



# Transparency Report 2019

EY Greece



Building a better  
working world

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More information about EY can be found at [ey.com](https://www.ey.com).

**Message from the  
Country Managing  
Partner and the EY  
Greece Assurance  
Leader**



Welcome to the *2019 Transparency Report* of Ernst & Young (Hellas) Certified Auditors Accountants S.A. ("EY Hellas"). We believe that how we advance sustainable audit quality, manage audit risks and maintain our independence as auditors should be transparent to our stakeholders. We value regular dialogue, and this report is one of the ways in which we advise our stakeholders on what we are doing in each of these areas.

Executing high-quality audits continues to be our top priority and is at the heart of our commitment to serve the public interest. It enables us to grow the global EY network successfully and responsibly, while achieving our purpose of building a better working world. Auditors play a vital role in the functioning of capital markets by promoting transparency and supporting investor confidence. Companies, regulators and other stakeholders count on us to deliver excellence in every engagement.

We are focused on investing in tools to improve what we do, creating the highest-performing teams, and building trust and confidence in the audits we perform.

EY Hellas' reputation is based on and grounded in providing high-quality professional audit services objectively and ethically to every company we audit.

We embrace the transparency objectives of the European Union's 8th Company Law Directive, EU Regulation 537/2014 and Law 4449/2017, which require Greek statutory auditors of public interest entities (PIEs) to publish annual transparency reports.

The *2019 EY Hellas Transparency Report* complies with the Directive, EU Regulation 537/2014 and Law 4449/2017, and covers the fiscal year ending 30 June 2019. In this report, you can learn more about our internal quality control system; how we instill professional values; how we perform an audit; our review and consultation processes; our approach to audit quality reviews; and our independence practices.

EY Hellas is focused on enhancing audit quality and upholding our independence, informed by several matters, including external and internal inspection results. Continuous improvement of audit quality requires us to challenge approaches to audit execution, and we focus on this by evaluating all inspection findings and taking responsive actions.

The need for trust and confidence in financial reporting in our capital markets has never been greater, and auditors play an important role in this regard.

As a result of our internal procedures on internal control system of EY Hellas, we consider this as effective. Furthermore, all policies relating to independence described in this Transparency Report have been followed and internal review procedures have been performed with respect to the independence compliance for all statutory audit engagements.

At EY, we apply all components and initiatives of the Global Sustainable Audit Quality program, with continuous emphasis on initiatives implemented in prior year around audit milestones, archiving, Root Cause Analysis, continuous education monitoring compliance etc.

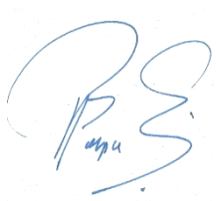
We are closely following up on the developments in our profession, including the launch of new technologies in the audit process, and the increase of standardization, simplification and accountability. During this year, we expanded the operation of the internal audit shared service centre (central audit unit - hub) which aims to support all audit teams in a large number of audit tasks, thus increase the rate of standardization. Except for standardization and centralization, this operational unit also focuses to the introduction of innovation in the audit process through the use of existing and new technologies and the massive penetration of Data Analytics techniques in the core audit process. Our aim is to continue drive a direct positive impact on quality through this initiative.

We are exploring new methods of training with the aim to increase the effectiveness and the flexibility of the learning process. We make available all different methods and types of training to our professionals through different training channels. We are working very closely with all associations and institutes and with our training partners and actively support them in their initiatives.

We aim to maintain open dialogue with all stakeholders of the audit profession in the country, including regulators, professional associations, universities, our employees and our clients.

We encourage all our stakeholders – including our clients and their investors, audit committee members and regulators – to continue to engage with us on our strategy as well as any of the matters covered in this report.

For Ernst & Young (Hellas)  
Certified Auditors Accountants S.A.



Panagiotis I. K. Papazoglou  
Country Managing Partner



Vassilios Kaminaris  
Country Assurance Leader

**EY's purpose: building a better working world**

EY is committed to doing its part in building a better working world.

The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to stakeholders. In so doing, we play a critical role in building a better working world for our people, our clients and our communities.



## Legal structure, ownership and governance

In Greece, Ernst & Young (Hellas) Certified Auditors Accountants S.A. is a Societe Anonyme organized in Athens, Greece and is a member firm of Ernst & Young Global Limited, a UK company limited by guarantee (EYG). EY refers collectively to the global organization of the member firms of EYG.

EY Hellas was incorporated as a Greek Societe Anonyme on 7 December 1990. Its registered seat is located in Marousi Attica (Address: Chimarras Street n. 8B).

EY Hellas is registered in the registries of the Prefecture of Attica, General Directorate of Development, Region of North Athens, Directorate of Development, Department for Societes Anonymes, with the registration number: 23013/01/B/90/ 394/ (2002).

Furthermore, EY Hellas is registered in the General Registry of Companies (GEMI) with the registration number 000710901000 and with the Body of Certified Auditors Accountants of Greece with registration number 107.

### Ownership Structure

The shares of EY Hellas are registered, undivided and restricted, according to art. 6 of its Articles of Association. The restriction consists of the provision by the shareholders' meeting of the company of its approval prior to any transfer.

The shareholders of EY Hellas are the following:

1. The legal entity under the trade name "ERNST & YOUNG SOUTHEAST EUROPE PUBLIC LIMITED", a company established under the laws of Cyprus, with its registered seat at 6 Stasinou Avenue, Jean Nouvel Tower, 1511 Nicosia, Cyprus.

Shareholders of "ERNST & YOUNG SOUTHEAST EUROPE PUBLIC LIMITED", are the following individuals and legal entity:

- a) the legal entity under the trade name "EY Europe SCRL", a cooperative limited liability company established and operating under the

laws of Belgium with registered seat at De Kleetlaan 2, 1831 Machelen (Brab.), Belgium,

- b) individuals who hold preference non - voting shares.

2. The legal entity under the trade name "ERNST & YOUNG CYPRUS LIMITED", a company established under the laws of Cyprus with its registered seat at 6 Stasinou Avenue, Jean Nouvel Tower, 1511 Nicosia. Its sole shareholder is "ERNST & YOUNG" a partnership established under the laws of Cyprus, having its registered offices at 6 Stasinou Avenue, Jean Nouvel Tower, 1511 Nicosia, Cyprus, the Partners of which are the following:

- a) Stavros Pantzaris, son of Christos.
- b) Philippos Raptopoulos, son of Zacharias.
- c) Yiannakis Theoklitou, son of Socratis.
- d) Savvas Pentaris, son of Fotios.
- e) Stelios Demetriou, son of Andreas.
- f) Andreas Avraamides, son of Stavros.
- g) Petros Liassides, son of Liasis.
- h) Nikolaos Nicolaou, son of Charalampos.
- i) Georgios Liasis, son of Charalambos.
- j) Christoforos Socratous, son of Vassos.
- k) Petros Krasaris, son of Panayiotis.
- l) Charalambos Constantinou, son of Theodoros.
- m) Nicolas Pavlou, son of Savvas and
- n) ERNST & YOUNG SOUTHEAST EUROPE BUSINESS ADVISORY SERVICES LIMITED, a company established and operating under the laws of Cyprus, having its registered seat at 6 Stasinou Avenue, Jean Nouvel Tower, 1511 Nicosia, Cyprus, the sole partner of which is the company ERNST & YOUNG SOUTHEAST EUROPE PUBLIC LIMITED.

Reference to "ERNST & YOUNG SOUTHEAST EUROPE PUBLIC LIMITED" and its shareholders is made above.

EY Greece also includes the other EYG member firm, which has been incorporated according to the provisions of Greek law and operates in Greece:



- ▶ “ERNST & YOUNG Societe Anonyme for the Provision of Advisory Services” with the distinctive title “Ernst & Young Business Advisory Solutions”.

Whenever reference is made to the present Transparency Report to “EY Greece”, “we,” “us” or “our”, it shall be deemed to refer collectively to the aforementioned member-firms of EYG in Greece.

EY Hellas has established a branch in Thessaloniki, Greece. The branch’s address is Polytechniou 4 & N. Limnou-Chapsa Street.

Another EYG member in Greece is the law firm “Platis - Anastassiadis & Associates LAW PARTNERSHIP” with the distinctive title “PLATIS - ANASTASSIADIS & ASSOCIATES”.

#### Governance - Board of Directors

Various partners at EY Hellas are charged with management functions. These partners are responsible for all day to day management activities and for the application of global and area level policy at the country level. Details of the formal/legal governing bodies of EY Hellas are given below.

The Members of the Board of Directors of EY Hellas as of December 17, 2018 are the following:

1. Panagiotis Papazoglou, son of Ioannis-Konstantinos, Chairman and Managing Director.
2. Vassilios Kaminaris, son of George, Vice-Chairman.
3. Stefanos Mitsios, son of Ilias, Member.

