

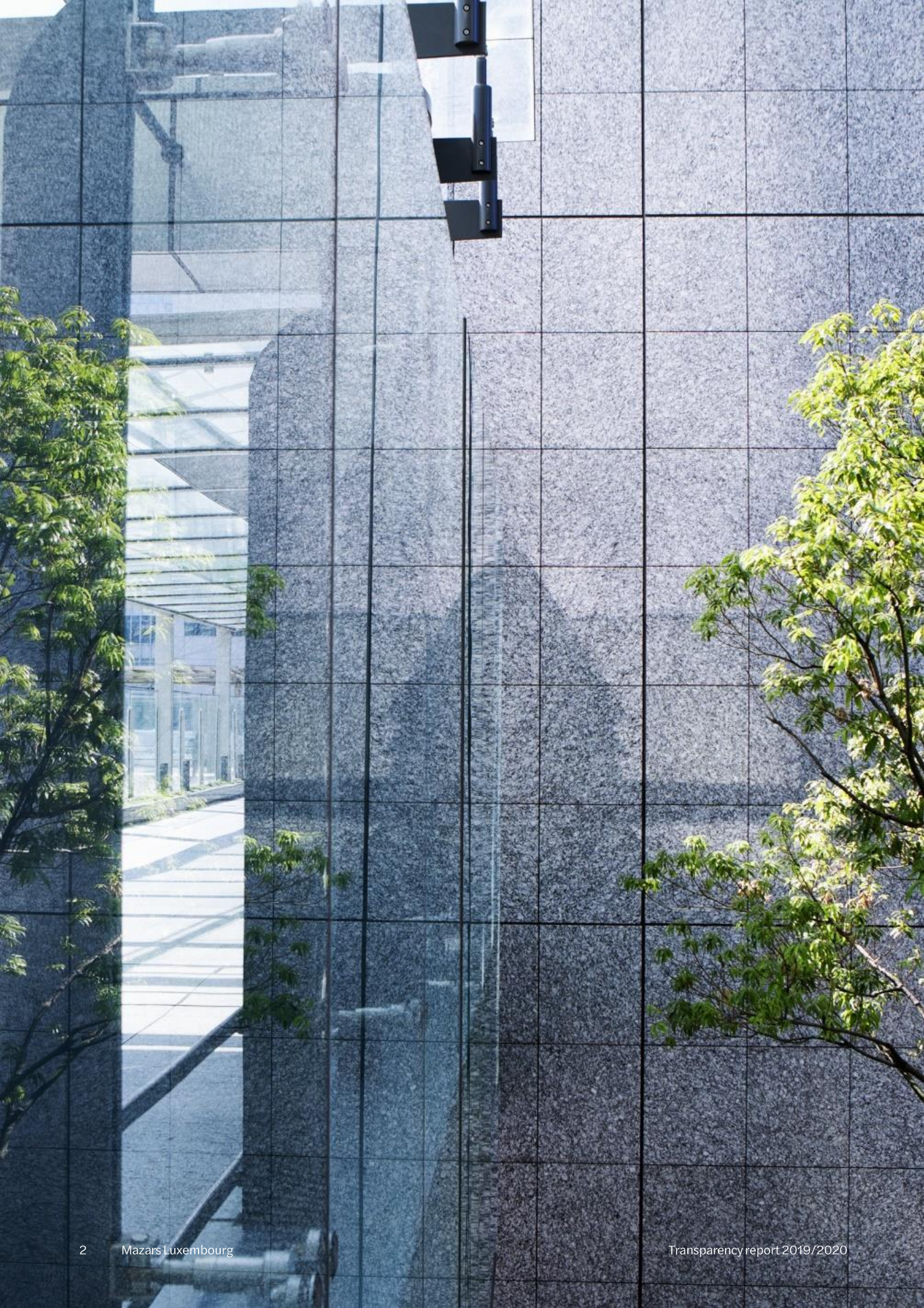


Transparency report

Mazars Luxembourg

2019/2020

mazars



Contents

- 04** Foreword from Mazars Luxembourg
- 05** Foreword by Hervé Helias, Mazars CEO & Chairman
- 07** Our value proposition
- 24** Mazars at a glance
- 28** Statement by Jean-Luc Barlet, Mazars Group Chief Compliance Officer
- 30** Statement by David Herbinet, Global Head of Audit
- 33** Inspiring confidence in audit quality
 - Our culture and overall talent policy
 - Delivering quality
 - Quality monitoring
 - Quality indicators
 - Ensuring our objectivity and independence
- 51** Our structure, leadership, and governance
- 67** Mazars in Luxembourg
- 69** Statement of Compliance
- 71** Public Interest Entity Audit clients of Mazars Luxembourg
- 73** Glossary

Foreword from Mazars Luxembourg by Muhammad Hossen, Managing Partner and Pierre Friderich, Country Audit Leader

Transparency report Mazars Luxembourg

We are pleased to introduce the 2019/2020 Transparency report for Mazars in Luxembourg.

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 31 August 2020, Mazars is present in more than 90 countries and territories around the world.

This Transparency report covers the period from 1 September 2019 to 31 August 2020. It is prepared in accordance with article 13 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014.

Luxembourg, 23 December 2020



Muhammad Hossen
Managing Partner



Pierre Friderich
Country Audit Leader
Réviseur d'entreprises agréé

A handwritten signature in black ink, appearing to be 'MH' with a stylized flourish.

A handwritten signature in black ink, appearing to be 'P. Friderich' with a stylized flourish.

Foreword by Hervé Hélias, Mazars CEO & Chairman

Providing a clear and long-term perspective in uncertain and troubled times

By all accounts, 2020 has been a year like no other. The environment in which we operated compels me to first and foremost say thank our people, who showed remarkable resilience and were able to serve our clients and provide a very high level of dedication and quality, despite demanding sanitary measures. They must be commended for their great work and exceptional sense of duty.

In such a difficult context, with our primary focus on the safety of our and our clients' teams, we managed to do more than weather the storm. Our previous strategic plan – The Next20- came to an end and we can reasonably acknowledge that we met most of the objectives we had set for ourselves.

Actually, we have collectively taken Mazars to the next level. We now are a truly global Group, the only one with a genuinely independent and integrated model. We have kept our European roots, but we operate in more than 90 countries around the world. We have developed a full range of services, and considerably increased our client base. We are getting close to the symbolic milestone of two billion euros in revenue, which we had projected, and we have over 26,000 Mazarians.

Whilst investing, we have been able to develop our market positions. In our core audit business, we have recorded significant successes with large PIEs in France and in the UK, particularly. We have reinforced our North-American Alliance, which enables us to rely on the expertise of another 16,000 professionals, to serve large multinational corporates. Our regional organisation has also been solidified, as have all our service lines. In light of these achievements, there is no doubt Mazars is now a true global player, one that offers choice in a market that is looking for increased variety and alternatives.

Our new brand identity comes at a timely moment to celebrate our progress and propel us into our One24 programme. It is a true partnership success and we can all be proud of what we have done together, but we want to further accelerate our transformation.

Our goal is clearly to anchor Mazars as one of the leading international audit and consulting firms, with a long-term perspective and without ever compromising our values and our model.

Looking ahead

We will certainly experience an unprecedented, challenging period, but we want to look beyond that. We are entering a world of profound transformation, and like any other turbulent period, it is a window of multiple opportunities for us.

Among those we have identified are:

1. Making a breakthrough on the international PIE market
2. Accelerating our technological transformation to upscale our key PIE, POB and SME key markets ;
3. Responding to the new needs generated by the Covid-19 crisis and its aftermath;
4. Delivering augmented audit, with increased consistency and quality and a bigger societal impact;
5. Making Mazars a genuine professional school of excellence and becoming the employer of choice in the profession for the younger generations.

To seize these opportunities, we have designed our One24 plan as a transformative journey based on our strengths and uniqueness: quality, operational integration, international consistency, dedication and care for our clients and teams.

We will also have to consolidate our expansion, though it should not be an end in itself. We remain open to external growth deals, whatever their size, provided they serve our transformative strategy.

Most of all, we will stay true to our culture. We all need to embrace change, get ready to do things differently and learn from others. Whilst keeping our entrepreneurial spirit, we need to work collectively and in a structured way. And we will not shy away from daring, being bold and taking initiative.



Hervé Hélias
CEO and Chairman



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 services.

Founded in Europe, Mazars is present in over 92 countries and territories, with 42,600 professionals – 26,600 in our integrated partnership, 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.

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.

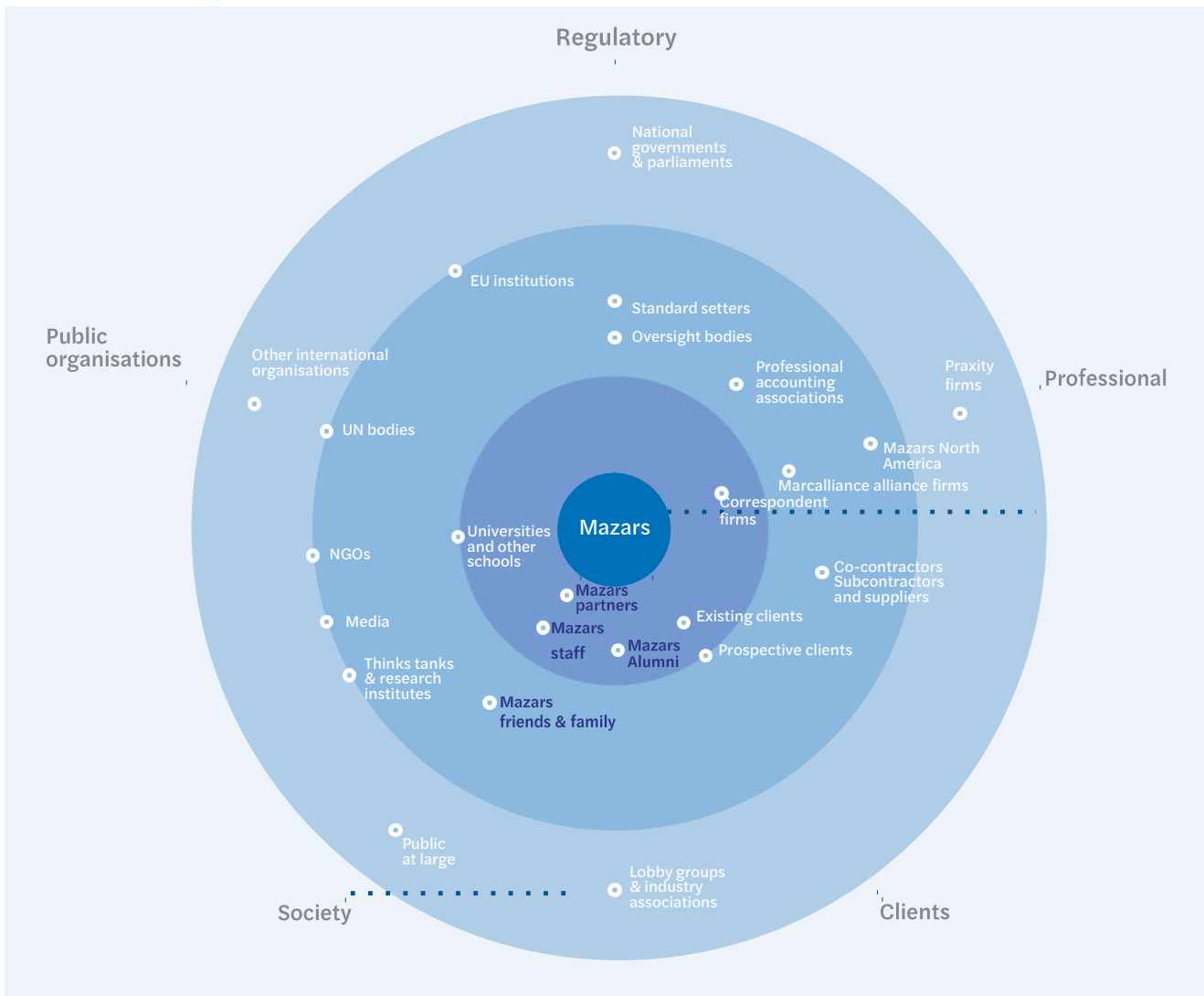
We combine our global presence, international expertise and local roots to better understand our clients, build long-term relationships and provide each of them with answers and solutions that are tailored to the unique situation they face on their market. We approach every assignment with the same commitment to delivering the highest level of quality, as well as 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.

