



Transparency Report

1 July 2019–30 June 2020

Translation of the Finnish original.



Reg. Domicile Helsinki
Business ID 0486406-8
PricewaterhouseCoopers Oy

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Introduction



We publish our transparency report under the EU Audit Regulation. In this report we provide information on our company and describe how we ensure our quality in audits and other assurance engagements.

Our purpose is to build trust in society and solve important problems. We are part of the global PwC network of firms in 155 countries with more than 284,000 people. We are committed to drive a strong culture of quality and excellence that is core to our purpose.

Mikko Nieminen
CEO
PricewaterhouseCoopers Oy

PricewaterhouseCoopers Oy is a Finnish company established in 1954, and it has the status of an audit firm. The services of our firm include management consultancy services, transaction services, tax and legal services, risk management services as well as audit and other assurance services.

This transparency report for our financial year ended 30 June 2020 has been prepared by virtue of the EU Audit Regulation No 537/2014, and the information included in it is as of the end of the financial year. This report together with its appendices includes the information required in Article 13 of the Regulation. The report is an important part of our communication with our clients, their boards and management as well as with investors, regulators and our other stakeholders.

Strategy and leadership

The strategy of our audit business has been created to respond to the challenges and opportunities of the future. Our annual planning serves as a tool to ensure that we are making the progress needed to deliver high quality services to our clients and meet the requirements of our stakeholders. Our leadership structure supports the achievement of our strategic goals.

Inherent in the purpose of our operations (Purpose) and in our strategy for our audit services (Assurance) is our commitment to audit quality. Delivering quality audits is the cornerstone of our business and key to maintaining the confidence of investors and other stakeholders.

The Leadership Team of our audit business includes partners who lead our audit business in various regions and business units.

In our audit services, there is also a Quality Office responsible for the development of audit quality, consisting of persons who have roles in managing our System of Quality Management (SoQM) and monitoring the implementation of initiatives for continuing development of audit quality. Leadership Team members and Quality Office members are available to support engagement leaders in making key decisions that have quality implications.

Discussions related to quality occur regularly, at partners and other staff meetings among other things. In these discussions, we focus on what we are doing well, and where we can continue to make enhancements.

We expect our partners and other staff to exhibit the core values

in their actions: Act with integrity, Make a difference, Care, Work together, and Reimagine the possible. Our values are communicated in our firm by our Territory Senior Partner, by the Leadership Team of our Audit and Other Assurance Services line of service and by the Quality Office. These messages are reinforced by engagement leaders in their activity.



Governance and organization

GOVERNANCE

PricewaterhouseCoopers Oy ('PwC Finland') is governed by effective legislation, the Articles of Association, and industry specific rules, guidelines and recommendations. The objective of our corporate governance principles is an open and transparent management style.

The governance bodies of PwC Finland are the Annual General Meeting, Board of Directors and Chief Executive Officer supported by the Territory Leadership Team, as well as the Equity Partner and Partner Meetings, Partner Committee and Nomination Committee. Governance policies are outlined in the charter of each governance body. In this report, references to leadership should be read as referring to operative leadership.

The Annual General Meeting

The Annual General Meeting ('AGM') is held by the end of December each year. The AGM makes decisions required by the Limited Liability Companies Act to be made by the AGM, and decides on the remuneration of the members of the Board of Directors and fees paid to the auditors. In addition, the AGM determines the fair value for the company's share, which is used in purchases and sales of shares in the following year.

In accordance with the Articles of

Association, the AGM elects annually the Board of Directors, its Chair and, where needed, a Vice chair. The Board of Directors has a minimum of five and a maximum of nine ordinary members. Their term ends at the next AGM.

Board of Directors

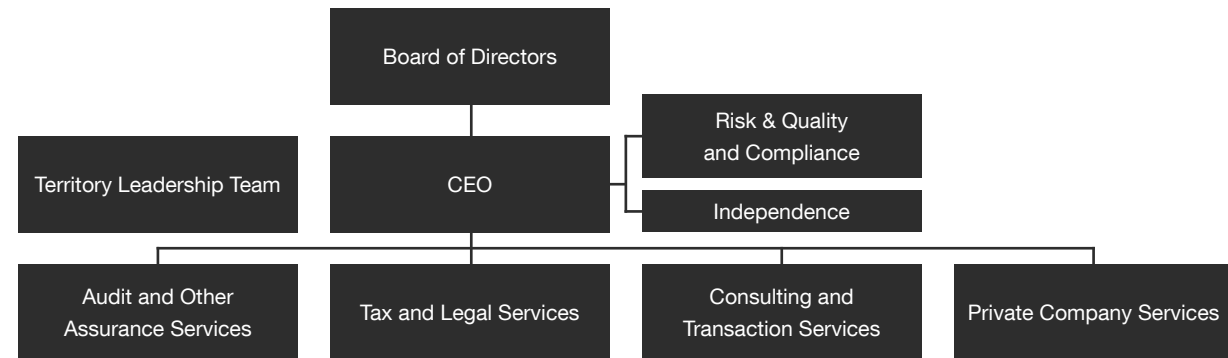
The Board of Directors ('The Board') is responsible for the company's governance and for appropriate organisation of its operations. The Board is also responsible for the appropriate organisation of the supervision of the company's financial accounts and asset management. The Board also approves the company's strategy, business plan and budget and monitors their implementation. The Board appoints the Chief Executive Officer ('CEO') and approves the appointment of the line of service

leaders and other members of the Territory Leadership Team. The CEO or other separately agreed person presents the matters to be discussed in the Board.