The general management and representation of EY Hellas before public and private authorities in Greece and abroad is exercised either by the Chairman of the Board and Managing Director, Mr. Panagiotis Papazoglou, who binds the company by his sole signature, or by the company’s Vice - Chairman Mr. Vassilios Kaminaris who also binds the company by his sole signature or by the Member of the company’s Board of Directors, Mr. Stefanos Mitsios, who also binds the company by his sole signature.

As regards the realization of bank transactions, i.e. indicatively the issuance, endorsement of Checks, of bills of exchange or of other promissory notes, the withdrawal of money etc. (hereafter the “Banking Transactions”), the following apply:

1. For Banking Transactions of an amount up to 10,000 Euro, the joint signature of two of the following persons is required: a) either the joint signature of

Mr. Nikolaos Nikolakis, son of Ioannis, and Mr. Spyridon Katsikis, son of Athanasios, or b) the joint signature of any two members of the Board of Directors.

2. For Banking Transactions of exceeding the amount of 10,000 Euro, the joint signature of the following persons is required: a) either the joint signature of any two of the members of the Board of Directors, or b) the joint signature of Mr. Nikolakis and any member of the Board of Directors, or c) the joint signature of Mr. Katsikis and any member of the Board of Directors.

3. For the signature of accounting - administrative and financial reports, experts’ reports, reports of the Special Tax Audit (Tax Certificate), of agreements of the Company with its clients and other companies-members of the network of Ernst & Young of any amount, of confidentiality agreements with clients and/or prospective clients, of consortium/teaming agreements and/or sub-contract agreements with third parties, as well as solemn declarations and documents addressed to Tax Authorities in Greece relating to the payment of invoices of suppliers of the Company, proposals to clients irrespective of the amount, engagement letters irrespective of the amount and Company’s invoices irrespective of the amount, suffices the sole signature of either the Chairman of the Board of Directors and Managing Director, Mr. Panagiotis Papazoglou or the sole signature of Vice chairman Mr. Vassilios Kaminaris or the sole signature of the Member Mr. Stefanos Mitsios or the sole signature of one of the below mentioned individuals:

1. Dimitrios Konstantinou, son of Christoforos.
2. Christos Pelendridis, son of Anastassios.
3. Ioannis Pierros, son of Antonios.
4. Sofia Kalomenidou, daughter of George.
5. Christianna Panagidou, daughter of Kostakis.
6. Andreas Chatzidamianou, son of George.
7. Kostas Stathopoulos son of Konstantinos.
8. Evangelos Analitis son of Stavros.
9. Georgios Anastopoulos, son of Anastasios.
10. Konstantinos Tsekas, son of Socrates.
11. Konstantinos Katsagannis, son of Vassilios.

12. Maria Chatziantoniou, daughter of Theodoros.
13. Vassilios Kaplanis, son of Panagiotis.
14. Vassilios Tzifas, son of Nikolaos.

Additionally, Mr. Ioannis Dracoulis, son of Vassilios, is authorized to sign factual findings reports, contracts with clients and other EY Member firms, without limitation to the amount, confidentiality agreements with clients and/or prospective clients, of consortium/teaming agreements and/ or sub-contract agreements with third parties, as well as solemn declarations and documents addressed to Tax Authorities in Greece relating to the payment of invoices of suppliers, offers of the Company without limitation to the amount as well as engagement letters and invoices of the Company without limitation to the amount.

Furthermore, Mr. Konstantinos Katsagannis is authorized to realize transactions with his sole signature of the Company's bank account, which is used by the branch of the Company in Thessaloniki, to withdraw money, to issue and endorse checks and to issue, accept and endorse exchanges and bills of exchange, to realize payments on behalf of the Company, provided that the above transactions do not overcome the amount of 5,000 Euro, and to sign in the name and on behalf of the Company agreements regarding the operational needs of the branch of the Company at Thessaloniki, provided that the scope of such agreements does not exceed in value the amount of 5,000 Euro.

For the execution of labour and freelance agreements of the Company, the sole signature of any member of the Board of Directors or the sole signature of any of the following persons is sufficient: Mrs. Ioli Katsiroumpa daughter of Ioannis, or Mrs. Asteria Kalamara daughter of Zacharias or Mrs. Alexandra Vraka daughter of Nikolaos.

Additionally, Mrs. Ioli Katsiroumpa, Mrs. Asteria Kalamara and Mrs. Alexandra Vraka are authorized (each acting separately) to execute in the name and on behalf of the Company documents addressed to the Commission of Work (indicatively personnel lists, any kind of notifications, applications for the approval of overtime work and other applications etc.), to the Social Security Fund (IKA) (indicatively any kind of notifications, sickness papers of employees, employer's certificates relating to stamps etc.) to OAED (indicatively any kind of documents and notifications etc.) as well as employment certificates for the employees of the Company, offer letters addressed to future employees of the Company and any letter

addressed to insurance companies, hospitals and medical centers in Greece and abroad.

Finally, copies of minutes of Board of Directors meetings and Shareholders' Meetings may be issued by either the Chairman of the Board of Directors and Managing Director, Mr. Panagiotis Papazoglou or the Vice-Chairman of the Board of Directors, Mr. Vassilios Kaminaris or the Member of the Board of Directors, Mr. Stephanos Mitsios.

EYG member firms are grouped into three geographic Areas: Americas; Asia-Pacific; and Europe, Middle East, India and Africa (EMEIA). Japan was a separate fourth Area, but on 1 July 2019 became part of Asia-Pacific. The Areas comprise a number of Regions, which consist of member firms or sections of those firms.

EY Greece is part of the EMEIA Area, which comprises EYG member firms in 97 countries in Europe, the Middle East, India and Africa. Within the EMEIA Area, there are 10 Regions.

Ernst & Young (EMEIA) Limited (EMEIA Limited), an English company limited by guarantee, is the principal coordinating entity for the EYG member firms in the EMEIA Area. EMEIA Limited facilitates the coordination of these firms and cooperation between them, but it does not control them. EMEIA Limited is a member firm of EYG, has no financial operations and does not provide any professional services.

Each Region elects a Regional Partner Forum (RPF), whose representatives advise and act as a sounding board to Regional leadership. The partner elected as Presiding Partner of the RPF also serves as the Region's representative on the Global Governance Council (see page 10).

In Europe, there is a holding entity, EY Europe SCRL (EY Europe). EY Europe is a Limited Liability Cooperative Company (SCRL or CVBA) incorporated in Belgium. It is an audit firm registered with the Institut des Reviseurs d'Entreprises (IRE-IBR) in Belgium, but it does not carry out audits or provide any professional services.

EY Europe has been formed to replace the holding entity Ernst & Young Europe LLP, a UK registered audit firm, in order to ensure continued compliance with the EU's Statutory Audit Directive after the UK will have ceased to be an EU Member State.

To the extent permitted by local legal and regulatory requirements, EY Europe has acquired or will acquire voting control of the EYG member firms operating in Europe. EY Europe is a member firm of EYG. EY Europe acquired voting control of EY Greece as of April 12, 2019.



The Board of Directors of EY Europe is made up of senior partners of EYG member firms in Europe. It has authority and accountability for strategy execution and management.

### **Subsequent Events**

By virtue of the Board of Directors Meeting Minutes of EY Hellas dated 27 August 2019, Mrs. Foteini Mega, daughter of Ioannis and Mr. Dimitrios Athanasopoulos, son of Athanasios, were authorized to sign accounting - administrative and financial reports, experts' reports, reports of the Special Tax Audit (Tax Certificate), of agreements of the Company with its clients and other companies-members of the network of Ernst & Young of any amount, of confidentiality agreements with clients and/or prospective clients, of consortium/teaming agreements and/or sub-contract agreements with third parties, as well as solemn declarations and documents addressed to Tax Authorities in Greece relating to the payment of invoices of suppliers of the Company, proposals to clients irrespective of the amount, engagement letters irrespective of the amount and Company's invoices irrespective of the amount.

## Network arrangements

EY is a global leader in assurance, tax, transaction and advisory services. Worldwide, over 260,000 people in member firms in more than 150 countries share a commitment to building a better working world, united by shared values and an unwavering commitment to quality, integrity and professional scepticism. In today's global market, the integrated EY approach is particularly important in the delivery of high-quality multinational audits, which can span nearly every country in the world.

This integrated approach enables EY member firms to develop and draw upon the range and depth of experience required to perform such diverse and complex audits.

EYG coordinates the member firms and promotes cooperation among them. EYG does not provide services, but its objectives include the promotion of exceptional high-quality client service by member firms worldwide. Each member firm is a legally distinct entity. Their obligations and responsibilities as members of EYG are governed by the regulations of EYG and various other agreements.

The structure and principal bodies of the global organization, described below, reflect the principle that

EY, as a global organization, has a common shared strategy.