Our value proposition

Our stakeholders' map

Stakeholder map

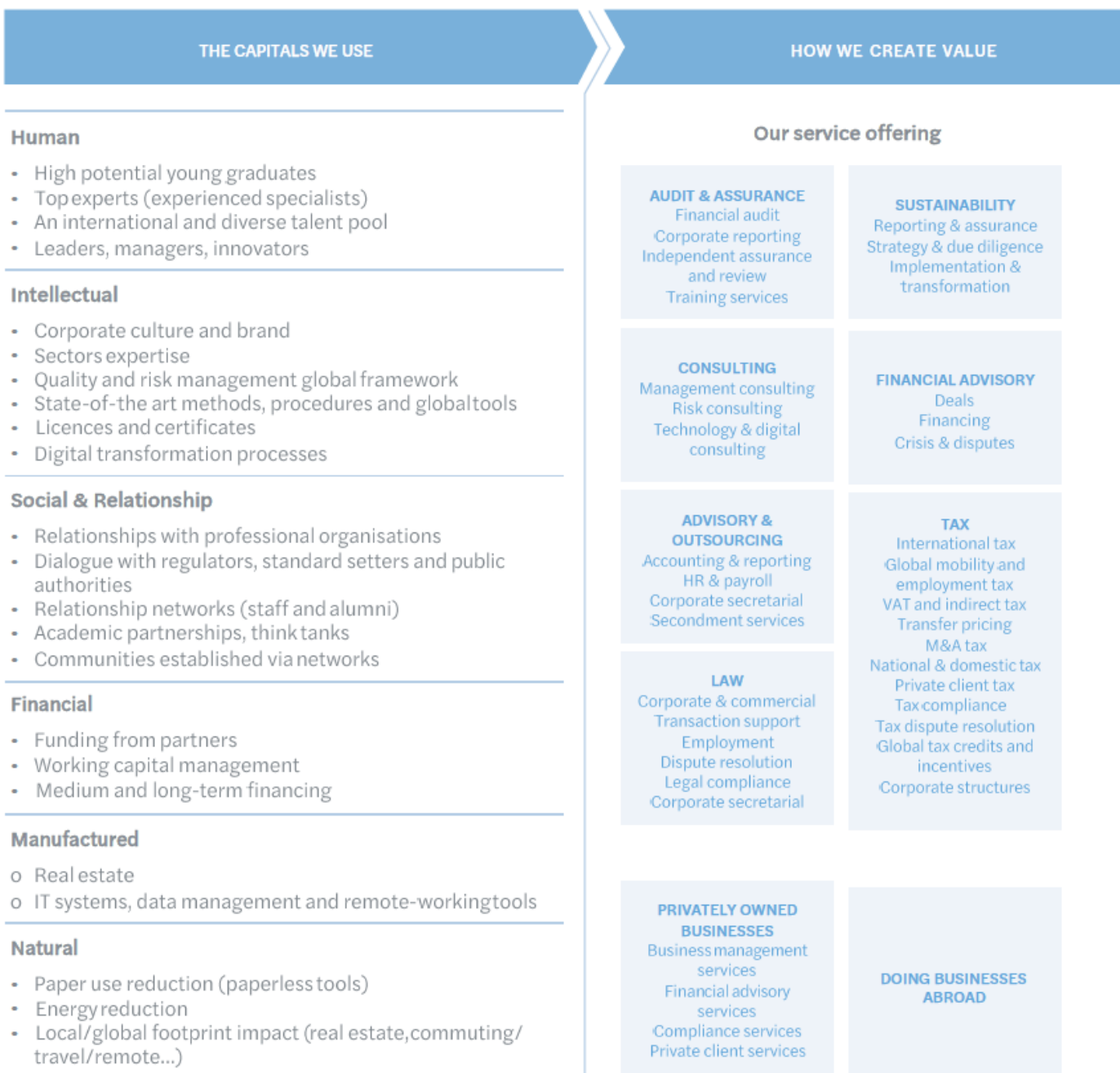




Our value proposition

How we create, use and share value

Our value creation chain



Our value proposition

How we create, use and share value

Our value creation chain



Our value proposition

How we assess and manage our risks/opportunities

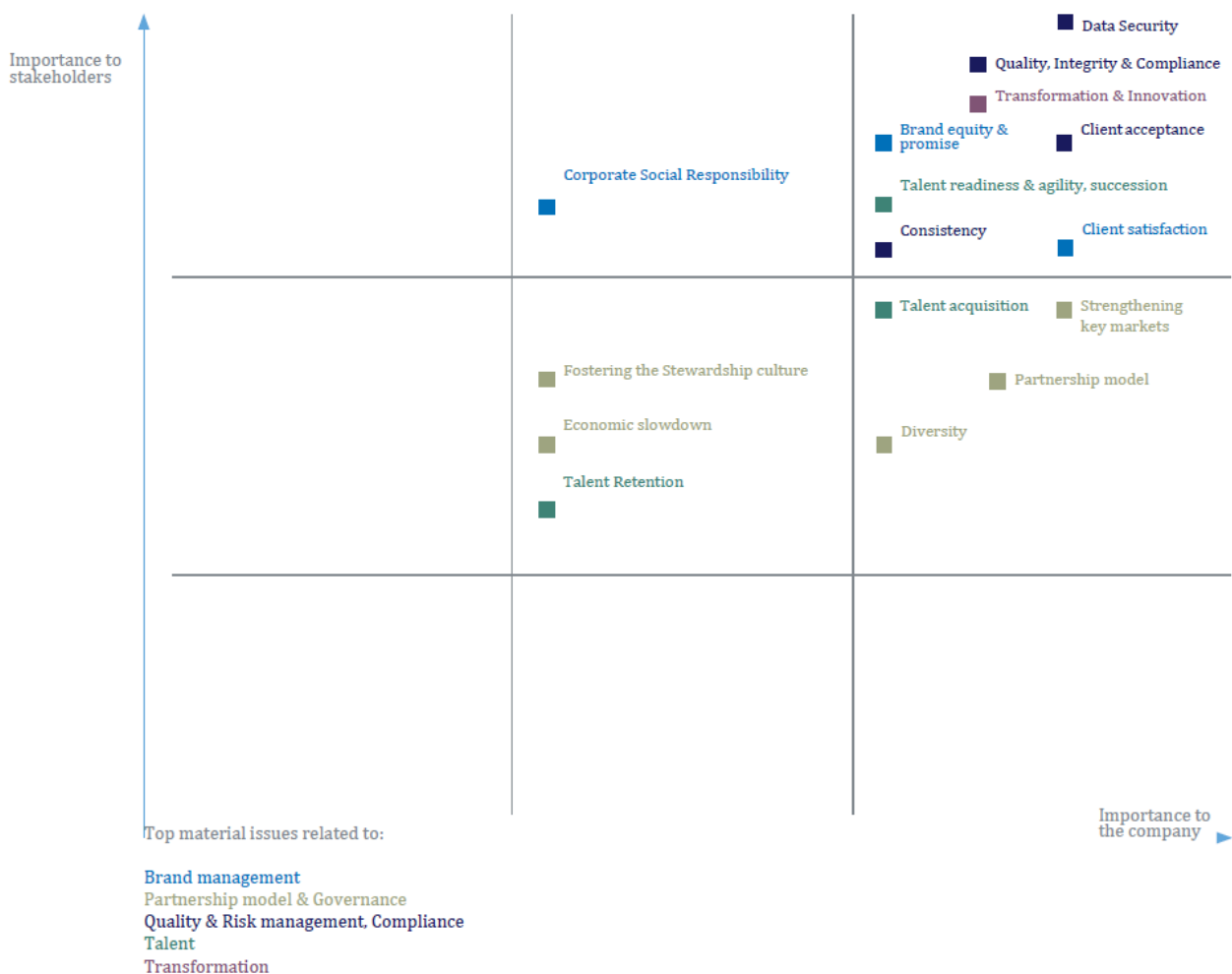
How we assess and manage our risks

Our top material issues matrix

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 meet to ensure sustainable growth.

Our top material issues



Our value proposition

How we assess and manage our risks/opportunities

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 to enable us to readily respond in the event they materialise.

Lately, the Covid-19 crisis and its consequences, as well as the danger of such threats as IT-related risks, have led us to update our risks and opportunities table, and to identify new ways of appropriately limiting their consequences.

We especially focused on the mapping of macro-economic and systemic risks, as those could potentially impact our entire organisation and demand specific efforts to be adequately anticipated and mitigated.

We have also placed particular emphasis on implementing processes and procedures to protect our partnership from risks that could undermine it from the inside. We believe the measures we have taken enable us to look at the future with confidence, to ensure the delivery of high-quality and secure services to our clients and to 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

Our clients, our people and our global partnership could/will face new challenges due to the economic, social and regulatory implication caused by the worldwide Covid-19 pandemic.



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.








Clients, Society

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.

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>	  	Clients, Society	<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 92 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>	 	Clients, Society	<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>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>

Our value proposition


How we assess and manage our risks/opportunities

 Human capital
  Intellectual capital
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  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>	 	Clients, Society	<p>We have implemented risk management procedures that ensure the independence of our two core professions as auditors or advisers. We have recently refreshed and 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>Compliance with regulation</p> <p>The development and strengthening of regulation have an impact on our activities.</p>	  	Clients, Society, Public and regulatory organisation	<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>Confidentiality and data protection</p> <p>A situation could arise where business and personal data may not be adequately protected.</p>	 	Clients, Society	<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 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>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 organization.</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>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
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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>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 and Group and local levels, we have implemented initiatives to fight against discriminations and promote gender diversity.</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 92 countries and territories where we now have fully-fledged integrated Mazars offices. We are a truly multicultural group, with 24.400 professionals worldwide and 1,015 partners.</p> <p>According to the latest IAB survey, we rank:</p> <ul style="list-style-type: none"> 13th Worldwide according. 14th in Audit worldwide. 12th in Advisory. 15th in Tax. 16th in North America 14th in Latin America 15th in the Middle East 8th in Europe 7th in Africa 17th in Asia Pac
<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 quarterly 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.

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

 Human capital
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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 Lab, a physical space 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 technologybased 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>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>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 6 innovation hubs and a worldwide network of innovation ambassadors.</p> <p>Significant investments in new and innovative digital solutions for various lines of business from project ma that spearhead our efforts in all countries.</p>

Our value proposition

How we assess and manage our risks/opportunities

Risks / Opportunities	Capitals	Stakeholders	Initiatives
<p>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. Under the "Sustainability Services" umbrella, 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>

Our value proposition

How we view audit, today and tomorrow

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, help to build sustainable businesses for the benefit of society as a whole.

Through audits we deliver insight, promote transparency and provide constructive challenge, 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 future-proof the organisations we audit.

Audit is first and foremost about people.

We focus on building positive, effective relationships that engender trust and deliver demonstrable worth.

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 single firm globally.