The majority of the members of the Board and any deputies, and the Chair and any Vice chair are auditors employed by the company.

In the financial year ended, the AGM of PwC Finland was held on 29 October 2019. Until the AGM, Ylva Eriksson (KHT), Markku Katajisto (KHT), Jaakko Kilpeläinen, Pekka Loikkanen (KHT, Chair), Timo Takalo (KHT), Kimmo Vilske and Martti Virolainen were members of the Board.

At the AGM of 29 October 2019, Ylva Eriksson (KHT), Markku Katajisto (KHT),



Merja Lindh (KHT), Janne Rajalahti (KHT), Simo Valtti, Kimmo Vilske and Martti Virolainen were elected as members of the Board. The AGM elected Janne Rajalahti (KHT) as the Chair of the Board.

The Board convened 18 times during the financial year and, in addition, took decisions once without convening. The Board assesses its performance and working practices annually as a self-assessment.

CEO

The CEO is responsible for the management of the company, the execution of the strategy and development of business in accordance with the instructions and orders of the Board. The

Territory Leadership Team supports the CEO. Starting from 1 July 2015, Mikko Nieminen (KHT) has acted as the CEO of the company.

Starting from December 2015, Mikko Nieminen has also acted as Territory Senior Partner ('TSP'), elected by the Equity Partner Meeting, who represents the company and the Equity Partners in the PwC network.

Territory Leadership Team

The primary task of the Territory Leadership Team is to assist the CEO in operative management and in executing the decisions of the Board. It has no authority based on law or the Articles of Association. The Territory Leadership Team guides and develops the company's operations in order to achieve the strategic objectives.

At the end of the financial year on 30 June 2020, members of the Territory Leadership Team were Markku Hakkarainen, Pasi Karppinen, Marko Korkiakoski, Kimmo Nieminen, Kauko Storbacka, Hannu Suonio, Kati Tam-milehto, and Leena Tiensuu. The CEO Mikko Nieminen acts as the Chairman of the Territory Leadership Team. The Territory Leadership Team convened 23 times during the financial year.

Partners

PwC Finland is owned by professionals working in the company. The rights and responsibilities of the Equity Partners

are defined in the Finnish Limited Liability Companies Act, the Articles of Association and the Equity Partner Agreement.

In addition to shareholders, i.e. Equity Partners, there is another class of partners: Associated Partners. The rights and responsibilities of Associated Partners are determined on the basis of the Partner Agreement. In Equity Partner and Partner Meetings, Equity Partners and Associated Partners participate in decision-making concerning issues referred to in the Equity Partner Agreement and Partner Agreement.

At the end of the financial year, there were a total of 91 partners in the company, of whom 45 were Equity Partners and 46 Associated Partners.

Partner Committee

The task of the Partner Committee is the preparation of issues relating to the remuneration of partners and partner policy and structure for the Board. The Partner Committee consists of the Chair of the Board, the CEO/TSP, the Chair of the Nomination Committee and two members elected by the Board from among themselves, who represent the partners as extensively as possible.

The Chair of the Board acts as the Chair of the Partner Committee. The members of the Partner Committee are not separately elected, except for the members elected by the Board from

among themselves, but serving on the Partner Committee is considered part of the larger job description in the tasks mentioned.

At the end of the financial year, members of the Partner Committee were Janne Rajalahti (Chair), Juha Laitinen, Mikko Nieminen, Simo Valtti and Kimmo Vilske.

Nomination Committee

It is the task of the Nomination Committee to prepare a proposal for the AGM on the number and identity of candidates for the Board, and the identities of the Chair and any Vice chair.

The Equity Partner Meeting elects four Equity Partners to the Nomination Committee; of these, one is elected as Chair and one as Vice chair. The Chair or members of the Board or the CEO/TSP cannot be members of the Nomination Committee. A member of the Nomination Committee cannot be a member of the Territory Leadership Team. The term of office of the members of the Nomination Committee lasts from one Equity Partner Meeting to the second next Equity Partner Meeting held in connection with the AGM, unless decided otherwise.

At the end of the financial year, members of the Nomination Committee were Juha Laitinen (Chair), Mikael Guarnieri, Mika Kaarisalo and Netta Mikkilä.

Basis for remuneration of partners

A reward scheme adopted by the Equity Partner Meeting is adhered to in the remuneration of partners, and its basic principles are similar throughout the entire PwC network. The Partner Committee decides on any changes to the reward scheme, and major changes are brought before the Board and the Equity Partner Meeting for approval.

The Partner Committee decides on the remuneration of partners. The Board decides on the remuneration of the members of the Partner Committee.

The partners are divided into different classes according to experience, skills and roles, and the reward scheme pays attention to the attainment of personal objectives set for each year, conformity to values, the partner's role in the organisation and the financial result of the company.

STRUCTURE

There have been no reorganisations.

Ownership

PwC Finland is owned by its shareholders employed by the company, i.e., Equity Partners, either directly or through companies fully owned by them. According to the Articles of Association, a majority of the votes carried by the shares of the company is held by auditors employed by the company or by audit firms.

