



Transparency Report

FY21 PwC Cyprus

1 July 2020 - 30 June 2021

**20
21**

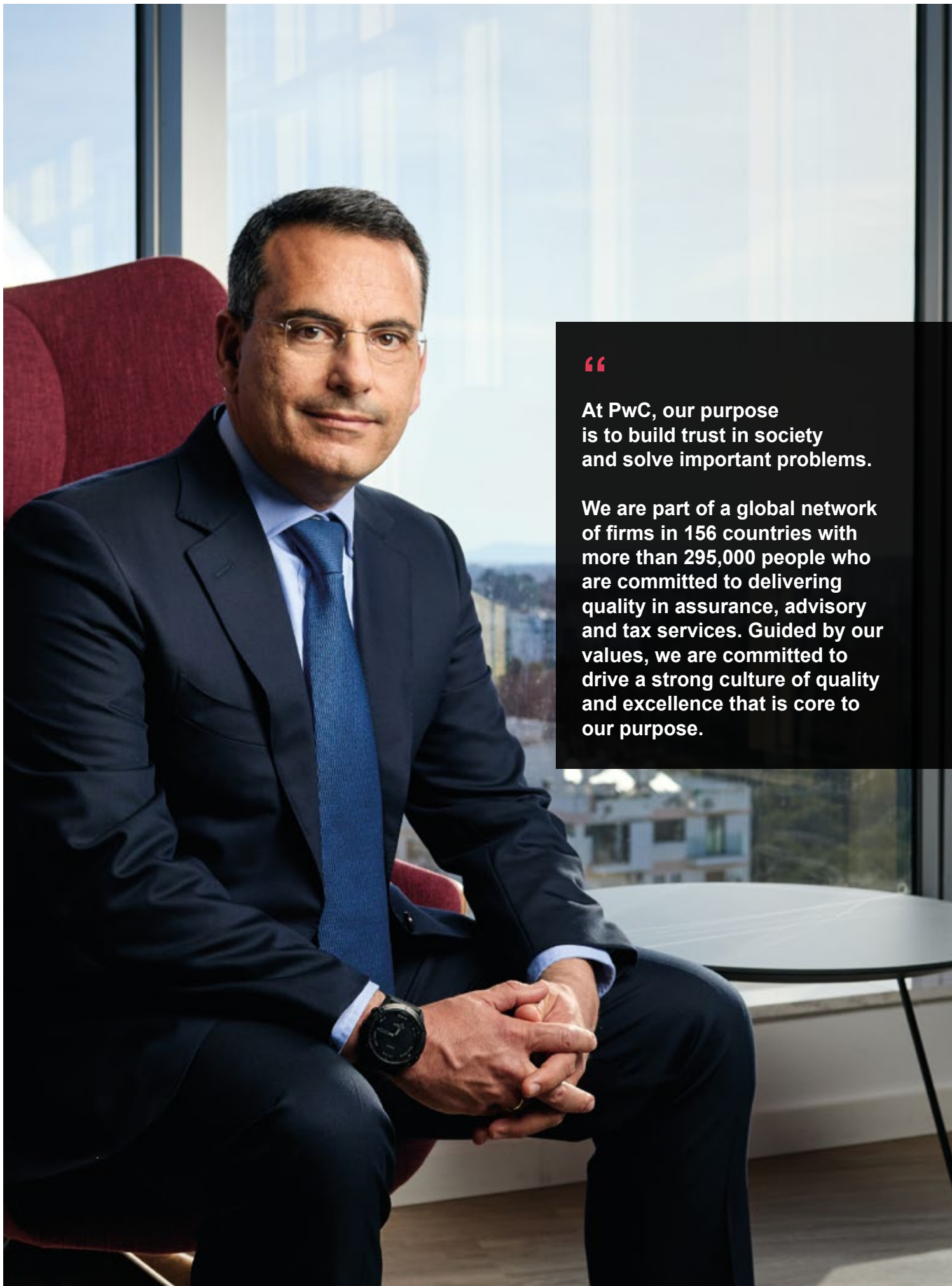
www.pwc.com.cy



Table of Contents

Message from Leadership	5
Our approach to quality	12
Culture and values	16
Our people	28
Our audit approach	32
Monitoring	38
Financial performance	42
Legal and governance structure	44
PwC Network	50
Appendix 1: Public Interest Entities	53
Appendix 2: PwC Network EU entities	54





“

At PwC, our purpose is to build trust in society and solve important problems.

We are part of a global network of firms in 156 countries with more than 295,000 people who are committed to delivering quality in assurance, advisory and tax services. Guided by our values, we are committed to drive a strong culture of quality and excellence that is core to our purpose.

Message from Leadership

Welcome to our FY21 Transparency report

Our FY21 Transparency report includes information about how the firm is governed as well as updates from the Head of our Assurance Services, Yiangos Kaponides. While PwC is a multidisciplinary firm, this report is primarily focused on our audit practice and related services. As the audit profession continues to be under significant public scrutiny, we understand the concerns and remain committed to supporting the changes that will improve audit quality.

In July 2021, we unveiled in Cyprus The New Equation, which is PwC's landmark global strategy which responds to fundamental changes in the world, including technological disruption, climate change, fractured geopolitics, and the continuing effects of the COVID-19 pandemic.

The New Equation is based on analysis of global trends and thousands of conversations with clients and stakeholders. It builds on more than a decade of sustained revenue growth and continued investment. The New Equation focuses on two interconnected needs that clients face in the coming years. The first is to build trust, which has never been more important, nor more difficult. The second is to deliver sustained outcomes in an environment where competition and the risk of disruption are more intense than ever and societal expectations have never been greater.

For more information on The New Equation, please see www.pwc.com/gx/en/.

Our new strategy builds on our ongoing commitment to quality.

In this context, delivering audit quality is a key priority for us. Guided by our purpose and values that address integrity and independence, we continue to invest in our people by supporting their ongoing professional and personal development. Through our career development centres, leadership workshops, executive coaching and our "New world. New skills." initiative which aims to spread digital knowledge and strengthen the skills required in the digital era, we support our people in reaching their full potential and fulfilling their aspirations.

PwC Cyprus remains the leading organisation in the professional services sector, achieving net revenues of €80m in FY21, despite the adverse impact of the COVID-19 pandemic on our results. Our total contribution to government revenues including income tax, special contribution for defence, PAYE, VAT, GHS and social insurance contributions was €29,7m. This is the result of our continuous investments in developing our capabilities, encouraging innovation, embracing new technologies as well as upskilling and empowering our people. During FY21, we continued to invest in innovation and new technologies launching the first in Cyprus Experience Center as well as our internal "Innovaction" programme. To support our services and meet the increasing audit challenges as well as to enhance the quality of our audit services, we launched a number of digital solutions, services and applications.

As we strive to meet the expectations of our clients, stakeholders and the society in general, we focus on fostering a culture that emphasises on quality being the responsibility of everyone at PwC. This publication is a description of how we bring together our culture, people, values and processes to meet our audit quality objectives.



Evgenios C Evgeniou
CEO & Senior Partner





A message from Assurance Leader

Quality is core to our purpose and remains at the heart of our strategy in Assurance. Since its onset, the COVID-19 pandemic continues to present significant new challenges across the globe. Our initial response was rapid, and our priority was keeping our people safe - just as it is today. It was our focus on our people, and their trust in us, that allowed us to navigate the disruption. With the tools, guidance, and confidence we provided, our audit teams continued to deliver quality and meet the needs of our clients and stakeholders. As a firm, we continued to focus on the important role we play as auditors in helping to facilitate transparency and instill confidence in the capital markets.

One of the ways we build trust and transparency in the capital markets is by us being transparent. This is why we are pleased to present our Transparency Report for FY21, which shows how we maintain quality in our audit work. The report describes our policies, systems and processes for ensuring quality, which include key quality monitoring programmes and reviews, and the way we foster a culture of quality at every level of the firm. It details the EU PIE companies we performed audits for and the total revenue from our audit and non-audit work.

» Our focus on audit quality

Our audit business is fundamental to our strategy and brand. We continue to invest in continuous improvement in audit quality through new systems and technology, risk processes and learning and development for our people.

Executing high-quality audits and providing professional audit services objectively and ethically to every company we audit continue to be our top priorities and at the core of our commitment to serve the public interest. To continuously improve our audit quality, we challenge our audit methodology and approach regularly, evaluate all inspection findings and take responsive actions. Furthermore, we believe there are many factors that contribute to a quality audit. To get to a balanced picture of quality, stakeholders need to see a range of measures. This report discloses how we're performing against key measures of audit quality including our internal and external inspection findings.

» Blending our people with technology to deliver quality

We are empowering our audit teams with advanced, innovative tools, support and guidance. We aim to achieve a perfect blend of people and technology, reimagining the audit and how we bring the best of human and machine intelligence to our clients. Today, we have powerful platforms such as Halo, Aura and Connect that will take us into tomorrow, as we consider how to enhance our use of technology and data in the future to communicate securely and provide better insights to our audit clients.

I'm proud of the role we're playing in the discussions about audit quality in Cyprus. We will continue to drive audit quality to contribute to the success of our clients and stakeholders.

