



**GROUP
INTERNAL AUDIT
GENERAL DIVISION**

VISION – STRATEGY - PRINCIPLES

SEPTEMBER 2021

PREFACE

The HELLENIC PETROLEUM Group Internal Audit General Division (hereinafter GIAGD), has the authority and responsibility for auditing the implementation of the procedures and policies that promote good and lawful management in all Group companies and units; such concept primarily includes the facilities' safe and effective operation, the accounting and business data accuracy and reliability, the safeguarding of the Group Companies' resources from mismanagement and unlawful acts and the appropriate management of business risks.

Furthermore, it evaluates the strict implementation of the Management's policy by the various organizational units and, more generally, assesses the overall effectiveness and performance of the Group Companies' procedures and operations.

The GIAGD's Strategy must be wholly aligned, to its full extent, with the HELLENIC PETROLEUM Group's Strategy axes.

In this context, the GIAGD, *inter alia*, supports the Group in achieving its goals, by monitoring, checking, assessing and submitting proposals with regard to:

- HELPE S.A. and its key subsidiaries' Bylaws' implementation,
- the Internal Control System, particularly as regards the adequacy and accuracy of:
 - the financial and non-financial information provided,
 - risk management,
 - regulatory compliance,
 - the corporate governance mechanisms and structures the Company has adopted,
- the quality assurance mechanisms,
- compliance with the undertakings contained in prospectuses and the Company's business plans regarding the use of funds raised from the regulated market,
- continuous improvement of the GIAGD's structures and operation procedures,
- the development of the persons comprising the GIAGD,

in order to attain excellency, both at corporate, as well as on an individual level.

In the following pages we set down the GIAGD's Strategic plan, setting out clearly our undertakings, goals and pursuits and reconfirming their full alignment with the Group's Strategy.

1. VISION

The Group's Internal Audit General Division is an independent and objective assurance providing function, which aims at assessing and contributing to the monitoring and improvement of the Risk Assessment environment, the Internal Audit Systems, Corporate Governance and, ultimately, the achievement of the Group's Strategic Goals.

Aiming at improving the business activities' monitoring procedures and adding value to the Group, along with group and personal career development, the GIAGD's vision is:

To be a high-quality and value-added Internal Audit Unit, encompassing the characteristics of the leading relevant Units at international level, taking on the role of a reliable Internal Advisor to the Board of Directors and to the Management in Auditing and Risk Management, facilitating the establishment of auditing culture within the framework of Corporate Governance, with the ultimate goal of achieving the Group's strategic objectives.

2. MISSION

The GIAGD's mission is:

To provide an independent and objective assessment of strategic, financial, business and regulatory risks, as well as an assurance and advisory activity to the Board of Directors and the Management on the adequacy and efficacy of internal controls, in order to prevent and mitigate risks and improve the quality of procedures, aiming at enhancing operational efficiency, achieving strategic goals and sustainable development for the Group.

3. COMMITMENTS

The GIAGD, acknowledging and aligned with the Group's Strategic Goals, formulates and follows a ten-points plan, aiming at adding value to the Group, through **carrying out its Mission effectively**.

These points constitute its commitments, as well as its performance criteria with regard to the aforementioned goal.

COMMITMENTS

- 1 **Continuous seeking of transparency and adding value.**
- 2 **Continuous focus on managing the Group's risks.**
- 3 **Continuous improvement of our skills and performance.**
- 4 **Continuous simplification, standardization and automation of the Internal Control systems.**
- 5 **Continuous monitoring and meeting of our "clients" shifting needs.**

CRITERIA

- 6 **Active and substantial part in risk assessment process.**
- 7 **Constant updating on international standards, methods and techniques related to the GIAGD's work.**
- 8 **Dedicating considerable time on advisory and preventive work.**
- 9 **Technology and systems' utilization.**
- 10 **Integrity and professionalism in the GIAGD's relationships with all partners/associates.**

4. PRINCIPLES

The principles governing the GIAGD's operation are:

- 1. Full implementation of the Corporate Governance legislative, institutional and regulatory framework.**
- 2. Honesty, objectivity, professionalism and due diligence in conducting the Audits and providing advisory services.**
- 3. Strict confidentiality in processing information.**
- 4. Consolidation of an atmosphere of collaboration, trust and sincerity with the Audited Units.**
- 5. Achieving synergies with related services' providers, inside and outside the Group.**

5. OPERATION REGULATORY FRAMEWORK

The Internal Audit's operation is governed by:

- 1. The applicable legislation on Corporate Governance (L. 4706/2020, as in force),**
- 2. Decision 5/204/14.11.2000 of the Capital Market Commission (as in force),**
- 3. the Hellenic Corporate Governance Code (hereinafter, the "HCGC") of the Hellenic Corporate Governance Council, as the Company accepts it by the corporate governance statement it makes according to Law 4548/2018,**
- 4. the Group's Code of Conduct,**
- 5. the Bylaws of the Group companies,**
- 6. the Institute of Internal Auditors' Code of Conduct,**
- 7. the International Professional Practices Framework for internal auditing (IPPF).**

6. KEY SUCCESS FACTORS

The factors determining performance and on which the GIAGD pays attention and applies, are the following:

- 1. Strategic outlook.**
- 2. Understanding of the environment, adaptability.**
- 3. Focusing on results.**
- 4. Focusing on the internal and external customers' expectations.**
- 5. Commitment to collaborate and communicate inside the Group.**
- 6. GIAGD development.**
- 7. Pursuit and management of changes.**

7. STRATEGY

The GIAGD's strategy is:

Its continuous qualitative and quantitative development, in order to be included among the top Internal Audit Groups at an international level, worthy of the role assigned to it, adequate with regard to the Group's size and multiplicity, contributing in a broader sense to the auditing function's advancement.

8. STRATEGIC GOALS

1. Understanding of and alignment with the Board of Directors' and the Audit Committee's expectations.
2. Fostering a leading part inside the Group in respect of recognizing, assessing and managing business risks; in respect of the adequacy, effectiveness and optimization of the prevention and safety controls, the implementation and perfection of structures, systems and procedures.
3. Substantial strengthening of the GIAGD's Advisory and Preventive role and its establishment as a reliable Counsellor of the Board of Directors and Management on prevention, assessment, risk management and Corporate Governance issues.
4. Full compliance, continuous updating and effective adjustment to the amendments / improvements of the International Auditing Standards (the Standards), the Risk Management models (COSO) and Corporate Governance.
5. Attracting and keeping executives with potential, continuous Development and Training of its personnel, Excellent Individual and General Performance, Job rotation, Executives' Development Incubator.
6. Full utilization of technology, informatics and methods of standardization-automation of the auditing work for competitiveness. Exchange of information and methods with respective Units and relevant services' providers.

7. Further encouragement and strengthening of extroversion, forging and maintaining mutual trust relationships with the Organization and the professional groups in which the GIAGD participates. Improvement of communication inside and outside the Group.

9. SWOT ANALYSIS:

<p><u>Strengths</u></p> <ol style="list-style-type: none"> 1. Significant Experience in Internal Auditing. 2. Substantial knowledge of the Group and of the oil sector. 3. New and active Team with multifarious skills. 4. Broad knowledge of subjects, auditors with technical background. 5. Management support for development and establishment of trust relationships with the Organization. 	<p><u>Opportunities</u></p> <ol style="list-style-type: none"> 1. Strengthening of the advisory and preventive role. 2. Increase communication and access to management information. 3. Scope for drastic improvement in the Information Systems' auditing. 4. Continuous training, obtaining professional certification.Future Executives' incubator. 5. Collaboration with relevant Group units and External Auditors, professional Institutes. 6. Integrated Risk Management approach at Group level.
<p><u>Weaknesses</u></p> <ol style="list-style-type: none"> 1. Non-established Audit culture in the Group. 2. Lack of specialization in information systems' auditing. 3. Absence of a framework regarding the provision of Advisory Services. 4. Time-consuming and demanding procedure for the development of technical auditors. 5. Inability to find technical auditors in the market. 	<p><u>Threats</u></p> <ol style="list-style-type: none"> 1. Unstable economic environment. 2. Increased complexity of business risks. 3. Constant changes in the regulatory framework. 4. Shifting content of the auditing function internationally. 5. Rapid technological evolution.

