



EY Ireland Transparency Report 2024

Volume 2



The better the question. The better the answer.
The better the world works.



Shape the future
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About us



About us



Legal structure, ownership and governance

In the Republic of Ireland, there are seven partnerships; Ernst & Young Chartered Accountants, Ernst & Young Business Advisors, Ernst & Young Business Advisory Services, Ernst & Young Business Consultants, Ernst & Young Consultants, Ernst & Young Consulting Services and Ernst & Young Business Consulting Services, all of which are regulated by Chartered Accountants Ireland. All are member firms of Ernst & Young Global Limited, a UK company limited by guarantee (EYG). In this report, we refer to ourselves as “EY Ireland,” “we,” “us” or “our.” EY refers collectively to the global organisation of the member firms of EYG. References to Ireland throughout this document (volume 2) are to the Republic of Ireland only.

During 2022, a law firm was established by EY Ireland, EY Law Ireland (EY Law). EY Law is also a member firm of Ernst & Young Global Limited. EY Law is regulated by the Law Society of Ireland.

At 30 June 2024, EY Ireland and EY Law together had 135 equity partners and operate from offices in Dublin, Cork, Galway, Waterford and Limerick.

EY member firms are grouped into three geographic Areas: Americas; Asia-Pacific; and Europe, Middle East, India and Africa (EMEIA). The Areas comprise multiple Regions. Regions are groupings of member firms along geographical lines with the exception of the Financial Services Organisation (FSO) Regions, which comprise the financial services activities of the relevant member firms within an Area.

EY Ireland is part of the EMEIA Area. Within the EMEIA Area, there are eight Regions. EY Ireland is part of the UK and Ireland Region (UK&I). Its financial services activities are part of the EMEIA FSO Region.

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

Each Region elects a Regional Partner Forum (RPF),

whose representatives advise and act as a sounding board to Regional leadership. The partner elected as Presiding Partner of the RPF also serves as the Region’s representative on the Global Governance Council (see page 8).

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

To the extent permitted by local legal and regulatory requirements, EY Europe has acquired or will acquire voting control of the EY member firms operating in Europe. EY Europe is a member firm of EYG. EY Europe acquired voting control of EYOC Limited as of 30 June 2012. Further details on EYOC are provided in a separate section (see over).

The board of directors of EY Europe is made up of senior partners of EY member firms in Europe. It has authority and accountability for strategy execution and management of EY Europe. Partners of the EY member firms in the European Economic Area (EEA) and several other countries hold interests in EY Europe.



EY Ireland Leadership Team

The EY Ireland Leadership Team is appointed by the EY Ireland Managing Partner (subject to the approval of the Regional Managing Partner and the agreement of the specific Regional Service Line Leader) and has authority to deal with general and operational management of EY Ireland, together with accountability for strategic execution.

Members of the Leadership Team serve for such terms as are appropriate having regard to their experience and their other roles and responsibilities.

The Leadership Team is responsible for determining EY Ireland’s strategies and corporate and business objectives and for the general and operational management of EY Ireland as a whole. The Leadership Team is chaired by the EY Ireland Managing Partner.

In executing its role, the Leadership Team has approved the delegation of certain duties to Leadership Team members and other nominees. Meetings of Leadership Team members and their nominees are held on a monthly basis with additional meetings held as needed.

The Leadership Team has delegated authority for the management and operation of its separate business units. Authority for EY Ireland's non-Financial Services (UK&I) business unit is delegated to the EY Ireland Board (EYIB) and authority for EY Ireland's Financial Services Organisation (FSO) is delegated to the FS Ireland Board (FSIB). See "Organisational and governance structure - Financial Services" section overleaf, for further details.

EYOC Limited

Certain decisions of EY Ireland must be approved by EY Ireland's oversight company, EYOC Limited. The board of the oversight company comprises Frank O'Keeffe and Mike McKerr for EY Ireland, Colin Ryan for EY Ireland FSO, Eoin MacManus for the EMEA FSO region and Lynn Rattigan (until 1 July 2023) for the UK&I Region. The Company Secretary of the Board is the EY Ireland General Counsel, Suzanne Tucker. The board meets quarterly in January, April, July and October of each year. Directors may either be appointed by (i) the existing directors acting as a board subject to EY Europe's approval, or (ii) by EY Europe itself, as the sole voting shareholder in EYOC Limited, in general meeting.

Biographies of the members of the Leadership Team, EYOC Board and participants at the EYOC Board meeting follow.

EY Ireland Leadership Team and participants at EYOC Board meetings

The EY Ireland Managing Partner is responsible for the strategic direction of EY Ireland and promoting the interests of EY Ireland, in accordance with the provisions contained in the Partnership Agreements. In addition to acting as chair of the Leadership Team, and sitting on the board of EYOC Limited, the duties of the Managing Partner also include representing EY Ireland at EMEA Area level and at EYG, and maintaining liaison with EYG and its member firms. The Managing Partner is appointed by the Regional Managing Partner following partner consultation.



Frank O'Keeffe was appointed EY Ireland Managing Partner from 1 July 2018 and became Managing Director of EYOC Limited on the same date. Prior to his current role, Frank was Head of Assurance and a member of the Irish

Leadership Team between 2014 and 2018. He is also a member of the UK&I Regional Leadership Team & EMEA Disability Partner Sponsor. Frank joined EY in 1997 and served as an audit partner for over 13 years. He has over 25 years' experience serving a range of large national and multinational clients. He was Partner in Charge of the EY Entrepreneur of The Year™ programme between 2009 and 2014 and has also previously served as the Diversity & Inclusion Sponsor Partner for EY Ireland. Frank is a Fellow of the Chartered Association of Certified Accountants.



Breffni Maguire led EY Ireland's Assurance practice until 1 July 2023 and has been a member of the EY Ireland Leadership Team since July 2018. Breffni has been an audit partner for 20 years and has over 30 years'

experience serving predominantly listed clients. Breffni previously held various leadership roles in EY Ireland from 2006 to 2014 and is a Fellow of the Institute of Chartered Accountants in Ireland. Breffni was appointed Deputy Managing Partner effective 1 July 2023.



Mike McKerr is Chairperson of EY Ireland and a board member of EYOC Limited. He has been a Strategy and Transactions (SaT) partner for 26 years and is the former Managing Partner of EY Ireland. He was appointed Global

Leader – Market Solutions from 1 July 2018 with responsibility for Alternative Business Models until February 2021 when he was appointed Global Leader – Smart Delivery. Mike joined EY in 1986, was appointed Irish Head of Markets in 2008 and was appointed Managing Partner in 2009. His term as Managing Partner ended in 2018. Mike is a Fellow of the Institute of Chartered Accountants in Ireland.



Roger Wallace was appointed as a member of the EY Ireland Leadership Team effective 1 July 2023 and leads EY Ireland's Assurance practice. He is also a member of the UK&I Assurance Leadership team. Roger leads our EY

Private business across the Irish practice and is the Partner in Charge of EY Entrepreneur of The Year™ since 2020. Roger has been an audit partner for over 10 years and has 22 years' experience auditing and advising large and fast growth private and public companies. Roger is a Fellow of the Institute of Chartered Accountants in Ireland.



Marie Treacy is EY Ireland's Audit Compliance Principal and Professional Practice Director and attends all meetings of EYOC Limited. Marie has been an audit partner for almost 20 years and has over 30 years of

experience auditing listed entities and large multinational groups, principally in the technology, life sciences and retail sectors. She is a Fellow of the Institute of Chartered Accountants in Ireland.





Colin Ryan is a member of the EY Ireland Leadership Team and a board member of EYOC Limited. He is the Country Lead for the Financial Services practice in Ireland and sits on the EMEA Financial Services Leadership

Board. Colin was previously head of the Financial Services Consulting business in Ireland and has over 25 years consulting experience having spent time in Europe and the US. He advises clients on large scale transformation and complex change initiatives.



Luke Charleton was appointed to the EY Leadership Team in June 2016. He leads EY Ireland's SaT service line and is on the UK&I Strategy and Transaction (SaT) Leadership Team. He has been with EY for 29 years during which he

spent 15 years with EY in the UK. Luke is a Chartered Accountant (Institute of Chartered Accountants of Scotland) and a licenced Insolvency Practitioner (Chartered Accountants Ireland). As part of the EY-Parthenon Turnaround & Restructuring Strategy team, Luke advises companies, financial institutions and private equity in respect of insolvency, restructuring and turnaround situations across a variety of sectors. Luke stood down as the SaT leader at the end of the financial year after eight years in the role and was succeeded by Shane MacSweeney effective 1 July 2024.



Barry McCarthy leads EY Ireland's Consultancy practice and is a member of the EY Ireland Leadership Team since January 2020. Barry joined EY in 2015 and has over 20 years' experience with a wide range of Irish

and international companies as a consultant supporting clients in leading major technology, change and transformation initiatives.



Kevin McLoughlin was a member of the EY Ireland Leadership Team and led EY Ireland's Tax practice until his retirement as partner effective 31 December 2023. He joined EY Ireland in 1987 and became a partner in 2005.

He had over 30 years' experience with a wide range of Irish and international companies. Kevin was the Partner in Charge of the EY Entrepreneur of The Year™ Programme between 2015 and 2019. Kevin is a law graduate, Fellow of the Institute of Chartered Accountants in Ireland and an Associate of the Irish Taxation Institute. Kevin ceased to be a member of the EY Ireland leadership team on the appointment of Graham Reid, effective 31 October 2023.



Graham Reid, as Head of Tax & Law for EY Ireland, leads a team that delivers integrated tax and law services across all sectors, helping businesses navigate complex challenges. Before his current

role, Graham was Head of Clients and Markets for EY Ireland and led the M&A and Corporate Finance practice to become one of the country's leading advisers. As Global Client Service Partner, he leads the relationships with some of EY's largest global clients. Before joining EY in 2012, Graham held senior roles in investment banking, advising top executives and boards in Ireland and internationally. He holds a B.Comm and M.B.S. from UCD, and is a Fellow of Chartered Accountants Ireland and an Associate of the Institute of Taxation in Ireland.



Eoin MacManus is a board member of EYOC Limited. Eoin spends the majority of his time leading various projects for our Global firm, EY Global Services. As of 1 July 2023, Eoin was appointed Managing Partner of Global Supply

Chain Services. Eoin is an Irish audit partner and provided audit services to a wide range of financial services companies. Eoin is a Fellow of the Institute of Chartered Accountants in Ireland.



Suzanne Tucker is the Company Secretary of EYOC Limited. She is the EY Ireland General Counsel and leads the General Counsel's Office which provides legal services to EY Ireland.

Suzanne is a practising solicitor and is admitted to the rolls of solicitors in both Ireland, and England & Wales. She has over 30 years of experience providing legal services to a range of companies in Ireland.



Organisational and governance structure – Financial Services

This report sets out details of the legal structure of EY Ireland and several general partnerships, the EY Ireland Leadership Team and our oversight company (EYOC Limited), along with their governance bodies.

In line with our commitment to comply with the disclosure requirements of EU Audit Regulation and Irish company law we also include this description of the legal and structural arrangements of our Financial Services Organisation.

As with other member firms, EY Ireland consists of two industry business units, our Financial Services Organisation (FSO) and non-Financial Services (UK&I). One business unit focuses activity on the financial services industry, the other encompasses all other sectors.



This relationship reflects the way our clients do business and engage with our services, and therefore how we serve them. The operating models of these business units are specifically designed to accommodate the service delivery and operational support functions that enable us to provide the highest levels of service to clients.

The globally-integrated nature of EY and the requirement to serve cross-border engagements requires the FSO and UK&I business units to routinely coordinate their efforts. This necessitates regular collaboration and the use of mutual global processes and systems to operate consistently within EY Ireland and across our network firms.

While there is a division of certain operating functions, for the reasons described, the FSO and UK&I business units do not displace the legal and organisational structure or the overall governance structure set out in this Transparency Report.

Partnership matters

The partners discuss matters relating to the seven partnerships as required. Certain matters are reserved to the partners and these are set out in the relevant Partnership Agreements.

Partnership forum

The Regional Partner Forum (RPF) has partner representation from EY Ireland. It meets regularly to discuss matters of relevance to the respective partnerships in the UK&I Region including people matters, strategy and business updates. Katie Flood, a partner in EY Ireland, is a member of the RPF.



EY is a global leader in assurance, tax, strategy and transactions, and consulting services. Worldwide, nearly 400,000 EY people in over 145 countries share a commitment to Building a Better Working World, united by shared values and an unwavering commitment to quality, integrity and professional scepticism. In today's global market, the seamless integrated EY approach is particularly important in providing high-quality multinational audits, which can span nearly every country in the world.

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



EYG coordinates the various activities of the EY member firms and promotes cooperation among them.

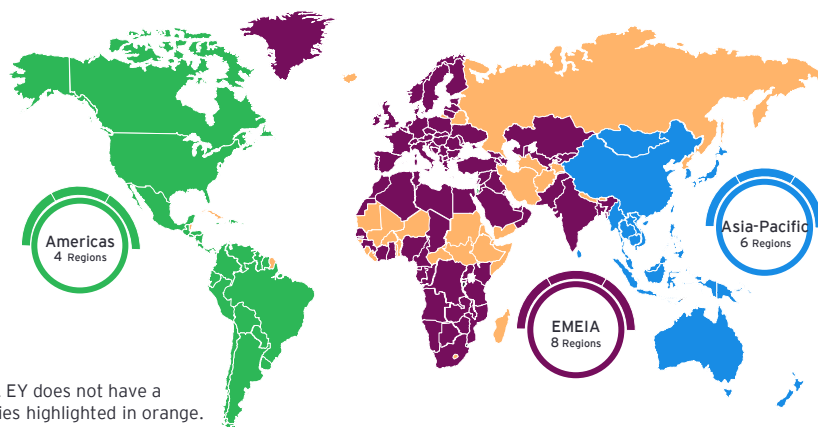
EYG does not provide services, but its objectives include the promotion of exceptional high-quality client service by EY member firms worldwide.

Each EY member firm is a separate legal entity. Each EY member firm's obligations and responsibilities, as a member of EYG, are governed by the regulations of EYG and various other agreements.

The structure and principal bodies of the global organisation, described overleaf, reflect the principle that EY, as a global organisation, has a common shared strategy.

At the same time, the EY network operates on a Regional level within the Areas. This operating model allows for greater focus on stakeholders in the Regions, permitting member firms to build stronger relationships with clients and others in each country, and be more responsive to local needs.

EY Areas and Regions*



* Figures are as of 1 July 2024. EY does not have a presence in countries/territories highlighted in orange.



Global Governance Council

The Global Governance Council (GGC) is a key governance body of EYG. It comprises one or more representative(s) from each Region, other at-large representatives from any member firm and independent non-executives (INEs). The Regional representatives, who otherwise do not hold senior management roles, are elected by their RPFs for a three-year term, with the ability to be reappointed for one additional three-year term. Since 1 July 2024, though, the GGC representatives of EY US are members of its elected Governing Board. The GGC advises EYG on policies, strategies, and the public interest aspects of its decision-making. The GGC approves, in some instances upon the recommendation of the Global Executive (GE), certain matters that could affect EY.



Independent Non-Executives

Up to six global INEs are appointed from outside EY. The global INEs are senior leaders, either from the public or the private sector, and reflect diverse geographic and professional backgrounds. They bring to the global organisation, and the GGC, the significant benefit of their varied perspectives and depth of knowledge. The global INEs also form a majority of the Public Interest Sub-Committee of the GGC. The role of the Public Interest Sub-Committee includes public interest aspects of decision-making and dialogue with stakeholders, issues raised under whistleblowing policies and procedures, and engagement in quality and risk management discussions. The global INEs are nominated by a dedicated committee, approved by the GE and ratified by the GGC.

Appointment

The INEs are nominated by the INE Nominating Committee comprising the Chairman/CEO of EYG, the Presiding Partner of the GGC, and other persons as the Chairman/CEO and the Presiding Partner in their discretion deem appropriate. The nominations require approval by the Global Executive and ratification by the GGC.

Support

INEs are entitled to receive information about global affairs. To facilitate their effectiveness, they receive administrative support and any independent professional advice that may be required.

Term

The term of an INE is three years with provision for one re-appointment at the request of the INE Nominating Committee and the GE.

Disagreements

Any disagreement between an INE and others on the GGC would be resolved by mediation by the Chairman/CEO of EYG through a defined process of notification and consultation.

Independence

EYG has considered the auditor independence standards as they apply to INEs in their role as members of the GGC, and EYG is satisfied these standards have been met.

EY's INEs

Sir CK Chow (Hong Kong) is the Chairman of the Urban Renewal Authority in Hong Kong and the former Chairman of the Hong Kong Exchanges and Clearing Ltd. He is an Independent Non-executive Director of the AIA Group. Previously he was the Chief Executive of MTR Corporation (HK), Brambles Industries Ltd (Australia and UK) and GKN PLC (UK). In public service, he is chairman of the Advisory Committee on Admission of Quality Migrants and Professionals, and a member of the Financial Leaders Forum and Human Resources Planning Commission. He is a chartered engineer. Sir CK Chow, ceased to be an INE on 30 June 2024.

Tonia Lovell (UK) practised law for nearly 30 years, both in private practice (at Linklaters) and in-house

(at Unilever), latterly as Unilever's Chief Legal Officer and Group Company Secretary. Tonia has been an INE of EY UK since 2019 and Chair of EY UK's Public Interest Board since July 2021. She is also an executive coach to lawyers and company secretaries. Tonia is a former member of the UK's GC100 Executive Committee and of the External Advisory Committee to Royal London Asset Management's sustainability funds.

Duane DesParte (US) was appointed as an INE effective 1 June 2024. Duane has deep global and US regulatory experience, as well as key audit credentials, having served as a board member of the Public Company Accounting Oversight Board (PCAOB) for six years, including a period as Acting Chair. During his tenure at the PCAOB, Duane also served as an Officer of the International Forum of Independent Audit Regulators (IFIAR) for four years. Prior to this, Duane served as Senior Vice President and Corporate Controller and in other business unit finance officer roles over 15 years at Exelon Corporation, then a Fortune 100 company in the energy industry, and spent 18 years as an auditor, primarily of large US public companies.



