firm within the framework provided by KPMG International, overseeing the activities and performance of the Executive Committee and other areas as defined by Swiss law. Members of the Board of Directors of KPMG Holding AG are elected for terms of three years.

As of 30 September 2021, the Executive Board comprised the Senior Partner, the Function Heads of Audit, Financial Services, Tax & Legal and Advisory, and the National Quality & Risk Management Partner. Swiss audit regulations require a majority of our Executive Board (Board of Directors of KPMG AG) to be licensed with the Swiss Federal Audit Oversight Authority (FAOA). As of 30 September 2021, four out of the six members of our Executive Board held such a license.

#### The Senior Partner

The Senior Partner is responsible for leading the Executive Committee, ensuring that its members receive accurate, timely and clear information and ensuring effective communication and relationships with the members.

The current Senior Partner, Stefan Pfister, was appointed in 2014 and re-elected by the Board of Directors of KPMG Holding AG in 2018 and again in December 2021 for a four year term (2022–2026), after consultations with the Swiss partnership.

#### The Executive Committee

The Executive Committee is responsible for developing the overall strategy for approval by the Board of Directors, for its implementation as well as the operational management of the Swiss Firm through the Functions (Audit, Financial Services, Tax & Legal and Advisory), the market dimensions and Central Services. The ultimate responsibility for decisions regarding the quality of our audits and our audit opinions lies with the Heads of Audit and Financial Services.

The Executive Committee met 15 times in the year ended 30 September 2021, including two retreats that focused on strategic topics. The Senior Partner of KPMG Switzerland communicates regularly and through various means with the Swiss partners and staff. During the year ended 30 September 2021, three meetings were held with the Swiss partners.

Full details of Those Charged With Governance for KPMG Switzerland are set out in Appendix 2.



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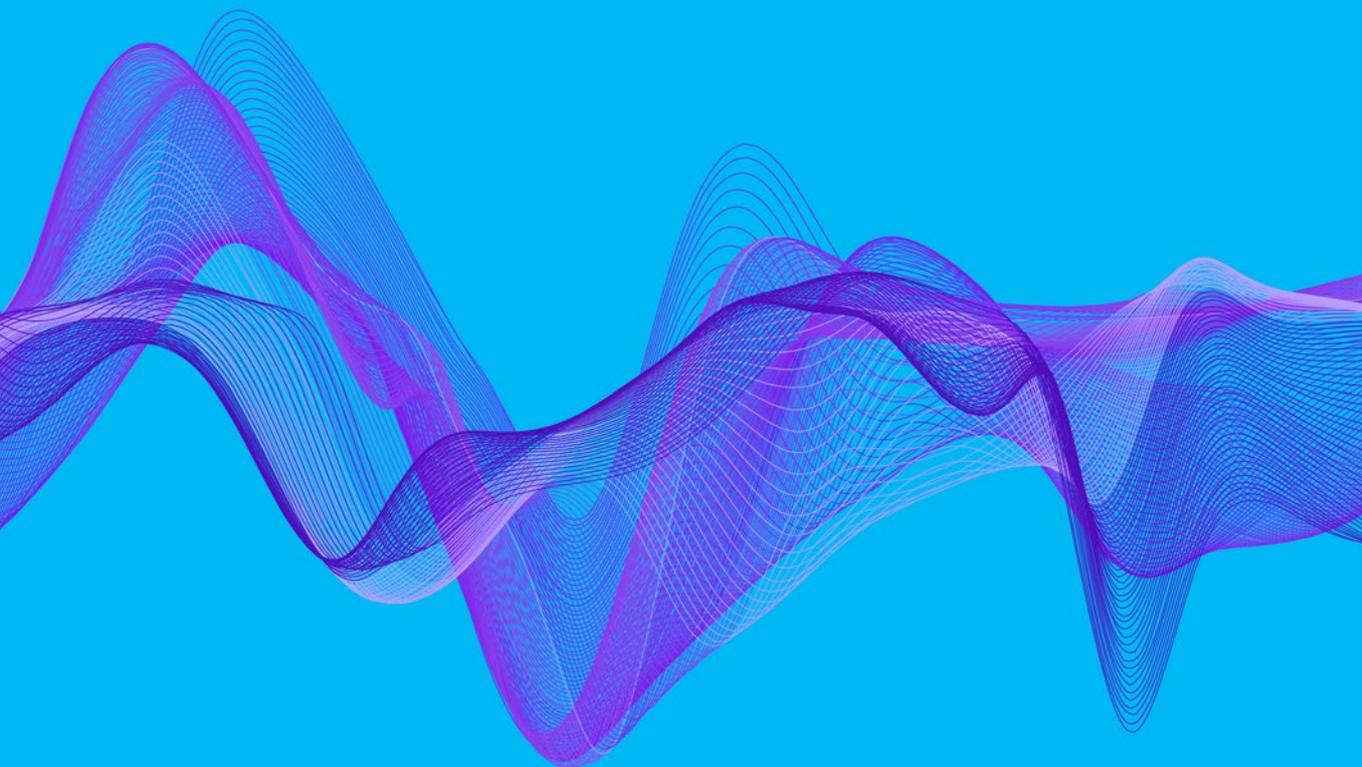
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# Applying expertise and knowledge

We are committed to continue to build on our technical expertise and knowledge recognizing their fundamental role in delivering quality audits.



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### 3.1 Methodology aligned with professional standards, laws and regulations

#### 3.1.1 Consistent audit methodology and tools

##### Bringing consistency through our methodology

The KPMG audit methodology, tools and guidance which enable a consistent approach to planning, performing and documenting audit procedures over key accounting processes, are:

- globally consistent and fully compliant with the applicable standards, including International Standards on Auditing (ISA), the standards of the Public Company Accounting Oversight Board (PCAOB) and the American Institute of CPAs (AICPA), and are supplemented to comply with local auditing standards and regulatory or statutory requirements by KPMG firms;
- inclusive of KPMG methodology interpretations that drive consistency in areas where the applicable standards are not prescriptive in the approach to be followed;
- centered on identifying risk, focusing on risks of material misstatements and the necessary audit response;
- made available to all KPMG audit professionals and required to be used, where necessary;
- applied even where local auditing standards may be less demanding than the ISAs; and
- focused on the international assurance methodology and the alignment of assurance products in response to the importance of Environmental, Social and Governance (ESG reporting).

The KPMG audit methodology is set out in the KPMG Audit Manual (for use with eAudit) and the KPMG Audit Execution Guide (for use with the KPMG Clara workflow) and includes KPMG interpretation of how to apply ISAs, which we believe enhance audit quality. The methodology emphasizes applying appropriate professional skepticism in the execution of audit procedures and requires compliance with relevant ethical requirements, including independence.

**The COVID-19 pandemic has forced us all to think differently, and we continue to respond to and embrace this challenge.**

Enhancements to the audit methodology, guidance and tools are made regularly to maintain compliance with standards and address emerging auditing areas of focus and audit quality results (internal and external). For example, as a result of the COVID-19 pandemic, many businesses are experiencing significant financial uncertainty. We have issued guidance to our auditors on conducting audit procedures in a remote-working environment, raising awareness of key audit risks such as going concern and impairments and provided reminders of the importance of exercising professional skepticism taking appropriate actions if information is identified that is unexpected or unusual and may be indicative of potential management bias, a fraud risk or fraud.

The Swiss Firm also adds local requirements and guidance to the KPMG Audit Manual and the KPMG Audit Execution Guide in order to comply with additional local professional, legal or regulatory requirements and address emerging issues. Examples include mandatory work papers issued to help engagements teams address potential non-compliance risks at our clients resulting from the application of short-time work compensation or COVID-19 related loan schemes.

### 3.2 Deep technical expertise and knowledge

#### 3.2.1 Access to specialist networks

Specialist expertise is an increasingly important part of the modern audit. KPMG Switzerland engagement teams have access to a network of KPMG specialists and specific team members with expertise in a specialized area of accounting or auditing (STMs) – either within the Swiss Firm or in other KPMG firms. KPMG specialists and STMs receive the training they need to ensure they have the competencies, capabilities and objectivity to appropriately fulfil their role on our audits. They also receive a global annual update on global quality performance issues.



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The need for KPMG specialists or STMs to be assigned to an audit engagement in areas such as information technology, tax, treasury, actuarial, forensic and valuations is considered as part of the audit engagement acceptance and continuance process, as well as during the planning and conduct of the engagement.

### 3.2.2 KPMG's commitment to audit quality during the COVID-19 pandemic

The COVID-19 pandemic has forced us all to think differently, and we continue to respond to and embrace this challenge.

Since the start of the pandemic, we have maintained an online COVID-19 | Financial reporting resource center to assist companies and other stakeholders understand potential accounting and disclosure implications.

KPMG International and the Swiss Firm have issued extensive guidance to assist teams in addressing the various accounting, financial reporting and audit related matters arising from the impacts of the COVID-19 pandemic including going concern, asset impairments, valuations and related disclosures, materiality, risk assessment, group audits, inventory, subsequent events and audit evidence of communications with Those Charged With Governance. Additionally, KPMG International has issued specific guidance for remote working environments, which addresses how teams work together, communications with management and the design and performance of audit procedures.

KPMG's guidance has been continually updated throughout the pandemic as other significant auditing, accounting and reporting issues have been identified.

KPMG is a technology-enabled organization, with technical accounting and auditing resources, guidance and audit platforms and tools available electronically, which greatly enabled the conversion to a remote working environment.

Enhanced communication has been increasingly important to everyone during the COVID-19 pandemic. We have leveraged our investments in technology to provide KPMG firms with regular communications, including virtual meetings to share best practices and guidance. In addition, we have enhanced our listening strategy to include specific COVID-19 pulse surveys to allow us to hear from our people in real time and shape our response accordingly.

## 3.3 Quality & Risk Management Manual

KPMG International has quality control policies that apply to all member firms. These are included in KPMG's Global Quality & Risk Management Manual (QRMM-G) which applies to all KPMG personnel. KPMG Switzerland is required to establish and maintain a system of quality control and design, implement, and test the operating effectiveness of quality controls. The Swiss Firm adds local requirements and/or guidance to comply with additional local professional, legal or regulatory requirements to a consolidated KPMG Switzerland Quality & Risk Management Manual (QRMM-CH).



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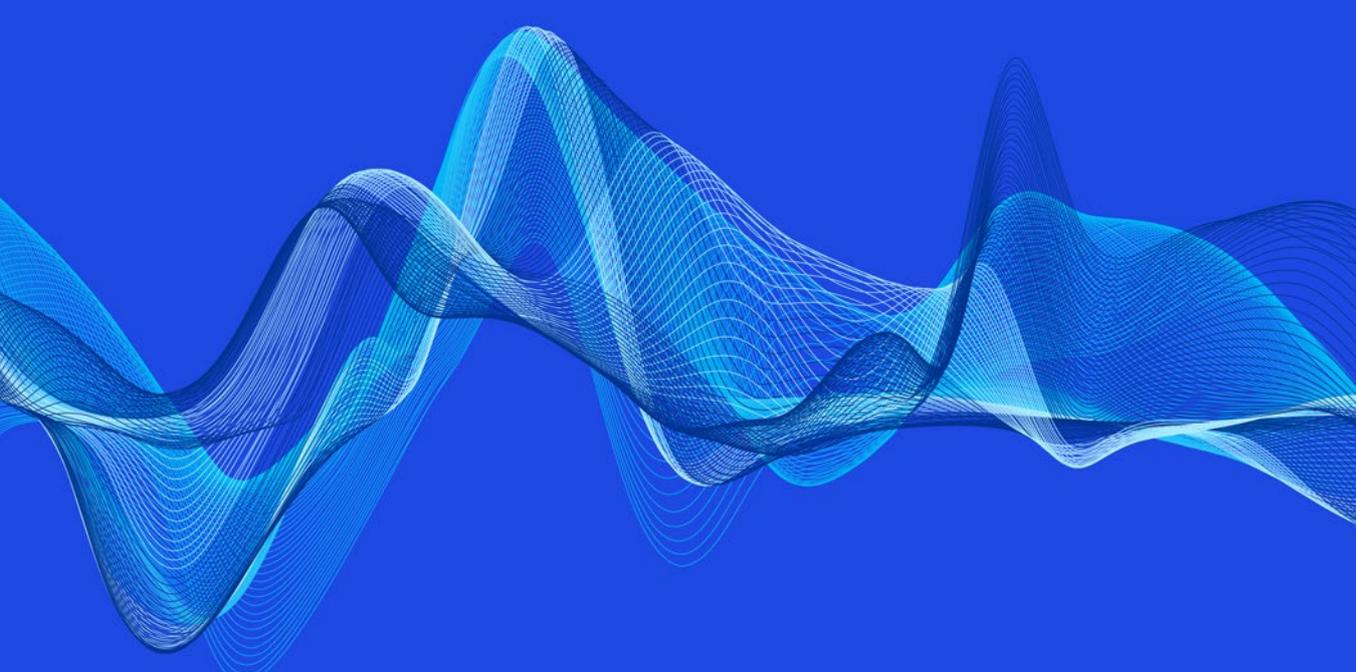
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# Embracing digital technology

At KPMG, we are committed to serving the public interest and create value through continuous innovation. By leveraging leading technologies, we are transforming the audit experience for our professionals and our clients – enabling us to provide an even higher quality audit by increasing our ability to focus on the issues that matter through the data and insights it provides.



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## 4.1 Intelligent, standards-driven audit workflow

All KPMG Switzerland professionals are expected to adhere to KPMG International and KPMG Switzerland policies and procedures, including independence policies, and are provided with a range of tools and guidance to support them in meeting these expectations. The KPMG Switzerland 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.