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

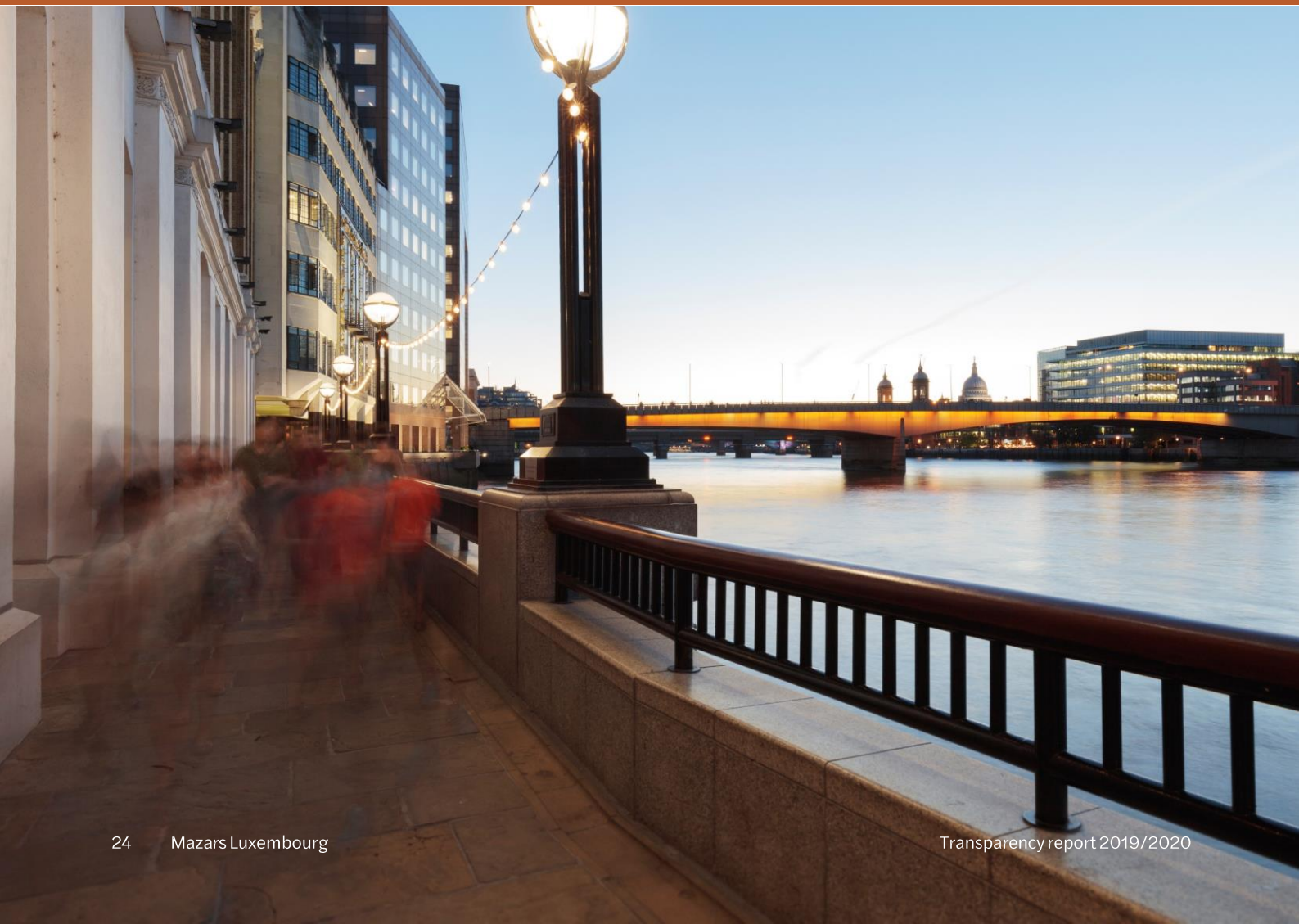
We pride ourselves on our rigour, independence of thought, perseverance and robustness.

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



Introduction

Mazars at a glance

Global coverage

90+

Countries & territories

42.000+*

Professionals

* 26,000+ professionals in Mazars' integrated partnership, 16,000 via Mazars North America Alliance

1.070

Mazars Scrl Partners

Group global turnover 2019-2020

1.9**

bn euro

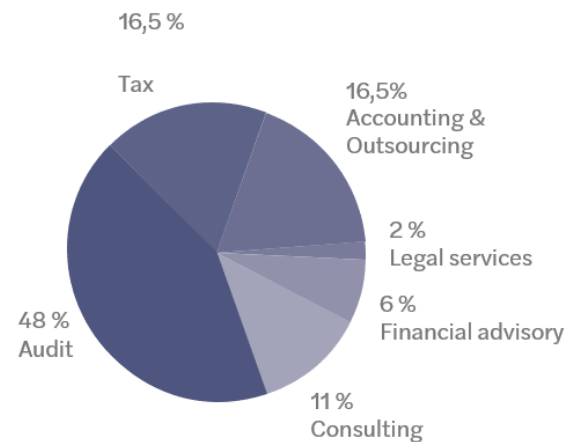
** includes data for the ZhongShen ZhongHuan and ZhongShen Yatai practices.

These figures are valid as of 31 August 2020. For current up-to-date information, please visit: www.mazars.com/keydata

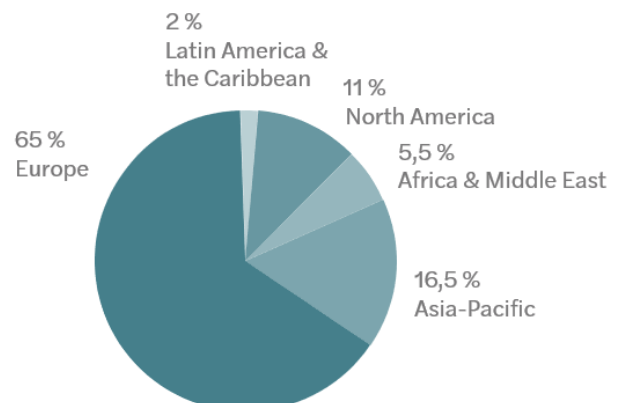
Mazars SCRL (hereafter 'Mazars Group', 'the Group') is an international, integrated and independent organisation, specialising in Audit, Advisory, Accountancy, Tax and Legal services.

On all 6 continents, our global partnership brings together over 26,000 international experts, plus another 16,000 through our 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.

Turnover by Service lines (%)



Turnover by regions (%)



Introduction

Mazars' story

Start-up in France

1945

Growth in Europe

€100m turnover

1995

1000 professionals
Creation of
the international
partnership

€500m turnover

37 countries

2005

5300 professionals
Growth in Europe
and in America

€1.8bn turnover
91 countries and territories

2019

24,400 professionals
Presence on 5 continents
Growth in Asia and
in the United States

€1.9bn turnover
more than 90 countries and
territories

2020

over 42,000 professionals



Mazars audits 2,150 public interest entities worldwide, 1,100 being headquartered in Europe, 850 being listed on a regulated market, more than 400 being listed in Europe. Mazars is thus ranked 5th in Europe, in the audit market for large listed European companies.



Statement by Jean-Luc Barlet, Mazars Group Chief Compliance Officer

For organisations of all sizes and in all industries, 2020 has been a stressful, testing and sometimes devastating year. While the pandemic required all businesses to find ways to weather the storm, many of them were compelled to simply try to survive.

We know the consequences of the Covid-19 crisis are far from being behind us yet and hard times are still to come. In particular as auditors, we will be expected to act and play our part in rebuilding economies.

More than ever, the general interest will have to be at the heart of everything we do.

More than ever, quality, ethics, independence and accountability will be required of us if we want to adequately serve our clients, help struggling businesses regain strength, reinforce our ecosystems and contribute to lay the foundations of a fairer and more robust economic environment.

At Mazars, we have never wavered from our commitment to quality, ethics, independence and accountability. We believe they are the bedrock of the trust our clients and stakeholders have placed in us.

Our culture of quality and compliance is embedded in every aspect of our day-to-day activities and leads us to continuously want to improve standards. Our international Quality & Risk Management Board monitors the quality of all Mazars' services and supervises the full implementation of the highest accounting, tax, financial advisory and auditing standards throughout our partnership.

We invest in new technology and tools, and we make sure all our partners and staff are appropriately trained to master the latest technical and regulatory developments.

In 2020, we also conducted 51 quality reviews, in 34 countries, one third of our global partnership, as we committed to.

Ethics is a central part of our global Code of Conduct, which provides guidelines to help our people navigate tough choices and make the right decisions in line with our core values.

We go beyond sheer compliance with local law or professional requirements to enforce the most stringent ethical principles, as we are convinced it is one of the pillars of the sustainability of our role and of our mission.

Abiding by our Code is compulsory for all our partners and staff, and related mandatory training modules are an integral part of our people's professional development.

Independence is an essential ingredient of what makes our reports trustworthy and reliable.

In order to homogenize and strengthen our acceptances procedures, we have built a global tool for independence checks, designed as a one-stop-shop for the management of all new business opportunities. All the countries are now using this tool, called WeCheck, and 65 countries, accounting for 91% of our global turnover, are directly connected to our data management system for updating their data, with thus 85% of the independence checks now performed in less than 2 days.

Throughout its more than 75-years history, Mazars has always laid strong emphasis on accountability. We pride ourselves in taking responsibility for what we do and we listen to what our clients and stakeholders want to tell us.

Their opinions do matter to us and we know we can learn from them. The global client feedback program we have implemented enables us to listen to what they have to say and helps us continuously improve our services and our quality management outcomes, for their benefit.

Our foundations, values, principles and commitments are strong and we are determined to continue reinforcing them year on year, to further earn the trust of organizations, investors, regulators and markets.

In 2020, despite an unfavourable environment, we have crossed a new threshold and now audit more than 2,150 Public Interests Entities worldwide, over 1,100 of them headquartered in Europe.

We see it as a clear sign that we are on the right path.

Through the tough times ahead, we will play our full part in helping clients, businesses and ecosystems weather the storm and emerge stronger.



Jean-Luc Barlet
Group Chief Compliance officer

For many years now, Mazars has built its unique globally integrated partnership to propose a different business model to the market, more aligned with the organisation of our international clients. As the market concentrated to a point where nearly all large public interest companies in most economies are now audited by just four firms, we have also been calling for regulatory intervention to offer more choice and create a more vibrant audit market, critical to restoring public confidence in the financial information that underpins capital markets and in audit.

Statement by David Herbinet, Global Head of Audit

Over the last ten years, high profile corporate failures have continued to cast a dark shadow on our profession and placed some of the largest audit firms under close scrutiny. We are, more than ever, convinced regulatory changes are needed, all the more as auditors will have to play their part in building trust while struggling economies have been severely hit by the Covid-19 crisis and risks relating to frauds and going concern are significantly heightened. Transformation will take time, but things now need to be set in motion.

We are convinced that several key points are hugely relevant to build a resilient audit market as a strong pillar of economic robustness, in Europe and beyond:

- Audit firms must implement and monitor rigorous **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 non-financial information.
- Independence and objectivity 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 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.

Mazars offers real choice

We do not advocate change for self promotion, but because integrity, independence and a strong sense of duty to serve the public interest have always been our core beliefs. We firmly believe audits should deliver insight, promote transparency and provide constructive challenge, enhancing trust in how organisations report to their stakeholders and contributing to helping the organisations they audit be more resilient. We recently unveiled our new brand identity and highlighted four attributes that underpin our promise to our clients and stakeholders: empowered expertise, seamless integration, balanced perspective and social conscience. These pillars are the foundations of the audits we want to deliver. We call them “augmented audits” in response to the markets’ calls for more consistency, more efficiency, more value and enhanced social impact. It means achieving quality every time and everywhere, enabling finance teams to focus on their day job, providing management and shareholders with expertise, insight and foresight and creating shared value for all stakeholders notably with regard to sustainable practices.