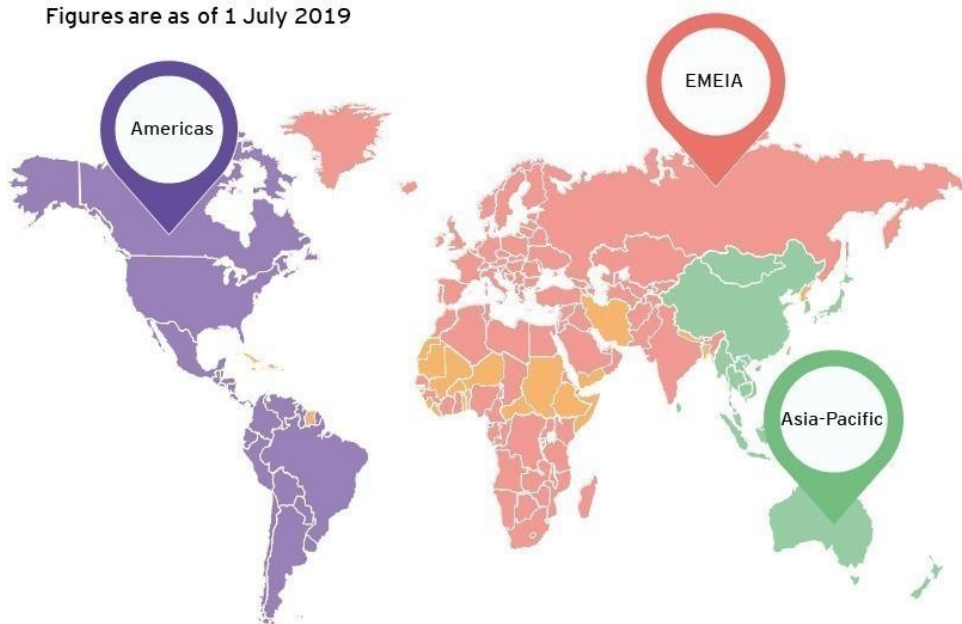
The Executive includes the Global Executive (GE), its committees and teams, and the leadership of the three (previously four) Areas. At the same time, the network operates on a Regional level within the Areas. This operating model allows for greater stakeholder focus in the Regions, permitting member firms to build stronger relationships with clients and others in each country, and be more responsive to local needs.

### Global Governance Council

The Global Governance Council (GGC) is the main oversight body of EYG. It comprises one or more representatives from each Region, other member firm partners as at-large representatives and up to six independent non-executives (INEs). The Regional representatives, who otherwise do not hold senior management roles, are elected by their RPFs for a three-year term, with provision for one successive reappointment. The GGC advises EYG on policies, strategies, and the public interest aspects of its decision-making. The GGC approves, upon the recommendation of the GE, a number of matters that could affect EY.

	Americas	EMEIA	Asia-Pacific
Regions	8	10	6
Countries	31	97	23

Figures are as of 1 July 2019



## Independent Non-Executives

Up to six Independent Non-Executives (INEs) are appointed from outside EY. The INEs are senior leaders from both the public and private sectors, and reflect diverse geographic and professional backgrounds. They bring to the global organization, and the GGC, the significant benefit of their varied perspectives and depth of knowledge. The INEs also form a majority of the Public Interest Sub-Committee (PIC) of the GGC. The role of the PIC includes public interest aspects of decision-making, issues raised under whistle-blowing policies and procedures, and stakeholder dialogue and engagement in quality and risk management discussions. The INEs are nominated by a dedicated committee.

## Global Executive

The Global Executive (GE) brings together EY's leadership functions, services and geographies. As of 1 July 2019, it is chaired by the Chairman and CEO of EYG, and includes its Global Managing Partners of Client Service and Business Enablement; the Area Managing Partners; the global functional leadership for Talent; the leaders of the global service lines – Assurance, Advisory, Tax and Transaction Advisory Services (TAS); and one EYG member firm partner on rotation.

The GE also includes the Chair of the Global Accounts Committee and the Chair of the Emerging Markets Committee, as well as a representative from the Emerging Markets practices.

The GE and the GGC approve nominations for the Chairman and CEO of EYG, and ratify appointments of the Global Managing Partners. The GE also approves appointments of Global Vice Chairs. The GGC ratifies the appointments of any Global Vice Chair who serves as a member of the GE.

The GE's responsibilities include the promotion of global objectives and the development, approval, and, where relevant, implementation of:

- ▶ Global strategies and plans
- ▶ Common standards, methodologies and policies to be promoted within member firms
- ▶ People initiatives, including criteria and processes for admission, evaluation, development, reward and retirement of partners
- ▶ Quality improvement and protection programs
- ▶ Proposals regarding regulatory matters and public policy
- ▶ Policies and guidance relating to member firms' service of international clients, business development, markets and branding

- ▶ EY's development funds and investment priorities
- ▶ EYG's annual financial reports and budgets
- ▶ GGC recommendations

The GE also has the power to mediate and adjudicate disputes between member firms.

## GE committees

Established by the GE and bringing together representatives from the three (previously four) Areas, the GE committees are responsible for making recommendations to the GE. In addition to the Global Audit Committee, there are committees for Global Markets and Investments, Global Accounts, Emerging Markets, Talent, Risk Management, Assurance, Advisory, Tax, and TAS.

## Global Practice Group

This group brings together the members of the GE, GE committees, Regional leaders and sector leaders. The Global Practice Group seeks to promote a common understanding of EY's strategic objectives and helps drive consistency of execution across the organization.

## EYG member firms

Under the regulations of EYG, member firms commit themselves to pursue EY's objectives, such as the provision of high-quality service worldwide. To that end, the member firms undertake the implementation of global strategies and plans, and work to maintain the prescribed scope of service capability. They are required to comply with common standards, methodologies and policies, including those regarding audit methodology, quality and risk management, independence, knowledge sharing, HR, and technology.

Above all, EYG member firms commit to conducting their professional practices in accordance with applicable professional and ethical standards, and all applicable requirements of law. This commitment to integrity and doing the right thing is underpinned by the EY Global Code of Conduct and EY values (see page 15).

Besides adopting the regulations of EYG, member firms enter into several other agreements covering aspects of their membership in the EY organization, such as the right and obligation to use the EY name, and knowledge sharing.

Member firms are subject to reviews to evaluate adherence to EYG requirements and policies governing issues, such as independence, quality and risk management, audit methodology, and HR. Member firms unable to meet quality commitments and other EYG

membership requirements may be subject to separation from the EY organization.



## Commitment to sustainable audit quality

### Infrastructure supporting quality

#### Quality in our service lines

Vision 2020+, which sets out EY's purpose, ambition and strategy, calls for EYG member firms to provide exceptional service to our stakeholders worldwide. This is supported by an unwavering commitment to quality and service that is professionally and globally consistent, and means service that is based on objectivity, professional skepticism, and adherence to EY and professional standards.

EYG member firms and their service lines are accountable for delivering quality engagements. EY service lines manage the overall process for quality reviews of completed engagements and input for the quality of in-process engagements, which helps achieve compliance with professional standards and EY policies.

Vision 2020+ has reinforced the ownership of quality by the service lines, including audit. It has also resulted in increased clarity around the role of risk management in policies and practices that support and improve audit quality.

The Global Vice Chair of Assurance coordinates member firms' compliance with EY policies and procedures for assurance services.

#### Professional Practice

The Global Vice Chair of Professional Practice, referred to as the Global Professional Practice Director (PPD), is overseen by the Global Vice Chair of Assurance and works to establish global audit quality control policies and procedures. Each of the Area PPDs is overseen by the Global PPD and the related Area Assurance Leader. This helps provide greater assurance as to the objectivity of audit quality and consultation processes.

The Global PPD also leads and oversees the Global Professional Practice group. This is a global network of technical subject matter specialists in accounting and auditing standards, who consult on accounting, auditing and financial reporting matters, and perform various practice monitoring and risk management activities.

The Global PPD oversees development of the EY Global Audit Methodology (EY GAM) and related technologies so that they are consistent with relevant professional standards and regulatory requirements. The Global Professional Practice

group also oversees the development of the guidance, training and monitoring programs and processes used by member firm professionals to execute audits consistently and effectively. The Global, Area and Regional PPDs, together with other professionals who work with them in each member firm, are knowledgeable about EY people, clients and processes, and they are readily accessible for consultation with audit engagement teams.

Additional resources often augment the Global Professional Practice group, including networks of professionals focused on:

- ▶ Internal-control reporting and related aspects of the EY audit methodology
- ▶ Accounting, auditing and risk issues for specific industries and sectors
- ▶ Event-specific issues involving areas of civil and political unrest; or sovereign debt and related accounting, auditing, reporting and disclosure implications
- ▶ General engagement matters and how to work effectively with audit committees

#### Risk management

Responsibility for high-quality service and ownership of the risks associated with quality is placed with the member firms and their service lines. Among other things, the Global Risk Management Leader helps oversee the management of these risks by the member firms, as well as other risks across the organization as part of the broader Enterprise Risk Management framework.

Member firm partners are appointed to lead risk management initiatives (supported by other staff and professionals) within member firms, including coordinating with the service lines on such matters. The Global Risk Management Leader is responsible for establishing globally consistent risk management execution priorities and enterprise-wide risk management.

These priorities cascade to member firms, and their execution is monitored through an Enterprise Risk Management program.

