

A photograph of a modern glass skyscraper with a prominent spiral staircase on its exterior. The building is set against a city skyline, including a large, curved, metallic structure. A person is visible in silhouette in the foreground, looking out from a balcony or walkway. The sky is clear and blue.

Greece transparency report 2020/2021

mazars



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Foreword by Hervé Hélias, Mazars CEO & Chairman

Ready for new horizons

In the wake of a demanding year 2020, and in an environment that remains uncertain and highly challenging, we have nevertheless been able to accelerate our development in 2021 and reinforce our positioning as a true global player in the fields of audit, tax and advisory services. Once again, our teams must be commended for the expertise they showed and their ability to adapt to new working conditions, keep their focus on technical excellence and demonstrate true resilience.

Over the past 12 months, we grew our business by 12.3%, excluding forex effect, and passed the €2bn milestone in fee income. We owe this remarkable performance to a series of successful tenders with key clients and to the combined expansion of all our service lines and all our regions.

In our audit and financial advisory businesses in particular, we achieved over 10% growth, both with Public Interest Entities (PIE) and Privately-Owned Businesses (POB). We audit 2,400 PIEs all over the world and have firmly consolidated our position as Europe's 5th largest auditor for large corporates. We believe our ongoing progress clearly reinforces our call for a more open and transparent audit market as well as our determination to provide our clients with an augmented audit experience, harmoniously combining human expertise and responsibility with the best technology can offer.

We are now one year into the deployment of our One24 strategy and we strongly believe we are on the right track to meet the ambitious goals we set for our partnership. We are fully aware, however, that challenges will need to be overcome.

First, the pandemic is still with us and it is not likely to disappear over the coming months. It will continue to present challenges and have unforeseen consequences in the year ahead.

Second, our industry and our professions are facing a serious talent shortage, which, if not handled correctly, could have an impact on our ability to grow. Therefore, being able to attract, nurture and enable the best talent to thrive is at the core of our One24 strategy. We are determined to provide our people with the most interesting and challenging projects, the best possible working environment, and the most exciting opportunities to learn, grow and express their full potential. We have taken tangible steps to make

Mazars a true education-based firm and a genuine school of excellence for all those who contribute to our partnership. As such, we are optimistic the pipeline of talent into our profession can be improved.

Quality is also of the essence. It is what our clients demand above all else, and it is what we are committed to delivering in all our assignments. We invest time and money to improve our technical training programmes, develop the most advanced technologies, and foster innovation with a clear focus on our overarching system of quality management. Within the framework of One24, we have strengthened our quality, compliance and risk management teams, with the appointment of a new Group Chief Quality & Compliance Officer. Our objective is to protect our brand and embed an overall and consistent culture of ethics and quality throughout our firm.

Over our more than 75 years of existence, we have grown, changed and transformed without ever losing our focus on long-term thinking and planning. In other words, sustainability has always been a part of who we are. Today, more than ever, we believe it is the key to our development: both because we want to ensure the future of our partnership while being true to our commitment to building the economic foundations of a fairer world, and because we are convinced it is our duty to help other organisations become more sustainable as well. We recently appointed a Global CSR leader, who will be in charge of improving the structure of our social, societal and environmental approaches, under the direct supervision of our Group Executive Board. We also created and continue to develop our sustainability service line, in order to ensure we are able to help all organisations board the sustainability train and achieve long-term growth.

We look at the years to come with confidence. We have faith in our fundamentals, values, strategy, organisation and people. We are determined to continue improving, to fulfil our purpose and deliver on our promise.



Hervé Hélias
CEO and Chairman
of the Group Executive Board

Stewardship is the key to our sustainable growth

We are pleased to introduce the 2020/2021 Transparency Report for Mazars in Greece.

Specializing in audit, advisory, accountancy, tax and legal services, Mazars is a leading integrated and independent organization whose international dimensions are expanding every year. As of August 31, 2021, Mazars is present in more than 90 countries and territories around the world.

Since its foundation, Mazars has chosen the demanding option of being a truly integrated firm. The Mazars organization is based on democratic partnership. It gives each partner the right to vote on the strategic decisions involving the future of the partnership. This kind of responsibility is central to Mazars principles and practices. It runs throughout the organization and is daily expressed in the way we exercise our profession and in the relationship that Mazars maintains with its social and economic environment.

In accordance with the Law 4449/2017 of the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB), the audit firms are obliged, within four months after the calendar year, to submit to the HAASOB and make available in their websites the annual transparency report. It is in this context that Mazars in Greece issued this report for the period ended August 31, 2021 which we are pleased to introduce.



Athens, 28 December 2021

A handwritten signature in blue ink, appearing to read 'Konstantinos Makris'.

Konstantinos Makris
Managing Partner



Our value proposition



Our value proposition

Who we are

Mazars is a leading international audit, tax, and advisory firm, aspiring to build the economic foundations of a fair and prosperous world. Operating as a united partnership, Mazars works as one integrated team, leveraging expertise, scale and cultural understanding to deliver exceptional and tailored services in audit and accounting, as well as tax, financial advisory, consulting and legal services¹.

Founded in Europe, Mazars is present in over 90 countries and territories, with more than 44,000 professionals— over 28,000 in our integrated partnership and over 16,000 via the Mazars North America Alliance – dedicated to helping clients make the most of business opportunities and operate with confidence.

Our purpose and our promise

We aim to help build the economic foundations of a fair and prosperous world by caring for the success of our people and clients, the health of financial markets, and the integrity of our industry.

We take pride in empowering our clients, people and industry to achieve their potential and do the right thing.

We are at our best when we combine our expertise, agility and understanding to provide answers and experiences that are the right fit for our clients, people and society.

We promise our clients to go beyond the immediate challenge and find the answer that works best for them and their business. And we do that with an approach that respects who they are and how they work.

We promise our people a firm that celebrates their individuality and empowers them to become the expert practitioners and leaders they want to be.

We promise investors, markets, regulators and society at large that we will always seek to do what is right, approaching every task with independence, accountability and a social conscience.

We have built and designed our One24 strategy to make sure we can deliver on our promise.

What makes us unique

We pride ourselves in offering a different perspective.

We are a multicultural and united partnership, operating as one team across borders and sectors, and committed to working in the public interest, with shared goals, values and service standards across the world.

We combine our global presence, international expertise and local roots to better understand our clients, build long-term relationships and provide each of them with answers and solutions that are tailored to the unique situation they face in their market.

We approach every assignment with the same commitment to delivering the highest level of quality with integrity, accountability and a social conscience.

We grow and expand in ways that preserve our independence, diversity and balanced world view.

We believe stewardship is paramount and we continuously strive to usher in new generations of leaders who will help us further develop while staying true to the fundamental values we inherited from our founders

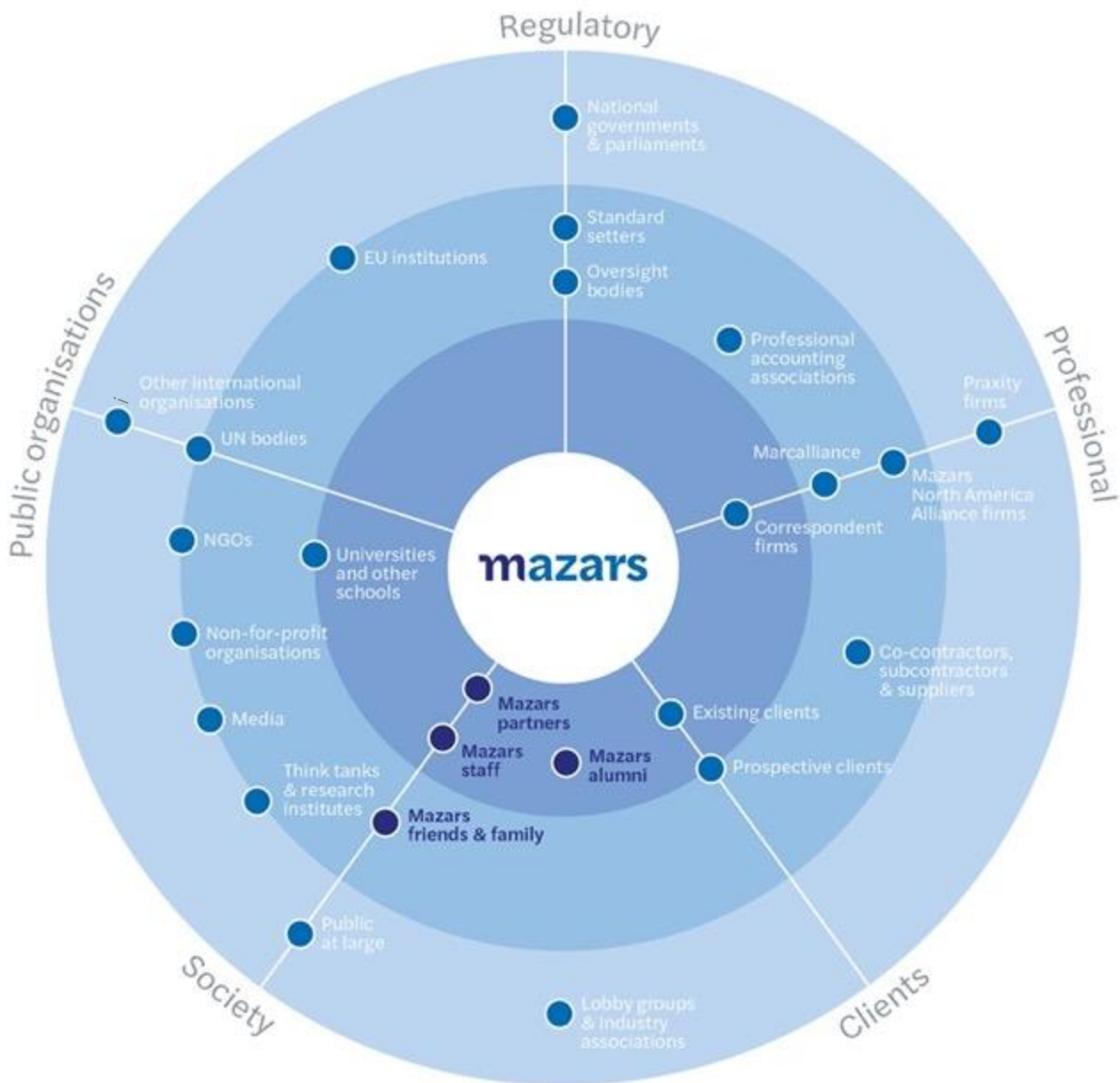
1. where permitted under applicable local laws

Our value proposition

How we interact with our stakeholders

Our stakeholders' map

Mazars has mapped its ecosystem, presenting its stakeholders in five dimension, starting with the more impacting.



For Mazars, permanent dialog with its main stakeholders is key to shape the strategy

This regular, trustful and constructive dialog with our main stakeholders is organised mainly via meetings, surveys and publications, participation in working groups led by professional associations or overights,

and participation in universities' training courses and forums, together with concrete actions to impact the stakeholders' expectations.



Our value proposition

Our value creation strategy for today and tomorrow

Quality is the backbone of our value creation

Embedding quality in all we do

Mazars' business organisation primarily revolves around a core matrix of geographies and service lines which represent the main dimensions where our talent evolves during their professional and personal development, in accordance with Mazars core values.

To support our core matrix, we have implemented a market and sector-driven approach of the business, backed by a solid infrastructure of cross-functional departments, to support the development of sustainable businesses.

Our quality management framework and the associated systems and monitoring teams cover all our activities and support our partners all over the world. Our systems are designed to ensure compliance and the delivery of high-quality services as well as risk identification and mitigation to leverage short, middle and long-term value creation, in the countries first, but also at global level, with global manuals, methodologies, and tools.

We see quality and risk management as the bedrock of our values, of our culture, of our behaviour, and of our ability to provide the added value our clients and stakeholders expect from us.

Inside our Quality Management & Compliance (QM&C) board, we now have a dedicated quality culture committee. The purpose of this committee is to create practical impact and embed recognition schemes into a quality culture programme: this includes the creation of practical quality metrics for the purpose of partner evaluation, promotion and remuneration. We will reward outstanding quality and when necessary, penalise quality transgressions. We may ask partners to complete a partner improvement plan.

Three ethical values - independence, technical excellence and stewardship - have been the pillars of our organisation since Mazars' early days in the 1950s.

Quality and compliance programmes are in place in each of our seven service lines. These programmes are designed to train, evaluate and ensure all our people have the same level of awareness and access to the same tools. Everyone should be determined to go beyond mere compliance and improve quality year after year.

What quality means for our service lines

Our seven service lines are as follows:

- Audit offers a distinctive, human-centric approach that goes beyond compliance, with an integrated structure that allows us to work seamlessly as one team. We serve regional, national and international companies of all sizes and structures by combining the right people with the right skills for every engagement, leveraging our collective knowledge and using consistent tools and methodologies.
- Consulting helps leaders across the business – from top management through to department heads – to manage their risk and deliver peak performance through collaboration, thoughtful advice and up-to-date technical and digital expertise.
- Financial advisory exists to advise a range of clients on business-critical decisions such as deals, financing, crisis and disputes.
- Legal is a globally active full-service legal advisory providing high-quality legal services to clients as part of our multidisciplinary approach. This service line adds value to our client offer while bringing high profit business to Mazars.
- Outsourcing helps organisations enhance performance, secure accounting and compliance processes, moderate their international complexity, manage costs and provide a high level of flexibility in resourcing and skills.
- Tax works closely with clients to build transparent, integrated tax-efficient and sustainable solutions to help them achieve their strategic objectives. As national and international tax systems pose increasingly significant challenges for businesses and individuals, we build transparent, integrated tax-efficient solutions that give our clients confidence and help them excel in a sustainable way.
- Sustainability borrows from both audit and consulting and aims to assist companies along their sustainability journey. This service line improves corporate resilience by identifying and managing sustainability risks and opportunities; increasing companies' awareness of and accountability for their environmental and societal impacts; and helping develop sustainable businesses, economies and societies.

Each of these service lines has set their own specific set of objectives, tools and indicators, to make sure they deliver on Mazars' overall commitment to the highest level of quality.

Our value proposition

Our value creation strategy for today and tomorrow

For our Audit business, quality aims to serve the public interest offer our clients the best service and expertise, develop our business and protect our brand and reputation.

Quality is a mindset that is intrinsic to our value proposition for audit. Tone at the top is critical and we promote a culture of excellence at all times and at every level. Quality is a key differentiator on the market: it requires the effective deployment of audit teams that deliver audits in direct contact with the entities they audit, and quality management systems to control the delivery of quality audits.

In our Consulting practice, we see quality as the direct translation of our commitment to integrity, independence, accountability and a social conscience. Given the diversity of our services, the approaches we use to measure quality varies across the consulting spectrum. Some of the ways we measure quality include:

- Internal quality inspections;
- Independent quality reviews;
- Regulatory reviews;
- Client satisfaction surveys; and
- Engagement project management analysis.

We reinforce this commitment to quality with significant investments in the training and professional development of our professionals to ensure that they have the technical skills necessary to exceed our clients' expectations.

In our Financial advisory activities, which cover a wide scope of services ranging from deals and financing schemes to crisis and disputes, we uphold our commitment to quality by putting together teams with vast experience and deep expertise. As a uniquely integrated global partnership, Mazars is able to mobilise teams of multi-disciplinary experts from across the globe in a seamless and efficient way to ensure clients have the best team advising them regardless of where their project is based.

In our Legal practice, quality means embedding consistently high standards across our services and deliverables while considering local and global risk aspects. This allows us to compete with international law firms (for people and clients). As the development and promotion of our lawyers is the basis for our success, we aim to offer a wide range of opportunities to them to build their careers and develop their professional competencies and sector-specific expertise.

For our Outsourcing practice, quality primarily rests upon clients' full compliance, operational excellence, talent management, knowledge sharing and training. It also requires strong check processes and internal quality control procedures, an up-to-date suite of tools and solutions for local and global monitoring, as well as an ongoing focus on proactivity, flexibility and serenity.