None of this can be achieved without a human-centric approach. We will continue to place our trust in the judgement of our professionals, support our people in developing their technical excellence and flawless objectivity and independence beyond just compliance, their business intelligence, and finally their ability to operate in and generate value from developments in technology.

Statement by David Herbinet, Global Head of Audit

A year of continued investments to better serve the markets we operate in

Our beliefs translate into action. We have continued to invest in our teams, in processes and in technology despite the Covid-19 crisis, while doing our utmost to protect our people and give them a safe working environment. Thanks to significant investments in our infrastructure in prior years, we were ready to work remotely in all countries that have faced a lockdown. All our teams have worked beyond the call of duty to ensure the continuity of our engagements, in the best possible conditions for both our and our clients' teams. They should all be commended for their commitment to serve.

We have also accelerated our training efforts, through a comprehensive move to online training and generalised access to platforms such as LinkedIn Learning. At the same time, we have stepped up the deployment of our global audit platform, Atlas and are on track to complete our global deployment for all auditors and all engagements by 2022. We launched our own global analytics tool, and initiated a group-wide programme - "Reinventing audit" - aimed at fostering innovation and accelerating change. Our quality management systems have also been further reinforced.

Our integrated model, dedication to quality and focus on serving the markets have actually been positively sanctioned with a number of key business successes, as we have gained significant new mandates such as CapGemini, Steinhoff, AIG (Europe), British Steel and the 2024 Olympics.

These achievements are ample evidence that the market longs for choice, and that Mazars is – more than ever – relevant. We know how demanding our profession is and how our success depends on our ability to respond successfully to market expectations. We are determined to go forward, both in our endeavour to play our part in restoring confidence in audit, and in our total commitment to continue to focus on what makes Mazars Mazars.



David Herbinet
Global Head of Audit



Inspiring stakeholder confidence in audit quality

Our culture and overall talent policy

2020 was a year like no other. Faced with a global pandemic and health crisis, we had to quickly adapt and find the right answers to keep our people safe, enable them to work in the best possible conditions and provide them with the tools they needed to perform their assignments and maintain a strong link with their teams and colleagues. However, while swift and comprehensive response to the Covid-19 crisis called for exceptional measures, we did not deviate from our long-term goal of developing our talent pool and helping our people acquire the skills and expertise they need today and will need tomorrow to fulfil our promise to our clients and society as a whole.

Our response to the Covid-19 crisis

As soon as the Covid-19 outbreak started impacting our offices and stringent sanitary measures were announced around the world, we set ourselves the priority of keeping our people healthy and providing them with the flexibility to take care of themselves and their families.

On 13 March, Mazars' Group Executive Board wrote to all country Managing Partners to request that all necessary health measures be put in place to protect all teams and to implement business continuity plans, in order to help us sustain our activities and serve our clients. Within 48 hours, business continuity plans were initiated in almost all of the 92 countries in our partnership, nearly 350 offices closed and 26,000 people were asked to work from home as much as possible.

Throughout the Covid-19 crisis, Mazars Live, our internal communications platform, was used by Mazars's CEO and Chairman of the Board, Hervé Hélias, to keep in touch with teams and people around the world.

A coordinated and global HR response

A series of webinars were held on a monthly basis with the global HR community and key guides were created to help our teams manage the crisis globally. These webinars covered the following topics:

- Working remotely
- Workforce management
- Coping with the crisis
- Work resumption

A specific key guide to working remotely, containing the major rules to successfully transition to working from home, and based on best practices, was made available to all teams in March 2020.

Recommendations on how to best manage workforce under lockdown conditions were also sent to all local Managing Partners.

Guidelines on how to progressively return to the office were provided as well at the end of the first wave of Covid-19.

Maintaining training courses

While all physical training seminars had to be cancelled, training in itself did not stop. On-line sessions were made available as much as possible, especially through generalised access to LinkedIn Learning.

Inspiring stakeholder confidence in audit quality

Our culture and overall talent policy

Reflecting on tomorrow's work organisation

The changes that the Covid crisis has compelled all businesses to make in the way work is organised will not go away when the pandemic is over. The flexibility that has been imposed on us by sanitary requirements is here to stay, and this will clearly entail training our managers to a different and closer management and coaching style. Remote leadership is going to become a key skill and needs to be developed. This is what we started to do through a series of podcasts we produced over the last few months, under the name "Modern Feedback" (<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 that allow continuous and improved learning, and expect high degrees of flexibility and collaboration.

No freeze on hiring

We have continued to recruit steadily as we don't believe we should "break the chain" and relationships we have built with candidates, schools and other talent pools. Also, we have recruitment needs and need to renew our staff.

Learning from local initiatives and action plans

In times of crises, the sharing of best practices becomes even more crucial. This is why we placed particular emphasis on learning and drawing inspiration from the way in which some of our partnership countries, such as Italy (one of Europe's most badly hit country) or China (where the spread of the virus started) reacted to the pandemic.

A new role for the HR function

The Covid-19 crisis further enhanced the role of the HR function, making it even more essential and strategic and highlighting the need for HR teams to become true business partners for operational departments. This led us to develop a "modern HR" certification on LinkedIn Learning.

Nurturing and developing the best talent

Making Mazars a school of excellence

We are a professional business school offering life-long development opportunities focusing on technical, leadership and tomorrow's skills.

We consider education to be the key to our commitment to quality, sustainable development and ability to keep our promise of employability to all our people.

In 2008, the Group created Mazars University to harmonise training practices across all Mazars offices. In 2014, Mazars University received the top accreditation for Corporate Universities, awarded by the European Foundation for Management, Development, the same body which awards the EQUIS accreditation to top business schools. This same CLIP accreditation was renewed in 2020, reinforcing the position of Mazars University as the cornerstone for the integration of our growing teams around the world and the vehicle of our cultural transformation. The CLIP accreditation comes to confirm our core belief that education should sit at the heart of Mazars' strategy.

Our university has acted as the hub for all best learning materials and practices across the Group, mostly in the areas of soft skills, digital skills, and leadership skills.

We now want to go one step further, by integrating technical training within Mazars University, as to offer high-quality and certifying global programmes to all our people wherever they are in the world. We also contemplate opening our university to external participants, continuing our quest to add value to society.

TheNextMBA

In the area of executive education, Mazars has innovated a new model of education for senior leaders. Mazars created TheNextMBA, which is a 6-week programme on cutting-edge business topics ranging from client-centric marketing to digital disruption, talent management to sustainable strategy. It is open to both Mazars partners as well as participants from other organisations.

Inspiring stakeholder confidence in audit quality

Our culture and overall talent policy

TheNextMBA prepares tomorrow's leaders to be insightful about how today's market transformations will impact business, teams, and industries, and to be agile in identifying new solutions. Actually, most of the international leaders that today sit on Mazars's Group Executive Board are graduates from TheNextMBA.

Talent and performance management

In order to deliver the high-quality service that our clients expect, our engagement policies and procedures are designed to attract, support and retain the highest quality team members. Based on our common values, management principles and a fulfilling work environment, our ambition is to: recruit high potential individuals; prepare our talent to meet the market's evolving needs through long-term technical and managerial education plans; offer attractive career opportunities, including international opportunities; and improve the diversity of our talents; engage our talent through modern work environments.

Recruiting High Potential Individuals

Despite most actual career fairs being cancelled, our offices around the world found ingenious ways to host virtual careers events. This was the case in France, South-Africa or Switzerland, for instance.

As knowledge workers, the quality of the talent pipeline is critical to our business. Since young graduates comprise, by far, the largest volume of candidates we recruit, concentrating on getting the right people through the door at this stage has the greatest leverage effect on the quality of our overall recruitments. We are their first employer and have a major role to play in educating them in educating them to managing for good and preparing them to ultimately disseminate across all sectors and functions, almost always in management and executive positions.

Many efforts are made to increase our employer branding awareness amongst the best schools for our profession, as well as to hone the effectiveness and interactivity of the recruitment process to identify the candidates that best match in terms of competency, potential, and cultural fit. In addition, to maintain the attractiveness of the professional services industry in the face of competition for the same graduates from tech companies and startups, Mazars has made great efforts to innovate in its recruitment process. We have been awarded for our creativity and results.

Key projects include:

1. SAM the chatbot, which enables young graduates to quickly apply online and simulates job interviews, with advice on how to deal with trick questions;
2. In cooperation with CentraleSupélec, Mazars also developed a Voice Bot, which provides a glimpse into the Mazars universe. Designed as a game, Mazars's Voice Bot also offers rewards to its best players.

Offering attractive career opportunities

As a global organisation, we recognise that gaining international experience is an important element in the development of our teams and leaders. Mazars employees wishing to enhance their careers with an international experience may choose from a range of strategic mobility opportunities, such as: short-term assignments are available through our "MOVE" programme, in which high-potential Seniors and Managers can work abroad on two to six months' projects, longer-term high-level projects ranging from three to five years in length, or permanent transfers. These programmes play a key role in fostering the exchange of ideas between member entities of the Mazars Group.

Building a diverse pool of talent

We value diversity and do not tolerate discrimination in any form. Everyone has a place at Mazars, regardless of gender, ethnicity, age, ability, sexual orientation, religion, geographical, social or cultural origin.

Accelerating Gender Diversity

Diversity constitutes a unifying value of the Group and a key factor of success of its strategy. Our top priority is to focus on a better representation of women in the organisation at leadership and executive level.

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 GD in their partnership and management team), set their targets (according to KPIs defined by Group), and their identified their dedicated Gender Diversity Champions. In addition, women now account for 32% of Mazars's Leadership bodies.

Inspiring stakeholder confidence in audit quality

Our culture and overall talent policy

We need, however, to further speed up the process. Championed by Antonio Bover, GEB member and Managing Partner of Mazars in Spain, the following measures are being implemented:

- Gender Diversity toolkits, containing best practices and measures, will be sent to all countries, at the beginning of 2021;
- Our global Code of Conduct will be updated to highlight the importance of diversity as a whole;
- Mandatory certified learning modules on «Diversity, Inclusion and Belonging» (including a chapter on unconscious bias, inclusive leadership and inclusive communications) will be added to the Mazars University certification programme;
- Flexibility at work will be promoted for all staff members;

- A specific recruitment strategy will be put in place to secure an external pipeline of female partners;
- Particular emphasis will be placed on the development of diversity-related thought leadership;
- The promotion of gender diversity will be one of the criteria that help determine the allocation of Base Points to countries within the partnership.

Along with the initiatives that have been put in place in the last few years, and that include our yearly Women Leadership Seminars, we are confident this new set of measures will help us attain the ambitious goals we have set for ourselves: reaching 25% of women in our wider international partnership and numbering 50% of women in our wider talent list by 2025 (versus 40% today).

Inspiring stakeholder confidence in audit quality

Our culture and overall talent policy

Making Mazars a great place to work

Mazars's efforts to provide the best working environment for its people have been acknowledged and rewarded in many countries around the world.

- In July 2020, Mazars in Vietnam received HR Asia Magazine's "The Best Company to Work for in Asia 2020" award, which rewards Asian companies that offer the best combination of HR policies, training programs, career development plan, and welfare activities.
- In France, Mazars has been awarded the Happy Trainees label, with 89.9% of trainees willing to recommend Mazars to their fellow students.
- In the UK, Mazars is in the top 10 Apprenticeship Employers rankings, which celebrates 100 of the country's most outstanding apprenticeship employers.

Reinforcing our Employer Value Proposition

Within the framework of Mazars's new brand identity, and in order to further highlight what is making us unique and different, we have been working on reinforcing our employer value proposition.