10. COMMUNICATION

In the context of its operation and on account of its special role, the GIAGD collaborates with the all managerial and hierarchical Group structures, as well as with a number of other entities outside HELPE.

In particular:

WITHIN THE GROUP

- Board of Directors of Hellenic Petroleum SA.
- BoD Chairman
- BoD Audit Committee
- Chief Executive Officer
- Group / Trading Committees
- Group Subsidiary Companies' Boards of Directors
- Foreign Subsidiaries' Audit Committees
- All General Divisions and Divisions of the Group
- All Subsidiary Companies' Divisions
- Foreign Subsidiaries' Internal Audit Units
- Organizational units providing related assurance and compliance services (indicatively, Compliance Officer, Data Protection Officer, HSSE, Risk Officer)
- Almost the entire Group human resources, in Greece and abroad.

OUTSIDE THE GROUP

- External Auditors of the Group and local subsidiaries
- External Consultants
- External associates providing services to the Group (indicatively, accounting services)
- The Hellenic Institute of Internal Auditors
- The Institute of Internal Auditors
- The Conference Board, Council of Chief Audit Executives
- Other specialized bodies providing services related to the GIAGD's subject-matter.

Due to the number and broad range of the GIAGD's activities and contacts / communications / collaborations / relationships, it is considered appropriate to set down the principles, parameters, rules and procedures governing them, so that they are managed firmly and consistently, in a way that will add value to the GIAGD's operation.

COMMUNICATION OBJECTIVES

1. In accordance with Auditing's modern trends, as well as external assessors' proposals, the GIAGD should strengthen its influence and impact, with beneficial results, on the entire Group.
2. For the reason above, the GIAGD intends to strengthen and highlight its advisory and preventive role within the strictly defined framework of its operation. To that end, it participates in the Group / Trading Committees (Cross-refineries, Investment, Credit, Exploration & Production), raising its recognizability, its timely and full updating on the key issues concerning the Group and its communication with the Management and decision-making organs of the Group, in general.
3. In collaboration with the Audit Committee and the Management's support, it is the Management's and the Board of Directors' reliable In-house Counsellor.
4. In order for the GIAGD to accomplish its work, the officers comprising it should be meeting the skills required by the subject-matter of their work, focusing on the right goals, understanding the internal and external environment and risks, technological evolution and the rapid change of business data, in general.
5. Furthermore, the GIAGD aims at furthering and consolidating the auditing procedure's understanding and acceptance inside the Group, by carrying out promotion activities, inside or outside the Group, in order for it to be accepted as a necessary condition of the corporate function, but also to strengthen its role and corporate image. More specifically, the promotion activity program inside the Group includes:
 - Continuing active participation in the "EDGE" program.
 - Presenting the GIAGD's institutional framework, services and work to Senior Executives of the Group, domestic and foreign, laying stress on the GIAGD's preventive and advisory role.
 - The GIAGD's participation in the Group's «HELPE magazine», via a presentation/interview of the GIAGM and the regular writing of articles on issues pertaining to internal auditing.

- Training, coordination and support of conducting Risk Assessment of the Group's organizational units.
- Enriching and updating the Internal Audit section on Intranet.
- Posting of the GIAGD's officers' participations as speakers in conferences, day-events, speeches, panels, etc. on Intranet
- Participating in Group Committees and working groups.
- Expanding the GIAGD's advisory role.
- Creating mixed audit groups by auditors of various Group Companies.

Correspondingly, the GIAGD's promotion activities outside the Group include:

- Presence in the Hellenic Institute of Internal Auditors and other bodies, via presentations at day-events, thematic evenings, seminars and conferences, either as audience or as speakers/panelists.
- Writing articles in newspapers, journals and electronic publications, on issues related to internal auditing.
- Publishing articles and papers in science journals.
- Collaborating with educational institutions (education, research, postgraduate programs, training opportunities).
- Participating in voluntary actions (e.g. mentoring programs).
- Providing internal audit services to third parties.
- Collaborating with similar companies' respective services.

