



Transparency report  
Mazars Luxembourg

2021/2022

mazars



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

## Transparency report Mazars Luxembourg

We are pleased to present the 2021/2022 Transparency report for Mazars in Luxembourg.

Specializing in audit, advisory, accountancy and tax services, Mazars is a leading integrated and independent organization whose international dimensions are expanding every year.

As of 31 August 2022, Mazars is present in more than 90 countries and territories around the world.

This Transparency report covers the period from 1 September 2021 to 31 August 2022. 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, 29 December 2022



**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.

# 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 90 countries and territories, with more than 47,000 professionals – over 30,000 in our integrated partnership and over 17,000 via the Mazars North America Alliance – dedicated to helping clients make the most of business opportunities and operate with confidence.

\*where permitted under applicable country laws.

## Our purpose and our promise

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

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

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

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

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

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

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

## What makes us unique

We pride ourselves in offering a different perspective.

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

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

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

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

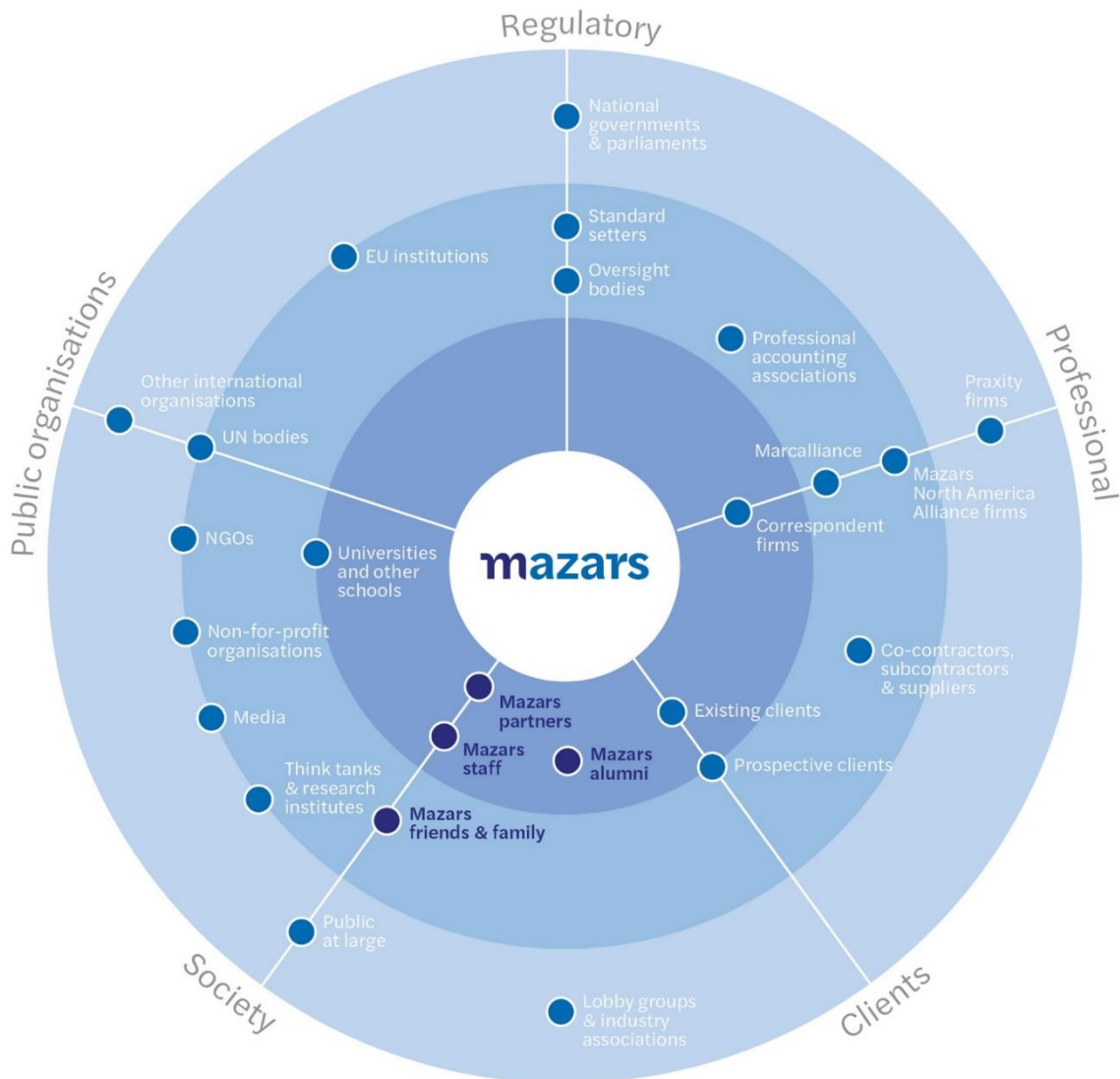
We believe stewardship is paramount and we continuously strive to usher in new generations of leaders who will help us further develop while staying true to the fundamental values we inherited from our founders

# Our value proposition

## How we interact with our stakeholders

### Stakeholder map

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



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

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

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





# Our value proposition

## Our value creation strategy for today and tomorrow

### Quality is the backbone of our value creation

#### Embedding quality in all we do

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

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

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

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

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

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

Quality and compliance programmes are in place in each of our seven service lines. These programmes are designed to train, evaluate and ensure all our

people have the same level of awareness and access to the same tools. Everyone should be determined to go beyond mere compliance and improve quality year after year.

#### What quality means for our service lines

Our seven service lines are as follows:

The **audit service line** offers a distinctive, human-centric approach that goes beyond compliance, with an integrated structure that allows us to work seamlessly as one team. We serve regional, national, and international companies of all sizes and structures by combining the right people with the right skills for every engagement, leveraging our collective knowledge and using consistent tools and methodologies. Through our audit and assurance work, we deliver insight and promote transparency. We believe constructive challenge, based on mutual trust and respect, builds confidence in how organizations report to their stakeholders. It is this robust approach that ensures a Mazars audit delivers full benefits to a company, its shareholders, and its other stakeholders. It also ensures maximum benefit for society, contributing to the development of sustainable businesses and economies.

The services on offer include financial audit, corporate reporting, independent assurance and review and training services.

The audit service line is currently working on a series of key projects, aimed at enhancing the quality of services delivered to organisations of all sizes and in all industries:

- Development of Atlas NextGen and Atlas Analytics NextGen
- Launch of a global audit Employer Value Proposition (EVP) campaign and implementation of a global grade structure and competency framework
- Implementation of various quality initiatives as outlined in section 5 below
- Launch of a global audit delivery platform in Morocco to serve initially our four largest European countries with the goal of having a blueprint to be rolled out in other countries and regions in the coming years

## Our value proposition

# Our value creation strategy for today and tomorrow

- Reinventing Audit team in place and working actively on the development and deployment of new digital solutions
- Development of sustainability assurance services
- Promotion of market opening measures including joint audits and participation in public debates through our Audit reform task force and public affairs team

**Consulting** helps leaders across the business – from top management through to department heads – align their people, processes, and tools behind shared objectives, manage their risk and deliver peak performance through collaboration, thoughtful advice and up-to-date technical and digital expertise.

Mazars' professionals combine their technical expertise, agility, and the latest technology with a deep understanding of their clients' needs, context, and culture to co-create answers that drive the results they are looking for. By working as one, integrated, international team across geographies and sectors, combining extensive sector expertise and global presence and deep local understanding, they can support their clients' most critical business objectives from strategy to implementation in every market they operate in.

The scope of services provided range from of management, risk, technology, and digital consulting - change management and post-merger integration- to internal audit and digital transformation.

**Financial Advisory** is a growing, dynamic and award-winning team whose goal is to provide high quality financial advice and business support to our diverse client base and become their number one trusted advisor.

This multi-disciplined service line provides a vast array of advisory services including:

- Transaction Services (Due Diligence)
- Mergers & Acquisitions
- Valuations (contentious and non-contentious)
- Forensic and Investigation Services
- Restructuring Services (Corporate and Personal Insolvencies)

- Global Infrastructure Finance

**Legal** is a globally active full-service legal advisory providing high-quality legal services to clients as part of our multidisciplinary approach. By working closely with clients, Mazars' teams help them with their day-to-day legal needs and provide them with expert legal advice and support within the wide range of business law. With a presence in multiple legal markets, this service line

offers comprehensive and integrated support with a collaborative, pragmatic and entrepreneurial approach, in order to develop a deeper understanding of their clients' needs, help them make smarter decisions and add value to their business.

As an acknowledgment of its performance, Mazars in Germany was awarded "Law Firm of the Year" in the Eastern Region last year and was also nominated as "Law Firm of the Year for SMEs".

From a strategic standpoint, the goal is to develop and grow Mazars' inhouse legal service in all partnership countries. In regions where Mazars does not or does not yet provide a full-range of legal advisory services or is not allowed to provide legal service due to regulatory reasons or conflicts, Mazars works with Marcalliance – an alliance of independent highly-rated law firms – to make sure clients are advised by legal experts, who share the same service ethos and culture of excellence worldwide.