Finally, in our Sustainability service line, quality is a combination of stakeholders' satisfaction, technical expertise, innovation and contribution to sound business practices. It essentially builds from:

- Technical expertise of trained and skilled teams with up-to-date regulatory knowledge and who are able to provide both pragmatic and constructive solutions;
- Ability to understand the clients' needs and meet their expectations in a fast-changing and complex environment; and,
- Active contribution in the current momentum, shaping the future of international sustainability assurance standards, in coordination with the current financial audit reform.

Identifying risks and maximising value creation opportunities

In all we do, we primarily aim to create short, middle and long-term value, for our clients, for our entire ecosystems and for society as a whole. Like any solid and reliable value creation model, ours is built on a thorough risk analysis and mitigation planning.

As shown in detail in the upcoming table of risks and opportunities, as well as in our materiality matrix, we have comprehensively mapped the main threats to our environment, to our business and to our partnership. All our service lines have contributed to this crucial endeavour which we see as a sine-qua-non condition for reaching the eight sustainable development goals (SDGs) mapped in our CSR report, and maintaining our ongoing sustainable growth, along with resilience in times of crisis.

Chief among these risks are those linked to talent attraction and retention, reputation, missing technological evolutions and not being daring enough in terms of innovation. These risks are presented in more detail in the following pages. We could also suffer if we fail to meet required quality and/or ethical standards, or if we are unable to keep pace with fast-moving regulations.

Our value proposition

Our value creation strategy for today and tomorrow

The main opportunities as identified by Mazars' service line leaders arise from the emergence of strong environmental, social and governance (ESG) and sustainability trends. The added value of technology and businesses' new needs and expectations in a post-Covid 19 environment are promising growth drivers, as is education. Our ability to bring together the experts from across service lines to work together as one team allows us to make the most of new opportunities.

Our approach and policies to drive diversity and inclusion

At Mazars, diversity is a key topic on our Group Executive Board's (GEB's) agenda. It is how we have grown as an international group, deeply rooted in local territories and cultures. It is how we operate today and how we plan for tomorrow – working as one inclusive team around the world, making decisions and defining our future path together. Diversity and inclusion are the foundations of the modern firm we strive to be.

Diverse by nature

We know that value for our business, our clients and our communities is created by embracing different perspectives, empowering our people and bringing to the table varied backgrounds, views and skills.

As an international partnership with local roots all over the world, Mazars is – by nature – a geographically diverse organisation that has grown thanks to the different nationalities, languages and educations of our team. Making the most of these differences as an inclusive organisation allows us to solve problems, move our firm forwards and, ultimately, better serve our clients.

Inclusive by design

Diversity goes beyond geographical differences. We are committed to fostering an inclusive environment where teams, leaders and performance come in many different styles, from diverse ethnic backgrounds, and where these differences lead to greater value and success.

These differences include, but are not limited to, abilities and disabilities, age, culture, education, gender and gender identity and expression, language, religion, sexual orientation, socioeconomic background and working style.

Gender diversity: a global program supporting our convictions and goals

More diverse, more inclusive workplaces are workplaces fit for the future. We are dedicated to ensuring Mazars is an organisation where people have a sense of belonging and pride, where all the talents can make meaningful contributions and be who they are. We are convinced that building an inclusive culture is how we will deliver greater value for our clients and our people alike.

In recent years we have increased the representation of females in leadership positions and have made significant progress towards gender equity across Mazars. As stated earlier in this section, we have started to see good progress in the diversity of our top management and governance. In 2021, women account for :

- 44% of our global talent list (our pool of potential candidates for partner roles) (vs. 42% in 2020); they make up 36% of our "Long list" (potential partners within 5 years) (vs. 37% in 2020); and 28% of our "Short list" (potential partners within two years) (vs. 25% in 2020).
- 40% of the Global Leadership Team (vs. 31% in 2020).
- 44% of our governance bodies overall (members of our GEB and our Group Governance Council altogether). Whilst this is great progress compared to previous years (+ 13 bps in a year between 2020 and 2021), we recognise the need to further balance female representation in our Group Executive Board alone. We believe that setting targets to raise the pool of female talent in our global leadership teams (including country executive committees) will help.
- Our Group management team is composed of 50% of female C-level executives leading global Talent and HR, Finance, Marketing and Communications, Quality and Risk, Innovation, IT and General Secretary functions

In 2020-21, we had 20% of female partners across our group, and our realistic goal is to raise this number up to 25% by 2025. It is a key objective written in our strategic plan for the next four years, based on an objective assessment of our current talent pipeline.

Our value proposition

Our value creation strategy for today and tomorrow

Leading from the top

Because of the nature of our work, our core values of integrity and respect for people, and the impact we expect to make, Mazars is committed to turn awareness into effective, transformative action.

Our GEB is dedicated to embedding diversity and inclusion into everything we do at Mazars. By shaping our culture and long-term strategy around inclusion, our leadership is committed to building a diverse global firm that recognizes and rewards difference.

We have set incentives and mechanisms to drive gender diversity improvements in the more than 90 countries in which we operate:

- Gender diversity is a key criterion for assessing performance in our six regions and our six largest countries (referred to as the G6)
- We discuss with our G20 countries and each region their KPIs as well as their action plans to increase gender diversity in our partnership.
- Each zone and country have identified gender diversity champions, in charge of promoting diversity and driving results.
- We collect and monitor gender diversity KPIs and have a reporting from 66 countries:
 - 47% report having gender-diversity initiatives and programs in place, of which 78% have specific HR policies to support flexible work schemes and or work-life balance
 - 75% trains management and partners on gender bias and D&I topics
 - 69% have set up objective and neutral processes for hiring, promoting and cooption

In 2021, we have appointed a global leader of diversity and inclusion, supported by a dedicated team and a budget, to drive (gender) diversity and inclusion improvements. This leader is a recognised senior expert of gender diversity in corporations, and will drive a diversity improvement plan based on four pillars:

1. Driving fact-based dialogue and individual, relevant and targeted improvement plans with our G20 countries

- We have appointed diversity leaders in our top 20 countries (G20), all six regions and five service line boards

- Gender KPIs and an analysis of our talent pipeline is being used to identify, and actively address, the gaps – currently 66 countries (out of 90+)
- G20 countries complete a gender diversity self-assessment checklist, share targets and objectives for improving the pipeline, as well as a specific action plan
- Dialogue with our G20 countries and the six regions allows us to review the action plans and advise on changes, where necessary

2. Building awareness programmes, including:

- Global diversity & inclusion community calls and specific skill building or training modules
- Unconscious bias and awareness training provided for our group executive board and managing partners
- Inclusive Leadership Training modules and awareness-building programmes with our top 150 executives and managing partners

3. Reviewing key HR processes and identifying acceleration mechanisms:

- Review of and guidelines for key HR processes and identification of acceleration or “neutralization” mechanisms. This includes:
 - Review of how we hire, evaluate and promote (processes) and identification of gaps or bias
 - Review of the criteria for promotion and co-optation of staff to partner level
- Internal survey of critical cohorts and exit interviews with female staff who leave to understand the pain points and address them
- Pay gap review
- Guidelines for inclusive HR policies, including flexible working, leave and back-to-work programmes, and global internal audit to review HR guidelines implementation in our G20 countries

4. Driving knowledge, tools and communication

- Creation of the Mazars Knowledge Centre for D&I to produce knowledge, tools, newsletters and thought leadership
- A new D&I toolkit will be rolled out to all countries along with internal communication campaigns and videos

Our value proposition

Our value creation strategy for today and tomorrow

- Thought leadership creation and dissemination across our internal and external channels
- Partnerships with specialised think tanks, and shaping the gender diversity agenda through contributing external positioning papers and speaking engagements

Leading by engagement

At Group level, we have partnered with the Gender Balance Observatory to advance female leadership and representation in top management. Working with the Observatory's members, Mazars has developed a checklist for CEOs to assess whether their organisations have implemented the necessary actions that deliver results. This checklist was published in the 2021 edition of the Observatory Green Book and will be made available as an online free-in-access service on mazars.com in January 2022. We are using this checklist as our own internal tool for all countries' self-assessment.

Mazars has developed a white paper in partnership with the Observatory featuring the checklist as well as key insights from experts and CEOs, sharing their views on critical barriers and bias, and their perspectives to drive gender diversity improvement. Working with other stakeholders on this topic, we have contributed several perspectives or OpEds which help build the case internally and externally for more impactful gender diversity strategies. We have published these perspectives on our website and promoted them in social media.

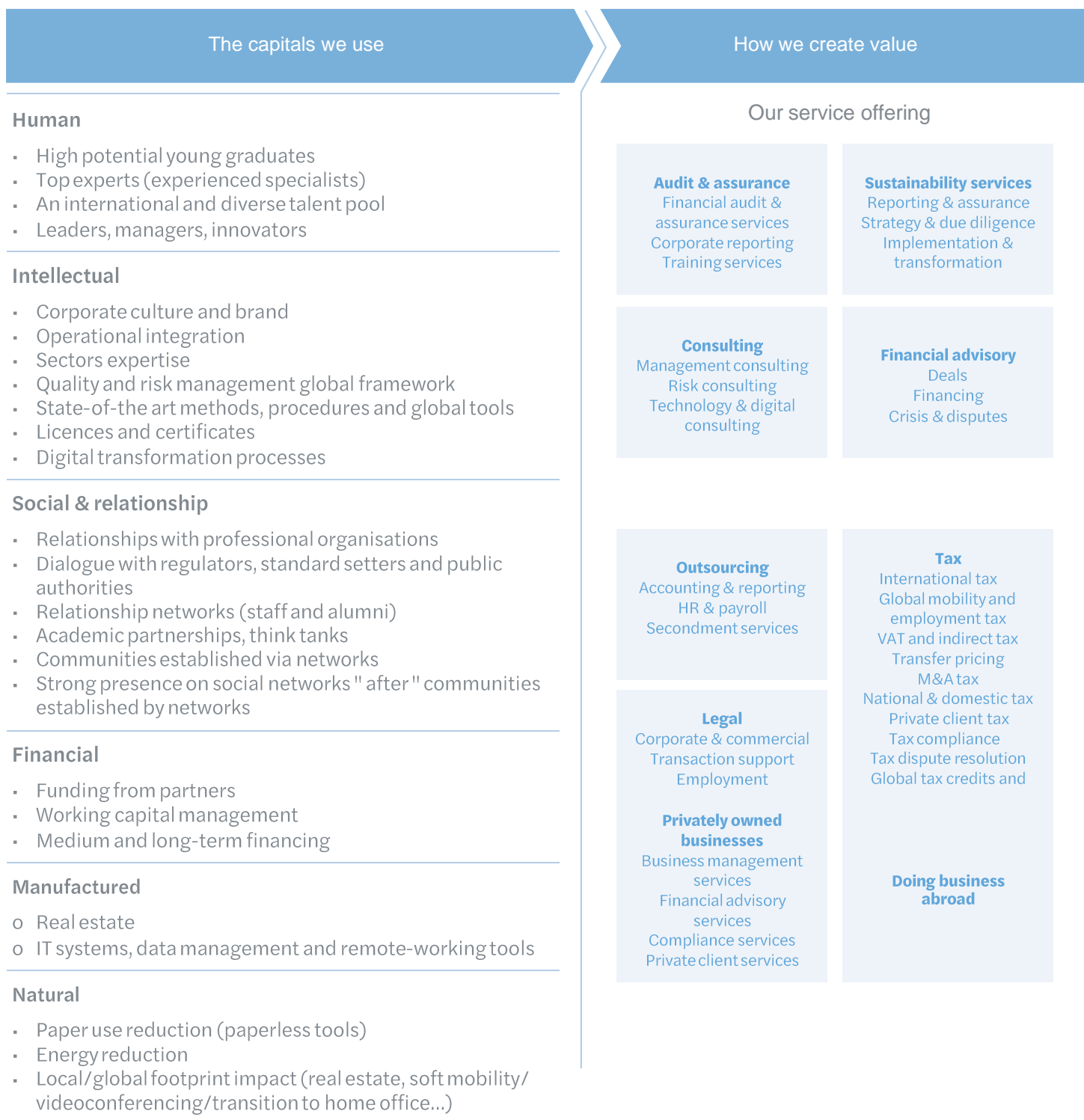
Last but not least, our group CEO Hervé Hélias and the Managing Director of Mazars in France, Olivier Lenel, have co-signed the "Manifesto of the French Ministry in charge of Gender Equality, Diversity and Equal Opportunities to protect women victims of violence". By signing this manifesto, we share our commitment to act against this violence, whether outside or inside the company.



Our value proposition

Our value creation strategy for today and tomorrow

Our value creation chain



Our value proposition

Our value creation strategy for today and tomorrow

Our business model

How we share value

We develop skills and expertise inside our integrated partnership

- Attract and nurture talent, promote diversity
- Build and encourage one-team spirit, to combine local presence and global expertise
- Promote engagement and sharing
- Promote innovation and entrepreneurship in designing answers
- Develop a solution-focused, client-oriented attitude, with a different perspective

We plan ahead in order to protect the public interest and build the foundations of a fairer world

- Develop a culture of technical expertise and quality
- Enforce worldwide quality standards and code of conduct
- Ensure quality and independence management and monitoring
- Thoroughly identify and comprehensively manage our internal and external risks
- Contribute to the reshaping of our industry
- Provide insights and thought leadership

Clients

Clients

- Help clients and industry sectors achieve their potential and do the right thing
- Deliver high quality and independent services
- Provide confidence and consistency in reporting and answers
- Combine technical expertise, agility and understanding
- Be the right fit, with answers to the challenges, with respect and humility
- Provide innovative solutions, keep data secured

People

- [Lifelong learning for professional development
- Ensure compliant ethical behaviours
- Care for work-life balance and celebrate success
- Provide fair compensation
- Foster stewardship culture
- Ensure talent agility, readiness and succession
- Promote innovation and change management
- Nurture the Mazars DNA
- Increase leadership, optionality and employability

Society

- Help build the economic foundations of a fair and prosperous world
- Seek to do what is right, with independence, accountability and a social conscience
- Provide confidence in reporting, for sustainable growth
- Promote transparency to our stakeholders
- Give back to the communities in which we operate
- Play our part in preserving the environment and combating climate change

Regulators and the profession

- Promote compliant ethical behaviours
- Push frameworks and standards to evolve
- Share our technical expertise and views
- Promote open innovation

- Outputs = what we do [Outcomes = what difference does it make (impacts)]

Our value proposition

CSR as a pillar of our long-term development

Corporate Social Responsibility (CSR) is an essential component of the modern firm we strive to be, and a key driver for our middle and long-term development strategy. We present our CSR approach in detail in our group sustainability report

We have built our CSR strategy around five main pillars:

- Integrity and responsibility, as they are core principles of our profession.
- Doing business for good, because we want to help all organisations get onboard the sustainability train.
- People at the heart of our development, because talent management, diversity and inclusion are fundamental pillars of Mazars' history and identity.
- Reducing our environmental impact, as we are fully aware of the role we have to play in tackling climate change and preserving the environment by reducing our own footprint.
- Contributing to our communities, because we believe responsible firms are the ones that create shared value over time and help shape a better society.

Through the many initiatives that make our CSR policy and its five pillars, we are actively contributing to the achievement of eight of the 17 UN Sustainable Development Goals:

- Good health and well-being
- Quality education
- Gender equality
- Decent work and economic growth
- Industry, innovation and infrastructure
- Responsible consumption and production
- Climate action
- Peace, justice and strong institutions

How we assess and manage our risks

Along with quality, risk management is at the core of our One24 strategy. Protecting our reputation, our brand and our partnership is an absolute priority. Our global risk committee is under the direct sponsorship of two members of our GEB.

Along with experts from our business lines, sectors and governance bodies, we identified and thoroughly analysed the major material issues that could impact our performance and value creation processes.