## Global Confidentiality Policy

Protecting confidential information is ingrained in the everyday activities of EYG member firms. Respect for intellectual capital and all other sensitive and restricted information is required by the EY Global Code of Conduct, which provides a clear set of principles to guide the behaviors expected of all EY people. The Global Confidentiality Policy further details this approach to protecting information and reflects the ever-increasing use of restricted data. This policy provides added clarity for EY people and forms the fundamental element of broader guidance that includes key policies on conflicts of interest, personal data privacy and records retention. Other guidance includes:

- ▶ Social media guidance
- ▶ Information-handling requirements

In addition, the global policy on Reporting Fraud, Illegal Acts and Other Non-compliance with Laws, Regulations and EY's Code of Conduct require EY professionals to speak up on seeing any behavior that is believed to be a violation of applicable law or regulation, applicable standard or EY's Global Code of Conduct. This includes the unauthorized or improper disclosure of confidential information.

Furthermore, the global policy on Personal Data Protection supports and builds upon provisions within the EY Global Code of Conduct regarding respecting and protecting personal information, in accordance with local law and professional standards, and was recently updated to comply with the EU General Data Protection Regulation (GDPR).

## Cybersecurity

Managing the risk of major and complex cybersecurity attacks is a part of doing business for all organizations. While no systems are immune from the threat of cyber attacks, EY Greece is vigilant in the steps it takes to secure and protect client data. The EY approach to cybersecurity is proactive and includes the implementation of technologies and processes necessary to manage and minimize cybersecurity risks globally. EY information security and data privacy programs, consistent with industry practices and applicable legal requirements, are designed to protect against unauthorized disclosure of data. There is a dedicated team of internal and external cybersecurity specialists who actively monitor and defend EY systems.

Beyond technical and process controls, all EY people are required to affirm in writing their understanding of the principles contained in the EY Global Code of Conduct and their commitment to abide by them, and to participate in an annual security awareness learning activity. There are various policies outlining the due care that must be taken with technology and data, including, but not limited to, the Global Information Security Policy, and a global policy on the Acceptable Use of Technology. EY cybersecurity policies and processes recognize the importance of timely communication. EY people receive regular and periodic communications reminding them of their responsibilities on these policies and general security awareness practice.

## Components of the audit quality control program

In the following sections, we describe the principal components of the audit quality control program, which EY Hellas follows:

- ▶ Instilled professional values
- ▶ Internal quality control system
- ▶ Client acceptance and continuance
- ▶ Performance of audits
- ▶ Review and consultation
- ▶ Rotation and long association
- ▶ Audit quality reviews
- ▶ External quality assurance reviews
- ▶ Compliance with legal requirements

## Instilled professional values

### Sustainable Audit Quality

Quality is the foundation of our work and central to EY's responsibility to provide confidence to the capital markets. This is reflected in the Sustainable Audit Quality (SAQ) program, which continues to be the highest priority for EY Assurance practices.

SAQ establishes a strong governance structure that enables each member firm to provide high-quality audits. It is implemented locally, and coordinated and overseen globally. The word "sustainable" in SAQ is used to demonstrate that this is not a one-off, short-term initiative, but an ongoing process of improvement.

There are six SAQ pillars: tone at the top, people capabilities, simplification and innovation, audit technology and digital, enablement and quality support, and accountability. The pillars are supported by a foundation of serving the public interest.

Significant progress has been made through SAQ. EY's internal and external inspection findings globally are improving, and there is greater consistency in execution. EY has deployed world-class technological tools that enhance the quality and value of EY audits, including the EY Canvas online audit platform, the EY Helix analytics platform and the EY Atlas research platform.

A key feature of EY Canvas is the Client Portal, which enables clients to communicate with audit teams and confirm what information auditors have requested and whether that information has been provided. EY Canvas also facilitates the use of the Milestones project management program, which helps audit teams keep on track and highlights potential matters to be addressed during the audit process.

When Milestones is combined with the EY Client Portal, engagement teams have more time to focus, to be curious and to be skeptical. As a result, audit quality is enhanced.

Other recent SAQ initiatives include: a new approach to pictorially depict a company's internal controls and processes; the Personal Workload Tool, which reviews personal responsibilities and assesses whether there is sufficient time to execute high-quality audits; Purpose-Led Outcome Thinking (PLOT), a framework that focuses on the



behaviors that drive high quality audits: and Key Findings Review, which helps coach our teams.

There are also a network of Quality Enablement Leaders (QELs), an overall Global Audit Quality Committee and a Culture and Behaviors Taskforce. They help us in executing and reviewing root-cause analysis and understanding the impact of our initiatives in driving quality outcomes, better behaviors and a continuous improvement mindset.

Audit quality is something that every team member must understand and be committed to implementing locally. SAQ is essential to all our goals and ambitions, and each Regional and Area leader has oversight of the efforts to achieve those goals.

The SAQ infrastructure demonstrates that audit quality is the single most important factor in our decision-making and the key measure on which our professional reputation stands.

### Tone at the top

EY Hellas' leadership is responsible for setting the right tone at the top and demonstrating EY's commitment to building a better working world through behavior and actions. While the tone at the top is vital, our people also understand that quality and professional responsibility start with them. Our shared values, which inspire our people and guide them to do the right thing, and our commitment to quality are embedded in who we are and in everything we do.

The EY approach to business ethics and integrity is contained in the EY Global Code of Conduct and other policies, and is embedded in the EY culture of consultation, training programs and internal communications. Senior management regularly reinforces the importance of performing quality work, complying with professional standards, adhering to our policies, leading by example and through various communications. Also, EY's quality review programs assess professional service as a key metric in evaluating and rewarding all professionals.

The EY culture strongly supports collaboration and places special emphasis on the importance of consultation in dealing with complex or subjective accounting, auditing, reporting, regulatory and independence matters. We believe it is important to determine that engagement teams and clients correctly follow consultation advice, and we emphasize this when necessary.

The consistent stance of EY Hellas has been that no client is more important than our professional reputation – the reputation of EY Hellas and the reputation of each of our professionals.

### Code of Conduct

We promote a culture of integrity among our professionals. The EY Global Code of Conduct provides a clear set of principles that guide our actions and our business conduct, and are to be followed by all EY personnel. The EY Global Code of Conduct is divided into five categories:

- ▶ Working with one another
- ▶ Working with clients and others
- ▶ Acting with professional integrity
- ▶ Maintaining our objectivity and independence
- ▶ Respecting intellectual capital

Through our procedures to monitor compliance with the EY Global Code of Conduct and through frequent communications, we strive to create an environment that encourages all personnel to act responsibly, including reporting misconduct without fear of retaliation.

The EY Ethics Hotline provides our people, clients and others outside of the organization with a means to confidentially report activity that may involve unethical or improper behavior and that may be in violation of professional standards or otherwise inconsistent with the EY Global Code of Conduct. The hotline is operated by an external organization that provides confidential and, if desired, anonymous hotline reporting services worldwide.

When a report comes into the EY Ethics Hotline, either by phone or internet, it receives prompt attention. Depending on the content of the report, appropriate individuals from Risk Management, Talent, Legal or other functions are involved to address the report. The same procedures are followed for matters that are reported outside of the EY Ethics Hotline.

### Our values: who we are

People who demonstrate integrity, respect and teaming

People with energy, enthusiasm and the courage to lead

People who build relationships based on doing the right thing

## Internal quality control system

### Structure

EY Hellas' reputation for providing high-quality professional audit services independently, objectively and ethically is fundamental to our success as independent auditors. We continue to invest in initiatives to promote enhanced objectivity, independence and professional skepticism. These are fundamental attributes of a high-quality audit.

At EY Hellas, our role as auditors is to provide assurance on the fair presentation of the financial statements of the companies we audit. We bring together qualified teams to

provide our services, drawing on our broad experience across industry sectors and services. We continually strive to improve our quality and risk management processes so that the quality of our service is at a consistently high level.

We recognize that in today's environment – characterized by continuing globalization, the rapid movement of capital and the impact of technology changes – the quality of our audit services has never been more important. As part of EY Vision 2020+, we continue to invest heavily in developing and maintaining our audit methodology, tools and other resources needed to support quality service.

While the market and stakeholders continue to demand high-quality audits, they also demand increasingly effective and efficient delivery of audit services. In addition to the investments mentioned, EY continues to seek ways to improve the effectiveness and efficiency of its audit methodology and processes, while improving audit quality.

We work to understand where our audit quality may not be up to our own expectations and those of stakeholders, including independent audit regulators. We seek to learn from external and internal inspection activities and to identify root causes of adverse quality occurrences to enable us continually to improve audit quality. We believe that taking effective and appropriate actions to improve quality is important.

### **Effectiveness of the quality control system**

EY has designed and implemented a comprehensive set of global audit quality control policies and practices. These policies and practices meet the requirements of the International Standards on Quality Control issued by the International Auditing and Assurance Standards Board (IAASB). EY Hellas has adopted these global policies and procedures, and has supplemented them as necessary to comply with local laws and professional guidelines, and to address specific business needs.

