



Transparency  
Report 2021

EY US



Building a better  
working world

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# Message from our leaders



**Kelly J. Grier**  
US Chair and  
Managing Partner  
Ernst & Young LLP



**John L. King**  
US Vice Chair – Assurance  
Ernst & Young LLP

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

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

The audits delivered by EY people help build trust and confidence in financial reporting and the capital markets. EY auditors serve the public interest by delivering high-quality, analytics-driven audits with independence, integrity, objectivity and professional skepticism. In so doing, the EY organization helps protect and promote sustainable and long-term value for stakeholders.

Welcome to the Transparency Report 2021 of Ernst & Young LLP (EY US). We believe that how we advance audit quality, manage risk and maintain our independence as auditors should be transparent to stakeholders.

Executing high-quality audits continues to be the top priority and is at the heart of our commitment to serve the public interest. Auditors play a vital role in the functioning of capital markets by promoting transparency and supporting investor confidence.

We are focused on investing in audit technology to improve what we do; creating high-performing, diverse and inclusive teams; and building trust and confidence through the audits we perform.

We embrace the transparency objectives of the European Union (EU) Regulation 537/2014, which requires US statutory auditors of public interest entities (PIEs) to publish annual transparency reports.

The EY US Transparency Report 2021 complies with the Regulation and covers the fiscal year ended 2 July 2021 as well as more recent relevant events. This year's Transparency Report has been condensed and is intended to be read in conjunction with the EY US annual audit quality report, which can be found [here](#). EY US publishes an audit quality report voluntarily to provide more information about how we manage our US public company audit practice, support our people and take actions to enhance audit quality in the US.

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

Kelly J. Grier  
US Chair and Managing Partner  
Ernst & Young LLP

John L. King  
US Vice Chair – Assurance  
Ernst & Young LLP

# About us

## Legal structure, ownership and governance

In the US, Ernst & Young LLP and its affiliate Ernst & Young U.S. LLP are limited liability partnerships organized in Delaware and are member firms of Ernst & Young Global Limited (EYG), a UK company limited by guarantee. In this report, we refer to ourselves as “EY US,” “we,” “us” or “our.” EY refers collectively to the global organization of the member firms of EYG.

EYG 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 grouped within EY US along geographical lines with the exception of the Financial Services Organization (FSO) Region, which is responsible for audits of financial institutions.

EY US is part of the Americas Area, which comprises member firms in 34 countries. Within the Americas Area, there are eight Regions, of which four comprise EY US.

EY US is a member of Ernst & Young Americas LLC (EY Americas), the coordinating entity for the Americas Area.

Partners and principals (referred to collectively as “partners”) of the EYG member firms in the Americas are also members of EY Americas. EY Americas has no financial operations and does not provide services to clients.

The coordinating body for EY Americas is the Americas Operating Executive. It oversees the execution of global EY strategy in the Americas and comprises: the Americas Area Managing Partner; the Americas Area Deputy Managing Partner; the Area Leaders for Accounts, Risk Management, Office of Strategic Execution and Talent; the Area Leaders for Assurance, Consulting, Strategy and Transactions, and Tax; and the Regional Managing Partners of each of the Regions in the Americas.

Each Region elects a Regional Partner Forum (RPF), whose representatives advise and act as a sounding board for Regional leadership. The majority of partners who are elected as Presiding Partners of their respective RPFs also serve as their Region/National Service Line’s representative on the Global Governance Council. Some Regions of EY US have more than one representative on the Global Governance Council.

With membership drawn from the EY Americas leadership, the service lines and the member firms that make up the Americas Area, the Americas Ethics Oversight Board (AEOB) assists in striving to create an environment that encourages all personnel to act responsibly, including reporting misconduct without fear of retaliation. The AEOB, in conjunction with the Regions in the Americas, evaluates the findings of investigations and disciplinary actions taken by EY Americas member firms involving alleged or actual violations of the EY Global Code of Conduct or other ethical standards applicable to the member firms of EY Americas and their partners and employees for fair and consistent enforcement and imposition of consequences for violations thereof.

## EY US governance

The EY US Executive Committee, which is responsible for managing EY US, comprises the Chair and Managing Partner; the Deputy Chair; the US Regional Vice Chairs; the Service Line Vice Chairs for Assurance, Consulting, Strategy and Transactions, and Tax; the Vice Chairs of Accounts, Operations, Risk, Office of Strategic Execution and Talent, and the Diversity, Equity & Inclusiveness Leader. Among other basic matters, the EY US Executive Committee is responsible for certain partner matters (for example, partner admissions, separations, disciplinary matters and earnings allocations).