We have chosen to build it around one key message – Mazars, the smart choice – and four key supporting pillars:

- School of excellence, where people can benefit from life-long development opportunities, focusing on technical, leadership and tomorrow's skills;
- Friends for life, through our distinctive one- team approach making Mazars a truly human and international adventure;
- The future of work, as we strive to pioneer 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;
- Entrepreneurial spirit, as we put people before processes and encourage them to innovate, lead and be entrepreneurs.



Inspiring stakeholder confidence in audit quality

Delivering audit quality

In all of our assignments, we aim at delivering audit for the benefit of all stakeholders, which will help create more sustainable companies, economies and societies. So audit quality is key to us: we are dedicated to improving the audit work we perform and the quality of reporting to those in charge with governance. As organisations all over the world are facing new threats due to the economic consequences of the Covid-19 pandemic, we strongly believe providing stakeholders – and especially shareholders – with accurate information about the prevention of difficulties, going concern and business continuity is of paramount importance.

We invest time in understanding and participating in the evolution of quality within the profession, developing our methodology, reviewing quality recommendations and themes of regulatory inspections, and improving 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 2019, we brought our full contribution to the proposed implementation of new standards (ISQM 1, ISQM 2 and ISA 220), which we believe will help improve quality in both firm-wide procedures and in the way audits and reviews are conducted and documented.

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 in the year ended 31 August 2020, and is a key part of our plans for the future.

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 behaviors. We are convinced that at the top is of paramount importance.

The Group Executive Board (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 Quality & Risk Management Board (the 'Q&RM Board').

Through its International Quality Control Committee ("IQCC"), the Q&RM Board defines the quality monitoring system and the relevant procedures, that are required to be implemented across all service lines and monitors their implementation. The executive of each member entity is thus 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. Mazars Group is actively involved in IFAC.

Inspiring stakeholder confidence in audit quality

Delivering audit quality

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 the extent practical, on the International Standards on Auditing (ISAs) issued by the IAASB;
- have policies and methodologies that conform to 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 in addition, 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 to set this out.

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 audit methodology. Our audit software has 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.

Inspiring stakeholder confidence in audit quality

Delivering audit quality

Audit policies and methodology

The Mazars Audit Methodology (“MAM”) is a global methodology that Mazars entities apply, 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. 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 systematic risk based audit 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 challenge and 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. For three years now, Mazars has been developing a new audit software that raises the quality of documentation produced globally by our teams. Many countries all over the world now use this new quality-enhancing tool when performing their audit assignments. We will continue to invest and develop our audit software as new challenges and technology impact the audit of the future. Data analytics is increasingly becoming a key aspect of our standard audit procedures, particularly with respect to the mandatory requirements to address the risk of management override of controls.

Additional training and tools have been developed during the year to further enhance the skills of our team in this area to drive quality in 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. The MAM details the circumstances when 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 aid the audit quality of 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.

Inspiring stakeholder confidence in audit quality

Delivering audit quality

Through its International Quality Control Committee (IQCC), the Q&RM Board defines the quality monitoring system and the relevant procedures that are required to be implemented across all service lines and monitors their implementation, with the objective to further ingraining quality and ethics into who we are.

Over the last year, we have been significantly reinforcing our international Quality & Risk Management systems, with the appointment of new regional representatives and the structuration of fully-fledged regional Q&RM Boards,

in line with the deployment of Mazars's global « go-to-region » strategy.

The mission statement of the Q&RM Board is as follows:



Inspiring stakeholder confidence in audit quality

Delivering audit quality

Monitoring of service line quality is integral to developing ways to challenge and improve it. It allows identification of areas for improvement within our policies and procedures, combined with additional training to allow for a consistent quality approach, particularly in our main service line, audit, focused to Public Interest and Large Corporate entities' audits.

Our audit quality policies and procedures are embedded as part of our firm's day-to-day activities.

Engagement quality control reviews (EQCR)

An EQCR is required to be performed on all audits of listed or Public Interest Entities. Other engagements may be identified as subject to EQCR, the criteria for determining whether such other assignments require an EQCR are mainly based around the existence of specific risk situations. A quality control review is carried out for all audit and assurance engagements related to public interest entities as defined in Article 1 of the amended Law of 23 July 2016 on the audit profession and all additional engagements that are considered to be in the "higher risk" category.

The purpose of an EQCR is to provide an objective evaluation of the significant judgements made by the engagement team and the conclusions reached in formulating the opinion. This review must be performed by a professional with sufficient authority to impose their professional judgement upon the engagement team, and who has not recently had any material responsibility for the engagement.

The EQCR is licensed internally and is also subject to rotation.

Audit quality monitoring reviews

The assessments undertaken by the IQCC monitor member entities' compliance with the IFAC standards. The Mazars entities audit quality monitoring reviews organised by the IQCC have several components:

- self-assessment of the entity's audit methodology, ethics and the 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;

- At Mazars Luxembourg, the reports on the legal audits of statutory or consolidated annual accounts and all the other engagements covered by the amended Law of 23 July 2016 on the audit profession are signed by partners or directors who are authorized as "Réviseurs d'entreprises agréés" in Luxembourg. Cold reviews are performed once a year on every signing director or partner on a sample of several files that are selected and reviewed by other signing partners or réviseurs d'entreprises in order to improve the quality of the audits. Each year a quality monitoring plan for audit work is prepared. This plan was presented to the Luxembourg Country Audit Leader who is responsible for ensuring and promoting 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 IQCC.

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 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.

Inspiring stakeholder confidence in audit quality

Delivering audit quality

Entities that are applying to join the Mazars organisation are subject to an inspection organised by the IQCC. The report setting out the results of the review is included in the admission file submitted to the GEB and the GCC 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 IQCC.

At Mazars we are passionate about audit quality so this positive feedback was rewarding and reflects the investment we have made in technical training and tools to support our audit teams deliver consistent quality audits.

During the year Mazars Luxembourg submitted an annual self-assessment around audit quality to Mazars Group which was reviewed centrally. Periodically, we are reviewed by a Group quality monitoring reviewer, and that review covers our whole firm procedures as well as file reviews. The last inspection by Mazars Group carried out in September 2018 showed that Luxembourg is considered to have a system in place to comply with the ISAs, the IFAC code and the provisions of ISQC1.

Mazars Luxembourg external reviews

Mazars Luxembourg undertakes audits which fall within the remit of the CSSF (Commission de Surveillance du Secteur Financier), resulting in the Firm being subject to reviews of our audit work, systems and processes. Article 39 of the amended Law of 23 July 2016 on the audit profession stipulates that the Commission de Surveillance du Secteur Financier ("CSSF") is responsible for the implementation of a quality assurance system and sets the terms.

As such, the CSSF conducted a quality assurance review from January 2018 to July 2018 on the procedures in place at Mazars Luxembourg and completed a quality assurance review on a sample of audit engagements.

The final report was issued by the CSSF in July 2018 and is satisfactory.

At Mazars we are passionate about audit quality so the results of the independent reviews challenge us to revisit our technical training and tools to ensure they support our audit teams to deliver quality audits.

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 the improvement of financial reporting, corporate governance and overall confidence in the capital markets on 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, AE, IASB, EFRAG, or the European Commission, or regulators such as CEAOB, PCAOB and actively participates in the working group of these organisations, when member or invited. Its entities are active in the professional organisations in their countries.

As of July 2019, we participated in the IAASB-led global consultation on the implementation of new quality management standards. We did express our support and belief that such new standards will improve the quality of audit, while suggesting that additional steps be taken in order to ensure smooth and successful implementation.

Our voice in Luxembourg

As at December 2020, Mazars Luxembourg is represented by partners or experienced employees with the following working committees of the Luxembourg Institut des Réviseurs d'Entreprises:

- Work Commission "Assurances" (Insurance);
- Work Commission "Organismes de Placements Collectifs" (Investment Funds);
- Work Commission "Risk Management";
- Work Commission "Private Equity";
- Work Commission "Real Estate";
- Work Commission "Contrôle Qualité" (Quality Control);
- Work Sub-Commission "LCB/FT" (anti-money laundering and counter terrorism financing).

Mazars Luxembourg is also a member of the Luxembourg Bankers' Association (ABBL), the Luxembourg Insurers' Association (ACA) and the Luxembourg Investment Funds' Association (ALFI).

Inspiring stakeholder confidence in audit quality

Audit Quality Indicators



45 hours of audit training on average per auditor



Staff/Manager ratio

4/1



Staff/Partner ratio

11.4/1



All PIE clients underwent an engagement quality control review in the last year.



Independent audit oversight in place in 62 countries of the Mazars integrated partnership, of which 23 countries were subject to regulatory inspections in 2019.

100%

of Group turnover covered by WeCheck

Our new tool for independence check - WeCheck- already covers more than 80% of group turnover. The tool also manages the missing 20% by sending automatic requests to acceptance officers in all countries which are not yet fully on board.

During the last quarter of 2019, 44 countries launched almost 6,500 independence checks generating more than 12,000 notifications all over the world.



Inspiring stakeholder confidence in audit quality

Ensuring our objectivity and independence

We work for the general interest and are convinced trustworthiness is the key to restoring public confidence in audit. This is why the policies we have devised and implemented aim at ensuring all our staff and partners do comply with the strictest objectivity and independence requirements, wherever they operate. We are fully aware of what is at stake and are willing to go all the way to make sure we do abide by the most stringent rules.

Our Code of Conduct for Objectivity and Independence

The Mazars Group has prepared a Code of Conduct for Objectivity and Independence (the 'CCOI') which complies with the IESBA code and introduces additional specific requirements for Mazars firms and staff. This forms an integral part of all member entities' professional training programmes and is distributed to all Partners and staff.

We also strongly promote ethical culture and values. A process has been defined to help people who face ethical dilemmas, and the consequences of breaching ethical rules and principles have been made clear to Partners and staff in all member entities.

In addition, we have recently refreshed our global Code of Conduct. We have designed it as a practical guide to help all Mazarians, regardless of age, position or country, navigate difficult choices and make the right decisions, in line with our values.

Our new Code of Conduct clearly states who we are, what we expect from our people and how we deal with our clients, stakeholders and communities at large. In an intricate and fast-evolving environment, we use it as a moral compass for our daily activities, drawing the line between what is recommended or acceptable and what

would put our reputation and other people's trust at risk. We handle all breaches seriously and take appropriate action to uphold this code wherever necessary.

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 audit clients, and manages the annual independence reporting process reporting the results to the Group Executive Board. It adjudicates on any independence or acceptance issues brought to its attention, including any proposed departures from the CCOI by country and ensuring that all changes in international ethical standards are communicated to all countries in the organisation.

Systems to safeguard our objectivity and independence.

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

Safeguard	How this safeguards our objectivity and independence
Acceptance and continuance of audit engagements	Procedures exist that require an evaluation of the client's related risks, the entity's ability to perform the engagement and any ethical risks in terms of independence and conflicts of interest.
Additional services	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. In certain circumstances this provision is also subject to authorisation by the client's audit committee, for example when required by auditing standards or when the client has put in place procedures for the prior approval of non-audit services by the auditor.