We also execute the EY Audit Quality Review (AQR) program to evaluate whether our system of audit quality control has operated effectively so as to provide reasonable assurance that EY Hellas and our people comply with applicable professional standards, internal policies and regulatory requirements.

The results of the AQR program and external inspections are evaluated and communicated within EY Hellas to provide the basis for continual improvement in audit quality, consistent with the highest standards in the profession.

The GE has oversight of the implementation of quality improvement. As such, it reviews the results of the internal AQR program and external audit firm regulatory reviews, as well as any key actions designed to address areas for improvement.

The recent results of such monitoring, together with feedback from independent audit regulators, provide EY Hellas with a basis to conclude that our internal control systems are designed appropriately and are operating

effectively. In addition, EY Hellas management system is ISO 9001:2015 certified by Bureau Veritas.

## **Client acceptance and continuance**

### **EY policy**

The EY global policy on Client and Engagement Acceptance sets out principles for member firms to determine whether to accept a new client or a new engagement, or to continue with an existing client or engagement. These principles are fundamental to maintaining quality, managing risk, protecting our people and meeting regulatory requirements. The objectives of the policy are to:

- ▶ Establish a rigorous process for evaluating risk and making decisions to accept or continue clients or engagements
- ▶ Meet applicable independence requirements
- ▶ Identify and deal appropriately with any conflicts of interest
- ▶ Identify and decline clients or engagements that pose excessive risk
- ▶ Require consultation with designated professionals to identify additional risk management procedures for specific high-risk factors
- ▶ Comply with legal, regulatory and professional requirements

In addition, the EY global policy on conflicts of interest defines global standards for addressing categories of potential conflicts of interest and a process for identifying them. It also includes provisions for managing potential conflicts of interest as quickly and efficiently as possible using appropriate safeguards. Such safeguards may include obtaining client consent to act for another party where a conflict of interest may exist, establishing separate engagement teams to act for two or more parties, implementing "Chinese Walls" between engagement teams or declining an engagement to avoid an identified conflict.

The EY global policy on Conflicts of Interest and associated guidance take into account the increasing complexity of engagements and client relationships, and the need for speed and accuracy in responding to clients. They also align with the latest International Ethics Standards Board for Accountants (IESBA) standards.

### **Putting policy into practice**

We use the EY Process for Acceptance of Clients and Engagements (PACE), an intranet-based system, for efficiently coordinating client and engagement acceptance and continuance activities in line with global, service line and member firm policies. PACE takes users through the acceptance and continuance requirements, and identifies the policies and references to professional standards needed to assess both business opportunities and associated risks.

As part of this process, we carefully consider the risk characteristics of a prospective company or engagement and the results of several due diligence procedures. Before we

take on a new engagement or company, we determine whether we can commit sufficient resources to deliver quality service, especially in highly technical areas, and if the services the client wants are appropriate for us to provide. The approval process is rigorous, and no new audit engagement may be accepted without the approval of Regional or local PPD.

In the EY annual client and engagement continuance process, we review our service and ability to continue to provide a quality service, and confirm that companies we serve share EY Hellas' commitment to quality and transparency in financial reporting. The partner in charge of each audit, together with our Assurance leadership, annually reviews our relationship with the audit client to determine whether continuance is appropriate.

As a result of this review, certain audit engagements are identified as requiring additional oversight procedures during the audit (close monitoring), and some audit clients are discontinued. As with the client acceptance process, our Regional PPD is involved in the client continuance process and must agree with the continuance decisions.

Decisions about acceptance or continuance of clients and engagements consider the engagement team's assessment of whether the company's management may pressure us to accept inappropriate accounting, auditing and reporting conclusions to undermine quality. Considerations and conclusions on the integrity of management are essential to acceptance and continuance decisions.

## Performance of audits

There has been significant investment in EY in improving audit methodologies and tools, with the goal of performing the highest-quality audits in the profession. This investment reflects EY's commitment to building trust and confidence in the capital markets and in economies the world over.

### Audit methodology

EY GAM provides a global framework for delivering high-quality audit services through the consistent application of thought processes, judgments and procedures in all audit engagements, regardless of size. EY GAM also requires compliance with relevant ethical requirements, including independence from the entity we audit. Making risk assessments, reconsidering and modifying them as appropriate, and using these assessments to determine the nature, timing and extent of audit procedures are fundamental to EY GAM. The methodology also emphasizes applying appropriate professional skepticism in the execution of audit procedures. EY GAM is based on International Standards on Auditing (ISAs) and is supplemented in Greece to comply with the local Greek auditing standards and regulatory or statutory requirements.

Using an online tool, EY Atlas, an EY auditor is presented with a version of EY GAM organized by topic and designed to focus the audit strategy on the financial statement risks, and the design and execution of the appropriate audit response

to those risks. EY GAM consists of two key components: requirements and guidance, and supporting forms and examples. The requirements and guidance reflect both auditing standards and EY policies. The forms and examples include leading practice illustrations, and assist in performing and documenting audit procedures.

EY GAM can be "profiled" or tailored to present the relevant requirements and guidance, depending on the nature of the entity being audited – e.g., there are profiles for public interest entities and for those considered non-complex entities. Enhancements to the audit methodology are made regularly to address new standards, emerging auditing issues and matters, implementation experiences, and external and internal inspection results. In addition, we monitor current and emerging developments, and issue timely audit planning and execution communications that emphasize areas noted during inspections as well as other key topics of interest to our local audit regulator (or regulators) and the International Forum of Independent Audit Regulators (IFIAR). Specifically, we are preparing for the implementation of ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures* (effective for audits of periods beginning on or after 15 December 2019), by raising awareness of the requirements of the new standard and providing reminders on performing risk assessment procedures specific to the audit of accounting estimates, and designing and performing audit procedures responsive to those risks.

### Technology

Our audit engagement teams use technology to assist in executing and documenting the work performed in accordance with EY GAM.

EY Canvas, the global EY audit platform, lies at the heart of the audit and enables us to provide a high-quality audit. EY Canvas is built using state-of-the-art technology for web applications. This allows us to provide data security and to evolve our software to respond to changes in the accounting profession and regulatory environment.

Through the use of profile questions, audit engagements in EY Canvas are automatically configured with information relevant to an entity's listing requirements and industry. This helps to keep our audit plans customized and up-to-date, and provides direct linkage to our audit guidance, professional standards and documentation templates. EY Canvas is built with a user interface that allows the team to visualize risks and their relationship to the planned response and work performed in key areas. It also enables a linkage for our group audit teams to communicate inter-office risks and instructions so that the primary audit team can direct execution and monitor performance of the group audit.

EY Canvas includes a Client Portal to assist teams in communicating with clients and streamlining their client requests. Mobile applications are integrated with EY Canvas to help our people in their audit work – e.g. in monitoring the status of the audit, capturing audit evidence securely and performing inventory observations.

Audit engagement teams use other applications, data analyzers and forms during various phases of an audit to assist in executing procedures, making and documenting audit conclusions, and performing analysis. This includes EY Smart Automation, a collection of applications that are being developed and deployed globally through EY Canvas to digitally enable EY audit professionals in executing audit procedures and processes.

At EY, we are making data analysis integral to our audits. Our use of data and analysis is not about additive procedures or visualizations. It is about taking large populations of company data, and applying our globally consistent technology (EY Helix) and methodology (EY GAM) to audit that data.

EY Helix is a library of data analyzers for use in audits. These data analyzers are transforming the audit through the analysis of larger populations of audit-relevant data, identifying unseen patterns and trends in that data, and helping to direct our audit efforts. The use of data analytics also allows us to obtain better perspectives, richer insights and a deeper understanding of transactions and areas of risk.

EY is deploying data analyzers to analyze the business operating cycles of the companies that we audit, supported by analytics-based audit programs to aid the application of these data analyzers.

Using the EY Helix library of data analyzers, our engagement teams can enhance their audit risk assessment, enabling the audit of higher-risk transactions, and assisting our people in asking better questions about audit findings and evaluating the outcomes.

EY Atlas is a global technology platform that enables our auditors to access the latest accounting and auditing content, including external standards, EY interpretations and thought leadership.

### **Formation of audit engagement teams**

EY Hellas' policies require an annual review of partner assignments by our Assurance leadership and Regional PPD. This is carried out to make sure that the professionals leading listed-company audits possess the appropriate competencies (i.e., the knowledge, skills and abilities) to fulfill their engagement responsibilities, and are in compliance with applicable auditor rotation regulations.

The assignment of professionals to an audit engagement is also made under the direction of our Assurance leadership. Factors considered when assigning people to audit teams include engagement size and complexity, specialized industry knowledge and experience, timing of work, continuity, and opportunities for on-the-job training. For more complex engagements, consideration is given to whether specialized or additional expertise is needed to supplement or enhance the audit engagement team.

In many situations, internal specialists are assigned as part of the audit engagement team to assist in performing audit procedures and obtaining appropriate audit evidence. These professionals are used in situations requiring special skills or

knowledge, such as information systems, asset valuation and actuarial analysis.