Board of Directors at 30 June 2020



Janne Rajalahti
(Chairman of the Board)
KHT, Partner
b. 1964



Ylva Eriksson
KHT, Partner
b. 1969



Markku Katajisto
KHT, Partner
b. 1969



Merja Lindh
KHT, Partner
b. 1962



Simo Valtti
LL.M., Partner
b. 1980



Kimmo Vilske
M.Sc. (Tech.), Partner
b. 1970



Martti Virolainen
M.Sc. (Econ.), Partner
b. 1967

Territory Leadership Team at 30 June 2020



Mikko Nieminen
CEO
KHT, Partner
b. 1973



Markku Hakkarainen
Tax & Legal Services
Leader
LL.M., Partner
b. 1977



Pasi Karppinen
Assurance Leader
KHT, Partner
b. 1971



Marko Korkiakoski
Private Company
Services Leader
M.Sc. (Econ.), Partner
b. 1965



Kimmo Nieminen
Consulting Leader
MBA, BBA, Partner
b. 1974



Kauko Storbacka
Advisory Leader
M.Sc. (Econ.), Partner
b. 1979



Hannu Suonio
Markets Leader
M.Sc. (Tech.), Partner
b. 1972



Kati Tammilehto
Chief Operating Officer
M.Sc. (Econ.)
b. 1966



Leena Tiensuu
Human Capital Leader
LL.M., MBA
b. 1959

PwC network

Global Network

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited ('PwCIL') operate and provide professional services. PwC Finland is a member firm of PwCIL. Together, these firms form the PwC network. 'PwC' is often used to refer either to individual firms within the PwC network or to several or all of them collectively.

The PwC network consists of firms which are separate legal entities, and it is not a global partnership, a single firm, or a multinational corporation.

PricewaterhouseCoopers International Limited

The firms that make up the network are committed to working together to provide quality services for clients throughout the world. Firms in the PwC

network are members in, or have other connections to, PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee. PwCIL does not practice accountancy or provide other services to clients. Rather its purpose is to act as a coordinating entity for member firms in the PwC network. Focusing on key areas such as strategy, brand, and risk and quality, the network Leadership Team and Board of PwCIL develop and implement policies and initiatives to achieve a common and coordinated approach amongst individual member firms where appropriate. Member firms of PwCIL can use the PwC name and draw on the resources and methodologies of the PwC network. In addition, member firms may draw upon the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms are bound to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

The PwC network is not one international partnership, and PwC member firms are not otherwise legal partners with each other. Many of the member firms have legally registered names which contain 'PricewaterhouseCoop-

ers', however there is no ownership by PwCIL. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL, or any other member firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions. PwCIL has no right or ability to control member firm's exercise of professional judgement.

A list of audit firms and statutory auditors belonging to the PwC network in the area of EU/EEA is disclosed in Appendix 1. Total turnover achieved by audit firms and statutory auditors from EU/EEA Member States that are members of the PwC network, resulting, to the best extent calculable, from the statutory audit of annual and consolidated financial statements is approximately €3.2 billion. This represents the turnover from each entity's most recent financial year converted to Euros at the exchange rate prevailing as of 30 June 2020.



Leadership responsibilities and accountability for quality

Promotion of a quality-oriented internal culture

Territory Senior Partner ('TSP') Mikko Nieminen and Territory Assurance Leader ('TAL') Pasi Karppinen assume the ultimate responsibility for the system of quality management in our audit business. The TSP and TAL promote a quality-oriented internal culture by clear, consistent and frequent messages that emphasise our quality management policies and procedures. The messages encourage a culture that recognises and rewards high-quality work. These messages are communicated, among other things, in training sessions, meetings, formal and informal dialogue, and newsletters.

Our business strategy is subject to the overriding principle for us to achieve quality in all the engagements that we perform. We have established policies and procedures that address performance evaluation, compensation and promotion (including incentive systems) of personnel. We assign leadership responsibilities so that commercial considerations do not override the quality of work performed and we provide sufficient resources for the continuous development, documentation and support of our quality management policies and procedures.

The results of our people surveys reflect our strong quality oriented culture and successful communication by management in the Audit and Other Assurance Services line of service. The people survey results are carefully analysed by leadership, and partners and other staff are invited to take part in this analysis. Results are communicated through internal newsletters and discussed in staff meetings.

Ensuring audit quality during the COVID-19 pandemic

The COVID-19 pandemic has had an unprecedented impact on our clients and our people, as well as global and local economies and broader society.

At PwC, in addition to safeguarding the health, safety and well-being of our people, we have remained focused on working together as a network, with our clients and other stakeholders to continue to deliver audit quality.

From the early stages of the pandemic, the PwC network put a team in place to monitor developments globally and to highlight areas of critical importance to ensure we did not compromise on audit quality. We leveraged the guidance developed by the PwC network and established our own local COVID-19 team to provide clear and consistent

guidance to our audit teams to ensure audit quality considering each client's unique circumstances.

Our response to the challenges caused by the pandemic was comprehensive. It covered all aspects of audit quality, including regulatory and standard setting updates, auditor reporting, methodology, accounting standards, and training.

Our teams transitioned quickly and seamlessly to working remotely. Our technology infrastructure and tools, which have been in place for a number of years, enabled our people to continue to carry out their work uninterrupted despite the significant change in our physical work environment.

The impact of the COVID-19 continues to evolve and change. We are continuing to monitor, assess and respond to the resulting risks in our audits.