Global Executive (GE)

The GE brings together EY leadership functions, service lines and geographies. It is chaired by the Chair and CEO of EYG and includes its Global Managing Partners of Client Service, Business Enablement, Growth & Innovation and Business Administration & Risk, the Area Managing Partners; the global functional leader for Talent, and the leaders of the global service lines – Assurance, Consulting, Strategy and Transactions, and Tax.

The GE also includes the Global Vice Chair – Markets, the Global Vice Chair – Strategy, the Chair of the Emerging Markets Committee, as well as a representative from the Emerging Markets.

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

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

- ▶ Global strategies and plans.
- ▶ Common standards, methodologies and policies to be promoted within EY member firms.
- ▶ People initiatives, including criteria and processes for admission, evaluation, development, and reward and retirement of partners.
- ▶ Quality improvement and protection programs.

- ▶ Proposals regarding regulatory matters and public policy.
- ▶ Policies and guidance relating to member firms' service of international clients, business development, and markets and branding.
- ▶ EY development funds and investment priorities.
- ▶ EYG's annual financial reports and budgets.
- ▶ GGC recommendations on certain matters.

The GE is also updated regularly on priorities related to the System of Quality Management and on issues that may require their attention.

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



Global Practice Group

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



EY member firms

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

Above all, EY member firms commit to conducting their professional practices in accordance with applicable professional and ethical standards, and all applicable requirements of law. This commitment to integrity and doing the right thing is underpinned by the EY Global Code of Conduct (see page 20) and EY values (see page 31).

Besides agreeing to comply with the regulations of EYG, EY member firms enter into several other agreements covering aspects of their membership in the EY organisation, such as the right and obligation to use the EY name and share knowledge among EY member firms.

EY member firms are subject to reviews to evaluate adherence to EYG requirements and policies governing issues, such as independence, risk management, audit methodology and talent. EY member firms unable to meet quality commitments and other EYG membership requirements may be subject to termination from the EY organisation.



The Irish Audit Firm Governance Code

The Irish Audit Firm Governance Code (the Code) was published by the Chartered Accountants Regulatory Board, now the Professional Standards Department of Chartered Accountants Ireland, in June 2012 and is applicable to firms who chose to apply it for years commencing on or after 1 January 2013.

Whilst the Code is not a regulatory requirement and many of its provisions were already in place at EY Ireland, we have embraced the Code as providing a benchmark of good governance practices for firms who chose to comply with its provisions. One of the principles of the Code is that audit firms appoint INEs within their governance structures either locally or through a wider international network. The objective is that, through their involvement, they collectively enhance confidence in decision making, channel stakeholder dialogue and act as a safeguard of reputational risks.

EY is a global organisation with a high level of integration which includes its governance arrangements. All member firms are subject to regular review of their actions and performance across all areas of business activity and benchmarked relative to comparable firms elsewhere in the world.

As a global organisation, EY took the decision to appoint its INEs at a global level, rather than to focus their activities solely on EY Ireland and to reflect the more integrated operating model and broader governance structure. EY Ireland regularly reviews this INE model and as of 30 June 2024 believes this model is effective at meeting the objectives of the Code.



EY Ireland's internal control system

Effectiveness of EY Ireland's system of internal control

In addition to the EY Ireland requirement to implement International Standard on Quality Management (Ireland) 1 (ISQM (Ireland) 1) and as described in more detail under **System of Quality Management**, the Code requires EY Ireland to conduct, at least annually, a review of the effectiveness of its system of internal controls.

In maintaining a sound system of internal control and risk management and reviewing its effectiveness, EY Ireland maintains a key Risk Register reflecting EY Ireland's most significant risks, the controls and procedures implemented to manage and mitigate these risks as well as the mechanisms for monitoring the key controls. The development and maintenance of the EY Ireland Risk Register is facilitated through an annual review with the EYIB in addition to regular discussions with Service Line and Function Leaders across EY Ireland.

The internal control system is designed to manage and mitigate the key risks for EY Ireland providing reasonable assurance against material misstatement or loss and/or reputational and brand damage.

Statement on the effectiveness of EY Ireland's system of internal control

As part of its annual review procedures and in compliance with the Code, EY Ireland confirms that it has performed a review of the effectiveness of the system of internal control, including considering the following:

- ▶ At least annually, the EY Ireland Risk Register is reviewed, assessed and updated. A series of Key Risk Categories are in place with Specific Risks defined within each Risk Category.
- ▶ Controls and mitigants are regularly reassessed throughout the year for the key mitigating actions. Where controls are identified as ineffective, or are required in response to issues and events, appropriate actions are taken.
- ▶ Reports and findings from regulatory reviews and EY Ireland's audit quality reviews are considered and where deemed appropriate, these are reflected in the Risk Register with associated Action Plans.

No significant weaknesses have been identified during the course of the above outlined reviews. On this basis EY Ireland is satisfied that its system of internal controls is embedded and operating effectively and as designed.

“

Risk Management remains integral to everything we do at EY Ireland. We continuously identify, assess and manage those risks which could have a significant impact on the brand and reputation of EY Ireland, may impact our clients and people, or could give rise to a financial loss or material misstatement. Across our Service Lines and Functions, our people are key to enabling a culture of risk awareness, such that everyone in EY Ireland understands what is expected of them and feels empowered to openly discuss and share how we will continue to balance highly effective risk management with the rapid pace of growth and innovation.



Colette Devey

EY Ireland Chief Risk Officer as of 1 July 2024



Creating long-term value for society

Faced with the urgent and interconnected challenges of climate change and social inequality, we believe businesses must go further, faster, to build a better working world – to accelerate the transition to a new economy – one where business, people and the planet thrive. This new economy will be socially just, economically inclusive and environmentally regenerative by design.

EY, as an organisation, is effecting change at scale by building alliances, forging collaboration and rallying everyone and every part of the business to take part. EY continues to focus on creating, protecting and measuring long-term value for EY people, EY clients, and society. It is by integrating all of these dimensions that EY fulfils its purpose of Building a Better Working World.

From advising governments on how to build more sustainable and inclusive economies, to encouraging businesses to focus and report on their creation of long-term value for all stakeholders, EY services already play a vital role in this. However, more can and must be done as all stakeholders define their roles in this journey.

As a proud participant in the United Nations Global Compact (UNGC) since 2009, EY is committed to integrating the UNGC Ten Principles and the UN Sustainable Development Goals (SDGs) into EY strategy, culture and operations. As the regulatory reporting landscape evolves, EY is preparing for sustainability reporting requirements such as those required by the EU Corporate Sustainability Reporting Directive (CSRD) and the standards of the International Sustainability Standards Board (ISSB).

Among other things, this commitment to long-term value is reflected in:



Global Corporate Responsibility and Sustainability governance

The Corporate Responsibility Governance Council (CRGC) includes seven members of the GE and represents a cross-section of EY senior leaders across geographies. The CRGC coordinates the EY Global Corporate Responsibility function, which operationalises the EY Ripples program (an EY corporate responsibility program, which is anchored in a long-term goal for EY to positively impact 1 billion lives by 2030 through: supporting the next-generation workforce, working with impact entrepreneurs, accelerating environmental sustainability), drives greater transparency by coordinating non-financial

reporting and progresses leading practices toward other sustainability programs. The EY Global Corporate Responsibility function is led by the EY Global Corporate Responsibility Leader, who reports to a GE member and sits on the EY Global Sustainability Executive.

The EY Global Sustainability Executive includes leaders across EY service lines, sectors, industry, and geographies, who are responsible for setting the strategy around EY value-led sustainability offerings which are provided by member firms to EY clients. It is chaired by the EY Global Vice Chair – Sustainability, with representatives from across the global EY organisation including the EY Global Climate Change and Sustainability Services Leader.



EY People and Sustainability

Through training, engagement, and investment in technology tools, EY infuses sustainability across all areas of the organisation. Opportunities to engage, learn and develop are core to the EY talent proposition and vital for EY to develop and evolve services to emerging issues in Environmental, Societal and Governance (ESG). The EY goal is to build expertise and sustainability fluency, while engaging and enabling EY people.

In FY24, EY accelerated sustainability learning across the organisation: over 3,477 Sustainability Badges were awarded to Assurance professionals – equating to over 53,129 learning hours – on the EY free to access, structured learning courses on sustainability including learning on climate change, the circular economy, and sustainable finance. A dedicated Sustainability and ESG learning series that targeted member firm Partners, Principals and Director employee level Assurance professionals attracted over 7,217 learners. Key to infusing sustainability across wider EY, over 21,855 EY Assurance professionals have completed the EY sustainability literacy programme including Sustainability Now and 4,189 have completed Sustainable Finance Now explainer courses. The EY Sustainability Masters programme is unique and free to access for EY people. A second cohort of 8 EY people completed the Masters in 2024. In Ireland 128 Sustainability Badges were awarded to EY professionals equating to 1920 learning hours.

The EY culture embeds opportunities to learn, challenge and engage across the full spectrum of issues. Sustainability @ EY – an internal community of action has more than 5,000 members.

A new internal Sustainability Leaders network engages with over 900 leaders on a monthly and quarterly basis to brief them on key developments for EY capabilities and in the wider sustainability agenda and enables EY to share regional and local perspectives on how sustainability is influencing client and policy agendas. An employee led, ground up community of

over 3,700 individuals represent the eco-innovators of the EY organisation, opening up new avenues to challenge EY and for EY people to learn and exchange experiences on sustainability's impact on people and EY businesses. In Ireland, an employee led, ground up community of over 400 individuals, represent the sustainability network of EY Ireland.



The EY social impact ambition

Through [EY Ripples](#), EY people are devoting their time to Sustainable Development Goals (SDGs) focused projects, bringing together the combined skills, knowledge and experience of the global EY network in pursuit of one shared vision: to positively impact 1 billion lives by 2030. In FY24 more than 168,000 EY people shared their time and skills on EY Ripples projects, positively impacting 64 million lives. Since EY Ripples launched in 2018, EY has positively impacted more than 192 million lives. So far in 2024, EY has made cash investments in the sum of US\$102 million into projects dedicated to strengthening communities, and EY people contributed 934,000 hours to a variety of initiatives and in-kind projects. Since its launch in Ireland, EY Ripples has positively impacted more than 632,000 lives and EY Ireland has invested €1.4 million into projects dedicated to strengthening communities, with EY people in Ireland contributing over 20,000 hours to a variety of initiatives and in-kind projects.

Through EY Ripples, EY collaborates with clients and shared purpose organisations on social impact initiatives on a pro-bono basis, to synergistically drive action towards the UN SDGs.

Our EY Ireland team supported an Indonesian based social enterprise making high quality domestic water purifiers to support families without access to electricity to access safe drinking water.

In 2024, EY formally incorporated Disaster Response into the organisation's strategic priorities. This enhanced the EY methodology for assessing the Disaster Response impact to encompass all forms of aid, including volunteer efforts, donations and in-kind contributions.

As part of an ongoing [social impact alliance with Microsoft](#), EY continues to roll out the [Green Skills Passport](#) to unemployed youth, who are not in education or training. Pilots show that 61% of those completing the course plan to apply for green jobs and 43% plan to enroll in a university degree in sustainability or take more related classes. The Green Skills Passport is now available in ten countries, achieving 41,000+ course completions.

Impact entrepreneurs use innovative business models to bring about life-changing initiatives in local communities, but they frequently need support to deliver their programs at scale.

In FY24, EY hosted events at global forums to help forge and strengthen SDG-aligned partnerships between large companies, impact entrepreneurs and NGOs. At ChangeNOW, EY hosted an artificial intelligence (AI) for Social Innovation event exploring the role of the private sector in unlocking AI for social innovation. EY also signed the Schwab Foundation for [Social Entrepreneurship Rise Ahead Pledge](#), committing to increase the EY investment in social innovation.

The equitable use of AI offers tremendous potential to create positive social change. EY is a [Building Partner with data.org](#), working with a global community of practitioners to advance the use of data in the social impact community. EY are also an active member of the [TeachAI community](#), joining Microsoft on the Advisory Board and supporting key initiatives. With Teach For All, EY have developed capacity building for a network of 15,000 teachers, providing a generative AI (GenAI) curriculum. As part of the [Technovation AI Forward Alliance](#), EY teams are providing mentoring and coaching to empower 25 million girls and young women through AI, coding and entrepreneurship education.

EY Ripples programmes impacting Ireland during the year included:

- **Junior Achievement:** 62 EY Ireland colleagues facilitated Junior Achievement workshops, working with 15 schools and 718 young people to help equip them with the life and career skills they need to set them up for success. Topics covered included environmental sustainability, interview skills, careers, entrepreneurial Dragons Den and financial literacy.
- **Corporate Tech for Teens:** this year we expanded our programme for students in corporate tech. As well as gaining first-hand experience of EY, the students were able to learn about AI, cyber security and developing communication skills and problem solving.
- We participated in the **Northern Ireland Assured Skills Academy Programme**, a joint initiative between the Department for the Economy and Invest NI. It offers demand led pre-employment training, open to international & expanding local companies. The Academies are typically a 6-8 week intensive training programme and present a unique opportunity to gain industry standard qualifications, skills and experiences. We have completed three academies to date (Data & Analytics and two Risk and Regulatory Compliance).

Further details are contained in the [Ireland Societal Impact Report](#).





The EY decarbonisation ambition

EY remains on track to deliver on the existing decarbonisation targets, set in 2021. EY will reduce absolute emissions by 40% across Scopes 1, 2 and 3 by 2025, against an FY19 baseline, consistent with the EY 1.5C Science Based Target. [A seven-point plan](#) outlined how EY would focus action by:

1. Reducing business travel emissions, with a target to achieve a 35% reduction by 2025 against the FY19 baseline.
2. Reducing overall office electricity usage, and procuring 100% renewable energy for remaining needs, earning RE100 membership by 2025.
3. Structuring electricity Power Purchase Agreements (PPAs) to introduce more renewable electricity than EY consumes into national grids.
4. Using nature-based solutions and carbon-reduction technologies to remove from the atmosphere or offset more carbon than emitted, every year.
5. Providing engagement project teams with tools that enable them to calculate, then work to reduce, the amount of carbon emitted in carrying out their work for the client.
6. Requiring 75% of EY suppliers, by spend, to set science-based targets by no later than FY25.
7. Investing in EY services and solutions that help clients decarbonise their businesses and provide solutions to other sustainability challenges and opportunities.

The EY refreshed environmental strategy will expand the existing decarbonisation targets and nature positive practices to meet evolving market expectations and science-based standards. EY remains committed to a “net zero” target and are currently working on the next phase of the EY science-based decarbonisation plan. Please refer to the [EY Environmental Report](#) for more details.



Working with clients on sustainability

For over 20 years, EY has a proven track record of evolving its skills, services and solutions to meet client needs, and the evolving understanding of the science, and its implications for society. EY sustainability services are designed to challenge and support EY clients in seeing the bigger picture: managing risk, reducing cost and complexity, spurring innovation, building trust and achieving measurable results.

EY combines deep sustainability and sector knowledge at a global scale, with regional and geographically

relevant teams. Increasingly EY services are examining the systems level change needed to help enable EY clients create grounded plans for the near and long term.

EY teams serve clients in many ways:

- ▶ Specialist sustainability skills led services, including nature and biodiversity, sustainability tax, financing and incentives and climate risk.
- ▶ Regulatory and reporting services to support the complex and evolving requirements across multiple jurisdictions.
- ▶ Strategy and transformation focused on multi-disciplinary and sector specific sustainability led transformation, spanning strategy, operations, risk, technology, data, talent and finance.
- ▶ Sustainability infused services, where the EY wider end-to-end portfolio can respond to sustainability triggers and pathways for clients.
- ▶ Climate-related reporting, including development of programs to support non-financial reporting and disclosures of their performance in alignment with regulatory reporting requirements (e.g., CSRD, California Climate Corporate Data Accountability Act (CCDAA)) and voluntary reporting frameworks (e.g., TCFD, ISSB, CDP, GRI).

Helping EY clients set ambitious goals and rigorously plan, invest and track their delivery is where EY can have the greatest impact on the transformation needed to respond to the climate and nature crises. EY sustainability services are provided to clients both through a dedicated team for core ESG and sustainability challenges and through the entire range of traditional EY services.

EY services also include informing and supporting stakeholders in the development of standards including supporting the ISSB, European Financial Reporting Advisory Group (EFRAG), Taskforce on Nature-related Financial Disclosures (TNFD) and Taskforce on Climate-related Financial Disclosures.

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Our EY Ireland societal value strategy is dedicated to meeting the growing expectations of our clients, colleagues, and prospective talent in supporting the ESG agenda and reflects our unwavering commitment to creating a more equitable and sustainable future for all.



Sarah Connellan

EY Ireland Chief Operating Officer & Societal Value Lead

System of Quality Management



System of Quality Management

In 2023, the implementation of International Standard on Quality Management 1 (ISQM 1) in EY was finalised and for the first time, EY member firms evaluated their System of Quality Management and concluded on its effectiveness. ISQM 1 facilitated the implementation of a formalised system of quality management from the prior system of quality controls.

This year, a Global System of Quality Management Operational Leader and a Global System of Quality Management Monitoring and Analysis Leader were appointed, capitalising on the implementation of ISQM 1 to help EY member firms improve quality. The Global System of Quality Management Operational Leader is focused on further developing a robust and consistent System of Quality Management for all EY member firms to adopt with the ability for EY member firms to customise based on local considerations. The Global System of Quality Management Monitoring and Analysis Leader is focused on understanding themes and learnings from monitoring activities to help EY member firms proactively address risks and continuously improve their System of Quality Management and audit quality.

The System of Quality Management presented here also meets the requirements of the International Standards on Quality Control (ISQC 1), issued by the International Auditing and Assurance Standards Board (IAASB). In the context of ISQM 1 and the annual evaluation of our System of Quality Management, EY Ireland refers to the following EY member firms performing audits or reviews of financial statements, or other assurance or related services engagements:

Ernst & Young Chartered Accountants.

Ernst & Young Business Advisors.

Ernst & Young Business Advisory Services.

Ernst & Young Business Consultants.

Ernst & Young Consultants.

Ernst & Young Business Consulting Services.

Ernst & Young Consulting Services.



Our role as auditors

Stakeholders need confidence in the capital markets to make important decisions that drive economic growth. Auditors play a critical role in building this confidence through their ability to validate and interpret data objectively and independently, providing the appropriate level of challenge. In this way, audit quality plays a crucial role in creating long-term value

for all stakeholders.