### 4.1.1 Evolving our audit workflow

We recognize that to deliver quality audits, we need to continually evolve and develop our technology solutions to keep pace with today's digital world.

That is why KPMG embarked on a process of reimagining our audit platform, workflow and methodology to provide enhanced consistency and support to our audit engagement teams, deliver detailed insights, and future-proof our systems for the expected continued development of new technologies such as robotic process automation, machine learning and cognitive technologies.

The release of the KPMG Clara workflow and revised audit methodology is an important milestone in KPMG's journey to innovate, digitalize and transform the audit. It is a significant investment that underlines our commitment to audit quality, consistency and innovation.

### KPMG Clara

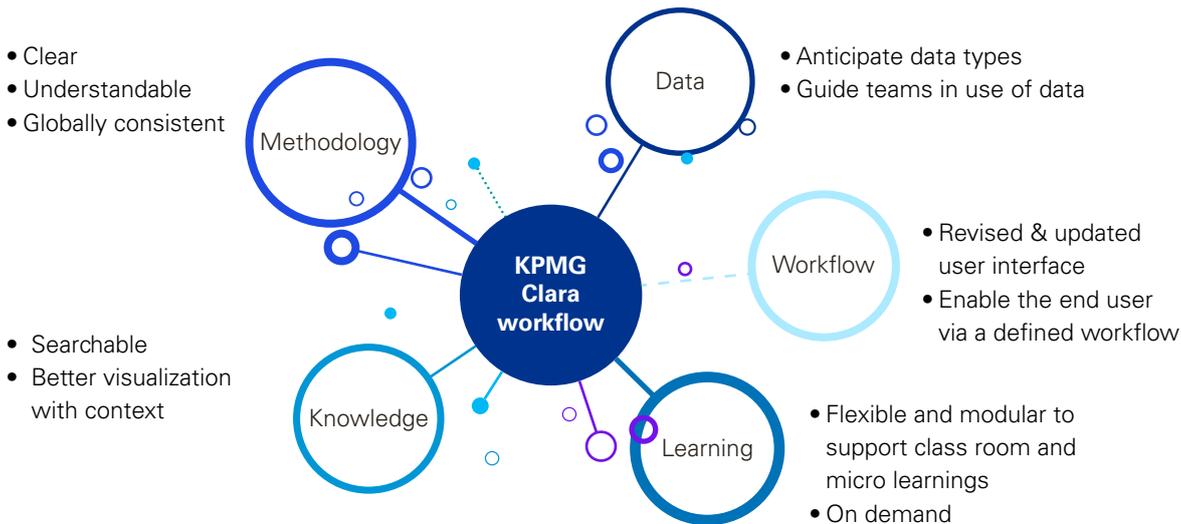
KPMG Clara is our smart and intuitive technology platform that is driving globally consistent audit execution. As a fully integrated, scalable, cloud-based platform, it enables the enhanced audit methodology through a data-enabled workflow.

The platform integrates new and emerging technologies, with advanced capabilities that leverage data science, audit automation, and data visualization.

The digital audit is increasingly integral to how KPMG member firms perform quality audits and interact with clients. Policies and guidance are in place to establish and maintain appropriate processes and controls regarding the development, evaluation and testing, deployment and support of technology in our audits.

KPMG Clara is helping auditors see meaningful patterns across a business, whether conducting risk assessment, tracing transactions through a complex revenue process, or simply adding up the accounts. Examples of current capabilities include features to:

- enable the analysis of account balances and journal entry data
- automate 'period on period' balances comparison and 'time series' evolution information
- enable the analysis of sub-ledger, transactional data over certain business processes and accounts.



Rich Content



Enhanced usability & Tech enabled



Leverage Innovations



Client Experience



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## Our vision of the future

KPMG Clara was developed to be KPMG's foundational technology platform to deliver audit quality. It delivers this by being the base technology delivering new capabilities in a globally consistent way, enabling the audit workflows and a fully digital experience for our audit professionals.

The KPMG Clara platform evolves as technologies such as artificial intelligence, blockchain and cognitive capabilities transform how audits are delivered.

## KPMG Clara workflow

We are replacing eAudit with a new workflow and revised audit methodology embedded into the KPMG Clara smart audit platform. Phased full deployment of KPMG Clara workflow commenced globally in 2020 with planned completion of full global transition for the 2022 fiscal period-end audits.

The web-enabled KPMG Clara workflow guides audit teams through a series of steps in a logical sequence aligned to the applicable professional auditing standards with a clear display of information, visuals, and guidance available, and with embedded advanced digital audit and project management capabilities. The workflow and revised audit methodology are scalable – adjusting the requirements to the size and complexity of the audit engagement. The KPMG Clara workflow significantly enhances the execution of an audit by KPMG professionals and clearly drives audit quality and global consistency.

Using data mining and tracking of relevant engagement level data indicators, the KPMG Clara workflow will also facilitate monitoring of audit execution at the engagement level.

We continue to enhance the KPMG Clara smart audit platform to accommodate accelerating security demands, integrate existing audit applications into a single platform, and develop new capabilities to digitize additional audit processes.

## Technology Intake – Striving for digital excellence

Our clients' trust in digital transformation is a key priority. Therefore, we have established a comprehensive technology intake process that ensures compliant, reliable and effective digital solutions, enhancing the quality and efficiency of our services. We manage this process on the basis of a clearly structured and defined Technology Risk Policy, enabling us to evaluate available technology holistically, addressing security, privacy, confidentiality, sustainability, compliance and projected user benefits, as well as any independence aspects where it is envisaged to be used for the benefit of audit clients.

## 4.1.2 Client confidentiality, information security, and data privacy

The importance of maintaining client confidentiality is emphasized through a variety of mechanisms including the Code of Conduct of KPMG International and KPMG Switzerland.

KPMG Switzerland is required to meet the security requirements set out in the Global Information Security Policies and Standards issued by KPMG International. As part of these global requirements, the Swiss Firm appointed a National Security Officer (NSO), with the necessary authority, skills and experience to lead the information security function. The NSO is in charge of the Swiss Firm's information security program and works closely with our IT Services, Data Privacy, Facilities, Human Resources and Marketing & Communications departments. The NSO reports to the NQRMP and also to the head of the Global Information Protection Group (IPG).

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 practices are communicated to all personnel and, as appropriate, reinforced through guidance, awareness messages and training.

We have a document retention policy concerning the retention period for audit documentation and other records relevant to an engagement in accordance with the relevant IESBA requirements as well as other applicable laws, regulations and professional standards.

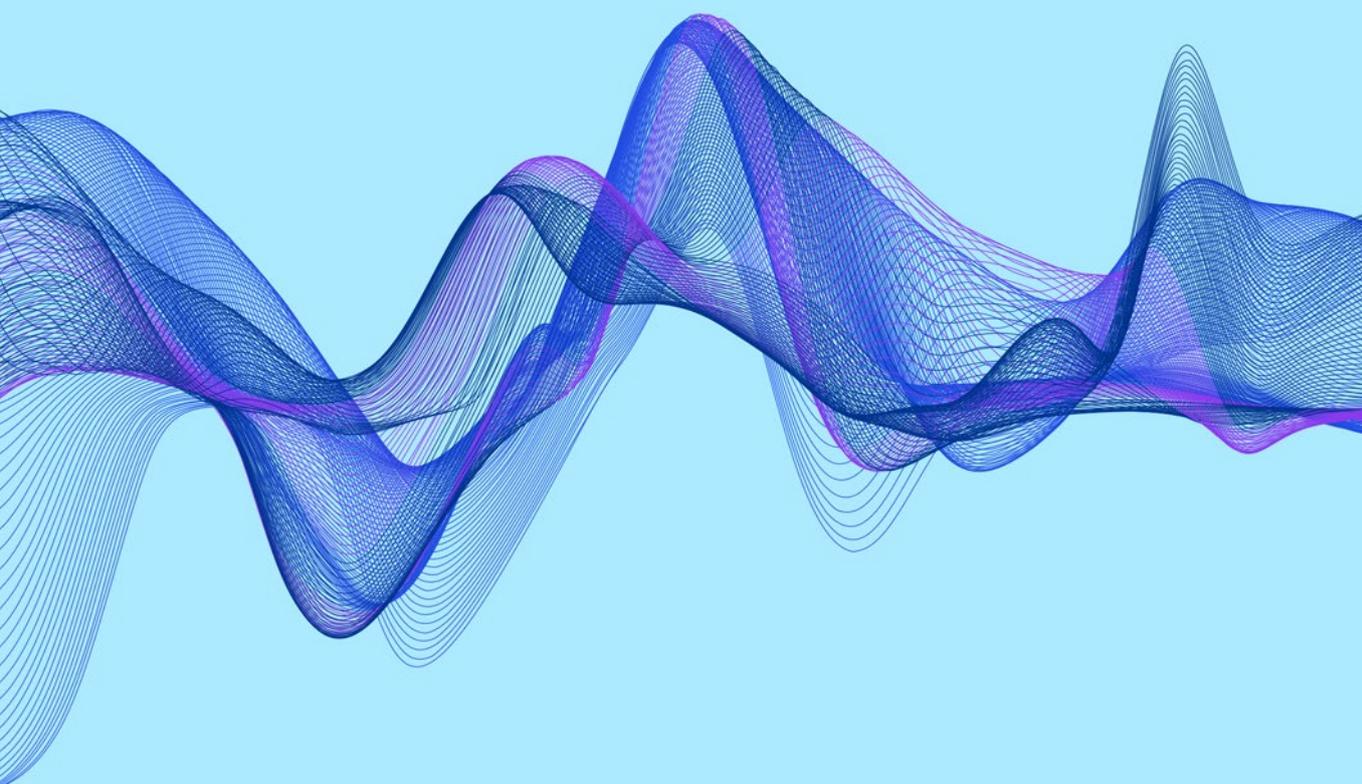
KPMG Switzerland has an Acceptable Use Policy that applies to all KPMG personnel. The policy encourages effective and appropriate use of KPMG information technology resources and highlights the protection requirements of all employee, KPMG client confidential and client personal information. Since November 2016, KPMG's Information Security Management System (ISMS) has been certified according to the international security standard ISO27001. To maintain this high standard with regard to existing security controls, annual audits and trainings are carried out with the aim of continuously improving the established ISMS.

We provide training on confidentiality, information protection and data privacy requirements to all KPMG Switzerland personnel annually.


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# Nurturing diverse skilled teams

Our people make the real difference and are instrumental in shaping the future of audit at KPMG. We put quality and integrity at the core of our audit practice. Our auditors have diverse skills and capabilities to address complex problems.



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## 5.1 Recruiting appropriately qualified and skilled people, including specialists, with diversity of perspective and experience

One of the key drivers of quality is ensuring that KPMG professionals have the appropriate skills and experience, motivation and purpose, to deliver high quality audits. This requires the right recruitment, development, reward, promotion, retention and assignment of professionals.

### 5.1.1 Recruitment

KPMG Switzerland has invested in understanding how we can attract the talent we need across the organization in the future. This requires the right recruitment, development, reward, promotion and assignment of professionals. This includes building an extraordinary people experience for all current 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 and business schools, but also helping build relationships with a younger, diverse talent pool at an early age. KPMG Switzerland also recruits significant numbers 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 skills and experience to perform competently, are suitable and best placed for their roles.

Where individuals are recruited at partner or client-facing director level, the EIP or a delegate conducts a formal independence discussion before they enter the Swiss Firm. KPMG Switzerland does not accept any confidential information belonging to the candidate's former firm/ employer.

### 5.1.2 Inclusion, Diversity & Equity programs

KPMG Switzerland is committed to building a diverse and equitable firm that is inclusive to all.

Inclusion, diversity and equity (IDE) is core to our very existence – helping us build great teams with diverse views that represent the world we live in. It leads to better decision making, drives greater creativity and innovation, and encourages us to stand up, live our Values and do what is right.

We recognize our firms' global position working with clients around the world affords us a privileged place. With that comes an opportunity and responsibility to achieve more and push for a fairer, more equitable society.

Our KPMG Global Inclusion, Diversity & Equity Collective Action Plan outlines the actions that are necessary to advance inclusion, diversity and equity at KPMG Switzerland and across all KPMG firms.

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

### 5.1.3 Reward and promotion

#### Reward

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

Reward decisions are based on consideration of both individual, function and firm performance. The extent to which our people feel their performance has been reflected in their reward is measured through the annual Global People Survey, with action plans developed as required.

#### 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.

#### Quality

Partners and Directors are evaluated annually on a number of key quality and compliance metrics. KPMG Switzerland considers quality and compliance metrics in assessing the overall evaluation, promotion and remuneration of partners and directors.

## 5.2 Assigning an appropriately qualified team

The Swiss Firm has procedures in place to assign the engagement partner, EQC reviewer 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, supported by their Functional Quality & Risk Management Partners (FORMPs). Key considerations include partner experience, accreditation and capacity – based on an



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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 our audit methodology, professional standards, and applicable legal and regulatory requirements. This may include involving specialists from the Swiss 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 KPMG Switzerland’s quality control policies and procedures
- QPR results and results of regulatory inspections.

As an additional control in Audit (where the services are of more of a recurring nature than across much of the rest of our business, and there is a large number of such recurring engagements), the FORMP performs an annual review of the portfolio of all of our engagement partners and a selection of directors. The purpose of this portfolio review is to look at the complexity and risk profile of individual client portfolios and then to consider whether or not, taken as a whole, the specific engagement partner or director has the appropriate time, suitable experience and the right level of support to enable him or her to perform high-quality audits.