We believe our materiality matrix provides a clear and accurate image of the challenges we will need to face to ensure sustainable growth.

Our value proposition

Our risks and opportunities analysis

Our top material issues



Our risks and opportunities analysis

Like other businesses, we acknowledge our exposure to a wide range of risks and uncertainties which have the potential to impact our services, people, finances and clients. We make every effort to ensure that risks are appropriately identified, assessed and managed so we can readily respond in the event they materialise

The Covid crisis, as well as the danger of such threats as cyber-attacks, led us last year to update our risks and opportunities table, and to identify new ways of appropriately limiting their consequences.

In 2021, in the context of our new 2022 quality management system project (IFAC ISQM1 standard implementation), we took a deeper dive into the aggregated internal monitoring and regulatory inspection findings as part of our risk identification work.

We especially focus on mapping risks that have the potential to impact our entire organisation or that require specific efforts to adequately anticipate and mitigate them. The resilience of Mazars was nevertheless demonstrated this year.

We have also placed particular emphasis on implementing processes and procedures to protect our partnership from risks that could undermine it from the inside, on quality culture, employee education/inclusion/accomplishment, and abiding by our values. We believe the measures we have taken enable us to look at the future with confidence, ensure the delivery of high-quality and secure services to our clients and keep the trust our stakeholders have placed in us.

Our value proposition

How we assess and manage our risks/opportunities

 Human capital
  Intellectual capital
  Societal capital
  Financial capital
  Manufactured capital
  Natural capital

Risks / Opportunities	Capitals	Stakeholders	Initiatives
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I. Global footprint of our partnership

Covid-19 pandemic impact

The Covid-19 pandemic has created a new environment, with significant social, economic and regulatory changes. Its global impact on businesses and societies is still not fully known, and will generate both new threats and new opportunities.



Clients,
Partners Staff

We are closely working with our partners and staff keeping up-to-date with regulatory changes and business model adaptation due to Covid.



We are monitoring the situation per government pronouncements to ensure we follow the newest health regulations and protocols, as well as we deliver differently with efficiency our services.

We do encourage new ways of working, based on increased flexibility and the ability to work remotely as much as possible.

Risk management

As an international firm, we can be exposed to extreme events, such as political or social turmoil or wars in some of the countries in which we operate.



Client, Partners
Staff

Each country has a risk manager and/or dedicated committee in charge of assessing the various risk that impact the firm. Each office also has prepared a business continuity and disaster recovery plan.

Safety and health care

As we perform international assignments, we need to care for the physical integrity of our people wherever they are deployed on firm business.



Partners Staff

All our staff benefit from global insurance coverage, and we have implemented a firmwide travel policy. Group and local HR provide regular communications to ensure proper safety and health protocols are upheld and followed. We make sure our premises are covered by adequate security infrastructure wherever needed and continuously monitor potential issues and threat levels in business travel or commute destinations.

II. Service offering & Activities

Service offering

Ability to provide innovative, tailored and global solutions to our clients.



Society








Clients,

Combining the reliability of our methodologies with our ability to think 'outside the box', we deliver value to our clients and our communities. Our consulting and advisory business lines have grown significantly over the last few years, and we have now achieved the right balance between audit and expert non-audit services.

KPIs: We have reached the right balance between audit and non-audit activities, with audit fees representing 49% (with ZSZH) of our global turnover.

Our value proposition








How we assess and manage our risks/opportunities

Risks / Opportunities	Capitals	Stakeholders	Initiatives
<p>Efficiency and Performance</p> <p>Adverse economic conditions could affect our ability to provide high quality services. On the other hand, they lead us on to the path of innovation.</p>	  	<p>Clients, Society</p>	<p>The quality standards of our services are not negotiable. We offer integrated solutions adapted to our clients' markets and needs, always striving to best anticipate the changes that will impact our stakeholders. We have learnt from past challenges to increase the stability of our organisation. We ensure the consistency of our services in all the 93 countries and territories that make up our international partnership. We nurture the Mazars DNA and guarantee business continuity through genuine integration and the establishment of strong and stable regional hubs.</p> <p>Outcome: We have identified three key sectors (Financial Services; Industry, Services and Public Sector; Entrepreneurial Businesses), and six service lines (Accounting and Outsourcing Services, Audit and Assurance Services, Consulting, Financial Advisory Services (FAS), Law, and Tax services) which we have consistently deployed throughout our international partnership.</p>
<p>Reputation</p> <p>Mazars is a young, renowned and developing brand. Significant failure in one Mazars office to comply with legal, ethical or professional requirements could damage our brand and reputation.</p>	 	<p>Clients, Society</p>	<p>Our internal quality management systems, which are designed to maintain and enhance quality, include, among other things:</p> <p>Client engagement and acceptance processes and standards supported by methodologies and tools: we are currently implementing our Global Independence Check tool. This one-stop-shop IT tool will speed up and further secure the process of acceptance throughout the Mazars Group, helping us steer clear of any relationship that could distract us from acting to the highest professional standards.</p> <p>Our global Code of Conduct, which clearly states who we are, what we expect from our people and how we deal with our clients, stakeholders and communities at large. We have developed training modules on our Code of Conduct, and on Ethics & independence, which are mandatory for all our staff. We aim to have 100 % of our staff Code of Conduct-trained by 2024.</p> <p>Continuous technical and soft-skills training of staff and Mazars' partners: we strongly believe in lifelong learning and have designed an education –based strategy to help our people acquire the best expertise.</p> <p>Quality reviews of Mazars' offices: our internal quality reviews cover all our service lines. On average, we perform quality controls in 30 countries every year.</p> <p>Furthermore, we train our staff and partners to adhere to ethical standards in their daily use of social media.</p> <p>KPIs:</p> <ul style="list-style-type: none"> On average, each of our people received 40 hours of training in 2020-2021 On average each of our auditors underwent 62 hours of training in 2020-2021 Every year, a minimum of one third of our practices are subject to an internal quality review

Our value proposition

How we assess and manage our risks/opportunities

 Human capital
  Intellectual capital
  Societal capital
  Financial capital
  Manufactured capital
  Natural capital

Risks/Opportunities	Capitals	Stakeholders	Initiatives
<p>Ethics & Independence</p> <p>We do need to remain independent, whether we provide audit & assurance (Channel 1) or non-audit/ advisory (Channel 2) services.</p>	 	<p>Clients, Society</p>	<p>We have implemented risk management procedures that ensure the independence of our two core professions as auditors or advisers. We have recently refreshed an updated our global code of conduct, clearly drawing the line between what is recommended or acceptable and what would put our reputation and other people's trust at risk. We handle any breaches seriously and take appropriate action to uphold this code whenever necessary. Our Audit, Tax, AOS and FAS service lines also each have their own specific code of conduct.</p> <p>KPIs: All the entities of our partnership are covered by our global independence tool WeCheck.</p> <p>As of August 31, 2021, 76 countries representing 96% of our turnover frequently uploaded and refreshed client data into WeCheck's data management system.</p> <p>85% of requests are now processed in 48 hours or less.</p>
<p>Compliance with regulation</p> <p>The development and strengthening of regulation have an impact on our activities.</p>	  	<p>Clients, Society, Public and regulatory organisation</p>	<p>We comply with all regulation, in all the services we provide. We keep up-to-date with the latest changes in regulation, incorporate them in our codes of conduct, and inform our clients in a timely manner. We undergo regular reviews by our oversight bodies and regulators. We take part in the evolution of the regulation and anticipate potential impacts for the benefit of our clients and prospects.</p> <p>KPIs: Independent audit oversight took place in 67 countries of the Mazars integrated partnership, of which 25 countries were subject to regulatory inspections in 2020-2021.</p>
<p>Confidentiality and data protection</p> <p>A situation could arise where business and personal data may not be adequately protected.</p>	 	<p>Clients, Society</p>	<p>In all we do, confidentiality and information security are key elements of our professional responsibilities. Our Group Chief Information Security Officer is responsible for providing oversight, policy and strategic direction on information risks and cyber security matters. He directly reports to the Chief Compliance Officer and to the Group Executive Board.</p> <p>Outcome: Our European offices are GDPR-compliant and we have, since 2014, implemented whistleblowing procedures for our staff, our clients and our stakeholders. Both external and employee complaint forms are available on all our Mazars websites (on the Group website: http://www.mazars.com/Complaint-form). All claims are directly processed through the Group Chief Compliance Officer except when stated otherwise by the local regulation.</p>

Our value proposition









How we assess and manage our risks/opportunities

Risks / Opportunities	Capitals	Stakeholders	Initiatives
III. Talents & Partnership organisation			
<p>Talent</p> <p>Skilled people, especially in economically vibrant areas, are increasingly mobile.</p> <p>Specific, adapted policies are required in order to attract and retain them.</p>	 	<p>Clients, society</p>	<p>As a professional services firm, we develop a dynamic human resources policy, valuing excellence and a strong sense of ethics. We invest in our people, train them to make their years with Mazars a profitable experience and prepare them to be future leaders inside or outside our firm. We strongly believe in lifelong learning, and have created our own corporate university which offers state-of-the-art on-site and online programmes, for our staff and partners.</p> <p>We have taken tangible steps to make Mazars a genuine school of excellence, for all of our people.</p> <p>We devised our online platform MazarsU as the go-to hub for all best learning materials and practices across the Group, both in the areas of technical expertise as well as the other skills now required to perform the profession: soft skills, digital skills, and leadership skills. We aim to train top-notch technicians, as all as professionals who can abide by the strictest ethics and independence requirements.</p> <p>KPIs: For our audit activities, we have a Partner leverage of 11.8 staff per Partner, and a Technical staff ratio leverage (Directors, Senior Managers, Managers vs. Seniors, Assistants, Interns) of 1/3.3.</p>
<p>The evolution of core audit and accounting services delivery due to digitalisation requires to define new skillsets for our talents.</p>	 	<p>Clients, society</p>	<p>Mazars strengthened its competency matrix as to embed IT and digital aspects into our core audit and advisory trainings. The profiles we seek are increasingly diverse, with AI experts and data scientists becoming primary targets, in order to steer change, pioneer the digital transformation of our professions and offer the augmented services our clients and the market expect.</p>
<p>Some individuals might not adhere to Mazars's culture, and this could potentially lead to disengagement from clients and demotivate others from joining or hiring us.</p> <p>If proper measures are not appropriately implemented, we could fail to achieve cultural alignment and inclusion, which might endanger our performance and ability to attract young talent.</p> <p>Failure to understand the future needs of our people in relation to purpose, inclusion, wellbeing, and working styles might also hinder our long-term development.</p>	 	<p>Clients, society</p>	<p>We have developed training modules on our Code of Conduct and on Ethics and independence. They are mandatory for all our staff.</p> <p>We believe tone needs to be set at the top and have made ethics, inclusion and diversity priorities for our entire organisation.</p> <p>We have appointed a C-suite executive as Leadership, Education and Culture Chief Officer.</p> <p>Diversity and Inclusion are actually part of our One 24 strategic programme, with clear and quantifiable objectives. 75% of our countries have implemented diversity action plans, and, as of 2022, the promotion of diversity will be one of the criteria for allocation of base points to partnership member countries.</p> <p>We have also made unconscious bias training mandatory for all GEB members et Managing Partners.</p> <p>Both at country and group levels, we conduct regular surveys to keep in touch with and take into account the needs of our people, especially your young talent. "People development" and "Respect & Diversity" are among the top 3 Mazars attributes our people value most.</p>

Our value proposition










How we assess and manage our risks/opportunities

 Human capital
  Intellectual capital
  Societal capital
  Financial capital
  Manufactured capital
  Natural capital

Risks / Opportunities	Capitals	Stakeholders	Initiatives
<p>Evolving in an ever more connected and fast-paced global work environment, today's young talents expect more flexibility in their personal organisation.</p>	 	Clients, society	<p>Our model is by nature human-centric and decentralised. In all of our offices, we encourage the implementation of new ways of working which foster cooperation and collective intelligence, increase efficiency and enhance employee satisfaction. We also want our people to generate and implement new ideas to improve both our internal processes and our offering. Local internal satisfaction surveys are carried out on a regular basis and action plans put in place to continuously improve life-work balance.</p> <p>We are implementing a peer coaching and feedback culture, which we are trickling down the organisation with programmes such as ReCoach programme, and LEAD.</p>
<p>Diversity ought to be encouraged, not only for moral / ethical reasons, but also because more diversity is profitable of our business model.</p>	 	Clients, society	<p>Building a diverse talent pool is one of our top priorities. Both at Group and local levels, we have implemented initiatives to fight against discriminations and promote gender diversity & inclusion.</p> <p>We have appointed a C-suite executive as diversity & inclusion leader at Group level.</p> <p>KPIs: Women account for over 54% of our staff, 39% of our Leadership Team and 67% of our Group Governance Council. We have set ourselves the objective of having 25% of women as partners in 2025..</p>
<p>International Integrated Partnership Structure</p> <p>Although it is demanding, growing as an international integrated partnership favours long-term reinforcement and transparency, all for the benefit of our clients.</p>	  	Clients, Society, Professionals	<p>International expansion has been, is, and will be one of the keys to our development.</p> <p>We never fear to venture into new territories and discover new cultures, and we have faith in our unique partnership model. We have steadily grown our coverage in the last 20 years, and in the last 6 years only, have gone from 73 to 90+ countries and territories where we now have fully-fledged integrated Mazars offices. We are a truly multicultural group, with 28.400 professionals worldwide and 1,020 partners.</p> <p>KPIs: According to the latest IAB survey, we rank: 14th worldwide for turnover 12th in audit worldwide 12th in advisory 14th in tax 15th in North America 15th in Latin America 13th in the Middle East 8th in Europe 7th in Africa 17th in Asia Pac</p>
<p>Our ability to serve our clients or our reputation in the marketplace can be severely impacted by the failure of a member firm.</p>	  	Clients, Society, Professionals	<p>Global process and specific procedures have been put in place and are prominently featured in our global Risk Manual and Quality Assurance Manuals. Each of our integrated and correspondent countries must complete a self-assessment on a yearly basis. They are also regularly subject to international inspections, led by Mazars Quality Control experienced partners and senior staff.</p>

Our value proposition

How we assess and manage our risks/opportunities

Risks / Opportunities	Capitals	Stakeholders	Initiatives
The loss or departure of a country could have a damaging impact on our international partnership	 	Clients, Society, Professionals	We have established regular dialogue and communication with all member firms, via our country forums, where all managing partners from around the world are invited. Our annual partners conference also provides an opportunity for all partners to share their concerns.
The loss of key people and the absence of succession plans could threaten our ability to ensure long-term development.	  	Clients, Society, Professionals	The members of our Executive and Governing bodies are elected for a 4-year term. Strict age limits have been set in our Charter of Association and succession plans are implemented to anticipate when a board member or a Group Officer is close to retirement.
Risks of increased regulatory intervention if operational change is mandated	   	Clients, Society, Professionals	We engage in regular and direct interaction, wherever possible, with governmental bodies and regulators to understand objectives and provisions of changes and the implications for our businesses. We closely monitor the cumulative impact of regulatory changes on the ability to provide services to audit clients. We have regulatory affairs specialists who lead our efforts to track all changes in applicable regulatory regimes, of whatever origin, under which each firm operates. We regularly review and update our processes and procedures to ensure compliance by all our people, on all our clients, with all applicable regulations.

IV. Global trends & Stakeholders expectations

Digital Transformation

As an international professional service firm, we heavily rely on IT to perform our assignments and are provided access to highly confidential client information. We have identified cyberattacks as one of the most potentially damaging risks we could face.



Clients,
Professionals,
Society

We have a dedicated Group IT Committee, and a Data Security Committee, which includes our Group Chief Information Officer. Each country is required to have its own Information Security Policy, which undergoes an annual self-assessment, reviewed by the Group Chief Information Security Officer. We regularly invest in up-to-date and state-of-the-art security tools and solutions. Firmwide training sessions and exercises on phishing have been developed and made available to all staff.