Providing high-quality audits has never been more important than in today's environment, due to increased global complexity, characterised by continuing globalisation, rapid movement of capital and the impact of technological changes. EY Ireland's reputation for providing high-quality professional audit services independently and objectively is fundamental to our success as independent auditors. We continue to invest in our System of Quality Management and to promote enhanced objectivity, independence, and professional scepticism. These are fundamental to the execution of high-quality audits. Designing, implementing and operating an effective System of Quality Management is essential to these efforts.

At EY Ireland, our role as auditors is to provide assurance on the fair presentation of the financial statements of the companies audited. We bring together qualified teams to provide audit services, drawing on our broad experience across industry sectors and services. We continually strive to improve quality and risk management processes, so that the quality of our service is at a consistently high level.

While the market and stakeholders continue to demand high-quality audits, they also demand an increasingly effective and efficient way to provide audit services. EY continues to look for ways to improve the effectiveness and efficiency of its audit methodology and processes, while improving audit quality.

EY works to understand where EY member firms' audit quality may not be up to our expectations and those of stakeholders, including independent audit regulators. This includes seeking to learn from external inspections, internal inspections and other monitoring activities, and to identify the root causes of adverse quality occurrences to enable a continual improvement of audit quality.



Designing, implementing and operating a System of Quality Management

ISQM 1 requires a proactive and risk-based approach to managing quality by requiring member firms to design, implement and operate a System of Quality Management. ISQM 1 also requires evaluating, at least annually, the System of Quality Management.

ISQM 1 includes robust requirements for the governance, leadership and culture of professional accountancy firms, and requires a risk assessment

process to focus the firm's attention on mitigating risks that may have an impact on engagement quality. It also requires extensive monitoring of the System of Quality Management to identify deficiencies that require implementation of corrective actions and to provide the basis for evaluating the overall effectiveness of the System of Quality Management.

ISQM 1 outlines an integrated and iterative approach to the System of Quality Management based on the nature and circumstances of the Firm and the engagements it performs. It also takes into consideration the changes in the practice and the different firm operating models (e.g., use of technology, network and multidisciplinary firms).

The EY approach is to design, implement and operate a System of Quality Management that is consistently applied across the entire network of member firms to promote engagement quality and operating effectiveness. This is especially important in a global economy where many audits are transnational and involve the use of other EY member firms.

To achieve this purpose, EY member firms have access to certain policies, technologies, strategies and programmes to be used in the design, implementation and operation of the EY member firm's System of Quality Management. The purpose of these resources is to support EY member firms and their people.

For example, the EY approach to the required risk assessment process includes input and feedback from across EY service lines, functions, and geographic areas to develop global baseline minimums, including quality objectives (based on ISQM 1 requirements), quality risks and responses (including System of Quality Management key controls) assumed to be applicable to EY member firms. In addition, global tools have been developed to support the System of Quality Management processes.

EY member firms, including EY Ireland, are ultimately responsible for the design, implementation, and operation of their System of Quality Management, and have the responsibility to:

- ▶ Evaluate policies, technologies, strategies, programmes and baseline quality objectives, quality risks and responses provided to them, and
- ▶ Determine if any of these items are required to be supplemented by the member firm to enhance effectiveness (e.g., if a policy requires amendment to comply with local laws and regulations or if it is necessary to translate the content into local language).



System of Quality Management roles

To enable the design, implementation, and operation of EY Ireland's System of Quality Management, individuals are assigned to System of Quality Management roles. The individuals in these roles have the appropriate experience, knowledge, influence and authority, and sufficient time to fulfill their System of Quality Management roles and are accountable for fulfilling their responsibilities.

System of Quality Management roles and responsibilities are defined in the Global System of Quality Management policies to drive consistency in the execution of the EY Ireland System of Quality Management. For those individuals in EY member firm or regional leadership roles, there are accountability frameworks which outline how they will be held accountable for their System of Quality Management related responsibilities as well as other quality focused activities and how the responsibilities link to their performance ratings.

Key roles within the System of Quality Management include:

- ▶ **Ultimate responsibility and accountability:** The Country Managing Partner is the individual assigned ultimate responsibility and accountability for the System of Quality Management including evaluating and concluding on its effectiveness.
- ▶ **Operational responsibility for the System of Quality Management:** The Country Assurance Managing Partner is the individual assigned operational responsibility for the System of Quality Management. This includes overseeing the remediation process and recommending the System of Quality Management annual evaluation conclusion to the Country Managing Partner. A System of Quality Management Operational Committee chaired by the Country Assurance Managing Partner was established to oversee the operational responsibility of the System of Quality Management. The System of Quality Management Operational Committee includes the Country Assurance Managing Partner, Service Line leaders (Tax, Consulting and Strategy and Transactions), Functions Leaders (Independence, Risk Management, Talent, Professional Practice, Assurance Quality) and Leaders from FSO (FSO Assurance Service Line Leader, FSO Professional Practice Director and FSO Quality Leader).
- ▶ **Operational responsibility for compliance with independence requirements:** The Country Independence Leader is the individual assigned operational responsibility for compliance with independence requirements.

- **Operational responsibility for monitoring the System of Quality Management:** The Country Professional Practice Director is the individual assigned operational responsibility for monitoring the System of Quality Management. This includes overseeing the monitoring process and concurring with or proposing changes to the recommended System of Quality Management annual evaluation conclusion. A System of Quality Management Oversight Committee chaired by the Country Professional Practice Director was established to oversee the monitoring processes and activities of the System of Quality Management. The System of Quality Management Oversight Committee includes the Country System of Quality Management Monitoring Leader, Service Line Quality Leaders (Tax, Consulting and Strategy and Transactions), Assurance Quality Leader, Country Independence Leader, Risk Management Leader, FSO Professional Practice Director and FSO Quality Leader.



Effectiveness: Annual evaluation conclusion as of 30 June 2024

Professional judgment is used in evaluating the results of monitoring activities, including in determining whether findings, individually or in combination with other findings, rise to the level of a deficiency. Any deficiencies identified require a root cause analysis to be performed and a quality improvement plan to be developed. Further, deficiencies are evaluated to determine the severity and pervasiveness of the deficiency. If a severe deficiency was identified, a member firm would need to assess whether the effect of the deficiency was corrected, and the actions taken by 30 June 2024 were effective, in determining its System of Quality Management annual evaluation conclusion.



System of Quality Management annual evaluation conclusion as of 30 June 2024

The annual evaluation conclusion for EY Ireland as of 30 June 2024 is that the System of Quality Management provides reasonable assurance that the objectives of the System of Quality Management are being achieved.

The Country Managing Partner, on behalf of EY Ireland, is required to evaluate the System of Quality Management on an annual basis, as of 30 June, and conclude on its effectiveness. The evaluation process is executed annually based on the Global System of Quality Management Annual Evaluation policy.

This evaluation is based on whether EY Ireland's System of Quality Management provides reasonable assurance that:

- EY Ireland and its people are fulfilling their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and engagements are being conducted in accordance with such standards and requirements.
- Reports being issued by the member firm and Partners in Charge (PICs) are appropriate in the circumstances.

The evaluation of the effectiveness of the System of Quality Management utilises information gathered from monitoring activities performed over a period. The evaluation considered the results of the following:

- Tests of System of Quality Management key controls.
- Internal and external engagement inspections.
- Other monitoring activities (e.g., tests of EY Ireland and its people's compliance with ethical requirements related to independence, evaluation of quality criticisms made by external regulators relevant to the System of Quality Management, issues reported through the Ethics hotline).

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Our commitment to our System of Quality Management and its annual evaluation process is notably a testament to EY's continued investment in quality, talent and technologies, reflecting our unwavering commitment to ensuring we provide the highest quality services and shape the future with confidence.



Marie Treacy

EY Ireland Professional Practice Director

Components of our System of Quality Management



Components of our System of Quality Management

In the following sections, we describe the components of the System of Quality Management, which EY Ireland follows:

- ▶ System of Quality Management risk assessment process.
- ▶ Governance and leadership.
- ▶ Relevant ethical and legal requirements.
- ▶ Client and engagement acceptance and continuance.
- ▶ Engagement performance.
- ▶ Resources.
- ▶ Information and communication.
- ▶ System of Quality Management Monitoring and Remediation process.



EY Ireland has designed and implemented a risk assessment process to establish quality objectives, identify and assess quality risks, and design and implement responses to address the quality risks as required by ISQM 1. The risk assessment process is executed annually based on Global System of Quality Management policies.

To drive consistency while providing EY member firms with an approach that is scalable and adaptable based on the facts and circumstances of the member firm, Global System of Quality Management baseline Quality Objectives, Quality Risks and Responses have been developed by representatives of EY Global Leadership (including Global Assurance Leadership) based on input from functional and service line groups at the Global, Area and Region level. Global System of Quality baselines include:

- ▶ System of Quality Management baseline Quality Objectives.
- ▶ System of Quality Management baseline Quality Risks.

- ▶ System of Quality Management baseline Responses:
 - ▶ System of Quality Management baseline Resources (e.g., Global policies or technologies that mitigate an EY System of Quality Management baseline Quality Risk).
 - ▶ System of Quality Management baseline Key Controls to be designed and implemented to mitigate an EY System of Quality Management baseline Quality Risk.

Global System of Quality Management baselines are presumed to be applicable to every member firm performing ISQM 1 engagements. EY member firms have the responsibility to evaluate the Global System of Quality Management baselines and determine if the Global System of Quality Management baselines need to be supplemented or adapted by the EY member firm to be appropriate for use (e.g., additional quality risks, customisation of responses). EY Ireland reviewed the Global System of Quality Management baselines and performed the following:

- ▶ Accepted or rejected the Global baseline Resources and Key Controls after appropriate analysis of our facts and circumstances. In the case of a rejection of Global baseline Resources and Key Controls, a preliminary discussion with the Area System of Quality Management Leadership is required.
- ▶ Together with the Area System of Quality Management Leadership, identified the level of execution of Global baseline Key Controls.
- ▶ Customised accepted Global, Area and Region baseline Key Controls.

The review of the Global System of Quality Management baselines considered the facts and circumstances of EY Ireland, including, the nature and operating characteristics of EY Ireland, the types of engagements performed and systemic trends from monitoring activities within the System of Quality Management.

In addition to reviewing the Global System of Quality Management baselines, EY Ireland determined if additional quality objectives, quality risks or responses were necessary. Based on the review of these baselines some customisation of responses reflecting how the response relates to EY Ireland was completed.



Governance and leadership



Tone at the top

EY Ireland's leadership is responsible for setting the right tone at the top and demonstrating the EY commitment to Building a Better Working World through behaviour and actions. While the tone at the top is vital, EY people also understand that quality and professional responsibility start with them and that within their teams and communities, they are leaders too. EY shared values, which inspire EY people and guide them to do the right thing, and the EY commitment to quality are embedded in who we are and in everything we do.

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

The consistent stance of EY Ireland has been that no client or external relationship is more important than the ethics, integrity and reputation of EY.

The EY approach to business ethics and integrity is contained in the EY Global Code of Conduct and other policies and is embedded in the EY culture of consultation, training programmes and internal communications. Senior leadership reinforces the importance of performing quality work, complying with professional standards, adhering to EY policies and leading by example. In addition, EY Ireland assesses the quality of professional services provided as a key metric in evaluating and rewarding EY professionals.

To measure the quality culture across EY member firms and provide EY Ireland with valuable insights into the perceptions of the culture of quality, including tone at the top, collaboration, workload management and ethical behaviour, a Global Quality Survey was first launched in April 2023. The results of the 2024 Quality Survey were used to identify areas where EY Ireland was doing well and where more actions may be required. The 2024 Quality Survey results indicate that EY people recognise that the tone at the top set by leadership demonstrates commitment to quality and that EY Ireland recognises and values contributions to quality. The recognition of our strong culture of consultation, coaching and continuous quality improvement is also reflected in the results of

the Quality Survey. Yet, the results also indicate that more still needs to be done to improve our culture around workload management.



Global Code of Conduct

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

1. Working with one another.
2. Working with clients and others.
3. Acting with professional integrity.
4. Maintaining our objectivity and independence.
5. Protecting data, information and intellectual capital.

Through our procedures to support compliance with the EY Global Code of Conduct and through frequent communications, we strive to create an environment that encourages all EY people to act responsibly, including reporting misconduct without fear of retaliation. Overall, the results of the March 2024 employee listening survey [People Pulse Survey] indicated that participants felt they could meet expectations while maintaining ethics and integrity and believe decisions made by leaders are consistent with the EY values and Code of Conduct.



Accountability frameworks

The accountability frameworks of EY are a set of policies and frameworks that put quality into action and outline how EY Partners, Principals, Associate Partners, Executive Directors, Directors and leaders will be held accountable for their System of Quality Management related responsibilities as well as other quality focused activities and how the responsibilities link to their performance ratings.

The global accountability framework is applicable to all EY Partners, Principals, Associate Partners, Executive Directors, Directors no matter their role, service line or location. There is an Assurance specific framework which supplements the global accountability framework, referenced above. In addition, two incremental accountability frameworks cover individuals in leadership roles at the member firm and regional levels, which are applicable for all service lines and functional leadership roles.

All the accountability frameworks set clear expectations for quality to maintain the confidence that external stakeholders place in EY. The frameworks outline criteria for ensuring an individual's

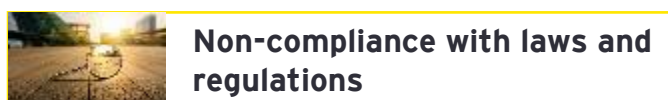
quality rating is appropriately considered in their performance rating.



The EY Global Code of Conduct provides guidance about EY actions and business conduct. EY Ireland complies with applicable laws and regulations, and EY values underpin our commitment to doing the right thing. This important commitment is supported by several policies and procedures, explained in the paragraphs below.



Compliance with relevant ethical requirements, including independence, is a key element of the System of Quality Management. It involves determining that we are independent in fact, as well as in appearance. The ethical requirements relevant to EY audits and professional services are included in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code). We also comply with local ethical requirements or codes in the jurisdiction of EY audits and professional services. Refer to the Independence Practices section for information on policies, tools and processes relating to maintaining independence.



In accordance with the IESBA Code, EY has adopted a policy designed to meet its obligations with respect to non-compliance with laws and regulations (NOCLAR). The policy covers obligations with respect to non-compliant activity by clients or EY people, as relevant to their respective business activities.

In addition to the NOCLAR reporting obligations, EY may be required to make certain reports to relevant authorities regarding possible misconduct by clients – actual or suspected. Where such obligations exist, reports are made in accordance with local laws.



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

When a report comes into the EY Ethics Hotline, either by phone or internet, it receives prompt attention by the member firm. Depending on the content of the report, appropriate individuals from Risk Management, Talent or other functions are also involved in addressing the report.



EY provides EY people with a comprehensive programme of learning to support quality and professional development. Academic integrity is foundational to that program. EY Ireland supports our people to meaningfully engage with the learning programme and makes clear that there will be consequences for any breach of academic integrity.



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



Securities trading is governed by many laws and regulations, and EY people are obliged to comply with applicable laws and regulations regarding insider trading. This means EY people are prohibited from trading in securities while in possession of material non-public information.

The EY Global Insider Trading Policy reaffirms the obligation of EY people not to trade in securities when in possession of insider information, provides detail on what constitutes insider information and identifies with whom EY people should consult if they have questions regarding their responsibilities.



Economic and Trade Sanctions

It is important that EY member firms and EY people comply with the ever-changing rules with respect to international Economic and Trade Sanctions. EY monitors Sanctions issued in multiple geographies both prior to business relationships being accepted and as they continue. Guidance is provided to EY people on impacted relationships and activities.



Anti-money laundering

EY Ireland is classified as a Designated Person under applicable Anti-Money Laundering (AML) regulations. Consistent with the EY Global guidance on AML, and in line with local regulatory requirements, EY Ireland has implemented policies and procedures designed to meet these obligations, including Know Your Client (KYC) procedures, risk assessments and suspicious activity reporting. EY people are trained on their responsibilities under the regulations and provided with guidance on who to consult when they have questions.



Data protection and confidentiality

The EY Binding Corporate Rules Programme and related EY policies set out principles and minimum standards to be applied to the collection, use and protection of all information that EY has responsibility for, including personal data relating to current, past and prospective EY professionals, clients, suppliers and business associates, as well as other information considered confidential to clients, third parties or the EY organisation. This policy is consistent with the requirements of the European Union's General Data Protection Regulation (GDPR), and other applicable laws and regulations concerning data protection and privacy in addition to relevant professional standards providing a framework for confidentiality. EY member firms, through local policy may further strengthen applicable protections due under local law. The EY Binding Corporate Rules are approved by EU and UK regulators, and further provide a legal mechanism facilitating the movement of personal data within the EY network.



Rotation and long association

EY Ireland complies with the audit partner rotation requirements of the IESBA Code, Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 (EU 537/2014) and the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority

(IAASA), as well as the U.S. Securities and Exchange Commission (SEC), where required. EY Ireland supports audit partner rotation because it provides a fresh perspective and promotes independence from company management, while retaining experience and knowledge of the business. Audit partner rotation, combined with independence requirements and independent audit oversight, helps strengthen independence and objectivity, and is an important safeguard of audit quality.

The Ethical Standard for Auditors (Ireland) issued by IAASA requires the lead audit engagement partner and other partners who make key decisions or judgements on matters significant to the audit (together, the 'key audit partners') of public interest entities (PIEs) to be rotated after five years. Upon completing the maximum service period for rotation, a key audit partner may not be involved in services to the PIE audit client until after completing a cooling-off period. The revised Ethical Standard, which took effect on 15 July 2021, reduced this cooling-off period from five to three years.

Similarly, the engagement quality reviewer must be rotated after seven years and may not be involved in services to the PIE audit client until at least five years have elapsed.

For PIEs, the EY Global Independence Policy requires the lead audit engagement partner, the engagement quality reviewer and other audit partners who make key decisions or judgements on matters significant to the audit (together, the key audit partners), to be rotated after seven years. For a new PIE (including a newly listed company), key audit partners may remain in place for an additional two years before rotating off the team if they have served the company for six or more years prior to the listing. Where IAASA requirements apply and their rules differ from the EY Global Independence Policy, EY Ireland applies the stricter set of rules.