There follows a table with the GIAGD's communication data:

OPERATIONAL COMMUNICATION TABLE

SUBJECT	COLLABORATION WITH				
	Audit Committee Of the BoD	Management	Divisions – 1 st line of defence	Risk management and compliance divisions – 2 nd line of defence	External auditors – 4 th line of defence
Regulation, Manuals	Consultation, approval	Consultation		Coordination	Consultation
Risk evaluation – assessment	Launch	Interviews, questionnaires	Interviews	Coordination	Advice
Annual Audit Plan	Scope, approval of initial plan and any amendments thereof & budget	Briefing	Informing in time	Review	Coordination
Audits			Purpose and scope of audit – initial and final meeting, at least		
Communication on key audit issues	Briefing on key findings prior to the audit report	Briefing on key findings prior to the audit report	Briefing on key findings prior to the audit report	Briefing on key findings prior to the audit report	Informing
Audit Reports	Consultation, briefing on audit reports	Briefing	Dispatch of audit reports corresponding to the Divisions	Briefing if deemed necessary	Informing as per case
Quarterly Audit Reports	Full report	Full report	Extracts as per case	Extracts as per case	
Follow-up	Quarterly (key findings) & half-year reports	Quarterly (key findings) & half-year reports	Extracts as per case	Extracts as per case	Informing as per case
Advisory services	Consultation, approval	Consultation	Consultation	Coordination	

11. CONTINUING TRAINING

The constantly evolving international environment of Internal Auditing creates a demanding information and continuing training framework for internal auditors, in order for them to be in a position to follow the relevant developments in science, technology and the market and to be able to discharge their duties successfully.

In this framework, internal auditors have to constantly train and develop so that, along with achieving the Internal Audit goals, they are developing in different fields and improve their auditing techniques.

Depending on the auditing subject-matter, the GIAGD performs:

- Financial and Management audits
- Technical audits
- Audits on Information Systems

Thus, depending on the specialty, internal auditors are divided in:

- Financial-managerial
- Technical
- Information systems'

The chief purpose of the present Training procedure, which falls within the scope of the Group Training Policy, is to create and maintain a suitable environment for internal auditors to acquire specific knowledge and develop skills, as well as for continuing training, as provided by the international Auditing standards (IPPF: Std 1210-Proficiency, Std 1220-Due Professional Care, & Std 1230-Continuing Professional Development), so that they may deal with daily challenges and the goals of the auditing and advisory role of the Group's Internal Audit can be achieved to the largest possible degree.

TRAINING PLANNING

The GIGD's training work includes:

- General trainings
- Special trainings
- Obtaining and holding professional certifications

Training can take place by:

- Participating in training seminars/conferences/fora outside the Group
- Conducting intra-business day-events/seminars with internal or external speakers, organized by the GIAGD or other Group organizational units
- Internal auditors' participation in Group activities (on the job training)
- Mixed working groups made up by internal auditors/various organizational units'/Group companies' specialized staff
- Updating through subscriptions, books, participating in associations and bodies.

On preparing the annual expenses budget, the GIAGD's training needs are assessed. Employees, in collaboration with the heads and the GIAGD's training officer, draft a

list of seminars and training activities, also setting out the interest areas (based on the Table of Skills on page 16) in which they wish to be trained, setting forth a concise reasoning of the choices. These proposals are subject to the approval of the GIAGD's chain of command.

The approved training program and respective budget are submitted to the responsible services of the Group Human Resources and Administrative Services General Division. The program's implementation lies with and is part of the goal-setting, both of the internal auditors as well as of the GIAGD's training officer.

SUBSCRIPTIONS TO PRINTED OR ELECTRONIC INFORMATION MEDIA, BOOKS & CODES

In the framework of the internal auditors' continuing training, the possibility of subscribing/purchasing relevant printed or electronic material (journals, books, templates, codes, etc.) and of accessing, either directly or via refineries/intranet, suitable libraries and international codes is provided.