In addition, no fewer than 24 EY US partners, none of whom serve on the Executive Committee, are elected by the EY US partners to serve as the Partner/Principal Council (PPC). The PPC's approval is required for the nomination of the EY US Managing Partner and the appointment of the Deputy Chair, among other things, and the PPC serves in an advisory role to the Executive Committee. US partners participate in critical partnership activities such as voting to elect the US Chair and Managing Partner.

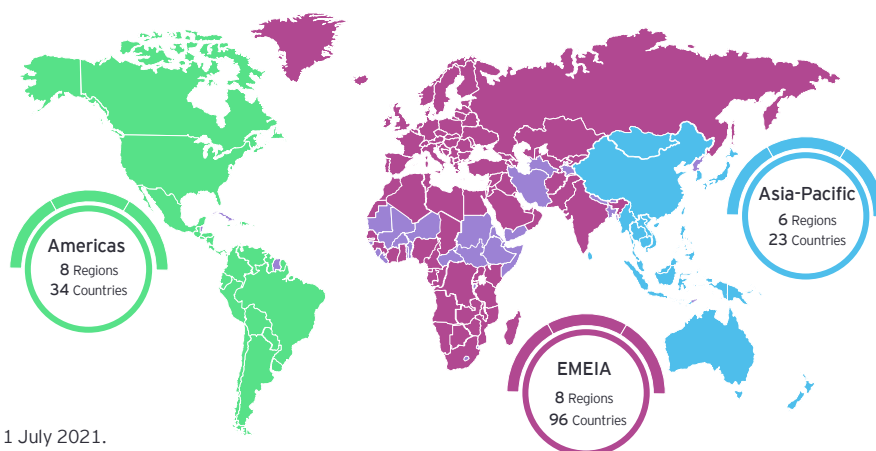
The US Ethics Oversight Committee comprises the EY US members of the AEOB and is established at the direction of the US Executive Committee to promote consistency and best practices within EY US with regard to investigations and disciplinary actions under the EY Global Code of Conduct and other ethical standards applicable to EY US.

## Network arrangements

EY is a global leader in assurance, tax, strategy and transactions, and consulting services. Worldwide, over 312,000 people in member firms in more than 150 countries share a commitment to building a better working world, united by shared values and an unwavering commitment to quality, integrity and professional skepticism. In today's global market, the integrated EY approach is particularly important in the delivery of high-quality multinational audits, which can span nearly every country in the world.

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

### EY Areas, Regions and Countries\*



\* Figures are as of 1 July 2021.

EYG coordinates the member firms and promotes cooperation among them. EYG does not provide services, but its objectives include the promotion of exceptional high-quality client service by member firms worldwide. Each member firm is a separate legal entity. Each 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 organization, described below, reflect the principle that EY, as a global organization, has a common shared strategy.

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

## Global Governance Council

The Global Governance Council (GGC) is a key governance body of EYG. It comprises one or more representatives from each Region, other member firm partners as at-large representatives 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 provision for one successive reappointment. 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 INEs are appointed from outside EY. The INEs are senior leaders from both the public and private sectors and reflect diverse geographic and professional backgrounds. They bring to the global organization, and the GGC, the significant benefit of their varied perspectives and depth of knowledge. The INEs also form a majority of the Public Interest Sub-Committee (PIC) of the GGC. The role of the PIC includes public interest aspects of decision-making and stakeholder dialogue, issues raised under whistleblowing policies and procedures, and engagement in quality and risk management discussions. The INEs are nominated by a dedicated committee, approved by the GE and ratified by the GGC.

## Global Executive

The GE brings together EY's leadership functions, services and geographies. As of 1 July 2021, it is chaired by the Chairman and chief executive officer (CEO) of EYG and includes its Global Managing Partners of Client Service and Business Enablement; the Area Managing Partners; the global functional leadership for Talent; the leaders of the global service lines – Assurance, Consulting, Strategy and Transactions, and Tax; and one EYG member firm partner on rotation.

The GE also includes the Global Vice Chair of Markets, the Global Vice Chair of Transformation, the Chief Client Technology Officer, the Chair of the Global Accounts Committee, the Chair of the Emerging Markets Committee, as well as a representative from the Emerging Markets practices.

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

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

- ▶ Global strategies and plans
- ▶ Common standards, methodologies and policies to be promoted within member firms
- ▶ People initiatives, including criteria and processes for admission, evaluation, development, 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's development funds and investment priorities
- ▶ EYG's annual financial reports and budgets
- ▶ GGC recommendations on certain matters

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

## GE committees

Established by the GE, and bringing together representatives from across the organization, the GE committees are responsible for making recommendations to the GE. In addition to the Global Audit Committee, examples of other committees include Assurance, Consulting, Tax, Strategy and Transactions, Global Markets and Investments, Global Accounts, Emerging Markets, Talent, and Risk Management.