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

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

In addition to the key audit partner rotation requirements applicable to PIE companies we audit, EY

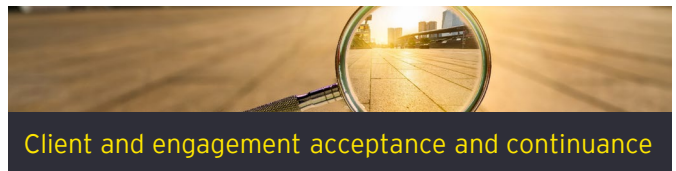
has established a long association safeguards framework. This is consistent with the requirements of the IESBA Code as well as gradual rotation under Article 17 of EU 537/2014, and includes consideration of the threats to independence created by the involvement of EY professionals over a long period of time and a safeguards framework to address such threats.

We employ processes to effectively monitor compliance with internal rotation, and requirements for audit partners and other EY professionals who have had a long association with the audited entity as well as gradual rotation.



External rotation

For public interest entities, we comply with the external audit firm rotation requirements of Article 17 (1) of EU 537/2014.



Global policy on client and engagement acceptance and continuance

The EY Global Policy on client and engagement acceptance and continuance sets out principles for EY member firms to determine whether to accept a new client, a new engagement with an existing client, or to continue with an existing client or engagement. These principles are fundamental to maintaining quality, managing risk, protecting EY people and meeting regulatory requirements. The EY Global Policy on client and engagement acceptance and continuance is an example of a policy issued by EYG to help ensure the adherence to EY values and to drive consistency in the System of Quality Management.

The objectives of the policy are to:

- ▶ Establish a rigorous process for evaluating risk and making decisions on whether to accept or continue clients or engagements.
- ▶ Meet applicable independence requirements.
- ▶ Identify and deal appropriately with any conflicts of interest.
- ▶ Identify clients or engagements that pose heightened risk.
- ▶ Highlight clients or engagements that are inconsistent with EY values.
- ▶ Require consultation with designated EY professionals to identify additional risk management procedures for specific high-risk factors.
- ▶ Comply with legal, regulatory and professional requirements.
- ▶ Determine that the intended engagement is within the EY Service Framework and does not involve a prohibited service.

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

The EY Global Policy on Conflicts of Interest and associated guidance considers the increasing complexity of engagements and client relationships, and the need for speed and accuracy in responding to clients. They also align with the latest IESBA Code and the Ethical Standard for Auditors (Ireland) issued by IAASA.



Putting policy into practice

We use the EY Process for Acceptance of Clients and Engagements (PACE), an intranet-based system, for coordinating client and engagement acceptance and continuance activities in line with global, service line and EY member firm policies. PACE takes users through the acceptance and continuance requirements and identifies the policies and references to professional standards needed to assess both business opportunities and associated risks. PACE is an example of technological resources made available to EY member firms across the globe intended to drive consistency.

The process for acceptance or continuance of clients and engagements includes consideration of the engagement team's assessment of risk factors across a broad range of categories such as industry, management's attitude, internal controls, audit complexity and related parties.

As part of this process, we consider the risk characteristics of a prospective client or engagement, and the results of due diligence procedures. Before taking on a new client or engagement, we also determine whether we can commit sufficient and appropriate resources to provide quality services, especially in highly technical areas, and if the services the client is requesting are appropriate for us to provide. The approval process provides that new audit engagements may not be accepted without an approval by representatives from local Professional Practice Director (PPD) and Assurance Managing Partner (AMP) leadership teams, as designated based on risk. As determined by the level of risk deemed present, new audit engagements may also require approval by designated Regional and Area PPD and AMP representatives.

In the EY annual client and engagement continuance process, we evaluate our services and ability to continue providing a quality service. The engagement partner, together with our Ireland PPD and Ireland AMP, and also Regional and Area leadership as required, annually evaluates the relationship with the entities we provide audit or assurance services to determine whether continuance is appropriate.

As a result of this evaluation, certain audit engagements are identified as requiring additional oversight procedures during the audit (close monitoring), and some audit relationships are

discontinued. As with the client and engagement acceptance process, our Regional and Ireland PPDs and AMPs are involved in the continuance process as required and should agree for the continuance to occur.



Engagement performance

There is EY investment of more than US\$1b in next-generation Assurance technology as part of the continued EY commitment to EY member firms providing high-quality audits. This investment reflects the EY commitment to building trust and confidence in the capital markets, and in economies the world over.



The role of technology

The EY investment in technology is building on the strength of the existing leading-edge audit technology suite – integrating advanced technologies under one seamless platform while driving transformation by harnessing:

- ▶ Next-generation data-access capabilities and advanced analytics.
- ▶ AI at scale.
- ▶ An elevated user experience.

In 2024, the global EY organisation released a further 25 new Assurance technology capabilities, supported by an expanded alliance with Microsoft, bringing the total to 45 releases during the first half of this four-year program. These releases are deployed across EY and include globally scaled AI. These AI-enabled capabilities – leveraging publicly available and EY-generated data – are directly, seamlessly integrated with EY Canvas to support EY Assurance professionals in assessing risk. EY is also introducing new AI-enabled capabilities in predictive analytics; content search and summarisation; and document intelligence, including financial statement tie-out procedures.

Spotlight on driving quality through technology

Next-generation data-access capabilities and advanced analytics

Advanced data capabilities help to drive quality by supporting the analysis of entire data populations – supporting data-driven auditing that is embedded into methodology. The EY Helix global analytics suite (EY Helix) already supports the use of mature analytics throughout the audit – allowing EY teams to drill down on the right data at the right time and better understand the audited company and its risk

landscape. By further integrating advanced analytics directly into the workflow of EY Canvas, EY sets a strong foundation to expand the use of AI at scale and significantly elevates user experience. Enhancing data capture and analysis capabilities helps to provide further confidence in a high-quality audit by widening the range of data used to obtain audit evidence, including both disaggregated and non-financial data.

AI at scale

AI at scale and other intelligent capabilities help to drive quality by standardising processes and leveraging data to provide risk guidance and relevant recommendations to EY teams. Existing smart automation capabilities, such as EY Intelligent Checklists and EY Financial Statement Tie-out, automate and enhance routine audit activities, which helps efforts to be refocused on higher-risk areas. Looking ahead, guided workflow and other enhancements will take this to the next level, using the knowledge and learnings of other EY teams to support deeper risk focus and continued confidence in a high-quality audit.

An elevated user experience

A leading-class experience helps to drive quality by facilitating highly integrated and consistently executed audits worldwide. EY Canvas sits at the centre of the audit experience today, supporting effective coordination, consistent documentation and easier collaboration between EY teams and companies around the world. Integrating a guided workflow, data and knowledge under a single platform empowers EY teams to access all the capabilities involved in providing high-quality audits while also empowering company users with new features to better understand the status of the audit.



Quality at the core of technology development

The efforts of EY to provide this next-generation Assurance technology platform are consolidated under a global transformation program. This programme includes standardised protocols that are adhered to with regard to technology concept creation, development and deployment. Multiple stakeholders are involved in this effort, including global and Area representatives from Professional Practice, the Global Assurance Quality Network and EY Technology.

New Assurance technology concepts are presented to a global committee of these stakeholders for evaluation based on several benefit criteria including quality, value for EY professionals and value for EY clients. If the committee believes that a concept lacks sufficient attributes under these and other criteria, the concept is rejected or adjustments are made, and the concept is re-presented to the committee.

Robust testing throughout the development cycle, including with end users, is a prerequisite for the release of any audit technology. The Assurance technology is then presented for release to global Assurance service line leadership once this extensive testing, including piloting, is completed, feedback is evaluated and incorporated, and the necessary certification is complete.

Technology-enabled methodology

Companies are leveraging technology to develop new systems and processes for business management, as well as analysing more data to inform business decisions. This trend is facilitating a more data analysis-driven and risk-based approach to the audit, which means that full populations of data can be analysed and focuses the auditor's attention on the complete transaction flow and process.

The embedded data-driven approach of the EY Global Audit Methodology enhances the auditor's preliminary risk assessment and helps enable the auditor to challenge those conclusions throughout the various phases of the audit. The auditor can reassess risk based on what is identified in the data, which creates an audit flow that is iterative in nature.

Addressing the risk of technology over-reliance

EY has procedures, policies, and enablement in place to encourage the responsible use of audit tools and technology, including AI-enabled technologies, and to mitigate the risk of over-reliance by the audit professional. In addition, the EY Global Audit Methodology emphasises applying appropriate professional scepticism in the execution of audit procedures. The design of EY audit tools and technology, including AI-enabled technology, is intended to provide support for the audit team's

procedures to address risks of material misstatement, but not replace the important role of the professional in applying their experience and judgment to reach a conclusion.

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We are continually investing to enable our teams to deliver on our commitment to high quality audits. Our investment in technology continues to transform how our teams execute audits and also enables us to provide our audit clients with more focused insights into the running of their businesses. We also continue to invest in the recruitment, training and retention of talented individuals who will become the future leaders of our business.



Roger Wallace

Assurance Lead



Emerging risks

Both traditional and emerging risks can have an impact on financial statements, and the auditor's approach should continuously evolve to address both types of risks. Emerging risks include changing macroeconomic and geopolitical conditions, evolving client use of technology (such as AI), cybersecurity risks, climate risks and event-specific client developments. The Risk Centre of Excellence continues to develop tools to enhance the ability to monitor and address emerging risks in the audit portfolio. Audit teams may also involve specialists to address areas of emerging risk, including specialists in ESG, cybersecurity or AI.



Fraud

As organisations become increasingly complex and more digital dependent, there is a need to enhance the auditor's efforts to identify and respond to risks of material misstatement due to fraud, as well as the auditor's response to identified or suspected fraud. EY is committed to addressing stakeholders' questions about the auditor's responsibilities with respect to fraud.

EY sees new opportunities to leverage data to identify and respond to the risk of fraudulent financial reporting. For example, auditors increasingly use data analytics to identify unusual transactions and their patterns that could indicate a heightened risk of fraud. There are EY tools and processes being developed that help EY teams identify and respond to the risk of fraud. These include:

- ▶ **Document Authenticity Tool**, which tests for alterations to selected electronic documents using a variety of techniques and helps to identify when a document provided as audit evidence may have been altered, tampered with or modified.
- ▶ **Journal Entry Fraud Risk Analyser (JEFRA)**, which tests each journal entry selected for characteristics associated with an elevated risk of management override and identifies entries for incremental consideration.
- ▶ **Short seller report alert process**, which monitors and distributes reports globally to audit teams and leadership.
- ▶ **Adverse media searches**, which identify articles indicative of fraud or non-compliance risk. Selected articles are distributed internally for further consideration.
- ▶ **Enhanced forensics metrics**, which use data to identify indicators of elevated risk of fraud based on application of machine learning techniques to historical financial statement data sets, providing audit teams with the ability to enhance their assessment of fraud risks through specific account-level focus.



Reviews of audit work

EY policies describe the requirements for timely and direct senior professional participation, as well as the level of review required for the work performed and the requirements for documenting the work performed and conclusions reached. Supervisory members of an audit engagement team perform a detailed review of the audit documentation for technical accuracy and completeness. Senior audit executives and engagement partners perform a second-level review to determine the adequacy of the audit work as a whole and the related accounting and financial statement presentation. Where appropriate, and based on risk, a tax professional reviews the significant tax and other relevant working papers. For listed and PIEs and certain other companies, an engagement quality reviewer (described overleaf in the Engagement quality reviews section) reviews important areas of accounting, financial reporting and audit execution, as well as the financial statements of the audited entity and the auditor's report.

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

- ▶ Risk, materiality, subjectivity and complexity of the subject matter.
- ▶ Ability and experience of audit engagement team members preparing the audit documentation.
- ▶ Level of the reviewer's direct participation in the audit work.
- ▶ Extent of consultation employed.

EY policies also describe the critically important role of the Partner-In-Charge (PIC) in managing and achieving quality on the audit and reinforcing the importance of quality to all members of the audit team, including component auditors.



Consultation requirements

EY consultation policies are built upon a culture of collaboration, whereby EY audit professionals are encouraged to share perspectives on complex accounting, auditing and reporting issues. In the 2024 Quality Survey, 86% of respondents said the EY culture of collaboration encourages them to seek advice and support. In the Ireland 2024 Quality Survey, 85% of respondents said the EY culture of collaboration encourages them to seek advice and support.

As the environment in which EY Ireland work has become more complex and connected around the globe, the EY culture of consultation has become even more important to help EY member firms reach the appropriate conclusions for entities that they audit on a timely basis. Consultation requirements and related policies are designed to involve the right resources, so that audit teams reach appropriate conclusions.

The EY culture of consultation supports audit teams to provide seamless, consistent and high-quality services that meet the needs of audited entities, their governance bodies and all stakeholders.

For complex and sensitive matters, there is a formal process requiring consultation outside of the audit engagement team with other EY professionals who have more relevant experience, primarily Professional Practice and Independence professionals. In the interests of objectivity and professional scepticism, EY policies require members of Professional Practice, Independence and certain others to recuse themselves from the consultation if they currently serve, or have recently served, the entity to which the consultation relates. In these circumstances, other appropriately qualified individuals would be assigned.

EY policies also require that all consultations are documented, including written concurrence from the

person or persons consulted, to demonstrate their understanding of the matter and its resolution.



Engagement quality reviews

EY engagement quality review policies, which are in accordance with ISQM (Ireland) 2, Engagement Quality Reviews, address the audits that are subject to engagement quality reviews and the qualifications of engagement quality reviewers, with training and enablement supporting the execution of the engagement quality review. Engagement quality reviewers are experienced EY professionals with significant subject-matter knowledge. They are independent of the engagement team and provide an objective evaluation of the significant judgements the engagement team made, and the conclusions reached thereon. The performance of an engagement quality review, however, does not reduce the responsibilities of the PIC for the engagement and its performance. In no circumstances may the responsibility of the engagement quality reviewer be delegated to another individual.

The engagement quality review spans the entire engagement cycle, including planning, risk assessment, audit strategy and execution. Policies and procedures for the performance and documentation of engagement quality reviews provide specific guidelines on the nature, timing and extent of the procedures to be performed, and the required documentation evidencing their completion. In all circumstances, the engagement quality review is completed before the auditor's report is dated.

Engagement quality reviews are performed by audit partners in compliance with professional standards for audits of all listed companies, all PIEs and those considered to need close monitoring. Our Ireland PPD and Ireland AMP approves the assignment of the engagement quality reviewer to each applicable engagement.



Engagement team resolution process for differences of professional opinion

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

The nature of the EY culture is made clear to people as they join an EY member firm, and we continue to promote a culture that reinforces a person's

responsibility and authority to make their own views heard and seek out the views of others.

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

Furthermore, if the engagement quality reviewer makes recommendations that the PIC does not accept or the matter is not resolved to the reviewer's satisfaction, the auditor's report is not issued until the matter is resolved.

Differences of professional opinion that are resolved through consultation with Professional Practice are appropriately documented.



Records retention

The Records and Information Retention and Disposition Global Policy supports and builds upon provisions within the EY Global Code of Conduct regarding acting with professional integrity in terms of documenting work and respecting intellectual capital. This policy and the Global Retention Schedule (GRS) establish records and information management (RIM) requirements for the management of records and information and documents ("records and information") throughout their life cycle including the requirement to securely discard or delete records for which the retention period has expired, unless special and acceptable circumstances apply. This policy, the GRS and RIM requirements are in accordance with applicable professional standards and are based on regulatory, legal, and business requirements and obligations, and they apply to all engagements and EY people and they address EY Ireland's legal requirements, applicable to the creation and maintenance of working papers, relevant to the work performed.



Resources

There is continued EY investment in resources. Resources defined by ISQM1 include intellectual, technological and human resources.



Audit methodology

The EY Global Audit Methodology (EY GAM) provides a global framework for providing high-quality audit services through the consistent application of thought processes, judgments and procedures in all audit engagements, regardless of the size. EY GAM also requires compliance with relevant ethical requirements, including independence from the audited entity. Making risk assessments; reconsidering and modifying them as appropriate; and using these assessments to determine the nature, timing and extent of audit procedures are fundamental to EY GAM. The methodology also emphasises applying appropriate professional scepticism in the execution of audit procedures. EY GAM is based on International Standards on Auditing (ISAs) and is supplemented in EY Ireland to comply with the local Irish auditing standards and regulatory or statutory requirements. EY GAM is one example of an intellectual resource made available to EY member firms to drive consistency in the execution of audit engagements.

When relevant data is available and extracted from the entity into the EY Helix global analytics suite, the embedded data-driven approach of EY GAM focuses on simplifying tasks and improving connection from one audit procedure to the next by leveraging full populations of entity data. The ability to analyse disaggregated data using EY Helix enhances audit teams' understanding of the entity's business and helps teams focus on the identification of entity-specific risks, key transactions and trends and anomalies that may be indicators of misstatement or fraud. Audit procedures, including risk assessment and substantive procedures start with a data-first mindset, by analysing relevant financial and non-financial data and supplementing this with traditional audit techniques such as inquiries, observations and inspection.

Using EY Atlas, an EY auditor is presented with EY GAM, organised by topic, and is designed to focus the audit strategy on the financial statement risks, and the design and execution of the appropriate audit response to those risks. EY GAM consists of two key components: requirements and guidance; and supporting forms and examples. The requirements and guidance reflect both auditing standards and EY policies. Examples in EY GAM supplement the

requirements and guidance with leading practice illustrations.

EY GAM specifically distinguishes the requirements and guidance that apply to audits of listed entities and PIEs.

EY continues to develop the methodology to address changes and revisions in auditing and other professional standards and changes within entities' financial reporting processes, and to enhance guidance related to matters that are important to entities' stakeholders, such as climate-related risks, cybersecurity risk and the entity's use of emerging technologies within their operations or financial reporting processes (e.g., automation, AI, blockchain). EY audit engagement teams are provided methodology, guidance and resources to identify and respond to unique risks arising from macroeconomic and geopolitical conditions, climate-related matters, cybersecurity risk and technology disruption.

Other enhancements have been made to address implementation experiences and external and internal inspection results.

Recently, EY GAM was updated for the requirements of ISA 600 (Revised), Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors) and revisions to the International Ethics Standards Board for Accountants' Code of Ethics to address independence considerations in a group audit. A suite of enablement to implement the revised requirements was issued.