We are developing our global IT platform project as part of our One24 strategy, under the sponsorship of a GEB Member.

An inadequate data strategy, governance and management may impede the firm's ability to realise the benefits of using data as an asset.



Clients,
Professionals,
Society

We have implemented robust groupwide data security and usage policies. Our Information Governance Policy is communicated to all member firms as part of our RMM.



Our value proposition



How we assess and manage our risks/opportunities

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Risks / Opportunities	Capitals	Stakeholders	Initiatives
<p>Clients</p> <p>Continuous and accelerated technological evolution impacts not only the way our clients do business but also the way we work and communicate with our clients.</p>	   	Clients, Professionals, Society	<p>Achieving our digital transformation is about improving our quality of service, and helping our clients solve their own challenges. As we become more digital, we help them harness and use the power of new technologies to gain efficiency and foresight, make the best of vast amount of data available for analysis, and set up increasingly agile and virtual organisational structures. We created our own Innovation Labs, physical spaces in which clients, innovators and Mazars experts can gather, share and fully realise new initiatives. Because, if mastering and understanding technology are prerequisites, without a human element this innovation cannot occur.</p> <p>Outcome: We are running an ongoing client feedback programme, which ensures we are continuously listening to the views of our clients and working to improve our service. So far, 25 countries are involved in the programme.</p>
<p>Business Model</p> <p>Disruption from technology based possibilities, such as sophisticated automation, will impact basic accounting and audit services.</p>	   	Clients, Professionals, Society	<p>We fully embrace technological evolutions. We hire technology-savvy professionals and foster innovation in all our service lines. Under the guidance of our Chief Technology and Innovation Officer, we bring together Mazars' professionals, external experts and cutting-edge entrepreneurs to reflect on and prototype the ideas that will shape audit and consulting in a near future. A majority of our offices worldwide have now appointed innovation ambassadors, who serve as catalysts to boost new ideas and creativity across the Group.</p> <p>KPIs: 78% of all "Mazarians" work in offices that have appointed an innovation leader.</p>
<p>Communication Volatility</p> <p>Digital transformation empowers internal and external stakeholders' communication about Mazars' activities, with a risk of unchannelled enthusiasm leading to undesirable outcomes.</p>	 	All stakeholders	<p>Mazars implemented a proactive digital media strategy as well as formal social media policies and guidelines for all staff. Over the last few years, we have focused on employee advocacy, to encourage staff to act as brand ambassadors on social media. Through our Group Communications & Marketing Department, we provide social media trainings to staff and partners alike.</p> <p>KPIs: Since 2011, we have provided 63 social media training sessions covering +30 countries. 2,000 partners, directors and senior managers have been trained.</p>
<p>Technological advances or novelties could reduce the relevance of our current product offering and solutions or limit our ability to compete in the market. Under-investing in new and advanced technology or inadequate response to nontraditional disruption might also hit our competitiveness.</p>	 	All stakeholders	<p>We steadily and significantly invest in new technology, new tools and new digital solutions. We are fully aware of the risk of getting behind and strive to stay ahead. We have made innovation a top priority in our audit and consulting businesses. We currently have six innovation hubs and a worldwide network of innovation ambassadors. Significant investments in new and innovative digital solutions for various lines of business from project to completion spearhead our efforts in all countries.</p>

Our value proposition

How we assess and manage our risks/opportunities

Risks / Opportunities	Capitals	Stakeholders	Initiatives
<p>Sustainability and responsible behaviour</p> <p>Our stakeholders expect us to demonstrate responsible behaviour with regard to our employment practices, our investments, the taxes we pay, and our relationships with our suppliers.</p>		All stakeholders	<p>Contributing to better and healthier ecosystems and societies is at the heart of the Mazars adventure, as we strongly believe performance and responsibility go hand in hand. We encourage our staff to engage in CSR initiatives and pro-bono work, and over 20 countries in our partnership now report on their ESG performance. We have appointed a global CSR leader, under the direct sponsorship of a GEB member.</p> <p>Within our sustainability service line, we have developed a full array of services aimed at reengineering trust in business, empowering people and nurturing collective responsibility, ranging from non-financial audit to anti-corruption, governance or CSR consulting.</p>
<p>Business For Good</p> <p>Our stakeholders and the public at large expect new solutions and services for a better and more sustainable world and consider that global organisations have global responsibilities.</p>		All stakeholders	<p>The Mazars international partnership tackles its global responsibilities internally and externally. - e.g. investing in and enforcing more diversity measures inside and outside our organisation, developing CSR consulting services, etc.</p> <p>We do meaningful business for good in order to seize the best business opportunities.</p> <p>KPIs: 27 countries in our partnership report on their extra-financial data and performance.</p>

Our value proposition

How we view audit, today and tomorrow

Debunking the four market myths

Technical and intellectual skills are both seen as absolutely paramount. Meanwhile, our findings show that an overwhelming majority of businesses (96% of respondents) believe audit's range of services should be significantly broadened to include training and assurance on data security privacy and sustainability. Last but not least, joint audit appears to be widely and resolutely supported by most of the companies that answered our survey.

Audit reform as a whole is actually something market players see as a must. We believe it should start with the dispelling of four myths which have plagued the audit market for too long:

- The primary objective of audit is fraud detection.
- The future of audit is robotic.
- Auditors should stick to traditional financials.
- Companies do not want joint audit.

We are convinced the following points effectively debunk these myths while illustrating the role a resilient audit market would play as a pillar of economic robustness, in Europe and beyond:

- Audit firms must implement and rigorously monitor quality, risk management, ethics and conduct processes, which need to be sustained by tighter and more consistent rules and oversight mechanisms.
- All stakeholders - corporate management, governance bodies, shareholders, supervisors and the public at large – need to agree on what audit stands for and on what is expected of auditors, for example with regards to fraud detection, bankruptcy prevention and nonfinancial information.
- Independence and objectivity, judgement and scepticism, must be strengthened, especially through mandatory joint audits for major companies. Beyond improving audit quality, joint audit would also initiate a process that delivers more choice in the audit market.
- The impact of technology and artificial intelligence on audit and risk management processes and the fundamental role of human judgment should be thoroughly considered.

None of these measures individually will be sufficient to fully restore confidence, but we believe that together they will pave the way for significant improvements.

Offering an augmented audit experience

We believe audit is critical to the economic foundations of a fair and prosperous world.

Audit has been, and remains, a service at the heart of our value creation model.

We work for the public interest and, by caring about the organisations we audit and their stakeholders, we help build sustainable businesses for the benefit of society as a whole.

Through audits we deliver insight, promote transparency and provide constructive criticism, enhancing trust in how organisations report to their stakeholders.

But it does not stop here: a robust, independent audit contributes to building a dependable control and governance framework to help the organisations we audit become future-proof.

Audit is first and foremost about people.

We focus on building positive, effective relationships that foster trust and deliver measurable value.

Each Mazars audit is unique.

We take the time to understand the business model, culture and ecosystem of the audited company, and consider the needs of its stakeholders, tailoring the audit strategy to the specific risks identified.

Throughout the audit process we are in constant dialogue with all relevant stakeholders, with clear, pragmatic and timely communication.

We are one, agile, integrated and collaborative team, across sectors, services and geographies. This means we combine specialist local knowledge with the international perspective that comes from being one global firm.

Our value proposition

How we view audit, today and tomorrow

We bring together the right people and the right expertise at the right time to provide seamless support.

We pride ourselves on our rigour, independence of thought, perseverance and robustness.

Supported by the latest technologies, global methodology and processes, we provide reliable, objective and insightful judgements and opinions.

Our unique approach means we efficiently and consistently deliver high quality audits that benefit the organisations we audit, their shareholders and other stakeholders.

With this distinctive, human-centric approach, we deliver an augmented audit experience. One that goes beyond just compliance and contributes to the development of sustainable businesses, economies and societies.



Mazars at a glance

Global coverage

90+*

Countries & territories

300+*

Offices

44,000+*

Professionals

* 28,000+ professionals in Mazars' integrated partnership, 16,000+ via Mazars North America Alliance

1,000+*

Mazars SC partners

Group global turnover
2020-2021

2.1**

bn euro

** includes data for the ZhongShen ZhongHuan

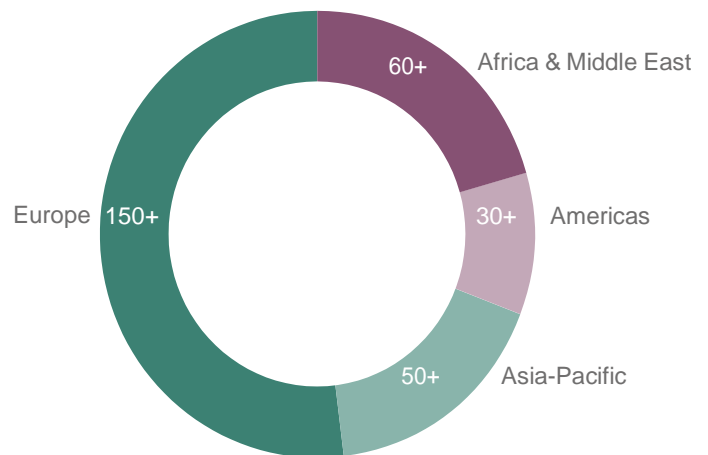
and ZhongShen Yatai practices.

These figures are valid as of 31 August 2021.
For current up-to-date information, please visit:
www.mazars.com/keydata

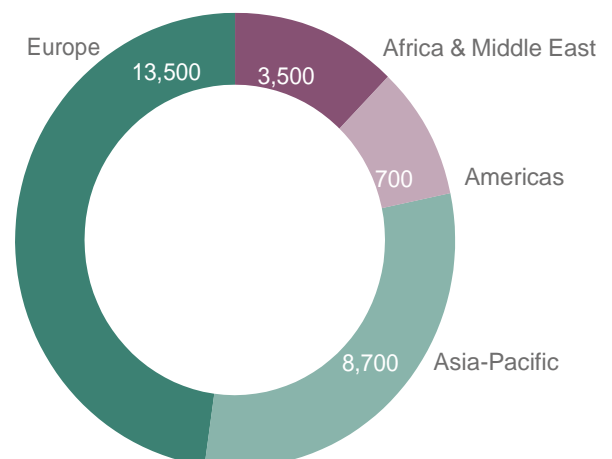
Mazars SC (hereafter 'Mazars Group', 'the Group') is an international, integrated and independent organisation, specialising in audit, advisory, accountancy, tax and legal services.

On all six continents, our global partnership brings together over 28,000 international experts, plus another more than 16,000 through the Mazars North American Alliance. They all share the same vision, the same entrepreneurial and collaborative mindset, and the same determination to create shared value for all our stakeholders: our staff, our clients, the business community and society as a whole.

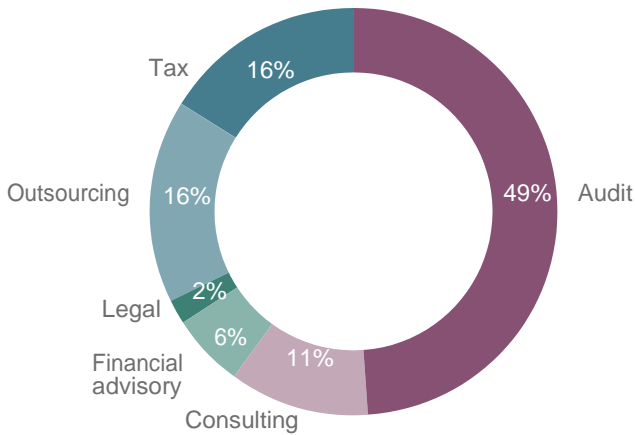
Offices split by region**



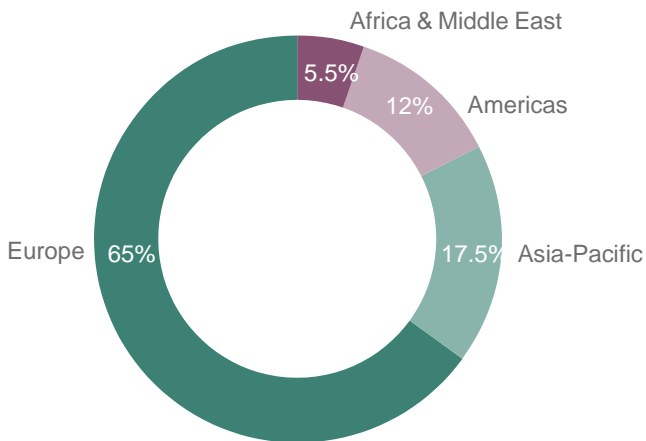
Professionals split by region**



Turnover by Service lines (%)**



Turnover by regions (%)**



Our history in key milestones

Start-up in France

1945

Growth in Europe

€100m turnover

1995

1,000 professionals
Creation of the international partnership

€500m turnover
37 countries

2005

5,300 professionals
Growth in Europe and in America

€2.1bn turnover
90+ countries and territories

2021

44,000+ professionals
(28,000+ professionals in Mazars' integrated partnership, 16,000 via Mazars North America Alliance)
Presence on all continents

Statement by Jean-Luc Barlet, Mazars Group Chief Compliance Officer, QM&C Leader

Mazars audits 2,400 PIEs worldwide, 1,200 headquartered in Europe, 960 listed on a regulated market, and more than 480 listed in Europe. Mazars is ranked 5th in the European audit market for large listed European companies.

After a stressful, trying and sometimes devastating year, 2020 reminded us that uncertainty and risks are continuing to grow and multiply (the IMF Uncertainty Index reveals geopolitical risks and economic decoupling trends as well as an increase in the number of natural disasters and cyber-attacks). Mazars' resilient 2020-2021 financial year underlines the importance and merits of a solid risk and quality management system.



Statement by Jean-Luc Barlet, Mazars Group Chief Compliance Officer, QM&C Leader

Current literature shows that organisations would theoretically benefit from implementing resilient, and even supra-resilient - or antifragile - risk management strategies. The Covid-19 crisis has been a real-time stress test for both strategies and business models.

What is now truly being questioned is the sustainability of business models. The importance of non-financial information to supplement financial information was first highlighted more than 20 years ago, but the need to interconnect them in order to fairly and adequately report on the sustainability of a business model and the positive impact of a company's activities is quite recent. An additional dimension has emerged, for sure one of a critical importance for the public interest and society at large. This poses a new challenge for professional accountants: they knew how to decipher and report in one (or two) dimensions, but now, not unlike Plato in his cave, they need to learn to report in a third dimension in order to properly deliver holistic, integrated reports.

This will first require a tremendous effort to train and upskill the profession on sustainability, at the level of both initial education and continuing professional development. But it is also a critical matter for audit and accounting firms themselves if they want to reinforce their multidisciplinary model and remain attractive to auditors and experts. This can only be achieved through the hybridisation of skills and expertise: IT audit and sustainability today, additional holistic areas in the years to come. In our profession, the organisations that will succeed over time are the ones that will be able to meet this challenge.

Mazars is ready to take on this challenge

In such an uncertain landscape, Mazars has been resilient thanks to its healthy mix of audit and advisory activities, as well as the ability of all partners and staff to transition to full digital and remote working in less than 48 hours. Even though we did not transition towards digital and home office with Covid-19 in mind, both moves certainly did help surf the big waves.

Our team spirit, our culture of efficiency and quality, and our independence and accountability helped us a lot during this period. These attributes are the bedrock upon which our clients and stakeholders place their trust.

Our Quality Management & Compliance (QM&C) board and its committees have started to pave the road of our One24 plan, around those values and one key additional one: stewardship.

The new generation that is taking the lead will need to manage and monitor the quality of all Mazars' services with a different, more holistic approach. Investing

in new technology and tools, data management, appropriate training and experts is clearly the way forward.