Identification of and responding to risks to quality

We have established audit quality indicators that our leadership follows up regularly. These indicators are designed so that they, among other things, enable us to identify risks to audit quality. When risks are identified, an action plan to address the risks is made and executed by the leaders of the quality

functions or business unit leaders, depending on who is responsible for the matter in question.

In our audit business, regional audit business leaders and business unit leaders report quarterly to the TAL on their audit quality enhancement actions including any risks to audit quality they may have identified. Leaders of the quality functions also discuss any additional risks they may have identified and responses to those risks in Quality Office meetings.

Any actions deemed necessary to respond to identified risks are incorporated in our annual quality improvement plan unless already covered in it. Our Quality Improvement Plan is updated as needed. Deadlines are set for all actions, and the actions are assigned to relevant persons. We monitor the implementation of quality improvement actions monthly, and progress is reported to the leadership as well as to the PwC network.

Recognition and Accountability Framework

The Recognition and Accountability Framework ('RAF') is a framework that we use in performance evaluation of our leadership, audit partners and other engagement leaders in respect to

quality-related considerations. The RAF applies to TSP, TAL, audit business unit leaders, leaders of the quality functions and all engagement leaders of assurance engagements as well as to Quality Review Partners ('QRP') performing engagement quality control reviews.

The Framework is designed to motivate people by recognising good quality and appropriate behaviour patterns and to improve quality by responding to any negative indications regarding audit quality. Response to negative quality indications is subject to case by case consideration of facts and circumstances. A range of sanctions and remediating actions are used as necessary. Applying the RAF may have a considerable positive or negative effect on the variable portion of pay.



Ethical requirements

At PwC, we adhere to the fundamental principles of the IESBA (International Ethics Standards Board for Accountants) Code of Ethics for Professional Accountants, which are: integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In addition, the PwC network standards, which are applicable to all PwC network member firms and which we adhere to, provide guidance on a variety of areas including professional ethics and business conduct, independence, anti-competition, anti-money laundering, anti-corruption, information protection, firm's and partners' taxation, sanctions laws, internal audit and insider trading.

We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. Partners and other staff undertake regular mandatory training and related tests and submit annual compliance confirmations, as part of the activities to support appropriate understanding of the ethical requirements under which we operate. The leadership of PwC Finland monitors compliance with our policies.

We comply with the global PwC Code of Conduct. All members of our personnel are required to acquaint themselves with the Code of Conduct as well as to complete the Living the Code virtual training.

They are expected to live by our values in the course of their professional careers.

The way we do business

The Ethics Leader is charged with making sure that partners and other staff are aware of the Code of Conduct through trainings and communications. Any complaints and allegations relating to non-compliance with the network policies and procedures can be submitted directly to the Ethics Leader or via a web-based link. The web-based link is available both to internal and external stakeholders. Complaints and allegations can also be made anonymously. The Ethics Leader will investigate any complaints or allegations.

Objectivity and independence

As auditors and providers of other types of professional services, PwC member firms, and their partners and other staff are expected to comply with the fundamental principles of objectivity, integrity and professional behaviour.

In relation to assurance clients, independence underpins these principles. Compliance with these principles is fundamental to serving the capital markets and our clients.

The PwC Global Independence Policy, which is based on the IESBA Interna-

tional Code of Ethics for Professional Accountants, including International Independence Standards, contains minimum standards with which PwC member firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.

PwC Finland has a designated partner (known as the 'Partner Responsible for Independence', 'PRI') with appropriate seniority and standing, who is responsible for implementation of the PwC Global Independence Policy including managing the related independence processes and providing support to the business. The Partner is supported by a team of independence specialists. The PRI reports directly to the Territory Senior Partner.

Independence policies and practices

The PwC Global Independence Policy covers, among others, the following areas:

- Personal and PwC Finland independence, including policies and guidance on the holding of financial interests and other financial arrangements, e.g. bank accounts, loans and pension schemes by partners, staff, and PwC Finland;
- Non-audit services and fee arrangements. The policy is supported by

Statements of Permitted Services ('SOPS'), which provide practical guidance on the application of the policy in respect of provision of non-audit services to audit clients and related entities;

- Business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and purchasing of goods and services acquired in the normal course of business, and
- Acceptance of new audit and assurance clients, and the subsequent acceptance of non-assurance services for those clients.

In addition, there is a Network Risk Management Policy governing the independence requirements related to the rotation of key audit partners. We also comply with the requirements in the EU Audit Regulation and in the local legislation related to the rotation requirements.

These policies and processes are designed to help PwC comply with relevant professional and regulatory independence requirements that apply to the provision of assurance services. Policies and supporting guidance are reviewed and revised where needed, for example when laws and regulations are amended, or in response to changes in



our business.

PwC Finland supplements the PwC Network Independence Policy as required by provisions and regulations, including the Finnish Auditing Act, the EU Audit Regulation and the requirements of the United States Securities and Exchange Commission (SEC) and the Public Accounting Oversight Board (PCAOB) where they are more restrictive than the network's Independence Policy.