Inspiring stakeholder confidence in audit quality

Ensuring our objectivity and independence

Safeguard	How this safeguards our objectivity and independence
Non-audit services to audit clients	<p>A complete list of non-audit services rendered to audit clients must be maintained.</p> <p>For group audits, this list must be communicated in response to the instructions circulated by the audit co-ordination team</p>
Annual declaration of independence	<p>All Partners and staff are required to provide an annual declaration of their independence. In this respect:</p> <ul style="list-style-type: none"> • 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 (or beyond normal financial relations with a banking or other credit institution audit client).
Mandatory rotation	<p>In relation to audits of PIEs, the audit RI is required to rotate after five to seven years, and to not return to the audit team for at least three to five years. Familiarity is a threat to our independence and this rotation mitigates the threat of familiarity arising from long association with a client. The Executive ensures appropriate allocation of Partners to audit engagements and an annual review of appointments to PIEs takes place.</p>
Transparency of information	<p>All Mazars staff have access to the list of our audit clients subject to specific ethical requirements.</p>
Training	<p>All audit staff are required to undertake training on ethical rules and the Mazars' ethical procedures.</p>
Consultation	<p>Audit staff and Partners are encouraged to consult with experts on technical matters, ethics and other areas where necessary.</p>
Limits on client fees	<p>Limits on client fees are imposed in order to avoid financial dependence on one or several clients.</p>
Impact of an identified threats to independence	<p>Clear rules regarding conflicts of interest have been communicated. Where there is a potential threat to our independence, the assignment is declined or appropriate safeguards are implemented.</p>
Performance based remuneration	<p>Mazars Group has adopted a method of remunerating Partners which takes into account the quality of audit work (and not simply the level of fees billed, number of new clients obtained, additional engagements performed or other financial performance related metrics).</p>
Independent non-executives	<p>Our independent non-executives must comply with appropriate independence requirements as do our Partners and staff.</p>

Inspiring stakeholder confidence in audit quality

Ensuring our objectivity and independence

We have completed the implementation of our Global Independence Check tool, WeCheck, designed as a one-stop-shop, with a view to protecting our independence throughout the Mazars Group. All countries within our partnership now have access to WeCheck, and 65 of them, amounting for 91% of our global turnover, have securised their client data in WeCheck. 85% of requests are now processed and answered in less than 2 days, vs 50% in 2019.

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 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 Public Interest Entity 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 organization'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

Mazars Luxembourg distinguishes its equity Partners and salaried Partners.

For equity Partners, 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 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, based 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.

Inspiring stakeholder confidence in audit quality

Ensuring our objectivity and independence

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

For salaried Partners, the compensation is based on a fixed salary and variable component that is determined based on:

- 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.

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 best possible environment for our team. 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/Complaint-form>). 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 is responsible for providing oversight, policy and strategic direction on information risk and cyber security matters. He directly reports to the Chief Compliance Officer and to the Group Executive Board.

In Luxembourg staff and Partners have undertaken specific training on information security to enhance their understanding and help ensure that our policies are embedded within how our teams approach their work.

Our structure, leadership and governance

Since 1995, we have been organised as a global integrated partnership. Today, our more than 1,000 partners and 26,000 professionals in more than 90 countries and territories in Europe, Africa, the Middle East, Asia-Pacific, North America, Latin America and the Caribbean share the same values and work ethics and the common goal of providing the highest quality client service. Our correspondent firms also enable us to operate in a further 90+ countries.



Our structure, leadership, and governance

All members of our integrated partnership are member entities of Mazars SCRL (hereafter “Mazars Group”), a Limited Responsibility 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 guaranteeing consistent quality in our service to our clients.

The integrated partnership allows us to provide a quality service to our clients through the quality and diversity of our talent, the robustness of our values, our determination to fully embrace the digital revolution, and our commitment to creating shared value, 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 part of our unique integrated partnership has one or more separate legal entities, that 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 SCRL, each partner acknowledges the Charter of Association, which governs the operation and governance of the Mazars Group. In certain countries there are partners or shareholders of their local member entity, who 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 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, but an integrated organisation of professionals, sharing commitments at global level with respect to investment in technical excellence, serving our clients and developing our teams. New member firms are admitted into the integrated partnership upon criteria of quality of service and human resources, reputation and shared values. All new admissions must be approved by the General Assembly of partners.

For over 75 years, Mazars has operated as one team, guided by founding principles: to act responsibly, cultivate high quality teams, deliver bespoke solutions to clients, and manage our firm in an integrated way for the benefit of future generations.

But while some things haven’t changed, much has. We have doubled in size in the past ten years to become an international organization present in more than 90 countries and territories worldwide. The diversity of our offerings, clients and talent has flourished as we have grown.

Society’s expectations of business have also evolved, bringing new challenges and opportunities for us and our clients, and driving us to innovate.

Our new brand identity does reflect this change and rearticulates the promise that we make to our clients, people and society. Based on the four attributes of empowered expertise, seamless integration, balanced perspective and social conscience, it reflects the firm we have become and we strive to be in the future.

Our structure, leadership, and governance

Operating in more than 90 countries and territories around the world, we draw on the expertise of over 42,000 professionals – more than 26,000 in the Mazars integrated partnership and 16,000 via the Mazars North America Alliance.

Valid as of 31 August 2020

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



North America

- Bermuda
- Canada
- United States

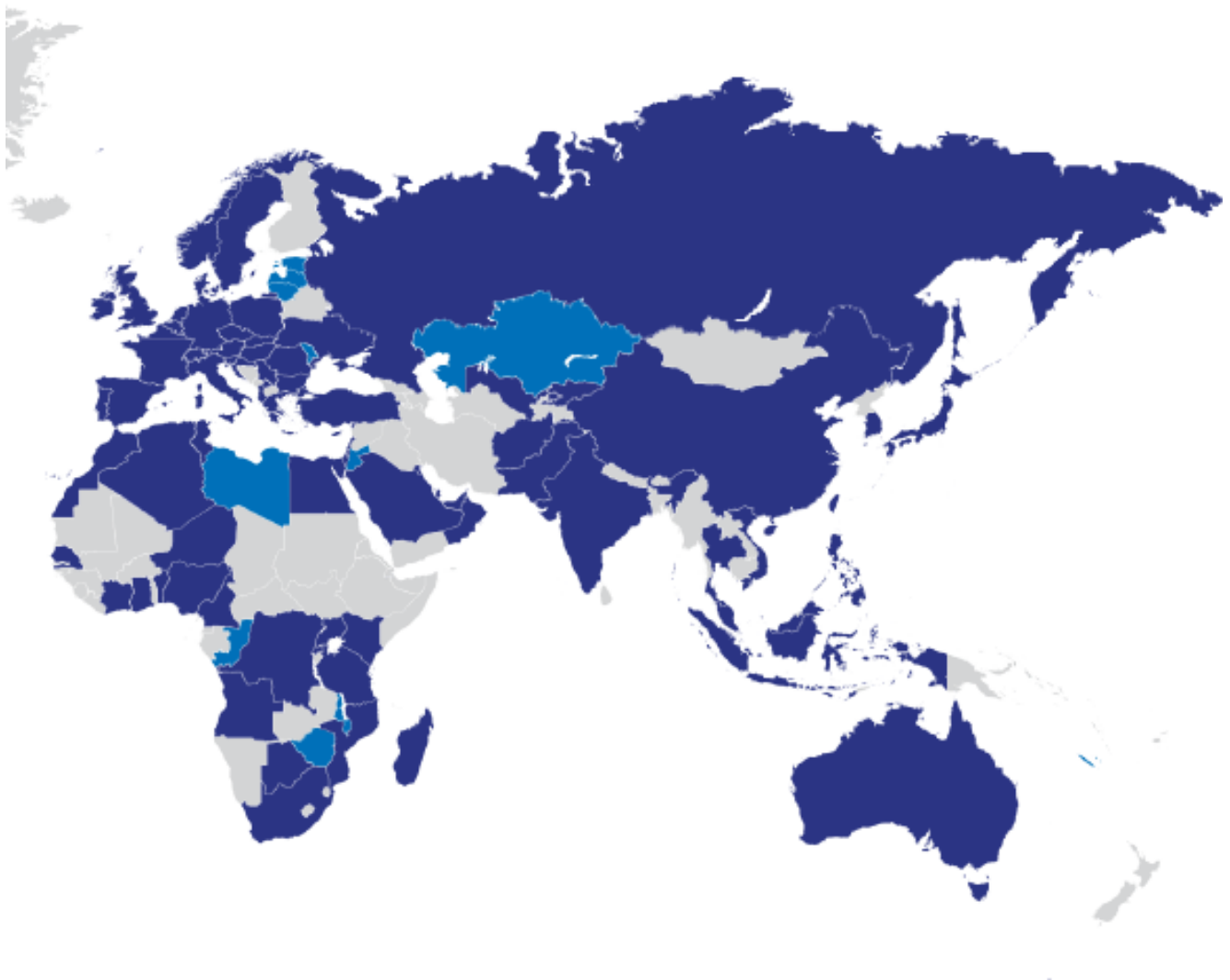
Latin America & the Caribbean

- Argentina
- Brazil
- Cayman Islands
- Chile
- Colombia
- Dutch West Indies
- Mexico
- Peru
- Uruguay
- Venezuela

Africa & Middle East

- Algeria
- Angola
- Bahrain
- Benin
- Botswana
- Cameroon
- Congo (Brazzaville)
- Congo (Kinshasa)
- Egypt
- Ghana
- Israel
- Ivory Coast
- Jordan
- Kenya
- Kuwait
- Lebanon
- Libya
- Madagascar
- Malawi
- Mauritius
- Morocco
- Mozambique
- Niger
- Nigeria
- Oman
- Palestine
- Qatar
- Rwanda
- Saudi Arabia
- Senegal
- South Africa
- Tanzania
- Tunisia
- Uganda
- United Arab Emirates
- Zimbabwe

Our structure, leadership, and governance



Europe

- Albania
- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Kosovo
- Latvia
- Lithuania

- Luxembourg
- Malta
- Moldova
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Russia
- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- Ukraine
- United Kingdom

Asia-Pacific

- Afghanistan
- Australia
- China
- Hong Kong (SAR)
- India
- Indonesia
- Japan
- Kazakhstan
- Korea
- Kyrgyzstan
- Malaysia
- New Caledonia
- Pakistan
- Philippines
- Singapore
- Taiwan
- Thailand
- Uzbekistan
- Vietnam

Our structure, leadership, and governance

Mazars Group Statutory audit firms

Africa & The Middle East

Country	Name of entity
Algeria	Mazars Hadj Ali
Angola	Mazars Angola - Auditores & Consultores, S.A.
Bahrain	Mazars Chartered Accountants
Benin	Mazars Benin
Botswana	Mazars
Cameroon	Mazars Cameroon
Djibouti	Mazars (Sofracor S.A.R.L.)
Egypt	Mazars Mostafa Shawki
Ghana	Mazars Ghana
Israël	Bri, Rotbart, Raz, Mazars Israel
Ivory Coast	Mazars Côte d'Ivoire
Kenya	Mazars Kenya
Kuwait	Mazars Hend Abdullah Alsurayea & Co
	Mazars Kuwait - Consultancy
Lebanon	Mazars Saade
Madagascar	Mazars Fivoarana
Mauritius	TK Uday Ltd
Morocco	Mazars Audit et Conseil SARL
Mozambique	Mazars, Lda
Nigeria	Mazars Coker & Company
	MNO Nominees
Oman	Mazars Chartered Accountants & co. LLC
Palestine	El Wafa Co. for Financial Consulting and Accounting Services
Qatar	Mazars Ahmed Tawfik & Co. CPA
	Mazars LLC
Rwanda	Mazars in Rwanda
Saudi Arabia	Alkharashi & Co.
Senegal	Mazars Senegal
South Africa	Mazars Port Elizabeth
	Mazars Services Trust
	Mazars Partnership
	Mazars Central Inc Mazars Durban
Tanzania	Mazars Wiscon Associates
Tunisia	ECC Mazars SBCI
Uganda	Mazars BRJ
United Arab Emirates	Mazars Chartered Accountants