In 2021, we started to design our future quality management system. This design is based on the existing system while also taking into account the 63 quality reviews implemented in 44 countries (in addition to the 51 reviews conducted in 34 countries last year) as well as the 25 external inspection reports from regulators during this period. Each year, we're committed to reassessing one third of our global partnership. Our global Code of conduct has been implemented and continuous efforts will be made over the next two years to ensure it is appropriated by all partners and staff. We want to ensure that all, including newcomers, behave in accordance with our values. This is the best way to provide guidelines to help staff navigate tough choices and make the right decisions.

We go beyond mere compliance, as we are convinced that providing advice and recommendations is the first pillar of the sustainability of our role and of our mission. The second pillar is independence, an essential part of what makes our reports trustworthy and reliable.

All the countries are now extensively using our global independence tool, WeCheck. Now 79 countries accounting for 97% of our global turnover are directly connected to our data management system for automated uploading of their data. 85% of our independence checks can now be performed in less than two days.

In 2021, we continued to grow the number of PIEs we audit thanks to our clients and stakeholders. We now audit 2,400 of them worldwide, 1,200 of which are headquartered in Europe. We see it as a clear sign that we are on the right path.

Our global client feedback programme, our regular staff survey, and additional interactions, enable us to listen to what our stakeholders say and helps us and continuously improve our services and our quality management systems for their benefit.

Our foundations, values, principles, and commitments are strong, and we are determined to continue reinforcing them year after year, to leverage them for the sustainability of Mazars' long-term development strategy.



Jean-Luc Barlet
Group Chief Compliance Officer

Inspiring stakeholder confidence in audit quality

Our culture and global talent policy

You join Mazars to learn. Education is the backbone of Mazars' talent and leadership development strategy, fundamentally embedded within our culture. In a knowledge-intensive industry, we very much rely on the quality of our people. Learning and development at all stages of the professional journey is what is expected from a responsible, modern firm. This is what we owe to our people, clients, stakeholders and society as a whole.

Lessons from the pandemic: imagining tomorrow's workplace

The Covid crisis and its subsequent lockdowns have compelled all businesses to rethink their work organisation and imagine new ways of ensuring their people stay productive and engaged. The flexibility the pandemic has imposed on us is here to stay and will clearly entail permanent changes in all areas ranging from recruitment to training, management and leadership.

This is why, in 2020, we initiated a series of podcasts under the name "modern feedback" ([https:// soundcloud.com/user- 354550974](https://soundcloud.com/user-354550974)). We also led a series of focus groups and carried out a survey which revealed our people are not ready to give up on physical offices yet. They see offices as places where they can continuously learn and collaborate and expect high degrees of flexibility. We have started to tangibly translate that into new hybrid workplaces in several countries within our partnership.

From office space to sustainable work environments

In 2020, Mazars in the Netherlands set up a project team to focus on specific future-proof working conditions and office solutions with the objective of further fostering flexibility and cooperation while providing the conditions for smart working.

The team has since conducted both a work mode survey and a work from home survey and held Creative Camp sessions with the help of an external consultant. The objective of these initiatives is to find the best sustainable and future-proof solutions to optimise the balance between office time and remote working.

Making Mazars a school of excellence

We are convinced the evolution of our profession as well as the aspirations of our people are compelling us to shift from a knowledge-intensive to an education-driven model. Over the past few years, we have undertaken group-wide efforts and implemented tangible measures to turn Mazars into a school of excellence that provides learning and development opportunities to all our staff, from young graduates to the most senior team members.

Today, our Mazars University – founded in 2008 and CLIP-accredited in 2015 and 2020 – offers access to 21 international leadership and development programmes, from our flagship the Next MBA, to our women leadership seminar, to our business development accelerator or our very own development and assessment centre LEAD.

Through Mazars University, our people can also benefit from a global partnership with LinkedIn learning, making e-learning on the go simple, as well as multiple innovation events, hackathons and digital learning challenges to contribute to our firm's transformation.

We see our investment in leadership, education and culture as a message sent to all our stakeholders. It is proof of value in a knowledge-based industry. Looking beyond, it can even become a business in itself for Mazars.

The Next MBA

The Next MBA is an executive programme focused on cutting-edge business topics ranging from client-centric marketing to digital disruption, talent management and sustainable strategy. It is open to both Mazars Partners and participants from other organisations. Most of the leaders that today sit on Mazars' GEB are international alumni of the Next MBA.

Inspiring stakeholder confidence in audit quality

Our culture and global talent policy

Mazars launches its Sustainability Foundation Course

In 2021, Mazars launched its first group-wide Sustainability foundation course, designed as a comprehensive programme to equip each and every Mazarian, no matter the service line, function, or seniority, with the core knowledge to join the sustainability conversation and start making a difference.

The course includes six modules and will look at:

- Climate change, biodiversity loss, ocean depletion, sustainability: what are they and why do they matter?
- How can organisations, citizens and governments address the challenges?
- What is Mazars doing about it and how can we provide value to our clients?

Upon completion of the six modules, trainees will receive a certification they can display on their LinkedIn profile.



Providing the best education to our younger staff

As a professional service firm, we mostly hire young graduates. As their first employer, we have a major role to play laying strong educational foundations so they can take responsible management practices to their future positions, across sectors and functions.

As auditors and consultants, we are entrusted with building and maintaining secure markets and economies, and making sure the financial information provided to investors, regulators, lawmakers and the public at large is reliable. It's our responsibility to train our talent to uphold the highest professional and ethical standard. They must be able to apply professional scepticism, display strong analytical capabilities and express their ideas and opinions with discernment and clarity.

Our commitment to offering life-long educational and development opportunities comes from who we are and what we see as our economic, social and societal responsibilities. Educating our professionals to become top-notch experts with impeccable ethics and strong leadership skills is how we provide the highest quality services, ensure our sustainable development and keep our promise of employability to all our talent.



Inspiring stakeholder confidence in audit quality

Our culture and overall talent policy

Tailored development programmes for new managers

At Mazars in the US, all newly promoted managers can now benefit from the resources and opportunities to better enhance their career development. With the Mazars Manager Academy, they have access to a tailored programme that features engaging, interactive learning with a multi-day “new manager workshop » and targeted training to support their growth, with the goal of helping them successfully achieve the transition to their new management position and further develop effective leadership skills. Each Academy participant also has the support of a coach and mentor.

A specific training programme on soft skills has also been implemented in the CEE region, for both seniors and newly-promoted managers, with the goal of helping them become effective future leaders.

Mazars Race

For all businesses, at a time when cyberattacks are multiplying and getting increasingly harder to prevent, providing teams with the best practices in the area of cybersecurity has become an absolute priority. In cooperation with My-Serious-Game, Mazars has devised a customised programme, called Mazars Race, aimed at training all of its talent worldwide, and especially newcomers, in the most up-to-date ways of avoiding cyberattacks. Mazars Race has been designed as a gamified learning solution, which help trainees rapidly acquire and retain the indispensable knowledge they need to effectively fight cybercrime.

Further developing a coaching and learning culture

With the appointment of a C-Suite executive as Chief Leadership, Education & Culture, Mazars is unequivocally showing its commitment to making learning a key cultural lever for the sustainable growth of its international partnership. It especially answers the need to adapt to the expectations of and offer the best workplace experience to the firm’s younger talent, while nurturing and preparing its Millennials to become the coaches sought after by Gen Z.

The group-wide ReCoach programme has been designed as a very hands-on way to respond to the three major challenges of sustaining the learning culture throughout the firm, developing and instilling the coaching and feedback culture expected by

our young professionals, and building an online programme that would be immediately adopted and supported throughout our 90+ countries in a time of high disruption.

ReCoach was launched in May 2020, as the cornerstone of its newly revamped Partner Development Review (PDR), and as a way to leverage the roles of its senior leaders as early adopters and change agents within its partnership to instigate a cultural (r)evolution and diffuse a coaching culture throughout the organisation. The PDR, which is mandatory, is the occasion for each partner to reflect on their own development and contribution to the wider partnership. It is a valuable exercise allowing partners to explore their preferences, their achievements and the areas they would like to develop further. The ReCoach, is a new role in which the apparently conflicting roles of “reviewer” and “coach” are fused into one. These carefully selected partners are trained to accompany and advise Mazars’ leaders in their development over a continuous four-year period. With the resounding satisfaction of both partners and ReCoaches throughout the partnership, the virtuous cycle of coaching has started to trickle down within the organisation.

85% of our partners have now embarked on their four-year development plan, and ¼ have already been trained as ReCoaches. 65% of those who have not yet been trained would actually like to start the journey.

The ReCoach programme was rewarded in the Leadership and Talent Management category by #USpring at its annual L&D event in Paris. It was also recognised as an outstanding L&D initiative by EFMD Global in its 2021 Excellence in Practice Awards

Drawing on Mazars’ rich culture, history and DNA in order to better answer the challenges of today and tomorrow and build a truly modern firm was also the objective of the Mazars Partnership Academy launched and deployed in France between 2019 and 2021.

As the Group entered a new phase in its long-term development, with the increasingly demanding challenges of diversity, accountability, digital transformation and talent scarcity, all French Carl partners were asked to reflect on the Mazars model and their role and contribution in revealing talent, recognising performance, delivering quality, managing communication and representing Mazars, to help build the 2020-2024 strategic plan for Mazars in France.

A specific culture programme in the Netherlands

As a response to the Dutch regulator urging audit firms to direct their focus on quality and the public interest, Mazars in the Netherlands created their culture change programme in 2017, with a view to embed a common vision for “Enhancing trust through leading quality”.

Under the leadership of a central team composed of Ton Tuinier, Chairman of the Board; Frank Walta, Programme Leader and Member of the Board; Debbie Eyk, Project Management Officer; and the Ten Have Change Management consulting firm, the culture programme was deployed through all servicelines with the twofold objective of working “on” the organisation and “with” the organisation.

This implied both working on the improvement of quality processes, in an ongoing and systemic manner, and having this quality vision shared and supported by all in the organisation with a focus on three main topics: work-life balance, the role model behaviour of managers and the implementation of a learning organisation.

Originally rolled-out between 2017 and 2019, the Culture Programme was reassessed and updated in 2020 and 2021 to identify desirable behaviours and to take into account the consequences of the Covid-19 crisis.

The Dutch culture programme has already led to the appointment of a Purpose & Culture Officer, Josephine van der Hoeven will contribute to a healthier company culture that supports ethical behaviour, increases job happiness for all Mazarians while reducing staff turnover and burn-out.

Further enrichments will be added following the outcome of a comprehensive culture survey carried in the fall of 2021.



Inspiring stakeholder confidence in audit quality

Our culture and overall talent policy

Managing and developing our talent

We want to expose our talent to the best we can offer. This is especially true where international experience is concerned: we consider this to be a key element in the development of our teams and leaders. Mazars employees wishing to enhance their careers through international experience may choose from a range of strategic mobility opportunities including short-term assignments like the two to six month international projects offered through the MOVE programme, as well as longer-term assignments of three to five years in length and permanent international transfers. These programmes encourage the exchange of ideas between member entities of the Mazars Group.

Reinforcing our Employer Value Proposition

We want to further highlight what makes us unique and different. We sum-up our Employer Value Proposition in one key message – Mazars, the smart choice – and four key supporting messages:

- Mazars is a school of excellence, where people can benefit from life-long development opportunities, focusing on technical, leadership and the skills of tomorrow.
- At Mazars you make friends for life through our distinctive one-team approach which makes Mazars a truly human and international adventure.
- Mazars embraces the future of work by pioneering new ways of working with our people, caring for their psychological safety and development, providing flexibility and modern workspaces, fostering innovation and a true sense of purpose through solidarity, sustainability and serving the public interest.
- Mazars has an entrepreneurial spirit, putting people before processes and encouraging them to innovate, lead and be intrapreneurs.

Through global and local initiatives, such as international forums or partnerships with universities, we showcase and demonstrate the reality of our Employee Value Proposition (EVP) to various target audiences. Our efforts to strengthen our EVP and make Mazars a great place to work have been rewarded in 2021 in many countries around the world:

- Mazars in Spain has been ranked as one of the 100 best companies to work for, according to “Economic News”. Talent attraction was highlighted as a key element for the annual selection.
- Mazars in the UK ranked number 6 in the Top 100 Apprenticeship Employers, which distinguishes the country’s top 100 apprenticeship employers across all industries.
- Mazars in Singapore was a four-time winner at HRAsia’s Best Companies to Work.
- In Canada, the Order of Certified Human Resources Consultants rewarded Mazars with their HR Recognition Award in the ‘recruitment strategy’ category.
- In France, Mazars was once again rewarded with the Happy Trainees label, with almost 90% of trainees willing to recommend Mazars to their peers.

A pan-European agreement with EDHEC

Mazars France, Germany, Italy, Netherlands, UK and Group have signed a three-year partnership with renowned international business school EDHEC. This exemplary pan-European agreement includes Mazars’ participation in Europe’s first DataViz challenge and the co-production of a study with EDHEC’s New Gen research centre.

Banking on innovation

We strongly believe in collective intelligence. In 2020, we sourced over 100 ideas from 40 countries across all seniority levels, from interns to country managers. To support this effort, we have a committed network of innovation ambassadors around the world, leading initiatives and spurring a culture of innovation in the way we work and our client services. In 2018, we created our first tech hub, in Paris, to turn our ideas into actual solutions that are transforming the way we serve our clients. We now have eight such hubs across the world, with three more in the making.

Spreading a culture of innovation in the CEE region

With a view to spread a culture of innovation and make local Mazarian leaders in the field, the CEE region has designed and rolled-out its Sprint Design programme which consists of a series of six sessions based on the design thinking process.

The topics addressed during these sessions include automation and internal communication.

Our key performance indicators

Women account for over 54% of our staff, 39% of our Leadership Team and 67% of our Group Governance Council. We have set ourselves the objective of having 25% of women as partners in 2025

Significant progress has been achieved over the last few years, as 75% of our partnership's largest countries have reported their country action plan (set of measures to boost gender diversity in their partnership and management team), set their targets (according to KPIs defined by the Group), and identified their dedicated gender diversity champions. In addition, women now account for 32% of Mazars's leadership bodies.

- On average, each of our people received 40 hours of training in 2021
- Since 2011, we have provided 63 social media training sessions covering:
 - 30+ countries and 2,000 partners, directors and senior managers have been trained.
 - 49% of our workforce is under 30 years old. 41% is between 31 and 50 and 10% is over 51.
 - 53 countries representing 83% of our workforce offer flexible working schemes.
 - On average there are 6000+ recruitments per year.
 - 54% of our workforce are women.

Breakdown of workforce

By gender

54%

Women

39%

Women of our leadership team

67%

Women of our Groupe
Gouvernance Council

20%

20% of women as partners
(objective: 25% in 2025)

By age

49%

Under 30

41%

31 and 50

10%

51 and over

Inspiring stakeholder confidence in audit quality

Our overall system of quality management

Under the joint oversight of the GEB and GGC' risk management committees, our QM&C board is in charge of protecting Mazars' reputation and brand equity, fulfilling our brand promise and ensuring we deliver top-quality services while meeting regulations.

Within the framework of our One24 plan, the Quality Management & Compliance (QM&C) board and its four committees – independence & acceptance committee, quality management committee, methodology committee and quality culture committee – have four main missions:

- Further embedding a culture of quality through a dedicated culture programme, quality indicators and roadmaps.
- Managing and monitoring quality, with a focus on ISQM1 implementation of a system of quality management.
- Managing compliance-related issues, with a focus on client acceptance procedures, independence, methodology and manuals, the oversight of quality and active management of our risks and their coverage as an organisation.
- Managing change, in governance and reporting, with a view to strengthen the quality team.

The overall mission statement of the QM&C board is as follows:

Quality will be the backbone of all our activities, and we will protect our brand through carefully monitored risk management. Quality management and risk management are at the core of our One24 strategy.