Independence-related tools

As a member of the PwC network, PwC Finland has access to a number of systems and tools which support the member firms of the network and their personnel in executing and complying with our independence policies and procedures. These include:

- The Central Entity Service ('CES'), which contains information about corporate entities including public interest (PIE) audit clients and SEC restricted clients and securities related to them. CES assists in determining the independence restriction status of clients of the member firm and those of other PwC member firms before entering into a new non-audit engagement or business relationship. The system also feeds Independence Checkpoint and Authorisation for Services System;
- Independence Checkpoint, which facilitates the pre-clearance of publicly traded securities by our partners and practice managers before acquisition and records their subsequent purchases and disposals. Where a PwC member firm wins a new audit client, this system automatically informs those holding securities issued or guaranteed of that client, recorded in Independence Checkpoint, of the requirement to sell the security where required;
- Authorisation for Services ('AFS') which is a global system that facilitates communication between a non-audit services engagement leader and the audit engagement leader, regarding a proposed non-audit service, documenting the analysis of any potential independence threats created by the service and proposed safeguards, and acts as a record of the audit partner's conclusion on the acceptability of the service; and
- Global Breaches Reporting System, which is designed to be used to report any breaches of external independence regulations (e.g. those set by regulation or professional requirements) where the breach has cross-border implications (e.g. where a breach occurs in one territory but affects our independence in another territory).

PwC Finland also has a few Finland-specific systems, which include:

- A rotation tracking system, with which we monitor compliance with the policies regarding the mandatory rotation;
- A list of all approved joint business relationships entered into by PwC Finland.

Independence training and confirmations

PwC Finland provides all partners and practice staff with regular on-going training on independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services. Additional classroom training is delivered to members of the practise on an as-needed basis by PwC Finland's independence team.

All partners and practise staff are required to complete an annual compliance confirmation, whereby they confirm their compliance with relevant aspects of PwC Finland's independence policy, including their own personal independence. In addition, all partners confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required procedures have been

followed in accepting these engagements and business relationships. These annual confirmations are supplemented by engagement level confirmations for assurance clients.

Independence monitoring and disciplinary policy

PwC Finland is responsible for monitoring the effectiveness of its system of quality management when managing compliance with independence requirements. In addition to the confirmations described above that support this monitoring, we perform:

- compliance testing of independence controls and processes;
- personal independence compliance testing of a random selection of, at a minimum, partners and practice managers as a means of monitoring compliance with independence policies; and
- an annual assessment of PwC Finland's adherence with the PwC network's standard relating to independence.

The results of PwC Finland's monitoring are reported annually to the firm's leadership and Board.

PwC Finland has disciplinary policies and mechanisms in place that promote

compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed.

This would include discussion with the client's audit committee regarding the nature of the breach, an evaluation of the impact of the breach on the independence of the firm and the need for safeguards to maintain objectivity. Although most breaches are minor and attributable to an oversight, all breaches are taken seriously and investigated as appropriate. The investigations of any identified breaches of independence policies also serve to identify the need for improvements in systems and processes and for additional guidance and training.

We confirm that during the past financial year we have evaluated compliance with independence policies and procedures.

Acceptance and continuance of client relationships and specific engagements

Policy for accepting and continuing audit client relationships

Our policies and procedures for accepting client relationships and audit engagements help us consider whether we are competent to perform the engagement and have the necessary time and resources, whether we can comply with relevant ethical requirements,

including independence, and whether we have appropriately considered the integrity of the client. We reassess these considerations in determining whether we should continue with the client engagement. The policies and procedures also guide us where we decide to withdraw from an engagement or a client relationship.

Client and Engagement Acceptance and Continuance

The procedures relating to the acceptance and continuance of clients and engagements are performed digitally. The systems are developed by the PwC network, and they facilitate a determination by the engagement team, our leadership and risk management specialists of whether the risks related to a client are manageable, and whether PwC is willing to maintain the client relationship. The systems help the engagement team and PwC:

- to document their consideration of matters related to acceptance and continuance of clients and engagements, for example to identify and document issues or risk factors and their resolution

- to obtain an overall understanding of the risks associated with accepting and continuing with clients and engagements

Before accepting a new client or engagement, we perform, among others, the following procedures:

- exploration of conflicts of interest
- anti-money laundering procedures
- independence assessment.

Any issues that arise are resolved as required by the circumstances.



Human resources

PwC Professional

Our competency framework, PwC Professional, describes the essential competency requirements for each career level. Its Technical Capabilities section contains business and role specific skills and competencies. This framework is used to support training planning and grade progression.

Learning and education

We confirm that we have a policy for continuing professional education for auditors.

To ensure consistency of the quality of audits, a training curriculum covering the PwC audit approach has been developed and is maintained by the network. It also provides tools as well as updates on changes in auditing standards and their implications.

This training is delivered using blended classroom learning and by utilising virtual tools. This learning program supports our commitment to audit quality and ensures that our practitioners have the opportunity to sharpen their professional judgement and scepticism, as well as their technical and professional skills.

The Learning & Education Leader of our Audit and Other Assurance Services considers what training, in addition to that provided by the network, is needed to address specific local needs. This training is arranged for several areas, such as audit regulation, good auditing practice and International Standards on Auditing, internal control, independence requirements, accounting regulation and good accounting practice, company law, and taxation. The contents of the training may be provided by PwC Finland, PwC network or third party providers.

Resource management

Based on our strategic and annual business plans and known engagements, we create a staffing plan. It is compared with current resources and expected staff turnover. These form a basis for an annual recruitment plan. The assignment to teams is done based on competencies and specific needs in each engagement.

Remuneration

Both qualitative and quantitative indicators are used in the evaluation and remuneration of personnel. Quality considerations are also taken into account in the remuneration.



Engagement performance

PwC Audit

As a member of the PwC network, we are using PwC Audit, a common audit methodology and process of the network. This methodology is based on the International Standards on Auditing ('ISAs'), with additional PwC policy and guidance provided where appropriate.