## **Review and consultation**

### **Reviews of audit work**

EY policies describe the requirements for timely and direct senior professional participation, as well as the level of review required for the work performed. Supervisory members of an audit engagement team perform a detailed review of the audit documentation for accuracy and completeness. Senior audit executives and engagement partners perform a second-level review to determine adequacy of the audit work as a whole, and the related accounting and financial statement presentation. A tax professional reviews the significant tax and other relevant working papers. For all public interest entities and certain other companies, an engagement quality reviewer (described below) reviews important areas of accounting, financial reporting and audit execution, as well as the financial statements of the company we audit and our auditor's report.

The nature, timing and extent of the reviews of audit work depend on many factors, including:

- ▶ The risk, materiality, subjectivity and complexity of the subject matter
- ▶ The ability and experience of the audit team members preparing the audit documentation
- ▶ The level of the reviewer's direct participation in the audit work
- ▶ The extent of consultation employed

Our policies also describe the roles and responsibilities of each audit engagement team member for managing, directing and supervising the audit, as well as the requirements for documenting their work and conclusions.

### **Consultation requirements**

EY consultation policies are built upon a culture of collaboration, whereby audit professionals are encouraged to share perspectives on complex accounting, auditing and reporting issues. Consultation requirements and related policies are designed to involve the right resources so that audit teams reach appropriate conclusions.

Consultation is built into the decision-making process; it is not just a process to provide advice.

For complex and sensitive matters, we have a formal process requiring consultation outside of the audit engagement team with other personnel who have more experience or specialized knowledge, primarily Professional Practice and Independence personnel. In the interests of objectivity and professional scepticism, our policies require members of Professional Practice, Independence and certain others to withdraw from a consultation if they currently serve, or have recently served, the client to which the consultation relates.



In this circumstance, other appropriate individuals would be assigned.

EY policies also require that all consultations are documented, including written concurrence from the person or persons consulted, to demonstrate their understanding of the matter and its resolution.

### **Engagement quality reviews**

Engagement quality reviews are performed by audit partners in compliance with professional standards for audits of all of all public interest entities and those considered to need close monitoring. Engagement quality reviewers are experienced professionals with significant subject matter knowledge. They are independent of the engagement team and able to provide objective evaluation of significant accounting, auditing and reporting matters. In no circumstances may the responsibility of the engagement quality reviewer be delegated to another individual.

The engagement quality review spans the entire engagement cycle, including planning, risk assessment, audit strategy and execution. Policies and procedures for the performance and documentation of engagement quality reviews provide specific guidelines on the nature, timing and extent of the procedures to be performed, and the required documentation evidencing their completion. Our Regional PPD approves all engagement quality review assignments.

### **Audit engagement team resolution process for differences of professional opinion**

EY has a collaborative culture that encourages and expects people to speak up, without fear of reprisal, if a difference of professional opinion arises or if they are uncomfortable about a matter relating to a client engagement. Policies and procedures are designed to empower members of an audit engagement team to raise any disagreements relating to significant accounting, auditing or reporting matters.

These policies are made clear to people as they join EY, and we continue to promote a culture that reinforces a person's responsibility and authority to make their own views heard, and seek out the views of others.

Differences of professional opinion that arise during an audit are generally resolved at the audit engagement team level. However, if any person involved in the discussion of an issue is not satisfied with the decision, they refer it to the next level of authority until agreement is reached or a final decision is made.

Furthermore, if the engagement quality reviewer makes recommendations that the engagement partner does not accept or the matter is not resolved to the reviewer's satisfaction, the auditor's report is not issued until the matter is resolved. EY policies require documentation of disagreements and their resolution.

## **Rotation and long association**

EY supports mandatory audit partner rotation to help reinforce auditor independence. EY Hellas complies with the audit partner rotation requirements of the IESBA Code, Regulation (EU) 537/2014 of the European Parliament and of the Council of 16 April 2014 (EU 537/2014), and the Greek legislation rotation requirements, as well as the U.S. Securities and Exchange Commission (SEC), where required. EY Hellas supports audit partner rotation because it provides a fresh perspective and promotes independence from company management, while retaining expertise and knowledge of the business. Audit partner rotation, combined with independence requirements, enhanced systems of internal quality controls and independent audit oversight, helps strengthen independence and objectivity, and are important safeguards of audit quality.

According to local requirements, the public interest entities are required to rotate their lead engagement partner/signing auditor and their engagement quality reviewer after five years. Following rotation, the lead audit engagement partner/signing auditor and engagement quality reviewer may not resume the lead partner/signing auditor or engagement quality reviewer role until at least three years have elapsed.

For PIEs, the EY Global Independence Policy requires the lead engagement partner, the engagement quality reviewer and other audit partners who make key decisions or judgments on matters significant to the audit (together, the "key audit partners") to be rotated after seven years. For a new PIE (including a newly listed company), key audit partners may remain in place for an additional two years before rotating off the team if they have served the company for six or more years prior to the listing.

Upon completing the maximum service period for rotation, a key audit partner may not lead or coordinate professional services to the PIE audit client until after completing a cooling-off period. This period is five years for a lead audit engagement partner, three years for an engagement quality reviewer, and two years for other partners subject to rotation.

Where the required cooling-off period for the lead audit engagement partner established by the local legislative body or regulator is less than five years, the higher of that cooling-off period or three years may be substituted for the otherwise required five-year cooling off period. This jurisdictional exception for the lead audit engagement partner may only be applied for audit periods beginning prior to 15 December 2023.

In addition to the audit partner rotation requirements applicable to PIE audit clients, EY has established a long association safeguards framework that, consistent with the requirements of the IESBA Code and Article 17 of 537/2014, includes consideration of the threats to independence created by involvement of professionals over a long period of time on an audit and a safeguards framework to address such threats.

We employ tools to effectively monitor compliance with internal rotation and requirements for audit partners and

other professionals who have had long association with the audit client, as well as gradual rotation. There is also a process for rotation planning and decision-making that involves consultation with, and approvals by, our Professional Practice and Independence professionals.

#### **External rotation**

For public interest entities we comply with the external rotation requirements of Art. 17 (1) of the EU Audit Regulation.

## **Audit quality reviews**

The EY Global AQR program is the cornerstone of the EY process to monitor audit quality. EY Hellas executes the Global AQR program, reports results and develops responsive actions plans. The primary goal of the program is to determine whether systems of quality controls, including those of EY Hellas, are appropriately designed and followed in the execution of audit engagements to provide reasonable assurance of compliance with policies and procedures, professional standards, and regulatory requirements. The Global AQR program complies with guidelines in the International Standard on Quality Control (ISQC) 1, as amended, and is supplemented where necessary to comply with Greek professional standards and regulatory requirements. It also aids EY Hellas' continual efforts to identify areas where we can improve our performance or enhance our policies and procedures.

Executed annually, the program is coordinated and monitored by representatives of the Global PPD network, with oversight by Global Assurance leadership.

The engagements reviewed each year are selected on a risk-based approach, emphasizing audit engagements that are large, complex or of significant public interest, including elements of unpredictability. The Global AQR program includes detailed risk-focused file reviews covering a large sample of listed and non-listed audit engagements, and public interest entities and non-public interest entities, to measure compliance with internal policies and procedures, EY GAM requirements, and relevant local professional standards and regulatory requirements. It also includes reviews of a sample of non-audit engagements. These measure compliance with the relevant professional standards, and internal policies and procedures that should be applied in executing non-audit services. In addition, practice-level reviews are performed to assess compliance with quality control policies and procedures in the functional areas set out in ISQC 1.

The Global AQR program complements external practice monitoring and inspection activities, such as inspection programs executed by audit regulators and external peer reviews.

AQR reviewers and team leaders are selected for their skills and professional competence in accounting and auditing, as well as their industry specialization; they often work in the Global AQR program for a number of years and are highly

skilled in the execution of the program. Team leaders and reviewers are assigned to inspections outside of their home location and are independent of the audit teams reviewed.

The results of the Global AQR program, external practice monitoring and inspection activities are evaluated and communicated to improve quality. Any quality improvement plans describe the follow-up actions to be taken, the people responsible, the timetable and deadlines, and sign-off on completed actions. Measures to resolve audit quality matters noted from the Global AQR program, regulatory inspections and peer reviews are addressed by Assurance leadership and our PPD. The actions are monitored by our PPD and Assurance leadership. These programs provide important practice monitoring feedback for our continuing quality improvement efforts.



## External quality assurance review

EY Hellas' audit practice and our registered statutory auditors are subject to inspections by the Hellenic Accounting and Auditing Standards Board (ELTE), to be performed at least every 3 years. As part of its inspections, ELTE evaluates quality control systems and reviews selected engagements. Furthermore, EY Hellas is registered with the Public Company Accounting Oversight Board (PCAOB) in the United States of America and, effective April 2019, with the Canadian Public Accountability Board and, therefore, subject to their inspections as well.