Mazars' legal service line provides services in a wide range of business law, particularly in the following areas:

- Commercial law and Contracts
- Corporate and M&A (incl. legal due diligence)
- IT/IP Law
- Data privacy law
- Real estate law
- Energy law
- Finance (banking, venture, capital, supervision)
- Employment law

## Our value proposition

# Our value creation strategy for today and tomorrow

- Dispute resolution / Litigation
- Public law
- Legal compliance
- Corporate secretarial services

In addition, Mazars has established international and globally active legal expert groups, which are an important part of its legal service offering and also act as hubs for knowledge sharing. Six such expert groups are currently active:

- Employment and Labor Law (joint group with Marcalliance)
- Corporate and Transaction Services (joint group with Marcalliance)
- IT/IP (joint group with Marcalliance)
- Energy Law (joint group with Marcalliance)
- Company Secretarial (Mazars only)
- Data Protection Services (Mazars only)

**Outsourcing** helps organisations enhance performance, secure accounting and compliance processes, moderate their international complexity, manage costs and provide a high level of flexibility in resourcing and skills.

**Tax** provides seamless delivery for Mazars' people and clients to build a fair and prosperous world. Tax works closely with clients to build transparent, integrated tax-efficient and sustainable solutions to help them achieve their strategic objectives. As national and international tax systems pose increasingly significant challenges for businesses and individuals, we build transparent, integrated tax-efficient solutions that give our clients confidence and help them excel in a sustainable way

The services provided include tax advisory and compliance services, for national and international clients, for POB, PIE and private clients. Mazars' tax experts focus on transfer pricing, global mobility, indirect tax, M&A tax, PIE tax, tax dispute resolution & governance, the financial services sector, international reporting obligations (IRO), global R&D and tax incentives, tax technology & transformation.

**Sustainability** builds on the robust expertise from audit and consulting and aims to assist companies along their sustainability journey. This service line improves corporate resilience by identifying and managing sustainability risks and opportunities; increasing companies' awareness of and accountability for their environmental and societal impacts; and helping develop sustainable businesses, economies, and communities.

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

For our **audit business**, providing a quality audit means delivering insight, promoting transparency and providing constructive challenge, which leads to enhancing trust in how organizations report to their stakeholders. Quality is the core value the audit service line provides to our clients and is a key differentiator in the market. The audit service line is investing in and monitoring quality through the following initiatives:

- Definition of Audit Quality Indicators, which will be monitored at country level on an ongoing basis
- Launch of an audit quality survey dedicated to Group audits where both central and local teams are being appraised
- Launch of the Global audit learning path mandatory for all auditors
- Revision of the questions in the NPS survey to better reflect the assessment of audit quality
- Monitoring global acceptance to identify large engagements and ensure that the relevant countries have sufficient resources and capabilities to perform the work

In our **consulting service line**, quality is at the forefront of every assignment. We approach every piece of work with a commitment to the highest level of quality as well as with integrity, independence, accountability, and a social conscience. Given the diversity of our services, although our commitment to quality does not waiver, the approaches used to measure quality varies across different components of the Consulting practice. Some tools that we use

## Our value proposition

# Our value creation strategy for today and tomorrow

within the Consulting Practice to measure or monitor quality include:

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

In our effort to ensure quality and provide increasingly valuable services to our clients in a globally consistent manner, we continue to invest in the development or enhancement of global delivery methodologies. We have spent considerable effort this year in the development of a new global internal audit methodology as well as a new IT assurance methodology. We reinforce this commitment to quality with significant investments in the training and professional development of our professionals to ensure that they have the technical skills necessary to exceed our client's expectations.

In our **financial advisory** activities, which cover a wide scope of services ranging from deals and financing schemes to crisis and disputes, quality is at the heart of what we do and we are always striving to achieve the highest standard of quality in the work we deliver to our clients. In FA, quality often means quality of advice and we therefore invest time in ensuring our project teams have the appropriate level of skill and depth of knowledge to provide our clients with the best possible output.

We want to imbed a training programme of quality into our SL so it becomes part of the mandatory syllabus, with the objective to have all global FA teams working towards the same high quality standards. We are working on a generic update to our Procedures Manual, and developing a common QRM checklist for all out teams and all our projects.

In our **legal practice**, quality is the key element of providing legal services and the crucial point for competing with law firms (for clients and people). We thus aim to embed consistent high standards across our services and deliverables while considering local and global risk aspects. For this we work on learning paths for legal services, tools and on a quality handbook as well as on qualification requirements for our lawyers.

Within the **tax practice**, we are strongly committed to drive a strong culture of quality and excellence that is fundamental to fulfilling our purpose. To that end:

- we continuously reinforce the role of ethics and professional behaviors for the global tax community;
- we are establishing and maintaining a rigorous system of internal quality controls and monitoring procedures aligned with our Global System of Quality Management (ISQM1 Project);
- we develop our teams' skills, knowledge and capabilities by providing in-depth training and ongoing tailored professional and personal development opportunities (for example via MOVE secondments in other Mazars countries, tax U-learn trainings (like Transfer pricing));
- we heavily invest in tailored innovation and new technology to support our tax service lines across the firm in a digital age (for example with the recent launch of the Global mobility IT tool and the work-in-progress around a Transfer pricing solution).

In addition, our Tax quality control processes are operating effectively; we implemented a structured country tax review process that has been progressively standardized and aligned with other service lines covering on a yearly basis 15 countries with a scoring system. The country action plans are closely supervised and monitored by the IQC Central team.

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

For the **sustainability service line**, quality is a combination of stakeholders' satisfaction, technical expertise, innovation, and contribution to sound business practices. It essentially builds from:

- Technical expertise of trained and skilled teams with up-to-date regulatory knowledge and who

## Our value proposition

# Our value creation strategy for today and tomorrow

are able to provide both pragmatic and constructive solutions;

- Ability to understand the clients' needs and meet their expectations in a fast-changing and complex environment; and,
- Active contribution in the current momentum, shaping the future of international sustainability assurance standards, in coordination with the current financial audit reform.

### Identifying risks and maximising value creation opportunities

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

As shown in detail in the upcoming table of risks and opportunities, as well as in our materiality matrix, we have comprehensively mapped the main threats to our environment, to our business and to our partnership. All our service lines have contributed to this crucial endeavour which we see as a sine-qua-non condition maintaining our ongoing sustainable growth, making the most of new and emerging opportunities and reinforcing our resilience in times of crisis.

Some of the risks identified and their related mitigation measures are specific to each service line. They are pursuant to business capabilities, legal requirements, ethics or the ability to perform cross-border assignments. Mitigation measures include the strengthening of service lines, increased cooperation and knowledge sharing, and the implementation of specific quality and risk management processes and tools.

The main risks our service lines highlight, however, are common to several or all of them. They are mainly related to:

- Not being able to attract, develop and retain the right talent. This is especially true for our Audit, Consulting, Financial Advisory and Sustainability services lines, with the latter suffering from a shortage of senior experts on the market.
- Not having the adequate resources to successfully implement the key initiatives identified

- Failing to innovate
- Not being able to keep up with regulatory changes
- Not delivering the level of quality clients expect, which could negatively impact both our finances and reputation
- Experiencing and suffering from a commoditisation of services, particularly in our Audit and Consulting service lines.

The main opportunities as identified by Mazars' service line leaders arise from the emergence of strong environmental, social and governance (ESG) and sustainability trends – with the assurance market associated with CSRD in Europe only being estimated at Euro 1.9billion-. The added value of technology and businesses' new needs and expectations in a post Covid-19 environment are promising growth drivers, as is education. Our ability to bring together the experts from across service lines to work together as one team, sharing information, expertise and best practices, will enable us to make the most of new opportunities.

In our audit business, more specifically, the opening of the market and Mazars' leading position as a challenger firm for the audit of international PIEs and Financial Services entities are seen as promising opportunities as well.

# Mazars at a glance

## Global coverage

90+

Countries & territories

47.000+\*

Professionals

\* including 30,000+ in the Mazars partnership and 17,000+ via the Mazars North America Alliance

1.000+

Mazars Scrl Partners

Group global turnover 2021-2022

2.45\*\*

bn euro

\*\*includes data for the ZhongShenZhongHuanand ZhongShen Yatai practices.

16.7%

Year-on-year growth (2021-2022)  
(excludes forex impact of 1.6%)

300+

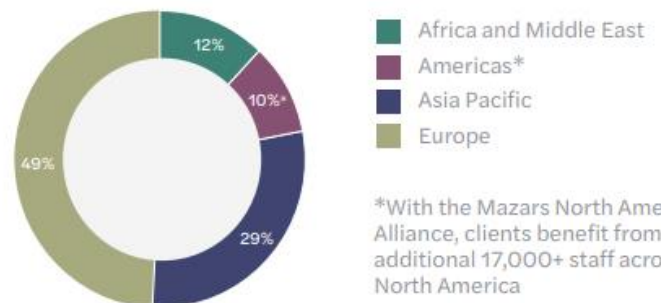
Offices

These figures are valid as of 31 August 2022.  
For current up-to-date information, please visit:  
[www.mazars.com/keydata](http://www.mazars.com/keydata)

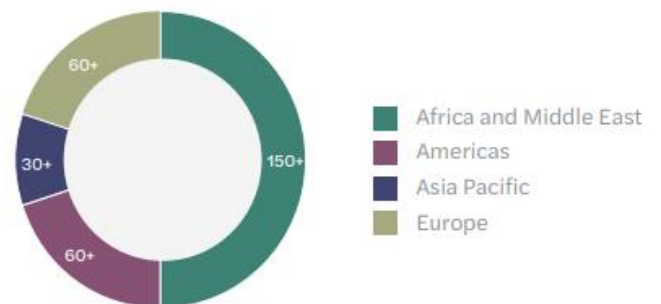
Mazars SC (hereafter ‘Mazars Group’, ‘the Group’) is an international, integrated and independent organisation, specialising in audit, advisory, accountancy, tax and legal services.