## 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's strategic objectives and helps drive consistency of execution across the organization.

## EYG member firms

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

Above all, EYG member firms commit to conducting their professional practices in accordance with applicable professional and ethical standards and all applicable requirements of law. This commitment to integrity and doing the right thing is underpinned by the EY Global Code of Conduct and EY values (see page 8).

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

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

# Commitment to Sustainable Audit Quality

## Infrastructure supporting quality

### Quality in our service lines

NextWave is the EY global strategy and ambition to deliver long-term value to clients, people and society. It has put EY in a strong position continually to adapt and innovate, while the EY purpose of *Building a better working world* continues to inspire EY people not only to serve clients but also to use EY knowledge, skills and experiences to support the communities in which EY people live and work. The insights and quality services the EY organization delivers help build trust and confidence in the capital markets and in economies around the world. Globally, EYG has committed to investing \$2.5 billion in technology over the next three years with a strong focus on artificial intelligence, data and disruptive technologies to enhance audit quality.

Using a data-first approach enabled by analytics and digital tools, EY US teams are able to deliver high-quality audits with independence, integrity, objectivity and professional skepticism. EY US also provided its audit professionals with additional training and enablement to help detect fraud.

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

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

### Global Audit Quality Committee

The EY Global Audit Quality Committee (GAQC) is an important element of the culture of continuous improvement. It comprises senior leaders from across the EY organization with extensive, diverse and highly relevant experience. The GAQC advises EY Assurance leadership on the many aspects of the organization's business, operations, culture, talent strategy, governance and risk management that affect audit quality.

The committee develops innovative ideas and approaches to delivering high-quality audits and is a forum for sharing best practices of EYG member firms. The committee also helps develop audit quality indicators (AQIs) and other forms of quality monitoring that feed into the continuous improvement cycle.

### Quality Enablement Leaders

The EY Quality Enablement Leaders (QEL) network is a group of senior Assurance leaders around the world who drive improvements in audit quality by providing support to engagement teams.

### Professional Practice

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

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

The Global PPD oversees the development of the EY Global Audit Methodology (EY GAM) and related audit policies and technologies so that they are consistent with relevant professional standards and regulatory requirements. The Global Professional Practice group also oversees the development of the guidance, training and monitoring programs, and processes used by member firm professionals to execute audits consistently and effectively. The Global, Area, Regional and Country PPDs, together with other professionals who work with them in each member firm, are knowledgeable about EY people, clients and processes, and they are readily accessible for consultation with audit engagement teams.



## Risk Management

Risk Management (RM) coordinates organization-wide activities designed to help EY people meet global and local compliance responsibilities and support client-facing teams in delivering quality and exceptional client service. Responsibility for high-quality service and ownership of the risks associated with quality are placed with the 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 organization as part of the broader enterprise risk management (ERM) framework. The ERM priorities are communicated to member firms.

The Global RM Leader is responsible for establishing globally consistent risk management execution priorities and coordinating risk management across EY.

Member firm partners are appointed to lead risk management initiatives (supported by other staff and professionals), including coordinating with the service lines on such matters.

The COVID-19 pandemic required a coordinated response across EY via activation of the local crisis management plans that reside in nearly all EYG member firm offices and the EY Global Crisis Management Program.

## Global Confidentiality Policy

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

- ▶ Social media guidance
- ▶ Information-handling requirements

In addition, the global policy on reporting fraud, illegal acts and other noncompliance with laws and regulations, and EY's Global Code of Conduct requires EY professionals to speak up on observing behavior that is believed to be a violation of a law or regulation, the applicable standard or EY's Global Code of Conduct. This includes the unauthorized or improper disclosure of confidential information.

## Global Personal Data Protection Policy

The global policy on personal data protection supports and builds upon provisions within the EY Global Code of Conduct, regarding respecting and protecting personal information, in accordance with applicable law, regulatory frameworks and professional standards. This has been updated to be consistent with the EU General Data Protection Regulation (GDPR) and other local regulations around the globe.

## Components of our audit quality control program

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

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

## Instilled professional values

### Sustainable Audit Quality

The Sustainable Audit Quality (SAQ) program, which continues to be the highest priority for EYG member firms' Assurance practices, has six pillars: tone at the top; exceptional talent; simplification and innovation; audit technology and digital; enablement and quality support; and accountability. Significant progress has been made through SAQ. EYG member firms' internal and external inspection findings globally are improving, and there is greater consistency in execution. The trend in results also reflects the involvement of the QEL network and a focus on culture and behaviors.