The last quality assurance inspection took place in October 2017, jointly by ELTE and PCAOB. PCAOB's final report on the inspection was issued in April 2018 with no findings. ELTE's final reports were issued in February 2019; we have considered the findings contained therein and have duly notified our regulator about our action plans towards addressing them.

We respect and benefit from the ELTE's inspection process. We thoroughly evaluate points raised during the inspection in order to identify areas where we can improve audit quality. Together with the AQR process, external inspections aid us in making our audits and related control processes of the highest quality in the interests of our clients' investors and other stakeholders.

Information on the above-mentioned regulators can be found at <http://www.elte.org> and <https://www.pcaobus.org>.

## Compliance with legal requirements

The EY Global Code of Conduct provides a clear set of standards that guide our actions and business conduct. EY Greece complies with applicable laws and regulations, and EY's values underpin our commitment to doing the right thing. This important commitment is supported by a number of policies and procedures, explained in the paragraphs below.

### Anti-bribery

The EY Global Anti-bribery Policy provides EY people with direction around certain unethical and illegal activities. It emphasizes the obligation to comply with anti-bribery laws and provides greater definition of what constitutes bribery. It also identifies reporting responsibilities when bribery is discovered. In recognition of the growing global impact of bribery and corruption, efforts have been increased to embed anti-bribery measures across EY.

### Insider trading

The EY Global Insider Trading Policy reaffirms the obligation of our people not to trade in securities with insider information, provides detail on what constitutes insider information and identifies with whom our people should

consult if they have questions regarding their responsibilities.

### Trade sanctions

It is important that we are aware of the ever-changing situation with respect to international trade sanctions. EY monitors sanctions issued in multiple geographies and provides guidance to EY people on impacted activities.

### Data privacy

The EY Global Personal Data Privacy Policy, revised and reissued in 2018, sets out the principles to be applied to the collection, use and protection of personal data, including that relating to current, past and prospective personnel, clients, suppliers, and business associates. This policy is consistent with the strict requirements of the European Union's General Data Protection Regulation and other applicable laws and regulations concerning data protection and privacy. EY also has Binding Corporate Rules approved by EU regulators in place to facilitate the movement of personal data within the EY network. Furthermore, we have a policy to address our specific Greek data privacy requirements and business needs.

### Document retention

EY Hellas' record retention policy applies to all engagements and personnel. This policy addresses document preservation whenever any person becomes aware of any actual or reasonably anticipated claim, litigation, investigation, subpoena or other government proceeding involving us or one of our clients that may relate to our work. It also addresses Greek legal requirements applicable to the creation and maintenance of working papers relevant to the work performed.

# Independence practices



The EY Global Independence Policy requires EY Greece and our people to comply with the independence standards applicable to specific engagements, including, e.g., the IESBA Code of Ethics, the EU Regulation 537/2014 and Law 4449/2017.

We consider and evaluate independence with regards to various aspects, including our financial relationships and those of our people; employment relationships; business relationships; the permissibility of services we provide to audit clients; applicable firm and partner rotation requirements; fee arrangements; audit committee pre-approval, where applicable; and partner remuneration and compensation.

Failure to comply with applicable independence requirements will factor into decisions relating to a person's promotion and compensation, and may lead to other disciplinary measures, including separation from EY Greece.

EY Greece has implemented EY's global applications, tools and processes to support us, our professionals and other employees in complying with independence policies.

## EY Global Independence Policy

The EY Global Independence Policy contains the independence requirements for member firms, professionals and other personnel. It is a robust policy predicated on the IESBA Code and supplemented by more stringent requirements in jurisdictions where prescribed by the local legislative body, regulator or standard setting body. The policy also contains guidance designed to facilitate an understanding and the application of the independence rules. The EY Global Independence Policy is readily accessible and easily searchable on the EY intranet.

## Global Independence System (GIS)

The GIS is an intranet-based tool that helps EY professionals identify the entities from which independence is required and the independence restrictions that apply. Most often, these are listed audit clients and their affiliates, but they can also be other types of attest or assurance clients. The tool includes family-tree data relating to affiliates of listed audit clients and is updated by client-serving engagement teams. The entity data includes notations that indicate the independence rules that apply to each entity, helping our

people determine the type of services that can be provided, or other interests or relationships that can be entered into.

## Global Monitoring System (GMS)

The GMS is another important global tool that assists in identifying proscribed securities and other impermissible financial interests. Professionals ranked as manager and above are required to enter details about all securities they hold, or those held by their immediate family, into the GMS. When a proscribed security is entered or if a security they hold becomes proscribed, professionals receive a notice and are required to dispose of the security. Identified exceptions are reported through the Global Independence Incident Reporting System (GIIRS) for regulatory matters.

GMS also facilitates annual and quarterly confirmation of compliance with independence policies, as described below.

## Independence compliance

EY has established a number of processes and programs aimed at monitoring the compliance with independence requirements of EY member firms and their people. These include the following activities, programs and processes.

### Independence confirmations

Annually, EY Greece is included in an Area-wide process to confirm compliance with the EY Global Independence Policy and process requirements, and to report identified exceptions, if any.

All EY professionals, and certain others, based on their role or function, are required to confirm compliance with independence policies and procedures at least once a year. All partners are required to confirm compliance quarterly.

### Independence compliance reviews

EY conducts internal procedures to assess member firm compliance with independence matters. These reviews include aspects of compliance related to non-audit services, business relationships with the companies we audit and financial relationships of member firms.

### Personal independence compliance testing

Each year, the EY Global Independence team establishes a program for testing compliance with personal independence confirmation requirements and with reporting of information into GMS. For the 2018 testing cycle, EY Hellas tested 20 partners and other personnel.

## Non-audit services

We monitor compliance with professional standards, laws and regulations governing the provision of non-audit services to audit clients through a variety of mechanisms. These include the use of tools, such as PACE (see page 16) and Service Offering Reference Tool (SORT) (see below), and training and required procedures completed during the performance of audits and internal inspection processes. We also have a process in place for the review and approval of certain non-audit services in advance of accepting the engagement.

## Global independence learning

EY develops and deploys a variety of independence learning programs. All professionals and certain other personnel are required to participate in annual independence learning to help maintain our independence from the companies we audit.

The goal is to help EY people understand their responsibility and to enable each of them, and their member firms, to be free from interests that might be regarded as incompatible with objectivity, integrity and impartiality in serving an audit client.

The annual independence learning program covers independence requirements focusing on recent changes to policy, as well as recurring themes and topics of importance. Timely completion of annual independence learning is required and is monitored closely.

In addition to the annual learning program, independence awareness is promoted through a number of events and materials, including new-hire programs, milestone programs and core service line curricula.

## Service Offering Reference Tool (SORT)

We assess and monitor our portfolio of services on an ongoing basis to confirm that they are permitted by professional standards, laws and regulations, and to make sure that we have the right methodologies, procedures and processes in place as new service offerings are developed. We restrict services from being provided that could present undue independence or other risks. SORT provides EY people with information about EY service offerings. It includes guidance around which services can be delivered to audit and non-audit clients, as well as independence and other risk management issues and considerations.

## Business Relationship Evaluation Tool (BRET)

Our people are required to use BRET in many circumstances to identify, evaluate and obtain advance approval of a potential business relationship with an audit client, thereby supporting our compliance with independence requirements.

## Audit committees and oversight of independence

We recognize that the important role audit committees and similar corporate governance bodies undertake in the

oversight of auditor independence. Empowered and independent audit committees perform a vital role on behalf of shareholders in protecting independence and preventing conflicts of interest. We are committed to robust and regular communication with audit committees or those charged with governance. Through EY quality review programs, we monitor and test compliance with EY standards for audit committee communications, as well as the pre-approval of non-audit services, where applicable.

## Continuing education of audit professionals



### Professional development

The continuous development of our people's skills and knowledge is critical to achieving our purpose of enhancing confidence in the capital markets.

Providing opportunities for the right experiences, learning and coaching helps them grow and achieve their potential at a variable pace of progression that suits them.

The day-to-day experiences gained are assigned locally in a systematic way while the EY audit learning core curriculum is globally consistent. This is supported throughout by on-the-job coaching from more experienced professionals that helps to transform knowledge and experience into practice.

Learning is delivered through the award-winning Audit Academy, which combines interactive classroom-based simulations and "on-demand" e-learning modules with relevant reinforcement and application support. This is supplemented by learning programs that are developed in response to changes in accounting and reporting standards, independence and professional standards, new technology and emerging practice issues.

Where an EYG member firm audits and reviews International Financial Reporting Standards (IFRS) financial statements, relevant team members undertake learning to become IFRS-accredited.

EY Hellas requires our audit professionals to obtain at least 20 hours of continuing professional education each year and at least 120 hours over a three-year period. Of these hours, 40% (eight hours each year and 48 hours over a three-year period) must cover technical subjects related to accounting and auditing.