Our common audit methodology provides the framework to enable the PwC network member firms to consistently comply in all respects with applicable professional standards, regulations and legal requirements.

The PwC Audit Guide along with PwC's technology-based audit support tools and templates support engagement teams in conducting assurance and related services engagements.

Aura Platinum

In performing an audit we use Aura Platinum, which is our global technologically advanced audit documentation system.

Our audit work is planned, executed and documented using Aura Platinum. It supports teams in applying our

methodology effectively, by creating a transparent linkage between risks identified and the work done to address those risks, as well as providing comprehensive project management capabilities.

Advanced audit technology

We continue to invest in audit technology that improves the quality of audits and enhances our ability to provide insights to our clients. Aura Platinum is complemented by a series of technology-based audit support tools and templates which are accessible via a range of electronic devices ranging from PCs to smartphones. These tools increasingly integrate with Aura Platinum, populating audit evidence directly into Aura Platinum. The main tools are Connect Suite and Halo.

Connect Suite consists of tools developed for team work to direct the workflow, providing fast, efficient and secure information sharing at every stage of the audit, both with the client and with audit teams operating in different countries.

- Connect is a tool that allows us to monitor the status of requests and information provided between our clients and the engagement team on a real time basis.

- Connect Audit Manager streamlines, standardises and automatises the coordination of the group audit team and the component audit teams relating to group audits and statutory audits in different countries. Connect Audit Manager provides a single digital platform to see all outbound and inbound work. It completely digitalises the coordination process, enhancing transparency, compliance and quality in complicated group audits.

Halo is our market-leading data auditing technology that allows us to identify and assess risks and determine where to focus audit efforts. Halo tests and analyses huge volumes of business-critical data, analysing whole populations. It can spot and visualise anomalies and trends in financial information, enabling us to analyse patterns and trends, identify unusual and high risk transactions, and provide valuable insights to our teams and our clients.

Key engagement performance policies

PwC Finland has policies and procedures to support engagement performance. These are regularly updated to reflect changes in our operating environment, as well as to meet the needs of PwC Finland.



Review and supervision

The engagement leader and senior engagement team members supervise the audit, review the work done, direct the team and maintain audit quality at the engagement level. Our audit software, Aura Platinum, is designed to help team members track the progress of the engagement and therefore make sure that all work has been completed, that work is reviewed by the relevant individuals including the engagement leader, and, where relevant, the engagement quality control reviewer (Quality Review Partner). Aura Platinum also helps us ensure that all matters arising have been appropriately addressed.

In addition to reviews by the engagement leader and senior engagement team members, all staff are expected to critically self-review their own work to make sure that it meets the relevant requirements.

Consultation

Consultation is key to ensuring audit quality. PwC Finland has policies setting out the circumstances under which consultation on matters relating to accounting, auditing and risk management, amongst others, is required.

Our experts track new developments in relevant areas and communicate changes to the personnel. Our consultative culture also means that our engagement

teams consult with each other on an informal basis, as well as with experts and others, in situations where consultation is not formally required.

Engagement quality control review

We appoint a Quality Review Partner ('QRP') to conduct engagement quality control reviews of, inter alia, the audit engagements of public interest entities. QRPs are experienced individuals who are independent of the core engagement team. They receive training for their task.

The QRP is responsible for reviewing key aspects of the audit including independence, significant risks and responses to these risks, judgements, uncorrected misstatements, documentation of work done in the areas reviewed, the financial statements, communication with those charged with governance, and the appropriateness of the audit report to be issued. QRPs are involved in different phases of the audit process and the QRP challenges the audit team in the judgements they have made and the work done.

Differences of opinion

PwC Finland has policies to resolve the situations where a difference of opinion arises between the engagement leader and either the QRP, another partner or e.g. the Risk Management function.

Monitoring and continuous quality improvement

INTERNAL QUALITY CONTROL

Role and objective

The objective of our monitoring process is to provide us with reasonable assurance that the policies and procedures relating to the system of quality management are relevant and adequate, and they are operating effectively.

Monitoring

Quality is a central element in the strategy of our audit business. Responsibility for appropriate quality management lies with the leadership of PwC Finland. This includes the design and operation of an effective System of Quality Management (SoQM) that is responsive to our specific risks to delivering quality audit engagements, using the PwC network's QMSE framework (Quality Management for Service Excellence).

The System of Quality Management includes effective monitoring processes aimed at evaluating whether the policies and procedures, which constitute our system, are designed appropriately and operating effectively.

PwC Finland's monitoring program is based on a consistent PwC network-wide inspections program based

on international professional standards relating to quality control including ISQC 1 and includes policies, procedures, tools and guidance used by the PwC network member firms. There is a central team to coordinate the PwC network level inspection program to review the design and operating effectiveness of our SoQM. The use of a central team enables a consistent and effective performance of reviews across the PwC network.

The monitoring processes of PwC Finland also include a review of completed engagements (Engagement Compliance Reviews, ECR) and an ongoing assessment of the design and effectiveness of our System of Quality Management. The results of the monitoring process form the basis for the continuous development of our System of Quality Management.

ECRs are risk-focused reviews of completed audit and other assurance engagements. The review assesses whether an engagement was performed in compliance with the policies and procedures relating to the engagements. Authorised public accountants and other persons responsible for engagements are subject to the reviews regularly.

