



# BREAKING NEW GROUND

**DIGEST**

2013/2014 ANNUAL REPORT

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You can read and download all the Annual Reports published since 2004/2005 on [annualreport.mazars.com](http://annualreport.mazars.com)

The pictures in this document feature Mazars' staff. Special thanks to them for their cooperation.



This document is an extract of our annual report. You can download the complete version on the following website: [annualreport.mazars.com](http://annualreport.mazars.com)

To access and read online our 2012/2013 consolidated financial statements, use the QR Code or the following link [www.mazars.com/financialstatements](http://www.mazars.com/financialstatements)

# WHY ARE WE MOVING TOWARDS AN INTEGRATED REPORTING APPROACH?

**NINE YEARS AGO, MAZARS WAS THE FIRST GLOBAL AUDIT AND ADVISORY FIRM TO PUBLISH CONSOLIDATED FINANCIAL STATEMENTS. TODAY, WE HAVE DECIDED TO GO ONE STEP FURTHER AND EMBARK ON A JOURNEY TOWARDS PRESENTING OUR FINANCIAL AND NON-FINANCIAL INFORMATION IN ACCORDANCE WITH THE FRAMEWORK SET OUT BY THE INTERNATIONAL INTEGRATED REPORTING COUNCIL (IIRC).**

An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects – in the context of its external environment – lead to the creation of value in the short, medium and long term.

We have embarked on a three-year journey to start our Integrated Reporting process. Applying the principles of Integrated Reporting will allow us to even better explain who we are at Mazars, and how we serve our clients, our communities and the public interest wherever we operate worldwide. We are now focusing on making an ever-clearer connection between how we use our resources and how we create value.

This process has offered us an opportunity to start a conversation with our external stakeholders, as we have done with our employees and alumni for several years. It has made it possible to develop new ways of understanding our business environment using a holistic approach.

The benefits are already clear, and integrated thinking is taking hold at Mazars. We have been able to rethink how we explain our business model and our value creation process. Our goal is to provide the business community and all our stakeholders with comprehensive, accurate and clear information so that they can understand how we create, deliver and share value.

Our challenge for the next two years will be to develop and deploy new key performance indicators (KPIs). We will select new additional KPIs, in line with the material issues we have defined in this report. At the same time, we will improve our existing indicators to measure our progress.

## **Contributing to the progress of Integrated Reporting**

Over the past two years and in line with our long-standing commitment to transparency, we have been active contributors to the IIRC, helping the organization establish the framework for this new form of reporting.

Integrated Reporting focuses on how an organization creates value and how it uses and affects six capitals:



**Financial**



**Human**



**Manufactured**



**Social & Relationship**



**Intellectual**



**Natural**



To find out more about Integrated Reporting, please visit the IIRC's website: [www.theiirc.org](http://www.theiirc.org)



**The Group Executive Board comprises six members elected in 2012 for a four-year term:**

**Philippe Castagnac**  
Group CEO, Chairman of the Group Executive Board

**Antonio Bover**  
Co-CEO, Sponsor of the Tax and Law Global Business Unit, Senior Partner of Mazars in Spain

**Hervé Hélias**  
Co-CEO, Sponsor of the Public-Interest Entity Global Business Unit, Senior Partner of Mazars in France

**Hilton Saven**  
Co-CEO, Sponsor of Emerging Markets, Senior Partner of Mazars in South Africa

**Phil Verity**  
Co-CEO, Sponsor of the Owner-Managed Business Global Business Unit, Senior Partner of Mazars in the United Kingdom

**Victor Wahba**  
Co-CEO, Member of the Executive Committee of WeiserMazars in the United States

**The Group Governance Council is made up of 14 members elected in 2012 for a four-year term:**

**Patrick de Cambourg**  
Group Chairman, Chairman of the Group Governance Council (France)

**Kenneth Morrison**  
Vice Chairman of the Group Governance Council (China, Hong Kong)

**Douglas A. Phillips**  
Vice Chairman of the Group Governance Council (United States)

**Thierry Blanchetier**  
(France)

**Kathryn Byrne**  
(United States)

**François de Carbonnel\***

**Anita de Casparis**  
(Netherlands)

**Simone Del Bianco**  
(Italy)

**Mohamed Ali Elaouani Cherif**  
(Tunisia)

**Denise K. Fletcher\***

**Patrice de Folleville**  
(Germany)

**Tim Hudson**  
(United Kingdom)

**Kathleen Robison**  
(South Africa)

**Jean-Louis Simon**  
(France)

\* External members

This Annual Report marks Mazars' first step in its move towards Integrated Reporting. It contains forward-looking information including our strategic vision and our ambitions as well as market analysis. The Group Executive Board was actively involved in preparing and validating the information contained in this Annual Report.