### 5.3 Investing in data centric skills – including data mining, analysis and visualization

KPMG is strategically investing in our talent pipeline by partnering with world-class institutions to sustain our strong leadership, while also looking forward to cultivating the skills and capabilities that will be needed in the

future. We are recruiting and training professionals who specialize in software, cloud capabilities. and artificial intelligence and who can bring leading technology capabilities to our smart audit platform. We provide training on a wide range of technologies to ensure that field professionals not only meet the highest professional standards but are also upskilled in new technology. With this approach we are bringing together the right people with the right skills and the right technology to perform exceptional audits.

## 5.4 Focused learning and development on technical expertise, professional acumen and leadership skills

### 5.4.1 Commitment to technical excellence and quality service delivery

All KPMG Switzerland professionals are provided with the technical training and support they need to perform their roles. This includes access to internal specialists and our Department of Professional Practice (DPP), either to provide resources to the engagement team or for consultation. Where the right resource is not available within KPMG Switzerland, the Firm has access to a network of highly skilled KPMG professionals in other KPMG firms.

Our audit policies require all KPMG audit professionals to have the appropriate knowledge and experience for their assigned engagements.

### 5.4.2 Lifetime learning strategy

#### Formal training

Annual training priorities for development and delivery are identified by the Audit Learning and Development steering groups at the global and regional level and, where applicable, KPMG Switzerland.

Mandatory learning requirements for audit professionals across the KPMG organization are established annually. Training is delivered using a blend of learning approaches and performance support.

#### Mentoring and on the job training

Learning is not confined to a single approach – rich learning experiences are available on request as well as based on a selection by DPP through in-flight coaching programs.

Mentoring and on-the-job experience play key roles in developing the personal qualities important for a successful career in auditing, including professional judgment and technical excellence.



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We support a coaching culture throughout KPMG as part of enabling KPMG professionals to achieve their full potential and instill that every team member is responsible for building the capacity of the team, coaching other team members and sharing experiences.

### 5.4.3 Licensing and mandatory requirements for IFRS® Standards and U.S. GAAP engagements

#### Licensing

All KPMG Switzerland professionals are required to comply with applicable professional license rules and satisfy the Continuing Professional Development requirements in the applicable jurisdiction. KPMG International and KPMG Switzerland policies and procedures are designed to facilitate compliance with license requirements. The Swiss Firm is responsible for ensuring that audit professionals working on engagements have appropriate audit, accounting and industry knowledge and experience in the applicable financial reporting framework.

#### Mandatory requirements – IFRS Standards and U.S. GAAP engagements

KPMG has specific training requirements for partners, managers and EQC reviewers working on IFRS Standards engagements.

Specific training and collective experience requirements apply to engagements performed in Switzerland to report on financial statements or financial information prepared in accordance with U.S. Generally Accepted Accounting Principles (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); they require that at a minimum, all partners, managers, engagement in-charges and, if appointed, the EQC reviewers assigned to the engagement have completed relevant training and that the engagement team, collectively, has sufficient experience to perform a respective engagement or the Swiss Firm has implemented appropriate safeguards to address any shortfalls.

## 5.5 Recognizing quality

### 5.5.1 Personal development

KPMG Switzerland’s performance development platform, ‘Open Performance Development’, is built around ‘Everyone a Leader’ performance principles, and includes:

- global role profiles (including role profiles specific to audit quality accountabilities and responsibilities);
- a goal library (including audit quality content); and
- standardized review forms (with provision for audit quality ratings).

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 behaviors we expect and rewarding those who demonstrate them, we will continue to drive a relentless focus on audit quality.

At the same time, KPMG is driving a shift in our performance-driven culture, supported by and enacted through leading technology that allows us to embed audit quality into the assessment of performance and the decisions around reward as well as drive consistency across the global organization.

#### Quality and compliance metrics

All partners and directors within the Swiss Firm are issued with standardized quality and compliance metrics which are fed into their annual performance evaluation. The quality and compliance metrics include a number of parameters, such as the results of external regulatory reviews, timely completion of training and the outcome of internal monitoring programs. As part of these metrics, an overall red, amber or green grading is awarded and quality ratings for engagement leader and audit EQC reviewer roles are determined, which flow into the bonus allocation process. These evaluations are conducted by the NQRMP in cooperation with the Function Heads. The action which is taken in respect of any partner/director with red metrics will be dependent upon what drove the adverse metric initially. The range of actions that will be taken include remediation of the initial deficiency giving rise to the adverse metric, remedial training, one-to-one counselling with functional leadership, the NQRMP, and/or the EIP on the issue, and, depending on the severity of the issue, a reduction in the overall compensation paid to the partner/director concerned. The 2021 results indicate a good level of quality and compliance across our Firm.

#### Continuous improvement

We encourage a culture of continuous improvement to drive feedback, both positive and developmental, from both junior and senior colleagues, as well as peers. In our performance development approach, feedback is sought and received through informal and formal processes. Informal feedback is owned by the individual for their own development and growth. Formal feedback is provided through an engagement review form, which is available for providing input into the annual performance evaluation process.



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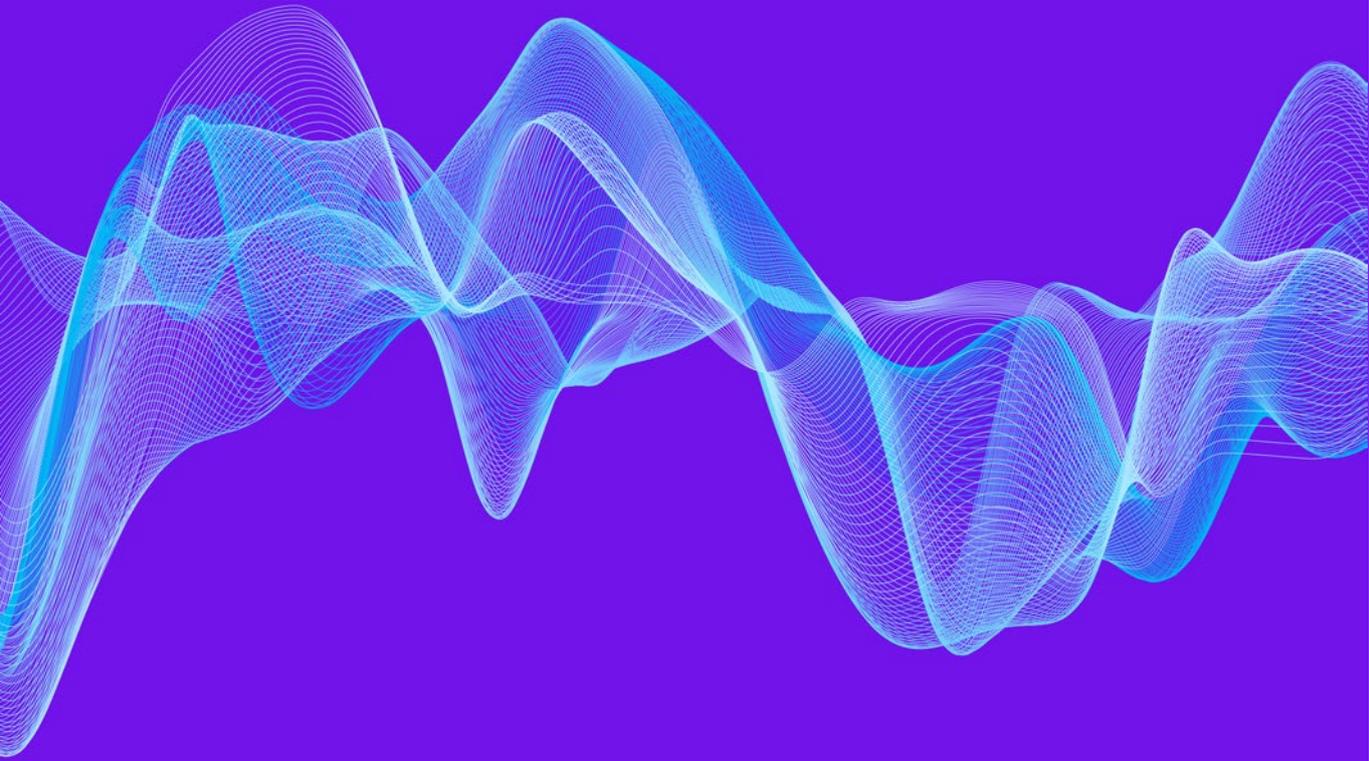
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# Associating with the right clients and engagements

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



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## 6.1 Following the client and engagement acceptance and continuance policies

KPMG has established policies and processes that make sure we work for the right clients and provide the right services. In circumstances where the acceptance or continuance of a client relationship or an engagement poses significant risks, additional risk management approvals are required.

## 6.2 Accepting appropriate clients and engagements

### 6.2.1 Client evaluation

KPMG Switzerland 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 analyzing the information to be able to make an informed acceptance decision. This evaluation includes an assessment of the client's risk profile and obtaining background information on the client, its key management, directors and significant owners. If necessary, we obtain additional information required to satisfy our local legal and / or regulatory requirements.

### 6.2.2 Engagement evaluation

The proposed engagement leader evaluates each prospective engagement to identify potential risks (in practice this may be completed at the same time as the client evaluation). In particular with respect to audit appointments, this is done in consultation with other senior KPMG Switzerland personnel and includes review by quality and risk management leadership as required. The evaluation identifies potential risks in relation to the engagement. A range of factors is 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, public perception, whether the services would be unethical or inconsistent with our Values, 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 KPMG professionals to be assigned to the engagement.

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, financial or personal relationships.

**KPMG has established policies and processes that make sure we work for the right clients and provide the right services.**

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.

### 6.2.3 Continuance process

KPMG Switzerland undertakes an annual re-evaluation of all its audit clients and audit engagements. 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 to the 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.



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### 6.2.4 Withdrawal process

Where KPMG Switzerland comes to a preliminary conclusion that indicates that we should withdraw from an engagement or client relationship, we consult internally and identify any required legal, professional and regulatory responsibilities. We also communicate as necessary with Those Charged with Governance at the respective client and any other appropriate authority.

## 6.3 Client portfolio management

KPMG Switzerland leadership appoints engagement partners who have the appropriate competence, capabilities, time and authority to perform their 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 and wider team to deliver a quality audit for every client.



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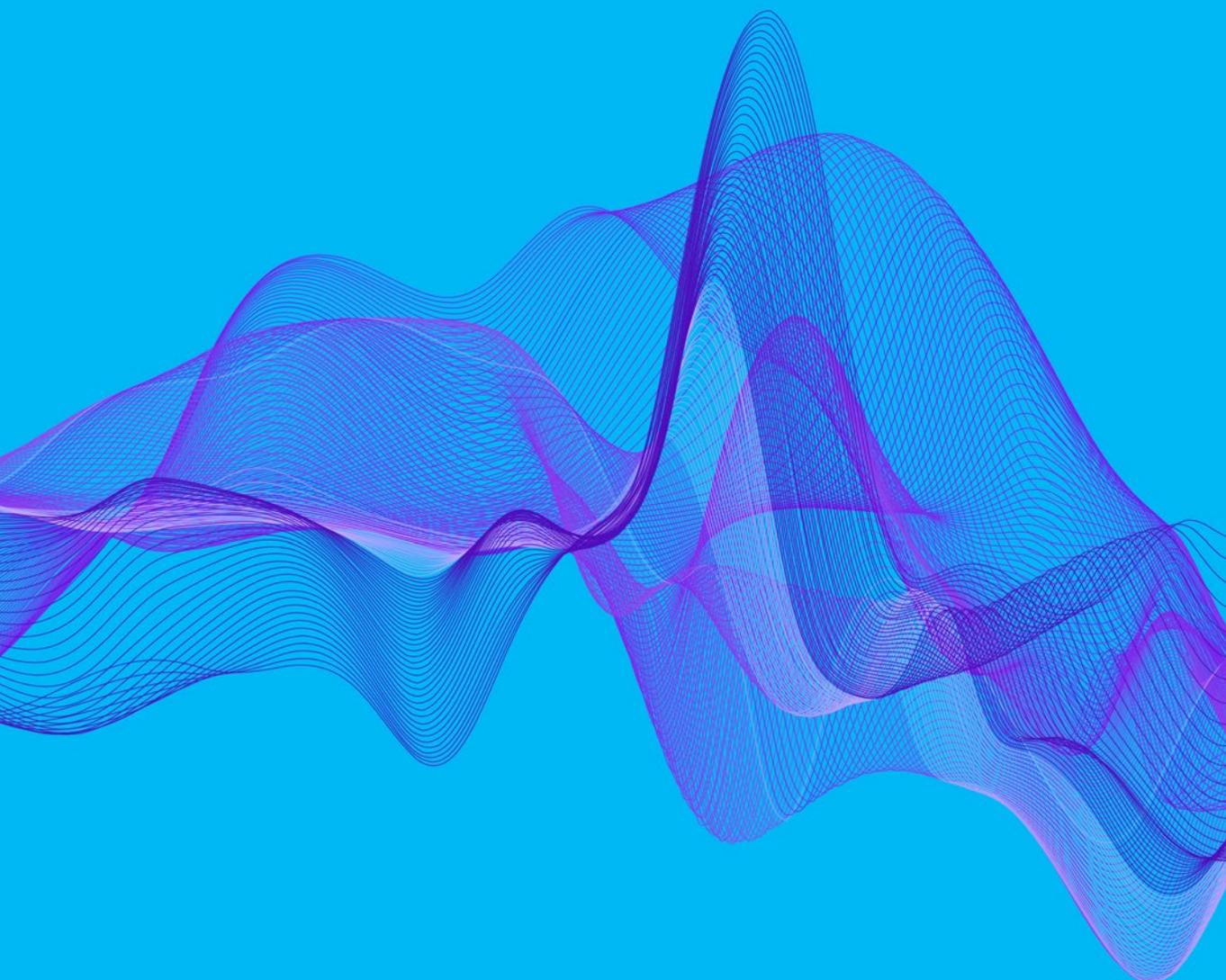
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# Being independent and ethical

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



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## 7.1 Acting with integrity and living our Values

KPMG International's detailed independence policies and procedures incorporate the IESBA Code of Ethics. These are set out in KPMG's QRMM-G, which applies to all KPMG firms. Automated tools, which are required to be used for every prospective engagement to identify potential independence and conflict of interest issues, facilitate compliance with these requirements. The Swiss Firm and KPMG professionals are required to comply with independence standards that meet or exceed those set out in the IESBA Code of Ethics together with those of other applicable regulatory bodies (which may include those of a foreign jurisdiction where those requirements apply extraterritorially). These policies are supplemented by additional policies and procedures to ensure compliance with Swiss law and the rules and guidelines issued by EXPERTsuisse, the FAOA and the Swiss Financial Market Supervisory Authority (FINMA).