EY has deployed leading technological tools that enhance the quality and value of EY audits, including the EY Canvas online audit platform, EY Helix analytics platform and EY Atlas research platform.

Current SAQ initiatives are focused on supporting EY teams in understanding the business of the companies being audited. By leveraging data and technology and executing enhanced risk assessments in our audits, EY is

continuing to drive quality audit execution. Additionally, a network of coaches is actively supporting engagement teams in staying on track with respect to the pace of their audits, driving timely executive involvement and providing positive direction and enablement when necessary.

### › Tone at the top

EY US' leadership is responsible for setting the right tone at the top and demonstrating EY's commitment to building a better working world through behavior and actions. 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 consistent stance of EY US has been that no client is more important than our professional reputation – the reputation of EY US and the reputation of each of our professionals.

### › Global Code of Conduct

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

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

### › Whistleblowing

The EY Ethics Hotline provides EY people, clients and others outside of the organization with a means to confidentially report activity that may involve unethical or improper behavior and that may be in violation of professional standards or otherwise inconsistent with the EY shared values or Global Code of Conduct. Globally, the hotline is operated by an external organization 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. Depending on the content of the report, appropriate individuals from Risk Management, Talent, Legal or other functions are involved in addressing the report. The same procedures are followed for matters that are reported outside of the EY Ethics Hotline.

### › Diversity, equity and inclusion

EY has a long-standing commitment to diversity, equity and inclusion (DEI). This commitment to building high-performing, diverse and inclusive teams is especially important in audit, where diverse perspectives drive professional skepticism, critical thinking and better decision-making. Greater diversity and inclusive environments also stimulate innovation and increase organizational agility.

Leaders across EY make DEI a priority. EY also created the Global Social Equity Task Force to develop cohesive action plans specifically addressing inequity and discrimination, including racism. It includes EY leaders with a wide range of backgrounds and perspectives, spanning geographies, service lines and functions.

#### 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
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### › Internal quality control system

#### › Structure

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

#### › Effectiveness of the quality control system

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

In the US, we execute a testing program to evaluate whether our system of quality control (SQC) has operated effectively to provide reasonable assurance that EY US and our people comply with applicable professional standards, internal policies and regulatory requirements.

Assurance leaders globally and in the US also monitor audit execution 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. The indicators we monitor include external and internal inspection results, audit execution metrics, people surveys; and retention rates.

AQI dashboards help to inform leadership about whether particular actions are having the intended effect, to provide an early warning where intervention is warranted and to support the effectiveness of the overall EY SQC.

The results of our monitoring of the SQC program, our Audit Quality Review (AQR) program and external inspections are evaluated and communicated within EY US to provide the basis for continual improvement in audit quality, consistent with the highest standards in the profession. These results give EY US confidence that our internal control systems are designed appropriately and are operating effectively.

### **Update to the control framework – ISQM 1**

The IAASB has approved a quality management standard that includes significant changes to the way professional accountancy firms manage quality. The International Standard on Quality Management 1 (ISQM 1) will replace the current International Standard on Quality Control 1 (ISQC 1) in December 2022 and requires a more proactive and risk-based approach to managing quality at the firm level.

The standard includes more robust requirements for the governance, leadership and culture of professional accountancy firms, and introduces a risk assessment process for firms to assess risks to achieving quality objectives and design responses that address those risks. It also requires more extensive monitoring of the SQC to identify deficiencies that require corrective actions and to provide the basis for evaluating the overall effectiveness of the SQC.

The EY approach is to design an SQC that is consistently applied across the entire network of member firms to promote consistent engagement quality and operating effectiveness. This is especially important in a global economy where many audits are transnational and involve the use of other EYG member firms.

EY US is also engaging with the Public Company Accounting Oversight Board (PCAOB), which is exploring updating its quality control standards by using ISQM 1 as a starting point, with certain additional requirements. The Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) has already proposed standards that would be similar to the IAASB's new requirements.

## **Client acceptance and continuance**

### **Global policy on client and engagement acceptance**

The EY global policy on client and engagement acceptance sets out principles for member firms to determine whether to accept a new client or a new engagement, or to continue with an existing client or engagement. The objectives of the policy are to:

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

In addition, the EY global policy on conflicts of interest defines global standards for addressing categories of potential conflicts of interest and a process for identifying them. It also includes provisions for managing potential conflicts of interest as quickly and efficiently as possible, using appropriate safeguards.