The consolidated financial statements of Mazars SCRL and the entities that form the Mazars organization are jointly audited by independent auditors: BDO and Crowe Clark Whitehill LLP.





*"We will push our organization's agility and performance to the next level, so that we can take full advantage of the opportunities that arise."*

Philippe Castagnac – Group CEO, Chairman of the Group Executive Board

## ABOUT US

Mazars is an international, integrated and independent organization specializing in audit, advisory, accounting, tax and legal services.

Mazars and its correspondents operate throughout 87 countries\*. Seventy-two of these countries are part of Mazars' integrated partnership and draw on the expertise of over 14,000 professionals to assist major international groups, SMEs, private investors and public bodies at every stage of their development.

The Praxity Alliance offers Mazars operating capacity via professional teams in 19 additional countries.

Efficient, trusted and innovative companies and communities are those that are capable of lending a common purpose to what they do, of shining a light on the current complexities and committing to a vision in which each individual can make a difference and contribute more broadly to the collective dynamic that results.

At Mazars, we believe the best strategies are driven by collective intelligence. We see it as our responsibility to independently advocate financial and operating models that promote stability, quality, transparency, confidence and sustainable growth.

We develop customized solutions, addressing each of our clients' challenges with a dedicated team of experts combining local market knowledge and global technical expertise. Serving public-interest entities and owner-managed businesses, Mazars' professionals operate across six business lines as experts in finance, industry, services and the public sector.

**Mazars – more collective and more transparent – to drive progress together.**

\*As of August 31, 2014



# OUR VALUE CHAIN

## FOSTERING ACCOUNTABILITY, PERFORMANCE AND TRANSPARENCY FOR OUR CLIENTS AND THE MARKETPLACE

### HOW WE CREATE VALUE

#### Developing skills and expertise

- Attracting the right people
- Training and fostering companionship
- Developing a solution-minded attitude
- Fostering employee engagement

#### Understanding international regulations and business challenges to protect the public interest

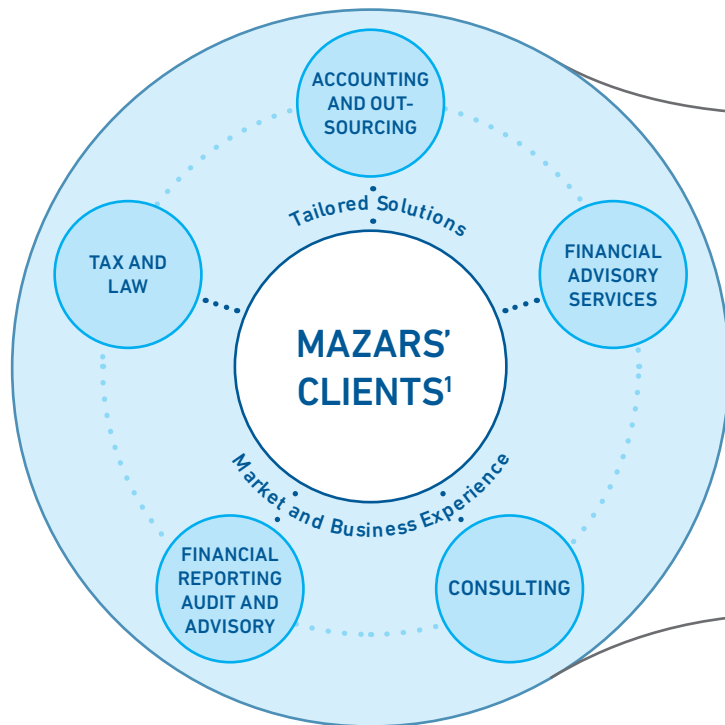
- Developing technical expertise and ensuring ethical behavior
- Incorporating industry specificities
- Sharing high-quality standards in all Mazars offices
- Conducting quality reviews

#### Contributing to a positive and productive environment

- Being an active player in the evolution of international audit and accounting standards
- Offering innovative solutions in business management
- Driving corporate social responsibility

### HOW WE DELIVER VALUE

► We provide assurance and expertise on a broad range of



<sup>1</sup>Public-interest entities, small and large corporations, owner-managed businesses and high net-worth individuals.

With skilled people and a high level of:

- Quality, reliability, transparency
- Efficiency
- Client comprehension



**OUTCOMES**



**HOW WE SHARE VALUE**

activities in various industries.



**With clients**

Client decision-making is made easier and strengthened by providing financial, tax, legal and management insights, and auditing financial and non-financial information.

