

Mazars Malta Transparency Report 2021/2022

mazars

Contents

03	Foreword by Hervé Hélias, Mazars CEO & Chairman
05	Foreword by Anthony Attard, Mazars Malta Managing Partner
06	Our value proposition
36	Mazars at a glance Mazars in Malta at a glance
40	Statement by Jean-Luc Barlet, Quality Management and Compliance Leader
42	Statement by Jo Connolly, Chief Quality and Compliance Officer
44	Inspiring confidence in audit quality
50	Our overall system of quality management
52	Delivering audit quality
58	Ensuring our objectivity and independence
60	Our structure and leadership
64	Our operational organisation
67	Our structure, leadership, and governance Member firm in Malta
71	Our governance Leadership and governance in Mazars Malta
76	Statement of the Group Executive Board on the integrated transparency report's value proposition
78	Glossary
80	Appendix 1

Foreword by Hervé Hélias, Mazars CEO & Chairman

Taking action today for tomorrow

2022 proved to be yet another eventful year that tested the agility of businesses everywhere. While we are still contending with the lingering effects of the pandemic, the fragile balance of power and stability on which our global order had been built were further and unexpectedly threatened by war breaking out in Eastern Europe. In the face of such a tragic event, we did our best to actively support our Ukrainian colleagues, ensuring full financial assistance and providing humanitarian aid, transport, and accommodation. We also decided to stop all Mazars activities in Russia while exploring exit options that ensured, to the greatest possible extent, a seamless and quality transition for our clients, as well as a sustainable path for our former Russian partners and staff.

While we are undoubtedly affected by the return of war in Europe and its macro-economic consequences, we are nevertheless determined to continue playing our full part in helping to build a fairer and more prosperous world. These disruptions, coming on top of longer-term developments including digitisation and a growing emphasis on sustainability, can be challenging but also offer opportunities to grow, develop and explore new ways to create value. Against this unsettled backdrop, Mazars' role more than ever is to be a trusted partner to clients. We stand by them as they adjust to new circumstances and support them in their quest to grow responsibly, successfully deploy new technologies and raise their overall performance in the long run.

Attracting and retaining the best talent

We have the means to fulfil our ambitions. We are an international firm that enjoys strong growth and looks to attract the best talent. Over the past year, Mazars has achieved double-digit growth across geographies and service lines. With revenues at €2.45bn and a presence in 99 countries, we are one of the top players in Europe and we continue to strengthen our reach in other markets, especially in the United States, via the Mazars North America Alliance, and in China. In both established and newer markets, we are focusing our efforts on being an employer of choice, able to attract, retain and develop top talent, and to provide them with a diverse and inclusive work environment in which they can fully express their potential. We now count more than 30,000 professionals within the Mazars integrated partnership, including over 1,000 partners.

Taking on the sustainability challenge

We see sustainability as a top priority. We have a clearly defined sustainability strategy, which includes the ability to provide state-of-the-art sustainability services to our clients. This will be of paramount importance in the coming 12-18 months as companies adjust to new sustainability reporting requirements including the CSRD in Europe, with SEC rules and ISSB guidelines likely to follow.

We also want to grow in a responsible manner, and we believe in facts and science-based data: climate change is a reality today and represents a major threat to the entire planet. As a global, sustainable, and responsible firm, we recognise the need to act urgently and take appropriate measures to reduce our impact and transition to a carbon-free model. We want to stay true to our DNA and to be transparent about our approach and commitment to reaching net zero. We have defined a roadmap and will communicate the exact figures for our 2030 targets as well as our long-term targets, in line with the latest, most relevant guidelines of the Science Based Targets initiative (SBTi). Shifting to a decarbonised economy will require an enormous collective effort – but we have long valued the power of working together and its importance in achieving success.

Investing in what matters

We are focused on what matters and investing where it counts. We see quality as a key area for our ongoing development and that of our clients. We need to stay relevant today and tomorrow and we have devoted significant efforts and resources to strengthening our teams, tools, and processes to make sure we comply with the upcoming ISQM 1 requirements. We consider these new regulatory developments as genuine opportunities to further enhance our quality management.

We also fully embrace the next generation of technological and IT advances, to enrich and enhance the scope and value of the services we offer to our clients, thus improving their user experience.

Reinventing audit

For as long as Mazars has been in existence, audit has been at the heart of our business. It still accounts for 49% of our revenues. We believe the right balance between audit and non-audit activities is one of our strengths and it is a strategy we will pursue. Yet, there is no denying that for the last few years audit has been at a crossroads. We have long been strong advocates of an increasingly open and transparent audit market, and we have drawn from the ideas of our own teams worldwide to develop and invest in over 35 projects that will help reinvent audit for the benefit of our clients, their stakeholders and business ecosystems as a whole.