### **Putting policy into practice**

We use the EY Process for Acceptance of Clients and Engagements (PACE), an intranet-based system, to coordinate client and engagement acceptance and continuance activities in line with global, service line and member firm policies. PACE guides 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.

Before taking on a new engagement or client, we determine whether we can commit sufficient resources to deliver quality service, especially in highly technical areas, and whether the services the client wants are appropriate for us to provide.

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

## Performance of audits

EY continuously invests in improving audit methodologies and tools.

### Audit methodology

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

Using an online tool, EY Atlas, an EY auditor is presented with a version of EY GAM, organized by topic, that 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 can be “profiled” or tailored to present the relevant requirements and guidance, depending on the nature of the entity being audited – e.g., there are profiles for listed entities and for those considered non-complex entities.

EY GAM has been transformed with a new approach that puts data at the heart of the audit. Known as Digital GAM, this methodology facilitates the analysis of full populations of an organization’s data to produce a fuller picture of the business, driving higher quality through a data-first audit approach.

EY Atlas also enables EY auditors to access the latest accounting and auditing content, including external standards, EY interpretations and thought leadership.

### Technology

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

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

Through the use of profile questions, audit engagements in EY Canvas are automatically configured with information relevant to an entity’s listing requirements and industry.

This helps to keep audit plans customized and up-to-date, and provides direct linkage to audit guidance, professional standards and documentation templates.

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

### Fraud

At a global level, EY is committed to leading the profession more widely to address stakeholder questions about the auditor’s role in fraud detection.

Actions the EY organization is taking include:

- ▶ Mandating the use of data analytics for fraud testing in audits for all listed entities globally
- ▶ Using additional internal and external data and information to enable more nimble responses to external risk indicators, such as short selling and whistleblowers
- ▶ Using electronic confirmations for audit evidence wherever possible
- ▶ Developing a proprietary fraud risk assessment framework for use with audit committees and those charged with governance
- ▶ Mandating annual fraud training for all audit professionals that incorporates the experiences of EY forensics professionals
- ▶ Requiring the use of forensic specialists in the audit on a targeted-risk basis

## Review and consultation

### Reviews of audit work

EY policies describe the requirements for timely and direct senior professional participation, as well as the level of review required for the work performed. Supervisory members of an audit engagement team perform a detailed review of the audit documentation for technical accuracy and completeness. Second-level reviews are performed 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 certain other companies, an engagement quality reviewer (described below) reviews important areas of accounting, financial reporting and audit execution, as well as the financial statements of the audited company 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 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 roles and responsibilities of each audit engagement team member for managing, directing and supervising the audit, as well as the requirements for documenting their work and conclusions.

### Consultation requirements

EY consultation policies are built upon a culture of collaboration, whereby audit professionals are encouraged to share perspectives on complex accounting, auditing and reporting issues. As the environment in which EYG member firms work has become more complex and globally connected, the EY culture of consultation has become even more important to help 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 enables engagement teams to deliver seamless, consistent and high-quality services that meet the needs of audited entities, their governance bodies and all stakeholders.**

In the interests of objectivity and professional skepticism, EY policies require members of Professional Practice, Independence and certain others to withdraw from a consultation if they currently serve, or have recently served, the client to which the consultation relates. In these circumstances, other appropriately qualified individuals would be assigned.

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

### Engagement quality reviews

Engagement quality reviews are performed by audit partners in compliance with professional standards for audits of all listed companies, certain public-interest entities and those considered to need closer monitoring.

They are independent of the engagement team and provide an objective evaluation of the significant judgments the engagement team made and the conclusions reached in formulating the auditor's report. The performance of an engagement quality review, however, does not reduce the responsibilities of the partner in charge of the engagement for the engagement and its performance.

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 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 date of the auditor's report.

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

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

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

Differences of professional opinion that arise during an audit are generally resolved at the audit engagement team level. However, if any person involved in the discussion of an issue is not satisfied with the decision, they refer it to the next level of authority until 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 engagement partner does not accept or the matter is not resolved to the reviewer's satisfaction, the auditor's report is not issued until the matter is resolved.

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

## Rotation and long association

EY supports mandatory audit partner rotation to help reinforce auditor independence. EY US complies with the audit partner rotation requirements of the International Ethics Standard Board for Accountants (IESBA) Code, as well as the U.S. Securities and Exchange Commission (SEC), where required. EY US supports audit partner rotation because it provides a fresh perspective and promotes independence from company management, while retaining expertise and knowledge of the business. Audit partner rotation, combined with independence requirements, enhanced systems of internal quality controls and independent audit oversight, help strengthen independence and objectivity and are important safeguards of audit quality.