We have published 21 “Doing Business In” country studies since 2011 and dozens of industry surveys are available to our clients.

**With employees and partners**

Professional development and personal fulfillment are enhanced through high-performance working practices – challenging opportunities, training for soft and technical skills and entrepreneurial spirit. The right balance is achieved by distributing revenue between employees, investments and profits.

Eighteen international and regional training programs and seminars were updated in 2013/2014.

**With professionals in the field and standard-setters**

Expertise and insights are shared to enhance business ethics and to improve the efficiency and quality of our profession.

All offices that underwent external inspections on audit quality in 2013/2014 received approval.

**With regulators and public organizations**

Greater confidence in financial and non-financial information contributes to financial, economic and social stability.

We share our insights for the OECD’s consultations related to the Base Erosion and Profit Shifting (BEPS) measures.

**With business partners**

Fairness and long-term relationships are fostered for mutual benefit.

Our Mazars’ Lab program develops win-win solutions with startups.

**With civil society**

Transparent, sustainable and inclusive growth is promoted for the public good.

Fifty projects have been funded by the Mazars Foundation since 2010.

# SERVING OUR CLIENTS WORLDWIDE

Geographic coverage as of January 1, 2015

WE ARE CONSTANTLY EXPANDING OUR GEOGRAPHIC COVERAGE AND STRENGTHENING OUR INTERNATIONAL TEAMS TO SERVE ALL OUR CLIENTS WHEREVER THEY OPERATE ACROSS THE GLOBE, WITHOUT EVER COMPROMISING ON OUR STANDARDS OF EXCELLENCE.

- Integrated countries
- Non-integrated countries: Mazars correspondents and representative offices
- Countries covered via the Praxity Alliance

## NORTH AMERICA

Staff: 783  
Offices: 9

- Bermuda
- Canada
- United States
- (including representative offices in the Caribbean Islands)

## CENTRAL & SOUTH AMERICA

Staff: 1,167  
Offices: 18

- Argentina
- Brazil
- Chile
- Dutch West Indies
- Ecuador
- Mexico
- Peru
- Uruguay
- Venezuela



- Albania
- Austria
- Belgium
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Russia
- Slovakia
- Spain
- Sweden
- Switzerland
- Turkey
- Ukraine
- United Kingdom and Channel Islands (including a representative office in Gibraltar)

## EUROPE

Staff: 7,813  
Offices: 154  
(including Martinique)

## MIDDLE EAST

Staff: 589  
Offices: 12

## ASIA PACIFIC

Staff: 1,938  
Offices: 23

## AFRICA

Staff: 1,798  
Offices: 35

- Algeria
- Angola
- Benin
- Botswana
- Cameroon
- (including representative offices in Chad and Democratic Republic of the Congo)
- Congo-Brazzaville
- Djibouti
- Ghana
- Ivory Coast
- Kenya
- Libya
- Madagascar
- (including representative offices in the Union of the Comoros)
- Mauritius
- Morocco
- Namibia
- Nigeria
- Senegal
- South Africa
- Tanzania
- Tunisia
- Uganda

- Bahrain
- Egypt
- Israel
- Kuwait
- Lebanon
- Palestine
- Qatar
- Saudi Arabia
- Sultanate of Oman
- The United Arab Emirates

- Australia
- China (Mainland & Hong Kong)
- India
- Indonesia
- Japan
- Kyrgyzstan
- Malaysia
- Myanmar
- New Caledonia
- Pakistan
- Republic of Korea
- Singapore
- Thailand
- Vietnam

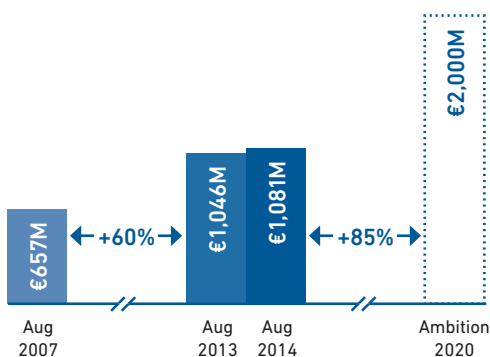
Staff: average full-time equivalents for 2013/2014  
Offices: number of integrated offices

# OUR 2013/2014 KEY PERFORMANCE INDICATORS

OUR BUSINESS EXPERIENCED SOLID GROWTH ONCE AGAIN OVER 2013/2014, DESPITE CHALLENGING ECONOMIC CONDITIONS. WE CONTINUED TO WIN NEW ASSIGNMENTS, ADD VALUE FOR OUR CLIENTS AND INVEST TO EXPAND OUR ORGANIZATION AND MAINTAIN THE SAME LEVEL OF QUALITY.