Relevant proposals are submitted on preparing the annual training plan and are approved by the chain of command.

SUBSCRIPTIONS TO PROFESSIONAL ASSOCIATIONS & SOCIETIES

In the framework of the Group's Training Policy, the GIAGD offers the possibility for internal auditors to participate in professional bodies and scientific conferences.

TRAINING ON SECURITY ISSUES

The GIAGD makes sure that internal auditors visiting industrial sites follow a training on security issues.

TABLE OF SKILLS

A.	Prerequisite Knowledge & Skills for entering the GIAGD			
A.1	Standard Knowledge	Financial-managerial Auditor	Technical Auditor	IT Auditor
1	Higher education degree relevant to the subject-matter of the position	X	X	X
2	Fair knowledge of the English language	X	X	X
3	Basic computer knowledge	X	X	X
4	Presentation techniques	X	X	X
B.	Knowledge & skills that can be acquired after entering the GIAGD			
B.1	Basic Internal Auditing Knowledge	Financial-managerial Auditor	Technical Auditor	IT Auditor
1	Definition of Internal Auditing	X	X	X
2	Fundamental principles of Internal Auditing	X	X	X
3	Standards (IPPF)	X	X	X
4	GIAGD Operation Regulation	X	X	X
5	GIAGD Manual	X	X	X
6	GIAGD vision, strategy and principles	X	X	X
7	Group Code of Conduct	X	X	X
8	GIAGD Code of Conduct	X	X	X
B.2	Knowledge for conducting audits	Financial-managerial Auditor	Technical Auditor	IT Auditor
1	Corporate Governance	X	X	X
2	Prevention of fraud	X	X	X
3	Knowledge of auditing procedures & systems	X	X	X
4	Risk assessment	X	X	X
5	Formulation & implementation of an auditing program (scope of auditing & setting of goals, risk assessment, work plan, resources)	X	X	X
6	Auditing program implementation (information gathering, sampling, data analytics, CAATs, project management, procedures' mapping, documentation)	X	X	X
7	Audit report preparation (communication quality, conclusions, proposals, residual risk and risk level acceptance, action timeline, monitoring of improvement proposals' implementation)	X	X	X
B.3	Audit environment (fields of knowledge)	Financial-managerial Auditor	Technical Auditor	IT Auditor
1	In depth Group knowledge (structure, culture, leadership)	X	X	X

2	Accounting & finance	X		X
3	Group information systems (e.g. SAP, BO)	X	X	X
4	IT (security & privacy, IT controls)			X
5	Trade activities	X	X	X
6	Managerial activities	X	X	X
7	Refinery operation – distribution procedures		X	
8	Trading facilities’ procedures	X	X	
9	Legal issues & compliance issues	X	X	X
10	Group social responsibility & sustainable growth	X	X	X
11	Safety, health, environment and quality assurance issues	X	X	X
12	International codes and practices	X	X	X
B.4	Interpersonal Skills (soft skills)	Financial-managerial Auditor	Technical Auditor	IT Auditor
1	Leadership	X	X	X
2	Written & oral communication	X	X	X
3	Team spirit	X	X	X
4	Negotiation skills (conflict resolution)	X	X	X
5	Change Management	X	X	X
B.5	Professional Certifications (desirable)	Financial-managerial Auditor	Technical Auditor	IT Auditor
1	CIA	X	X	X
2	CISA			X
3	CFE	X	X	X
4	Other certifications (as per case)	X	X	X

12. CONCLUDING REMARKS

The degree of achievement of the GIAGD’s strategic goals is assessed on the basis of specific KPIs, which are annually set to the GIAGD’s officers and are characterized by continuity and consistency, both horizontally (among the GIAGD officers), as well as vertically (from year to year).

Overall success of the GIAGD’s Strategy is assessed on an annual basis by the Board of Directors Audit Committee, and every three years, at the GIAGD’s external assessment, as provided.