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

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

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

For US SEC issuer audit clients, including Foreign Private Issuers, the EY Global Independence Policy requires the lead audit engagement partner and the engagement quality reviewer to rotate after five years with a cooling-off period of five years. Other audit engagement team partners for a US SEC issuer audit client are required to rotate off after seven years with a cooling off period of two years.

EY also has established a long association safeguards framework. It is consistent with the requirements of the IESBA Code and includes consideration of the threats to independence created by the involvement of professionals over a long period of time and a safeguards framework to address such threats.

We employ tools to effectively monitor compliance with internal rotation, and requirements for audit partners and other professionals who have had a long association with the audit client. There is also a process for rotation planning and decision-making that involves consultation with, and approvals by, our Professional Practice and Independence professionals.

## External rotation

For PIEs, we comply with the external audit firm rotation requirements of Art. 17 (1) of the EU Audit Regulation.

## Audit quality reviews

The EY Global AQR program is the cornerstone of the EY process to monitor audit quality. EY US executes the Global AQR program, reports results and develops responsive action plans. The Global AQR program complies with requirements and guidelines in ISQC 1, as amended, and is supplemented, where necessary, to comply with US professional standards and regulatory requirements.

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

The Global AQR program includes detailed risk-focused file reviews covering a large sample of listed and non-listed audit engagements, and PIEs and non-PIEs, 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 engagement teams. These measure compliance with the relevant professional standards and internal policies and procedures for non-audit Assurance services. In addition, practice-level reviews are performed to assess compliance with quality control policies and procedures in the functional areas set out in ISQC 1.

The AQR program, along with external practice monitoring and inspection activities, such as inspection programs executed by audit regulators and external peer reviews, informs us of our compliance with regulatory requirements, professional standards, and policies and procedures.

AQR reviewers and team leaders are selected for their skills and professional competence in accounting and auditing as well as their industry specialization. They have often participated in the AQR program for a number of years and are highly skilled in the execution of the program. 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 COVID-19 pandemic continues to place restrictions on travel and face-to-face interaction. Utilizing EY Canvas and other collaboration tools and leveraging the lessons learned in 2020, EY US effectively completed the 2021 AQR program.

The results of the AQR process are summarized globally (including for Areas and Regions), along with any key areas where the results indicate that continued improvements are required. Summarized results are shared within the network. Measures to resolve audit quality matters noted from the Global AQR program, regulatory inspections and peer reviews are addressed by Assurance leadership and our PPD. These programs provide important practice monitoring feedback for our continuing quality improvement efforts.

## External quality assurance review

The PCAOB issued Part I of its report on the 2019 inspection of the firm, dated December 2020, in February 2021. The PCAOB has not yet issued its 2020 inspection report for the firm and is still conducting procedures for the 2021 inspection cycle.

Information on the PCAOB, along with publicly available inspection reports, can found at [pcaobus.org](https://pcaobus.org).

EY US also participates in the peer review program of the AICPA that requires a triennial review of our system of quality control for the firm's accounting and auditing practice for non-SEC filers. In a peer review, firms can receive a rating of pass, pass with deficiency (or deficiencies) or fail. Grant Thornton LLP issued a report with a pass rating, dated 12 December 2019, in connection with the firm's 2019 peer review. The report is available on the AICPA website at [aicpa.org](https://aicpa.org).

## Root cause analysis

Root cause analysis is a central part of our SQC, providing an in-depth assessment of the root causes that underlie an audit's favorable or unfavorable inspection outcome. This enables to identify the key factors that can impact audit quality and take responsive actions.

## Compliance with legal requirements

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

### > Anti-bribery

The EY Global Anti-bribery Policy provides EY people with direction on certain unethical and illegal activities. It emphasizes 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.

### > Insider trading

Securities trading is governed by many laws and regulations, and EY personnel are obliged to comply with applicable laws and regulations regarding insider trading. This means EY personnel 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 we are aware of the ever-changing situation with respect to international economic and trade sanctions. EY monitors sanctions issued in multiple geographies and provides guidance to EY people on impacted activities.

### > Data privacy

The EY global policy on personal data protection, revised and reissued in 2018, sets out the principles to be applied to the collection, use and protection of personal data, including that relating to current, past and prospective personnel, clients, suppliers and business associates. This policy is consistent with the requirements of the EU's GDPR and other applicable laws and regulations concerning data protection and privacy. EY also has binding corporate rules approved by EU regulators in place to facilitate the movement of personal data within the EY network. Furthermore, we have a policy to address our specific US data privacy requirements and business needs.