## Turnover

**€1,081M +5.8%**



## Breakdown of growth composition

### Organic growth 2013/2014

**+3.9% €40M**

### External growth 2013/2014

**+1.9% €19M**

### Currency impact 2013/2014

**-2.4% €-24M**

The euro started falling against currencies in some of our large markets such as the United States and China at the end of July and against the Swedish krona in mid-June, but is still today appreciated against the South African rand and the Turkish lira.

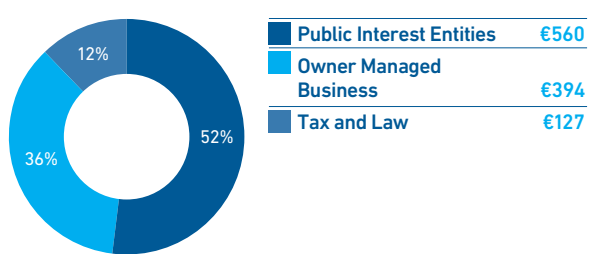
## Consolidated income statement

(€ thousand)

	2013/2014	2012/2013
Turnover	1,080,817	1,045,610
Cost of technical staff	-545,384	-522,898
<b>GROSS MARGIN</b>	<b>535,433</b>	<b>522,712</b>
Cost of administrative staff	-84,596	-82,395
Other costs	-223,733	-225,495
Depreciation and provisions	-18,243	-16,565
<b>OPERATING SURPLUS</b>	<b>208,861</b>	<b>198,257</b>
Amortisation of client relationships and impairment of goodwill	-4,994	-4,560
Financing costs	-3,188	-5,092
<b>SURPLUS BEFORE PARTNERS' REMUNERATION</b>	<b>200,679</b>	<b>188,604</b>
Partners' remuneration	-200,538	-188,562
<b>PRE-TAX RESULT</b>	<b>141</b>	<b>42</b>
Corporate income tax	-68	-13
<b>POST-TAX RESULT</b>	<b>73</b>	<b>29</b>

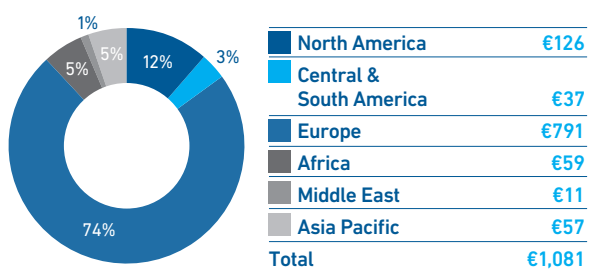
### Turnover per Global Business Unit

(€ million)



### Turnover per Region

(€ million)



## Developing the highest performing teams in an international environment

Average age of our staff

# 28 years

Average age for the co-option of our Partners

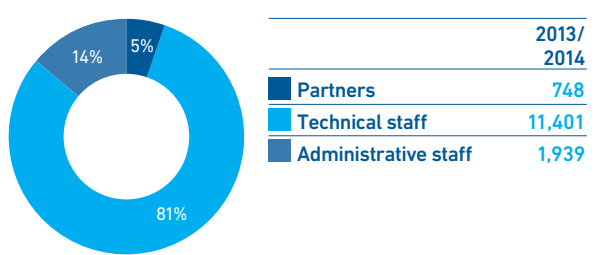
# 42 years

Average age of our Partners

# 49 years

Breakdown of staff

(full-time equivalents)



## A mix between companionship and formal education

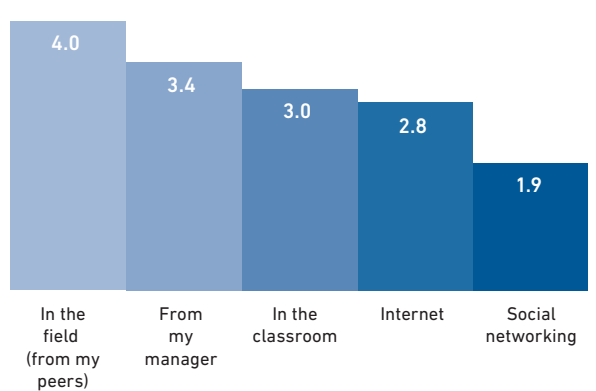
“When I don’t know something technical, I usually ask...”



Global survey of 3,000 Mazars Gen Y-ers worldwide

“My preferences for learning are...”

