



Supplier Code of Conduct

KPMG in Romania and Moldova | August 2024



I.

Preamble

This Supplier Code of Conduct (“Supplier Code”) is a result of our policy of having a proactive collaboration with our Suppliers in the promotion of lawful, professional and responsible practices that integrate respect for human rights, business ethics and the environment.

This Supplier Code of Conduct is based on [Our Global Code of Conduct](#) and sets out the minimum standards of business behaviour we expect our Suppliers to comply with.

At KPMG, we make this commitment in Our Supplier Code of Conduct:

We will not work with third parties, who do not live up to our core ethical standards as exemplified by Our Values, as described in Section III.

II.

Scope of application and coverage

A. Who does this Supplier Code apply to?

The Supplier Code applies to all suppliers and their employees, agents and subcontractors (collectively referred to as “Suppliers”) which produce goods and/or provide services for KPMG in Romania and Moldova (referred to as “KPMG”). KPMG expects that suppliers will meet the minimum requirements set out in this Code. We expect our Suppliers to adhere to our Supplier Code throughout the entirety of our business relationship.

B. Compliance with this Supplier Code

We expect our Suppliers to integrate all applicable aspects of this Supplier Code into their risk management systems by implementing policies, procedures and training, as deemed appropriate by the Supplier, to enable their compliance with this Supplier Code. The

C. Monitoring compliance with this Supplier Code

KPMG will, in certain circumstances, ask Suppliers to co-operate with KPMG, to test the alignment of the Supplier’s policies and practices with this Supplier Code. This include a due diligence assessment and ongoing monitoring. KPMG and the Supplier will agree in

Supplier is required to comply with the human rights and environmental expectations set out in the Supplier Code and to address these along the supply chain to the extent necessary through appropriate communication and commitments to its own suppliers.

It is not possible for this Supplier Code to address every situation our Suppliers may meet on a day-to-day basis, and it is no substitute for the requirement that Suppliers act ethically and follow all applicable laws and regulations.

advance on the nature and scope of the measures that may be performed either by KPMG or a qualified third party.

KPMG expects to have a relationship with its Suppliers based on trust and on the understanding that they will inform KPMG of any violations of the principles contained in this Supplier Code.

We expect our Suppliers to self-assess and demonstrate their compliance with this Supplier Code. KPMG reserves the right to audit and/or, upon request, inspect a Supplier's facilities in order to confirm compliance, when necessary.

It is the responsibility of the Supplier to ensure that its employees and subcontractors are informed about and comply with this Supplier Code. As a result, a Supplier must inform KPMG if it discovers a breach of this Supplier Code in its own operations that may have an impact on its business relationship with KPMG.

D. Failure to comply with this Supplier Code

If there is a breach of this Supplier Code, KPMG may require the Supplier to undertake remediation activities, and in certain circumstances KPMG may take further action up to and including termination of the contract, without KPMG suffering any consequences deriving from such termination.

This Supplier Code is reviewed periodically, but we understand the importance of balance between continuous improvement of policies and having the stability to allow our Suppliers to implement the necessary actions to ensure compliance. **Nothing in this Supplier Code shall supersede more stringent obligations on a Supplier which are contained in any contract such a Supplier may have with KPMG.**

If you have any questions about this Supplier Code, please email:
ro-fmsuppliercodeofconduct@kpmg.com



Our Values

At KPMG we are Values-led and expect our colleagues to behave in line with Our Values every day. Our KPMG Values are:



Integrity

We do what is right



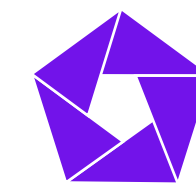
Together

We respect each other and draw strength in our differences



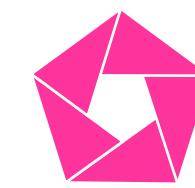
Excellence

We never stop learning and improving



For Better

We do what matters



Courage

We think and act boldly

We expect that you have clearly stated, ethical values which are actively promoted and which your workforce is expected to live by. These should be underpinned by integrity and promote to your workforce a culture of doing what is right, even when under pressure, and being honest and truthful at all times.

IV.