In addition, current and emerging developments are monitored, and timely audit planning and execution communications are issued. These communications emphasise areas noted during inspections as well as other key topics of interest to local audit regulators and the International Forum of Independent Audit Regulators (IFIAR).



Non-financial reporting

EY member firms provide assurance services on a wide range of non-financial information and reporting-related information. The EY Sustainability Assurance Methodology (EY SAM) provides a global framework for the application of a consistent approach to all assurance engagements on sustainability information (ESG). EY SAM provides for the delivery of high-quality assurance services through the consistent application of thought processes, judgments and procedures in all engagements, regardless of the level of assurance required. EY SAM is also adaptable to the nature of both the ESG reporting, and the criteria applied by the reporting entity in producing that report.

The methodology emphasises applying appropriate professional scepticism in the execution of procedures inclusive of the changing landscape in ESG reporting



and criteria. EY SAM is based on the International Standards on Assurance Engagements (ISAEs) and is supplemented in EY Ireland to comply with local assurance standards and regulatory or statutory requirements.

As part of our and other EY member firms' obligation for high-quality assurance services related to non-financial reporting, EY has developed guidance, training and monitoring programmes and processes used by EY member firm professionals to execute such services consistently and effectively. This includes the EY Climate Change and Sustainability Services – a dedicated team of sustainability professionals.

Guidance has also been developed for audit teams to assess the impact of climate risk on financial reporting under International Financial Reporting Standards (IFRS) or other financial reporting frameworks. The Global, Area, Regional and Country PPDs, EY quality functions and IFRS desks, together with other finance and sustainability professionals, who work with teams in each member firm, are knowledgeable about the changing regulatory non-financial reporting landscape, EY people, clients and processes. They are readily accessible to support Assurance engagement teams.

There is continued EY investment in resources (human, intellectual and technological) for assurance engagements on sustainability reporting prepared in compliance with IFRS Sustainability Disclosure Standards or the European Sustainability Reporting Standards (ESRS).

Additionally, the improved EY quality management-related processes aim to address such aspects as the engagement acceptance process, training and accreditation requirements, and resource assignments specifically related to assurance services over non-financial reporting matters.

EY provides input to a number of public and private initiatives to improve the quality, comparability and consistency of non-financial reporting, including climate risk. These activities take place at a Global, Regional and National level.

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ESG reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD) aims to provide increased comparability in non-financial reporting across the EU. Our global SAM methodology along with the ongoing interaction between our local, Europe and Global quality and reporting desks to ensure consistency of application and interpretation will support this aim and provide for delivery of high-quality assurance services for our Sustainability Assurance Clients.



Derarca Dennis

EY Ireland Climate Change & Sustainability Services Lead



Certification of technology

EY has a robust certification process to help ensure technology used in audit engagements is fit-for-purpose (i.e., that the solution meets its objectives, is appropriate for use in the audit circumstances and that EY people have the appropriate competencies to use the solution).

Certification addresses a range of aspects, including that the solution has a clear audit evidence objective, has been appropriately tested, that methodology, enablement and learning are available to support its application and relevant legal and regulatory requirements have been managed (e.g., data privacy).



Diversity, equity and inclusiveness

The EY long-standing commitment to building high-performing, diverse, equitable and inclusive teams is especially important in audit, where diverse perspectives drive professional scepticism and critical thinking. A more diverse, equitable and inclusive environment helps drive better decision-making, stimulates innovation, and increases organisational agility.

The EY DE&I (Diversity, Equity, and Inclusiveness) journey has been ongoing for many years. While substantial progress has been made under the global strategy, EY remains focused on DE&I throughout the organisation. The Global Executive (GE) has made a

commitment to EY people and the market to accelerate DE&I through signing the [GE DE&I Statement](#). This reinforces that DE&I is a key business lever, and holds EY member firms accountable for progress, starting with the tone at the top.

There has been a particular focus on promoting gender diversity over recent years. Thirty-seven percent of new audit EY member firm partners around the globe, promoted on 1 July 2024 were women and a strong pipeline of female leadership has been built, supported by 52.8% of all audit hires by EY member firms across the globe in 2024 being female.

Audit professionals by rank that are women*

30%

Partners or principals and executive directors

47%

Senior managers and managers

54%

Seniors and staff

* As of 1 July 2024 (Global EY organisation)

Inclusive organisations maximise the power of all differences. Employees need to feel they are working for an organisation that not only values them as individuals and their contributions, but also sees differences as strengths. Fostering this sense of belonging is critical to help attract the most talented individuals and helping EY professionals stay motivated and engaged. In the March 2024 employee listening survey [People Pulse Survey], 82% of EY auditors said the EY organisation provides a work environment where they feel free to be themselves.

Leaders across EY make DE&I a priority and it is a key metric across all the organisation's talent management programs. To enable greater accountability, the Global DE&I Progress Report is a key tool used to drive consistent actions and reporting across EY, in support of the ambition and strategy of EY. We continue to see collective progress across the organisation, as well as see areas where we can focus efforts and close gaps to ensure EY people have access to inclusive, equitable experiences. The March 2024 employee listening survey [People Pulse survey] for EY Ireland showed that 83% of EY auditors said the EY organisation provides a work environment where they feel free to be themselves (down 1% from 2023).

As a global organisation, EY has an opportunity to address the impact of inequities and injustice and push for progress within EY and beyond. The creation of the EY Global Social Equity Task Force (GSET) heightened

the commitment to an elevated and ongoing focus on social equity, which is about clearing obstacles, building more inclusive environments, and enabling access to resources and opportunities. Social equity means that we aim for each person at EY Ireland to have access to the resources and opportunities they need, given different starting points. It also means removing barriers to opportunities and inclusive experiences, that may lead to inequitable outcomes. EY believes businesses have direct influence to address these gaps and Build a Better Working World, through teaming, inclusive behaviour, and the equitable assignment of work, as well as how performance evaluation, advancement and appointment decisions are made.

EY values are guiding principles that shape our culture, behaviour and decisions. Our values define who we are:

Our values: who we are

1

People who demonstrate integrity, respect, teaming and inclusiveness

2

People with energy, enthusiasm and the courage to lead

3

People who build relationships based on doing the right thing



Employee value proposition

The EY employee value proposition (EVP) is the promise we make to our employees in return for working at EY Ireland. The EY workforce is changing continually, and we are in a dynamic and competitive talent market, where EY people now want different things from their workplace. What we promise in an EVP matters more than ever.

As part of the new EY strategy, the EVP has been updated to reflect that every employee can “shape your future with confidence.” This signals a step change from enabling an exceptional EY experience to providing the opportunities to develop, empower and fuel extraordinary EY people.

EY Ireland is committed to investing in our most valuable asset – our people – to help ensure we keep our promise to them. Delivering on the EVP in turn helps us to drive further advances in audit quality, creating real value and insights for entities that are audited by us.



Attracting and recruiting talent

In a world with a decreasing talent pipeline in accounting and audit, where the number of students

graduating with a relevant degree continues to drop, competition for talent with the optimal skill set has never been higher. Finding the next generation of high-quality auditors remains a top priority for EY. This is also a top priority for several professional accounting bodies, highlighting this is a factor the profession as a whole needs to work together to address.

EY retains a strong global network of recruiters and continues to educate and upskill them regarding the key areas of focus for EY businesses, current trends and hot topics in assurance so that they are armed with the information to talk to candidates. EY is also exploring several recruitment innovation platforms and talent attraction initiatives with the purpose of networking with new and diverse audiences that EY didn't have the opportunity to connect with via the traditional channels and innovate in the ways EY communicate with and attract our future talent.

For example, work is being done to develop an audit virtual work experience program, with the support of an external vendor. This programme is designed primarily for university and college students who are at the early stages of their studies and are looking to explore future career paths. The purpose of this programme is to connect with students and showcase the work EY teams do in audit across the globe, in a direct and informal way, with the aim to build a network with our future talent from the early stages in their academic journey. Students taking this virtual job simulation are more likely to apply, have an interview and be successful in securing an opportunity in EY audit teams.

EY has now embedded AI to source and identify talent, enabling candidates to upload their CV and help them find potential opportunities across EY. AI is used to help screen CVs, enabling recruiters to accelerate the review and interview process offering an overall better candidate experience, and better-quality candidates to fill the vacancies faster.

To recruit people who fit with the EY culture, it is important to consider not only technical excellence, but also other attributes – communication skills, high ethical standards and the ability to collaborate in high-performing teams. All joiners are expected to live up to high standards of integrity, and to have strong business acumen and leadership potential.



Retention and focus on wellbeing

Having recruited the talent, retaining it within the organisation is a key contributor in providing high-quality audits. Retention can vary based on external drivers, such as market conditions, but at 78% in June 2024, the global audit retention rate is at a higher level than before the COVID-19 pandemic.

EY people have always wanted to achieve the right balance between their professional and personal lives, but the younger workforce generations are much quicker to take action if their desired level of flexibility or wellbeing is not met. Currently, 36% of EY auditors now work remotely two or more days per week, a figure that is stabilising as a working norm.

An increasingly important talent priority has been a focus on wellbeing and improving the day-to-day experience of EY people. The overarching goal is to embed a wellbeing culture through the commitment of leadership to provide the financial, physical, emotional and social support that enables EY people to be the best they can be. This can manifest in the provision of flexible working arrangements, recognition programs, mental health awareness and wellbeing, learning and development, plus much more.

In practice, this also includes equitably balancing work allocations and breaking down barriers that have previously prevented EY professionals from setting and adhering to healthy boundaries. There is a stronger focus on experience management, scheduling auditors onto engagements, where they can find opportunities to expand their knowledge as part of longer-term career progression. 71% of EY auditors agree that work experiences needed for career progression are assigned equitably, according to the March 2024 employee listening survey [People Pulse Survey]. The Ireland March 2024 employee listening survey [People Pulse survey] noted that 68% of EY auditors agree that work experiences needed for career progression are assigned equitably.

The better the organisation can support EY people's wellbeing, the more likely it is to provide them with compelling reasons to continue their career journey within the EY network.



The Audit Academy

Changing environments mean that investments in exceptional talent need to be agile. Audit teams already bring together an increasingly diverse set of skills and this trend will only accelerate as new technologies are adopted and the role of the audit professional continues to evolve. Skill sets will need to be further enhanced to encompass new competencies, such as coding and data visualisation, and new areas, such as the analysis of non-financial information (for example, rapidly changing ESG standards).

EY audit professionals also need to understand and assess the risks and considerations associated with these technologies, particularly as companies implement new systems and generate new data that impact financial reporting, such as business models dealing with cryptocurrencies.

This is addressed through the Audit Academy, the EY

global learning programme for auditors. It builds auditors' core skill sets and evolves over time, for example to complement those core skills with the new capabilities needed to support the EY Digital Audit. Every year, the content and focus of the Audit Academy is adjusted to address new technologies and strategic priorities that promote audit quality. In addition, inspection and quality review findings are reviewed regularly to assess and address root causes, and the conclusions are then fed into the Audit Academy curriculum as part of the annual maintenance. Any recommended changes are agreed with Assurance leadership, and then approved by the EY Global Assurance Learning Steering Committee.

Teams can be sure that they are receiving leading-class and globally consistent core learning. The Audit Academy encourages and empowers individuals to apply professional scepticism, think critically and provide exceptional client service. It creates an agile skillset that allows learners to adjust to changes in regulation, adoption of emerging technologies or the use of new data analytics tools and techniques.

The Audit Academy is designed to provide flexibility in deployment, through a blend of on-demand content and simulation or case study-based learning that can be deployed either physically or virtually.

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

In total, during the financial year to 30 June 2024, EY audit professionals globally undertook 9.1m hours of learning (compared with 8.8m hours for the previous year), averaging 89.7 hours each, well in excess of the minimum requirements. Whilst some of these incremental hours relate to technical accounting and auditing subject matter, others support the development of broader skills, such as those described in the next section. In the 2024 Quality Survey, 84% of respondents said they received sufficient training and development to enable them to provide quality audits or other assurance engagements, up 5% from 2023.



EY Badges and Partner Learning

In addition to audit specific learning, EY provides a broad curriculum of content. That curriculum covers legal, ethical and compliance related topics (such as Independence, Values and Information Security) as well as other skills such as Wellbeing, Coaching, Counseling, Teaming, and Business Development. To encourage the building of new skills, the EY Badges programme enables EY professionals to gain future-focused skills including

robotic process automation, teaming, innovation and cybersecurity, as well as other capabilities that are in high demand, such as artificial intelligence and sustainability. EY Badges is a self-directed learning initiative that supplements a substantial programme of core structured training for auditors.

Allied to EY Badges is the EY Tech MBA and Masters in both Business Analytics and Sustainability. These are online qualifications awarded by Hult International Business School, a triple-accredited university, that are available free of charge to all EY people.

As of 30 June 2024, over 53,500 EY Badges had been awarded to current EY audit professionals, including 15,500 in analytics and data strategy alone. In addition, more than 31,000 EY Badges have been awarded to people who have since left EY.

There are also a variety of learning programmes that have been developed specifically for EY member firm partners. These are available to all EY member firm partners worldwide and cover topics including Artificial Intelligence, Inspirational Leadership, Disruptive Technology, and Sustainability. These are supplemented by high-touch, immersive programs for selected groups of partners on topics such as Client Leadership and Disruptive Technology, and there are also regular learning programs on audit-specific topics such as risk assessment and fraud.



Personalised careers with diverse experiences

As the workforce becomes more diverse in terms of background, skill sets, experiences and education, EY member firms are implementing more flexible career paths for all EY professionals.

Offering an agile and flexible career path that includes acceleration for the highest performers is vital in attracting new, diverse talent and in helping to develop and retain the existing workforce.

Promotions aim to focus on EY people's skills, not the number of years in a post. For example, promotion decisions are moving away from a traditional annual cycle as EY introduces more "agile promotions," where career progression takes place when an individual is ready, and there is a business need, rather than at set times in the year.

Recognising, however, that individuals often have different career expectations, EY people are provided the necessary tools and processes to manage their own progression their way. As evidence, in the 2024 Quality Survey, 90% of participants said that any relevant learning is encouraged as part of their career development to enable them to provide quality audits and other assurance services, up 2% from 2023. In the 2024 Quality Survey, 86% of participants said that any relevant learning is encouraged as part of their career

development to enable them to provide quality audits and other assurance services.



Mobility

One of the most powerful experiences EY member firms can offer their people is to work across cultures and borders. We know that people join EY for exceptional and diverse experiences, with 89% of EY member firms' new hires in EY Assurance being motivated by joining a highly globally integrated organisation.

EY member firms provide a variety of on-demand mobility solutions and programmes. The global mobility platform, Mobility4U, provides EY professionals with a single point of entry to undertake opportunities worldwide that provide a developmental experience and facilitate the sharing of specific knowledge and skills. In parallel there is a focus on strategic mobility programmes for member firm partners and future leaders, which support key business imperatives.

In addition to geographic mobility, EY member firms are increasingly able to offer virtual mobility experiences. These provide the benefits of working cross-border with new teams and enable EY people to expand their global mindset and networks.

A recent mobility return on investment analysis showed that international experience increased retention (+15%) and positively impacted career opportunities. Ninety-five percent of mobility assignees reported a positive impact on career one year post assignment, 93% of assignees said their international assignment experience was exceptional and 97% would recommend an EY mobility assignment.



Performance management

The EY performance management framework, LEAD, supports EY people's careers, inspires their growth and recognises the value they bring to EY Ireland. Through defined global and local key performance indicators (KPIs), ongoing feedback, counselor insights and conversations, LEAD helps align individuals with the EY strategy and enables a focus on the future. An individual's dashboard provides a view of their year-to-date feedback and comments about their engagement performance, including feedback related to quality, risk management and technical excellence. At year end, individuals receive an outcome, called a category, based on aggregated feedback, progress against KPIs and contributions to EY via counselor and leader insights. The category serves as one input to compensation and reward programmes.

At the centre of the framework are conversations between counselee and counselor, covering topics such as feedback, career aspirations, creating an inclusive and equitable environment and pursuing learning and new experiences. These conversations help to identify opportunities for further development and to build future-focused skills.

The performance management framework extends to partners, principals, executive directors and directors (PPEDDs), and applies to all EY member firms around the world. It reinforces the global business agenda by continuing to link performance to wider goals and values. The process includes goal setting, ongoing feedback, personal development planning and an annual performance review, all tied to partners' recognition and reward. Documenting PPEDDs' goals and performance is the cornerstone of the evaluation process. An EY member firm partner's goals are required to reflect various global and local priorities across six metrics, the most important one being quality.



Engagement

Employee engagement is a vital sign of success in building the right culture. EY audit professionals want to feel that their employer cares about their progress and job satisfaction. Understanding the ambitions, concerns and pressures faced by EY people makes it possible to provide a better environment in which they can flourish.

Engagement levels are regularly monitored through a variety of channels, and the March 2024 EY employee listening survey [People Pulse Survey] showed that 75% of audit professionals had a favourable attitude in terms of engagement.

The March 2024 employee listening survey [People Pulse survey] for EY Ireland showed that 72% of audit professionals had a favourable attitude in terms of engagement increasing 4% from the prior year.

Listening to the views and concerns of EY people is a key element in increasing engagement. The EY employee listening strategy gives EY people a voice at every step of their EY experience, so that we know what they need and what EY Ireland can do to help build exceptional experiences. Understanding the evolving perspectives and experiences of EY people is essential to delivering our EVP.

The employee listening survey [People Pulse Survey] is run three times per year to gather feedback on key elements that drive engagement and retention. Each survey focuses on different strategic drivers (e.g., careers, learning and skills) and includes other relevant topics.

The EY Team Experience Survey is another critical element of the employee listening strategy, aimed at

improving and unifying the day-to-day experience for engagement teams. Eligible team members provide feedback on their experience of an engagement across a variety of questions, rated on a five-point scale. This feedback provides actionable insights and pathways for tangible change at the engagement team level.

EY Assurance runs an initiative known as "Global Voices" which unites up to 200 high-performing junior assurance professionals from across the world and all sub-service lines. Its purpose is to empower and engage the EY member firms' workforces by seeking their feedback on a wide range of topics of strategic importance, to broaden leadership perspectives. Leadership teams are increasingly engaged and motivated to understand the group's perspectives on business-critical challenges like talent retention, technology, innovation and ESG societal impact.