Our structure, leadership, and governance

Mazars Group Statutory audit firms

Asia-Pacific

Country	Name of entity
Afghanistan	Mazars Afghanistan Limited
Australia	Mazars Risk & Assurance Mazars Melbourne Assurance Pty Limited Mazars Audit (Qld) Pty Limited
China Hong Kong	Mazars CPA Limited
China mainland	Mazars Certified Public Accountants Zhongshen Zhonghuan
India	Kalyaniwalla Mistry & Associates Kalyaniwalla & Mistry LLP Mazars Advisory LLP S. N. Dhawan & Co LLP
Indonesia	KAP Aria Kanaka & Rekan PT Mazars Consulting Indonesia
Japan	Mazars Audit LLC
Korea	Mazars Sebit Korea
Kyrgyzstan	Mazars LLC Mazars Audit LLC
Malaysia	Mazars PLT Mazars Risk Management Sdn Bhd
Pakistan	Mazars MF & Co
Philippines	Yu Villar Tadeja and Co
Singapore	Mazars LLP Mazars Asia Pacific
Thailand	Mazars Ltd.
Uzbekistan	Mazars
Vietnam	Mazars Vietnam Co Ltd

Our structure, leadership, and governance

Mazars Group Statutory audit firms

Europe

Country	Name of entity
Albania	Mazars sh.p.k
Austria	Mazars GmbH Wirtschaftsprüfungsgesellschaft
Belgium	Mazars Bedrijfsrevisoren - Réviseurs d'entreprises B.C.V.
Bulgaria	Mazars OOD
Channel Islands	Mazars
Croatia	Mazars Cinotti Audit d.o.o.
Cyprus	Mazars Limited Mazars & Co Limited
Czech Republic	Mazars Audit s.r.o
Denmark	Mazars Denmark statsautoriseret revisionspartnerselskab
	Mazars SA Mazars SPCC Franex Mazars Uniconseils CBA Mazars aCéa Mazars (Rouen) Mazars (Bezannes) Mazars (Labège) Mazars (Strasbourg) Mazars Bourgogne Franche-Comté Mazars et Associés Mazars Figeor Mazars Data Mazars Dijon Mazars Pontarlier Mazars Lons Pluris Audit Mazars & SEFCO Sud Est Expertises Financières Comptable et d'Organisation SEFCO Mazars Gourge Mazars-FIDUCO Mazars experts-on-line Mazars Saint Exupery
France	

Country	Name of entity
	Mazars Metz Mazars Entrepreneurs (Villeurbanne) Mazars Rodez Mazars Immobilier Thomas & Associés Mazars ASC D.D.A. Mazars CPA Mazars Inreco AGEC
France	
	MAZARS GmbH Wirtschaftsprüfungsgesellschaft Roever Broenner Susat Mazars GmbH RBS BBE GmbH Wirtschaftsprüfungsgesellschaft Steinberg & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
Germany	
Greece	Mazars Certified Public Accountants Business Advisors S.A.
Hungary	Mazars Kft.
Ireland	Mazars Mazars NI Ltd
Italy	Professionisti Associati Società Semplice (P.A.S.S) Mazars Italia S.p.A
Kosovo	Mazars in Albania
Luxembourg	Mazars Luxembourg
Malta	Mazars Malta
Netherlands	Mazars Accountants N.V. Ten Kate Huizinga Audit N.V.
Norway	Mazars Revisjon AS
Poland	Mazars Audyt Mazars Polska Mazars Expertise

Our structure, leadership, and governance

Mazars Group Statutory audit firms

Europe

Country	Name of entity
Portugal	Mazars & Associados, SROC, SA
Romania	Mazars Romania SRL
Russia	Mazars Audit LLC
Slovakia	Mazars Slovensko, s.r.o.
Slovenia	Mazars d.o.o
Spain	Mazars Auditores S.L.P.
Sweden	Mazars SET Revisionsbyrå AB
Switzerland	Mazars SA Suisse Aunexis AG
Turkey	Denge Bağımsız Denetim
Ukraine	Audit firm Mazars Ukraine
United Kingdom	Mazars LLP Mazars Channel Islands Limited

Our structure, leadership, and governance

Mazars Group Statutory audit firms

Latin America & The Caribbean

Country	Name of entity
Argentina	Estudio Urien & Asociados Estudio Urien S.R.L
Brazil	Mazars Cabrera Assessoria, Consultoria E Planejamento Empresarial Ltda. Mazars Auditores Independentes - Sociedade Simples Mazars Auditores Ltda.
Chile	Mazars Chile Ltda Mazars Auditores Consultores Spa
Colombia	MCA Auditing & Accounting SAS
Mexico	Mazars Auditores, S. de R.L. de C.V. Mazars Mexicali, S. de R.L. de C.V. Mazars Guadalajara, S. de R.L. de C.V.
Peru	Contreras y Asociados S.Civil de R.L
Uruguay	Mazars Uruguay
Venezuela	Adrianza Rodriguez Cefalo & Asociados Mazars Venezuela
Argentina	Estudio Urien & Asociados Estudio Urien S.R.L
Brazil	Mazars Cabrera Assessoria, Consultoria E Planejamento Empresarial Ltda. Mazars Auditores Independentes - Sociedade Simples Mazars Auditores Ltda.
Chile	Mazars Chile Ltda Mazars Auditores Consultores Spa
Colombia	MCA Auditing & Accounting SAS
Mexico	Mazars Auditores, S. de R.L. de C.V. Mazars Mexicali, S. de R.L. de C.V. Mazars Guadalajara, S. de R.L. de C.V.
Peru	Contreras y Asociados S.Civil de R.L
Uruguay	Mazars Uruguay
Venezuela	Adrianza Rodriguez Cefalo & Asociados Mazars Venezuela

North America

Country	Name of entity
Bermuda	Mazars Bermuda Limited
Canada	Mazars Harel Drouin, SENCRL
United States	Mazars USA LLP

Our structure, leadership, and governance

Mazars Group Statutory audit firms

List of correspondents

Regions	Country	Name of entity
Africa/ Middle East	Congo Brazzaville	M3B Audit & Expertise
	Ethiopia	ASGB Consulting
	Jordan	International Professional Bureau Consulting & Auditing CO.
	Libya	Mazars Libye
	Malawi	AMG Global Chartered Accountants
	Zimbabwe	KLM Chartered Accountants
Asia Pacific	Khazakhstan	Nurteam Audit LLP
	New Caledonia	OCEA Nouvelle-Calédonie
Europe	Estonia	OÜ Audiitorteenuse
	Latvia	SIA TaxLink
	Lithuania	Persense Audit UAB
	Serbia	AGM Audit d.o.o
Latin America & Caribbean	Caymen Islands	Mazars Cayman
	Dutch West Indies	MPHC Accountants & Advisers N.V.
	Ecuador	Hansel Holm Partners S.A.

Our structure, leadership, and governance

Our business organisation

During our 2016 General Assembly of Partners, a new Group Executive Board (GEB) was elected, on the basis of a strategic platform, called the Next20. The business organisation described below is aimed at fully implementing this platform. In order to deliver the best services to our clients, our international structure focuses on sectors and service lines.

The three key sectors we have identified are:

- Financial Services;
- Industry, Services and Public Sector;
- Entrepreneurial Businesses.

To organisations of all sizes in each of these sectors, we deliver high quality services via our 6 service lines:

- Accounting and Outsourcing Services (AOS)
- Audit and Assurance Services (AASL)
- Consulting
- Financial Advisory Services (FAS)
- Law
- Tax services (TAX)

Global Sector & Services Team (GSST) leaders and Global Support Business (GSB) leaders, along with soon-to-be-appointed regional leaders, make up Mazars' Global Leadership Team (GLT). It gathers the Group international leaders who carry responsibilities that go across countries, thus requiring coordination of functions, markets, services and other responsibilities.

The GLT is led by the Group Executive Board.

This structure 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.

Breakdown of turnover by service line*

2%

Legal services

43%

Audit

7%

FAS

12%

Consulting

18%

AOS

18%

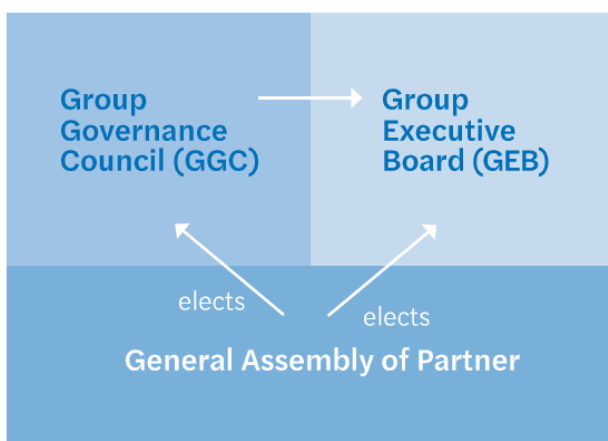
Tax

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 national, regional and functional leaders, both our Group Executive Board 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 Group Executive Board 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.

The last General Assembly of Partners was held in London in December 2019. Due to the Covid-19, our next General Assembly of Partners will be held in a virtual fashion, between October and December 2020.

Our structure, leadership, and governance

Our leadership and governance

The Group Executive Board

The Group Executive Board (“GEB”) is Mazars’ executive body. It is in charge of operational management of the partnership with regards to collectively-defined key strategic objectives, under the supervision of the Group Governance Council. It focuses first and foremost on pursuing and accelerating growth, while ensuring the quality and sustainability of our activities.

As of 31 August 2020, there were eleven members of the GEB. The current GEB was elected in December 2016 and with an election every four years, the next one is due in December 2020. The GEB is supported in its role by:

- the GLT, which comprises all Group business leaders (sectors and service lines, including our audit activity), Group Quality & Risk Management leaders, and Group support function leaders;

- Executives in each member entity: these executives, led by a Senior or Managing Partner, have the responsibility for managing that member entity, for leading the business on a day-to-day basis, and for providing strategic and operational coordination;
- the executives are elected by the partners of the particular member entity, with their candidacy being subject to the consideration of the GEB.

The GEB meets at least monthly; it also meets twice a year with the Country Managing or Senior Partners at “Country Forums”. 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, business development or integration processes for new additions to the partnership.

Our structure, leadership, and governance

Our leadership and governance

Leadership of the Mazars Group

As at 31 August 2020, the GEB was composed of:



France
Hervé Hélias
CEO and Chairman



Spain
Antonio Bover



Italy
Pascal Jauffret



United Kingdom
Rudi Lang



Senegal
Taïbou M'Baye



Germany
Dr Christoph Regierer



Belgium
Véronique Ryckaert



China
Wenxian Shi



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 Group Governance Council (“GGC”) is the Group’s supervisory body.

The GGC has decision-making powers in three specific areas as set out in the partnership’s Charter of Association:

- the approval of partnership candidates and external growth operations;
- the compensation of the members of the Group Executive Board;
- 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 31 August 2020, there were eleven members of the GGC. Elected every four years, the next GGC elections are due in December 2020.

The non-executive independent members also constitute the Public Interest Committee (“PIC”), which has specific responsibility for matters arising in relation to Mazars in the United Kingdom and Ireland.

Our structure, leadership, and governance

Our leadership and governance

As at 31 August 2020, the Group Governance Council was composed of:



United Kingdom
Tim Hudson
Chair



France
Thierry Blanchetier
Vice-chair



Germany
Gertrude Bergmann



United States
Kathryn Byrne



France
Juliette Decoux



France
Fabrice Demarigny



India
Bharat Dhawan



United States
Denise Fletcher
Independent member



Singapore
Chris Fuggle



South Africa
Michelle Olckers



China
Liwen Zhang

Mazars in Luxembourg



Mazars in Luxembourg

Mazars in Luxembourg

In Luxembourg, the member entities of the Mazars Group are MAZARS LUXEMBOURG and MAZARS FINANCIAL ADVISORY SERVICES ("FAS"). As at 31 August 2020, Mazars in Luxembourg had 10 Partners (8 for MAZARS LUXEMBOURG and 2 for FAS) and over 160 professionals working in one office in Luxembourg City (including over 50 for FAS).