These policies and processes cover areas such as personal independence, firm financial independence, business 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 firms, and that tools are available to help the firms and their personnel to comply with these requirements.

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

- Implementing / monitoring the ethics and independence quality control process and structure 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;
- implementing procedures to address non-compliance; and
- overseeing the disciplinary process for ethics and independence matters.

The EIP is supported by a core team of specialists to help ensure that robust and consistent independence policies and procedures across our Firm are in place and in line with the requirements of KPMG International. Ethics and independence policies are set out in our intranet hosted Quality & Risk Management Manual – Switzerland (QRMM-CH), which is based on the policies of KPMG's QRMM-G and incorporates additional local policies. These policies are reinforced through annual training and confirmation programs. KPMG Switzerland's personnel are required to consult with the EIP on certain matters as defined in the QRMM-CH. The EIP may also be required to consult with the Global Independence Group, depending upon the facts and circumstances.

Amendments to the ethics and independence policies are communicated through our intranet and / or by e-mail alerts and are included in regular quality and risk communications. KPMG firms are required to implement changes as specified in the e-mail alerts of KPMG International and this is checked through the internal monitoring programs described in Section 10.

## 7.2 Maintaining an objective, independent and ethical mindset, in line with our Code of Conduct and policies

### 7.2.1 Personal financial independence

KPMG International policies require that KPMG firms and KPMG professionals be free from prohibited financial interests in, and prohibited financial relationships with, KPMG 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 or function – are generally prohibited from owning securities of any audit client of any KPMG firm.

KPMG firms use a web-based independence compliance system (KICS) to assist KPMG 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).



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All partners and manager grade or above client-facing personnel 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 publicly traded entities in KICS, which automatically notifies them if any investment subsequently becomes restricted. Newly restricted investments are required to be disposed of within five business days of the notification. The Swiss Firm monitors partner and manager compliance with this requirement as part of our program of independence compliance audits of professionals. The Global Independence Group provides guidance and required procedures relating to the audit and inspection by KPMG firms of personal compliance with KPMG's independence policies. This includes sample criteria including the minimum number of professionals to be audited annually. In 2021: 109 (2020: 110) compliance audits were conducted by the Swiss Firm.

### 7.2.2 Employment relationships

Any KPMG Switzerland professional providing services to an audit client irrespective of function is required to notify the firm EIP if he / she intends to enter into employment negotiations with that audit client. For partners, this requirement extends to any audit client of any KPMG firm that is a public interest entity.

Former members of the audit team and former partners of KPMG Switzerland are prohibited from joining an audit client in certain roles unless they have disengaged from all significant connections to KPMG Switzerland, including payments which are not fixed and predetermined and / or would be material to KPMG Switzerland, and ceased participating in its business or 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 a two-year time restriction (referred to as "cooling-off" period) in accordance with the Swiss Audit Oversight Act (Art. 11 para. 2) that precludes them from joining that client in certain roles until the cooling-off period has passed.

An assurance team member is also required to notify the EIP when they enter into employment negotiations with the assurance client during the course of the engagement. Former assurance team members or former partners of KPMG Switzerland who join an assurance client in certain roles cannot continue to participate in its business or professional activities.

We communicate and monitor requirements in relation to employment and partnership of KPMG Switzerland professionals with audit and assurance clients.

### 7.2.3 Firm financial independence

KPMG firms are required to 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 firms, KPMG Switzerland uses KICS to record the Swiss Firm's 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 by the Swiss Firm's pension funds.

Additionally, KPMG Switzerland records in KICS all borrowing and capital financing relationships, as well as custodial, trust and brokerage accounts that hold member firm assets.

On an annual basis, KPMG Switzerland confirms compliance with independence requirements as part of the Risk Compliance Program (see Section 10.1.2).

### 7.2.4 Business relationships / suppliers

KPMG Switzerland has policies and procedures in place that are designed to ensure its business relationships with audit and assurance clients are maintained in accordance with the IESBA Code of Ethics and other applicable independence requirements, such as those promulgated by the U.S. Securities and Exchange Commission (SEC).

These include establishing and maintaining a process to evaluate potential third-party arrangements (for example business alliances and joint working arrangements, procurement relationships and marketing and public affairs activities) with particular regard to whether they have a bearing on auditor independence.

All prospective business relationships are evaluated to assess association risks and to identify potential auditor independence and conflicts of interest issues. A relationship involving a third-party service provider – that KPMG Switzerland will use to assist with client engagements or for other purposes – is also required to be evaluated to determine whether the third party has the competence to provide the relevant services. The individuals providing the services are required to confirm they understand and will comply with applicable ethics and independence requirements. Third parties providing services to audit or assurance clients are required to complete independence training.



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Compliance with these policies and procedures is monitored as part of the Risk Compliance Program (see Section 10.1.2).

### 7.2.5 Business acquisitions, admissions and investments

If KPMG Switzerland is in the process of considering the acquisition of, or investment in, a business, it is required to perform sufficient due diligence procedures on the prospective target to identify and address any potential independence and risk management issues prior to closing the transaction. Specific consultations with the Global Independence Group and Global Quality & Risk Management are required to enable independence and other issues to be addressed when integrating the business into KPMG Switzerland and the wider KPMG network.

### 7.2.6 Independence clearance process

In addition to the standard acceptance evaluation performed for every engagement, which includes an evaluation of independence, KPMG Switzerland follows specific procedures to identify and evaluate threats to independence related to prospective audit clients that are public interest entities. The related process, referred to as the Independence Clearance Process (ICP), is required to be completed prior to accepting an audit engagement for these entities and is facilitated by KPMG International's proprietary Independence Checkpoint™ system, which automates and standardizes the workflows that comprise the ICP.

### 7.2.7 Independence training and confirmations

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

New partners and client facing service professionals who are required to complete this training are required to do so by the earlier of (a) thirty days after joining the Firm and (b) before providing any services to, or becoming a member of the chain of command for, any audit client. The majority of professionals complete this training within seven days after joining the firm.

We also provide all partners and client service professionals with annual training on the Code of Conduct and ethical behavior, including KPMG's anti-bribery policies and compliance with laws, regulations and professional standards. New partners and employees are generally required to complete this training within seven days of joining KPMG Switzerland.

In addition, certain relevant non-client-facing personnel who are at the manager level and above, are also required to undertake independence and/or other firm training as deemed appropriate.

All KPMG partners and employees are required to sign, upon joining KPMG Switzerland and thereafter, on an annual basis, a confirmation stating that they have remained in compliance with applicable ethics and independence policies.

### 7.2.8 Non-audit services

All KPMG member 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.

New and modified services that are developed by KPMG Switzerland or adopted from another member firm are subject to review and approval by our Executive Committee. The Swiss EIP is involved in the review of potential independence issues related to these new or modified services.

In addition to identifying potential conflicts of interest, Sentinel™ facilitates compliance with independence requirements. Certain information on all prospective engagements, including detailed service descriptions, deliverables and estimated fees are required to be entered into Sentinel™ as part of the engagement acceptance process. When the engagement is for an audit client, an evaluation of potential independence threats and safeguards is also required to be included in the Sentinel™ submission.

Lead audit engagement partners (LAEPs) are required to maintain group structures for public interest entities and certain other audit clients including their related entities or affiliates in Sentinel™. 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. For entities for which group structures are maintained, Sentinel enables LAEPs to review and request revision, approve, or deny, any proposed service for those entities worldwide. For approved proposed services, Sentinel designates a timeframe during which the approval remains valid. Upon expiration of the established timeframe, the services are required to be complete or be re-evaluated for permissibility; otherwise, the services are required to be exited.



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In Switzerland, the FAOA requires reporting on a bi-annual basis of any public interest entity audit client where the ratio of non-audit to audit fees exceeds 1 to 1, as normally evidenced in the annual report of the respective client. Accordingly, the Swiss Firm monitors the fees earned on such audit engagements and ensures that the appropriate documentation of our independence considerations is in place where such ratio is exceeded.

KPMG’s global independence policies prohibit KPMG firm audit partners from being evaluated on, or compensated based on, their success in selling non-assurance services to their audit clients.

### 7.2.9 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 KPMG firm expressing the audit opinion. These policies require firms to consult with their Area Quality & Risk Management 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 addition, if 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 be disclosed to Those Charged With Governance at the audit client; and
- A partner from another KPMG member firm be appointed as the engagement quality control (EQC) reviewer.

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

### 7.2.10 Resolving conflicts of interest

Conflicts of interest can arise in situations where KPMG Switzerland partners or employees have a personal connection with a 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 NQRMP or the EIP is required in these situations.

KPMG International policies are also in place to prohibit KPMG partners and staff from offering or accepting inducements, including gifts and hospitality to or from audit clients, unless the value is trivial and inconsequential, is not prohibited by relevant law or regulation and is not deemed to have been offered 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 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 firm’s and / or its partners’ or employees’ ability to be objective or otherwise act without bias.

All KPMG firms are required to use Sentinel™ for the identification of potential conflicts of interest arising from proposed engagements, so that these can be addressed in accordance with legal and professional requirements.

KPMG Switzerland has risk management resources (“Resolvers”) who are responsible for reviewing any identified potential conflict and working with the affected member firms to resolve the conflict, the outcome of which is required to 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.

### 7.2.11 Independence breaches

All KPMG Switzerland 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 a disciplinary policy (see further below). All breaches of independence requirements of the IESBA Code or other external independence requirements are required to be reported to Those Charged With Governance at the respective audit client as soon as possible except where alternative timing for less significant breaches has been agreed with Those Charged With Governance.

KPMG Switzerland has a documented and communicated disciplinary policy in relation to breaches of ethics and independence policies, incorporating incremental sanctions, including financial penalties, reflecting the seriousness of any violations. KPMG Switzerland’s EIP oversees policies and procedures in relation to ethical matters and breaches of requirements.

Matters arising are factored into our promotion and compensation decisions and, in the case of partners and directors, are reflected in their individual quality and compliance metrics.

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## 7.2.12 Partner and firm rotation

### Partner rotation

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

KPMG Switzerland's partners and other engagement leaders are subject to periodic rotation of their responsibilities for audit clients under applicable laws, regulations and independence rules as well as KPMG International policy. These requirements place limits on the number of years that partners in certain roles may provide audit services to an audit 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 client; or
- have any other significant or frequent interaction with senior management or Those Charged With Governance at the client.

The Swiss Firm monitors the rotation of audit engagement leaders (and any other key roles, such as Key Audit Partners including the Engagement Quality Control reviewers, where there is a rotation requirement) and develops transition plans to enable allocation of engagement leaders with the necessary competence and capability to deliver a consistent quality of service to clients.

### Firm rotation

Entities domiciled in Switzerland are not subject to mandatory audit firm rotation requirements. As far as Liechtenstein is concerned, the EU Audit Reform rules introducing firm rotation requirements were implemented into national legislation effective 1 January 2021. KPMG has processes in place to track and manage audit firm rotation in Liechtenstein.

## We have zero tolerance of bribery and corruption.

### 7.3 Zero tolerance of bribery and corruption

Compliance with laws, regulations and standards is a key aspect for everyone at KPMG Switzerland. 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. KPMG International requires KPMG firms to have appropriate internal controls in place to mitigate the risk of involvement in bribery by the firm and its partners and employees.

All KPMG firm partners and employees are required to take training covering compliance with laws, regulations and professional standards relating to anti-bribery and corruption, including the reporting of suspected or actual non-compliance.

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



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# Performing quality engagements

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



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## 8.1 Consulting where necessary

### 8.1.1 Encouraging a culture of consultation

KPMG encourages a strong culture of consultation that supports engagement teams at KPMG firms throughout their decision-making processes and is a fundamental contributor to audit quality. KPMG Switzerland 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 help with this, firms are required to have established protocols 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 QRMM-G includes mandatory consultation requirements on certain matters.

### 8.1.2 Technical consultation and global resources

#### The Swiss Firm's professional practice resources

The Swiss Firm provides consultation support to audit engagement professionals through the Department of Professional Practice (DPP) and National and Functional Quality & Risk Management (NQR, FQR). DPP also assists engagement teams where there are differences of opinion either within teams or with the EQC reviewer. Unresolved differences are escalated to the Executive Board of Directors of KPMG AG for final resolution.

Technical accounting and auditing support is also available to our Firm through the Global Audit Methodology Group (GAMG), KPMG Global Solutions Group (KGSG), the International Standards Group (ISG) and the PCAOB Standards Group (PSG).

#### Global Audit Methodology Group (GAMG)

KPMG's audit methodology is developed and maintained by the GAMG. The GAMG develops our audit methodology based on the requirements of the applicable auditing standards – International Standards on Auditing, PCAOB and AICPA.