Commitment

At KPMG, the commitments we make include doing work that matters, to the highest ethical and quality standards, in an open, safe and inclusive environment. These commitments incorporate complying with all applicable laws and regulations and the core professional conduct standards required by our regulators. In this respect, we manage to make a difference through the following:

• Our Impact Plan

Our Impact Plan outlines the ways in which the KPMG global network is making an effective contribution to sustainable development in society across all of its member firms. The annual Sustainability Report published by KPMG in Romania and Moldova presents the specific measures we are taking to fulfil our legal requirements and our voluntary commitments in these fields of activity.

• UN Global Compact

KPMG International signed the Global Compact in 2002. The Ten Principles of the Global Compact on Human Rights, Labour, Environment and Anti-Corruption are an integral part of KPMG's values, which guide our corporate culture and our commitment to the highest standards of personnel management and corporate governance.

• Sustainable Development Goals

KPMG in Romania and Moldova is committed to the sustainable development of the wider community, and we are pleased that our sustained efforts are contributing directly to the achievement of 8 United Nations Sustainable Development Goals (SDGs) and the Science Based Targets initiative (SBTi).

The KPMG global organisation of firms has joined the SBTi and is committed to reducing greenhouse gas emissions by 50 percent by 2030.

We also expect you to make similar steps and commitments.

A. How we work

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B. How our Suppliers should work

We should have policies and processes which commit you to working with clients and suppliers that operate according to ethical values.

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We expect you to be committed to the Environmental, Social and Governance agenda which includes:

- Ensuring you are compliant with all applicable environmental laws, regulations and legal standards;
- Having a good understanding of the environmental risks and impacts associated with the goods and/or services you provide;
- Supporting and collaborating with us to manage climate and nature risks, and supporting our goals to reduce our emissions.

We aim to work with suppliers who are on the same or a similar journey to becoming net zero in their own operations. This means that our suppliers should actively measure and reduce their carbon emissions, adopt sustainable practices and materials, and strive for continuous improvement in their sustainability performance. By partnering with suppliers who share our commitment to sustainability, we can collectively make a meaningful difference in our efforts to create a more sustainable future.

C. We expect our Suppliers to adopt quality and ethical standards

At KPMG, we ensure that our work is conducted to the highest ethical and quality standards, following current applicable professional and regulatory standards at all times. This includes ensuring that we comply with all applicable laws and regulations, and not allowing bias or conflicts of interest to influence our actions or judgements.

C. We expect our Suppliers to adopt quality and ethical standards

We expect our Suppliers to:

- **Deliver compliant goods and services** which meet all required industry standards, comply with all applicable laws and adhere to all agreed contractual terms;
- **Comply with all laws and regulations** applicable to the Supplier's business including, but not limited to, those which enable the Supplier to meet the commitments included in this Supplier Code. In this respect, you should act with integrity and always endeavour to maintain the highest possible standards in your ethical practices and comply with the applicable internal policies as well as any legal and tax requirements.
- **We expect you to comply** with all applicable international sanctions laws and regulations and prevent any violations that may arise. This includes, but is not limited to, sanctions imposed by the United Nations, the European Union, the United States, and other relevant jurisdictions. You will not engage in any activities that violate these sanctions and you will ensure compliance with applicable laws and regulations by:
 - Regularly monitoring and staying informed of updates and changes to the various sanctions regimes, including new designations, delistings, or amendments to existing measures.
 - Ensuring training and evaluation of your employees, collaborators and external consultants on the requirements and implications of sanctions regimes and providing them with the tools and resources they need to identify and manage potential sanctions risks.

C.

We expect our Suppliers to adopt quality and ethical standards

- Implementing robust Anti-Money Laundering (AML)/Know-Your-Customer (KYC) checks, screening, and monitoring procedures that consider the specific restrictions and obligations imposed by each sanctions regime, as well as the risks associated with services and engagements for clients/third parties, in accordance also with the Anti-Money Laundering and Terrorist Financing Policy and Procedure.
- Cooperating with regulators and enforcement authorities in all relevant jurisdictions, including promptly reporting any potential violations or incidents, and providing any necessary information or assistance in relation to sanctions compliance matters.

Dealing with sanctioned individuals or entities:

We will not do business with any individual or entity that is subject to sanctions, and we also expect our suppliers not to do business with individuals or entities which are subject to sanctions.

We have zero tolerance for any form of financial crime and:

- We expect you to not accept or offer bribes or enter into corrupt practices and not tolerate bribery or corruption in any form by your clients, suppliers or public officials whom you deal with.
- We expect you not to tolerate any other form of financial crime (including money laundering, terrorist financing, fraud, breaching sanctions, or the use of insider information for insider trading and market abuse) or any behaviour which is generally regarded as unethical (either within your organisation or from any external parties with whom you deal).