Inspiring stakeholder confidence in audit quality

Delivering audit quality

Quality is what makes audit relevant. It is what enables it to play its essential role in shaping more transparent and sustainable economies. As we strongly believe in audit as one of the pillars of healthier ecosystems, more resilient business environments and fairer societies, we have made quality the backbone of all we do. Year after year, we are dedicated to improving the audit work we perform and the quality of reporting to those in charge in governance and to shareholders.

We invest time to understand and participate in the evolution of quality within the profession, develop our methodology, review quality recommendations and themes of regulatory inspections and improve the skills and knowledge of our professional staff. We are continually raising our expectations of what audit quality is, as we believe this is something that is constantly evolving.

In 2020, we started to design a consistent implementation for a coherent quality management system in all partnership countries, in accordance with a set of newly released standards (ISQM 1, ISQM2 and ISA 220). We aim for completion in 2022.

We fully implemented the revised standard ISA 540R Auditing accounting estimates and related disclosures on 2020 YE audits. We've also started to adjust our global methodology to begin implementing the revised standards ISA 315R Identifying and assessing the risks of material misstatement and ISA 600R Group Audits.

Mazars' Audit Manifesto

We challenge ourselves to make our audit and assurance offerings relevant, bring value to companies and their many stakeholders and have our assignments delivered by experienced, committed and truly independent professionals.

The delivery of audit and assurance continued to be at the heart of Mazars' business as of 31 August 2021 and is a key part of our plans for the future.

Our global audit organisation

Mazars' audit service line is headed by a global audit board in which all the regions and scopes are represented. The global audit board is responsible for setting the vision and mission of the service line and ensuring that all activities, either directly or indirectly, contribute towards it.

Our global audit board is supported by steering committees on high-risk areas such as quality and talent, as well as internal audit reform task forces at European and group levels.

Responsibility for quality

The quality and effectiveness of our audit services is critical to all our stakeholders and is an integral part of our commitment to building trust in society. We believe in accountability and our approach to audit quality is driven by our culture, values and behaviours. We are convinced that at the top is of paramount importance.

The GEB is ultimately responsible for ensuring the delivery of technical excellence across all our service lines within the global business and this responsibility includes oversight of the quality monitoring processes within the Mazars organisation, including in relation to audit quality. In this respect, at the Group level, we dedicate specific resources to building and maintaining high standards of quality, independence, ethics and professional competency, under the supervision of the QM&C board.

Through its quality control committee (QCC), the QM&C board defines the quality monitoring system and procedures required across all service lines and monitors their implementation. The executive of each member entity is therefore responsible for the implementation of the quality monitoring systems. This quality monitoring system applies both to member and correspondent firms.

Our audit quality assurance framework

The International Federation of Accountants (IFAC) is the global organisation for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies.

Inspiring stakeholder confidence in audit quality

Delivering audit quality

Mazars Group is actively involved in IFAC.

Mazars Group is also a member of IFAC's Forum of Firms (FoF), an association of international networks of accounting firms that perform transnational audits. As members of the FoF, we commit to:

- Maintain quality control standards in accordance with the International Standard on Quality Control (ISQC1), issued by the International Auditing and Assurance Standards Board (IAASB), in addition to relevant national quality control standards or regulations;
- Have policies and methodologies for the conduct of transnational audits that are based, to a practical extent, on the International Standards on Auditing (ISAs) issued by the IAASB;
- Code of ethics for professional accountants issued by the International Ethics Standards Board for Accountants (the IESBA Code) and any relevant national code of ethics;
- Conduct, to the extent not conflicting national regulations, regular globally coordinated internal quality assurance reviews;
- Agree to submit to the Secretary of the Forum an annual report, in an approved format, indicating that it meets the membership obligations set forth above;
- We have been committed to this since 2007 and make an annual declaration confirm our continuing commitment.

In line with our commitments, our quality assurance framework is presented through our quality assurance manual and risk management manual, both of which constitute the benchmark for audit quality control for all entities. This framework covers the following:

- Responsibility and leadership;
- Independence and objectivity;
- Acceptance and continuance of engagements;
- Human resources;
- Audit methodology and engagement performance; planning and supervision of engagements;
- Technical consultation;
- Audit documentation;
- Professional confidentiality and risk management;

- Engagement quality monitoring reviews;
- Quality monitoring;
- Procedures for dealing with and resolving differences of opinion; complaints, allegations and claims.

Each member entity has put in place the quality assurance manual in its own country and edits it to include country specifics. The policies and procedures in our quality assurance manual are complemented by our global audit methodology. Our audit software has also been developed to allow a structured audit approach in accordance with the most recent auditing standards.

These are updated regularly to include the evolution of international and national standards and following operational suggestions by users.

Our compliance with the Quality Assurance Manual is monitored through internal and external inspections.

Monitoring of audit quality is integral to maintaining and improving quality in our profession. It allows identification of areas for improvement within our policies and procedures, combined with additional training to allow a consistent quality approach to audit work. The executive of each member entity is responsible for the implementation of the quality monitoring systems.

Furthermore, each Executive is required to:

- Promote the firm's internal culture of quality and reinforce this culture with clear, consistent and frequent messages and initiatives;
- Remind individuals at all levels of the existence of the quality monitoring system;
- Underline the importance of respecting legal and regulatory obligations, particularly with regards to the IESBA code, local ethical requirements and professional standards of practice when accepting and carrying out new assignments.

Audit policies and methodology

The global Mazars audit methodology (MAM) is mandatory for all Mazars entities, supplemented by local regulatory and legal requirements. Using a common methodology allows us to apply a consistent approach and level of quality globally on all client engagements irrespective of their size and international presence.

In an increasingly globalised world, the MAM allows us to give assurance to our multinational clients over the quality of our audits across borders.

Inspiring stakeholder confidence in audit quality

Delivering audit quality

Specific policies and procedures are in place in respect of group audits, including the use of and reliance on other auditors. These procedures include consideration of the results of quality monitoring.

The MAM is continually enhanced as we seek to apply a risk-based audit model approach, focusing on the things that matter and adjusting the areas of focus and effort based on the level of risk. Our methodology and associated application guidance is also designed to encourage professional scepticism in our audits.

Audit software is used to support the audit teams in applying our risk-based approach, from acceptance to completion of the audit.

Accelerating the roll-out of our Atlas platform

Over the last year we have seen a significant uptake in usage of the Atlas platform – which we began developing in 2017 – with 90 countries now live and 8,000 auditors using the platform regularly across over more than 19,000 engagements, including 6,500 that have been completed in the platform.

Additional features have been released during the year, to further improve Atlas: the SME parametrisation to facilitate small and medium entity audits, new group audit functions, and a new central master file. The new document management solution (M-Files) has been developed to facilitate the user experience and improve the platform efficiency as expected by our auditors. With the current Atlas platform, 12 countries achieved a full rollout (100% of their engagements in Atlas) for the 2020 audit season. Thanks to the additional developments and features now delivered, some 40 countries are aiming to achieve a full roll-out for the 2021 audit season.

In the meantime, our core Atlas programme team has started to build the next generation of Atlas with a significant enhancement of the user interface and user experience, and embedded revisions of our audit methodology in the context of the revised ISA315 applicable from 2022 using state of the art technological assets. This, along with the release in late 2021 of Atlas Analytics NextGen, is a more powerful Data Analytics tool with a new design and improved interface that will give audit teams a first-hand experience of working towards Atlas NextGen in 2022.

We are now supporting and preparing a full transition to Atlas on all engagements in 2022 through:

- An ambitious yet realistic development plan for Atlas and Atlas Analytics NextGen, taking

into consideration our auditors' feedback and proposing a global integration of the audit solutions available for all Mazarians;

- A strong governance covering both software developments and progress of deployment with regular communication to key stakeholders;
- Central training through e-learning, webinars and presentations on Atlas and Atlas functionalities directly accessible to all Atlas users;
- An Atlas central support team that supports all live countries' active users, 20 hours a day, all year long, all year long.

Additional training and tools have been developed during the year to further enhance the skills of our team in this area and improve the quality of their work. This was supported by further training and tools to aid the understanding and testing of our clients' IT environments.

Our ability to maintain quality is not only dependent on the IT tools available to our professional staff, it also relies on the appropriate support being available to teams. The MAQ and MAM detail the circumstances under which there is a mandatory requirement to consult within the firm.

Our technical experts are also available for audit and financial reporting technical consultations when support is required. To improve audit quality in specific areas of the audit, our core audit teams have access to our specialist auditors and experts, including IT, tax, actuarial and valuation specialists. Our audit policies and procedures have been designed and implemented to ensure that we comply and that we can demonstrate compliance with ISAs. Our audit quality policies and procedures are also embedded as part of our firm's day-to-day activities.

Engagement Quality Control Reviews (EQCR)

The assessments undertaken by the local and global quality monitoring teams have been designed in compliance with the IFAC Quality standard and guidance.

Mazars entities' audit quality monitoring reviews have several components:

- Self-assessment of the entity's audit methodology, ethics and quality assurance system; internal monitoring of the effectiveness of the internal procedures and of the quality of the audit files. This is performed by each entity on an annual basis and constitutes the basis for the completion of the self-assessment;

Inspiring stakeholder confidence in audit quality

Delivering audit quality

- Mazars international inspections: these are undertaken by experienced reviewers from other member entities within the organisation, generally every 3 years, and they aim to take an independent view on the results of the self-assessments and the internal monitoring whilst helping to spread best practices;
- External inspections: entities are periodically subject to reviews by the audit regulators or other relevant bodies in their jurisdictions. Results of such reviews are communicated to the global Mazars QCC.

The self-assessment includes the entity's compliance with the IFAC standards as well as reporting on the results of its internal and external audit quality monitoring reviews. This can be the basis for an action plan relating to all areas identified as requiring improvement, including those identified through any Mazars international inspections.

Entities are required to communicate internally the results of their audit quality monitoring reviews to their executive, partners and audit managers. This communication is provided in sufficient detail to enable the necessary corrective measures to take place, both for the partner in question, and at the overall level of the entity.

As a minimum, the results of the audit quality monitoring reviews include:

- A description of the procedures applied and of the scope of the quality monitoring review;
- The results and conclusions of the reviews of the entity's procedures and audit engagements;
- Detailed action plans, where required.

Entities that are applying to join the Mazars organisation are subject to an inspection organised by the QCC. The report setting out the results of the review is included in the admission file submitted to the GEB and the GGC for consideration before the vote at the General Assembly of Partners. The report may be accompanied by an action plan, progress against which would be monitored by the QCC.

Our contribution to the profession

We believe that the voice of the audit profession brings value to the standard setting process. therefore, we are committed to improving financial reporting, corporate governance and overall confidence in capital markets at a global level. For example, Mazars responds to consultations on a variety of topics including auditing, corporate governance, financial reporting and relevant regulation changes issued by professional bodies such as IFAC, AcE, IAASB, IASB, EFRAG, or the European Commission, as well as regulators such as CEAOB and PCAOB. Mazars also actively participates in the working groups of these organisations, when a member or when invited. Its entities are also active in the professional organisations in their countries.

Mazars actively participates in the European Commission's proposed revision of the non-financial reporting directive, EFRAG's sustainability standards drafting initiative and the European Commission's consultation process on the strengthening of corporate reporting and its enforcement.

Mazars closely follows regulatory works throughout their process of preparation and adoption – discussion papers, exposure drafts, additional consultation – while actively contributing to the related lobbying groups.

Mazars systematically brings its contribution to audit-related debates by responding to all calls for comments on projects carried out by IASB and the IFRS Interpretation Committee.

Mazars contributes to the works of the EFRAG, the association that provides advice to the European Commission on whether newly issued or revised IFRS Standards meet the criteria of the IAS Regulation for endorsement for use in the EU.

Mazars is one of the seven firms IASB systematically consults as part of its outreach activities. This enables us to obtain information at a very early stage, and subsequently share it with our clients.

We also contribute to the works of the IASB on a regular basis and in an informal manner. We take part in meetings between IASB and the major audit firms, and regularly meet with the IFRS IC senior staff to express our opinions and specify our stance on current topics.

Inspiring stakeholder confidence in audit quality

Delivering audit quality

Our contribution to the European taskforce on non-financial reporting

For over a year, Maud Gaudry, Mazars' Global Co-Head of Sustainability, has been actively involved in the EFRAG's preparatory works with a view to provide technical advice to the European Commission regarding the establishment of European extra-financial reporting standards.

She brought her full contribution to producing the technical report, which came out in early 2021 and helped build the CSRD – Corporate Sustainable Reporting Directive- issued in April 2021. She is now working on the new Project Task Force on European Sustainability Reporting Standards (PTF-ESRS), tasked with defining the upcoming non-financial reporting.

Our direct participation in international audit and accounting bodies

ESMA

Carole Masson is a member of the Corporate Reporting Standing Committee's advisory taskforce.

EFRAG

Vincent Guillard is a member of the Financial Instruments Working Group.

Maxime Simoën is a member of the Insurance Accounting Working Group.

Maud Gaudry is involved in the Project Task Force on European Sustainability Reporting Standards (PTF-ESRS).

Jean-Luc Barlet is a member of the EFRAG Expert Working Group in charge of writing the European Sustainability Reporting Standards.

Claire Dusser is a member of the Rate Regulated Working Group.

Patrick de Cambourg, Mazars' Honorary Chairman, chairs the EFRAG taskforce on extra-financial standards.

Accountancy Europe

Isabelle Sapet is a Board member.

David Herbinet and **Muriel Fajertag** are respectively Chair and Vice-Chair of the Audit & Assurance Policy Group.

Jean-Luc Barlet is a member of the Corporate Reporting Policy Group and of the Corporate Governance Policy Group.

Maud Gaudry is a member of the Corporate Governance Policy Group.

Vincent Guillard is a member of the Bank Working Party.

Edouard Fossat is a member of the Accounting Working Group.

IAASB

Wendy Stevens is a member of the IAASB.

IFAC

Jean-Luc Barlet is a member of the IFAC's Transnational Auditors Committee.

Inspiring stakeholder confidence in audit quality

Audit quality Indicators



62 hours of training on average per auditor in 2020-2021



Staff/Manager ratio

3.3/1



Staff/Partner ratio

11.8/1



Independent audit oversight took place in 67 countries of the Mazars integrated partnership, of which 25 countries were subject to regulatory inspections in 2020-2021.

100%

of Group turnover covered by WeCheck

All the entities of our partnership are covered by our global independence tool WeCheck.

As of August 31, 2021, 76 countries representing 96% of our turnover frequently uploaded and refreshed client data into WeCheck's data management system. In 2020-2021, an internal quality review was provided to 47% of our practices.

44

countries

are involved in our client feedback programme which ensures we are continuously listening to the views of our clients and working to improve our service.

Inspiring stakeholder confidence in audit quality

Ensuring our objectivity and independence

We continuously strive to achieve the highest levels of objectivity and independence in all of our assignments and have devised and implemented policies and procedures which aim to ensure all staff and partners comply with the strictest requirements, wherever they operate.

Conflicts of Independence/Interest

We have developed policies and processes to ensure that we identify and respond to any conflicts of independence /interest which have been communicated to all partners and staff. Where there is a potential threat to our independence, the assignment is declined, or appropriate safeguards are implemented.

How we safeguard our objectivity and independence

The systems implemented by the Mazars Group and adopted by member entities include:

Our Code of conduct for objectivity and independence

The Mazars Group has prepared a code of conduct for objectivity and independence (CCOI) which complies with the IESBA Code of Ethics and introduces additional specific requirements for Mazars firms and staff. All Mazars countries are required to update the CCOI for their country's specific laws and regulations. The CCOI is distributed to all Partners and staff and is an integral part of all member entities' professional training programmes.