(Average ranking – 1 to 5)



# HIGHLIGHTS OF THE YEAR\*



## Manufactured

### Extending our coverage

We expanded our global partnership with new offices in Zagreb and Tirana. Our correspondents in Croatia became fully-integrated members of the Mazars Group on September 1, 2013. Our correspondents in Albania became fully integrated members on January 1<sup>st</sup>, 2015. Mazars also extended its service capacity by signing new correspondent agreements in Uganda, Tanzania and all three Baltic States.

\*These highlights are presented using the six capitals of Integrated Reporting.



## Intellectual

### Opening our executive MBA to external talent

The Next MBA pioneered by Mazars has taken another step forward by welcoming a new intake of 22 participants from a consortium of seven companies: Areva, AXA, L'Oréal, Manpower, Mazars, Saint-Gobain and SBT. This innovative program aims to foster thoughtful leadership and offer superior networking, while allowing future leaders to hone their skills in an ecosystem promoting cross-industry learning.



## Social & Relationship

### Sponsoring innovative debate

Some 400 participants gathered in Aix-en-Provence, France, in May 2014 at the TEDx Conference on Disruptive Leadership Education sponsored by Mazars in collaboration with the EDHEC Business School and Manpower. The day was designed as a catalyst for ideas, to rethink practices and implement them on an individual, organizational and societal level – offering a moment for networking and meaningful discussions with experts such as Jeff Sutherland, Michel Noir, Idriss J. Aberkane, Ann Lund Wahlberg, Eric Cornuel and Ben Chang.





## Financial

### Strengthening our practices

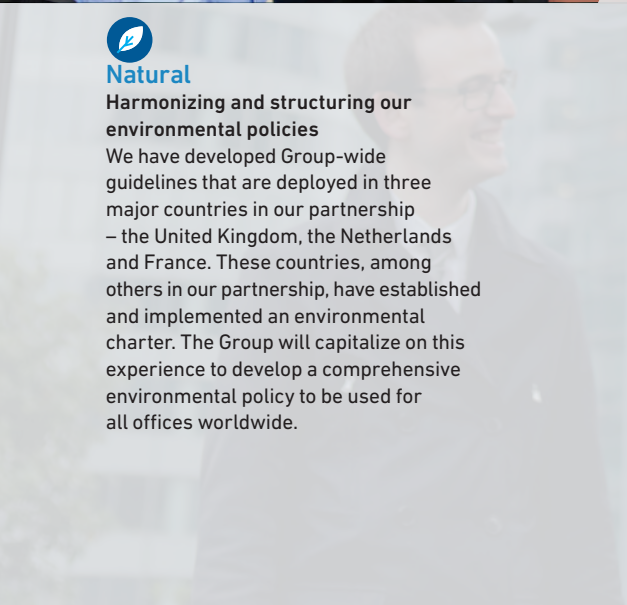
We are strengthening our partnership both in key countries and where opportunities have to be seized. Several practices joined Mazars in 2013/2014, primarily in the United States with the integration of practices specializing in the healthcare sector, and in France. We also integrated two additional boutique firms – one in Sweden and one in Italy.



## Natural

### Harmonizing and structuring our environmental policies

We have developed Group-wide guidelines that are deployed in three major countries in our partnership – the United Kingdom, the Netherlands and France. These countries, among others in our partnership, have established and implemented an environmental charter. The Group will capitalize on this experience to develop a comprehensive environmental policy to be used for all offices worldwide.



## Human

### Making the partnership a talent factory for future needs

Did you know that five years ago 57% of our Partners had not yet been co-opted? The partnership is constantly evolving to integrate top-notch professionals – developing new offers and increasing our presence where our clients need us. Over the past 10 years, 66% of our new partners have come from Mazars' ranks, demonstrating our ability to develop talent over time.

### Welcome to the Women's planet!

Following the success of its previous studies, Mazars and the French United Nations Women's Committee invite you to step into the daily lives of some 2,400 women from three different generations – Generation W born between 1945 and 1960, Generation X born between 1961 and 1980, and Generation Y born between 1981 and 1995 – in 108 countries ([annualreport.mazars.com/mazars-ONU](http://annualreport.mazars.com/mazars-ONU)).



# FOSTERING TRUST AND QUALITY

**TRUST LIES AT THE HEART OF VALUE CREATION. TODAY, THE MARKET NEEDS TO BE ABLE TO RELY ON TRUSTED PLAYERS. STRONG COMPLIANCE AND RISK MANAGEMENT IMPROVE THE QUALITY OF SERVICES, WHICH IN TURN CREATES A CLIMATE OF TRUST FOR ALL PLAYERS – INVESTORS, BUSINESSES, REGULATORS AND GOVERNMENTAL BODIES.**

## **ENHANCING TRUST IN THE EUROPEAN BANKING SYSTEM**

Before the Single Supervisory Mechanism started taking effect, the European Central Bank submitted the 130 largest banks in the Eurozone to comprehensive assessments. From December 2013 to November 2014, they were required to undergo a three-fold audit: a supervisory risk assessment, an asset quality review and a stress test. All three were conducted by the National Banking Supervisors and the European Central Bank.