### > Document retention

EY global and related local policies on records and information retention and disposition apply to all engagements and personnel. These policies address document preservation whenever any person becomes aware of any actual or reasonably anticipated claim, litigation, investigation, subpoena or other government proceedings involving us or one of our clients that may relate to our work. It also addresses US legal requirements, applicable to the creation and maintenance of working papers, relevant to the work performed.

For more information, see the [EY US audit quality report](#).

# Independence practices

The EY Global and EY US Independence policies require EY US and our people to comply with the independence standards applicable to specific engagements (e.g., the IESBA Code of Ethics; AICPA Code of Professional Conduct; SEC, PCAOB and other federal and state regulations).

## › Independence policies

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

The EY US Independence Policy sets forth the requirements for EY US and its professionals with respect to the most common independence matters and is designed to comply with or exceed the applicable independence requirements of SEC Rule 2-01 of Regulation S-X, the PCAOB independence standards, and the AICPA Code of Professional Conduct. The US Independence Policy meets the requirements of the EYG Independence Policy. EY US and its professionals, by following the US Independence Policy and Guidance, will be in compliance with the EYG Independence Policy.

Both the EY Global and the EY US Independence policies are readily accessible and easily searchable on the EY intranet.

## › Global Independence System (GIS)

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

rules that apply to each entity, helping our people determine the type of services that can be provided or other interests or relationships that can be entered into.

## › Global Monitoring System (GMS)

The GMS is another important global tool that assists in identifying proscribed securities and other impermissible financial interests. When a proscribed security is entered or if a security an EY professional holds becomes proscribed, the EY professional receives a notice and is required to dispose of the security. Identified exceptions are reported through an independence incident reporting system for regulatory matters.

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

## › Independence compliance

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

## › Independence confirmation

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

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

## › Independence compliance reviews

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



### **Personal independence compliance testing**

Each year, the EY Global Independence team also establishes a program for testing compliance with personal independence confirmation requirements and with reporting of information into GMS.

### **Non-audit services**

EY monitors compliance with professional standards, laws and regulations governing the provision of non-audit services to audit clients through a variety of mechanisms. These include the use of tools, such as PACE (see page 9) and the Service Offering Reference Tool (see below), and training and required procedures completed during the performance of audits and internal inspection processes. Non-audit services must be reviewed and approved by Independence partners or managing directors in advance of accepting the engagement.

### **Global independence learning**

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

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

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

### **Service Offering Reference Tool (SORT)**

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

### **Business Relationship Evaluation Tool (BRET)**

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

### **Audit committees and oversight of independence**

We recognize 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 programs, we monitor and test compliance with EY standards for audit committee communications, as well as the pre-approval of non-audit services, where applicable.

For more information, see the [EY US audit quality report](#).



# Continuing education and investing in exceptional talent

## Development of EY people

### Professional development

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

Learning is delivered through on-demand e-learning modules with simulations and case studies, plus relevant reinforcement and application support. This is supplemented by learning programs that are developed in response to changes in accounting and reporting standards, independence and professional standards, new technology, and emerging issues. This year, EY US set aside half days each quarter for all of our people to focus on completing their learning requirements. We also created a calendar of requirements and deadlines by rank to help our professionals plan to complete their training throughout the year.

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

### Knowledge and internal communications

In addition to professional development and performance management, we understand the importance of providing client engagement teams with up-to-date information to help them perform their professional responsibilities. There is significant EY investment in knowledge and communication networks to enable the rapid dissemination of information to help people collaborate and share best practices. This has been of increasing importance to address emerging risks arising as a result of the pandemic. 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

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

### Performance management

LEAD is a framework that connects EY people's career development and performance. Through ongoing feedback, development, counselor excellence and career conversations, LEAD aligns individuals with the NextWave strategy and enables a focus on the future. It supports the growth and development of EY people at all stages of their

careers. An individual's dashboard provides a snapshot of performance against the Transformative Leadership dimensions, including quality, risk management and technical excellence, and assesses performance against peers. Feedback received during an annual cycle is aggregated and used as an input to compensation and reward programs.

Regular discussions with a counselor, on topics such as diverse career journeys, applying emerging technology, experiencing new teams and learning, help identify opportunities for further development and to build future-focused skills.

For more information, see the [EY US audit quality report](#).

# Revenue and remuneration

## Financial information

Revenue includes expenses billed to clients, and revenues related to billings to other EYG member firms. Revenue amounts disclosed in this report include revenues from both audit and non-audit clients.