#### KPMG Global Solutions Group (KGSG)

The KGSG is responsible for the envisioning, development and deployment of global audit solutions, including new technology and automation innovations.

The KGSG and GAMG work collaboratively to support member firms through collaboration, innovation and technology. We have made significant investments in our audit methodology and tools with the core focus of improving audit quality, global consistency and standardization.

With locations in each of the three KPMG regions (Americas, EMA and ASPAC), the KGSG and GAMG teams comprise professionals with backgrounds in audit,

**We support a coaching culture throughout KPMG as part of enabling personnel to achieve their full potential.**

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 Standards topic teams, with geographic representation from around the world, and the IFRS Standards Panel and ISA Panel to promote consistency of interpretation of IFRS Standards and auditing requirements between member firms, identify emerging issues, and develop global guidance on a timely basis. The ISG is also available to member firms for consultation when required.

#### PCAOB Standards Group (PSG)

The PCAOB Standards Group (PSG) comprises a dedicated group of professionals with backgrounds in PCAOB auditing standards who promote consistency of interpretation of PCAOB auditing standards in KPMG firms' audits of non-US components of US companies and of foreign private issuers and non-US components of SEC issuers, as defined by SEC regulations. The PSG also provides input into the development of training for auditors who work on PCAOB audit engagements and, where practicable, facilitates delivery of such training. The PSG is also available to member firms for consultation when required.

## 8.2 Critically assessing audit evidence, using professional judgement and skepticism

On all KPMG audits, the nature and extent of the audit evidence we gather is responsive to the assessed risks. We consider all audit evidence obtained during the course of the audit including contradictory or inconsistent audit evidence. Each team member is required to exercise professional judgement and maintain professional skepticism throughout the audit engagements. Professional skepticism involves a questioning mind and alertness to contradictory information or inconsistencies in the audit evidence. Professional judgement encompasses the need to be aware of and alert to biases that may pose threats to good judgements.



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## 8.3 Direct, coach, supervise and review

### 8.3.1 Embedding ongoing mentoring, supervision and review

To invest in the building of skills and capabilities of our professionals, we promote a continuous learning environment. We support a coaching culture throughout KPMG as part of enabling personnel to achieve their full potential.

Ongoing mentoring, coaching and supervision during an audit involves:

- engagement partner participation in planning discussions
- tracking the progress of the audit engagement
- considering the competences 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 monitoring, coaching and supervision is timely review of the work performed so that significant matters are promptly identified, discussed and addressed.

#### Shared Service Centers

We continue to improve the quality and efficiency of our audits by leveraging our Shared Service Centers (SSC) to perform standardized audit and administrative procedures, which allows engagement teams to focus on the more complex and judgmental aspects of the audit. SSC staff receive relevant training and are subject to independence policies. Interaction with SSC staff is based on an agreed, formalized and secure process. Supervision and review of work papers prepared by SSC staff are comparable to supervision and review of work performed by members of our Swiss engagement teams, which ensures consistency and quality.

### 8.3.2 Engagement Quality Control (EQC) reviewers

The EQC review 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, engagements identified as high risk and other engagements as designated by the NQRMP, FQRM, Head of Audit or Head of Financial Services.

An EQC review serves to determine whether the team has appropriately identified significant risks, including fraud risks, and has designed and executed audit procedures to address them.

EQC reviewers are required to meet training and experience criteria to perform a quality control review for a particular engagement. Reviewers are independent of the engagement team and audit client 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 audit is completed only when the EQC reviewer is satisfied that all significant questions raised have been resolved, though the engagement partner is ultimately responsible for the resolution of accounting and auditing matters.

KPMG Switzerland is continually seeking to strengthen and improve the role that the EQC review plays in member firm audits and has taken a number of actions to reinforce this, including issuing best practice guidance, incorporating specific review requirements into our audit workflow, and developing policies relating to recognition, nomination and development of EQC reviewers.

## 8.4 Appropriately support and document conclusions

### 8.4.1 Reporting

International auditing standards 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. Swiss auditing standards also largely dictate the format and content of the auditor's report when applicable.

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 for any key audit matters to be communicated).

### 8.4.2 Engagement documentation

Our audit documentation is completed and assembled according to the timeline established by firm policy and auditing standards. We have implemented administrative, technical and physical safeguards to protect the confidentiality and integrity of client and firm information. KPMG International recently adopted policies to apply to all KPMG firms to reduce the time period allowed to assemble audit documentation, which is significantly less than required by the applicable auditing standards.



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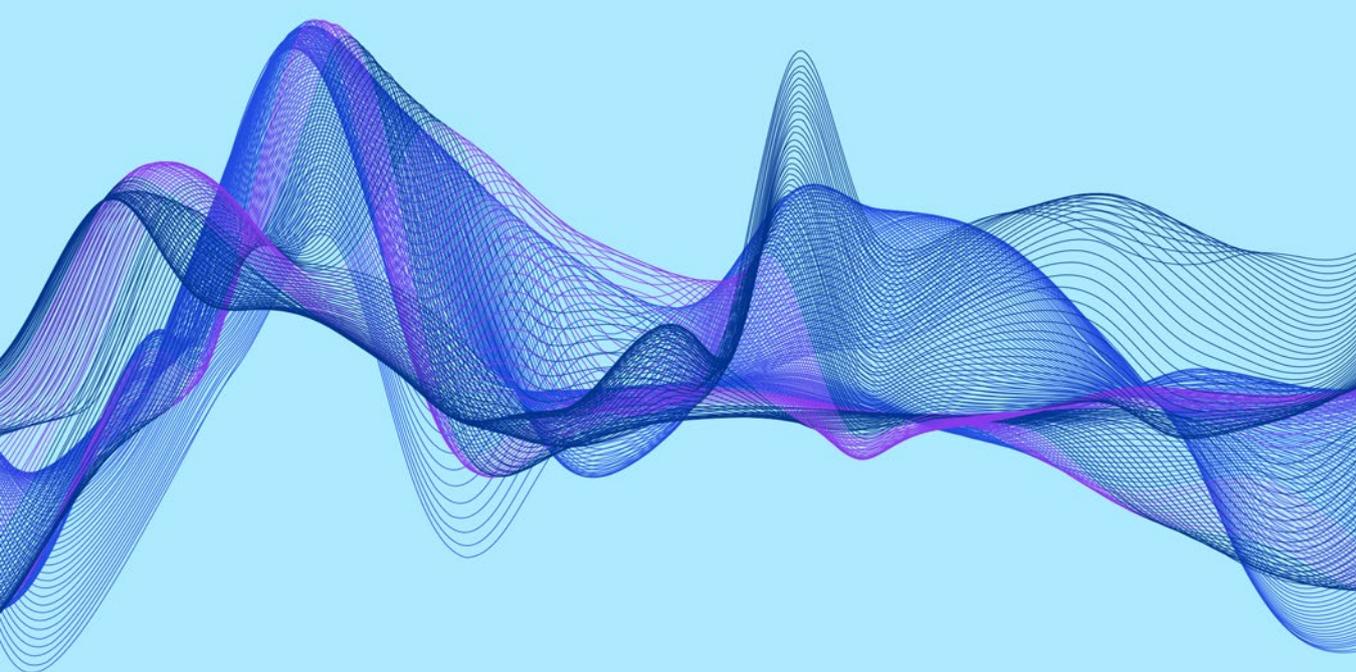
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# Communicating effectively

We recognize that another important contributor to upholding audit quality is to obtain and act upon feedback from key stakeholders.



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## 9.1 Provide insights, and maintain open and honest two-way communication

At KPMG Switzerland we stress the importance of keeping Those Charged With Governance informed of issues arising throughout the audit through guidance and supporting resources. We achieve this through a combination of reports and presentations, attendance at audit committee or board meetings, and ongoing discussions with members of the audit committee.

The role of audit committees is key in supporting quality auditing by overseeing the relationship between company and auditor and challenging what auditors do and how they do it.

### Board Leadership Center and 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, our Board Leadership Center aims to help board and especially audit committee members enhance their awareness, commitment and ability to implement effective oversight processes. The [Board Leadership Center of KPMG Switzerland](#) is embedded in KPMG International's [Audit Committee Institute \(ACI\)](#), which operates in more than 40 countries across the globe providing audit committee members with relevant guidance on matters of interest to audit committees, addressing emerging issues like changes in laws and regulations or developments in areas such as corporate governance, corporate reporting or risk management & compliance; and offering members the opportunity to network with their peers during technical updates and awareness seminars.

Further details and insights on the ACI are available [here](#).

### IFRS Standards Institute

KPMG's Global IFRS Standards Institute provides information and resources to help the board and audit committee members, executives, management, stakeholders and government representatives gain insight and access to thought leadership about the evolving global financial and sustainability reporting frameworks.

## Only with engaged, talented people can KPMG deliver audits in line with our audit quality expectations.

### 9.2 Conduct and follow-up on the Global People Survey (GPS)

Only with engaged, talented people can KPMG deliver audits in line with our audit quality expectations. KPMG Switzerland personnel are invited to participate in KPMG's Global People Surveys (GPS) to share their perception about their experience of working for KPMG. The GPS provides a measure of our people's engagement and insights into areas driving engagement. Results can be analyzed by several factors, for example functional or geographic area, grade and gender to provide additional focus for action. We also cover areas of focus which are directly relevant to audit quality. The survey includes specific audit quality related questions that individuals who have participated in an audit in the previous 12 months are asked to respond to, giving us a particular data set for audit quality related matters.

The survey provides leadership of KPMG Switzerland and KPMG International with results related to quality and risk behaviors, audit quality, upholding the KPMG Values, as well as employee and partner attitudes towards quality, leadership and tone at the top.

The Swiss Firm 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 global firm and are presented to the Global Board each year, and appropriate follow-up actions agreed. Audit specific analysis of GPS results is also undertaken, with a particular focus on audit quality. Results and key themes are presented to the Global Audit Steering Group on an annual basis for consideration of appropriate remedial action, if needed.



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# Monitoring and remediation

Integrated quality monitoring and compliance programs enable KPMG 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.



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## 10.1 Rigorously monitor and measure quality at the local and global level

### 10.1.1 Commitment to continuous improvement

KPMG commits to continually improve the quality, consistency and efficiency of KPMG firm audits. The quality monitoring and compliance programs are globally consistent in their approach across all member firms, including the nature and extent of testing and reporting. KPMG Switzerland compares the results of internal monitoring programs with those of any external inspection programs and takes appropriate action.

### 10.1.2 Internal monitoring and compliance programs

KPMG Switzerland’s monitoring programs are created by KPMG International and applied across KPMG firms. The programs evaluate both:

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

Our internal monitoring programs also contribute 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 Program (RCP), which are conducted annually across the Audit, Financial Services, Tax & Legal and Advisory functions.

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

#### Quality Performance Reviews (QPRs)

The QPR program assesses engagement level performance in the Audit, Financial Services, Tax & Legal and Advisory functions 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.

KPMG Switzerland conducts the annual QPR program in accordance with KPMG International QPR instructions. The reviews are performed at KPMG Switzerland level and are monitored regionally and globally.

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

### Reviewer selection, preparation and process

There are robust criteria for selection of reviewers. Member firm QPRs in each function are overseen by a senior experienced lead reviewer 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.

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

In 2021 and 2020 the number of engagements reviewed for KPMG Switzerland was as follows:

Number of engagements reviewed	2021	2020
Audit	29	36
Tax & Legal	33	44
Advisory	27	20

In Audit, engagements selected for review are rated as ‘Satisfactory’, ‘Performance Improvement Needed’ or ‘Unsatisfactory’. In 2021 the percentage of audit engagement leaders reviewed in KPMG Switzerland’s QPR program was 33.3% (2020: 37.2%).

### Reporting

Findings from the QPR program are disseminated to our Firm’s professionals through written communications, internal training, and periodic partner, manager and staff meetings.

They are also emphasized in subsequent monitoring programs to gauge the extent of continuous improvement.

In Audit, lead audit engagement partners are notified of unsatisfactory ratings on their respective cross-border engagements. Additionally, LAEPs 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 Audit QPR.



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### 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 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 KPMG Switzerland's system of quality control with Global Quality & Risk Management (GQ&RM) policies and key legal and regulatory requirements; and
- provide the basis for KPMG Switzerland 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 Quality & Compliance Review (GQ&CR) program

Each KPMG firm is subject to a GQ&CR conducted by KPMG International's GQ&CR team, independent of the member firm, at various intervals based on identified risk criteria.

The GQ&CR team performing the review is independent of the firm and is objective and knowledgeable of GQ&RM policies. GQ&CRs assess compliance with selected KPMG International policies and procedures and share best practices among member firms. The GQ&CR provides an independent assessment of:

- a 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 firm's compliance with KPMGI policies and procedures; and
- the robustness with which the member firm performs its own compliance program (RCP).

KPMG Switzerland develops action plans to respond to all GQ&CR findings that indicate improvement is required and agrees these with the GQ&CR team. Our progress on action plans is monitored by the GQ&CR central team. Results are reported to the GQ&RM Steering Group and where necessary, to appropriate KPMG International and regional leadership. The most recent GQ&CR related to the Swiss Firm took place in December 2018.

### 10.1.3 Area Quality & Risk Management Leaders

The Global Head of Quality, Risk and Regulatory appoints Area Quality & Risk Management Leaders (ARLs) who serve a regular and ongoing monitoring 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 GQ&RM leadership.

## 10.2 Obtain, evaluate and act on stakeholder feedback

### 10.2.1 Regulators

In Switzerland, the FAOA has been carrying out annual independent inspections of KPMG AG for more than ten years. The FAOA inspections consist of a firm level review and a selection of both financial statement and regulatory audit engagement file reviews. Since 2013, KPMG AG has been subject to a joint inspection between the FAOA and the U.S. Public Company Accounting Oversight Board (U.S. PCAOB) every three years. The last joint inspection took place in May & June 2019.