Mazars was selected by several European banks and National Banking Supervisors to help prepare or review this comprehensive assessment in eight different countries – the Netherlands, France, Spain, Italy, Belgium, Ireland, Malta and Germany – and for more than 19 banks.

## **GLOBAL COMPLIANCE MADE EASY WITH INCONTROL**

Mazars launched InControl, an online portal to manage local compliance regulations across different countries and enable users to track the progress of all major compliance processes – accounting, financial reporting, tax, VAT & sales tax, and payroll – through up-to-the-minute dashboards. The tool gives users complete oversight of all their compliance activities, which in turn improves transparency.

The portal relies on a tried-and-tested software solution and is not used to record accounting and other transactions. Data is stored in a secure data center that is audited by an external company. Reports are uploaded through the portal, offering more security and user rights are also strictly controlled on a monthly basis. InControl creates an information hub for regional headquarters so that they can identify the compliance requirements for each country. With InControl, clients have access to the portal 24 hours a day and 7 days a week via the Internet.



## **PROMOTING BEST PRACTICES THROUGH ANTI-CORRUPTION CERTIFICATION**

After helping clients devise and implement anti-corruption measures for several years, Mazars took its services to the next level in 2013. We decided to develop both an advisory offer and a certification offer inspired by anti-corruption best practices and based on a benchmark established in compliance with national and international laws and regulations. Our benchmark has been approved by an International Advisory Board and the French Justice Ministry's Service Central de Prévention de la Corruption.

Certification hinges on two key factors: implementation and actual application of the benchmark within the audited entity. It is based on verification of the anti-corruption program's compliance with our benchmark's 200 control points, as well as interviews with the company's officers, directors and employees, across all relevant sites. While certification provides only "moderate" assurance, it does offer companies unquestionable credibility both in France and in the eyes of foreign authorities. It also helps audited entities enhance their in-house procedures, and brings an added benefit in their communications with all stakeholders.




*“To be accountable, you have to be understandable”*

Mervyn King, Chairman of the International Integrated Reporting Council



## ANALYSIS OF POTENTIAL RISKS AND OPPORTUNITIES

Opportunities and risks	Capitals	Stakeholders	Initiatives and/or mitigation measures
<p>O Compliance with regulations: The development and strengthening of regulations impact audit activities – e.g., EU audit reform, mandatory rotation in China and India, and services prohibited to auditors.</p>	  	Clients, employees, governments and Partners	We keep up to date with the latest changes in regulations and we inform our clients in a timely manner. We believe that joint audits, which we have practiced for many years, enhance audit quality and help prevent market concentration.
<p>O/R Quality: The audit and assurance market continues to be impacted by tough external conditions, client pressures and intense inter-firm competition.</p>	  	Clients, employees and Partners	For Mazars, fair tendering is a good way to maintain innovative solutions in our profession, and therefore we continuously invest to adapt our methodologies and tools.
<p>O/R Confidentiality and data protection: A situation could arise where business and personal data from clients, clients' personnel, Mazars' employees and third parties may not be adequately protected.</p>	 	Clients, employees and Partners	We implement a Global Data Privacy Policy in our offices and continually strengthen our Information System Security Management to protect personal data of clients, clients' personnel and third parties.
<p>O/R Compatibility/Independence: Significant non-audit services could threaten the perception of the independence of auditors.</p>	 	Clients and Partners	We make sure that our risk management procedures ensure independence and prevent potential conflicts of interest. We stay focused on our core activities.
<p>R Reputation: Significant failure in one Mazars office to comply with legal, ethical or professional requirements could damage our brand and reputation.</p>	 	Clients, employees and Partners	<p>Our internal quality management systems, which are designed to maintain and enhance quality, include, among other things:</p> <ul style="list-style-type: none"> <li>• Client engagement and acceptance processes and standards supported by methodologies and tools,</li> <li>• Continuous technical and soft-skill training of staff and Partners,</li> <li>• Quality reviews of Mazars' offices.</li> </ul>