The EY employee listening strategy gives EY people a voice throughout each year, so that we know what they need and what action EY Ireland leadership can take to help build exceptional experiences.



Niamh O'Beirne

EY Ireland People Lead



Knowledge and internal communications

In addition to professional development and performance management, EY understands the importance of providing audit teams with up-to-date information to help them perform their professional responsibilities. There is significant EY investment in knowledge and communication networks to enable the rapid dissemination of information to help EY people collaborate and share best practices. Some EY resources and tools include:

- ▶ EY Atlas, which includes local and international accounting and auditing standards, as well as interpretive guidance.
- ▶ Publications such as International GAAP, IFRS developments and illustrative financial statements.
- ▶ Global Accounting and Auditing News – a weekly update covering assurance and independence policies, developments from standard-setters and regulators, as well as internal commentary thereon.

- Practice alerts and webcasts, covering a range of global and country-specific matters, designed for continuous improvement in EY member firms' Assurance practices.

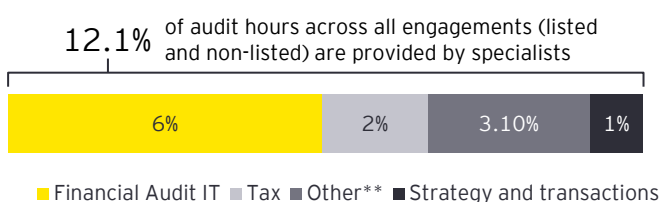


Formation of audit engagement teams

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

In many situations, EY professionals with experience in a specialised area of accounting or auditing, such as tax or information technology, are assigned as part of the audit engagement team to assist in performing audit procedures and obtaining sufficient appropriate audit evidence. Additionally, internal specialists who have knowledge outside of accounting or auditing, such as forensics, asset valuation, actuarial analysis and ESG, may perform work in their field that is used by the audit engagement team to assist in obtaining sufficient appropriate audit evidence.

Audit hours provided by specialists*



*As of 1 July 2024 (Global EY Organisation).

**Included within Other are valuation specialists, actuaries and forensics specialists.

EY Ireland's policies require the approval of the assignment of individuals to specific audit roles by our Ireland Assurance leadership and Ireland PPD. This is carried out, among other things, to make sure that the EY professionals leading audits possess the appropriate competencies (e.g., the knowledge, skills, abilities) and licenses to fulfil their engagement responsibilities, and, when applicable, are in compliance with auditor rotation regulations.



Service delivery centres

Global Delivery Services (GDS) is an integrated network of EY service delivery centres that provide services to support EY member firms. In an era of unprecedented change, GDS continues to develop flexible business models and innovative ways to

support other EY member firms and their evolving needs. Across all disciplines, GDS teams combine broad technical knowledge with a focus on innovation, automation and process improvement to create hundreds of customised and scalable services that provide greater value for the EY organisation. As part of its audit transformation journey, EY Assurance services plan to increase their use of specialised teams to drive higher-quality outcomes, including GDS.

The EY Global Reporting Centre of Excellence (COE) is a global specialised team based out of Ireland that delivers innovative solutions to multinational EY primary teams and clients in statutory audit and reporting. This team brings innovation, knowledge, insights, and transformation to EY's complex global client engagements. The COE help transform and innovate the EY global audit process by designing a global audit strategy that aligns to their clients' statutory audit and reporting structure while increasing connectedness, delivering enhanced accountability and audit service quality to their engagements. This global team also deliver findings and recommendations about their client's statutory reporting and audit process enabled through statutory audit key performance indicators as well as knowledge and benchmarks from their extensive client base. The COE also work directly with non-audit clients supporting their statutory reporting transformation helping bring the latest in innovation from data, analytics, AI and automation.

The EY Ireland Data Intelligence Delivery Centre of Excellence (DID) is a global specialised team based out of Ireland that leads, develops, and delivers high-quality data strategies to the audit teams to assist them in the execution of global EY audit engagements. The DID enables execution of the EY Digital Audit focusing on connecting, automating, analysing, and delivering value to EY's complex global client engagements. They develop global centralised client data capture processes and transform client captured data in a standardised and consistent manner that results in building high-quality and standardised audit evidence to support conclusions. The DID also harness the power of data to provide new perspectives and better manage audit risk to the EY audit teams and clients.





Information and communication

The information and communication component focuses on obtaining, generating or using information and communicating relevant and reliable information, to enable the design, implementation and operation of the System of Quality Management. The quality objectives within the component address the effective two-way communication between:

- ▶ EY people.
- ▶ Member firms within the EY network.
- ▶ External parties.
- ▶ Service providers.

Effective two-way communication is essential to the operation of the System of Quality Management and the performance of audit engagements. The Global System of Quality Management policy provides the requirements for EY member firms to communicate internally and externally about the EY member firm's System of Quality Management. EY has a culture that encourages and expects EY people to communicate relevant and reliable information to the EY member firms to enable the System of Quality Management.



System of Quality Management monitoring and remediation

The System of Quality Management monitoring and remediation process is the cornerstone of the EY process to monitor the System of Quality Management, including audit quality. The objective of EY Ireland's System of Quality Management monitoring and remediation process is to:

- ▶ Provide relevant, reliable and timely information about the design, implementation and operation of EY Ireland's System of Quality Management.
- ▶ Provide a basis for the identification of deficiencies.
- ▶ Take appropriate actions to respond to any identified deficiencies.

Information obtained from the monitoring and remediation process about the design, implementation and operation of EY Ireland's System of Quality Management is evaluated to conclude on the effectiveness in achieving the objectives of EY Ireland's System of Quality Management.

System of Quality Management monitoring activities include evaluating:

- ▶ Tests of System of Quality Management key controls.
- ▶ Internal and external engagement inspections.
- ▶ Other monitoring activities, for example and not exhaustive:
 - ▶ Tests of EY Ireland and its peoples' compliance with ethical requirements related to independence.
 - ▶ Quality criticisms made by external regulators relevant to the System of Quality Management.
 - ▶ Issues referred through the Ethics hotline.

The monitoring and remediation process is executed annually based on the Global System of Quality Management Monitoring and Remediation policy, which is a global intellectual resource provided to drive consistency in the execution of the EY Ireland's System of Quality Management. The monitoring and remediation process is coordinated and monitored by representatives of Region, Area and Global PPD, with oversight by Region, Area, and Global Assurance leadership.



Tests of System of Quality Management key controls

System of Quality Management key controls have been designed and implemented to mitigate quality risks. The objective of performing tests of System of Quality Management key controls within EY Ireland's System of Quality Management includes determining whether the System of Quality Management key controls:

- ▶ Were designed, implemented and operated in accordance with Control Owner's understanding and documentation thereof.
- ▶ Were operated on a timely basis by the Control Owner/Control Operator specified in the design of the System of Quality Management key control.
- ▶ Resulted in the timely resolution of any matters (information accumulated) identified.
- ▶ Were based on reliable information (i.e., information used in the performance of the System of Quality Management key control is complete and accurate, if applicable).

Individuals testing System of Quality Management key controls are competent, objective and independent of the control owners and control operators. They are selected for their skills and professional competence in controls testing.

In addition to controls that exist at the EY member firm level, there may be controls within EY Ireland's System of Quality Management that are designed, implemented and operated at the Region, Area or Global level. For example, Global Functions and

Service Lines provide policies (e.g., EY Global Audit Methodology) and technologies (e.g., EY Canvas, PACE) to EY member firms. Global Functions and Service Lines have controls over the development and maintenance of these resources. These controls form part of an EY member firm's System of Quality Management, and EY Ireland remains responsible for determining how those controls are used in its System of Quality Management, including any actions necessary to implement or supplement such controls.

The testing of these controls is performed at the Region, Area, or Global level, as relevant.

The approach to testing of controls at the Region, Area and Global level follows the same requirements and guidance set forth in the Global System of Quality Management Monitoring and Remediation policy. Prior to testing starting, information is provided to the EY member firms which includes an overview of the controls to be tested, the approach to testing, and information about who will be performing testing, including how to allow an EY member firm to assess their competence and objectivity. For example, testing performed over Global controls is performed by individuals independent of the control owners and operators under the supervision of the Global System of Quality Management Monitoring and Analysis Leader.

Information about the results of testing is also shared with the EY member firms through Results of Monitoring Activities memos and through other information about the design, implementation, and operation of Global key controls. EY Ireland obtains and evaluates the results of testing provided by the Region, Area or Global, as relevant, including evaluating whether there are findings relevant to the System of Quality Management.



Audit quality reviews (AQR)

EY Ireland executes the Global AQR program, reports results and develops responsive action plans. The Global AQR programme involves inspection of completed audit engagements. It is a monitoring activity complying with the requirements and guidelines in the ISQM 1 and is supplemented, where necessary, to comply with Irish professional standards and regulatory requirements. It also aids EY Ireland's ongoing efforts to identify areas where we can improve our performance or enhance our policies and procedures.

Audit quality reviews include the inspection of at least one completed engagement for each partner in charge, including others functioning as PIC on a cyclical basis of 3 years, including elements of unpredictability. The engagements reviewed each year are selected on a risk-based approach covering a cross-section of EY Ireland's auditing practice. The



Global AQR programme includes detailed risk-focused file reviews covering a sample of listed and non-listed audit engagements, and public interest entities and non-public interest entities, to measure compliance with internal policies and procedures; EY GAM requirements; and relevant local professional standards and regulatory requirements. It also includes reviews of a sample of non-audit assurance engagements performed by audit teams. These measure compliance with the relevant professional standards, and internal policies and procedures that should be applied in executing non-audit assurance services.

The Global AQR programme also informs us of our compliance with regulatory requirements, professional standards, and policies and procedures.

In 2024, EY Ireland's AQR resulted in the inspection of twenty six audit engagements, 100% of which were rated as having no significant findings or deficiencies.

AQR reviewers and team leaders are selected for their skills and professional competence in accounting and auditing, and their industry specialisation. Audit reviewers are supported by other specialists, such as FAIT (IT audit), TARAS (tax), Forensics or Digital or other technical (e.g., sector or subject matter) for the review team to possess sufficient relevant knowledge and experience to conduct an effective AQR. Team leaders and reviewers are independent of the engagements and teams they are reviewing and are normally assigned to inspections outside of their home location.

The Global AQR programme is supplemented by a programme that covers inspections of other assurance and related services engagements regardless of the service line performing the work. This is referred to as the Other Assurance Quality Review (OAQR) programme.

The results of the AQR and OAQR processes are summarised globally (including for Areas and Regions), along with any key areas where the results indicate that continued improvements are required. Measures to resolve audit quality matters noted from the Global AQR program, external quality assurance reviews and peer reviews are addressed by Assurance leadership and our PPD. These programmes provide important practice monitoring feedback for our System of Quality Management.

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Audit quality is fundamental to the success of our business and a high-quality audit is crucial to earn the trust of our clients, investors and shareholders and the public in general. We continue to invest in our audit practice to ensure that quality is maintained and we constantly look for areas where we can improve our audit quality. We value and action the feedback we receive from both our internal and external inspections.



Marie Treacy

EY Ireland Professional Practice Director



External quality assurance reviews

IAASA Inspections

EY Ireland's Audit practice is subject to annual inspection by IAASA for audits of PIEs. As part of its inspections, IAASA evaluates EY Ireland's system of quality control management and reviews selected engagements. IAASA is a member of IFIAR and accordingly, the inspection results are submitted for inclusion in the annual IFIAR survey.

The most recent completed quality assurance inspection by IAASA took place in 2023. The final report on the inspection was issued on 11 March 2024. The inspection included a review of a sample of statutory audits of PIEs as defined by EU Audit legislation as well as a review of four areas of EY Ireland's system of quality management procedures in place under the requirements of ISQM 1. Five files were reviewed and none of the files reviewed were noted as requiring significant improvements.

As part of the EY Ireland system of quality management review, IAASA had no material findings

or recommendations.

IAASA is currently conducting their latest annual quality assurance inspection of EY Ireland which is expected to conclude later in 2024.

Information on the above-mentioned regulator along with publicly available inspection reports can be found at iaasa.ie.

PSD Inspections

EY Ireland's Audit practice is also subject to triennial inspection by the Professional Standards Department of the Institute of Chartered Accountants Ireland (PSD) for non-PIE audits.

PSD are currently conducting a quality assurance inspection of EY Ireland in 2024 which is an inspection of the statutory audits of a sample of non-EU PIE clients and which is expected to conclude later in 2024.

Information on the above-mentioned regulator can be found on its website: charteredaccountants.ie.

Inspections by overseas audit monitoring authorities

EY Ireland is also registered with the Public Company Accounting and Oversight Board (PCAOB) in the US and the Japanese Financial Services Agency. From December 2022, EY Ireland is also registered with the UK Financial Reporting Council (FRC), as we undertake statutory audit work for UK PIEs.

EY Ireland was subject to inspection by the PCAOB in March 2023. A report on the inspection of EY Ireland was published by the PCAOB on 21 June 2024. As part of its inspections, the PCAOB evaluates quality control systems and reviews selected engagements.

Three files were reviewed and EY Ireland has noted the engagement inspection observations set out in the report and have taken actions to address these findings and are implementing further actions to strengthen our audit execution in these areas.

Information about the PCAOB, along with publicly available inspection reports can be found on its website: pcaobus.org.

We respect and benefit from the external inspection process. We thoroughly evaluate the points raised during the inspection to identify areas where we can improve audit quality and the relevance to the System of Quality Management. Engagements with significant findings and certain other engagements are subject to root cause analysis (see next section). Together with the AQR process, external inspections provide valuable insights into the quality of EY audits. These insights help us to effectively execute high-quality audits.



Engagement-level root cause analysis and action plans

Engagement-level root cause analysis is a central part of EY Ireland's System of Quality Management, providing an in-depth assessment of the root causes that underlie an engagement's negative inspection outcome.

The findings of each root cause are analysed in detail. Analysing this research enables a better understanding of the drivers behind both positive and negative outcomes. It also allows us to focus on key behaviours that drive positive and high-quality results, a process that is fundamental to continuous improvement.

In conjunction with the performance of engagement-level root cause analysis, EY member firms are responsible for assessing whether the matters are indicative of pervasive issues in their System of Quality Management and developing responsive action plans for remediation.



Identifying and assessing System of Quality Management deficiencies and performing root cause analysis

Findings are information about the design, implementation and operation of the System of Quality Management which indicates that one or more deficiencies may exist. Findings are accumulated from the performance of monitoring activities at the Member Firm, Region, Area, or Global level. EY Ireland evaluates each finding or aggregation of findings considering the relative importance of the finding(s) to determine whether a deficiency exists. Potential findings identified, and their assessment are reviewed by the System of Quality Management oversight committee.

If any deficiencies are identified, a root cause analysis process is executed to determine the root cause, to assess the severity and pervasiveness of the deficiency, and to develop responsive actions.

Representatives from Area and Global Professional Practice and Assurance Leadership teams meet on a regular basis to review the results of the monitoring activities and the assessment of findings and deficiencies to drive consistency in the application of the framework for identifying and assessing findings and evaluating deficiencies and performing root cause analysis as described in the Global System of Quality Management Monitoring and Remediation policy.

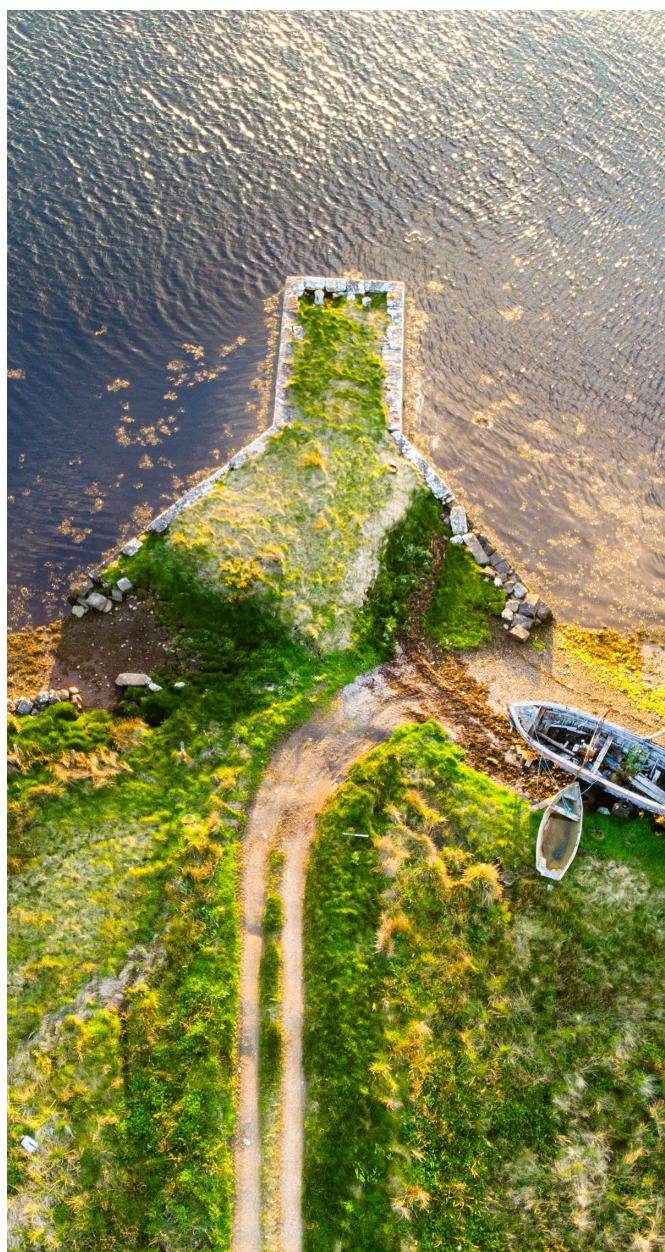


System of Quality Management Quality Improvement Plans

For any identified deficiencies, EY Ireland quality improvement plans are developed, which include:

- ▶ Correcting the effect of the identified deficiency.
- ▶ Remediating identified deficiencies in a timely manner.
- ▶ Evaluating the effectiveness of the remediation actions.