On all six continents, our global partnership brings together over 30,000 international experts, plus another more than 17,000 through the Mazars North American Alliance. They all share the same vision, the same entrepreneurial and collaborative mindset, and the same determination to create shared value for all our stakeholders: our staff, our clients, the business community and society as a whole.

## Professionals split by regions (%)

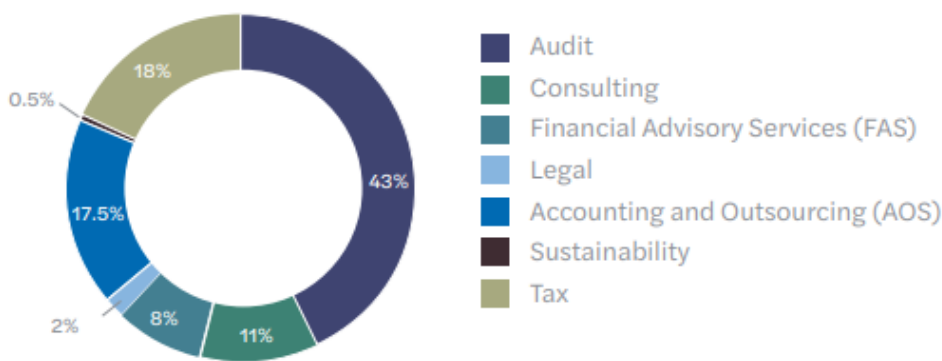


## Offices split by regions

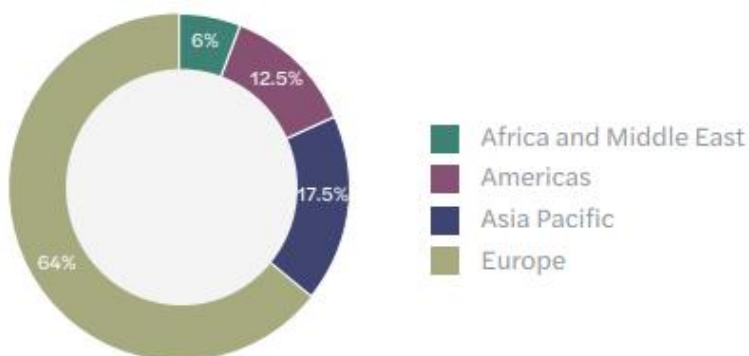


# Mazars at a glance

## Global turnover by service lines (%)



## Global turnover by regions (%)



Start-up in France

# 1945

Growth in Euopre

€100m turnover

# 1995

1,000 professionals

Creation of the international partnership

€500m turnover

37 countries

# 2005

5,300 professionals

Growth in Euopre and in America

€2.45bn turnover

90+ countries and territories

# 2022

47,000+ professionals

(30,000+ professionals in Mazars' integrated partnership, 17,000+ via the Mazars North America Alliance)

Presence on all continents

Statements by Jean-Luc Barlet, Quality Management & Compliance Leader and Jo Connolly, Group Chief Quality & Compliance Officer





# Statement by Jean-Luc Barlet, Quality Management & Compliance Leader

Mazars audits 2,700 Public Interest Entities worldwide, 1,300 headquartered in Europe, 960 being listed on a regulated market, including 480 listed in Europe. Mazars is ranked 5th in the European audit market for large listed European companies.

In a world that is seemingly not changing for the better, and with increased levels of uncertainty on the horizon, robust and reliable risk management and internal control systems and processes are more than ever of the essence. At Mazars, we have long made the ongoing reinforcement of our quality assurance and management of material risks top priorities.

As this Transparency Report goes out, ISQM1 has come into force. For over a year now, we have taken these new requirements as opportunities to further strengthen the backbone of our internal control processes and tools and develop our quality teams at Group level and in all the countries of our global partnership.

We have both reinforced our existing tools and worked on new ones, with the objective of ensuring consistency throughout our firm. Our central teams have assisted and helped all countries in implementing homogeneous state-of-the-art quality and risk management systems.

We are continuously improving our KYC – “Know Your Client”- procedures, with the upcoming addition of a new tool that will complete WeCheck, our group-wide one-stop-shop for global independence. All countries within our partnership can log on to WeCheck, and 78 of them, representing 97% of our turnover, regularly upload and refresh their client data into WeCheck’s management systems.

All in all, our risk management structure and policies have demonstrated their reliability and effectiveness. We did not have to face any serious dispute or litigations in the last twelve months, and we are confident ISQM1 will only make our tools and procedures even stronger.

## Ushering in a new generation

Our robustness, the relevance and resilience of our integrated model, the right balance between our audit and advisory activities, our talent and our dedication to quality have once again been the key drivers to our excellent 2021-22 performance. Again, Mazars achieved a double-digit growth, and continued to expand within the PIE sector. We have increased the number of listed companies we serve, and now audit 2,700 of them, of which 1,300 are headquartered in Europe and 960 listed on a regulated market. We clearly remain Europe’s 5th auditor for large corporates.

As we enter 2023, Mazars is where it should be: a global player, with very strong assets, promising development perspectives and a new generation of partners ready to take over and lead the partnership into the future.

We have long considered stewardship and the ability to successfully hand over power to upcoming leaders as key components of our DNA and key factors of our ongoing development. Mazars’ international expansion, from its French roots to the tier-one audit and consulting player it has become, has been carried out under the leadership of a generation of partners that will soon pass the baton. I am confident that the new generation is ready to take over and further grow our partnership. There will be no shortage of challenges and opportunities, stemming from both new regulations – such as the CSRD – and new macro-economic and societal evolutions. But our future leaders have been well prepared: they are true to our founding values, and they have the talent, the expertise, and the will to write an exciting new page in the history of Mazars.



**Jean-Luc Barlet**  
Group Chief Compliance officer



# Statement by Jo Connolly, Group Chief Quality & Compliance Officer

Quality is fundamental to our purpose. For this reason, it is one of the core pillars of our One24 strategy and underpins our goals and ambitions. It is ultimately the key measure on which our professional reputation stands.

We are fully committed to maintaining, managing, and continuously improving quality. Central to this are the activities we have underway under the leadership of the Group Q&RM to design, implement and operate the new International Standard on Quality Management 1 (ISQM1) – creating our new Mazars Global system of quality management (SoQM).

## What ISQM1 requires

The International Standard on Quality Management 1 (ISQM 1) will replace the current International Standard on Quality Control 1 (ISQC 1) and includes significant changes to the way professional accounting firms manage quality.

ISQM1 requires firms to establish a robust System of Quality Management (SoQM) across eight specified components with the introduction of a proactive, risk-based approach to managing quality and monitoring requirements.

Quality objectives are very clearly established within ISQM1 and through application of the risk assessment process focus is on understanding, and mitigating risks to achieving these quality objectives.

ISQM1 also requires evaluation of the effectiveness of the SoQM, to identify deficiencies that demand remediation and to provide the basis for evaluating the overall effectiveness of the SoQM.

## Our approach to the implementation of ISQM1

Mazars has determined 10 components to our SoQM framework as set out below. Within each we identify the related process, risks, and relevant responses (controls).

1. Governance & leadership - our culture, structures, and tone the top and leadership accountabilities,
2. People – recruitment, development and rewarding our talent,
3. Clients – accepting and continuing to work with client that align with our values and strategic ambitions.
4. Independence and ethics – compliance with relevant standards
5. Technology resources – maintenance and development of IT platforms and tools
6. Intellectual resources – maintenance and development of guides, methodologies, and policy manuals
7. Engagement performance – our approach to supervision, review and direction on the job and enablement through the use of engagement workflow tools.
8. Information & communication
9. Monitoring & remediation
10. Risk assessment process - evaluation of risk to achieving quality objectives as well as the identification of controls and responses that address those risks.

Each Mazars partnership entity is ultimately responsible for the design, implementation, and operation of their local SoQM. However, embracing our strategic ambition to drive global consistency, a Group Q&RM led team, with support from country and regional representatives, has developed and supported the implementation of the Mazars Global SoQM framework aligned to ISQM1. Our Global SoQM framework is designed to promote consistent engagement quality and operating effectiveness. It includes a global risk assessment process with tools, guidance, and training, for use in all countries, as well as a set of global baseline minimum controls and responses, to which each Mazars firm may add to reflect their own nature, circumstances, and complexities. Utilising the SoQM framework and risk assessment approach all Mazars firms are building on responses already in place under the ISQC 1 framework.

# Statement by Jo Connolly, Group Chief Quality & Compliance Officer

## What will change for Mazars?

Continuous improvement of quality requires us to challenge and be open to change. The change brought about by the standard also creates opportunity – and we have certainly viewed it through that lens.

We have taken the opportunity to refine processes, update policies, refresh our control design and better articulate accountabilities to our leaders and our people. Some examples include:

- We continue to drive consistency across the globe – for example we recently updated our global policies and procedures within the risk and quality assurance manuals to be reflective of the changes brought about through our ISQM1 project.
- We continue to develop and define quality indicators aligned to the new SoQM including to clearly articulate accountabilities for quality – example of this include the Partner Quality & Risk Report.
- Our IT strategy continues to evolve - we have designed a Global IT ISQM1 tool to facilitate the risk assessment process and the testing and evaluation of each firm's SoQM.
- Driving and maturing the approach to continuous improvement we are enhancing the design of the global monitoring programs to factor in ISQM1 to take effect for the year ended 31 August 2023.