**Financial information for the period ended on 2 July 2021 expressed in US dollars**

Service	Revenue (in billions)	Percent
Audits and directly related services for companies we audit listed in EU*	\$0.1	0.6%
Other audits and directly related services (excl clients listed in EU)**	\$4.5	27.8%
Non-audit services provided to companies we audit listed in EU	\$0.02	0.1%
Non-audit services provided to clients	\$11.6	71.5%
<b>Total revenue</b>	<b>\$16.2</b>	<b>100%</b>

\* "Audits and directly related services for audit clients listed in EU" includes \$1.6 million of audit related revenue from July through December 2020 from two UK reporting issuers.

\*\* Due to the timing of the UK's exit from the EU, "Other audits and directly related services (excl clients listed in EU)" includes \$3.1 million of revenue from the same two UK reporting issuers for the period January through June 2021.

In fiscal year 2021, total revenue for EY US was \$16.2 billion. Revenue from Assurance services, including audit and other assurance services, was 32% of EY US revenue, if revenue related to work performed on audits by professionals in our Consulting, Tax, and Strategy and Transactions service lines were included. Work performed by professionals from our other service lines is critical to the quality of our audits. EY US reports service line revenue based on the service line of the professionals who generate it. On that basis, our Assurance service line generated 27% of EY US

revenue. Our other service lines, Consulting, Tax, and Strategy and Transactions, generated 33%, 29% and 11%, respectively, of our revenue.

In fiscal year 2020, total revenue for EY US was \$15.8 billion. Revenue from Assurance services, including audit and other assurance services, was 33% of EY US revenue, if revenue related to work performed on audits by professionals in our Consulting, Tax and Strategy and Transactions service lines were included. EY US reports service line revenue based on the service line of the professionals who generate it. On that basis, our Assurance service line generated 28% of EY US revenue. Our other service lines, Consulting, Tax and Strategy and Transactions generated 33%, 29% and 10%, respectively, of our revenue.

## Partner remuneration

EY US partners are evaluated and compensated based on criteria that include specific quality and risk management indicators, covering both actions and results.

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

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

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

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


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

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

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

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

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



## Appendix 1: list of PIE audit clients

### EY US PIE audit clients

In the most recent EY US annual report filed with the PCAOB at the end of June 2021, we listed all audit reports issued during the annual period ended 31 March 2021 with respect to the financial statements of US SEC issuers. The information on such audit reports and public interest entities was provided in Item 4.1 of PCAOB Form 2 – Annual Report Form. The PCAOB website can be found at [pcaobus.org](https://pcaobus.org), where such information is available electronically. The list below includes the firm's relevant audit clients whose transferable securities are admitted to trading on a regulated market within the EU as of 30 June 2021.

AT&T Inc.

IKB Funding Trust I

Kosmos Energy Ltd.

McDonald's Corporation

Nestlé Holdings Inc.

Walmart, Inc.

## Appendix 2: approved EYG member firms

### ▶ List of approved EYG member firms in an EU or EEA Member State

As of 30 June 2021, the following EYG member firms are approved to carry out statutory audits in an EU or European Economic Area (EEA) Member State:

Member State	Statutory auditor or audit firm
Austria	Ernst & Young Wirtschaftspruefungsgesellschaft mbH
Belgium	EY Assurance Services SRL
	EY Bedrijfsrevisoren SRL
	EY Europe SCRL
Bulgaria	Ernst & Young Audit OOD
Croatia	Ernst & Young d.o.o.
Cyprus	Ernst & Young Cyprus Limited
	Ernst & Young
	Ernst & Young CEA (South) Services Ltd
	Ernst & Young CEA (South) Holdings Plc
Czech Republic	Ernst & Young Audit, s.r.o.
Denmark	EY Godkendt Revisionspartnerselskab
	EY Grønland Statsautoriseret Revisionspartnerselskab
	EY Net Source A/S
Estonia	Ernst & Young Baltic AS
	Baltic Network OU
Finland	Ernst & Young Oy
France	Artois
	Auditex
	Ernst & Young Audit
	Ernst & Young et Autres
	EY & Associés
Picarle et Associes	
Germany	Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft
	Ernst & Young Heilbronner Treuhand-GmbH Wirtschaftsprüfungsgesellschaft
	EY Revision und Treuhand GmbH Wirtschaftsprüfungsgesellschaft
	Treuhand-Süd GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
	Schitag Schwäbische Treuhand GmbH Wirtschaftsprüfungsgesellschaft

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

Total turnover for the year ended on 30 June 2021 for these EYG member firms (and for the UK firms up to the end of the Brexit transition period of 31 December 2020) resulting from statutory audits of annual and consolidated financial statements was approximately €2.6 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.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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