The review teams consist of experienced auditors and experts. The individuals involved in the review work receive training to support them in fulfilling their responsibilities. They utilise a range of checklists and tools developed by the PwC network when conducting quality review procedures.

The results of the quality reviews are reported to the leadership, who are responsible for analysing the findings and implementing remedial actions. The results are also reported to the Board, who are responsible for appropriate arrangement of our firm's operations.

The results of quality reviews are assessed at the level of an individual engagement and upwards in the chain of command. Further actions to be taken are determined case-by-case in accordance with the Recognition and Accountability Framework of PwC Finland.

The results of the quality reviews and the actions decided upon based on the results are communicated to partners and other staff. The actions decided to be taken are implemented according to a plan.

Root cause analysis

We perform analyses to identify



potential factors contributing to audit quality so that we can take actions for continuous development. One of our primary objectives when conducting such analyses is to identify how we can provide the best possible environment for our engagement teams to deliver a quality audit. We look at engagements that meet the requirements, as well as those with findings—whether identified through our own internal review process or through external inspections—to identify possible distinctions and learning opportunities.

In the root cause analysis we consider factors relevant to technical knowledge, direction and review, professional scepticism, engagement resources, and training, among others. Potential causal factors are identified by evaluating engagement information, performing interviews, and reviewing audit working papers, as appropriate to understand the factors that may have contributed to audit quality.

The Board assesses that PricewaterhouseCoopers Oy's System of Quality Management is operating effectively and provides us with reasonable assurance that we comply with professional standards and applicable legal and regulatory requirements, and that reports issued by us are appropriate in the circumstances. Review findings and other findings as well as initiatives for development relating to our System

of Quality Management are taken into account when further developing our system.

EXTERNAL QUALITY CONTROL

PwC Finland is subject to oversight by the Finnish Patent and Registration Office ('PRH') Auditor Oversight pursuant to the Finnish Auditing Act.

PwC Finland audits, inter alia, public interest entities (PIE), and therefore PRH Auditor Oversight carries out a quality assurance review on PwC Finland at least every three years. The scope of the quality assurance review covers assessment and testing of our System of Quality Management as well as assessment of the contents of the transparency report based on the EU Audit Regulation No 537/2014.

PwC Finland is also registered with the US Public Company Accounting Oversight Board (PCAOB). The PCAOB is the regulator for the audits of public companies with securities listed in the US. As a result of this registration, PwC Finland is also subject to oversight by the PCAOB. The PCAOB has carried out a quality assurance review on PwC Finland every three years since 2013.

In addition, PwC Finland is registered with the Financial Services Agency in Japan (JFSA). The oversight authority has not given notice on any quality

assurance reviews possibly to be carried out on PwC Finland.

The most recent PRH Auditor Oversight quality assurance review was undertaken in PwC Finland in October 2019 (the quality assurance review referred to in Article 26 of the EU Audit Regulation No 537/2014). Based on the cooperation agreement between PRH and the PCAOB, this quality assurance review was carried out jointly by the PRH Auditor Oversight and the PCAOB. Decisions on these quality assurance reviews have not been issued yet.

The previous corresponding PRH Auditor Oversight quality assurance review on PwC Finland was undertaken in the autumn of 2016. Also this quality assurance review was carried out jointly by the PRH Auditor Oversight and the PCAOB. The PRH Auditor Oversight gave the decision and the report on the quality assurance review in November 2017. The PCAOB issued its report on the quality assurance review in December 2017.

In addition to a quality assurance review on an audit firm, a quality assurance review is carried out on each authorised public accountant by the PRH Auditor Oversight at least every three or six years, depending on whether or not the authorised public accountant audits PIE entities.

Helsinki, 29 October 2020

PricewaterhouseCoopers Oy
Authorised Public Accountants



Janne Rajalahti
Chairman of the Board



Mikko Nieminen
Chief Executive Officer

Appendix 1: Audit firms and statutory auditors belonging to the PwC network in the area of EU/EEA

Below is a listing of audit firms and statutory auditors belonging to the PwC network in the area of EU/EEA as of 30 June 2020.

Austria

- PwC Wirtschaftsprüfung GmbH, Wien
- PwC Oberösterreich Wirtschaftsprüfung und Steuerberatung GmbH, Linz
- PwC Kärnten Wirtschaftsprüfung und Steuerberatung GmbH, Klagenfurt
- PwC Steiermark Wirtschaftsprüfung und Steuerberatung GmbH, Graz
- PwC Salzburg Wirtschaftsprüfung und Steuerberatung GmbH, Salzburg
- PwC Österreich GmbH, Wien

Belgium

- PwC Bedrijfsrevisoren bcva/Reviseurs d'Entreprises scrl

Bulgaria

- PricewaterhouseCoopers Audit OOD

Croatia

- PricewaterhouseCoopers d.o.o

Cyprus

- PricewaterhouseCoopers Limited

Czech Republic

- PricewaterhouseCoopers Audit s.r.o

Denmark

- PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Estonia

- AS PricewaterhouseCoopers

Finland

- PricewaterhouseCoopers Oy

France

- PricewaterhouseCoopers Audit
- PricewaterhouseCoopers Entreprises
- PricewaterhouseCoopers France
- PricewaterhouseCoopers Services France