Responsibility for maintaining objectivity and independence

The Group independence and acceptance committee is responsible for oversight of independence and acceptance for Mazars worldwide. It provides guidance for acceptance personnel in each country, approves first time appointments for PIE (with limited exceptions) audit and other specific clients (SPAC, Cryptocurrency assignments), and manages the annual independence reporting process, reporting the results to the GEB. It adjudicates on any independence or acceptance issues brought to its attention, including any proposed departures from the CCOI by a country and ensures that all changes in international ethical standards are communicated to all countries in the organisation.

Acceptance and continuance of engagements

Prior to accepting or continuing a relationship with a client, our procedures require that an evaluation of the client's related risks is performed including the entity's ability to perform the engagement and any ethical risks in terms of independence and conflicts of interest.

The provision of additional services to an audit client is subject to prior authorisation from the lead audit partner and, in some cases, the ethics partner or country risk manager. In certain circumstances this provision is also subject to authorisation by the client's audit committee.

Global independence check tool

We have implemented a global independence check tool, WeCheck, to protect the independence of Mazars Group. All countries within our partnership have access to WeCheck. To date 78 countries representing >95% of our turnover are live on WeCheck. These countries regularly upload and refresh their client data into WeCheck's data management system.

Annual declaration of independence

All partners and staff are required to provide an annual declaration of their independence. In this respect:

- Mazars partners and their immediate family cannot hold a direct or indirect financial interest in a listed audit client;
- Personal or family relationships between a member of the audit team and a member of either the audited entity's management or any person holding a key position in the audit client are prohibited; and
- Partners and staff working on an audit engagement must not have any financial or commercial relations with the audit client (except for normal financial transactions with a banking or other credit institution audit client undertaken on an arm's length basis).

Two-partner teams and rotation to strengthen both independence and service quality

Except in specific situations which are approved by the entity's executive committee, large engagements are placed under the responsibility of at least two partners, one of whom naturally assumes leadership of the engagement.

Having a team of partners strengthens objectivity and brings broader technical expertise to the engagement. The responsible partners assist with key stages of the engagement and remain the key contacts for all parties and professional staff, whether internal or external.

Within Mazars, rotation is applied to PIE audit engagements on which key audit partners rotate, in compliance with country-specific laws and regulations, including for EU countries, the European Directive on Statutory Audit or the IESBA Code of Ethics. This rotation reduces the risk of "closeness" to the audited company which may impair independence. It enables the auditor to have greater independence of mind in dealing with client issues and in expressing an opinion on financial statements. The allocation of partner responsibilities on recurring audit engagements and major special engagements is decided by the entity's executive committee and ensures that partners can effectively conduct and supervise engagements under their responsibility.

This allocation is reviewed annually as well as when there are any changes in the partner's situation or when any difficulties have been encountered. In the rare case of disagreements with the technical department's positions, national executive committees are called upon to arbitrate. The two-partner team in charge remains the final decision-maker within the context of the organisation's quality assurance and procedures. This point is of paramount importance in preserving each partner's personal commitment and sense of responsibility as well as in responding effectively to each client's specificities.

Partner compensation policy

Profits are divided amongst partners according to the number of "base points" they are allocated. Two criteria are used to calculate the value of the base points: the overall performance of the Mazars Group and the performance of the national entity to which they contribute. Each factor is measured equally. Several countries, including France, have opted to add a bonus system founded on individual performance.

Partners receive a portion of a global envelope based on his/her country's performance. Under the supervision of the GGC and based on the recommendation received from the Country Executive, base points are allocated to Partners according to the overall performance of the country and the individual performance of each Partner.

This performance is assessed through various criteria:

- Professionalism, technical contributions and adherence to business practice norms;
- Partnership spirit;
- Importance and complexity of assignments;
- Contribution to the general development of local entities and the Group;
- Level of managerial responsibility.

None of these criteria is evaluated in isolation, but the greatest weight is placed on technical competence and spirit of partnership. Financing business activity depends exclusively on each national member entity and follows the same proportionality as the division of profits.

Global whistleblowing procedures

Our values set a platform for what we believe will build long-term sustainable success for the organisation. We want to work in a way that promotes our values and ensures we provide the best possible service for our clients, and the best possible environment for our teams. Mazars is committed to dealing responsibly, openly and professionally with:

- Concerns raised internally, that partners or team members may have about possible malpractice within Mazars firms;
- Concerns raised by persons external to Mazars (clients and other stakeholders) on the services provided by Mazars.

These group-wide whistleblowing procedures for our staff, our clients and our stakeholders reflect our zero-tolerance policy for unethical behaviours.

They have been deployed since 2014 and both external and employee complaint forms are available on our Mazars websites (on the Group website: <http://www.mazars.com/Complaintform>).

All claims are directly processed through the Group's Chief Compliance Officer (CCO) except when stated otherwise by the local regulation.

Confidentiality and information security

Confidentiality and information security are key elements of our professional responsibilities. Misuse or loss of confidential client information or personal data may expose the firm to legal proceedings and may also adversely impact our reputation. The Group's Chief Information Security Officer (CISO) is responsible for providing oversight, policy and strategic direction on information risk and cyber security matters. He directly reports to the CCO and to the GEB.

Our structure, leadership, and governance

Since 1995, we have been organised as a global integrated partnership. Today, this partnership is comprised of more than 1,000 partners and 28,000 professionals in more than 90 countries and territories in Europe, Africa and the Middle East, Asia-Pacific and the Americas. We work as one team and share the same values, work ethic and goal of providing the highest quality services to our clients. Our correspondent firms also enable us to operate in a further ten countries.



Our structure, leadership, and governance

All members of our integrated partnership are member entities of Mazars SC (hereafter “Mazars Group”), a Cooperative Company incorporated in Brussels, Belgium, through a cooperation agreement setting out the terms of the relationship. The role of the Mazars Group is to “define the strategic objectives of the organisation and to coordinate the implementation of these objectives at the member firm level”, combined with the responsibility for promoting and protecting the Mazars brand globally. Mazars’ integrated international partnership was established with the principal objective of ensuring the delivery of consistent quality to our clients.

The integrated partnership allows us to provide high-quality services to our clients thanks to the diversity and expertise of our talent, the robustness of our values, our determination to fully embrace the digital revolution, and our commitment to creating shared value. We provide our quality standard service whilst remaining aware of the challenges that both our organisation and our stakeholders face.

Discerning, knowledge-intensive, agile, sustainable: these are the attributes of the modern firm that we strive to be, in order to better serve our clients.

Each country-level member of our unique integrated partnership has one or more separate legal entities and is a member entity of the Mazars Group. All shareholders of the Mazars Group are partners or shareholders (collectively “partners”) in the member entities. As part of being a shareholder of Mazars SC, each partner acknowledges the Charter of Association, which governs the operation and governance of the Mazars Group. In certain countries where there are partners or shareholders of their local member entity that are not shareholders of the Mazars Group.

The financial statements of the Mazars Group’ are consolidated with the results of the member entities and are prepared in accordance with the International Financial Reporting Standards (“IFRS”). The financial statements of the Mazars Group are jointly audited by two independent audit firms. We are therefore unique; we are not simply a collection of national firms. We are an integrated organisation of professionals, sharing commitments at a global level with respect to investment in technical excellence, serving our clients and developing our teams. New member firms are admitted to the partnership based on criteria of quality of service, human resources, reputation and shared values. All new admissions must be approved by the General Assembly of Partners.

Our One24 strategy

During our 2020 General Assembly of Partners, a new GEB was elected on the basis of a strategic platform called One24. This new platform answers our partners’ requests for increased integration and aims to reinforce our ability to work together and make the most of emerging and promising

client opportunities, especially in the PIE segment. It also aims to help us develop the new generation of global leaders who will take over the leadership of the firm in four years’ time, strengthen our global partnership and transform our services to face the future and manage our quality and our risks more stringently in order to ensure the longevity of our partnership.

Our structure, leadership, and governance



Operating in more than 90 countries and territories around the world, we draw on the expertise of over 44,000 professionals – more than 28,000 in the Mazars integrated partnership and 16,000 via the Mazars North America Alliance.

Valid as of 31 August 2021

- Integrated countries and territories
- Non-Integrated countries and territories:
Mazars correspondents and representative offices

- | | |
|------------------|-----------------------|
| ■ Afghanistan | ■ Congo (Brazzaville) |
| ■ Albania | ■ Congo (Kinshasa) |
| ■ Algeria | ■ Croatia |
| ■ Angola | ■ Cyprus |
| ■ Argentina | ■ Czech Republic |
| ■ Australia | ■ Denmark |
| ■ Austria | ■ Egypt |
| ■ Bahrain | ■ France |
| ■ Belarus | ■ Germany |
| ■ Belgium | ■ Ghana |
| ■ Benin | ■ Greece |
| ■ Bermuda | ■ Hong Kong |
| ■ Botswana | ■ Hungary |
| ■ Brazil | ■ India |
| ■ Bulgaria | ■ Indonesia |
| ■ Cameroon | ■ Ireland |
| ■ Canada | ■ Israel |
| ■ Cayman Islands | ■ Italy |
| ■ Chile | ■ Ivory Coast |
| ■ China | ■ Japan |
| ■ Colombia | ■ Jordan |



- | | | |
|---------------|-----------------|------------------------|
| ■ Kazakhstan | ■ New Caledonia | ■ South Africa |
| ■ Kenya | ■ Niger | ■ Spain |
| ■ Korea | ■ Nigeria | ■ Sweden |
| ■ Kosovo | ■ Norway | ■ Switzerland |
| ■ Kuwait | ■ Oman | ■ Taiwan |
| ■ Kyrgyzstan | ■ Pakistan | ■ Tanzania |
| ■ Latvia | ■ Palestine | ■ Thailand |
| ■ Lebanon | ■ Peru | ■ Tunisia |
| ■ Libya | ■ Philippines | ■ Turkey |
| ■ Lithuania | ■ Poland | ■ Uganda |
| ■ Luxembourg | ■ Portugal | ■ Ukraine |
| ■ Madagascar | ■ Qatar | ■ United Arab Emirates |
| ■ Malawi | ■ Romania | ■ United Kingdom |
| ■ Malaysia | ■ Russia | ■ United States |
| ■ Malta | ■ Rwanda | ■ Uruguay |
| ■ Mauritius | ■ Saudi Arabia | ■ Uzbekistan |
| ■ Mexico | ■ Senegal | ■ Venezuela |
| ■ Moldova | ■ Serbia | ■ Vietnam |
| ■ Morocco | ■ Singapore | ■ Zimbabwe |
| ■ Mozambique | ■ Slovakia | |
| ■ Netherlands | ■ Slovenia | |

Our structure, leadership, and governance

Our operational organisation

We built our business organisation with three key stakeholders in mind. First, our people, to whom we want to provide the best opportunities to grow; second, our clients, to whom we want to deliver the highest quality; third, our society as a whole, as we are determined to bring our full contribution to building a fairer, better world.

In order for us to achieve this, we set two main middle and long-term objectives: we aim to secure our place in the market, as a partner of choice for organisations of all sizes and in all industries, and

to creating the firm of the future - more integrated, more diverse, and more focused on training as a school of excellence.

GEB governance with delivery pillars

Mazars leadership at the Group level is organised in six pillars around the core matrix



1. Our “core matrix”

While markets and sectors are essential components of our business approach, we are convinced our people live their professional lives along two primary dimensions: geographies and service lines. These two dimensions form our core matrix.

We are organised around 12 geographies

Our geographic structure is built around 12 major units: six large countries (China, Germany, France, the Netherlands, the UK and the USA) and 6 regions (Africa & the Middle East, Asia-Pacific, Central Europe, Latin America, North America, Western Europe) which cover our more than 90 countries and territories.

All geographic units need to apply the service line matrix and structure their organisation to contribute/benefit from front-office risk

management framework and back-office support to strengthen integration and develop as one firm. All 12 geographic units are led by a board/ executive committee and all six regions are under the chairmanship of one GEB member.

Our delivery model is structured around seven service lines:

- Audit
- Tax
- Outsourcing
- Financial advisory
- Consulting
- Legal
- Sustainability

Each service line is primarily responsible for delivering our services to clients. All of them are under the sponsorship of a GEB member.

2. Our front and back-office organisation

In order to adequately support the development of our geographies and service lines, we have devised a comprehensive and robust front and back-office structure, which relies on:

- A market and sector approach that supports partners' sales to clients and maximizes our impact on the market;
- A back-office organisation including Finance, HR, Legal, Global Learning & Partnership Development, General Secretariate, M&A, Corporate Communication, and CSR and D&I to support the development of a sustainable business.

In addition, our core matrix is also reinforced by a strong quality and risk management framework and organisation that supports partners to ensure compliance, quality and risk management and an IT and innovation backbone that supports our business transformation.

3. Our business and market approach

Business and markets are structured around our two core markets (PIEs and POBs), and nine sectors (banking, real estate, insurance, asset management, public sector, mobility, consumer, technology, media & communications, and energy, infrastructure & environment).

They are supported by our marketing teams. Business and markets are under the direct sponsorship of three GEB members. Both core market segments are headed by a dedicated board which includes representatives from our six major countries and our six regions. The PIE Board is in charge of supporting countries, managing a Key Account Management (KAM) programme and defining the offering, marketing programme and skills needed by the PIE segment.

The POB board is in charge of supporting countries and managing our business development approach to international POBs. It also supports SME business transformation and manages the marketing programme for the POB segment. Sectors are managed by communities of leaders, who define specific offers, lead KAM and manage thought leadership.



Our structure, leadership, and governance

Our operational organisation

4. A robust backbone of quality and risk management and innovation

- A quality and risk control committee and an enterprise risk management committee have been placed under the sponsorship of two GEB members.

Our quality and risk control committee defines and manages quality and compliance standards, measures quality progress through international and local

QC programmes, and works on culture changes to promote quality.

Enterprise risk management supports the GEB in defining, regularly measuring and helping mitigating risks as well as monitoring key processes (DAOI acceptance, GDPR compliance, data privacy) to ensure a culture of professional conduct.

- IT, Technology and Innovation are under the sponsorship of two GEB members who are supported by a transversal leadership team with a view to focus on building a new global IT platform, the development of IT as a service and the acceleration of innovation.

5. A comprehensive network of support functions

Support functions provide global support to our service lines and the countries and regions. All eight of them – Finance, Talent, Partnership, Education & Culture, General Secretariate, Legal, M&A, CSR, D&I, and Corporate Communication- are under the sponsorship of GEB members and the leadership of dedicated professionals. They operate through their own communities.

This organisation ensures coordination of member entities within the Mazars Group. Our integrated international structure permeates every aspect of our operations:

- Partners and their member entities are linked by a series of agreements intended to achieve maximum consistency and standardisation within the Mazars Group;
- Sectors and service lines are represented in member entities, enabling coordination of assignments and cross-border relations between countries;
- Each assignment requiring an international team is managed and carried out by an integrated team sharing common standards and procedures.
- Each global or international assignment is managed and carried out by an integrated team and coordinated by an engagement partner in charge who takes final responsibility for reporting to clients;
- Partners and the national member entities in which they work are linked by a series of agreements intended to achieve maximum consistency within the Group. They all report to the elected representatives of the Group.

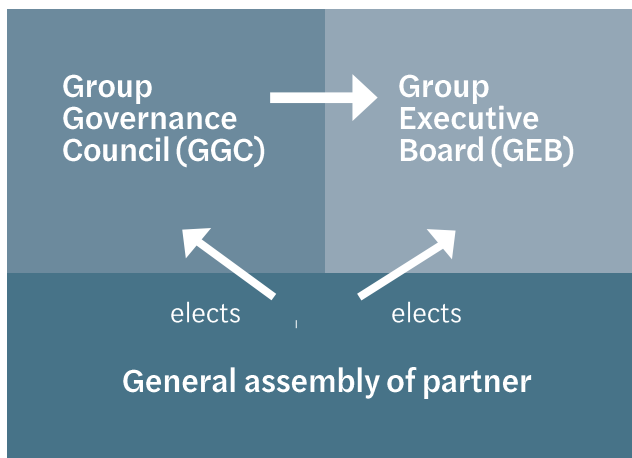
All the entities of the Mazars integrated international partnership are thus committed to enhancing the quality of services provided to large, cross-border groups in an increasingly complex and global environment.