C.

We expect our Suppliers to adopt quality and ethical standards

- We expect you not to tolerate tax evasion or the criminal facilitation of tax evasion within your business and pay all taxes that are due.
- We expect you not to offer to KPMG People or any related person or company excessive gifts or entertainment which contravenes our Global Code of Conduct or offer any gifts or entertainment that may have an adverse impact on our reputation.
- We expect you to comply with all applicable laws and regulations on corruption, bribery, prohibited business practices and extortion.

Further information on KPMG in Romania & Moldova's anti-bribery and corruption policies can be found on the anti-bribery and corruption [site](#).

- **We compete fairly**, and we expect you to comply with applicable competition laws and compete fairly.
- **We respect and protect all confidential and personal information** and we expect you to comply with all applicable data protection laws and implement policies and procedures to ensure the security and confidentiality of data.

We expect you to use information, obtained from and about KPMG, only for the purposes for which it was obtained and respect the confidentiality of information about KPMG, its members (partners) and colleagues.

C. We expect our Suppliers to adopt quality and ethical standards

In this respect, we expect our Suppliers to take the highest possible security precautions and ensure a high level of confidentiality in protecting, collecting and handling confidential and personal data. For KPMG, the personal data is a valuable asset, and so we endeavour to ensure that all applicable data protection laws are observed. We are fundamentally guided by Regulation (EU) 679/2016 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR) and the Romanian Law 129/2018, as well as by all legal regulations applicable to the processing and protection of personal data.

We expect that our Suppliers will ensure conflicts of interest do not have an impact on their business judgement or relationships with KPMG

We also encourage our Suppliers to operate policies and procedures to identify any conflicts of interest (including those relating to individuals) and where conflicts arise which relate to KPMG or its personnel or members (partners), we expect our Suppliers to disclose these promptly to KPMG.

D. We expect our Suppliers to create an open, safe and inclusive environment

At KPMG, we create an environment where our people can thrive, an environment free from harassment, including sexual harassment, victimisation and bullying. We are committed to equity and a culture which is free from discrimination. We want our colleagues to feel safe to speak up where they experience or witness unethical behaviour and we want everyone to reach their full potential.

D. We expect our Suppliers to create an open, safe and inclusive environment

We also expect our Suppliers to:

- Foster a culture that promotes equal opportunity for all and create an inclusive environment where everyone is treated with respect and dignity, and all your workforce can thrive and reach their full potential.
- We expect you to create an environment which is free from any discrimination (on the basis of gender, race, religion, age, disability, sexual orientation and socio-economic background, or those categories protected by local law), and have policies which support an environment which is free from abuse, threat of abuse, harassment, victimisation and bullying.
- We expect you to maintain a just and fair approach to remuneration, and pay at least the applicable minimum wage.
- We expect you to meet the minimum applicable legal requirements for working conditions providing a safe, healthy work environment taking all necessary precautions to prevent accidents and injury including providing the required personal protective equipment.

Respecting the human rights of your workforce and all those you deal with:

- We expect you to encourage your workforce to speak up where they witness or experience failure to respect and support the human rights of their colleagues and individuals with whom you deal and treat employees fairly and not discriminate on the basis of national and ethnic origin, social background, health status, disability, sexual orientation, age, gender, political opinion, religion or belief. Unequal treatment especially includes the payment of unequal remuneration for work of equal value.

D. We expect our Suppliers to create an open, safe and inclusive environment

- With reference to health and safety in the workplace:
 - We expect you to ensure a safe work environment, promote employee health in the workplace and guarantee compliance with safety standards. Suitable measures must be taken to ensure protection against chemical, physical or mechanical hazards in the workplace. Furthermore, measures must be taken to prevent physical or mental fatigue, such as suitable work organisation with regard to working hours and rest periods. Above all, employees must be fully trained and instructed in their work.
- With reference to freedom from modern slavery, human trafficking, and child labour:
 - We expect you not to engage in activities involving forced labour, bonded labour or human trafficking and ensure that employment is freely chosen, and workers are free to leave employment at any time. This includes, but is not limited to, all work or services demanded of a person under threat of punishment and which they have not freely agreed to do.
 - We expect you not to confiscate workers' original IDs, nor to use work-paid recruitment fees; also to adhere to