MAZARS LUXEMBOURG provides audit and assurance services. It has one fully owned subsidiary company, MAZARS "FAS" housing the non-assurance activities (advisory, accounting and tax services).

Of the 10 Partners in MAZARS LUXEMBOURG, as at 31 August 2020, 2 were shareholders in Mazars SCRL. The proportion of Partners of MAZARS LUXEMBOURG that are shareholders of Mazars SCRL is of 0.2%.

Mazars is present in Luxembourg since 1996. MAZARS LUXEMBOURG was incorporated on 1 April 2011 in the form of a public limited liability company incorporated under Luxembourg law and was approved by the Commission de Surveillance du Secteur Financier ("CSSF") as an approved audit firm on May 30, 2011.

MAZARS LUXEMBOURG's subscribed capital amounts to EUR 300,000 and is 70% owned by MAZARS SA, a French public limited liability company and statutory auditor.

MAZARS Luxembourg holds 100% of the capital of MAZARS FAS.

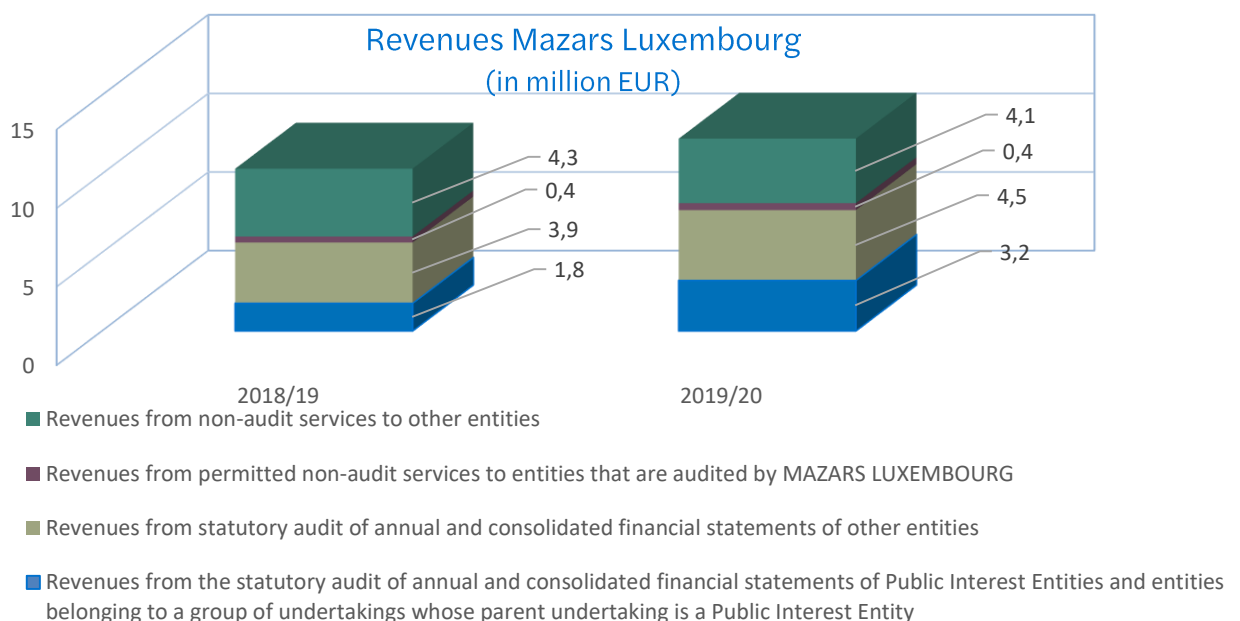
MAZARS LUXEMBOURG has a cooperation agreement with Mazars SCRL which sets out the terms of its relationship with Mazars SCRL.

The turnover of MAZARS LUXEMBOURG for the year ended 31 August 2020 amounts to 12,2 million EUR (2018/2019: 10,3 million EUR) and can be broken down as shown in the chart below.

Leadership and governance in Mazars Luxembourg

MAZARS LUXEMBOURG is led by a Board of Directors composed of 3 members, two being in charge of the day-to-day management and appointed until the next General Meeting of Shareholders to be held in 2021. The Board of Directors is composed of:

- Muhammad Hossen, Chairman of the Board of Directors and in charge of the day-to-day management
- Pierre Friderich, Director in charge of the day-to-day management
- Marie-Hedwige El Khoury, Director



Statement of Compliance



Statement of Compliance

Statement on the effectiveness on the Quality Management System

Mazars' 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, work is performed to a consistently high standard and that reports issued by the firm are appropriate.

On the basis of the conclusions of the Mazars Group Quality Control monitoring and on the monitoring performed at Luxembourg level, the management of Mazars Luxembourg confirms, with a reasonable level of assurance, that the internal quality control system is effective.

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

In accordance with the amended Law of 23 July 2016 relating to the audit profession, Mazars Luxembourg has put in place procedures equivalent to those of the Group, including among other things:

- accepting and maintaining engagements;
- monitoring of any non-audit services provided to audit clients;
- an annual declaration of independence by the partners and all the employees;
- access by all professional staff to a list of clients subject to specific ethical restrictions;
- fee limits per client, to avoid financial dependence on one or more clients; and
- rotation requirements.

The operation and effectiveness of the Mazars Group and Mazars Luxembourg's systems to safeguard our objectivity and independence form part of the overall Quality Control System.

Based on the evidence identified following its review, the management of Mazars Luxembourg confirms, with a reasonable level of assurance, that the independence procedures and practices have been implemented and the system is effective in maintaining independence.

Statement of compliance with the professional training obligations

According to the CSSF Regulation 16-10, the "Réviseurs d'entreprises" and "Réviseurs d'entreprises agréés" must follow a minimum of 120 hours of continuous training per reference period of three years, including at least 20 hours per reference year. The CSSF and the "Institut des Réviseurs d'Entreprises" may require supporting documents to identify the training activities carried out, their duration, their content, the organizing body, as well as the attestation of attendance for a minimum of 60 hours out of the 120 hours required for the three-year reference period.

Mazars has defined its own policy for continuous training. In addition to the attendance of internal seminars that are preferred, it includes the participation in working groups of professional institutions, national or international, the preparation and presentation of internal or external trainings, the reading of professional documentation, or the participation to conferences or external technical trainings.

Mazars Luxembourg offers its employees a whole range of training courses in order to better meet the requirements and evolution of its clients base.

In addition, Mazars Luxembourg encourages employees to obtain their professional qualifications (Diplôme d'Expertise Comptable, Réviseur d'Entreprises Agréé, ACCA).

On this basis, the General Management of Mazars Luxembourg certifies that Mazars Luxembourg and its partners and employees réviseurs d'entreprises have complied with the training obligations provided for by the CSSF and the "Institut des Réviseurs d'Entreprises" and Continuing Professional Development policies.

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

Mazars Luxembourg is also certified as an ACCA-approved employer (platinum level).

Public Interest Entity Audit clients of Mazars Luxembourg



Public Interest Entity Audit clients of Mazars Luxembourg

Public Interest Entity Audit clients of Mazars Luxembourg:

Public Interest Entities as defined in EU Directive 2014/56/EU in respect of which Mazars Luxembourg has expressed an audit opinion in the year to 31 August 2020 are detailed below:

Entities issuing financial instruments on an EU regulated market:

The list of audit engagements of entities listed on an EU regulated market (securities or debt) for which a report has been issued for the period covered by this transparency report (from 1 September 2019 to 31 August 2020) is as follows:

- AISM GLOBAL OPPORTUNITIES FUND
- BREDERODE S.A.
- EMERALD BAY S.A.
- HOLCIM FINANCE (LUXEMBOURG) S.A.
- HOLCIM US FINANCE S.A.R.L & CIE S.C.S
- NATIXIS STRUCTURED ISSUANCE S.A.
- SWORD GROUP S.E.

Insurance companies

The list of audit engagements of insurance companies for which a report has been issued for the period covered by this transparency report (from 1 September 2019 to 31 August 2020) is as follows:

- AFI.ESCA LUXEMBOURG S.A.
- AME LIFE LUX S.A.
- GREENSTARS BNP PARIBAS S.A.
- INTERNATIONAL CREDIT MUTUEL LIFE
- LUXLIFE
- SOLIDARITY TAKAFOL S.A.

Reinsurance companies considered as PIE

The list of audit engagements of reinsurance companies considered as PIE for which a report has been issued for the period covered by this transparency report (from 1 September 2019 to 31 August 2020) is as follows:

- CAISRELUX
- CHALLENGER REASSURANCE S.A.
- MACSF RE S.A.

Glossary



Glossary

AAS	Audit and Assurance Service	IQCC	International Quality Control Committee
AB	Audit Board	ISA	International Standard on Auditing
ACCA	Association of Chartered Certified Accountants	ISQC	International Standards on Quality Control
AOS	Accounting and Outsourcing Services	IT	Information Technology
AQB	Audit Quality Board	KAP	Key Audit Partner
BAME	Black, Asian and Minority Ethnic	KPI	Key Performance Indicator
BST	Business Support Team	LGBT	Lesbian, Gay, Bisexual and Transgender
CCOI	Code of Conduct for Objectivity and Independence	LLP	Limited Liability Partnership
COO	Chief Operating Officer	MAM	Mazars Audit Methodology
CPD	Continued Professional Development	Mazars Group	The member entities of Mazars SCRL
CSR	Corporate Social Responsibility	Mazars UK	Mazars LLP
CSU	Central Support Unit	NSP	National Senior Partner
ERMF	Enterprise Risk Management Framework	OMP	Office Managing Partner
EQCR	Engagement Quality Control Review EU European Union	Partners	Partners and shareholders of Mazars entities in the Mazars Group
FAS	Financial Advisory Services	PIC	Public Interest Committee
FoF	Forum of Firms	PIE	Public Interest Entity
FRC	Financial Reporting Council	PSAA	Public Sector Audit Appointments Ltd
GEAC	Group Ethics and Acceptance Committee	QAD	Quality Assurance Department
GEB	Group Executive Board	QCA	Quoted Companies Alliance
GGC	Group Governance Council	QRB	Quality and Risk Board
GLT	Global Leadership Team	QSG	Quality Steering Group
GSB	Global Support Business	QR&M	Quality Risk and Management Board
GSST	Global Sector & Services Team	RI	Responsible Individual
IAASB	International Auditing and Assurance Standards Board	SCRL	Société Cooperative à Responsabilité Limitée (Limited Responsibility Cooperative Company)
ICAEW	Institute of Chartered Accountants in England & Wales	TAX	Tax services
IES	International Education Standards	The Charter	Charter of Association The Firm Mazars LLP
IESBA	International Ethics Standards Board for Accountants	The Group	The member entities of Mazars SCRL
IESBA Code	IESBA Code of Ethics for Professional Accountants	The Revised Code	Revised Audit Firm Governance Code (2016)
IFAC	International Federation of Accountants	UK	United Kingdom UK Executive UK Executive Board
IFRS	International Financial Reporting Standards	UKGC	United Kingdom Governance Council
INE	Independent Non Executive	UKRAC	UK Risk and Audit Committee Us/we Mazars LLP

Contact

Mazars Luxembourg

5, rue Guillaume J. Kroll
L-1882 Luxembourg

Tel: +352 27 114-1

www.mazars.lu

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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 40,400 professionals – 24,400 in 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

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