Quality improvement plans are developed by the System of Quality Management Operational Committee and are reviewed by the System of Quality Management Oversight Committee to help ensure the appropriateness of the actions designed.



Infrastructure supporting quality



Infrastructure supporting quality



Strategy

All in is the EY global strategy and ambition to shape the future with confidence and drive purposeful growth, together. The world's organisations and EY clients face more complex and inter-connected issues than ever before, and through **All in**, EY is helping EY stakeholders anticipate and navigate these challenges and opportunities – so they can shape the world, not be shaped by it. The global strategy will create new value for EY stakeholders and cement the EY organisation's position as a leader in professional services. Meanwhile, the EY purpose of Building a Better Working World continues to inspire EY people to use EY knowledge, skills and experiences to support the communities in which they live and work.

EY Assurance services have also embarked on a multi-year journey of bold changes across audit teams, processes and technology. Through this transformation, EY continues to harness the inherent strengths of its EY member firms' greatest asset in providing exceptional client service and building trust – EY people. By enhancing their skills and experiences, while also transforming the way EY teams work (guided by intuitive methodology and tailored enablement and putting data and technology at the centre of the assurance services they provide), they better deliver on the EY purpose of serving the public interest.

There is EY investment of more than US\$1b in next-generation Assurance technology as part of its continued commitment to providing high-quality audits. This investment is building on the strength of the existing leading-edge audit technology suite while also harnessing next-generation data-access capabilities and advanced analytics, AI at scale and an elevated user experience. Through a data-driven approach, enabled by the transformation and integration of digital technology capabilities, EY teams will continue to provide high-quality audits with independence, integrity, objectivity and professional scepticism.

AI at scale and other intelligent capabilities will help to drive quality by standardising processes and leveraging data to provide risk guidance and relevant recommendations to EY teams. EY member firms remain future-focused as they transform, including ever-more sophisticated data analytics and efficiently

providing greater insight in support of the high-quality audits that are valued by the entities that EY member firms audit and the capital markets. By applying leading-edge technologies, EY Assurance services teams will contribute meaningfully to the overall EY purpose of Building a Better Working World.



Global Assurance Quality Network

The Global Assurance Quality Network and the Global Professional Practice Group (GPPG) work in tandem to support the delivery of quality audits. Supporting these two functions, additional quality focus is driven by:

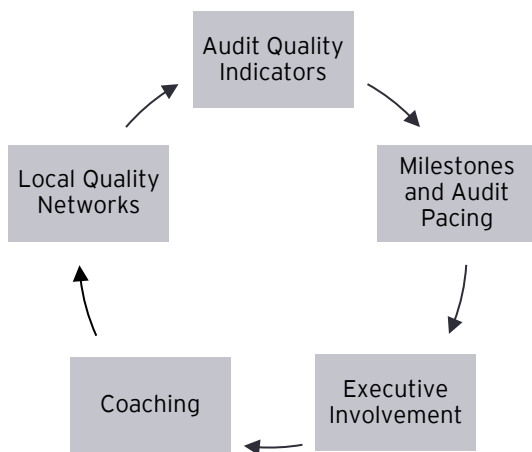
- ▶ The Global System of Quality Management network.
- ▶ Quality leaders within the non-Assurance service lines.

The EY Global Assurance Quality Network is a group of senior Assurance leaders around the world who support EY member firm engagement teams and practice leaders in the execution of high-quality audits.

The Global Assurance Quality Network (the Network) is instrumental in serving as:

- ▶ Experienced change agents who effectively communicate changes coming and the rationale behind the changes, and positively influence behaviours.
- ▶ Dedicated methodology leaders who can guide engagement teams in their execution of audit strategies and answer technical questions.
- ▶ Risk management leaders who can oversee audit portfolios and remain alert to signs of execution or client risk, and positively intervene when necessary.
- ▶ Operational drivers who can enforce policies and support the System of Quality Management through activities such as monitoring adherences to pacing milestones, monitoring the level of executive involvement and assessing partner workloads, and eliminating optionality to drive global consistency.

The Global Assurance Quality Network drives a focus on audit quality through:



Monitoring Audit Quality Indicators (AQIs)

In addition to understanding the overall System of Quality Management annual results, Assurance leadership monitors the execution of the EY strategy and quality priorities through a combination of metrics or AQIs. While no single reportable metric or set of metrics can be viewed as a sole indicator of audit quality, a set of metrics can be used to give an indication of audit quality.

Supported by strong global integration of tools, practices and policies, country specific data is accumulated monthly on a variety of topics. The AQIs include both leading and lagging quality-related indicators and include metrics related to inspection results, audit pacing/execution and resource demands/workforce planning. Each AQI is measured against established geographically specific and global targets, with outliers requiring an evaluation and remediation plan. The AQIs are also aligned to the EY accountability framework to reinforce priorities for the country leadership network and are subject to an annual review to help ensure they remain relevant and responsive to quality initiatives.

Examples of EY AQIs include:

- ▶ Internal and external inspection results.
- ▶ Adherence to engagement pacing milestones and executive involvement.
- ▶ Actual vs. planned headcount.
- ▶ Completeness of longer-term workforce planning and audit scheduling.

The global AQI dashboard helps to inform the leadership at all levels of the EY organisation about whether actions are having the intended effect, and provides an early warning where intervention is warranted, helping improve audit quality.

In Ireland, AQIs from the following areas: resourcing, engagement performance, training compliance and inspection findings are monitored regularly and are presented to the EY Ireland Audit Quality Board (AQB) on a quarterly basis as part of our effective

oversight of the audit practice's ability to deliver high-quality audits.

Monitoring adherence to pacing milestone

Effective project management helps audit teams to stay focused on the risks that matter most across the audit cycle, better balancing the workload by allocating the right amount of time to complete the right tasks and involving executives in a timely way.

Milestones set completion due dates for important phases of the audit, and when used effectively, Milestones help to avoid time compression during the peak busy season. A well-paced, well-organised audit can result in a less stressful work environment. Teams that work collaboratively to set a manageable pace for the audit by tackling issues and clearing review notes in real time report higher morale overall, as well as a sense of personal ownership and accomplishment for the individual auditor.

Additionally, project management encourages auditors to be more thoughtful and intentional at every stage of the audit, accelerating learning and development as well as creating a more meaningful experience along the way. The focus on project management in the global audit platform, EY Canvas, is powered by the Milestones program. Facilitated through dashboards in EY Canvas and the EY Canvas Reporting Hub, Milestones breaks the audit cycle down into specific tasks, with dates and steps designed to help achieve timely completion, and appropriate supervision and review. Adherence to Milestones is monitored via AQIs, and the intervention with audit teams when Milestones are not achieved is an element of the System of Quality Management of EY.

Usage of EY Canvas Client Portal requests

EY Canvas allows EY teams to send clients requests for documents used to support the audit or for work to be performed by internal audit, as permitted by local laws and regulations. Clients work on the requests, upload documents and respond by using the EY Canvas Client Portal. Clients can see requests that have been assigned to them or to the group(s) of which they are a member (e.g., accounting, payroll or internal audit). EY Canvas Client Portal also has several features available to assist them with project management.

Designing and providing in-flight coaching

More than 1,500 engagements a year receive some form of coaching under a globally provided programme. This coaching is principally directed at those areas where there have been more pervasive inspection findings as well as those areas impacted by new or revised auditing standards.

Coaching can be directed at audit teams utilising new technology and automated tools and techniques to evaluate the proficiency with which the engagement teams are utilising the technology. In the 2024 Quality Survey, 80% of respondents said they receive timely on-the-job coaching and feedback. In the Ireland 2024 Quality Survey, 76% of respondents said they receive timely on-the-job coaching and feedback.

Observations from these coaching engagements are discussed with the audit teams and for items identified of more significance, local representatives from the Global Assurance Quality Network assist engagement teams in addressing the observations prior to the issuance of the auditor's report.

EY Ireland also has in place an Audit Quality Support Team (AQST) initiative, which involves a dedicated team of experienced auditors, brought together to perform real-time, in-depth, independent reviews of a sample of audits for each audit cycle. These AQST reviews enhance the quality of both the audit under review and other audits on which team members apply the lessons learned. They offer input to our learning and development programme for the rest of the audit service line, including identifying common themes and examples of good practice.

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The delivery of quality audits is complex. As Ireland Quality Leader, I am focussed on ensuring our teams have the tools, resources and skills to consistently achieve high quality audits. I am proud of the work our teams do every day as they deliver on our commitment to quality.



George Deegan

EY Ireland Quality Leader

Designing and deploying enablement for new technology

Working with technology product owners and the GPPG, the Global Assurance Quality Network designs and deploys enablement to assist audit teams in utilising the automated tools and techniques as designed. This enablement is deployed to engagement teams and supported in local practices by the respective representatives of the quality network.

The enablement is designed to be intuitive and easily consumable (e.g., short videos) while bridging the

technology with methodology, thus explaining the audit rationale behind the technology. Through the Global Assurance Quality Network's working relationship with the technology leadership team and the GPPG, the mandatory usage of certain automated tools and techniques is agreed on prior to release.

Designing and deploying enablement to address new or revised auditing standards and methodology enhancements

Working with the GPPG and other stakeholders, the Global Assurance Quality Network works to develop and deploy enablement to support the adoption of new or revised auditing standards as well as enhancements made to the EY global audit methodology.

Over the past year, significant focus was placed on implementing ISA 600 (Revised) Audits of Group Financial Statements (Including the Work of Component Auditors) and changes made to the EY engagement risk assessment process. For these initiatives, specific classroom learning was developed and deployed, and enhanced functionality was built into EY Canvas to facilitate a guided workflow for executing an engagement risk assessment and local methodology networks activated to support engagement teams on the ground.



Professional Practice

The GPPG is a worldwide network of dedicated technical subject-matter professionals in corporate reporting and assurance standards who consult on accounting, auditing and financial and non-financial reporting matters. They also perform various quality management oversight and monitoring roles, and risk management activities.

The GPPG develops accounting and auditing guidance, learning and quality oversight policies used by the EY network, and the tools and enablement used by EY audit professionals to execute audits consistently and effectively.

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

The Global PPD oversees the development of the EY Global Audit Methodology and related audit policies and technologies so that they are consistent with relevant professional standards and regulatory

requirements. The GPPG also oversees the development of the guidance, training and monitoring programs, and processes used by audit professionals to execute audits consistently and effectively. Additionally, the GPPG develops accounting and auditing guidance to respond to event-specific issues such as geopolitical conflicts and economic volatility.

The Global, Area, Regional and Country PPDs, together with other professionals who work with them in each member firm are readily accessible for consultation with audit teams.

Additional resources often augment the GPPG, including professionals focused on:

- ▶ Internal-control reporting and related aspects of the EY Global Audit Methodology.
- ▶ Accounting, auditing and risk issues for specific topics, industries and sectors.
- ▶ General engagement matters and how to work effectively with those charged with governance.

The EY Ireland PPD, Marie Treacy, leads the Professional Practice group in Ireland and is the Audit Compliance Principal for EY Ireland. Marie is also the principal liaison in EY Ireland with our audit regulators.

Further, the EY Ireland PPD has operational responsibility for monitoring the System of Quality Management of the member firm. This includes concurring with or proposing changes to the recommended System of Quality Management annual evaluation conclusion. The System of Quality Management monitoring process is coordinated and monitored by representatives of the GPPG.

Risk Management

Risk Management (RM) coordinates organisation-wide activities designed to help EY people meet global and local compliance responsibilities and support client-facing teams in providing quality and exceptional client service. Responsibility for high-quality service and ownership of the risks associated with quality is placed with the EY member firms and their service lines.

Among other things, the Global RM Leader helps monitor the identification and mitigation of these risks, as well as other risks across the organisation as part of the broader enterprise risk management (ERM) framework. The ERM priorities are communicated to EY member firms.

The Global RM Leader is responsible for establishing a consistent risk management framework around the globe and enabling the EY member firms to manage risk across the EY organisation.

EY Ireland has appointed a Chief Risk Officer (CRO). This role was held by Carol Murphy until 30 June 2024 and she was replaced by Colette Devey on 1 July 2024. The CRO leads on Risk Management initiatives (supported by our Risk Management function, and other staff and professionals), including coordinating with the service lines on such matters.

When events that present risks occur, Global Risk Management, in coordination with other Global functions, actively seeks input from EY member firms on lessons learned from both crisis management and business continuity standpoints. This after-action review process allows EY to evolve planning around its crisis response and management of crises at the EY member firm and global levels. Such reviews provide a higher degree of proactiveness especially in identifying emerging risks before they cause significant impact, and the prioritisation of risks by each member firm. For example, this allows the EY Global Security team and Region Security Manager network to work directly with their respective member firm crisis management teams in preparing for the most likely threats by incorporating training and advanced stages of readiness to its crisis management networks.

Additionally, Global Risk Management continues to focus on business resiliency in business continuity planning efforts in the EY organisation. A key component of this approach is the recognition that many crises do not just “happen”; there are usually indicators of escalating factors as a crisis unfolds. This approach allows EY member firms to begin addressing mitigation of risks while continuing to carry on “business as usual” at the very early stages of a potential business impact situation. The creation of “escalation matrices” around several ongoing and high-chance geopolitical events allow EY member firm and Region Risk Management crisis management teams to respond more rapidly and more effectively as events escalate. Additionally, these escalation matrices and subsequent action item checklists go beyond traditional workforce life and safety issues by delving into factors that could impact a member firm’s ability to effectively conduct business.

These changes are allowing EY member firms to navigate significant crises more effectively via a prepared holistic approach.

The Global Data Protection and Confidentiality Policy sets out requirements when handling sensitive and restricted information, including personal data. EY member firms have a continuing responsibility to communicate local changes in law or regulation, reflecting the ever-changing landscape of restrictions on the use of data. The Global Data Protection and Confidentiality Policy was developed in accordance with applicable law, regulatory frameworks (such as the GDPR), and relevant professional standards.

The policy provides clarity for EY member firms and their employees and connects to related policies and guidance on information security, records retention, social media utilisation, and other data protection-related topics.



Cybersecurity

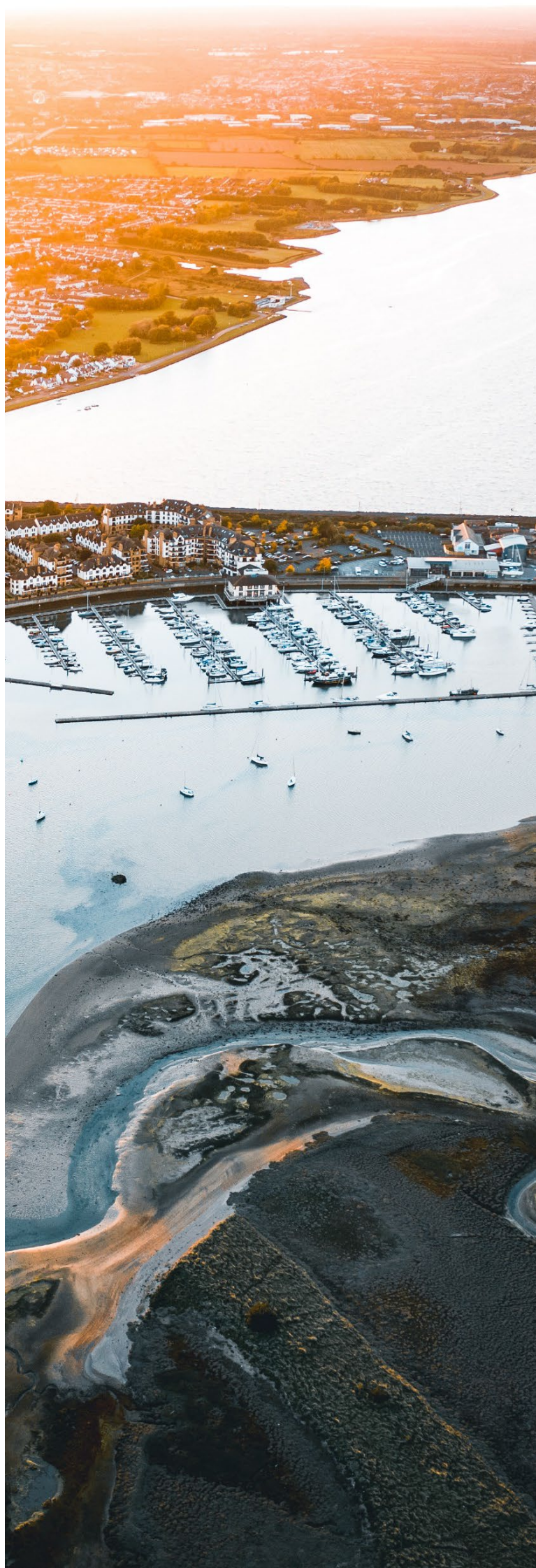
Managing the risk of major and complex cyber-attacks is a part of conducting business for all organisations. While no systems are immune from the threat of cyber-attacks, EY Ireland is vigilant in the steps it takes to secure and protect client data.

The EY approach to cybersecurity is proactive and includes the implementation of technologies and processes necessary to manage and minimise cybersecurity risks around the globe. EY information security and data protection programs, consistent with industry practices and applicable legal requirements, are designed to protect and defend against unauthorised access to systems and data. There is a dedicated team of cybersecurity specialists, who constantly monitor EY systems and respond to cyber-attacks globally.

Beyond technical and process controls, all EY people are required to annually affirm in writing their understanding of the principles contained in the EY Global Code of Conduct and their commitment to abide by them.

There are also required security awareness learning activities. Various policies outline the due care that must be taken with technology and data, including, but not limited to, the Global Information Security Policy, and the Global Acceptable Use of Technology Policy. EY cybersecurity policies and processes recognise the importance of timely communication.

EY people receive regular and periodic communications, reminding them of their responsibilities outlined in these policies and of general security awareness practices.



Independence practices



Independence practices

The EY Global Independence Policy requires EY Ireland and our people to comply with the independence standards applicable to specific engagements, (e.g., the IESBA Code and the Ethical Standard for Auditors (Ireland) issued by IAASA).

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

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

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



EY Global Independence Policy

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

The EY Global Independence Policy is an Intellectual resource provided by a Global Function to drive consistency in the System of Quality Management.