D. We expect our Suppliers to create an open, safe and inclusive environment

- applicable laws in relation to minimum age and not employ child labour. In this respect, the age of employment should not be less than 15 years.
- With reference to wages, benefits and working hours:
 - We expect you to adhere to applicable laws with regard to working hours, wages and overtime pay and ensure overtime is voluntary. Moreover, withholding an appropriate wage, determined according to the regulations of the place of employment, is prohibited.
- With reference to freedom of association and collective bargaining:
 - We expect you to allow your workers to freely associate with others and join unions and bargain collectively without interference, discrimination, retaliation, or harassment, where the law permits.

Environmental protection

We are strongly committed to protecting the environment and to making our own contribution to the Sustainable Development Goals, established by the United Nations. We are continuously seeking to make our operations more sustainable, and we expect our suppliers and business partners to follow the same approach in their operations.

Our suppliers and business partners must take measures to ensure that their activities meet the applicable laws and regulations and limit the environmental impact of their operations. Our suppliers are strongly encouraged to:

- implement effective strategies to enhance energy efficiency, and to reduce their energy consumption and greenhouse gas emissions. Suppliers are required to track, document and be prepared to report their Scope 1, 2 and 3 emissions upon request. A GHG emissions reduction target should be set, and regular assessments conducted to identify GHG avoidance or reduction opportunities.
- continuously seek to improve resource efficiency, minimise consumption of resources, and increase waste recovery and recycling, thus supporting the transition to a circular economy.
- ensure sustainable use and protection of water resources throughout their facilities and operations.
- prevent pollution and comply with all applicable laws and regulations in relation to the restriction of specific chemicals in their products or operations.

Consideration for environmental protection is an important part of our business practice. We are committed to conducting our activities with due care for the environment (i.e. in accordance with the precautionary principle) and expect our Suppliers to:

Minimise the use of hazardous substances and scarce raw materials:

We expect you to prohibit (especially) the use of mercury in manufacturing processes (production, use, or treatment of waste). Furthermore, the production and use of chemicals listed under the Stockholm Convention are prohibited. Especially from a sustainability perspective, the consumption of scarce raw materials must be minimised in order to protect these resources.

Reduce negative environmental effects and pollutant emissions

We expect you to reduce the impact that your production plans, manufacturing processes and services have on the environment and reduce pollutant emissions while carefully handling the generated waste according to legal requirements and prohibiting harmful soil changes, water pollution, air pollution, noise emissions or excessive water consumption.

Support environmentally friendly technologies and protect the soil

We expect you to support and promote the development and use of green technologies in your corporate governance. Furthermore, you should not engage in the unlawful taking of land, forests and waters, or illegal development or use of them.

Reporting violations

Our success and reputation depend on us doing the right thing. At KPMG, we are committed to and promote an environment where our colleagues feel safe to speak up about ethical and professional concerns and we do not tolerate retaliation. We encourage colleagues to raise concerns as early as possible, and we commit to listening, acting and protecting them when they do. We want colleagues to be able to speak up in a safe environment about conduct or other issues that they believe to be unfair, unethical, discriminatory, illegal or otherwise reportable. We take a zero-tolerance approach to any retaliation against any individual (internal or external) who speaks up, and we are committed to fully supporting anyone who raises a genuine concern.

Within KPMG we have a long-standing requirement in our policies to report potentially illegal acts. The IESBA Code of Ethics also includes provisions about non-compliance with laws and regulations by clients and third parties acting under their direction. This applies to all laws and regulations, not just those you may expect to encounter in a professional context. If you come across a situation where you think a

KPMG client or third party have failed to comply with a law or regulation you need to notify KPMG at ro-fmreportingcompliance@kpmg.com. Suppliers and their employees also have the option of reporting unlawful and unethical acts via the KPMG International hotline: [KPMG International hotline - KPMG Global](#).



The commitments we expect from Suppliers:

We expect our Suppliers to promote and provide communication channels for their employees without them fearing retaliation. Employees should be able to use these channels to submit concerns or complaints or report possible unlawful acts that have occurred as a result of commercial activities in their own work environment or that of another supplier.

Reports must be treated confidentially and it should be possible for them to be submitted anonymously where permitted by law. Suppliers are required to carry out investigations based on the reports and, if necessary, take appropriate measures.

Contact

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