# ADDING VALUE FOR CLIENTS

**IN AN ENVIRONMENT MARKED BY GREATER VOLATILITY AND MORE FREQUENT DISRUPTIONS, COMPANIES MUST FORMULATE A LONG-TERM STRATEGY TO PROMOTE STABILITY AND STIMULATE SUSTAINABLE GROWTH. FOR PROFESSIONAL SERVICES PROVIDERS, THIS MEANS NURTRURING THE RIGHT TALENT AND BEING ABLE TO OFFER TAILORED HIGH QUALITY SERVICES WHEREVER THEIR CLIENTS OPERATE.**



## EDUCATION AT THE HEART OF OUR MODEL

Mazars University is dedicated to providing top-notch technical and soft-skills training for staff around the world. With Mazars University, we bring our people together to think, learn, grow, connect, and challenge themselves and their peers and ensure first-class technical training for staff around the world, while focusing on improving business acumen. With cutting-edge learning techniques and top-level faculty and guest speakers, Mazars University clearly positions Mazars as an innovative contributor in the field of business education.



## SHARING FOOD AND BEVERAGE EXPERTISE

The WeiserMazars United States team has developed the perfect mixture of knowledge, experience, and trust for the food and beverage industry. Every year, we organize Food and Beverage Industry CEO Best Practices Forums where hundreds of CEOs and C-level executives representing the entire supply chain – from manufacturers to restaurant owners – come together to share their expertise.

Louis J. Biscotti, National Director of Food & Beverage, is a firm believer in the importance of connecting people in the industry. “We work closely with a wide range of industry experts who present the latest food and beverage trends at our events,” says Lou Biscotti. “And we always provide ample time for networking.”

Some 20 US-based Partners specialize in serving the food and beverage industry, working hand-in-hand with Mazars’ offices internationally. “When a US beverage company needs to audit a plant in Ireland, for instance, you have to have feet on the ground,” notes Lou Biscotti.

We have developed solid relationships with thousands of food and beverage companies, and work with some 500 companies internationally.



## SERVING THE BRAZILIAN MARKET FOOD

Since 2011, Mazars has strengthened its presence in Brazil to meet the needs of European clients seeking Financial Advisory Services (FAS). The team now has 20 professionals, and has worked on over 150 projects, 60% of which involved European or US investors.

In addition to advising international clients, we strengthened our footprint in Brazil by advising local private equity funds on more than 10 deals and have demonstrated our ability to provide critical support to listed Brazilian large corporates on strategic investments are our capacity is also recognized by US clients and leading European groups.

The FAS team draws on the expertise of international professionals who have experience with both the US and European markets, as well as local specialists who understand what makes the Brazilian market unique.

Several large-scale projects have been led jointly with FAS teams in São Paulo, Paris, London or New York. Over the coming year, we will also be expanding our tax advisory practice to provide a complete range of services on complex transaction structures involving Brazil.





*“Auditors and advisors must serve as more than gatekeepers”*

Lena Yang, Managing Director of Hearst Magazines International – China



## Analysis of potential risks and opportunities

Opportunities and risks	Capitals	Stakeholders	Initiatives and/or mitigation measures
O <b>International network:</b> The development of new integrated networks promotes innovation and reduces the systemic risk related to the failure of one global network.	 	Clients, employees, institutions and Partners	Over the last 10 years, Mazars has regularly invested in order to develop its international integrated partnership. Our partnership covers 72 countries, and with our correspondents and alliances we provide services in over 110 countries.
O <b>Service offering:</b> Specialty services are in higher demand.	  	Clients, employees and Partners	We provide innovative, tailored and global solutions to our clients. Combining the reliability of our methodologies with our ability to think “outside the box,” we deliver value to our clients and our communities.
O/R <b>Reputation:</b> The influence of alumni on the market and on regulatory and professional bodies could either harm the profession and impede competition or contribute to improving business sustainability.	   	Alumni, clients, communities, institutions and Partners	While maintaining its independence, Mazars is actively engaged with its alumni to share insights and review business needs. Through a better use of social networks, we are improving our commitment to dialogue with our alumni.
R <b>Talent:</b> Skilled people, especially in economically vibrant areas, are increasingly difficult to attract and retain.	 	Clients, employees and Partners	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 to make their years with Mazars a profitable experience and prepare them to be future leaders inside or outside our firm.
R <b>Performance and efficiency:</b> Volatile, negative or uncertain economic conditions could affect our ability to provide high quality services.	  	Clients, employees and Partners	The quality standards of our services are non-negotiable. Our teams work together with the aim of creating synergies to develop perfectly integrated solutions based on a thorough understanding of our clients’ markets and our ability to anticipate changes.