Yiannos Kaponides
Assurance Leader



Year in Review

FY21 Assurance training

Average hours achieved
by Partners and staff

21 Online	40 Classroom	61 Total
--------------	-----------------	-------------

Total hours completed

23.238

FY20 Assurance training

Average hours achieved
by Partners and staff

15 Online	44 Classroom	59 Total
--------------	-----------------	-------------

Total hours completed

19.230

Technical support

Ratio of Partners serving in technical
support roles to the total number
of audit Partners

1.2 to 11

- +** **Experience of our Partners**
Partners' average years of experience at PwC
25 years

- >>>** **Audit quality reviews - Internal inspections**
Number of internal audit quality inspections
carried out by the firm

10 audit
engagements
2 non-audit assurance
engagements

- >>>** **Audit quality reviews - External inspections**
Number of external audit quality inspections
carried out by the firm's regulator

2 EU PIE audit engagements

- >>>** **Real time reviews**
Number of real time reviews carried out
for audit engagements

63 audit
engagements

FY21 >>>

- +** **Digital upskilling**
Hours spent on Digital Upskilling courses
1.411
- +** **Average training hours per grade**
(based on the Curriculum per Global)

D/P 30-40	M/SM 35-45	SA/SA2 35-55	A 70-110
--------------	---------------	-----------------	-------------

FY20 >>>

- +** **Digital upskilling**
Hours spent on Digital Upskilling courses
2.136
- +** **Average training hours per grade**
(based on the Curriculum per Global)

D/P 25-35	M/SM 35-45	SA/SA2 35-45	A 65-105
--------------	---------------	-----------------	-------------

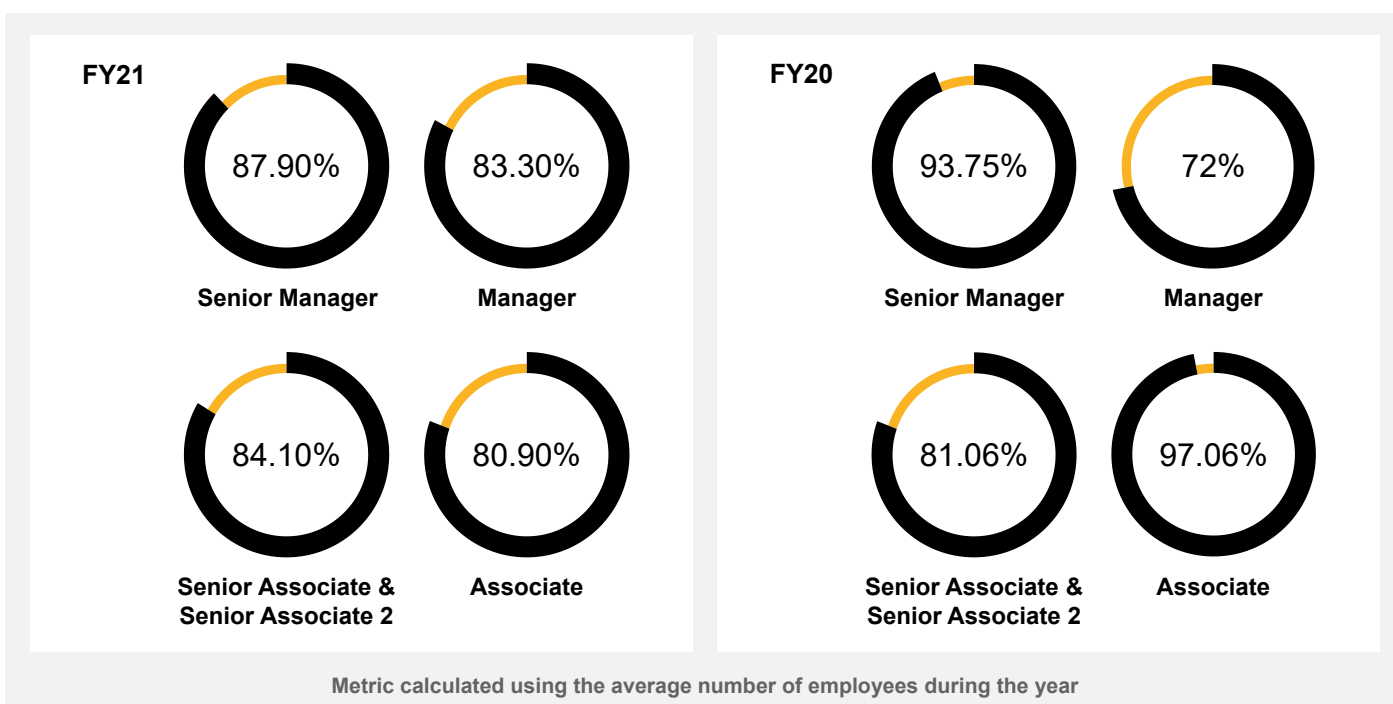
>>> Arrows link to the relevant section in the report

Global People Survey

Response rate of Assurance professional who report:

	Reporting Dimension	%
I have the opportunity to work on challenging assignments that contribute to my development	Growth & Development	86%
The feedback and coaching I receive allows me to make immediate improvement in my performance	Growth & Development	93%
The people I work with demonstrate conduct consistent with PwC's Global Code of Conduct	Ethics	83%
At PwC, I feel comfortable discussing or reporting ethical issues and concerns without fear of negative consequences	Ethics	82%
At PwC, the quality of the technology I work with allows me to complete my work effectively	Innovation	93%

Average retention rate by staff level >>>






Our quality improvement programmes

At PwC, we are invested in continuously improving our audit quality through the design and operation of an effective system of quality management. Further, as part of PwC's new global strategy, The New Equation, PwC will continue to invest to further enhance quality. This includes a focus on the following key areas:

- Continuing to strengthen our quality culture to support our partners and teams display behaviours consistent with driving audit quality;
 - Integration of the use of Assurance Quality Indicators to aim to **predict** quality, Real Time Assurance to aim to **prevent** quality issues, Root Cause analysis to **learn** from quality issues and a Recognition and Accountability Framework to **reinforce** quality behaviours, cultures, and actions;
 - Increasing our focus on ongoing and real-time quality monitoring including through the use of Real Time Assurance and Assurance Quality Indicators; and
 - Developing an implementation plan that addresses explicit requirements resulting from the recently approved IAASB quality management standards. However it is not expected that the changes related to ISQM 1 will have a significant impact on our SoQM.
- In addition, we continue to engage with our stakeholders to have:
- Public discussions on the future of audit, exploring how it needs to change to meet society's evolving expectations; and
 - Real time engagement around the changes we're seeing in the world and their impact on audit quality and compliance, like technology disruption, climate change, geopolitics - changes that have been magnified and accelerated by the COVID-19 pandemic.





At PwC, our purpose
is at the core of what we do
and why we do it.

A yellow graphic element consisting of a vertical rectangle and a triangle pointing to the right, positioned to the left of the text.

Our approach to Quality

Our approach to delivering quality services across all our operations and network

○ Focus on Quality

The quality of our work is at the heart of our organisation and we invest significant and increasing resources in its continuous enhancement across all of our businesses. This investment is targeted into many different areas, including training (technical, ethical and behavioural), methodologies, adding resources in key areas and exploring new ways of delivering our work. Each investment reflects a common determination to understand the factors that drive quality and identify opportunities for enhancement.

We are also investing heavily in new technology to drive continuous improvement in the capabilities and effectiveness of all of our services.

We are proud to have been the first of the global professional services networks to have published its internal audit quality inspection results. It is very important that we are transparent about both the efforts that we are making to enhance quality, and also the results and the impact that these efforts are having. The publication of this data by our network over the last few years, along with public discourse on the subject of the audit, has quite rightly put an increasing focus on the issue of audit quality, which we discuss in detail in this report.

○ Definition and culture

At PwC, we define quality service as one that consistently meets the expectations of our stakeholders and which complies

with all applicable standards and policies. An important part of delivering against this quality definition is building a culture across a network of over 295,000 people that emphasises that quality is the responsibility of everyone including our over 1000 people. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.

○ Measurement and transparency

For all our businesses, each PwC firm - as part of the agreement by which they are members of the PwC network - is required to have in place a comprehensive system of quality management (SoQM); to annually complete a SoQM performance assessment; and to communicate the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm and if they are not at the level expected, a remediation plan is agreed with local leadership taking personal responsibility for its successful implementation.

As our services change and develop, and the needs and expectations of our stakeholders also change, we are continually reviewing and updating the scale, scope and operations of our system of quality management and investing in programmes to enhance the quality of the services that we provide.



Specific focus on audit quality

Delivering quality audits is core to our purpose. To that end, we are committed to providing a quality audit. However, where our work falls below the standards that we set for ourselves and are set by the regulators, we are disappointed and also rightly criticised. We take each of these instances very seriously and work hard to learn lessons and to enhance the quality of audits that we undertake in the future.

○ The right objectives and capabilities

To help us put this strategy into effect, the PwC network has established clear objectives around audit quality and provides support to help us meet these objectives. Our engagement teams can only deliver quality audit services if they have access to the necessary capabilities - both in terms of people and technology. That's why our quality objectives focus on having the right capabilities - both at a member firm level and across our network - and on using these capabilities to meet our own standards and the professional requirements. These capabilities can only be developed under the right leadership and quality culture, promoting the right values and behaviours.

○ Integrated and aligned in the right way

The quality objectives focus on having the right people supported by effective methodologies, processes, and technology appropriately directed and supervised. These represent the capabilities that we believe are relevant to achieving and sustaining audit quality. To help us achieve these objectives, there are a number of dedicated functions at a network level that develop practical tools, guidance and systems to support

and monitor audit quality across our network. These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework that we tailor to reflect our individual circumstances.

○ Delivering a quality end-product consistently

Central to the framework is the recognition that quality management is not a separate concept; it needs to be embedded in everything we do as individuals, teams, firms and the network. The quality objectives are supported by designated key activities which are considered necessary to achieve the quality objectives, focused mainly on building a quality infrastructure and organisation. We supplement and design those key activities as appropriate to respond to risks we have identified to achieving each quality objective.

○ Values and judgments

Performing quality audits requires more than just the right processes. At its core, an auditor's role is to assess with a "reasonable" degree of assurance whether the financial statements prepared by the company's management are free of "material misstatements" - reaching a professional judgment on whether the financial statements present a fair picture of the company's financial performance and position. To carry out this assessment effectively, the auditor needs to use all the capabilities that have been built up in line with our quality objectives. These include applying ethical behaviour in accordance with PwC's values, professional scepticism, specialist skills and judgment - all supported by technology.



Delivering audit quality during the COVID-19 pandemic

Our response to COVID-19

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

At PwC, in addition to continuing to safeguard 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.

Sharing developments and experience

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 have leveraged the guidance developed by our Network to provide consistent leadership and guidance on audit quality and equip our teams to consider their client's unique circumstances and respond accordingly.

Our Network response was comprehensive. It covered all aspects of audit quality, including regulatory and standard setting updates, auditor reporting, methodology, accounting and learning and education. Using the network guidance, we considered changes needed to our existing policies and procedures as well as what needed to be reinforced through appropriate communications to our staff and partners.

Identifying and addressing risks related to COVID-19

The COVID-19 pandemic resulted in us facing a number of new challenges in our audits. This ranged from how we operate as a

team to plan and complete the audit, to how we interact with our clients to obtain the necessary audit evidence and execute specific audit procedures such as completing physical inventory counts.