An effective SoQM is foundational to achieving consistent engagement quality. The identification and enhancement of processes, quality improvement initiatives and related controls will take us to the next phase in our continuous improvement journey.

# Inspiring stakeholder confidence in audit quality

## Our culture and global talent policy

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

### Making Mazars a school of excellence

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

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

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

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

In the coming months, we will reinforce our focus on digital and Web 3.0. Thanks to the work of our learning architects, our worldwide learning platform, U Learn, will become a fully-fledged app which will soon provide professionals from all our 7 Service Lines with state-of-the-art training programmes built around 5 key dimensions:

- Technical skills

- Our corporate culture (including our Code of Conduct)
- Soft skills
- Personal development
- Digital expertise (Web 3.0 culture, metaverse, blockchain, AI...)

Another major area of increased focus is the development of Mazars' future generation of leaders, who will usher our partnership into the next decade. At both Group, regional and country levels, 70 of our most promising partners are being assessed and trained in cooperation with Korn Ferry and through specifically designed curricula in Mazars' the Next MBA.

### The Next MBA

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

### The EMBA programme - Building the Mazars next united community of leaders

As part of our global ambition to prepare our next generation of leaders at Mazars, an internal executive MBA programme has been designed. This 2-years programme combines 5 on-site chapters on different continents, a virtual peer-coaching and a Metaverse experience. Topics are delivered in highly interactive format, including exchanges with

# Inspiring stakeholder confidence in audit quality

## Our culture and global talent policy

regional senior execs, start-ups & Thought leaders. The faculty is comprised from a multicultural and strong academic track records professors just as Tammy Erickson, Tawfik Jelassi and Moran Cerf.

The programme addresses the following themes: The culture of Partnership, Strategy, Client Centricity & Quality of Service, Quality & Risk Management, Technology & Business Transformation and Executive Engagement.

The first chapter took place in September 2022 (in Berlin and Milan) with 65 participants from 31 countries.

### **Mazars is a proud partner of external international paramount events: One Young World**

An external exposure of our future leaders plays a critical role in our global talent development strategy. Thereby, in 2021 we partnered with One Young World (OYW), the world's biggest and most impactful youth leadership summit connecting young leaders. Two cohorts of Mazars' brightest talents have been sent to this annual event where they have had the opportunity to debate and devise innovative solutions to the world's most pressing issues. In addition, our Mazarians have been counselled by influential business, political, and humanitarian leaders. This year's edition took place in Manchester, UK (5-8 September) with the attendance of a Mazars delegation of 2 representatives: Harriet Walker and Danny Janssen.

### **Further developing a coaching and learning culture**

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

The group wide ReCoach programme has been designed as a very hands-on way to respond to the three major challenges of sustaining the learning culture throughout the firm, developing and instilling the coaching and feedback culture expected by our young professionals, and building an online programme that would be immediately adopted and supported throughout our 90+ countries in a time of high disruption.

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

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

Re-Coach has now been cascaded down and extended to our short-list of future partners – 82 professionals in 31 countries-. It has become an integral part our the 6-month LEAD programme aimed at training the men and women who will be appointed as partners within 2 years.

The ReCoach programme was rewarded in the leadership and talent management category by #USpring at its annual L&D event in Paris. It was also recognised as an outstanding L&D initiative by EFMD Global in its 2021 Excellence in Practice Awards. Drawing on Mazars' rich culture, history and DNA in order to better answer the challenges of today and tomorrow and build a truly modern firm was also the objective of the Mazars partnership academy launched and deployed in France between 2019 and 2021.

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

# Inspiring stakeholder confidence in audit quality

## Our culture and global talent policy

communication, and representing Mazars, to help build the 2020-2024 strategic plan for Mazars in France.

### Mazars University uses the most advanced format in executive education: “Development Centre”

LEAD programme is the Mazars University very own Development Centre which aims to screen and groom future leadership capabilities and help build a personal roadmap to the partnership. The programme is designed as a peer-coaching experience combined with leadership development training.

82 participants from 32 countries are part of the 2022 cohort, which is composed of 7 training modules + 6 peer coaching sessions. This 7-months hybrid programme had its kick-off in Milan, Italy in June and will be end at the beginning of December.

### Feedbacks from participants (onsite kick-off)

Max Moujalli, Australia - “Thank you for putting together an amazing programme, the content was impeccable, the people genuine and the venue was consuming. Partaking on this journey with other future leaders has made the experience all the more valuable and I have left the program encouraged about the future of Mazars. The people I believe that most connected throughout the event walked away knowing more than what service line and country someone came from”

Henry D'Auzay, France - “I did not think this could be a turning point in my way of thinking. Focus on others more than on yourself. There will be a before and an after for me personally. Now acts are more important than words but thanks for the lessons in Milan”

Florie Bourrel-Heleine, USA - “I was not expecting such a dense and rich curriculum; loved the interactive sessions and felt like we did a lot in a very limited amount of time”

### Managing and developing our talent

We want to expose our talent to the best we can offer. This is especially true where international experience is concerned: we consider this to be a key element in the development of our teams and leaders. Mazars employees wishing to enhance their careers through international experience may

choose from a range of strategic mobility opportunities including short-term assignments like the two-to-six-month international projects offered through the MOVE programme, as well as longer-term assignments of three to five years in length and permanent international transfers. These programmes encourage the exchange of ideas between member entities of the Mazars Group.

### Reinforcing our Employer Value Proposition

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

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

In 2022, a number of countries have launched local campaigns which highlight our Employer Branding Proposition. Some of the countries that have done so include Germany, Switzerland, The Netherlands, The United Kingdom, South Africa and Australia.

Through global and local initiatives, such as international forums or partnerships with universities, we showcase and demonstrate the reality of our Employee Value Proposition (EVP) to various target audiences. Our efforts to strengthen our EVP and make Mazars a great place to work have been rewarded in 2022 in many countries around the world:

- Mazars in the UK ranked in the top 15 in the top 100 Apprenticeship Employers, which distinguishes the country's top 100 apprenticeship employers across all industries. Mazars UK offered 182 apprenticeships in 2022.
- Mazars in Singapore was a six-time winner at HR Asia's Best Companies to Work.

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## Our culture and global talent policy

- In France, Mazars was once again the Happy Trainees label, rated the 4th best company to do an internship at.
- In the United States of America, Mazars was recognised in the 2022 Crain's Best Place to Work in New York City

### User-friendly digital learning worldwide: Partnership renewal with LinkedIn Learning

With the renewal of the partnership with LinkedIn Learning Mazars University keeps providing our professionals across the globe with unlimited access to state-of-the-art training content.

### Banking on innovation

We strongly believe in collective intelligence. We have established 10 tech hubs in different countries, they are seamlessly in touch with each other through the league of hubs. Regular updates, a common repository and personal connections prevent redundancy and allow local teams to share best practices and resources. Each tech hub has a different specialty, but all of them have a common passion: technology and innovation.

We also rely on a network of innovation ambassadors, which consists of corporate entrepreneurs with diverse backgrounds, experiences, and linguistic skills. They are ready to lead international innovation projects to success. Today there are more than 250 innovation ambassadors in around 60 countries.

In addition, we have created communities working across borders and seniority levels on advanced topics (for example Extended reality, Ideation, Data analytics Trend watching, LCNC etc.).

The priorities of the innovation & technology teams around the world revolve around enhancing our marketplace for innovation. Ensuring the delivery of projects with potential for the group and monitor the international roll-out while developing the infrastructure is one of them. We have a portfolio of projects deployed globally aligned to the business and we are in continuous iteration to deliver new services focused on clients.

### Through our programmes we embed technology and innovation in our business transformation: Design Sprint Project in the CEE region

Transform Mazars from a knowledge-intensive to an education-based firm is one of the strategical lines of our roadmap. Within this purpose, the CEE Design Sprint Project was created.

This project is a Learning initiative, made up of a kick-off event + 8 workshops, that aims to develop a culture of Innovation at Mazars, by educating employees to be innovation ambassadors, team players and develop an Innovation culture in CEE. The objective is for staff to learn how to apply and implement innovation methods by practising on the design thinking process.

### Key Performance Indicators

Women account for over **54% of our staff**, **35% of our Leadership Team** and **43% of our Group Governance Council**. We have set ourselves the objective of having **25% of women as partners in 2025**.

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

On average, **each of our people received 40 hours of training in 2021-2022**, to promote lifelong learning and development.

**49% of our workforce is under 30 years old. 41% is between 31 and 50 and 10% is over 51.**

**78% of our countries support flexible work and promote work-life balance.**

On average there are **7000+ recruitments per year**.

**54% of our workforce are women.**

### Breakdown of our workforce

#### By gender

- 54% are Women
- 35% of our Group Leadership Team are women
- 43% of our Group Governance Council are women
- 20% of our partners are women (objective: 25% by 2025)

#### By age

- 49% are under 30 years
- 41% are 31 – 50 years
- 10% are 51 years and over



## Inspiring stakeholder confidence in audit quality

### Our overall system of quality management

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

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

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

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

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





# Inspiring stakeholder confidence in audit quality

## Delivering audit quality

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

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

In 2020, we started to design a consistent implementation for a coherent quality management system in all partnership countries, in accordance with a set of newly released standards (ISQM 1, ISQM 2 and ISA 220). We aim for completion by the end of 2022.

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

### **Mazars' Audit Manifesto**

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

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

### **Our global audit organisation**

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

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

### **Responsibility for quality**

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

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

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

### **Our audit quality assurance framework**

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

# Inspiring stakeholder confidence in audit quality

## Delivering audit quality

Mazars Group is actively involved in IFAC.