Global Independence System

The Global Independence System (GIS) is an intranet-based tool that helps EY people identify the entities from which independence is required and the

independence restrictions that apply. It includes all audit clients and their affiliates, including listed audit clients, other public interest audit clients and private audit clients, but can also include other types of attest or assurance clients. The tool includes family-tree data relating to audit clients and their affiliates, other entities for which independence restrictions apply, and other entities for which there are no independence restrictions. Family-tree data is updated by client-serving engagement teams. The entity data includes notations that indicate the independence requirements that apply to each entity, helping EY people determine the type of services that can be provided or other interests or relationships that can be entered into.

GIS is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.



Global Monitoring System

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

GMS also facilitates quarterly and annual confirmation of compliance with independence policies, as described overleaf. GMS is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.



Independence compliance

EY processes and programmes are aimed at enabling and monitoring the compliance with independence requirements of EY member firms and their people. These include the following activities, programmes and processes.

Independence confirmation

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

All EY client-serving professionals at the ranks of manager through partner, and certain others based on role or function, are required to confirm compliance with independence policies and procedures quarterly. In addition, all EY professionals are required to confirm compliance with the EY Global Code of Conduct annually.

Independence compliance reviews

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

Personal independence compliance testing

Each year, the EY Global Independence team establishes a programme for personal independence compliance testing (PICT), which is an audit of an individual's compliance with the requirement to report financial interests in GMS. As part of the PICT, the selected individuals will provide account statements and other documentation of their financial interests, which are then compared to information reported in GMS as of the relevant period being tested to determine if there are unreported interests and relationships. Any unreported interests or relationships are evaluated with consequences assigned as deemed appropriate. For the 2024 testing cycle, EY Ireland tested more than 170 partners and other professionals.

Non-audit services

EY enables and monitors compliance with professional standards, laws and regulations governing the provision of non-audit services to audited entities through a variety of mechanisms. The enablement includes the use of tools, such as PACE (see page 24), GIS (see page 47), and the Service Offering Reference Tool (SORT) (see over), and training. The monitoring includes required procedures completed during the performance of audits and internal inspection processes, such as the Global Compliance Engagement Testing. There is also a process in place for the review and approval by Independence professionals of certain non-audit services in advance of accepting the engagement.



Global independence learning

EY develops and deploys independence learning programmes for EY people. All EY client-facing professionals, and certain other professionals based on role or function, are required to participate in annual independence learning to help maintain independence from the companies EY member firms' audit.

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

The annual independence learning programme covers independence requirements, focusing on recent changes to policy, as well as recurring themes and topics of importance. Timely completion of annual independence learning is required and is monitored. EY Ireland supplements this programme with local content to cover local independence requirements under the Ethical Standard for Auditors (Ireland) issued by IAASA that differ from the EY Global Independence Policy.

In addition to the annual learning programme, independence awareness is promoted through events and materials, including new-hire programmes and core service line curricula.

The annual independence learning programme is an intellectual resource provided by a Global Function to drive consistency in the System of Quality Management.



Service Offering Reference Tool

Service Offering Reference Tool (SORT) serves as the master list of approved EY services. We assess and monitor our portfolio of services on an ongoing basis to determine whether they are permitted by professional standards, laws and regulations, and to make sure that we have the right methodologies, procedures and processes in place as new service offerings are developed. We restrict services from being provided that could present undue independence or other risks.

SORT further provides EY people with information about EY service offerings. It includes guidance on which services can be provided to audit and non-audit clients, as well as independence and other risk management matters and considerations.

SORT is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.



Business Relationships Independence Data Gathering and Evaluation

EY people are required to use Business Relationships Independence Data Gathering and Evaluation (BRIDGE) in many circumstances to identify, evaluate and obtain advance approval of a potential business relationship with an audit client, thereby supporting compliance of EY with independence requirements.

BRIDGE is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.



Audit committees and oversight of independence

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

“

Independence from our audit clients is fundamental to our public interest role. Compliance with our independence requirements by EY Ireland, its partners and all professionals is taken very seriously by the leadership of EY Ireland. I have seen first-hand their determination to achieve the highest standards, leaving no doubt as to the culture and behaviour demanded from all our professionals.



Ian Venner

EY Ireland Independence Leader
and Ethics Partner



Revenue and remuneration



Revenue and remuneration



Financial information

Revenue represents combined, not consolidated, revenues, and includes expenses billed to clients, and revenues related to billings to other EY member firms. Revenue amounts disclosed in this report include revenues from both audit and non-audit clients for EY Ireland and EY Law combined (Republic of Ireland).

Revenue is presented in accordance with Regulation (EU) 537/2014 and included for revenues from:

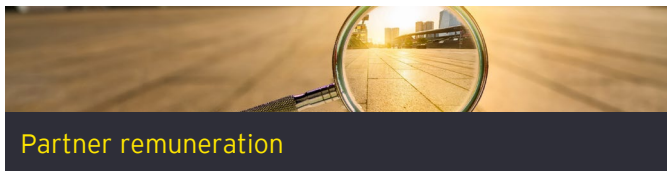
- ▶ Statutory audit of annual and consolidated financial statements of PIEs, and entities belonging to a group of undertakings whose parent undertaking is a PIE.
- ▶ Statutory audit of annual and consolidated financial statements of other entities.
- ▶ Permitted non-audit services to entities audited by the statutory auditor or the audit firm.
- ▶ Non-audit services to other entities.

Financial information for EY Ireland and EY Law (combined) (Republic of Ireland) for the period ended on 30 June 2024 expressed in €'000:

Service	Revenue	Percentage
Statutory audits and directly related services for PIEs	20,718	3%
Statutory audit of annual and consolidated financial statements of other entities	176,456	24%
Non-audit services provided to companies we audit	30,604	4%
Non-audit services provided to other entities	498,855	69%
Total revenue	726,633	100%

Total revenue includes expenses and disbursements on clients, which includes certain amounts recharged by other EY member firms.

Total Island of Ireland revenue, including EY Law was €772m in FY24 compared to €705m in FY23 (year on year increase of 9.5%).



Partner remuneration

Quality is at the centre of the EY strategy and is a key component of EY performance management systems. EY Ireland partners are evaluated and compensated based on criteria that include specific quality and risk management indicators. Equally, when EY Ireland partners do not adhere to quality standards, remedial actions are taken. These may include performance monitoring, compensation adjustment, additional training, additional supervision or reassignment – or, in instances of repeated or particularly serious non-compliance, separation from EY.

Please see the Accountability Frameworks section of this report to better understand how the frameworks outline criteria for measuring alignment between an individual's overall performance rating and their quality rating.

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

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

- ▶ Providing technical excellence.
- ▶ Living the EY values as demonstrated by behaviours and attitude.
- ▶ Demonstrating knowledge of, and leadership in, quality and risk management.
- ▶ Complying with policies and procedures.
- ▶ Complying with laws, regulations and professional duties.

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

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

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

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



Appendix 1:

List of PIE audit clients



Appendix 1: List of PIE audit clients

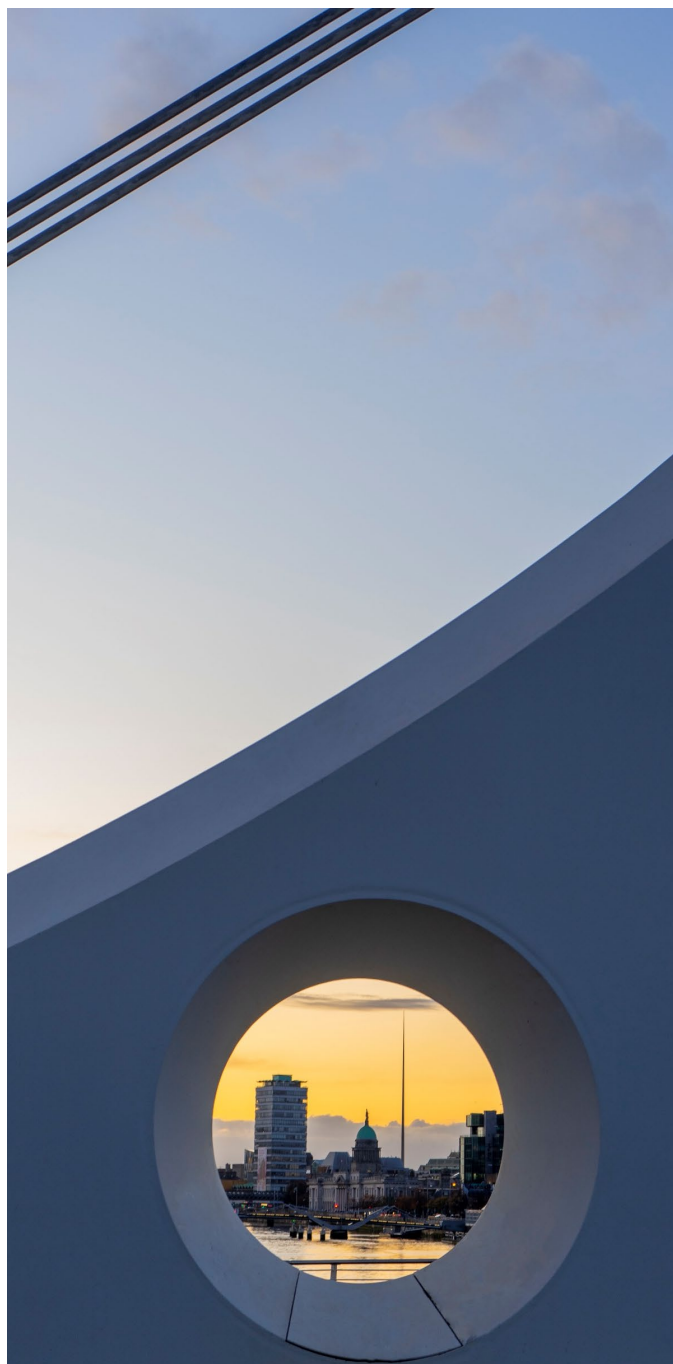


In the fiscal year that ended on 30 June 2024, EY Ireland performed audits of the following PIEs:

- ▶ Aetna Health Insurance Company of Europe Designated Activity Company
- ▶ ALD Re Designated Activity Company
- ▶ Alum Bay Designated Activity Company
- ▶ Amethyst Structured Finance Public Limited Company
- ▶ Arca Vita International Designated Activity Company
- ▶ Ares European CLO IX Designated Activity Company
- ▶ Athora Ireland Public Limited Company
- ▶ Atlas Copco Finance Designated Activity Company
- ▶ Aviva Life & Pensions Ireland Designated Activity Company
- ▶ Azimut Life Designated Activity Company
- ▶ Beazley Insurance Designated Activity Company
- ▶ Becare Designated Activity Company
- ▶ Beechwood Structured Finance Public Limited Company
- ▶ Benbulbin Capital Public Limited Company
- ▶ Bilbao CLO I Designated Activity Company
- ▶ Carlyle Global Market Strategies Euro CLO 2014-3 Designated Activity Company
- ▶ Carlyle Global Market Strategies Euro CLO 2015-3 Designated Activity Company
- ▶ Classic Brand (Europe) Designated Activity Company
- ▶ Coriolanus Designated Activity Company
- ▶ Cork Street CLO Designated Activity Company
- ▶ Cuardaithe Designated Activity Company
- ▶ daa Finance Public Limited Company
- ▶ EdR Certified Origin Physical Gold Public Limited Company
- ▶ Eirles One Designated Activity Company
- ▶ Eirles Three Designated Activity Company
- ▶ Eirles Two Designated Activity Company
- ▶ Eperon Finance Public Limited Company
- ▶ Espaccio Securities Public Limited Company
- ▶ European Residential Loan Securitisation 2019-NPL1 Designated Activity Company
- ▶ European Residential Loan Securitisation 2019-NPL2 Designated Activity Company
- ▶ European Residential Loan Securitisation 2020-NPL1 Designated Activity Company
- ▶ Fundlogic Alternatives Public Limited Company
- ▶ Greenstreet Structured Financial Products Public Limited Company
- ▶ HANetf ETC Securities Public Limited Company
- ▶ HANetf ICAV
- ▶ Harvest CLO VII Designated Activity Company
- ▶ Harvest CLO VIII Designated Activity Company
- ▶ Harvest CLO XII Designated Activity Company
- ▶ Harvest CLO XIV Designated Activity Company
- ▶ Harvest CLO XIX Designated Activity Company
- ▶ Harvest CLO XV Designated Activity Company
- ▶ Harvest CLO XVI Designated Activity Company
- ▶ Harvest CLO XVIII Designated Activity Company
- ▶ Intesa Sanpaolo Bank Ireland Public Limited Company
- ▶ Ipanema Capital Public Limited Company
- ▶ iShares Physical Metals Public Limited Company
- ▶ ITX Re Designated Activity Company
- ▶ Ixion Public Limited Company
- ▶ Jubilee CLO 2015-XV Designated Activity Company
- ▶ Jubilee CLO 2015-XVI Designated Activity Company
- ▶ Jubilee CLO 2017-XIX Designated Activity Company
- ▶ Jubilee CLO 2017-XVIII Designated Activity Company
- ▶ Jubilee CLO 2018-XX Designated Activity Company
- ▶ Kingspan Group Public Limited Company
- ▶ KPN Insurance Company Designated Activity Company

- ▶ Legal & General UCITS ETF Public Limited Company
- ▶ Lunar Funding V Public Limited Company
- ▶ MBDA Insurance Designated Activity Company
- ▶ Nimrod Capital Public Limited Company
- ▶ Opal Financial Products Public Limited Company
- ▶ Ottam Mexican Capital Trust Designated Activity Company
- ▶ PAN Insurance Designated Activity Company
- ▶ Phoenix Life Assurance Europe Designated Activity Company
- ▶ Porsche International Reinsurance Designated Activity Company
- ▶ Profile Finance Public Limited Company
- ▶ Prysmian Re Company Designated Activity Company
- ▶ Recolte Securities Public Limited Company
- ▶ SEB Life International Assurance Company Designated Activity Company
- ▶ Securitas Group Reinsurance Designated Activity Company
- ▶ Securitas Treasury Ireland Designated Activity Company
- ▶ SG RiskPartners Designated Activity Company
- ▶ Silverstate Financial Investments Public Limited Company
- ▶ SSGA SPDR ETFs Europe I Public Limited Company
- ▶ SSGA SPDR ETFs Europe II Public Limited Company
- ▶ Standard Life International Designated Activity Company
- ▶ UBS (Irl) ETF Public Limited Company
- ▶ UBS (Irl) Fund Solutions Public Limited Company
- ▶ Ulster Bank Ireland Designated Activity Company
- ▶ UTI Goldfinch Funds Public Limited Company
- ▶ Vermillion Protective Bond Portfolio Public Limited Company
- ▶ Vespucci Structured Financial Products Public Limited Company
- ▶ Vigado Capital Public Limited Company
- ▶ Vodafone International Financing Designated Activity Company
- ▶ Volkswagen Insurance Company Designated Activity Company
- ▶ Voya Euro CLO I Designated Activity Company
- ▶ Voyce Investments Public Limited Company

- ▶ Waterford Capital Investments Public Limited Company
- ▶ Waves Financial Investments Public Limited Company
- ▶ Wisdomtree Issuer ICAV
- ▶ XL Insurance Company SE
- ▶ XL Re Europe SE
- ▶ Zurich Insurance Public Limited Company
- ▶ Zurich Life Assurance Public Limited Company



Appendix 2: Approved EY member firms



Appendix 2: Approved EY member firms



List of approved EY member firms in an EU or EEA member state

As of 30 June 2024, the following EY member firms are approved to carry out statutory audits in an EU or EEA member state:

Member state	Statutory auditor or audit firm
Austria	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
Belgium	EY Assurance Services SRL EY Bedrijfsrevisoren SRL EY Europe SRL
Bulgaria	Ernst & Young Audit OOD
Croatia	Ernst & Young d.o.o.
Cyprus	Ernst & Young Cyprus Limited Ernst & Young CEA (South) Services Ltd Ernst & Young CEA (South) Holdings Plc
Czech Republic	Ernst & Young Audit, s.r.o.
Denmark	EY Godkendt Revisionspartnerselskab EY Grønland Godkendt Revisionsanpartsselskab
Estonia	Ernst & Young Baltic AS Baltic Network OU
Finland	Ernst & Young Oy
France	Auditex Ernst & Young Audit Ernst & Young et Autres EY & Associés EY Audit & Conseil
Germany	Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft Ernst & Young Heilbronner Treuhand-GmbH Wirtschaftsprüfungsgesellschaft EY Revision und Treuhand GmbH Wirtschaftsprüfungsgesellschaft TS GmbH Wirtschaftsprüfungsgesellschaft Schitag Schwäbische Treuhand GmbH Wirtschaftsprüfungsgesellschaft EY Deutschland GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft EY Verwaltungs-GmbH Wirtschaftsprüfungsgesellschaft EY-Parthenon GmbH Wirtschaftsprüfungsgesellschaft TS Beteiligungs-GmbH Wirtschaftsprüfungsgesellschaft

Member state	Statutory auditor or audit firm
Greece	Ernst & Young (Hellas) Certified Auditors Accountants S.A.
Hungary	Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság
Ireland	Ernst & Young Chartered Accountants
Italy	EY S.p.A.
Latvia	Ernst & Young Baltic SIA
Liechtenstein	Ernst & Young AG, Basel Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany Ernst & Young AG, Vaduz
Lithuania	Ernst & Young Baltic UAB
Luxembourg	Ernst & Young Luxembourg EYL Luxembourg Ernst & Young
Malta	Ernst & Young Malta Limited
Netherlands	Ernst & Young Accountants LLP EY Accountants B.V
Norway	Ernst & Young AS
Poland	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Doradztwo Podatkowe spółka komandytowa Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Finance spółka komandytowa Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością spółka komandytowa Ernst & Young Usługi Finansowe Audyt spółka z ograniczoną odpowiedzialnością
Portugal	Ernst & Young Audit & Associados–SROC, S.A.
Romania	Ernst & Young Assurance Services SRL Ernst & Young Support Services SRL
Slovakia	Ernst & Young Slovakia, spol. s r.o.
Slovenia	Ernst & Young d.o.o.
Spain	ATD Auditores Sector Público, S.L.U Ernst & Young S.L.
Sweden	Ernst & Young AB

Total turnover for the year ended on 30 June 2024 for these EY member firms, resulting from statutory audits of annual and consolidated financial statements was approximately EUR 2.8 billion.

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

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