The foundation we have built for our system of quality management helped us navigate some of our biggest challenges as a result of the pandemic. We were able to monitor the actions we took to address identified risks and assess whether changes needed to be made on a real time basis. We used the experience and examples shared with us from across the network to support our assessment of the issues that had the potential to impact our system of quality management.

We focused on enhanced supervision and review, additional procedures and documentation in our audit files for the impact of COVID-19 and the use of consultations with specialists within our firm where needed, to respond to the risks we identified.

The investment in technology and moving quickly to upskill our partners and staff to work seamlessly in a digital world put us at the forefront in managing remote working during our busiest time of year without sacrificing quality in our audits. Our teams utilised the resources made available and worked cohesively to execute our audits remotely.

We continue to monitor and respond to the ongoing impacts of the pandemic on our people and clients including the implications of changing or easing restrictions.

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



A yellow graphic element consisting of a vertical rectangle and a triangle pointing to the right, positioned to the left of the title text.

Cultures and values

Our purpose
is to build trust in society and solve
important problems.

Our values
define who we are, what we stand for,
and how we behave.



Leadership and tone at the top

Our purpose and values are the foundation of our success. Our purpose is to build trust in society and solve important problems, and our values help us deliver on that purpose. Our purpose reflects 'why' we do what we do, and our strategy provides us with the 'what' we do. 'How' we deliver our purpose and strategy is driven by our culture, values and behaviours. This forms the foundation of our system of quality management and permeates how we operate, including guiding our leadership actions, and how we build trust in how we do business, with each other and in our communities.

When working with our clients and our colleagues to build trust in society and solve important problems, we:

- Act with integrity
- Make a difference
- Care
- Work together
- Reimagine the possible

Key messages are communicated to our firm by our Senior Partner and our leadership team and are reinforced by engagement partners. These communications focus on what we do well and actions we can take to make enhancements.

We track whether our people believe that our leaders' messaging conveys the importance of quality to success of our firm. Based on this tracking, we are confident our people understand our audit quality objectives.



Audit Quality Measures

Employee survey results:

- I have the opportunity to work on challenging assignments that contribute to my development.
- The feedback and coaching I receive allows me to make immediate improvement in my performance.
- The people I work with demonstrate conduct consistent with PwC's Global Code of Conduct.
- At PwC, I feel comfortable discussing or reporting ethical issues and concerns without fear of negative consequences.
- At PwC, the quality of the technology I work with allows me to complete my work effectively.

Delivering service of the highest quality is core to our purpose and our assurance strategy, the focus of which is to strengthen trust and transparency in our clients, in the capital markets and wider society.

To help PwC Cyprus put this strategy into effect, the PwC network has established the Quality Management for Service Excellence (QMSE) framework for quality management which integrates quality management into business processes and the firm-wide risk management process. The QMSE framework introduces an overall quality objective for the Assurance practice focused on having the people and processes to deliver services in an effective and efficient manner that meets the expectations of our clients and other stakeholders.

This overall quality objective is supported by a series of underlying quality management objectives and our SoQM

must be designed and operated so that these objectives are achieved with reasonable assurance. The achievement of these objectives is supported by a **quality management process** established by our firm and Assurance leadership, business process owners, and partners and staff.

This involves the integrated use of Assurance Quality Indicators to aim to **predict** quality issues, Real Time Assurance to aim to **prevent** quality issues, Root Cause Analysis to **learn** from quality issues and a Recognition and Accountability Framework to **reinforce** quality behaviours, culture and actions.

These programmes, by design, require ongoing monitoring and continuous improvement, in particular Assurance Quality Indicators, which we expect will evolve significantly over time and as we continue to use and learn from these measures.



The Quality Management Process

This quality management process includes:

- Identifying risks to achieving the quality objectives;
- Designing and implementing responses to the assessed quality risks;
- Monitoring the design and operating effectiveness of the policies and procedures through the use of process-integrated monitoring activities such as real-time assurance as well as appropriate Assurance quality indicators;
- Continuously improving the system of quality management when areas for improvement are identified by performing root cause analyses and implementing remedial actions; and
- Establishing a quality-related recognition and accountability framework to be used in appraisals, remuneration, and career progression decisions

○ Aim to Predict: Assurance Quality Indicators

We have identified a set of Assurance Quality Indicators (AQIs) that support our Assurance leadership team in the early identification of potential risks to quality, using metrics to aim

to predict quality issues. This quality risk analysis is an essential part of our QMSE, and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM.

○ Aim to Prevent: Real Time Assurance

We have developed a Real Time Quality Assurance (RTA) programme designed to provide preventative monitoring that helps coach and support engagement teams get the 'right work' completed in real-time, during the audit.

Our RTA programme is made up of two components:

- Real-time reviews, which are performed by experienced staff members, and are focused on identifying and resolving potential quality matters prior to the issuance of an audit report; and
- Real-time coaching, which uses data points from the firm's active audit engagements to identify potential quality matters and communicate them to engagement teams for consideration and resolution.





Learn: Root cause analysis

We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take actions to continuously improve. Our primary objectives when conducting such analyses is to understand what our findings tell us about our SoQM and to identify how our firm can provide the best possible environment for our engagement teams to deliver a quality audit. We look at quality findings from all sources including our own ongoing monitoring of our SoQM as well as Network inspection of our SoQM, audits both with and without deficiencies - whether identified through our own internal inspections process or through external inspections and other inputs - to help identify possible distinctions and learning opportunities.

For individual audits, an objective team of reviewers identifies potential factors contributing to the overall quality of the audit. We consider factors relevant to technical knowledge, supervision and review, professional scepticism, engagement resources, and training, amongst others. Potential causal factors are identified by evaluating engagement information, performing interviews, and reviewing selected audit working papers to understand the factors that may have contributed to audit quality.

In addition, the data compiled for audits both with and without deficiencies is compared and contrasted to identify whether certain factors appear to correlate to audit quality. Examples of this data include the hours incurred on the audit, whether key engagement team members are in the same geography as the client, the number of years that key engagement team members have been on the engagement, the number of other audits that engagement partners are involved in, whether the engagement was subject to a pre-issuance review, and the timing of when the audit work was performed.

Our goal is to understand how quality audits may differ from those with deficiencies, and to use these learnings to continuously improve all of our audits. We evaluate the results of these analyses to identify enhancements that may be useful

to implement across the practise. We believe these analyses contribute significantly to the continuing effectiveness of our quality controls.

Reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and driving a high quality culture. It holds Partners, including non-Partner Engagement Leaders, as well as staff from the grade of Senior Associate 2 and upwards, accountable for quality outcomes beyond compliance. Our RAF considers and addresses the following key elements:

- **Quality outcomes:** We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC network and our firm's standards and policies
- **Behaviours:** We have set expectations of the right behaviours that support the right attitude to quality, the right tone from the top and a strong engagement with the quality objective
- **Interventions/recognition:** We have put in place interventions and recognition that promotes and reinforces positive behaviours and drives a culture of quality
- **Consequences/rewards:** We have implemented financial and non-financial consequences and rewards that are commensurate to outcome and behavior and sufficient to incentivize the right behaviours to achieve the quality objectives



○ Leadership responsibilities for quality within the firm

The overall responsibility for the firm's SoQM lies with the firm's Management Board. The day-to-day responsibility for the implementation of this system and for monitoring risks and the effectiveness of controls is delegated to the Heads of the Lines of Service and Functions, as appropriate.

The firm's leadership is committed in delivering high-quality service and upholding the values of integrity, independence, professional ethics and professional competence which are embedded within the audit process. The firm's leadership has appointed a number of Partners and Directors in roles dedicated to establishing high standards of quality.

The following, who are supported by appropriate additional resources, deal with the management of relevant functions within Assurance:

- + **Petros Petrakis**
Head of Risk & Quality, Ethics & Business Conduct Leader, Partner Responsible for Independence
- + **George Kazamias**
Assurance Risk & Quality Partner, Audit Methodology Partner, Regulatory Affairs Partner, Information Security and Data Protection Partner
- + **Demetris Psaltis**
Money Laundering Compliance Officer
- + **Eliana Iacovides Kourris**
Office of General Counsel
- + **Anna Loizou**
Head of People, Accounting Consulting Services Partner
- + **Stavros Kattamis**
Head of Finance & Operations
- + **Ioannis Efthymiou**
Assurance Learning & Education

Audit Engagement Leaders take primary responsibility for the delivery of the firm's audit opinion. Audit quality is a major component of the Partner planning, assessment and execution process.



Ethics, independence and objectivity

○ Ethics

At PwC, we adhere to the fundamental principles of ethics set out in the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the Code), which are:

+ Integrity

to be straightforward and honest in all professional and business relationships;

+ Objectivity

to not allow bias, conflict of interest or undue influence of others to override professional or business judgements;

+ Professional Competence and Due Care

to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards;

+ Confidentiality

to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties; and

+ Professional Behaviour

to comply with relevant laws and regulations and avoid any action that discredits the profession.

Our network standards applicable to all network firms cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust/fair-competition, anti-corruption, information protection, firm's and partner's taxes, 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. All partners and staff undertake annual mandatory training, as well as submitting annual compliance confirmations, as part of the system to support appropriate understanding of the ethical

requirements under which we operate. Partners and staff uphold and comply with the standards developed by the PwC network and leadership in PwC Cyprus monitors compliance with these obligations.

In addition to the PwC Values (Act with Integrity, Make a difference, Care, Work together, Reimagine the possible) and PwC Purpose, PwC Cyprus has adopted the PwC network standards which include a Code of Conduct, and related policies that clearly describe the behaviours expected of our partners and other professionals - behaviours that will enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal - to do the right thing.

Upon hiring or admittance, all staff and partners of PwC Cyprus are provided with the PwC Global Code of Conduct. They are expected to live by the values expressed in the Code in the course of their professional careers and have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when observing behaviours inconsistent with the Code. Each firm in the PwC network provides a mechanism to report issues. There is also a confidential global reporting option on pwc.com/codeofconduct. PwC Cyprus has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

The PwC Code of Conduct is available on-line for all internal and external stakeholders at pwc.com/ethics.

Finally, the Organisation for Economic Co-operation and Development (OECD) provides guidance, including the OECD Guidelines for Multinational Enterprises (the OECD Guidelines), by way of non-binding principles and standards for responsible business conduct when operating globally. The OECD Guidelines provide a valuable framework for setting applicable compliance requirements and standards. Although the PwC network consists of firms that are separate legal entities which do not form a multinational corporation or enterprise, PwC's network standards and policies are informed by and meet the goals and objectives of the OECD Guidelines.