Our structure, leadership, and governance

Our leadership and governance

Our leadership and governance platform relies on two main bodies, whose respective roles and missions are clearly defined in our Charter of Association. Together with our regional, national, and functional leaders, both our GEB and our Group Governance Council are working to ensure the sustainable development of our partnership and of the Mazars Group.

Our strategic leadership ecosystem



The General Assembly of Partners

All the partners of the Mazars Group meet at least once a year, at the General Assembly of partners, within six months following the end of the financial year.

The General Assembly of partners is a pivotal point in the governance and decision-making processes of the Mazars Group. The Assembly elects the GEB and the Group Governance Council, approves major strategic and operational decisions, the admission of new partners and the audited financial statements of the Mazars Group.

Due to the Covid-19 crisis, our last General Assembly of partners was held in a virtual fashion, between October and December 2020. Our next General Assembly was also held remotely in December 2021.



Our structure, leadership, and governance

Our leadership and governance

The Group Executive Board

The GEB is Mazars' executive body. It is in charge of the operational management of the partnership with regards to collectively defined key strategic objectives, under the supervision of the Group Governance Council (GGC).

The GEB focuses first and foremost on pursuing and accelerating growth, while ensuring the quality and sustainability of our activities.

As of 31 August, 2021, there were eleven members of the GEB. The current GEB was elected in December 2020. Elections are held every four years and the next one is due in December 2024.

The GEB is supported in its role by a group of around 80 global leaders, defined as an evolving community

with no fixed seats. In 2021, this group represents 21 partnership countries. 30% of its members are women (with a clear objective of increasing this percentage to a minimum of 33 by 2024) and 33% are newcomers to the Mazars Group.

The GEB meets monthly or more; it also meets twice a year with the country managing or senior Partners at "country forums", and once a year with all partners on a region basis. Each GEB member is entrusted with specific geographical responsibilities, functional roles and the sponsorship of key strategic projects, such as innovation, diversity, quality and risk management, and business development or integration processes for new additions to the partnership.

As at 31 August 2021 the Group Leadership Team was composed of:



France
Hervé Hélias
CEO and Chairman



Singapore
Pascal Jauffret



Ireland
Marc Kennedy



United Kingdom
Rudi Lang



China
Julie Laulusa



Senegal
Taïbou M'Baye



Germany
Dr Christoph Regierer



Belgium
Véronique Ryckaert



Netherlands
Ton Tuinier



United Kingdom
Phil Verity



United States
Victor Wahba

Our structure, leadership, and governance

Our leadership and governance

The Group Governance Council

Elected for the same term as the GEB, the GGC exercises a general supervisory function over the management actions of the GEB and, in that capacity, assesses their appropriateness. It also has specific responsibilities, as set out in the partnership's Charter of Association, over:

- The approval of partnership candidates and external growth operations;
- The compensation of the members of the GEB;
- The approval of disciplinary action decided by the latter.

The GGC is required to meet at least every four months. It may comprise between eight and sixteen

members including two members who are not Mazars partners. As of August 31st, 2021, there were 12 members of the GGC. Elected every four years, the next GGC elections are due in December 2024.

To improve the efficiency and focus of the GGC's oversight, it is organised into sub committees for risk and for remuneration.

One of the non-executive independent members also chairs the public interest committees of Mazars LLP in the United Kingdom and of Mazars Ireland. The public interest committees have specific responsibilities for matters arising in relation to the aforementioned entities.

As at 31 August 2021 the Group Governance Council was composed of:



United Kingdom
Tim Hudson
Chair



Sweden
Asa Andersson



Germany
Gertrude Bergmann



France
Frank Bournois
Independent Member



United States
Kathryn Byrne



Spain
Maria Cabodevilla



France
Juliette Decoux
Vice-Chair



France
Fabrice Demarigny



United States
Denise Fletcher
Independent member



Singapore
Chris Fuggle



South Africa
Michelle Olckers



China
Liwen Zhang

Statement of Group Executive Board on integrated report value proposition

As Group Executive Board (GEB) members, we hereby acknowledge our responsibility to ensure the fairness of our integrated report, and that we have applied our collective mind to the preparation and presentation of this Mazars' integrated transparency report.

We started in 2013-2014 with a first Integrated Reporting (IR) of our journey and progressively expanded our key performance indicators (KPIs) in order to measure our progress. We are continuing our journey towards presenting an Integrated Report in accordance with the framework set out by the International Integrated Reporting Council (IIRC).

While we chose to only publish a selection of our non-financial KPIs into this report, we did take all of them into account to define our long-term strategy and short-term objectives for the greater benefit of our organisation and our stakeholders.



Statement of compliance from the CEO and the CCO

Statement on the effectiveness on the quality management system

Mazars Group's quality management system is designed to provide reasonable assurance that the firm, its partners and staff comply with professional standards and regulatory and legal requirements, that work is performed to a consistently high standard and that reports issued by the firm are appropriate.

On the basis of its quality control monitoring conclusions, Mazars positively confirms that it met the membership obligations of the FoF in all material respects for the year 2021.

Statement on the effectiveness of the systems to safeguard objectivity and independence

The design, operation and effectiveness of Mazars Group's systems to safeguard objectivity and independence form part of the review of the quality management system.

Based on the evidence identified in this review, Mazars confirms, with a reasonable level of assurance, that the independence procedures and practices have been implemented and the system is effective in maintaining independence. Furthermore, Mazars confirms that the practices have been subject to internal review.

Statement of compliance with the professional training obligations

Registered auditors are required to complete at least 120 hours or equivalent learning units of relevant professional development activity in each rolling three-year period, of which 60 hours or equivalent units should be verifiable. They also have to complete at least 20 hours or equivalent learning units of relevant professional development activity each year.

Mazars has established a professional education programme that includes the organisation and delivery of technical in-house and external seminars, the active involvement of professional staff in major national and international professional accounting and auditing organisations and the development of extensive opportunities for staff to attend technical seminars and conferences.

Each year, member entities must compile and inventory training attended by their professionals, and membership of professional bodies/institutes, in order to ensure compliance with the abovementioned requirements on a multi-year basis.

Mazars confirms that these obligations have been subject to internal review.



Hervé Helias
CEO and Chairman



Jean-Luc Barlet
Group chief Compliance Officer

Appendix 1

Mazars Greece Leadership

Mazars Greece is led by the 5 Partners who elect the Board of Directors every two years.

The Board of Directors has responsibility for setting and implementing the strategy of Mazars Greece within the framework of the global strategy of Mazars Group.

The Board of Directors in Mazars Greece has responsibility for setting Mazars national strategy, within the overarching framework of the international strategy. Its members as defined at the General Meeting of January 22, 2021 are presented below:

- George Tsoukalas, Chairman
- Michalis Papazoglou, Managing Director
- Nikolaos Kasouridis, Vice-Chairman
- Themistoklis Polizos, Vice-Chairman
- Konstantinos Makris, Vice-Chairman

Appendix 2

Public Interest Entities Audit Clients of Mazars Greece

The Public Interest Entities in respect of which Mazars Greece has expressed an audit opinion in 2020/21 are as follows:

- AXA Assistance S.A.
- AXA Insurance S.A.
- CNP Zois S.A.
- Paperpack – Tsoukaridis I. S.A.

Appendix 3

Greece Financial Performance

Mazars Greece was established in December 2007 with the name «Radius Professional Services Certified Public Accountants and Business Advisors S.A.». In December 2012, after the decision of General Meeting of Mazars Partners, Mazars Greece joined Mazars partnership.

In Greece, the member entity of the Mazars Group is Mazars Certified Public Accountants and Business Advisors S.A., a limited Company with Board of Directors responsible for setting Mazars national strategy, within the overarching framework of the international strategy. As at 31 August 2021, Mazars Greece had 5 Partners and 104 people working in two offices in Athens (head office) and Thessaloniki.

The share capital of the company in Greece is held by individuals who are all certified public accountants with long professional experience and they are all members of the Institute of Certified Public Accountants of Greece and registered in the Hellenic Accounting and Auditing Standards Oversight Board. Since January 22, 2021 shareholders of the company are:

Name	Reg. HAASOB	Reg. SOEL	ID Number
Zafeiropoulos Ilias	1281	22811	AM 209641
Kasouridis Nikos	1361	22511	AB 234545
Makris Kostas	1483	26771	AE 006910
Papazoglou Michalis	1642	22921	AM 518103
Polizos Themistoklis	2218	35761	AI 652160
Tsoukalas George	1845	27621	X 109746

Mazars Greece provides:

- Audit & Assurance
- Financial Advisory
- Corporate Governance & Internal Audit services
- Accounting & Outsourcing
- Tax services

Our approach to operating in Greece

Mazars Greece's business is run by a common Management for all service lines which is responsible for managing results, developing strategies for growth and supporting our staff. As at 31 August 2021, the Service Lines were Audit & Assurance, Financial Advisory, Consulting, Accounting & Outsourcing and Tax services. Each Service Line is responsible for applying the service line strategy; quality standards and risk management; talent management and development, technical training, implementation and innovation according to the firm's management guidelines.

The allocation of 2019/2020 and 2020/2021 turnover (€m) by service line is as follows:

	2019/2020	2020/2021
Audit	1.7	1.9
Fas	0.7	0.5
Consulting	0.3	0.5
AOS	0.8	0.8
TAX	1.6	1.8
Total	5.1	5.5

The turnover (€m) of Mazars Greece in 2019/2020 and 2020/2021 can be summarized as follows:

	2019/2020	2020/2021
Audit including statutory audit & compatible services and other assurance services	2.4	2.4
Accounting & financial support	2.4	2.6
Specialized services	0.3	0.5
Total	5.1	5.5

*Specialized services include the following: Transaction Services, Risk Management and Internal Control, Organization and IT Services and Actuarial Services.

The total turnover (€m) of Mazars Greece in 2019/2020, divided into the following categories:

	2019/2020	2020/2021
Revenues from the statutory audit of annual and consolidated financial statements of public - interest entities and entities belonging to a group of undertakings whose parent undertaking is a public - interest entity	0.2	0.2
Revenues from the statutory audit of annual and consolidated financial statements of other entities	1.5	1.0
Revenues from permitted non - audit services to entities that are audited by the statutory auditor or the audit firm	1.2	1.6
Revenues from non - audit services from other entities	2.2	2.7
Total	5.1	5.5

Appendix 4 Mazars Greece Statements of Compliance

Statement of compliance with the professional training obligations

Mazars in Greece complies with Article 12 of the Law 4449/2017.

Partners and all audit personnel are required to provide an annual declaration that they have complied with the relevant requirements.

Registered auditors are required to complete at least 120 hours or equivalent learning units of relevant professional development activity in each rolling three-year period, of which 60 hours or equivalent units should be verifiable. They also have to complete at least 20 hours or equivalent learning units of relevant professional development activity each year.

Mazars has established a professional education programme that includes the organisation and delivery of technical in-house and external seminars, the active involvement of professional staff in major national and international professional accounting and auditing organisations and the development of extensive opportunities for staff to attend technical seminars and conferences.

Each year, member entities must compile and inventory training attended by their professionals, and membership of professional bodies/institutes, in order to ensure compliance with the abovementioned requirements on a multi-year basis.

Mazars confirms that these obligations have been subject to internal review.

Statement on the effectiveness on the quality management system

Mazars Group's quality management system is designed to provide reasonable assurance that the firm, its partners and staff comply with professional standards and regulatory and legal requirements, that work is performed to a consistently high standard and that reports issued by the firm are appropriate.

On the basis of its quality control monitoring conclusions, Mazars positively confirms that it met the membership obligations of the FoF in all material respects for the year 2021.

Statement on the effectiveness of our systems to safeguard our objectivity and independence

The design, operation and effectiveness of Mazars Group's systems to safeguard objectivity and independence form part of the review of the quality management system.

Based on the evidence identified in this review, Mazars confirms, with a reasonable level of assurance, that the independence procedures and practices have been implemented and the system is effective in maintaining independence. Furthermore, Mazars confirms that the practices have been subject to internal review.

Appendix 5

Staff professional training

The average number of team members at Mazars Greece during 2020/2021 was 107.

Each year Mazars Greece organizes tailored training programs according to:

- Core professional requirements (ISA's, etc.)
- Staff level per service line
- Personal needs mainly deriving from the staff performance evaluation process
- Market and product expansion strategies

Especially concerning the audit staff, a structured program is in place for all audit trainees to support them throughout their training period. Once qualified a wide range of technical support is provided to help staff maintain their technical competence and provide the quality service on which our reputation is built. The objective of these programs is to encourage each staff member's development and expertise in auditing & accounting standards, auditing techniques and engagement management principles. This technical content is complemented by a wide range of professional and business skills training programs which are available to all staff and provides an opportunity for staff from different disciplines to build strong working relationship and share best practice. To ensure audit staff and Partners maintain their technical competence and meet the respective regulatory and professional institute requirements their continued professional development (CPD) is reviewed on an annual basis, and we ensure suitable personal development plans are in place where required.

Article 12 of the Law 4449/2017 provides for the minimum professional training requirements and the training programs are structured accordingly.

Training includes both internal and external courses, including professional qualification training.

The ultimate responsibility for staff training belongs to the firm's executive which has authorized the Training Committee to develop the appropriate training programs in cooperation with the HR Committee.

In Appendix 4 we provide a statement on the effectiveness of these systems.

Appendix 6

List of Subsidiaries of Mazars Greece

The list of subsidiaries of Mazars Greece are as follows:

- Mazars Accounting Tax Single Member P.C. (100%)
- Mazars Consulting Single Member P.C. (100%)
- Mazars OOD (90%) (this entity submits a separate transparency report)

Glossary



Glossary

AAS	Audit and Assurance Service	INE	Independent Non Executive
CEE	Central and Eastern Europe	ISA	International Standard on Auditing
CCOI-	Code of Conduct for Objectivity and Independence	ISQC	International Standards on Quality Control
CLIP	Corporate Learning Improvement Process	ISQM	International Standard on Quality Management
CSR	Corporate Social Responsibility	IT	Information Technology
DAOI	Déclaration Annuelle d'Objectivité et d'indépendance (Annual Statement of Objectivity and Independence)	KPI	Key Performance Indicator
		LLP	Limited Liability Partnership
D&I	Diversity and Inclusion	M&A	Mergers and Acquisitions
ERMf	Enterprise Risk Management Framework	MAM	Mazars Audit Methodology
EQCR	Engagement Quality Control Review	Mazars Group Partners	The member entities of Mazars SC Partners and shareholders of
ESG	Environmental, Social and Governance	Mazars	entities in the Mazars Group
EU	European Union	PIC	Public Interest Committee
FA	Financial Advisory	PIE	Public Interest Entity
FoF	Forum of Firms	POB	Privately Owned Business
GDPR	General Data Protection Regulation	QCC	Quality Control Committee
GEAC	Group Ethics and Acceptance Committee	QM&C	Quality Management and Compliance
GEB	Group Executive Board	Q&RM	Quality Risk and Management
GGC	Group Governance Council	BoardSC	Société Cooperative (Cooperative Company)
GLT	Global Leadership Team		
IAASB	International Auditing and Assurance Standards Board	SME	Small and medium-sized enterprises
		SPAC	Special Purpose Acquisition Company
IES	International Education Standards	TAX	Tax services
IESBA	International Ethics Standards Board for Accountants	The Charter	Charter of Association
IESBA	Code - IESBA Code of Ethics for Professional Accountants	The Group	The member entities of Mazars
IFAC	International Federation of Accountants	SCUNSDGs	United-Nations Sustainable Development Goals
IFRS	International Financial Reporting Standards	us/we	Mazars Group

Contact

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of more than 44,000 professionals – 28,000+ in the Mazars integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*Where permitted under applicable country laws

www.mazars.gr