### Knowledge and internal communications

In addition to professional development and performance management, we understand the importance of providing client engagement teams with up-to-date information to help them perform their professional responsibilities. EY makes significant investments in knowledge and communication networks to enable the rapid dissemination of information to help people collaborate and share best practices. Some of our initiatives include:

- ▶ EY Atlas, which includes local and international accounting and auditing standards, as well as interpretive guidance; replacement for Global Accounting and Auditing Information Tool (GAAIT) since the fiscal year 2017

- ▶ Publications such as International GAAP, IFRS developments and illustrative financial statements
- ▶ *Global Accounting and Auditing News* – weekly update covering assurance and independence policies, developments from standard setters and regulators, as well as internal commentary thereon
- ▶ Practice alerts and webcasts covering a range of global and country-specific matters designed for continuous improvement in member firms' Assurance practices

### Performance management

LEAD is our forward-looking EY approach to people's career, development and performance focusing on continuous feedback resulting in better conversations built around 90-day cycles. Feedback is aggregated and used as an input to compensation and reward programs.

It is designed to support the growth and development of our people at all stages of their career at EY. An individual's personal dashboard provides an easy to interpret snapshot of their performance against the Leadership at EY dimensions, and assessed performance against peers.

LEAD retains components that were also included in the previous Performance Management and Development Process approach. Those were providing our people with clear work expectations and the opportunity to self-assess their performance. During the course of the year, every professional, in conjunction with their counselor, identifies opportunities for further development.

# Revenue and remuneration



## Financial information

Revenue represents combined, not consolidated, revenues and includes expenses billed to clients and revenues related to billings to other EYG member firms. Revenue amounts disclosed in this report include revenues from both audit and non-audit clients.

Revenue is presented in accordance with International Financial Reporting Standards as adopted by the European Union and included for:

1. Revenues from the statutory audit of annual and consolidated financial statements of PIEs, and entities belonging to a group of undertakings whose parent undertaking is a PIE
2. Revenues from the statutory audit of annual and consolidated financial statements of other entities
3. Revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm
4. Revenues from non-audit services to other entities

### Financial information for the period ended on 30 June 2019 expressed in millions of Euro (€)

Service	Revenue	Percent
Statutory audits and directly related services for PIEs	5,3	22,9%
-----	-----	-----
Other audit services and directly related services for non-PIEs	12,5	53,9%
-----	-----	-----
Non-audit services provided to companies we audit	2,2	9,4%
-----	-----	-----
Non-audit services provided to	3,2	13,8%
<b>Total revenues related to EY Hellas</b>	<b>23,2</b>	<b>100,0%</b>
Non-audit services provided by other EY entities in Greece	61,8	
<b>Total revenue of all entities in Greece</b>	<b>85,0</b>	



## Partner remuneration

Quality is at the center of the EY strategy and is a key component of EY performance management systems. EY Greece's partners and other professionals are evaluated and compensated based on criteria that include specific quality and risk management indicators, covering both actions and results.

LEAD for partners, principals, executive directors and directors (PPEDDs) applies to all partners in EYG member firms around the world. LEAD for PPEDDs reinforces the global business agenda by continuing to link performance to wider goals and values. The process includes goal setting, ongoing feedback, personal development planning and performance review, and is tied to partners' recognition and reward. Documenting partners' goals and performance is the cornerstone of the evaluation process. A partner's goals are required to reflect various global priorities, one of which is quality.

EY policies prohibit evaluating and compensating lead audit engagement partners and other key audit partners on an engagement based on the sale of non-Assurance services to companies they audit. This reinforces to our partners their professional obligation to maintain our independence and objectivity.

For audits conducted in accordance with the requirements of Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014, EY prohibits evaluating and compensating any partner or professional involved in, or able to influence the carrying out of, an engagement based on the sale of non-Assurance services to their audit clients. This reinforces that professionals are obligated to maintain independence and objectivity.

Specific quality and risk performance measures have been developed to account for:

- ▶ Providing technical excellence
- ▶ Living the EY values as demonstrated by behaviors and attitude
- ▶ Demonstrating knowledge of, and leadership in, quality and risk management
- ▶ Complying with policies and procedures
- ▶ Complying with laws, regulations and professional duties
- ▶ Contributing to protecting and enhancing the EY brand

The EY partner compensation philosophy calls for meaningfully differentiated rewards based on a partner's level of performance, as measured within the context of LEAD. Partners are assessed by their firms annually on their performance in delivering quality, exceptional client service and people engagement alongside financial and market metrics.

We operate under a system that requires quality to be a significant consideration in a partner's overall year-end rating.

To recognize different market values for different skills and roles, and to attract and retain high-performing individuals, the following factors are also considered when we determine our partners' total reward:

- ▶ Experience
- ▶ Role and responsibility
- ▶ Long-term potential

Instances of non-compliance with quality standards result in remedial actions, which may include compensation adjustment, additional training, additional supervision or reassignment. A pattern of non-compliance or particularly serious non-compliance may result in actions that include separation from EY Greece.



## Appendix 1



### EY Hellas PIE audit clients

In the fiscal year that ended on 30 June 2019, EY Hellas performed audits of the following PIEs:

PUBLIC INTEREST ENTITY	STATUTORY AUDIT	
	2018	2017
AEGEAN AIRLINES S.A.	✓	✓
ALUMIL ALUMINIUM INDUSTRY S.A.	✓	✓
FORTHNET S.A.	✓	✓
FOURLIS HOLDINGS S.A.	✓	✓
GENERALI HELLAS S.A.	✓	✓
HELLENIC PETROLEUM S.A.	✓	✓
HOUSEMARKET S.A.	✓	✓
NAFTEMPORIKI P. ATHANASSIADES & CO. S.A.	-	✓
NIREUS AQUACULTURE S.A.	✓	✓
PUBLIC POWER CORPORATION S.A.	✓	-
THESSALONIKI PORT AUTHORITY S.A.	✓	✓
TRASTOR R.E.I.C	✓	-



## List of approved EYG member firms in an EU or EEA member state

As of 30 June 2019, the following EYG member firms are approved to carry out statutory audits in an EU or EEA member state:

Member State	Statutory auditor or audit firm
Austria	Ernst & Young Wirtschaftspruefungsgesellschaft mbH
Belgium	Ernst & Young Assurance Services BCVBA
	Ernst & Young Bedrijfsrevisoren B.C.V.B.A
	EY Europe SCRL
Bulgaria	Ernst & Young Audit OOD
Croatia	Ernst & Young d.o.o.
Cyprus	Ernst & Young Cyprus Limited
	Ernst & Young
	Ernst & Young CEA (South) Services Ltd
	Ernst & Young CEA (South) Holdings Plc
Czech Republic	Ernst & Young Audit, s.r.o.
Denmark	Ernst & Young Godkendt Revisionspartnerselskab
	EY Grønland Statsautoriseret Revisionspartnerselskab
Estonia	Ernst & Young Baltic AS
	OU Baltic Network
Finland	Ernst & Young Oy
	Julkispalvelut EY Oy
France	Artois
	Auditex
	Barbier Frinault & Associates
	Ernst & Young Atlantique
	Ernst & Young Audit
	Ernst & Young et Autres
	EY & Associés
	Picarle et Associates
Germany	Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft
	Ernst & Young Heilbronner Treuhand GmbH Wirtschaftsprüfungsgesellschaft
	EY Revision und Treuhand GmbH Wirtschaftsprüfungsgesellschaft
	Schitag Schwäbische Treuhand GmbH Wirtschaftsprüfungsgesellschaft

Member State	Statutory auditor or audit firm
Gibraltar	EY Limited
Greece	Ernst & Young (Hellas) Certified Auditors Accountants SA
Hungary	Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság
Iceland	Ernst & Young ehf
Ireland	Ernst & Young Chartered Accountants
Italy	EY S.p.A.
Latvia	Ernst & Young Baltic SIA
Liechtenstein	Ernst & Young AG, Basel
	Ernst & Young AG, Vaduz
Lithuania	Ernst & Young Baltic UAB
Luxembourg	Compagnie de Revision S.A.
	Ernst & Young Luxembourg S.A.
	Ernst & Young S.A.
Malta	Ernst & Young Malta Limited
Netherlands	Ernst & Young Accountants LLP
Norway	Ernst & Young AS
Poland	Ernst & Young Audyt Polska sp. z o.o.
	Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Finance spółka komandytowa
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Doradztwo Podatkowe spółka komandytowa
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.
	Ernst & Young Usługi Finansowe Audyt sp. z o.o.
Portugal	Ernst & Young Audit & Associados - SROC, S.A.
Romania	Ernst & Young Assurance Services S.r.l.
	Ernst & Young Support Services SRL
Slovakia	Ernst & Young Slovakia, spol. s r.o.
Slovenia	Ernst & Young d.o.o.
Spain	ATD Auditores Sector Público, S.L.U
	Ernst & Young, S.L.
Sweden	Ernst & Young AB
United Kingdom	Ernst & Young LLP
	Ernst & Young Europe LLP

Total turnover for the year ended on 30 June 2019 for these EYG member firms resulting from statutory audits of annual and consolidated financial statements was approximately € 2.7 billion.

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