Objectivity and Independence

As auditors of financial statements and providers of other types of professional services, PwC member firms and their partners and staff are expected to comply with the fundamental principles of objectivity, integrity and professional behaviour. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

The PwC Global Independence Policy, which is based on the Code, 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 Cyprus has a designated partner (known as the Partner Responsible for Independence or 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, who is also the firm's Head of Risk & Quality and member of the Management Board, reports directly to the firm's Senior Partner.

Independence policies and practices

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

- personal and firm independence, including policies and guidance on the holding of financial interests and other financial arrangements, e.g. bank accounts and loans by partners, staff, the firm and its pension schemes;

- 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 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 on 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.

These policies and processes are designed to help PwC comply with relevant professional and regulatory standards of independence that apply to the provision of assurance services. Policies and supporting guidance are reviewed and revised when changes arise, such as updates to laws and regulations, including any changes to the Code or in response to operational matters.

PwC Cyprus supplements the PwC Network Independence Policy as required by local laws and regulations, including the independence requirements of the EU Audit Regulation, where they are more restrictive than the Network's policy.



○ Independence-related systems and tools

As a member of the PwC Network, PwC Cyprus has access to a number of systems and tools which support PwC member firms 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 all PwC audit clients and their related entities (including all public interest audit clients and SEC restricted entities) as well as their related securities. 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 service or business relationship. This system also feeds Independence Checkpoint and Authorisation for Services;
- Independence Checkpoint which facilitates the pre-clearance of publicly traded securities by all partners and practice managers before acquisition and is used to record their subsequent purchases and disposals. Where a PwC member firm wins a new audit client, this system automatically informs those holding securities in that client 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, where deemed necessary, and acts as a record of the audit partner's conclusion on the permissibility of the service; and

- Global Breaches Reporting System which is designed to be used to report any breaches of external auditor 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 which affects an audit relationship in another territory). All breaches reported are evaluated and addressed in line with the Code.

PwC Cyprus also has a number of Cyprus-specific systems which include:

- A rotation tracking system which monitors compliance with PwC Cyprus' audit rotation policies for the member firm, the engagement leaders, other key audit partners and senior staff involved in an audit; and
- A database that records all approved close business relationships entered into by PwC Cyprus. These relationships are reviewed on a six monthly basis to ensure their ongoing permissibility.





○ Independence training and confirmations

PwC Cyprus provides all partners and practise staff with annual or on-going training in independence matters. Training typically focuses on changes in policy or external regulation and, as relevant, provision of services. Partners and staff receive computer-based training on PwC Cyprus' independence policy and related topics. Additionally, face-to-face training is delivered to partners and practise staff on an annual basis by PwC Cyprus' independence specialists and risk and quality teams.

All partners and practise staff are required to complete an annual compliance confirmation, whereby they confirm their compliance with relevant aspects of the member firm'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 processes have been followed in accepting these engagements and relationships. These annual confirmations are supplemented by periodic and ad-hoc engagement level confirmations for audit clients.

○ Independence monitoring and disciplinary policy

PwC Cyprus is responsible for monitoring the effectiveness of its quality control system in managing compliance with independence requirements. In addition to the confirmations described above, as part of 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 managers as a means of monitoring compliance with independence policies; and
- An annual assessment of the member firm's adherence with the PwC network's standard relating to independence.

The results of PwC Cyprus monitoring and testing are reported to the firm's management on a regular basis with a summary reported to them on an annual basis.

PwC Cyprus 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 or those charged with governance regarding the nature of a breach, an evaluation of the impact of the breach on the independence of the member firm and the engagement team and the need for actions or 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 the PwC Cyprus systems and processes and for additional guidance and training.

○ Key Audit Partner, Quality Review Partner and senior staff members rotation policy

In relation to Public Interest Entities (PIE), as defined in the Cyprus Auditors' Law of 2017, as amended (Auditors' Law), we adhere to the Key Audit Partner (KAP) and senior staff member rotation requirements of Regulation (EU) No 537/2014 (EU Audit Regulation). As defined by the Auditors' Law, KAP includes the statutory auditor designated by the firm as being primarily responsible for carrying out the statutory audit of an EU PIE, including at the level of the group, the statutory auditor who signs the audit report and, in the case of a group audit, the statutory auditor designated at the level of material subsidiaries. In respect of an audit of an EU PIE, the KAP tenure is set to a maximum of seven years and to a maximum of ten years for managers of such audits, followed by a three-year cooling-off period for both.



Considerations in undertaking the audit

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society.

We have established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we are competent to perform the engagement and have the necessary capabilities including time and resources, can comply with relevant ethical requirements, including independence, and have appropriately considered the integrity of the client. We reassess these considerations in determining whether we should continue with the client engagement and have in place policies and procedures related to withdrawing from an engagement or a client relationship when necessary.

○ Client and Engagement Acceptance and Continuance

PwC Cyprus has a process in place to identify acceptable clients based on the PwC network's proprietary decision support systems for audit client acceptance and retention (called Acceptance and Continuance (A&C)). A&C facilitates a determination by the engagement team, business management and risk management specialists of whether the risks related to an existing client or a potential client are manageable, and whether or not PwC should be associated with the particular client and its management. More specifically, this system enables:

○ Engagement teams:

- To document their consideration of matters required by professional standards related to acceptance and continuance;
- To identify and document issues or risk factors and their resolution, for example through consultation by adjusting the resource plan or audit approach or putting in place other safeguards to mitigate identified risks or by declining to perform the engagement; and
- To facilitate the evaluation of the risks associated with accepting or continuing with a client and engagement.

○ Member firms (including member firm leadership and risk management):

- To facilitate the evaluation of the risks associated with accepting or continuing with clients and engagements;
- To provide an overview of the risks associated with accepting or continuing with clients and engagements across the client portfolio; and
- To understand the methodology, basis and minimum considerations all other member firms in the network have applied in assessing audit acceptance and continuance.





A yellow graphic element consisting of a vertical rectangle and a triangle pointing to the right, positioned on the left side of the page.

Our people

Our People

People strategy

FY21 continued to be a challenging year for all of our people and we recognised early on that each individual was facing their own set of challenges - whether that was caring for loved ones, shielding or suffering from COVID-19, working from home while homeschooling children, tackling client projects remotely for the first time or finding ways to cope with working and living alone. The physical health and mental wellbeing of our people was therefore reinforced as our top people priority. Despite the challenges, FY21 was a year that has undoubtedly accelerated our flexibility, agile mindset and enabled new ways of working and connecting with each other. It provided us with a unique opportunity to build on our existing Everyday Flexibility options by introducing a new framework on Reimagining our Ways of Working.

FY21 has also been the year of taking bold comprehensive action in the area of Inclusion and Diversity (I&D). In an increasingly complex environment, our clients expect innovation, creativity and fresh perspectives - and this is best achieved by bringing together diverse talented people and creating a genuinely inclusive culture where people feel they belong and are empowered to thrive.

At the same time, we continued to work on empowering our People to be the best they can be, so as to reach their full potential and deliver value added services to our clients. Our commitment to continuous development of our People and our practices is reflected in the fact that in December 2020, our Investors in People Platinum Accreditation, which is the highest level of recognition, was renewed after a rigorous assessment.

Reimagining our Ways of Working

FY21 was a year that accelerated our flexibility, agile mindset and enabled new ways of working and connecting with each other. We entered the pandemic from a position of strength in terms of flexibility, having introduced our Everyday Flexibility

framework options a year earlier. These options have placed more trust and empowerment in our people by giving them flexibility on when and where to work from and to determine their own working hours within the day. The impact of the pandemic on where and how we work, as well as the changing priorities that came along, created an exciting opportunity to take a step back and review what it really means to work at PwC, instill our flexibility culture and build further on our Everyday Flexibility options. Through a participative process including a survey and focus groups, we built our framework on Reimagining our Ways of Working, which is centered around our values and complements our existing Everyday Flexibility options and outlines ways of working more effectively, flexibly and smartly, while safeguarding our client service and team collaboration.

New World New Skills

Our digital upskilling programmes, part of the "New world. New skills." initiative, continue to equip our People with a set of core digital skills, enabling them to use technology-based tools and techniques to identify innovative solutions, enhance efficiency, drive client engagement and experience and leverage data-driven analytics to deliver important insights.

The New Equation

We are continuously striving to improve the experience of our people. With the launch of The New Equation as our refreshed strategy, we strive to provide a human-led, tech-powered experience to our people - built on our purpose and values and reflecting the inherent trust we have in our people to co-create their experience at PwC. The community of solvers behind The New Equation brings the best of people and tech to help clients deliver sustained outcomes and earn trust, build trust and, ultimately, share trust.





Diversity and Inclusion

At PwC, we're committed to creating a culture of belonging. We are focused on ensuring our ways of working embrace diversity and fostering an inclusive environment in which our people are comfortable bringing their whole selves to work and feel that they belong and can reach their full potential. As demonstrated through our core values of Care and Work Together, we strive to more deeply understand and empathise with different backgrounds, perspectives and experiences. We know that when people from different backgrounds and with different points of view work together, we create the most value for our clients, our people, and society.



Recruitment

PwC Cyprus aims to recruit, train, develop and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high-quality services. Our hiring standards include a structured interview process with behavior-based questions built from the PwC Professional framework, assessment of academic records, and background checks.

Despite the uncertainty created by the COVID-19 pandemic, we are taking a long-term view when it comes to investing in attracting new talent and have continued our recruitment for our Professional Training Schemes and Summer Internship Programme. This year, we also had our first round of high calibre CFA trainees, ready to achieve the most premier qualification in financial and investment analysis. We have also launched a new professional training scheme addressed to High School Leavers. Through this new scheme, High School graduates will have the opportunity to achieve the ACCA Professional Qualification without the need to obtain a university degree.

In FY21 we received more than 900 applications for employment and recruited 163 professionals across the organisation, including 119 new University Graduates. Remaining steadfast in our commitment to attract talented people, we have held virtual presentations in more than 20 Universities across the UK attracting an audience of more than 400 university students.

Moreover, through our popular Summer Internship Programme we received more than 280 applications and have given the opportunity to 70 high calibre university students from a diverse background to work with our professional teams as well as secure a position in one of our Professional Training Schemes.