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

- Maintain quality control standards in accordance with the International Standard on Quality Control (ISQC1), issued by the International Auditing and Assurance Standards Board (IAASB), in addition to relevant national quality control standards or regulations;
- Have policies and methodologies for the conduct of transnational audits that are based, to a practical extent, on the International Standards on Auditing (ISAs) issued by the IAASB;
- 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, to the extent not conflicting national regulations, regular globally coordinated internal quality assurance reviews;
- Agree to submit to the Secretary of the Forum an annual report, in an approved format, indicating that it meets the membership obligations set forth above.

We have been committed to this since 2007 and make an annual declaration confirm our continuing commitment.

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

- Responsibility and leadership;
- Independence and objectivity;
- Acceptance and continuance of engagements;
- Human resources;
- Audit methodology and engagement performance; planning and supervision of engagements;

- Technical consultation;
- Audit documentation;
- Professional confidentiality and risk management;
- Engagement quality monitoring reviews;
- Quality monitoring;
- Procedures for dealing with and resolving differences of opinion; complaints, allegations and claims.

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

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

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

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

Furthermore, each Executive is required to:

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

# Inspiring stakeholder confidence in audit quality

## Delivering audit quality

### Audit policies and methodology

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

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

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

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

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

### Achieving significant progress on key projects

We have made significant efforts in the development of Atlas Next Gen and Atlas Analytics Next Gen and have achieved tangible progress through the development of new functionalities and a more user-friendly environment. We have also launched a global audit delivery platform to serve our largest countries, with the objective of agreeing on a blueprint to be rolled out in other countries and regions in the coming years.

We have made significant progress on other key projects as well:

- Definition of audit quality indicators and roll-out in several countries
- Launch of the global audit learning path, accessible to all auditors on the U-learn platform
- Launch of an audit quality survey dedicated to Group audits, through which both local and central teams can be appraised

- Our Reinventing Audit team is now in place. It includes business analysts in over 90 countries and has started working on the development and deployment of new digital solutions.

We have also invested at Group level to improve our ability to attract and retain talents and address the resourcing challenge we face in many countries, and continued to work, in cooperation with our Public Affairs team, to promote joint-audit and participate in public debates in Europe and beyond.

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

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

### Engagement Quality Control Reviews (EQCR)

An EQCR is required to be performed on all audits of listed firms or PIEs. Other engagements may be identified as subject to EQCR: the criteria for determining whether such assignments require an EQCR are mainly based around the existence of specific risk situations.

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 partner or director 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.

# Inspiring stakeholder confidence in audit quality

## Delivering audit quality

### Audit quality monitoring reviews

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

Mazars entities' audit quality monitoring reviews have several components:

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

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

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

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

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

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

### Mazars Luxembourg external reviews

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

The CSSF conducted a quality assurance review from January 2021 to July 2021 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 2021.

# Inspiring stakeholder confidence in audit quality

## Delivering audit quality

During the year Mazars Luxembourg submitted an annual self-assessment around audit quality to Mazars Group which was reviewed centrally. Periodically, the firm is reviewed by a Group quality monitoring reviewer, and that review covers the whole firm procedures as well as file reviews. The last inspection by Mazars Group carried out in September 2021 showed that Luxembourg is considered to have a system in place to comply with the ISAs, the IFAC code and the provisions of ISQC1.

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

For many years now, Mazars has brought a pragmatic approach to the changes in accounting regulations. Our contributions are widely acknowledged for their technical accuracy. This is reflected in the responsibilities Mazars' partners hold in a variety of regulatory bodies and professional organisations, in France, in Europe and at global level.

Through our presence and involvement in the works of these organisations, we can:

- Act as a driving force for proposing new regulatory evolutions in the areas of accounting and audit
- Act as a catalyst for dialogue and exchanges between issuers, auditors, national and international professional organisations and, if needed, regulatory and oversight bodies.

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

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

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

Mazars systematically brings its contribution to audit-related debates by responding to all calls for comments on projects carried out by IASB and the IFRS Interpretation Committee. We also contribute to the works of the IASB on a regular basis and in an informal manner. We take part in meetings between IASB and the major audit firms, and regularly meet with the IFRS IC senior staff to express our opinions and specify our stance on current topics.

### Our contribution to the European taskforce on extra-financial reporting

For over two years, Maud Gaudry, Mazars' Global Co-Head of Sustainability, has been actively involved in the EFRAG's preparatory works with a view to provide technical advice to the European Commission regarding the establishment of European extra-financial reporting standards. She brought her full contribution to producing the technical report, which came out in early 2021 and helped build the CSRD – Corporate Sustainable Reporting Directive – issued in April 2021. She is now working on the new Project Task Force on European Sustainability Reporting Standards (PTF-ESRS), tasked with defining the upcoming non-financial reporting.

# Inspiring stakeholder confidence in audit quality

## Delivering audit quality

### Our direct participation in international audit and accounting bodies

#### ESMA

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

#### EFRAG

- Vincent Guillard is a member of the Financial Instruments Working Group.
- Maxime Simoën is a member of the Insurance Accounting Working Group.
- Maud Gaudry is involved in the Project Task Force on European Sustainability Reporting Standards (PTF-ESRS).
- Jean-Luc Barlet is a member of the EFRAG Expert Working Group in charge of writing the European Sustainability Reporting Standards.
- Claire Dusser is a member of the Rate Regulated Working Group.
- Patrick de Cambourg, Mazars' Honorary Chairman, chairs the EFRAG taskforce on extra-financial standards.

#### Accountancy Europe

- Isabelle Sapet is a Board member.
- David Herbinet and Muriel Fajertag are respectively Chair and Vice-Chair of the Audit & Assurance Policy Group.
- Jean-Luc Barlet is a member of the Corporate Reporting Policy Group and of the Corporate Governance Policy Group.
- Maud Gaudry is a member of the Corporate Governance Policy Group.
- Vincent Guillard is a member of the Bank Working Party.
- Edouard Fossat is a member of the Accounting Working Group.

#### IAASB

- Wendy Stevens is a member of the IAASB.

#### IFAC

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

### Our voice in Luxembourg

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 "Alternative Investments";
- Work Commission "Contrôle Qualité" (Quality Control);
- Work Commission on "Consultative LBC/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



**62 hours of of training on average per auditor in 2021-2022**



**Independent audit oversight took place in 68 countries of the Mazars integrated partnership, of which 13 countries were subject to regulatory inspections in 2021-2022.**



**100% of Group turnover covered by WeCheck**  
**All the entities of our partnership are covered by our global independence tool WeCheck.**  
**As of August 31, 2022, 78 countries representing 97% of our turnover frequently uploaded and refreshed client data**



# Inspiring stakeholder confidence in audit quality

## Ensuring our objectivity and independence

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

### Conflicts of Independence/Interest

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

### How we safeguard our objectivity and independence

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

#### Our Code of conduct for objectivity and independence

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

#### Responsibility for maintaining objectivity and independence

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

### Acceptance and continuance of engagements

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

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

### Global independence check tool

We have implemented a global independence check tool, WeCheck, to protect the independence of Mazars Group. All countries within our partnership have access to WeCheck. To date 78 countries representing 97% of our turnover are live on WeCheck. These countries regularly upload and refresh their client data into WeCheck's data management system.

### Annual declaration of independence

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

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

# Inspiring stakeholder confidence in audit quality

## Ensuring our objectivity and independence

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

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

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

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

This allocation is reviewed annually as well as when there are any changes in the partner's situation or when any difficulties have been encountered.

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

### Partner compensation policy

Profits are divided amongst partners according to the number of "base points" they are allocated. Two criteria are used to calculate the value of the base points: the overall performance of the Mazars

Group and the performance of the national entity to which they contribute. Each factor is measured equally. Several countries, including France, have opted to add a bonus system founded on individual performance.

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

This performance is assessed through various criteria:

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

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

### In Luxembourg

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. For salaried Partners, a bonus system founded on individual performance is applied.

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

# Inspiring stakeholder confidence in audit quality

## Ensuring our objectivity and independence

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This performance is assessed through various criteria:

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- 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 the best possible environment for our teams. Mazars is committed to dealing responsibly, openly and professionally with:

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

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

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

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

### Confidentiality and information security

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

## Our structure, leadership and governance

Since 1995, we have been organised as a global integrated partnership. Today, this partnership is comprised of more than 1,000 partners and 30,000 professionals in more than 100 countries and territories in Europe, Africa and the Middle East, Asia-Pacific and the Americas. We work as one team and share the same values, work ethic and goal of providing the highest quality services to our clients. Our correspondent firms also enable us to operate in a further ten countries.