The FAOA's 2020 inspection reports for financial statement audits as well as regulatory audits were issued on 18 May 2021. The FAOA's 2021 inspection reports for financial statement audits as well as regulatory audits were issued on 26 November 2021. For the 2020 and 2021 inspections, none of the comments included in the FAOA's final reports represent an issue that impairs KPMG AG's ability to provide companies with audits conducted in accordance with the applicable professional standards.

The PCAOB's report on their 2019 inspection (financial statement audit) was issued on 8 April 2021 and is publicly available. There were no audit engagement findings identified by the PCAOB during this inspection.

In 2018, the Liechtenstein "Finanzmarktaufsicht" (FMA) conducted an inspection of KPMG (Liechtenstein) AG. The FMA's 2018 inspection report was issued on 5 February 2019. The FMA generally performs inspections of KPMG (Liechtenstein) AG every three years. For the 2018 inspection, none of the comments included in the



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FMA's final report represent an issue that impairs KPMG (Liechtenstein) AG's ability to provide companies with audits conducted in accordance with the applicable professional standards.

KPMG Switzerland takes the findings of our regulators very seriously. We consider comments received, perform root cause analyses of related findings, and agree and implement actions to remediate those findings.

KPMG International has regular two-way communication with the International Forum of Independent Audit Regulators (IFIAR), principally through its Global Audit Quality Working Group (GAQWG), and the Committee of European Auditing Oversight Bodies (CEAOB) to discuss thematic audit quality issues along with targeted strategies for improvement. We value the open, honest and transparent dialogue that IFIAR facilitates on global audit quality issues. The CEOB is made up of senior representatives from the responsible EU/EEA member state authorities and the European Securities and Markets Authority (ESMA). The FAOA does not participate at the level of the CEOB but is an observer of its "inspection subgroup", which shares inspection practices/findings and facilitates discussions on topics related to audit inspections with third parties, such as standard setters and the audit profession.

Every KPMG firm is expected to maintain professional and respectful relationships with regulators, including proactively engaging, responding to questions in a timely manner and taking appropriate remedial actions.

KPMG AG is registered with the following foreign audit regulators:

- Finnish Patent and Registration Office (PRH)
- French "Haut Conseil du Commissariat aux Comptes" (H3C)
- Italian "Commissione Nazionale per le Società e la Borsa" (CONSOB)
- Japanese Financial Services Authority (JFSA)
- Liechtenstein "Finanzmarktaufsicht" (FMA)
- Luxembourg "Commission de Surveillance du Secteur Financier" (CSSF)
- Swedish Inspectorate of Auditors (SIA)
- UK Financial Reporting Council (FRC)
- US Public Company Accounting Oversight Board (PCAOB)

### 10.2.2 Client feedback

In addition to internal and external monitoring of quality, we operate a program across the Swiss Firm where we actively solicit feedback from management and Those Charged With Governance at our clients on the quality of specific services that we have provided to them. The feedback that we receive from this program is formally considered by the Firm and by the individual client service teams to ensure that we continually learn and improve the levels of client service that we deliver. Any urgent actions arising from client feedback are followed up by the engagement partner to ensure that concerns on quality are dealt with on a timely basis. We endeavor to turn this feedback into improvements at both the engagement and the firm level to meet our clients' needs and expectations.

### 10.2.3 Monitoring of complaints

We have robust procedures in place for addressing complaints received from employees, clients or other third parties relating to the quality of our work.

KPMG Switzerland takes any complaints about the quality of its services or the behavior of its people very seriously. We undertake to investigate them and address the concerns raised promptly. If a client has a complaint or is not satisfied with any aspect of their dealings with KPMG Switzerland, they are invited to raise their concerns with a partner or a senior member of staff who is known to them. If they are not able to reach a satisfactory resolution in this way, they may follow one of the following courses of action:

- if the complaint concerns KPMG's professional services they may contact the NQRMP;
- if they wish to report possible illegal, unethical or improper conduct involving KPMG Switzerland or any of its people and do not wish to follow any of the previous courses of action, they may contact our external ombudsman or use our [whistle-blowing hotline](#).

The detailed procedures are set out on our [website](#).



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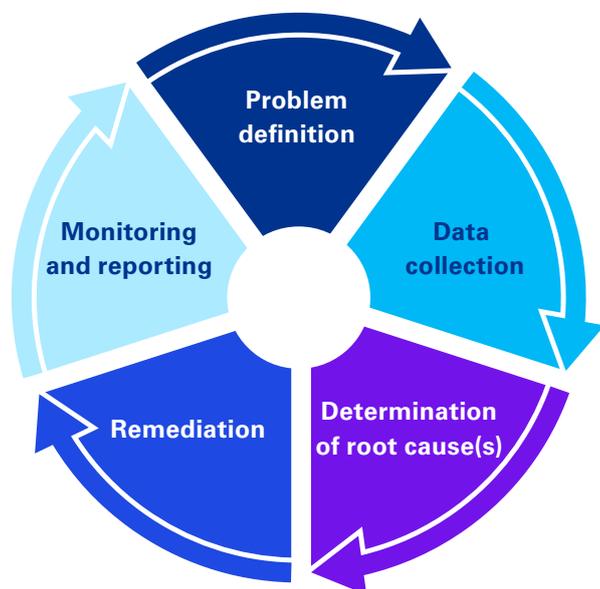
### 10.3 Perform root cause analysis

KPMG Switzerland conducts Root Cause Analysis (RCA) in respect of audit quality issues. In 2021, RCA training based on our Global RCA 5 Step Approach was attended by those individuals at KPMG Switzerland who are 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.

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

At KPMG Switzerland, RCA projects are determined by the Audit Quality Committee (see section 2.1.3) and performed under the supervision of the Audit Quality Leader (AQL) based on the results of the individual internal and external monitoring and inspection programs and overall based on common issues emerging from those programs and other sources. We subsequently develop appropriate remediation plans for the audit quality issues identified. Our Department of Professional Practice (DPP) monitors their implementation and reports the results back to the Audit Quality Committee.

**The Global RCA 5 Step Approach is as follows:**



### 10.4 Assessing risks to quality

Through the Global Audit Quality Council and the Global Quality & Risk Management Steering Group (GQRMSG), KPMG International reviews the results of the quality monitoring programs, reviews firm root causes and planned remedial actions and develops additional global remediation actions as required.

Global remediations are aimed at actions around culture and behavior across the global organization and at driving consistent engagement team performance within KPMG firms.

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# Financial information



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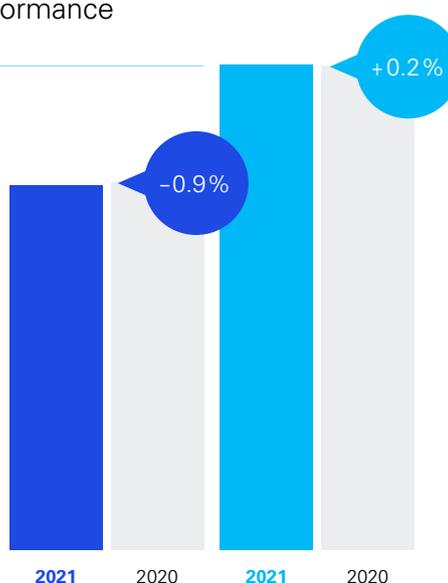
## Business performance

Gross sales  
in CHF million

584.7

Net sales  
in CHF million

439.2



Net sales	2021 in CHF million	2020 in CHF million	Change	Share of revenue
Audit	197.8	218.0	-9.3 %	45.0 %
Tax & Legal	121.6	120.8	+0.7 %	27.7 %
Advisory	119.8	104.2	+14.9 %	27.3 %
<b>Total net sales</b>	<b>439.2</b>	<b>443.0</b>	<b>-0.7 %</b>	<b>100.0 %</b>

Financial Services <sup>1</sup>	31.1 %
Market regions <sup>2</sup>	43.4 %

People	2021	2020	Change
<b>Number of employees</b>	<b>2,129</b>	2,035	+4.6%
<b>FTE</b>	<b>2,006</b>	1,916	+4.7%

As of 30 September 2021

1 Net sales generated within the Financial Services industry

2 Net sales generated within the mid-size market segment from regional clients in non-Financial Services industries

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## Additional financial disclosures as per Article 13 of the EU Regulation 537/2014

**Net revenues** as of 30.09.2021 and 2020

Source of fee income	2021 in CHF million	2020 in CHF million
<b>Net revenues of KPMG Switzerland</b>	<b>439.2</b>	<b>443.0</b>
Audit revenues earned from EU/EEA Public Interest Entity audit clients	6.3	13.9
Audit revenues earned from all other audit clients	191.5	204.1
Non-audit service revenues earned by EU/EEA statutory audit firms from audit clients	0.1	N/A <sup>2</sup>
Non-audit service revenues earned by third country audit firms from EU/EEA Public Interest Entity audit clients	2.1	2.6
Non-audit service revenues earned from all other clients	239.2	222.4

## Total turnover achieved by EU/EEA KPMG audit firms resulting from the statutory audit of annual and consolidated financial statements<sup>1</sup>

Aggregated revenues generated by KPMG firms from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements amounted to 2.05 billion euros during the year ended 30 September 2021 (2020: 2.8 billion euros). The EU/EEA aggregated statutory audit revenue figures are presented to the best extent currently calculable and translated at the average exchange rate prevailing in the 12 months ended 30 September 2021.

<sup>1</sup> The financial information set forth represents combined information of the separate KPMG firms from EU and EEA Member States that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.

<sup>2</sup> In Liechtenstein the EU Audit Reform rules were implemented into national legislation effective 1 January 2021.

# Partner remuneration

Partner remuneration comprises a base salary and associated benefits (including employer contributions to the Swiss Firm's pension fund) and additionally a bonus. In Switzerland and Liechtenstein, partners are members of a pension fund operated for all employees; both employer (the Swiss Firm) and employees (partners and staff) are required to contribute to this scheme. In addition, partner bonuses are covered by a separate pension scheme.

The allocation of bonuses and hence overall remuneration of partners of the Swiss Firm is determined by the Executive Committee after assessing the Swiss Firm's overall financial performance and each function's and each respective partner's contribution to that performance for the year. 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 our Values. Audit partners are explicitly not remunerated for non-audit services sold to their audit clients. The Board of Directors of KPMG Holding AG reviews the proposed total partner compensation for plausibility, making recommendations to the Executive Committee for additional consideration. The Board of Directors is further responsible for determining the total compensation of the Senior Partner and approving the total compensation proposed by the Senior Partner for the other members of the Executive Committee.



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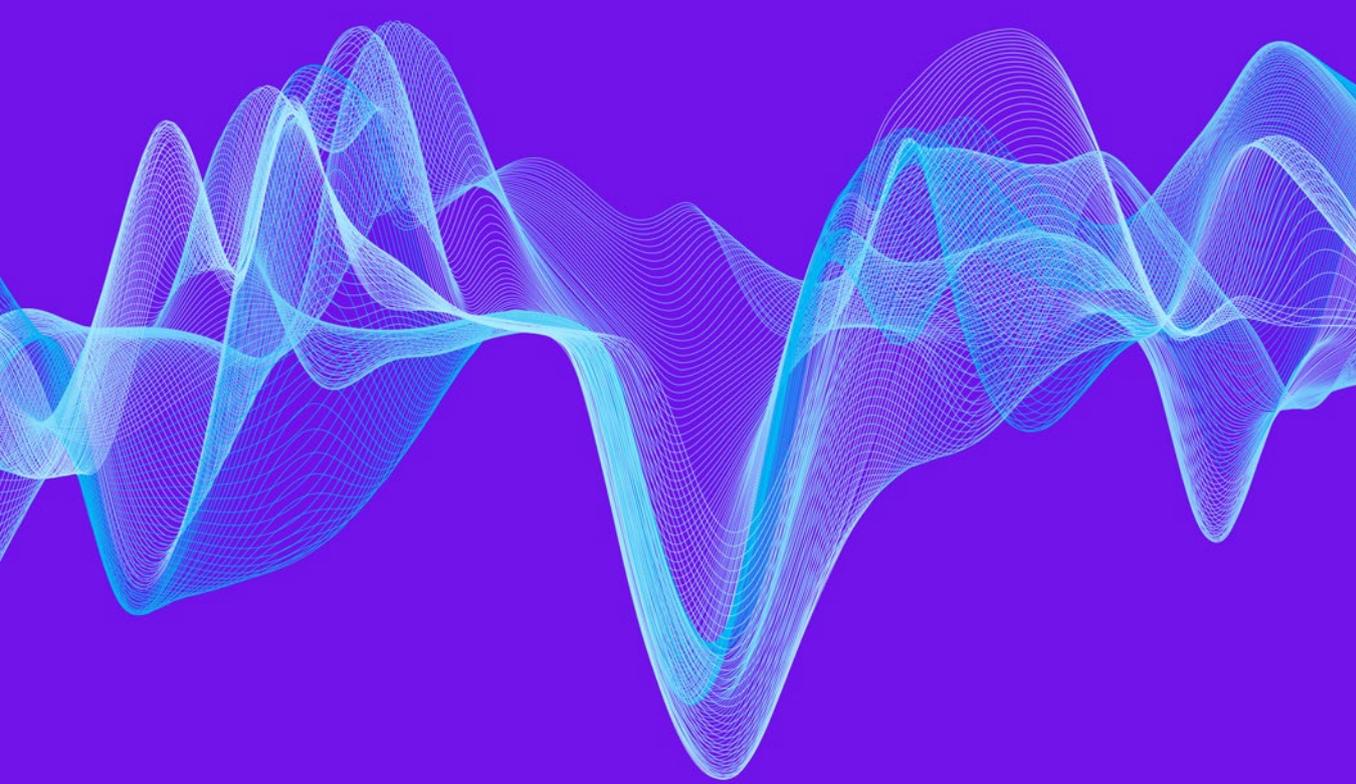
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All member firms are required to comply with KPMG International's policies and regulations including quality standards governing how they operate and how they effectively provide services to clients.