ADDING VALUE FOR CLIENTS

**CORPORATIONS CAN NO LONGER LIVE IN THE SHADOWS. THEY WILL BE EXPECTED TO PARTICIPATE DIRECTLY IN THE DEBATES THAT IMPACT THE FUTURE OF THE COMMUNITIES IN WHICH THEY OPERATE AND BE FULLY AWARE OF THEIR ECONOMIC AND SOCIAL RESPONSIBILITIES. TOMORROW'S LEADERS WILL HAVE TO BE ABLE TO MEET THESE EXPECTATIONS.**



## **GREATER INDEPENDENCE, QUALITY AND OPENNESS: THE ADVANTAGES OF JOINT AUDITS**

In France, companies that issue consolidated financial statements are required to use the services of at least two auditors from different firms. This requirement covers three key objectives.

First, it bolsters auditors' independence with respect to the entities they audit, which are often very large.

Second, it helps enhance auditing efficiency and quality, as a dual professional perspective on a company's financial statements provides additional reassurance for shareholders, investors, regulators and the market.

Finally, joint audits help open up the public-interest entity market allowing new players to emerge and gain a foothold. The European Union has made the promotion of joint audits one of the focal points of its recent audit market reform. In relation to the mandatory rotation of audit firms, companies that implement joint audits will have the opportunity to retain their auditors for 14 additional years, without having to launch a new request for proposals.



## **DEVELOPING INNOVATIVE SOLUTIONS**

Clients' fast-changing expectations, new technological capabilities, and a necessity to quickly scale up and perform innovative services across a wide geographic spectrum are three key drivers that are pushing Mazars to roll out innovative service lines.

These include human rights audit, anti-corruption audit, supply chain audit, long-term contract audit, forensic IT audit and corporate social responsibility assurance. Internal teams have been working to design and create a responsible roll-out of innovative, expert-oriented services.



## **THE NEXT MBA AND BEYOND**

We created an innovative program, The Next MBA, which brings together top-notch faculty members from all over the world and best-in-class learning methodologies: action learning, community building, facilitated peer coaching, digital engagement, and other educational experiences. This six-week program, which is spread out over two years, is open to top executives both within Mazars and from other companies.

## **"BUSINESS. FOR GOOD"**

Every year, Mazars introduces a global business theme to engage internal and external stakeholders in a timely topic. In 2014, we introduced "Business. For Good," which showcases the international efforts led by Mazars to generate rewards for both business and society in the following areas: Anti-corruption and Antibribery, Business in Society, CSR & Integrated Reporting, Diversity, Human Rights in Business, Social Business, Tax Transparency and Leadership. All these initiatives are published and updated regularly on the "Business. For Good" digital platform: <http://collectiveintelligence-mag.mazars.com>

Mazars is currently co-sponsoring the Economist Intelligence Unit survey on business and human rights to build understanding of business awareness, commitment and progress regarding human rights. The results of the survey will be released in February 2015.

*“Improving audit quality in the EU to help drive economic recovery”*

Nathalie Berger, Head of the Audit and Credit Rating Agencies Unit at the Directorate-General for Financial Stability, Financial Services and Capital Markets Union



### Analysis of potential risks and opportunities

Opportunities and risks	Capitals	Stakeholders	Initiatives and/or mitigation measures
O <b>Innovation:</b> Serving the public interest goes beyond providing outstanding services to clients.		Communities, employees and Partners	Our continued investment in targeted initiatives and our global contribution to shaping the market will help improve the public good.
O <b>Ethical behavior:</b> Our stakeholders expect us to demonstrate responsible behavior with regard to our employment practices, our investments, the taxes we pay and our relations with our suppliers.		All stakeholders	Mazars' code of conduct is shared at the international level. It clearly defines our policy to promote ethical behavior and avoid disputes with our clients, suppliers or local communities. All issues raised by Mazars' professionals or other parties are analyzed to improve our practices.
R <b>Talent:</b> A perceived lack of attractiveness in our profession and inability to manage Millennials' expectations could impact our future.		Employees	We have to be responsive and give these young people the input they need to feel fully engaged in their careers. At Mazars, we are developing a Human Resources approach to maintain an adequate balance between these new aspirations and the market's constraints.
R <b>Misunderstanding:</b> A potential failure to respond in a transparent manner to issues raised by our main stakeholders could negatively impact our reputation.		All stakeholders	We strongly believe that our partnership's social responsibility initiatives must be linked to our business model and value creation process. This year, we also extended our dialogue with our communities via a dedicated website: <a href="http://www.collectiveintelligence20.com">www.collectiveintelligence20.com</a> .

Manufactured
 Intellectual
 Social & Relationship
 Natural
 Financial
 Human

PREPARING THE FUTURE

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