# Our structure, leadership, and governance

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

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

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

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

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

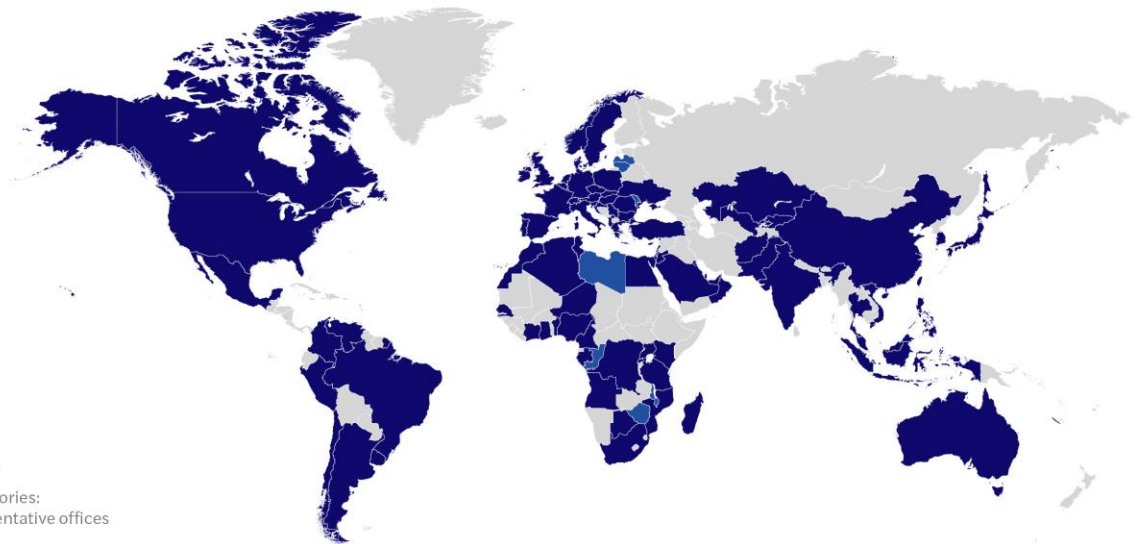
## Our One24 strategy

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

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

# Our structure, leadership, and governance

**Operating in more than 90 countries and territories around the world, we draw on the expertise of over 47,000 professionals – more than 30,000 in the Mazars integrated partnership and over 17,000 via the Mazars North America Alliance.**



Valid as of 31 August 2022

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

- |               |                       |               |              |                 |                |                        |
|---------------|-----------------------|---------------|--------------|-----------------|----------------|------------------------|
| ■ Afghanistan | ■ Canada              | ■ Ghana       | ■ Kosovo     | ■ Morocco       | ■ Romania      | ■ Tunisia              |
| ■ Albania     | ■ Cayman Islands      | ■ Greece      | ■ Kuwait     | ■ Mozambique    | ■ Rwanda       | ■ Turkey               |
| ■ Algeria     | ■ Chile               | ■ Hong Kong   | ■ Kyrgyzstan | ■ Netherlands   | ■ Saudi Arabia | ■ Uganda               |
| ■ Angola      | ■ China               | ■ Hungary     | ■ Latvia     | ■ New Caledonia | ■ Senegal      | ■ Ukraine              |
| ■ Argentina   | ■ Colombia            | ■ India       | ■ Lebanon    | ■ Niger         | ■ Serbia       | ■ United Arab Emirates |
| ■ Australia   | ■ Congo (Brazzaville) | ■ Indonesia   | ■ Libya      | ■ Nigeria       | ■ Singapore    | ■ United Kingdom       |
| ■ Austria     | ■ Congo (Kinshasa)    | ■ Ireland     | ■ Lithuania  | ■ Norway        | ■ Slovakia     | ■ United States        |
| ■ Bahrain     | ■ Croatia             | ■ Israel      | ■ Luxembourg | ■ Oman          | ■ Slovenia     | ■ Uruguay              |
| ■ Belgium     | ■ Cyprus              | ■ Italy       | ■ Madagascar | ■ Pakistan      | ■ South Africa | ■ Uzbekistan           |
| ■ Benin       | ■ Czech Republic      | ■ Ivory Coast | ■ Malawi     | ■ Palestine     | ■ Spain        | ■ Venezuela            |
| ■ Bermuda     | ■ Denmark             | ■ Japan       | ■ Malaysia   | ■ Peru          | ■ Sweden       | ■ Vietnam              |
| ■ Botswana    | ■ Egypt               | ■ Jordan      | ■ Malta      | ■ Philippines   | ■ Switzerland  | ■ Zimbabwe             |
| ■ Brazil      | ■ France              | ■ Kazakhstan  | ■ Mauritius  | ■ Poland        | ■ Taiwan       |                        |
| ■ Bulgaria    | ■ Gabon               | ■ Kenya       | ■ Mexico     | ■ Portugal      | ■ Tanzania     |                        |
| ■ Cameroon    | ■ Germany             | ■ Korea       | ■ Moldova    | ■ Qatar         | ■ Thailand     |                        |





# Our structure, leadership, and governance

## Mazars Group Statutory audit firms

### Africa and Middle East

Country	Legal name
Algeria	Mazars Audit Algérie
Angola	Mazars Angola - Auditores & Consultores, Lda.
Bahrain	Mazars Chartered Accountants (Bahrain)
Benin	MAZARS BENIN
Botswana	MAZARS PARTNERSHIP(BOTSWANA)
Cameroon	MAZARS CAMEROUN
Congo (Kinshasa)	Mazars République Démocratique du Congo SARL
Egypt	Mazars Mostafa Shawki & Co Mostafa Shawki Consulting For Corporate Finance & Securities SAE
Gabon	Mazars Gabon
Ghana	Mazars Ghana
Ivory Coast	MAZARS COTE IVOIRE
Jordan	International Professional Bureau Consulting & Audit Co.
Kenya	Mazars Kenya Emu Registrars
Kuwait	Accounting Center Certified Public Accountants
Lebanon	MAZARS SAADE SAL
Madagascar	CABINET MAZARS FIVOARANA
Mauritius	MAZARS LIMITED
Morocco	MAZARS AUDIT ET CONSEIL
Mozambique	Mazars, Lda
Niger	International Audit & Consulting, I.A&C Niger
Nigeria	MAZARS OJIKE AND PARTNERS
Oman	Mazars For Consultancy And Audit SPC
Palestinian Territory	Mazars Chartered Accountants and Consultants
Qatar	Mazars Consultants Auditors and Partners Mazars LLC (Qatar)
Rwanda	Mazars Rwanda
Saudi Arabia	AL KHARASHI CERTIFIED ACCOUNTANTS & AUDITORS
Senegal	MAZARS SENEGAL

### Africa & Middle East

Country	Legal name
	Mazars Port Elizabeth
	Mazars Services Trust
	Mazars Cape Town
	Mazars Central Inc
	Mazars Durban
South Africa	Mazars Gauteng Mazars Empowerment Investments (Pty) Ltd Mazars Financial Services Africa (Pty) Ltd Mazars International Services Pty Ltd Mazars Gauteng Inc
Tanzania	Mazars Tanzania ECC MAZARS
Tunisia	STRATEGY AND BUSINESS CONSULTING INTERNATIONAL
Uganda	Mazars BRJ Mazars Chartered Accountants Mazars Tax Consultants
United Arab Emirates	MAZARS CHARTERED ACCOUNTANTS LLC MAZARS ADVISORY LIMITED-000005585

# Our structure, leadership, and governance

## Mazars Group Statutory audit firms

### Americas

Country	Legal name
Argentina	ESTUDIO URIEN & ASOCIADOS ESTUDIO URIEN S.R.L.
Bermuda	Mazars Limited, Bermuda
Brazil	MAZARS AUDITORES INDEPENDENTES - SOCIEDADE SIMPLES MAZARS AUDITORES LTDA.
Canada	Mazars, s.e.n.c.r.l. 9089-1060 Québec inc. Mazars Canada inc.
Cayman Islands	Mazars Cayman
Chile	Mazars Chile Ltda Mazars Auditores Consultores Spa
Colombia	Mazars Colombia S.A.S MAZARS AUDITORES, S. DE R.L. DE C.V.
Mexico	MAZARS GUADALAJARA, S. DE R.L. DE C.V. MAZARS MEXICALI S. DE R.L. DE C.V.
Peru	Contreras y Asociados Sociedad Civil de Responsabilidad Limitada
United States	Mazars USA LLP
Uruguay	MARTINEZ BERNIE LUIS Y GONZALEZ COLMAN PATRICIA ROSMARI SOCIEDAD CIVIL
Venezuela	ADRIANZA RODRIGUEZ CEFALO & ASOCIADOS Mazars Venezuela

### Asia-Pacific

Country	Legal name
Afghanistan	Mazars Afghanistan Limited
Australia	MAZARS RISK & ASSURANCE PTY LIMITED Mazars Melbourne Pty Ltd Mazars Assurance Pty Ltd
China	MAZARS CERTIFIED PUBLIC ACCOUNTANTS. Mazars (Beijing) Certified Public Accountants
Hong Kong S.A.R., China	Mazars CPA Limited Kalyaniwalla Mistry and Associates Kalyaniwalla & Mistry LLP
India	Mazars Advisory LLP S. N. DHAWAN & CO LLP
Indonesia	KAP Aria Kanaka & Rekan
Japan	Mazars Audit LLC Mazars PLT
Malaysia	Mazars Risk Management Sdn Bhd
Pakistan	MAZARS M.F. & CO.
Philippines	YU VILLAR TADEJA AND CO
Singapore	MAZARS LLP (SINGAPORE)
South Korea	Mazars Sebit Korea
Taiwan	Mazars Taiwan CPA (瑪澤會計師事務所) Mazars Limited (Based in Thailand)
Thailand	MZT Partners Ltd Mazars Holding (Thailand) Ltd
Uzbekistan	Limited Liability Company 'Mazars Advisory'
Vietnam	Mazars Vietnam Co Ltd