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## 13.1 Legal structure

On 1 October 2020, KPMG Switzerland and all other KPMG firms entered into new membership and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organization became members in, or have other legal connections to, KPMG International Limited, an English private company limited by guarantee.

Since 1 October 2020, KPMG International Limited has been the coordinating entity for the overall benefit of the KPMG member firms. It does not provide professional services to clients. Professional services to clients are exclusively provided by member firms.

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.

Pursuant to their membership agreements with KPMG International, member firms are required to comply with KPMG International's policies, including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes being professionally and financially stable; having an ownership, governance and management structure that ensures continuity and stability and long-term success; and being able to comply with policies issued by KPMG International, adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

KPMG International Limited and the KPMG member firms are not a global partnership, single firm, multi-national corporation, 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 Limited, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG International Limited or any of its related entities have any such authority to obligate or bind any member firm.

Further details on the revised legal and governance arrangements for the KPMG global organization from 1 October 2020 can be found in section 'Governance and leadership' of the [2021 KPMG International Transparency Report](#).

## KPMG member firms commit to a common set of KPMG Values.

The name of each audit firm that is a member of the organization and the EU/EEA countries in which each firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business are available [here](#).

## 13.2 Responsibilities and obligations of member firms

As described in more detail in section 13.1, 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.

Each KPMG firm takes responsibility for its management and the quality of its work. Member firms commit to a common set of KPMG Values.

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 firms. A firm's status as a KPMG member firm and its participation in the KPMG global organization may be terminated if, among other things, it has not complied with the policies set by KPMG International or any of its other obligations owed to KPMG International.

## 13.3 Professional indemnity insurance

Insurance cover is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis.



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## 13.4 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.

Among other things, the Global Council elects the Global Chairman and also approves the appointment of Global Board members. It includes representation from 56 KPMG firms that are “members” of KPMG International Limited as a matter of English law.

### Global Board

The Global Board is the principal governance and oversight body of KPMG International. The key responsibilities of the Global Board include approving global strategy, protecting and enhancing the KPMG brand and reputation, overseeing the Global Management Team and approving policies with which KPMG firms are required to comply. It also approves the admittance or termination of KPMG firms to/from the global organization.

It is led by the Global Chairman, Bill Thomas, and also includes the Chairman of each of the regions (the Americas; Asia Pacific (ASPAC); and Europe, the Middle East, and Africa (EMA)), and a number of members who are also member firm Senior Partners.

The list of current Global Board members is set out on the [Leadership page](#) of kpmg.com.

### Global Board committees

The Global Board is supported in its oversight and governance responsibilities by several committees, including:

- Executive Committee;
- Governance Committee;
- Global Quality, Risk & Reputation Committee; and
- Global Audit Quality Committee.

The overarching responsibility of the Global Audit Quality Committee is to strive for globally consistent audit quality across all firms and to oversee those KPMG International activities which relate to improving and maintaining the consistency and quality of audits provided by KPMG firms.

### Global Management Team

The Global Board has delegated certain responsibilities to the Global Management Team. These responsibilities include developing the global strategy by working together with the Executive Committee, and jointly

recommending the global strategy to the Global Board for its approval. The Global Management Team also supports KPMG firms in their execution of the global strategy and KPMG International decisions and policies by member firms, including holding them accountable against their commitments. It is led by the Global Chairman, Bill Thomas. The list of current Global Management Team members is available in the [Leadership section](#) on kpmg.com.

### Global Steering Groups

There is a Global Steering Group for each key function and infrastructure area, chaired by the relevant member of the Global Management Team and, together they assist the Global Management Team in discharging its responsibilities. They act under delegated authority from the Global Board and oversight by the Global Management Team (GMT). Under the oversight of the GMT, they promote the execution of the global strategy and compliance with KPMG International decisions and policies by member firms.

In particular, the Global Audit Steering Group and Global Quality & Risk Management Steering Group work closely with regional and member firm leadership to:

- establish, and ensure communication of, appropriate audit and quality/risk management policies;
- establish and support effective and efficient risk processes to promote audit quality;
- promote and support the implementation of strategy in member firms’ audit functions, including standards of audit quality; and
- assess and monitor audit engagement quality, including issues arising from quality performance and regulatory reviews, and focus on best practices to increase audit quality.

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 [2021 KPMG International Transparency Report](#).

Each 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 for the year ending 30 September 2021, can be found in section ‘Governance and leadership’ of the [2021 KPMG International Transparency Report](#).



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# Statement by the Board of KPMG AG on the effectiveness of quality controls and independence

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

The Executive Board of Directors of KPMG AG (and Executive Committee of KPMG Switzerland) have considered:

- the design and operation of the quality control system as described in this report
- the findings from the various compliance programs operated by the Swiss Firm (including the KPMG International review programs as described in section 10.1.2 and our local compliance monitoring programs)
- findings from regulatory inspections and subsequent follow up and / or remedial actions

Taking all of this evidence together, the Executive Board of Directors of KPMG AG confirms with a reasonable level of assurance that the system of quality control within the Swiss Firm has operated effectively in the year ended 30 September 2021.

Further, the Executive Board of Directors confirms that an internal review of independence compliance within the Swiss Firm has been conducted in the year ended 30 September 2021.



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# Key legal entities and areas of operation

## Appendix 1

As of 30 September 2021:

Name of entity	Legal form	Regulatory status	Nature of business	Area of operation
KPMG Holding AG	Swiss corporation/ company limited by shares	N/A	Holding Company	Switzerland
KPMG AG	Swiss corporation/ company limited by shares	Swiss Licensed Audit Firm under State Oversight and Liechtenstein Registered Audit Firm	Audit, tax, legal and advisory services	Switzerland and Liechtenstein
KPMG (Liechtenstein) AG	Liechtenstein corporation/ company limited by shares	Liechtenstein Registered Audit Firm	Audit, tax, legal and advisory services	Liechtenstein
Ostschweizerische Treuhand-Gesellschaft AG	Swiss corporation/ company limited by shares	Swiss Licensed Audit Expert and Liechtenstein Registered Audit Firm	Audit, tax, legal and advisory services	Switzerland and Liechtenstein
Fides Revision AG	Swiss corporation/ company limited by shares	N/A	Entity used for internal purposes only	Switzerland
KPMG Tax & Legal Services AG	Swiss corporation/ company limited by shares	N/A	Tax, legal and advisory services	Switzerland



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# Details of those charged with governance at KPMG Switzerland

## Appendix 2

### Executive Board (KPMG AG)

As of 30 September 2021



From left to right

**Stefan Pfister**, CEO

**Philipp Hallauer**, Head of National Quality & Risk Management

**Stefan Kuhn**, Head of Tax & Legal



From left to right

**Lukas Marty**, Head of Audit

**Philipp Rickert**, Head of Financial Services

**Tobias Valk**, Head of Advisory



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# Details of those charged with governance at KPMG Switzerland

## Appendix 2

### Board of Directors (KPMG Holding AG)

As of 30 September 2021



From left to right

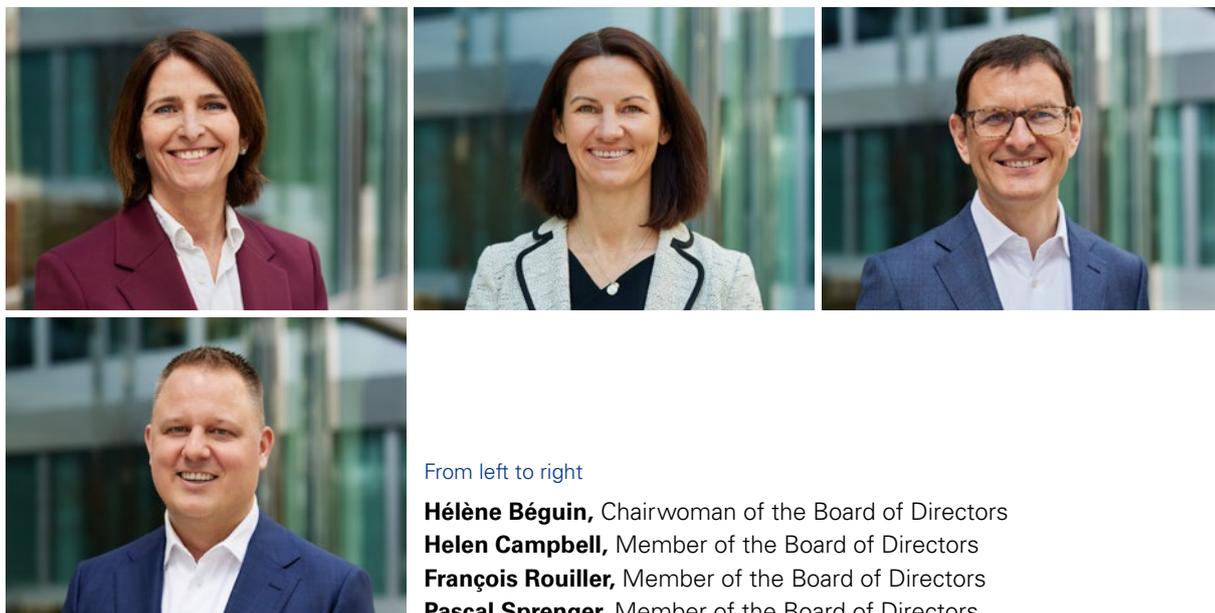
**Hélène Béguin**, Chairwoman of the Board of Directors

**François Rouiller**, Member of the Board of Directors

**Pascal Sprenger**, Member of the Board of Directors

### Board of Directors (KPMG Holding AG)

As from 3 December 2021



From left to right

**Hélène Béguin**, Chairwoman of the Board of Directors

**Helen Campbell**, Member of the Board of Directors

**François Rouiller**, Member of the Board of Directors

**Pascal Sprenger**, Member of the Board of Directors



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# Public Interest Entities

## Appendix 3

The list of KPMG Switzerland's public interest entity audit clients as of 30 September 2021 is presented on the following pages. The definition of 'Public Interest Entity' for this purpose is that given under the provisions of Article 2, para. c of the Swiss Audit Oversight Act (AOA) and the provisions of Article 13 of the revised Liechtenstein Auditor Act effective 1 January 2021.

This definition includes Swiss entities with publicly listed shares or outstanding bonds and Swiss entities that contribute at least 20% of assets or revenues to the consolidated financial statements of Swiss publicly listed entities (collectively "public companies"), as well as supervised persons and entities within the meaning of Article 3 of the Financial Market Supervision Act (FINMASA), excluding those which are not required to be notified to the Swiss Federal Audit Oversight Authority.

In Liechtenstein the EU Audit Reform rules were implemented into national legislation effective 1 January 2021. The Liechtenstein PIE definition includes Liechtenstein entities with publicly listed shares or outstanding bonds on an EU regulated market, as well as supervised banks within the meaning of Article 3 of the Liechtenstein Banking Act and supervised insurance companies within the meaning of Article 2 of the Liechtenstein Insurance Act.



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## Swiss Public Companies

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[ABB Ltd\\*](#)

[AKEB Aktiengesellschaft für Kernenergie-Beteiligungen Luzern](#)

[Aluflexpack AG](#)

[Arbonia AG](#)

[Athris AG](#)

[Autoneum Holding AG](#)

[Axp0 Holding AG](#)

[Axp0 Power AG](#)

[Axp0 Solutions AG](#)

[Bank Cler AG](#)

[Bank Julius Bär & Co. AG](#)

[Bank Linth LLB AG](#)

[Banque Cantonale Vaudoise](#)

[Barry Callebaut AG](#)

[Basler Kantonalbank](#)

[BELIMO Automation AG](#)

[BELIMO Holding AG](#)

[Bell Food Group AG](#)

[Bell Schweiz AG](#)

[BLS AG](#)

[BLS Cargo AG](#)

[BLS Netz AG](#)

[Bonhöte-Immobilier SICAV](#)

[Burkhalter Holding AG](#)

[Burkhalter Technics AG](#)

[BVZ Holding AG](#)

[Bystronic AG \(fka. Conzzeta AG\)](#)

[Bystronic Laser AG](#)

[Cembra Money Bank AG](#)

[Cicor Technologies Ltd.](#)

[Coop Genossenschaft](#)

[Coop- Gruppe Genossenschaft](#)

[Datacolor AG](#)

[Datacolor AG Europe](#)

[Dätwyler Holding AG](#)

[Dottikon ES Holding AG](#)

[Dottikon Exclusive Synthesis AG](#)

[Edmond de Rothschild Real Estate SICAV](#)

[Emmi AG](#)

[Emmi Finanz AG](#)

[Emmi Schweiz AG](#)

[ENAG Energiefinanzierungs AG](#)

[Energiedienst Holding AG](#)

[Feintool International Holding AG](#)

[Firmenich International SA](#)

[Firmenich SA](#)

[Forbo Holding AG](#)

[GAM Holding AG](#)

[GAM Investment Management \(Switzerland\) AG](#)

[Gornergrat Bahn AG](#)

[GZO AG](#)

[Helvetia Holding AG](#)

[Helvetia Schweizerische Lebensversicherungsgesellschaft AG](#)