Team selection, experience and supervision

Our audit engagements are staffed based on expertise, capabilities and years of experience. Engagement leaders determine the extent of direction, supervision and review of junior staff.



Feedback and continuous development

Our team members obtain feedback on their overall performance, including factors related to audit quality, such as technical knowledge, auditing skills and professional scepticism. Audit quality is an important factor in performance evaluation and career progression decisions for both our partners and staff. Ongoing feedback conversations help our people grow and learn faster, adapt to new and complex environments, and bring the best to our clients and firm.

Real-time top-down feedback is provided regularly throughout the year, through our Snapshot tool, which forms the basis of our annual appraisal process. Agreed objectives and management level-related skills and capabilities are aligned to our PwC Professional career progression framework that defines what it means to be a professional at PwC. We also use Workday, our global people management tool, through which our colleagues have the opportunity to give real-time, anonymous or eponymous "Upward and Peer Feedback" to any Senior Associate 2, Manager & Senior Manager. Finally, a confidential and anonymous "Upward & Peer Feedback" programme is administered on an annual basis for all Directors and Partners so as to help them in their personal development journey.



Career progression

PwC Cyprus uses The PwC Professional, our global career progression framework, which sets out clear expectations at all staff levels across five key dimensions. The framework underpins all elements of career development and helps our people develop into well-rounded professionals and leaders with the capabilities and confidence to produce high-quality work, deliver an efficient and effective experience for our clients, execute our strategy, and support our brand. Our annual performance cycle is supported by continuous feedback conversations and regular check-ins with the individual's Career Coach and/or Team Leader to discuss their development, progression and performance.



Retention

Turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent.



Global People Survey

Each PwC member firm participates in an annual Global People Survey, administered across the network to all of our partners and staff. PwC Cyprus is responsible for analysing and communicating results locally, along with clearly defined actions to address feedback.



The PwC Professional

The PwC Professional supports the development and career progression of our staff by providing a single set of expectations across all lines of service, geographies, and roles; outlining the capabilities needed to thrive as purpose-led and values-driven leaders at every level.



Professional Development

We are committed to putting the right people in the right place at the right time. Throughout our people's careers, they are presented with career development opportunities, classroom, virtual classroom and on-demand learning, and on-the-job real time coaching/development. Our flexible training portfolio facilitates personalized learning with access to a variety of educational materials, including webcasts, podcasts, articles, videos, and courses.

Achieving a professional credential supports our firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualized path to promotion and support them in prioritizing and managing their time more effectively when preparing professional exams. Providing our people with the ability to meet their professional and personal commitments is a critical component of our people experience and retention strategy.



Continuing education

We, and other PwC member firms, are committed to delivering quality assurance services around the world. To maximise consistency in the Network the formal curriculum, developed at the Network level, provides access to training materials covering the PwC audit approach and tools-this includes updates on auditing standards and their implications, as well as areas of audit risk and areas of focus for quality improvement.

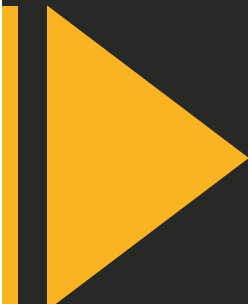
This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, and on-the-job support. The curriculum supports our primary training objective of audit quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset.

The design of the curriculum allows us to select, based on local needs, when we will deliver the training. Our Learning & Education leader then considers what additional training is appropriate - formal and/or informal - to address any additional specific local needs.



Audit Quality Measures

- Average staff retention rate
- Average training hours achieved by partners and staff
- Number of hours of auditing and accounting training mandated by PwC annually
- Average training hours on digital upskilling courses
- Mandatory training attendance
- Global People Survey responses

A yellow triangle pointing to the right, positioned to the left of the text.

Our audit approach

PwC Cyprus uses a range of cutting-edge methods, processes, technologies, and approaches to ensure continuous improvement in the performance and quality of our audit engagements

Our audit approach

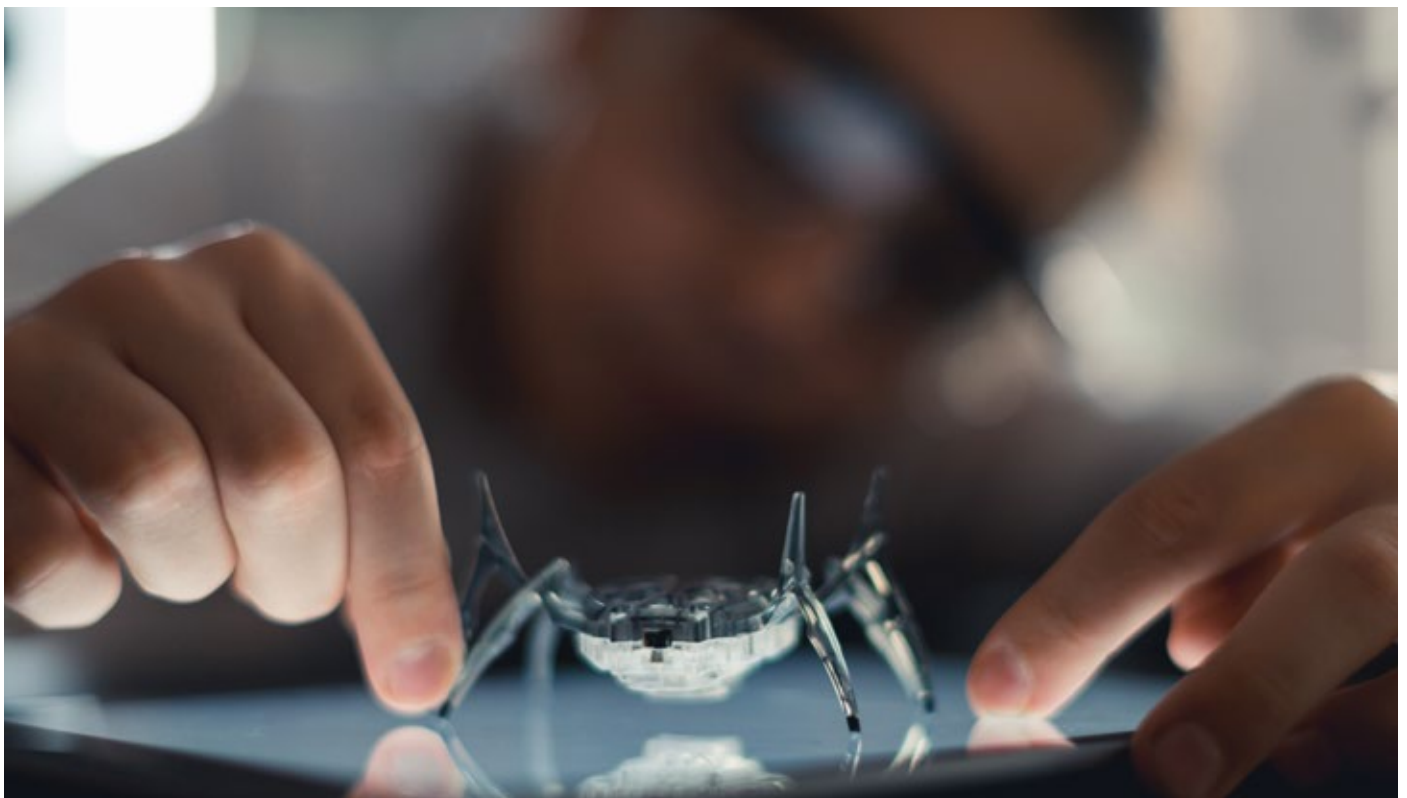
The quality and effectiveness of audit is critical to all of our stakeholders. We therefore invest heavily in the effectiveness of our audits, in the skills of our people, in our underlying methodology, the technology we use, and in making the right amount of time and resources available. We pay close attention to the internal indicators and processes that routinely monitor the effectiveness of our risk and quality processes, and provide timely information about the quality of our audit work and any areas for improvement. Details of these indicators and processes can be found in the Monitoring of Assurance quality section. Additionally, we consider what our various stakeholders require from us, what they tell us we need to improve and the findings of regulatory inspections on the quality of our work.

+ People

Data and technology can help reveal insights, but it takes an inquisitive person with well-rounded business knowledge to understand what those insights mean. We recruit professionals with these capabilities - people who can deliver the highest quality outcomes in terms of client service and compliance.

+ Technology

As technological change accelerates, our clients want to trust their information with organisations that don't merely keep up but lead the way. We've made a global commitment to offer leading audit technology, and we've invested heavily in tools to match our approach. The result is greater quality and insight to our clients.



Tools and technologies to support our audit

As a member of the PwC network, PwC Cyprus has access to and uses PwC Audit, a common audit methodology and process. This methodology is based on the International Standards on Auditing (ISAs), with additional PwC policy and guidance provided where appropriate. PwC Audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA requirements that are relevant to each individual audit engagement. Our common audit methodology provides the framework to enable PwC member firms to consistently comply in all respects with applicable professional standards, regulations and legal requirements.

Our technology



Aura

is our global audit documentation platform which is used across the PwC network. Aura helps drive how we build and execute our audit plans by supporting teams in applying our methodology effectively, by creating transparent linkage between risks, required procedures, controls and the work performed to address those risks, as well as providing comprehensive guidance and project management capabilities. Targeted audit plans specify risk levels, controls reliance and substantive testing. Real time dashboards show teams audit progress and the impact of scoping decisions more quickly.



Connect

is our collaborative platform that allows clients to quickly and securely share audit documents and deliverables. Connect also eases the burden of tracking the status of deliverables and resolving issues by automatically flagging and tracking outstanding items and issues identified through the audit for more immediate attention and resolution. Clients are also able to see audit adjustments, control deficiencies, and statutory audit progress for all locations - in real time.



Connect Audit Manager

streamlines, standardises and automates group and component teams coordination for multi-location and statutory/regulatory audits. It provides a single digital platform to see all outbound and inbound work and digitises the entire coordination process which facilitates greater transparency, compliance and quality for complex multi-location audits.



Halo

our data auditing tools, test large volumes of data, analysing whole populations to improve risk assessment, analysis and testing. For example, Halo for Journals enables the identification of relevant journals based on defined criteria, making it easier for engagement teams to explore and visualise the data to identify client journal entries to analyse and start the testing process.



Count

which facilitates the end-to-end process for inventory counts, allows our engagement teams to create and manage count procedures, counters to record results directly onto their mobile device or tablet and engagement teams to export final results into Aura.