- PwC Entrepreneurs Audit
- PwC Entrepreneurs Audit France
- PwC Entrepreneurs CAC
- PwC Entrepreneurs CAC France
- PwC Entrepreneurs Commissariat aux Comptes
- PwC Entrepreneurs Commissariat aux Comptes France
- PwC Entrepreneurs France
- PwC Entrepreneurs Services
- Expertise et Audit Lafarge
- M. Philippe Aerts
- M. Jean-François Bourrin
- M. Jean-Laurent Bracieux
- M. Didier Brun
- M. Anouar Lazrak
- Mme Elisabeth L'Hermite
- M. François Miane
- M. Yves Moutou
- M. Claude Palméro
- M. Pierre Pégaz-Fiornet
- M. Antoine Priollaud

Germany

- PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
- Wibera WPG AG

Gibraltar

- PricewaterhouseCoopers Limited

Greece

- PricewaterhouseCoopers Auditing Company SA

Hungary

- PricewaterhouseCoopers Könyvvizsgáló Kft.

Iceland

- PricewaterhouseCoopers ehf

Ireland

- PricewaterhouseCoopers

Italy

- PricewaterhouseCoopers SpA

Latvia

- PricewaterhouseCoopers SIA

Liechtenstein

- PricewaterhouseCoopers GmbH, Vaduz

Lithuania

- PricewaterhouseCoopers UAB

Luxembourg

- PricewaterhouseCoopers, Société coopérative

Malta

- PricewaterhouseCoopers

Netherlands

- PricewaterhouseCoopers Accountants N.V.
- Coöperatie PricewaterhouseCoopers Nederland U.A

Norway

- PricewaterhouseCoopers AS

Poland

- PricewaterhouseCoopers Polska sp. z o.o.
- PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.
- PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k.

Portugal

- PricewaterhouseCoopers & Associados-Sociedade de Revisores Oficiais do Contas Lda

Romania

- PricewaterhouseCoopers Audit S.R.L.

Slovak Republic

- PricewaterhouseCoopers Slovensko, s.r.o.

Slovenia

- PricewaterhouseCoopers d.o.o.

Spain

- PricewaterhouseCoopers Auditores, S.L.

Sweden

- PricewaterhouseCoopers AB
- Öhrlings PricewaterhouseCoopers AB

UK

- PricewaterhouseCoopers LLP
- James Chalmers
- Katharine Finn

Appendix 2: Public interest entities

Below is a listing of public interest entities (the Finnish Accounting Act 1336/1997) for which PricewaterhouseCoopers Oy, or an Authorised Public Accountant employed by it, carried out a statutory audit (i.e. issued an audit report) between 1 July 2019 and 30 June 2020.

- Alma Media Oyj
- Altia Oyj
- Apetit Oyj
- Aspocomp Group Oyj
- Atria Oyj
- Biohit Oyj
- Cargotec Oyj
- Componenta Oyj
- Enento Group Oyj ⁽¹⁾
- Evli Pankki Oyj
- Ferratum Oyj
- Fingrid Oyj
- Finnair Oyj
- F-Secure Oyj
- Harvia Oyj
- Jokioisten Osuuspankki
- Kamux Oyj
- Kesko Oyj
- Kesälahden Osuuspankki ⁽²⁾
- KONE Oyj
- Kosken Osuuspankki
- Laihian Osuuspankki
- Metso Outotec Oyj
- Neste Oyj
- Niinijokivarren Osuuspankki
- Nixu Oyj
- Nokia Oyj
- Nordea Bank Abp
- Nordea Henkivakuutus Suomi Oy
- Nordea Kiinnitysluottopankki Oyj
- Nordea Rahoitus Suomi Oy
- Nordea Vakuutus Suomi Oyj
- Outokumpu Oyj
- Ovaro Kiinteistösijoitus Oyj
- Panostaja Oyj
- Pohjois-Savon Osuuspankki
- Pohjolan Voima Oyj
- Ponsse Oyj
- Rantasalmen Osuuspankki
- Raute Oyj
- Rymättylän Osuuspankki
- Sanoma Oyj
- SRV Yhtiöt Oyj
- Stora Enso Oyj
- Sunborn Finance Oyj
- Sunborn London Oyj
- Suomen Asuntopoppankki Oy
- Suomen Hypoteekkiyhdistys
- Suur-Savon Osuuspankki
- Teollisuuden Voima Oyj
- Tokmanni Group Oyj
- UPM-Kymmene Oyj
- Valion Keskinäinen Vakuutusyhtiö
- Valmet Oyj
- Verkkokauppa.com Oyj
- Vihannin Osuuspankki
- Viking Line Abp
- Wärtsilä Oyj Abp
- YIT Oyj

1) Previously Asiakastieto Group Oyj

2) The company has ceased operations 1.5.2020

Appendix 3: Financial information

Financial information on the extent of activities

PwC Finland's total turnover in the financial year ended 30 June 2020 was EUR 159.0 million, divided as follows:

	2020 M€	2019 M€
Revenues from the statutory audit of annual and consolidated financial statements of public interest entities and entities belonging to a group of undertakings whose parent undertaking is a public interest entity	34.6	32.3
Revenues from the statutory audit of annual and consolidated financial statements of other entities	35.6	39.1
Revenues from permitted non-audit services to entities that are audited by the audit firm	31.3	31.8
Revenues from non-audit services to other entities	57.5	60.6
Total	159.0	163.8

The company's financial information is presented in more detail in the financial statements published on PwC Finland's website at www.pwc.fi/en/about-us/publications.html.