# Our structure, leadership, and governance

## Mazars Group Statutory audit firms

### Europe

Country	Legal name
Albania	Mazars Shpk
	Mazars Tax Advisory GmbH
Austria	Mazars Austria GmbH
	Mazars IT Services GmbH
Belgium	Mazars Bedrijfsrevisoren - Réviseurs d'Entreprises
Bulgaria	MAZARS OOD
Croatia	Mazars Cinotti Audit d.o.o.
Cyprus	Mazars Limited (Cyprus)
Czech Republic	Mazars Audit s.r.o.
Denmark	MAZARS statsautoriseret revisionspartnerselskab
	Mazars SA
France	Mazars & Associés
	Mazars Uniconseils
	CBA
	Mazars Experts et Conseils
	Mazars (Villeurbanne)
	Mazars aCéa
	Mazars (Rouen)
	Mazars (Bezannes)
	Mazars (Labège)
	Mazars (Strasbourg)
	Mazars Bourgogne Franche-Comté
	Mazars Figeor
	Mazars Data
	Mazars Dijon
	Mazars Pontarlier
	Mazars Lons
	Pluris Audit
	MAZARS & SEFCO
	Mazars Valence Experts & Conseils
	Mazars Gourgue
Mazars experts-on-line	
Mazars Entrepreneurs (Villeurbanne)	
Mazars Développement	
Mazars Thomas	
D.D.A	
Mazars CPA	
Mazars Inreco	
AGEC	

### Europe

Country	Legal name
Germany	"Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft"
Gibraltar	Mazars (Gibraltar) Limited
Greece	MAZARS CERTIFIED PUBLIC ACCOUNTANTS BUSINESS ADVISORS SA
Hungary	MAZARS Könyvszakértő és Tanácsadói Korlátolt Felelősségű Társaság
Ireland	Mazars
Israel	Bri Rotbart Raz Mazars Israel
	FS AUDIT SERVICES
Italy	Professionisti Associati Società Semplice
	Mazars Italia S.p.A
Kazakhstan	'Mazars' Limited Liability Partnership
Kosovo	MAZARS KOSOVA SH.P.K
Kyrgyzstan	Mazars Limited Liability Company
	'Mazars Audit' Limited Liability Company
Luxembourg	MAZARS Luxembourg
Malta	Mazars Malta
Netherlands	Mazars Accountants N.V.
Norway	Mazars AS
Poland	Mazars Audyt Sp. z o.o.
Portugal	MAZARS & ASSOCIADOS, SOCIEDADE DE REVISORES OFICIAIS DE CONTAS, S.A.
Romania	Mazars Romania SRL
Serbia	MAZARS d.o.o. Beograd
Slovakia	Mazars Slovensko, s.r.o.
Slovenia	MAZARS, družba za revizijo, d.o.o.
Spain	Mazars Auditores S.L.P.

# Our structure, leadership, and governance

## Mazars Group Statutory audit firms

### Europe

Country	Legal name
Sweden	RSM Revisionsbyrå AB
	KlöverRevision i Limhamn AB
	Körö Revisionsbyrå AB
	Dagermark Revision AB
	Grebneke Advisory AB
	Anders SportsMan AB
	MBO Revision AB
	SPA Revisionsbyrå AB
	Anders Persson Revisionsbyrå Ystad AB
	Stenskottet AB
	Saltsjökvärns Revision AB
	Norrhagens Revision AB
	Optimus Ekonomikonsult AB
	Flora Revision AB
	Ö Rev i Hbg AB
	Himmelsblå Revision AB
	MBR Revision AB
	Helleklint Revisionsbyrå AB
	Revisio Jan Håkansson AB
	Mak Revision AB
	Persson Audit AB
	eMeMeM AB
	Mazars AB
	Mazars KB
	Endeavour Auditing AB
	HMAB Konsult AB
	Mazars Ekonomi AB
Den vita valen AB	
M F Revision i Stockholm AB	
Lilla Ego Revision AB	
Mazarinen AB	
Mazars Redovisning Holding AB	
Switzerland	MAZARS SA (Suisse)
	Aunexis AG
Turkey	Denge Bağımsız Denetim Serbest Muhasebeci Mali Müşavirlik A.Ş.
Ukraine	'Audit Firm 'Mazars Ukraine' LLC
United Kingdom	Mazars LLP

# Our structure, leadership, and governance

## Our operational organisation

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

In order for us to achieve this, we set two main middle and long-term objectives: we aim to secure our place in the market, as a partner of choice for organisations of all sizes and in all industries, and to creating the firm of the future - more integrated, more diverse, and more focused on training as a school of excellence.

### GEB governance with delivery pillars

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



### 1. Our core matrix

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

#### We are organised around 12 geographies

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

All geographic units need to apply the service line matrix and structure their organisation to contribute/benefit from front-office risk management framework and back-office support to strengthen integration and develop as one firm.

All 12 geographic units are led by a board/executive committee and all six regions are under the chairmanship of one GEB member.

#### Our delivery model is structured around seven service lines

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

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

# Our structure, leadership, and governance

## Our operational organisation

### 2. Our front and back-office organisation

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

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

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

### 3. Our business and market approach

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

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

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

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

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

Our quality and risk control committee defines and manages quality and compliance standards, measures quality progress through international and local QC programmes, and works on culture changes to promote quality.

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

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

### 5. A comprehensive network of support functions

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

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

- Partners and their member entities are linked by a series of agreements intended to achieve maximum consistency and standardisation within the Mazars Group;
- Sectors and service lines are represented in member entities, enabling coordination of assignments and cross-border relations between countries;
- Each assignment requiring an international team is managed and carried out by an integrated team sharing common standards and procedures.

## Our structure, leadership, and governance

### Our operational organisation

- Each global or international assignment is managed and carried out by an integrated team and coordinated by an engagement partner in charge who takes final responsibility for reporting to clients;
- Partners and the national member entities in which they work are linked by a series of agreements intended to achieve maximum consistency within the Group. They all report to the elected representatives of the Group.

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

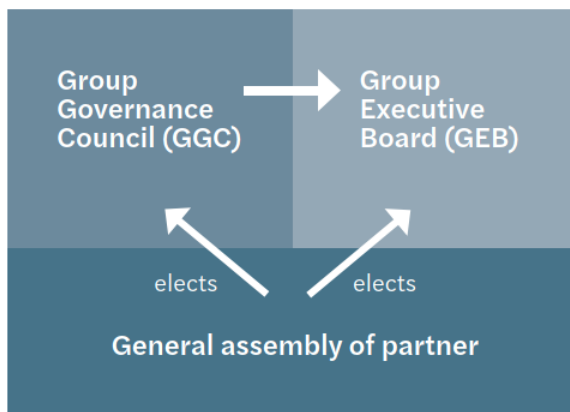


# Our structure, leadership, and governance

## Our leadership and governance

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

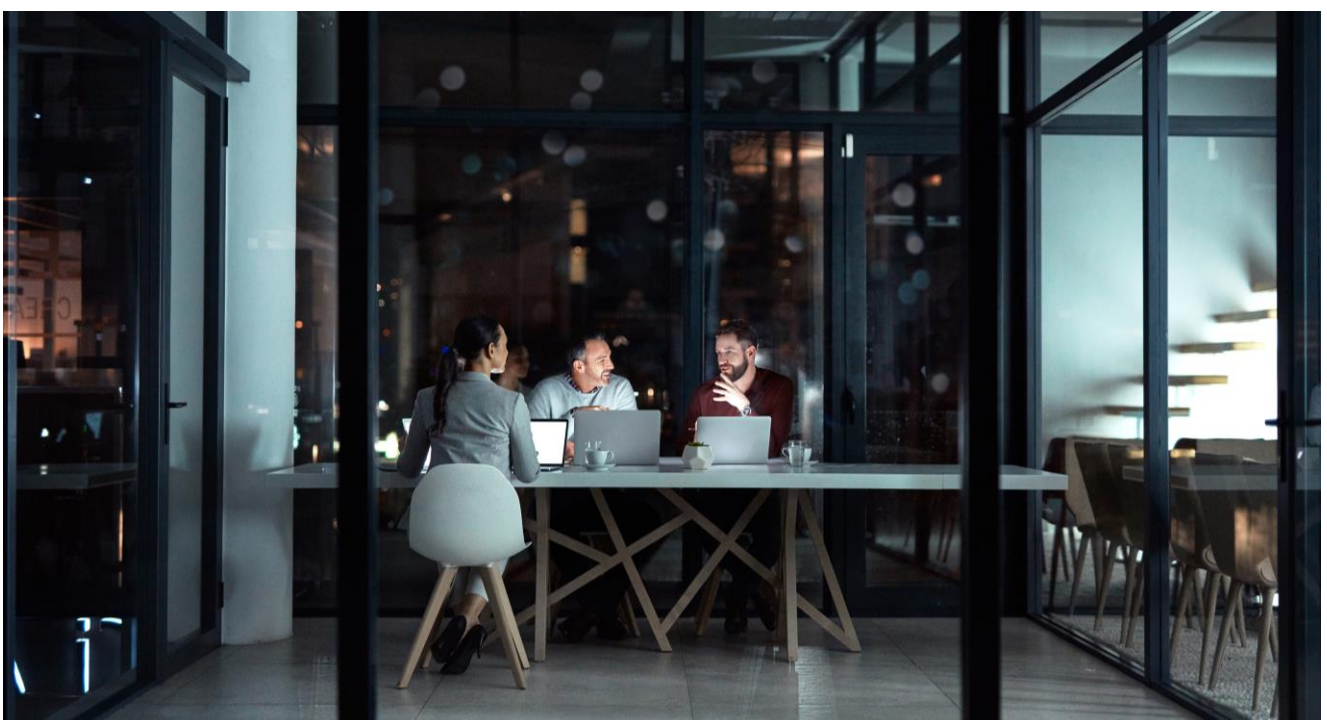
### Our strategic leadership ecosystem



### The General Assembly of Partners

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

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



# Our structure, leadership, and governance

## Our leadership and governance

### The Group Executive Board

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

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

As of 31 August, 2022, there were 11 members of the GEB. The current GEB was elected in December 2020. Elections are held every four years and the next one is due in December 2024.