PwC's Confirmation System

which facilitates an automated and standardised end-to-end process for all types of external confirmations, allows our engagement teams to create requests and receive external confirmation in a secure environment that helps mitigate the risks associated with receiving confirmation responses electronically.

Reliability and auditability of audit technologies

Our firm has designed and implemented processes and controls to underpin the reliability of these audit technologies. This includes clarification of the roles and responsibilities of audit technology owners and users. In addition, we have guidance focused on the sufficiency of audit documentation included in the workpapers related to the use of these audit technologies, including consideration of the reliability of the solution, and the documentation needed to assist the reviewer in meeting their supervision and review responsibilities as part of the normal course of the audit.



Confidentiality and information security

Confidentiality and information security are key elements of our professional responsibilities. Misuse or loss of confidential client information or personal data may expose the firm to legal proceedings, and it may also adversely impact our reputation. We take the protection of confidential and personal data very seriously.

Our focus on our clients requires a holistic and collaborative approach to reducing security, privacy and confidentiality risks with significant investment in appropriate controls and monitoring to embed an effective three lines of defence model. This model has enabled us to strengthen our information security organisation, align to industry good practice and improve our internal control frameworks.

Data Privacy

The firm maintains a robust and consistent approach to the management of all personal data, with everyone in our organisation having a role to play in safeguarding personal data. We have continued to build on our extensive GDPR readiness programme, and are committed to embedding good data management practices across our business.

Information Security

Information security is a high priority for the PwC network. Member firms are accountable to their people, clients, suppliers, and other stakeholders to protect information that is entrusted to them.

The PwC Information Security Policy (ISP) is aligned with ISO/IEC 27001, financial services industry standards, and other reputable frameworks (COBIT, NIST, etc.) as benchmarks for security effectiveness across the network of member firms. The PwC ISP directly supports the firm's strategic direction of cyber readiness to proactively safeguard its assets and client information. The PwC ISP is reviewed, at a minimum, on an annual basis.

PwC Cyprus is required to adhere to the ISP requirements and complete an annual, evidence-based assessment to demonstrate compliance. The CISO approved assessment undergoes a detailed and standardised Quality Assessment (QA) process performed by a centralised, objective Network Information Security Compliance team.



Supporting engagement performance



Evolving delivery model

We continue to evolve the way we deliver our services so our people give our clients an even better experience, further enhance the quality of what we do and create economic capacity to invest in the future.



Direction, coaching and supervision

Engagement leaders and senior engagement team members are responsible and accountable for providing quality coaching throughout the audit and supervising the work completed by junior members of the team, coach the team and maintain audit quality. Engagement teams utilise Aura which has capabilities to effectively monitor the progress of the engagement to determine that all work has been completed and reviewed by appropriate individuals, including the engagement leader.



Consultation culture

Consultation is key to ensuring audit quality. While we have formal protocols about mandatory consultation, in the pursuit of quality, we regularly consult more than the minimum requirement. For example, our engagement teams routinely speak with experts in areas such as taxation, valuation, and other specialities.



Specialised consultation teams

Risk & Quality, Assurance Methodology and Accounting Consulting Services teams provide technical accounting, auditing, and financial reporting as well as risk management and independence consultations. These specialists play a vital role in keeping our policies and guidance in these areas current by tracking new developments in regulatory, independence, accounting and auditing, and providing those updates to professional staff.



Quality Review Partners (QRP)

Specific audit engagements are assigned a QRP as part of the member firm's system of quality management, as required by professional standards. These partners, who have the necessary experience and technical knowledge, are involved in the most critical aspects of the audit. For example, they may advise on matters of firm independence, significant risks and a team's responses to those risks, and specific accounting, auditing, and financial reporting and disclosure issues.



Differences of opinion

Protocols exist to resolve the situations where a difference of opinion arises between the engagement leader and either the QRP, another Assurance partner or central functions. These include the use of technical panels consisting of partners independent of the engagement.





A yellow triangle pointing to the right, positioned to the left of the word "Monitoring".

Monitoring

Monitoring of Assurance quality

We recognise that quality in the Assurance services we deliver to clients is key to maintaining the confidence of investors and other stakeholders in the integrity of our work. It is a key element to our Assurance strategy.

Responsibility for appropriate quality management lies with the Leadership of PwC Cyprus. 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 network's QMSE framework.

The overall quality objective under the QMSE framework is to have the necessary capabilities in our firm and to deploy our people to consistently use our methodologies, processes and technology in the delivery of Assurance services in an effective and efficient manner to fulfil the valid expectations of our clients and other stakeholders.

Our firm's monitoring procedures include an ongoing assessment aimed at evaluating whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable

assurance that our audit and non-audit assurance engagements are performed in compliance with laws, regulations and professional standards. This includes the use of Real Time Assurance which is discussed in more detail on page 19 within The Quality Management Process section. Our monitoring also encompasses a review of completed engagements (Engagement Compliance Reviews (ECR)) as well as periodic monitoring of our SoQM by an objective team within our firm. The results of these procedures, together with our ongoing monitoring, form the basis for the continuous improvement of our SoQM.

Our firm's monitoring programme is based on a consistent network-wide inspections programme for Assurance based on professional standards relating to quality control, including ISQC 1, as well as network policies, procedures, tools and guidance.

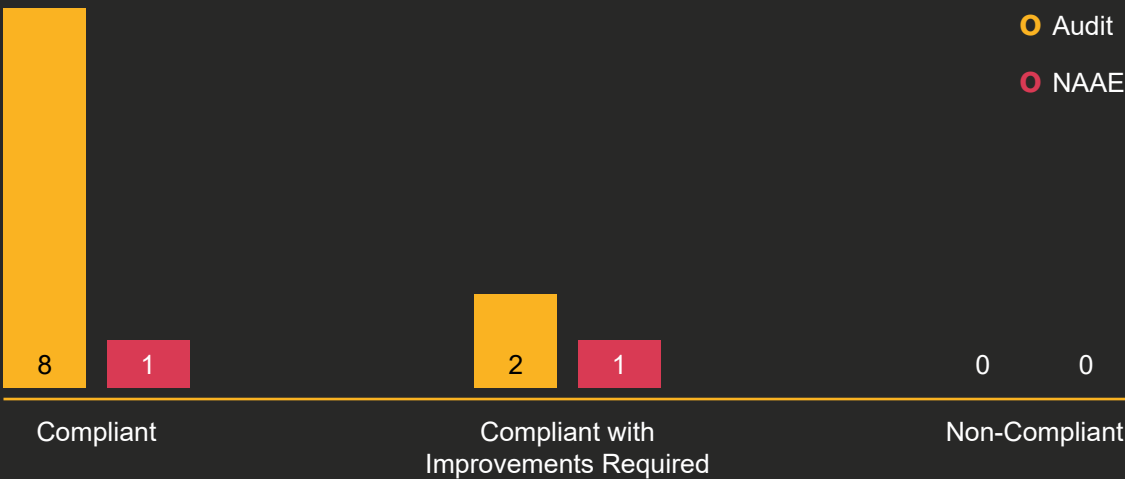


Audit Quality Measures

- Total number of ECRs
- Number of ECRs rated as compliant, compliant with improvements required, non-compliant ECRs related to total number of ECRs (%)

Audit quality reviews

Internal inspections



ECRs are risk-focused reviews of completed engagements covering, on a periodic basis, individuals in our firm who are authorised to sign audit or non-audit assurance reports. The review assesses whether an engagement was performed in compliance with PwC Audit guidance, applicable professional standards and other applicable engagement-related policies and procedures. Each signer is reviewed at least once every five years, unless a more frequent review is required based on the profile of that signer's client engagements.

Reviews are led by experienced Assurance partners, supported by objective teams of partners, directors, senior managers and other specialists. ECR reviewers may be sourced from other member firms if needed to provide appropriate expertise or objectivity. Review teams receive training to support them in fulfilling their responsibilities, and utilise a range of checklists and tools developed at the network level when conducting their inspection procedures. The network inspection team supports review teams with support on consistent application of guidance on classification of engagement findings and engagement assessments across the network.

In addition, the PwC network coordinates an inspection programme to review the design and operating effectiveness of our SoQM. The use of a central team to monitor these inspections across the network enables a consistent view and sharing of relevant experience across the PwC network.

The results of all inspections are reported to our firm's leadership who are responsible for analysing the findings and implementing remedial actions as necessary. In situations where adverse quality matters on engagements are identified, based on the nature and circumstances of the issues, the responsible partner or our firm's Assurance leadership personnel may be subject to additional mentoring, training or further sanctions in accordance with our firm's Recognition and Accountability Framework. Partners and employees of our firm are informed about the inspection results and the actions taken to enable them to draw the necessary conclusions for the performance of their engagements. In addition, engagement partners of our firm are informed by the network inspection programme about relevant inspection findings in other PwC member firms,

which enables our partners to consider these findings in planning and performing their audit work.

Our firm is also subject to inspections by the Cyprus Public Audit Oversight Board, which is the firm's local regulator.

These inspections entail:

- an annual review of the firm's internal quality control systems to assess the firm's adherence to the requirements of the International Standard on Quality Control 1 (ISQC1) and other legal and regulatory requirements, with the latest inspection of this type completed in November 2020; and
- an annual review of selected engagements to assess whether they were performed in accordance with professional standards and applicable legal and regulatory requirements, and that the audit report issued thereon was appropriate in the circumstances, the latest inspection of this type completed in September 2021, the results of which are available below.

On the basis of the results of this inspection, the firm continues to be registered to conduct statutory audit work in Cyprus.

Matters identified as part of the regulatory inspections, whether designated as significant or not, have been taken into consideration and formed part of an action plan, the implementation of which is monitored by the Assurance Leadership.

Statement on the effectiveness of the firm's internal quality control system

On the basis of internal monitoring, PwC Network and local regulatory reviews performed, the Management Board is satisfied that the SoQM is operating effectively. Any matters identified through the various monitoring and review processes are actioned and changes are implemented as appropriate.