[Helvetia Schweizerische Versicherungsgesellschaft AG](#)

[Hochdorf Holding AG](#)

[Hochdorf Swiss Nutrition AG](#)

[Inficon Holding AG](#)

[Investis Holding SA](#)

[Investis Properties SA](#)

[Julius Bär Gruppe AG](#)

[Kernkraftwerk Leibstadt AG](#)

[Kraftwerke Linth-Limmern AG \(KLL\)](#)

[LION E-Mobility AG](#)

[Logitech Europe S.A.](#)

[Logitech international S.A.](#)

[Lonza AG](#)

[Lonza Group AG](#)

[Lonza Sales AG](#)

[Lonza Swiss Finanz AG](#)

[Matterhorn Gotthard Verkehrs AG](#)

[MCH Group AG](#)

[MCH Messe Schweiz \(Basel\) AG](#)

[Molecular Partners AG](#)

[Montana Aerospace AG](#)

[MSC Cruises SA](#)

[Partners Group AG](#)

[Partners Group Holding AG](#)

[Parvico SA](#)

[Perrot Duval Holding SA](#)

[PLAZZA AG](#)

[Private Equity Holding AG](#)

[Procimmo Real Estate SICAV](#)

[Restoshop SA](#)

[Roche Holding AG](#)

[Roche Kapitalmarkt AG](#)

[Schaffhauser Kantonalbank](#)

[Schlatter Industries AG](#)

[Schweiter Technologies AG](#)

[Schweizerische Nationalbank](#)

[Schweizerische Rückversicherungs-Gesellschaft AG](#)

[See-Spital](#)

[Sensirion AG](#)

[Sensirion Holding AG](#)

[Sportradar AG](#)

[Sportradar Group AG](#)

[Stadler Bussnang AG](#)

[Stadler Rail AG](#)

[Stadler Rheintal AG](#)

[Sulzer AG](#)

[Swiss Auto Lease 2019-1 GmbH](#)

[Swiss Auto Lease 2020-1 GmbH](#)

[Swiss Prime Site AG](#)

[Swiss Prime Site Finance AG](#)

[Swiss Prime Site Immobilien AG](#)

[Swiss Re AG](#)

[Swissgrid AG](#)

[Swisstronics Contract Manufacturing AG](#)

[Syngenta Finance AG](#)

[Transports Publics Genevois \(TPG\)](#)

[u-blox AG](#)

[u-blox Holding AG](#)

[Ultima Capital SA](#)

[Varia US Properties AG](#)

[VAT Group AG](#)

[Vat Vakuumventile AG](#)

[Villars Holding S.A.](#)

[Wartec Invest AG](#)



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\*Public interest audit client listed on an EU regulated market

## Persons and entities under financial market supervision as per Art. 3 of FINMASA

<a href="#">1875 Finance SA</a>	<a href="#">Carnegie Fund Services SA</a>	<a href="#">Habib Bank AG Zurich</a>
<a href="#">ABB Reinsurance AG</a>	<a href="#">CBH Compagnie Bancaire Helvétique SA</a>	<a href="#">Hapotalim (Schweiz) AG</a>
<a href="#">ACE &amp; COMPANY SA</a>	<a href="#">Cembra Money Bank AG *</a>	<a href="#">Hardcastle Trading AG</a>
<a href="#">Alpha Associates AG</a>	<a href="#">CG CAR-GARANTIE Versicherungs-Aktiengesellschaft, Freiburg i. Br., Zweigniederlassung Thervil</a>	<a href="#">HBK Investments Advisory SA</a>
<a href="#">Aspen Insurance UK Limited, London, Zurich Branch</a>	<a href="#">Citibank (Switzerland) AG</a>	<a href="#">Helvetia Asset Management AG</a>
<a href="#">Aspen Insurance UK Limited, London, Zurich Insurance Branch</a>	<a href="#">Citibank, N.A., Sioux Falls, succursale de Genève</a>	<a href="#">Helvetia Holding AG *</a>
<a href="#">Assista Protection Juridique SA</a>	<a href="#">Citibank, N.A., Sioux Falls, Zurich Branch</a>	<a href="#">Helvetia Schweizerische Lebensversicherungsgesellschaft AG *</a>
<a href="#">Assura SA</a>	<a href="#">Citigroup Global Markets Limited, London, Zweigniederlassung Zürich</a>	<a href="#">Helvetia Schweizerische Versicherungsgesellschaft AG *</a>
<a href="#">Banca Credinvest SA</a>	<a href="#">Climber Capital SA</a>	<a href="#">ING Bank N.V., Amsterdam, succursale de Lancy/Genève (fka. ING Belgique, Bruxelles, succursale de Lancy/Genève)</a>
<a href="#">Bank CIC (Schweiz) AG</a>	<a href="#">Comunus SICAV</a>	<a href="#">Intracap Insurance Ltd</a>
<a href="#">Bank Cler AG *</a>	<a href="#">Credendo – Single Risk Insurance AG, Vienne, succursale de Genève</a>	<a href="#">Invision AG</a>
<a href="#">Bank Julius Bär &amp; Co. AG *</a>	<a href="#">Credit Europe Bank (Suisse) SA</a>	<a href="#">iptiQ EMEA P&amp;C S.A., Luxembourg, Zweigniederlassung Zürich</a>
<a href="#">Bank Linth LLB AG *</a>	<a href="#">Cronberg AG</a>	<a href="#">ISP Securities AG</a>
<a href="#">Banque Algérienne du Commerce Extérieur SA</a>	<a href="#">Dreyfus Söhne &amp; Cie. Aktiengesellschaft, Banquiers</a>	<a href="#">ITERAM Capital SA</a>
<a href="#">Banque Bonhôte &amp; Cie. SA</a>	<a href="#">Dukascopy Bank SA</a>	<a href="#">JL Securities SA</a>
<a href="#">Banque Cantonale Vaudoise *</a>	<a href="#">DWS CH AG</a>	<a href="#">Kaleido Privatbank AG (fka. AP Anlage &amp; Privatbank AG)</a>
<a href="#">Banque Cramer &amp; Cie SA</a>	<a href="#">Echo Rückversicherungs-AG</a>	<a href="#">Kepler Cheuvreux (Suisse) SA</a>
<a href="#">Banque de Commerce et de Placements SA</a>	<a href="#">Edmond de Rothschild Real Estate SICAV*</a>	<a href="#">Kot Insurance Company AG</a>
<a href="#">Banque Degroof Petercam (Suisse) SA</a>	<a href="#">Entris Banking AG</a>	<a href="#">Landolt Investment SICAV</a>
<a href="#">Banque du Léman SA</a>	<a href="#">EPONA société coopérative mutuelle d'assurance générale des animaux</a>	<a href="#">Limmat Versicherungs-Gesellschaft AG</a>
<a href="#">Banque Eric Sturza SA</a>	<a href="#">Europ Assistance (Suisse) Assurance SA</a>	<a href="#">LLB Swiss Investment AG</a>
<a href="#">Banque Internationale de Commerce – BRED (Suisse) SA</a>	<a href="#">European Mutual Association for Nuclear Insurance, Evere (Brussels), Zug Branch</a>	<a href="#">Markel Insurance SE, München, Schweizer Zweigniederlassung Küssnacht</a>
<a href="#">Banque Pâris Bertrand SA</a>	<a href="#">FAB Private Bank (Suisse) SA</a>	<a href="#">Markel International Insurance Company Limited, London, Switzerland Branch Küssnacht</a>
<a href="#">Banque Privée BCP (Suisse) SA</a>	<a href="#">FidFund Management SA</a>	<a href="#">MS Amlin AG</a>
<a href="#">Bantleon Bank AG</a>	<a href="#">Fortuna Rechtsschutz-Versicherungs-Gesellschaft AG</a>	<a href="#">Northern Trust Global Services SE, Leudelange, Luxembourg, Zweigniederlassung Basel</a>
<a href="#">Barclays Bank (Suisse) SA</a>	<a href="#">Freemont Management SA</a>	<a href="#">Obviam AG</a>
<a href="#">Barclays Capital, Zurich Branch of Barclays Bank PLC, London</a>	<a href="#">Fundana SA</a>	<a href="#">Omnium Reinsurance Company SA</a>
<a href="#">Basler Kantonalbank *</a>	<a href="#">GAM Investment Management (Switzerland) AG *</a>	<a href="#">Partners Group AG *</a>
<a href="#">BBGI GROUP SA</a>	<a href="#">Garda Capital Partners Sàrl</a>	<a href="#">Patrimonium Asset Management AG</a>
<a href="#">BBVA SA</a>	<a href="#">Gazprombank (Schweiz) AG</a>	<a href="#">PAX Asset Management AG</a>
<a href="#">Belvédère Asset Management AG</a>	<a href="#">GENERALI Assurances Générales SA</a>	<a href="#">PAX, Schweizerische Lebensversicherungs-Gesellschaft AG</a>
<a href="#">Bezirks-Sparkasse Dielsdorf Genossenschaft</a>	<a href="#">Generali Investments Schweiz AG</a>	<a href="#">Pegaso Capital Partners SA</a>
<a href="#">Bondpartners S.A.</a>	<a href="#">Generali Personenversicherungen AG</a>	<a href="#">Petiole Asset Management AG</a>
<a href="#">Bonhôte-Immobilier SICAV *</a>	<a href="#">Gerifonds SA</a>	<a href="#">PG3 AG</a>
<a href="#">Brevan Howard Investment Products Limited, Saint-Héliier (Jersey), succursale de Genève</a>	<a href="#">Gonet &amp; Cie SA</a>	<a href="#">Piguet Galland &amp; Cie SA</a>
<a href="#">Bupa Insurance Limited, London, Switzerland Branch Zurich</a>	<a href="#">GVB Privatversicherungen AG</a>	
<a href="#">CACEIS (Switzerland) SA</a>		
<a href="#">CACEIS Bank, Paris, succursale de Nyon/Suisse</a>		

\* Also included as a Swiss Public Company



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[Privatbank Von Graffenried AG](#)  
[Procimmo Real Estate SICAV\\*](#)  
[Protekta Rechtsschutz-Versicherung AG](#)  
[PURE Funds AG](#)  
[QNB \(Suisse\) SA](#)  
[Quaero Capital SA](#)  
[Quilvest \(Switzerland\) Ltd.](#)  
[Robeco Schweiz AG \(fka. RobecoSAM AG\)](#)  
[Rothschild & Co Bank AG](#)  
[SC, SwissCaution SA](#)  
[Schaffhauser Kantonalbank\\*](#)  
[Schweizerische Mobiliar Asset Management AG](#)  
[Schweizerische Mobiliar Holding AG](#)  
[Schweizerische Mobiliar Lebensversicherungs-Gesellschaft AG](#)

[Schweizerische Mobiliar Versicherungsgesellschaft AG](#)  
[Schweizerische Rückversicherungs-Gesellschaft AG\\*](#)  
[SG Value Partners AG \(fka. Systematic Investment Management AG\)](#)  
[Signal Iduna Rückversicherungs AG](#)  
[Sigurd Rück AG](#)  
[Société pour la gestion de placements collectifs GEP SA](#)  
[Sonepar International Re SA](#)  
[Starr International Insurance \(Switzerland\) AG](#)  
[Sumus Capital SA](#)  
[Sustainable Real Estate Investments SICAV](#)  
[Swiss Prime Site Solutions AG](#)  
[Swiss Re AG\\*](#)  
[Swiss Re Insurance-Linked Investment Management AG](#)

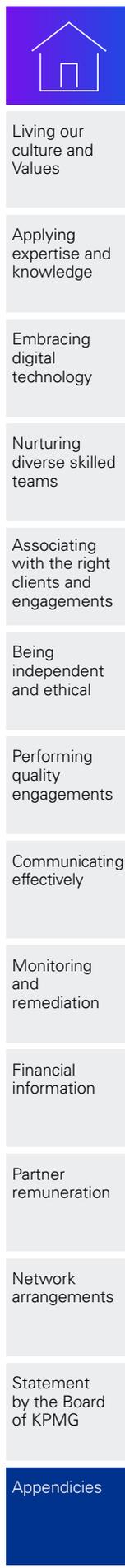
[Swiss Re International SE, Luxembourg, Zurich Branch](#)  
[Swiss Re Nexus Reinsurance Gesellschaft AG](#)  
[Symbiotics SA](#)  
[Syngenta Rückversicherung AG](#)  
[Takeda Re Insurance AG](#)  
[TAS Assurances SA \(fka. TCS Assurances SA\)](#)  
[Taurus SA](#)  
[THE L.T. Funds SA](#)  
[Themis Capital SA](#)  
[Themis Real Estate SICAV](#)  
[Union Securities Switzerland SA](#)  
[Veraison Capital AG](#)  
[Woodman Asset Management AG](#)

**During the previous fiscal year ended 30 September 2021, KPMG Switzerland, including KPMG (Liechtenstein) AG, performed audits of the following Liechtenstein Public Interest Entities**

[Helvetia Schweizerische Versicherungsgesellschaft in Liechtenstein AG](#)  
[Neue Bank AG](#)  
[PKRück Lebensversicherungsgesellschaft für die betriebliche Vorsorge AG](#)  
[Sigma Bank AG](#)  
[Sigma Kreditbank AG](#)  
[StarStone Insurance SE](#)  
[Syntonia Insurance Aktiengesellschaft](#)  
[Vienna-Life Lebensversicherung AG](#)  
[Vienna Insurance Group](#)  
[W.R. Berkley Europe AG](#)

**During the previous fiscal year ended 30 September 2021, KPMG Switzerland performed audits of the following PIEs listed on an EU regulated market**

[ABB Ltd](#)



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