The GEB is supported in its role by a group of around 80

global leaders, defined as an evolving community with no fixed seats. In 2022, this group represents over 20 partnership countries. 30% of its members are women (with a clear objective of increasing this percentage to a minimum of 33 by 2024) and 33% are newcomers to the Mazars Group.

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

As at 31 August 2022, the GEB was composed of:



France  
Hervé Hélias  
CEO and Chairman



China  
Julie Laulusa



Italy  
Pascal Jauffret



United Kingdom  
Rudi Lang



Senegal  
Taïbou M'Baye



Germany  
Dr Christoph Regierer



Belgium  
Véronique Ryckaert



United Kingdom  
Mark Kennedy



Netherlands  
Ton Tuinier



United Kingdom  
Phil Verity



United States  
Victor Wahba

# Our structure, leadership, and governance

## Our leadership and governance

### The Group Governance Council

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

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

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

members including two members who are not Mazars partners. As of 31 August 2022, there were 12 members of the GGC. Elected every four years, the next GGC elections are due in December 2024.

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

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

As at 31 August 2022 the GGC was composed of:



United Kingdom  
**Tim Hudson**  
Chair



France  
**Frank Bournois**  
Independent member



Germany  
**Gertrude Bergmann**



United States  
**Kathryn Byrne**



France  
**Juliette Decoux**



France  
**Fabrice Demarigny**



Sweden  
**Asa Andersson Eneberg**



United States  
**Denise Fletcher**  
Independent member



Singapore  
**Chris Fuggie**



South Africa  
**Michelle Olckers**



China  
**Liwen Zhang**



Spain  
**Maria Cabodevilla**

# 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 of 31 August 2022, Mazars in Luxembourg had 17 Partners (11 for Mazars Luxembourg and 6 for FAS) and more than 230 professionals working in one office in Luxembourg City (including 70 for FAS).

Mazars Luxembourg provides audit and assurance services. It has two fully owned subsidiaries: Mazars “FAS” housing the non-assurance activities in Luxembourg (advisory, accounting, tax and corporate finance services) and Mazars Limited, incorporated in Cayman Islands, which has been recently created and did not have operational activities yet.

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 30 May 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. The remain 30% are held by local

Partners. Mazars Luxembourg holds 100% of the capital of Mazars FAS and Mazars Limited.

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

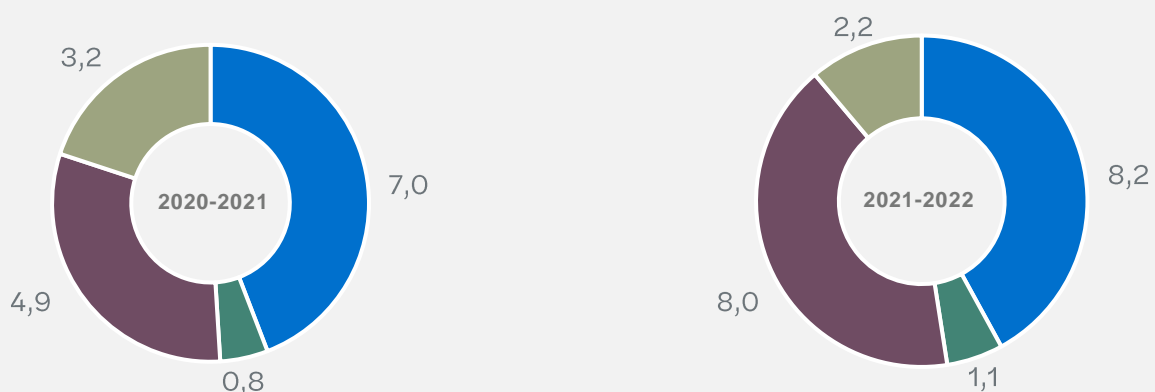
The turnover of Mazars Luxembourg for the year ended 31 August 2022 amounts to 19,5 million EUR (2020/2021: 15,8 million EUR) and can be broken down as shown in the chart below.

## 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 2023. The Board of Directors is composed of:

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

**Revenues Mazars Luxembourg (in million EUR)**



- Revenues from non-audit services to other entities
- Revenues from permitted non-audit services to entities that are audited by Mazars Luxembourg
- Revenues from statutory audit of annual and consolidated financial statements of other entities
- Revenues from the statutory audit of annual and consolidated financial statement of Public Interest Entities and entities belonging to a group of undertakings whose parent undertaking is a Public Interest Entity

# Statements



# Statement of Group Executive Board on integrated report value proposition

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

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

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



# Statement of Compliance

## Statement on the effectiveness on the Quality Management System

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

On the basis of its quality control monitoring conclusions, Mazars positively confirms that it met the membership obligations of the FoF in all material respects for the year 2021-2022.

## 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 during the year ended 31 August 2022 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 2021 to 31 August 2022) is as follows:

- 468 SPAC II SE
- BREDERODE S.A.
- BROWN BROTHERS HARRIMAN (LUXEMBOURG) S.C.A.
- EMERALD BAY S.A.
- GFJ ESG ACQUISITION I S.E.
- HOLCIM FINANCE (LUXEMBOURG) S.A.
- HOLCIM US FINANCE S.A.R.L & CIE S.C.S
- NATIXIS STRUCTURED ISSUANCE S.A.
- OBOTECH ACQUISITION S.E.
- ODYSSEY ACQUISITION S.A.
- SWORD GROUP S.E.
- TIME AND LIFE S.A.
- TONIES 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 2021 to 31 August 2022) is as follows:

- AFI.ESCA LUXEMBOURG S.A.
- AME LIFE LUX S.A.
- CGPA EUROPE S.A.
- INTERNATIONAL CREDIT MUTUEL LIFE
- LUXLIFE

## 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 2021 to 31 August 2022) is as follows:

- CAISRELUX
- CGPA RE S.A.
- CHALLENGER REASSURANCE S.A.
- COVEA LUX
- MACSF RE S.A.
- SAHAM REASSURANCE LUXEMBOURG S.A.
- SERECO RE S.A.

# Glossary



# Glossary

AAS	Audit and Assurance Service	ISA	International Standard on Auditing
CEE	Central and Eastern Europe	ISQC	International Standards on Quality Control
CCO	Chief Compliance Officer	ISQM	International Standard on Quality Management
CCOI	Code of Conduct for Objectivity and Independence	IT	Information Technology
CLIP	Corporate Learning Improvement Process	KAM	Key Account Management
CISO	Chief Information Security Officer	KPI	Key Performance Indicator
CSR	Corporate Social Responsibility	LLP	Limited Liability Partnership
CSRD	Corporate Sustainable Reporting Directive	M&A	Mergers and Acquisitions
DAOI	Déclaration Annuelle d'Objectivité et d'indépendance (Annual Statement of Objectivity and Independence)	MAM	Mazars Audit Methodology
EFMD	European Foundation for Management Development	MAQ	Manuel d'Assurance Qualité (Quality Assurance Manual)
EFRAG	European Financial Reporting Advisory Group	Mazars Group	The member entities of Mazars SC
D&I	Diversity and Inclusion	Partners	Partners and shareholders of Mazars entities in the Mazars Group
ERMF	Enterprise Risk Management Framework	PDR	Partner Development Review
EQCR	Engagement Quality Control Review	PIC	Public Interest Committee
ESG	Environmental, Social and Governance	PIE	Public Interest Entity
ESMA	European Securities and Markets Authority	POB	Privately Owned Business
EU	European Union	QCC	Quality Control Committee
EVP	Employee Value Proposition	QM&C	Quality Management and Compliance
FA	Financial Advisory	QRM	Quality Risk Management
FoF	Forum of Firms	Q&RM	Quality Risk and Management Board
GDPR	General Data Protection Regulation	SC	Société Cooperative (Cooperative Company)
GEAC	Group Ethics and Acceptance Committee	SME	Small and medium - sized enterprises
GEB	Group Executive Board	SoQM	System of Quality Management
GGC	Group Governance Council	SPAC	Special Purpose Acquisition Company
GLT	Global Leadership Team	TAX	Tax services
IAASB	International Auditing and Assurance Standards Board	The Charter	Charter of Association
IES	International Education Standards	The Group	The member entities of Mazars SC
IESBA	International Ethics Standards Board for Accountants	UNGC	United Nations Global Compact
IESBA Code	Code IESBA Code of Ethics for Professional Accountants	UNSDGs	United - Nations Sustainable Development
IFAC	International Federation of Accountants	Us/we	Mazars Group
IFRS	International Financial Reporting Standards		
INE	Independent Non Executive		
IP	Industrial Property		
IQR	Internal Quality Control		
IRO	International Reporting Obligations		

# Contact

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Follow us on [LinkedIn](#)

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services\*. Operating in over 90 countries and territories around the world, we draw on the expertise of more than 47,000 professionals – over 30,000 in Mazars' integrated partnership and over 17,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

\*where permitted under applicable country laws

[www.mazars.com](http://www.mazars.com)

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