Audit Quality Measures

- Total number of file reviews by external regulators
- Number of file reviews by other external regulators resulting in non-compliance (or equivalent)

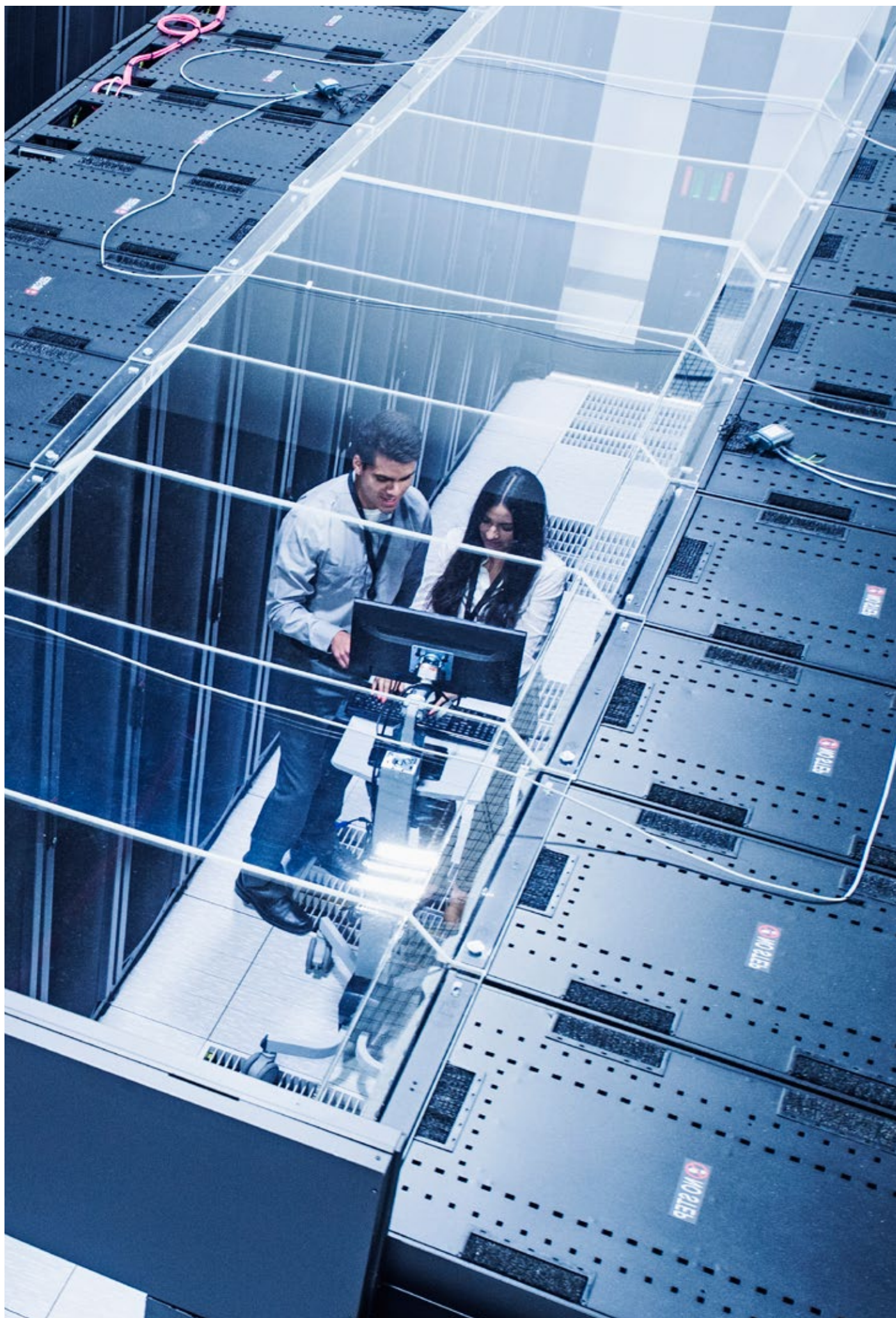
Audit quality reviews - External inspections

Number of external audit quality inspections carried out by the firm's regulator on EU PIE audit engagements and their assessment*

1 EU PIE audit engagement assessed as "Good"

1 EU PIE audit engagement assessed as "Limited improvements required"

*The possible assessments that may result from the reviews carried out by the regulator are: "Good", "Limited improvements required", "Improvements required", "Significant improvement required" and "Significant deficiencies identified".



A yellow triangle pointing to the right, positioned to the left of the text.

Financial Performance



Assurance

FY21
€21.6m

FY20
€22.2m



Advisory

FY21
€7.5m

FY20
€9.1m



Tax & Legal Services

FY21
€50.9m

FY20
€51.0m

Services	Revenues*
Revenues from the statutory audit of annual and consolidated financial statements of EU Public Interest Entities and entities belonging to a group of undertakings whose parent undertaking is a EU Public Interest Entity	€3.9m
Revenues from the statutory audit of annual and consolidated financial statements of UK Public Interest Entities and entities belonging to a group of undertakings whose parent undertaking is a UK Public Interest Entity	€0.6m
Revenues from the statutory audit of annual and consolidated financial statements of other entities	€16.0m
Revenues from other Assurance services to public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity; and other entities	€1.1m
Revenues from permitted non-audit services to UK Public Interest Entities that are audited by the statutory auditor or the audit firm	€0.1m
Revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm	€24.4m
Revenues from non-audit services to other entities	€33.9m

* Includes revenues of all PwC member firms in Cyprus, as listed in page 45

A yellow graphic element consisting of a vertical rectangle and a triangle pointing to the right, positioned to the left of the text.

Legal & governance structure

Legal structure and ownership of the Cyprus firm

PricewaterhouseCoopers Limited is a limited liability private company, under registration number 143594, having its registered office in Cyprus at Julia House, 3 Themistocles Dervis Street, CY-1066 Nicosia, Cyprus. The firm has offices in Nicosia, Limassol and Paphos. It is wholly owned by professional practitioners working with the firm, commonly referred to as “Partners”.

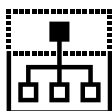
As at 30 June 2021, the firm is led by a total of 42 Partners and has three Lines of Service:

- Assurance
- Advisory
- Tax & Legal Services (TLS)

supported by the below Functions:

- Finance
- Marketing & Communications
- Operations
- People
- Risk & Quality
- Technology & Business Transformation

The firm also operates and controls a number of corporate entities that are required for legal and operational purposes.



Subsidiary undertaking

PricewaterhouseCoopers
(Marketing & Communications) Limited

PricewaterhouseCoopers
Associates Limited

PricewaterhouseCoopers
Professional Training Limited

PricewaterhouseCoopers
Investment Services (Cyprus) Limited

PricewaterhouseCoopers
Fund Services Limited



Principal activity

Professional services

Professional services

Professional training programmes

Professional services

Professional services

Other PwC network member firms in Cyprus

S.A. Evangelou & Co LLC and its wholly owned subsidiary undertaking, namely PricewaterhouseCoopers Corporate Secretarial Services Limited, are wholly owned by

Spyros Evangelou. Both entities are member firms of PricewaterhouseCoopers International Limited (PwCIL) and part of PwC's Tax and Legal Services Network providing Legal Services in Cyprus.

Governance structure of the Cyprus firm

Our governance structure reflects our legal and organisational model



Board of Directors of PricewaterhouseCoopers Limited

The Board of Directors is chaired by the Senior Partner and is responsible for undertaking certain statutory duties of the Firm. The members of the Board of Directors who have served during the financial year ended 30 June 2021 are the following:

Andreas Andronicou
Andreas Yiasemides
Anna Loizou
Antonis Christodoulides
Aram Tavitian
Charalambos Sergiou
Chris Odysseos
Christos Charalambides
Christos Tsolakis
Chrysilios Pelekanos
Cleo Papadopoulos

Constantinos Constantinou
Constantinos Taliotis
Dinos Kapsalis
Eftychios Eftychiou
Elina Christofides
Evgenios Evgeniou
George Kazamias
George Lambrou
Liakos Theodorou
Loizos Markides
Marios Andreou

Martha Lambrou
Michalis Stavrides
Michalis Stephanou
Nicos Chimarides
Nicos Stavrou
Nicos Theodoulou
Petros Maroudias
Petros Petrakis
Philippos Soseilos
Stavros Kattamis
Stelios Constantinou

Stelios Violaris
Tasos Nolas
Tassos Procopiou
Theo Parperis
Tony Hadjiloucas
Varnavas Nicolaou
Vassilios Vrachimis
Yianguos Kaponides
Zacharias Clerides

Management Board

The Senior Partner who is elected by the firm's Partners for a four year term, appoints the firm's Management Board. Each member of the Management Board is subject to formal, rigorous, and ongoing performance evaluation. The Management Board is responsible for assisting the Senior Partner in the formulation, implementation and communication of strategic priorities and oversight of the implementation of business plans, compliance with all PwC network obligations and the design, maintenance and operation of an effective quality control system. The Management Board meets at least once a month and the agenda of its meetings includes matters for consideration raised through the Senior Partner, by any Management Board member or PwC Cyprus Partner.

The Management Board takes responsibility for the establishment of a system of internal quality control and for reviewing and evaluating its effectiveness. The day-to-day responsibility for the implementation of this system, the ongoing monitoring of the identified risks and the effectiveness of controls applied to reduce the risks to an acceptable level, rests with senior management in the individual Lines of Service and Functions. The Management Board evaluates the effectiveness of the firm's system of internal quality control through reports of periodic reviews of performance and quality, which are carried out internally as well as independently by the PwC network and the firm's regulator in Cyprus.

Oversight Board

The Oversight Board, which is independent of the Management Board, is elected by the firm's Partners for a two-year term of office and consists of four members all of whom are Partners.

The Oversight Board generally meets on a bi-monthly basis but may hold additional meetings, if necessary, and issues biannual reports on its activities to the Partners. It considers a wide range of issues for the firm such as risk, strategy, reputation, culture, people matters including health and wellbeing, technology, return on investments and more. It supports, gives guidance to, and challenges the Senior Partner and the Management Board. The Oversight Board has particular insight on the views of the partners of the firm and reflects those in conversations with management.

During FY21, the Oversight Board, among others:

- has met 8 times. In addition, several ad-hoc meetings were held between the Oversight Board Chairman and the Senior Partner;
- received feedback from the Senior Partner on the financial performance, business developments and risk management issues affecting the firm;
- discussed the performance ratings of the members of the Management Board with the Senior Partner, determined the performance rating of the Senior Partner and ensured that the firm's policies and procedures concerning the determination of the Partners' performance rating for FY20 were performed properly; and
- assessed the effectiveness, independence and appointment of the firm's external statutory auditor.



Marios Andreou
Head of Tax
Advisory



Nicos Chimarides
Head of International
Private Clients



Evgenios Evgeniou
Chairman & Senior Partner



Constantinos Constantinou
Head of Advisory



Yiannos Kaponides
Head of Assurance

Management Board



Stavros Kattamis
Head of Finance
& Operations



Anna Loizou
Head of People



Theo Parperis
Head of Tax &
Legal Services



Petros Petrakis
Head of Risk & Quality



Vassos Vrachimis
Head of Technology
& Transformation



George Lambrou
Chairman - Risk,
Compliance & Regulation



Varnavas Nicolaou
Tax Reporting &
Strategy

Oversight Board



Aram Tavitian
Tax Reporting &
Strategy



Nicos Theodoulou
Assurance

The members of the Oversight Board as at 1 July 2021 are:

- George Lambrou: Chairman - Risk, Compliance & Regulation
- Michael Tsikouris: Legal
- Zacharias Clerides: IPC
- Petros Maroudias: IPC

○ Partner remuneration policy

Partners are remunerated based on the Partner Income Framework (PIF), which is revised at regular intervals. The PIF that was in place during FY21 is comprised of the following three components:

Equity income - dividend payments reflecting each Partner's share in the profits of the company. All our Partners are equity Partners. Each year, each Partner receives an equal number of additional shares which results in the relative Profit Sharing Ratios (PSR) of newer Partners increasing and consequently the PSR of long serving Partners reducing.

Responsibility income - a monthly salary and quarterly preference dividend reflecting the Partners' role and responsibilities. The PIF recognises the following bands of responsibility pay:

- Chief Executive Officer
- Members of Management Board
- Business Unit Heads and firm-wide Function Heads
- All other Partners

Performance income - a preference dividend payment reflecting the assessment of how each partner has

performed, using a Partner Performance and Development System (PPDS).

Within the context of the PPDS, each Partner's performance income is determined by assessing achievements against an individually tailored set of objectives, based on the partner's role and responsibilities. These objectives include ensuring that we deliver quality services and maintain our independence and integrity.

Quality failings identified either through regulatory reviews or internal quality reviews impact the remuneration of Partners, through an Accountability Framework.

Key Audit Partners, whilst being responsive to client needs are not evaluated or remunerated for the selling of non-audit services to their audit clients. The PPDS adopts 4 performance ratings and a range of weights that gives the flexibility for fairer allocation of the performance income in accordance to Partner performance and contribution.

In FY21, the split of the total after tax Partner remuneration under the three components was as follows 39% equity income, 46% responsibility income and 15% performance income.





A large orange triangle pointing to the right, positioned on the left side of the page.

PwC Network

Global Network

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. 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.

In many parts of the world, accounting firms are required by law to be locally owned and independent. The PwC network is not a global partnership, a single firm, or a multinational corporation. The PwC network consists of firms which are separate legal entities.

○ PricewaterhouseCoopers International Limited

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 practise accountancy or provide 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, PwCIL coordinates the development and implementation of 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. 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.

The governance bodies of PwCIL are:

- **Global Board**, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. Board members are elected by partners from all PwC firms around the world every four years.
- **Network Leadership Team**, which is responsible for setting the overall strategy for the PwC network and the standards to which the PwC firms agree to adhere.
- **Strategy Council**, which is made up of the leaders of the largest PwC firms and regions of the network, agrees on the strategic direction of the network and facilitates alignment for the execution of strategy.
- **Global Leadership Team** is appointed by and reports to the Network Leadership Team and the Chairman of the PwC network. Its members are responsible for leading teams drawn from member firms to coordinate activities across all areas of our business.

○ Size of the Network

Total turnover achieved by statutory auditors and audit firms from 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 2.4 billion Euros. This represents the turnover from each entity's most recent financial year converted to Euros at the exchange rate prevailing as of 30 June 2021. A list of PwC Network audit firms and sole practitioner statutory auditors in the EU/ EEA Member States, as at 30 June 2021, can be found in Appendix 2.





Appendix 1:

Public Interest Entities

Below is a list of EU Public Interest Entities (PIE) as defined in the Auditors Law of 2017 of Cyprus, for whom we were engaged to issue a statutory audit opinion between 1 July 2020 and 30 June 2021.

AIG EUROPE LIMITED - CYPRUS BRANCH
ALLIANZ HELLAS S.A. - CYPRUS BRANCH
AMATHUS PUBLIC LIMITED*
BANK OF BEIRUT S.A.L. - CYPRUS BRANCH
BANK OF CYPRUS PUBLIC COMPANY LIMITED
CLARIDGE PUBLIC LIMITED*
CNP CYPRIALIFE LIMITED
CNP ASFALISTIKI LIMITED
CONSTANTINOU BROS HOTELS PUBLIC COMPANY LIMITED*
COSMOS INSURANCE PUBLIC COMPANY LIMITED*
EFG BANK (LUXEMBOURG) S.A. - CYPRUS BRANCH
ERMES DEPARTMENT STORES PLC*
ETHNIKI GENERAL INSURANCE CYPRUS LIMITED
ETHNIKI INSURANCE CYPRUS LIMITED
EUROLIFE LIMITED
GENERAL INSURANCE OF CYPRUS LIMITED
GLOBAL PORTS INVESTMENTS PLC*
GLOBALTRANS INVESTMENT PLC*
HD INSURANCE LIMITED
INTERAMERICAN PROPERTY & CASUALTY INSURANCE S.A. - CYPRUS BRANCH
INTERBREW PLC*
JORDAN KUWAIT BANK - CYPRUS BRANCH
K + G COMPLEX PUBLIC COMPANY LIMITED*
K. KYTHREOTIS HOLDINGS PUBLIC LIMITED*
MALLOUPPAS & PAPACOSTAS PUBLIC CO LIMITED**
MITSIDES PUBLIC COMPANY LIMITED*
NATIONAL BANK OF GREECE - CYPRUS BRANCH
NATIONAL BANK OF GREECE (CYPRUS) LIMITED
PANDORA INVESTMENTS PUBLIC LIMITED*
RCB BANK LIMITED
ROS AGRO PLC*
S.D. STANDARD DRILLING PLC*
TCS GROUP HOLDINGS PLC*
THE CYPRUS CEMENT PUBLIC COMPANY LIMITED*
TOP KINISIS TRAVEL PUBLIC LIMITED*
TRUST INTERNATIONAL INSURANCE COMPANY LIMITED
UNIVERSAL LIFE INSURANCE PUBLIC COMPANY LIMITED
WOOLWORTH (CYPRUS) PROPERTIES PLC*

* denotes entities that have issued transferable securities on a regulated market in the EU

** denotes entities for which although audit procedures have been performed, no opinion was issued during the period

Appendix 2:

PwC network EU entities

Member State	Name of Firm
Austria	PwC Wirtschaftsprüfung GmbH, Wien
Austria	PwC Oberösterreich Wirtschaftsprüfung und Steuerberatung GmbH, Linz
Austria	PwC Kärnten Wirtschaftsprüfung und Steuerberatung GmbH, Klagenfurt
Austria	PwC Steiermark Wirtschaftsprüfung und Steuerberatung GmbH, Graz
Austria	PwC Salzburg Wirtschaftsprüfung und Steuerberatung GmbH, Salzburg
Austria	PwC Österreich GmbH, Wien
Belgium	PwC Bedrijfsrevisoren bv/Reviseurs d'enterprises srl
Bulgaria	PricewaterhouseCoopers Audit OOD
Croatia	PricewaterhouseCoopers d.o.o
Croatia	PricewaterhouseCoopers Savjetovanje 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
France	PricewaterhouseCoopers Entreprises
France	PricewaterhouseCoopers France
France	PricewaterhouseCoopers Services France
France	PwC Entrepreneurs CAC
France	PwC Entrepreneurs Commissariat aux Comptes
France	PwC Entrepreneurs Audit
France	PwC Entrepreneurs Audit France
France	PwC Entrepreneurs CAC France
France	PwC Entrepreneurs Commissariat aux Comptes France
France	PwC Entrepreneurs France
France	PwC Entrepreneurs Services
France	M. Philippe Aerts
France	M. Jean-François Bourrin
France	M. Jean-Laurent Bracieux
France	M. Didier Brun

Member State**Name of Firm****France****Mme Elisabeth L'Hermite****France****M. François Miane****France****M. Pierre Pegaz-Fiornet****France****M. Antoine Priollaud****Germany****PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft****Germany****Wibera WPG AG****Greece****PricewaterhouseCoopers Auditing Company SA****Hungary****PricewaterhouseCoopers Könyvvizsgáló Kft.****Iceland****PricewaterhouseCoopers ehf****Ireland****PricewaterhouseCoopers****Italy****PricewaterhouseCoopers Spa****Latvia****PricewaterhouseCoopers SIA****Liechtenstein****PricewaterhouseCoopers GmbH, Ruggell****Lithuania****PricewaterhouseCoopers UAB****Luxembourg****PricewaterhouseCoopers, Société coopérative****Malta****PricewaterhouseCoopers****Netherlands****PricewaterhouseCoopers Accountants N.V.****Netherlands****Coöperatie PricewaterhouseCoopers Nederland U.A.****Norway****PricewaterhouseCoopers AS****Poland****PricewaterhouseCoopers Polska sp. z. o.o.****Poland****PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.****Poland****PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k.****Portugal****PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda****Romania****PricewaterhouseCoopers Audit S.R.L.****Slovakia****PricewaterhouseCoopers Slovensko, s.r.o.****(Slovak Republic)****Slovenia****PricewaterhouseCoopers d.o.o.****Spain****PricewaterhouseCoopers Auditores, S.L.****Sweden****PricewaterhouseCoopers AB****Sweden****Öhrlings PricewaterhouseCoopers AB**



PwC offices in Cyprus

Nicosia

PwC Central,
43 Demostheni Severi Avenue,
CY-1080 Nicosia
P O Box 21612, CY-1591 Nicosia
Tel: +357 - 22 555 000,
Fax: +357 - 22 555 001

Limassol

City House,
6 Karaiskakis Street,
CY-3032 Limassol
P O Box 53034, CY-3300 Limassol
Tel: +357 - 25 555 000,
Fax: +357 - 25 555 001

Paphos

City House,
2 Falirou Street,
CY-8035 Paphos,
P O Box 60479, CY-8103 Paphos
Tel: +357 - 26 555 000
Fax: +357 - 26 555 296/7