We are one of the few truly international players able to offer clients of all sizes – both public and private – a wide spectrum of audit, outsourcing, tax, legal, financial advisory, consulting and sustainability services. We also offer a deep understanding of sector-specific environments, issues, and trends, including financial services in which we have a recognised leadership position. We believe the insights and services we provide enable organisations to operate more confidently, make the right decisions and report to their stakeholders with increased transparency. To us, this is the foundation of a new trust contract between businesses and society as a whole. We see it as a key driver of positive change.

Now is the moment to move forward with renewed strength and purpose, concentrating on the issues that really matter and acting now for what is coming next.



Hervé Hélias
CEO and Chairman
of the Group Executive Board



Foreword by Anthony Attard, Managing Partner

We are delighted to present to you our Transparency Report for 2021/2022 for Mazars in Malta. This Report outlines our organisation, governance and quality structure, together with ongoing initiatives meant to ensure that quality remains embedded in our culture.

As a way of introduction, one can safely say that this was a year of transition. It took us from the dark days of the COVID pandemic, onto the relative normality which all of us had yearned for since 2020. Although these were testing times, they also revealed the inherent strength of Mazars in Malta: certainly the robust nature of our business model; but perhaps more critically, the resilience, commitment, professionalism and flexibility that our people demonstrated in remaining focused on delivering a high-quality service to our clients.

This was also a year which saw us move to new state-of-the-art offices within the Central Business District in Mriehel. This has involved a radical change in which our work is organised and implemented, resulting in even stronger synergies, while also reflecting our ethos of transparency and professionalism, once again to the ultimate benefit of our clients.

From a business perspective, this has been an exciting year for the firm, where we created significant value for clients across all service areas. During this reporting period, Mazars in Malta achieved a 10% growth in fee income, up to €5.16m, reflecting the continued growth of the firm as a result of pursuing a sustainable and successfully managed business plan. Quite an impressive performance, considering the context within it was achieved.

Meanwhile, our goal as a firm remains unchanged: to support our clients, and to create value to their business, their employees, to local economic and financial stakeholders, and for Maltese society as a whole.

Investment in our People, and a Commitment to Quality

Mazars in Malta owes its success to its people, which the firm considers as its most invaluable asset. This dedicated team of more than 70 specialists, has been key towards adding value to the delivery of Mazars' customised solutions in Malta. The firm's continued growth also means that it is always seeking new talent, people who share its ethos, and who can contribute

to Mazars' bid to consolidate its position as one of the leading audit, tax and advisory firms on the local market, committed towards maintaining the highest possible quality standards, and thus serving the best interests of all its stakeholders.

A Commitment to Audit

Audit has always been at the heart of Mazars, in Malta and globally, and will continue to be so in the years ahead. As a global partnership, we proudly work alongside some of the major players internationally, acting as group auditors to some of the largest companies in the world. The same is true of our partnership and collaboration with many of Malta's most prestigious firms and institutions.

Confidence in audit quality is critical. We have therefore always placed huge importance on maintaining the highest possible standards of audit quality in the firm. During the past year, we continued to make significant investments to support this commitment. As a local firm with global connections, we recognise our responsibility to play an active role in the Maltese economic and financial scenario, both as regards developments within the audit profession and in the wider national context.

We hope that you find this report a useful guide to Mazars, to how we practice the audit profession, and to our performance as a firm. We believe in the importance of the services we provide, and the value that they create for our clients and for society as a whole. We are committed to playing our part in ensuring that our profession continues to deliver that value.



Anthony Attard
Managing Partner

Our value proposition



Our value proposition

Who we are

Mazars is a leading international audit, tax and advisory firm that aspires 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 (where permitted under applicable national law).

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.

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, our people and the industry as a whole 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 outcomes that are the right fit for our clients, our people and wider 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 this 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 promises.

What makes us unique

We pride ourselves on offering a different perspective.

We are a multicultural and united partnership, operating as one team across borders and sectors, 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

Our approach to stakeholder engagement

At Mazars we are determined to create shared value for all our stakeholders. Guided by our purpose, values and culture, we rely on regular, interactive and transparent consultations with our stakeholders to increase our knowledge of their interests and expectations.

We believe that true engagement involves not only setting up suitable mechanisms for sharing information and receiving feedback, but also implementing the necessary measures in response.

Stakeholder engagement is therefore an essential component of the appraisal, management and monitoring of strategic issues at Mazars.

We continuously strive to strengthen our stakeholder engagement strategy with the objective of developing constructive, long-term relationships based on dialogue and stewardship, as we understand that in a fast-paced and dynamic environment, stakeholder priorities evolve rapidly.

The below table highlights our key stakeholder groups, the stakeholders within each group and how we engage with them.

Our stakeholders' map



Stakeholder group	List of stakeholders	How we engage
 Business ecosystem	Clients	<ul style="list-style-type: none"> • RFPs • Client feedback and satisfaction surveys • Communications (external websites, events, emails, newsletters, brochures, social media, annual reports) • Directly through our partners and teams
	Suppliers, subcontractors and distributors	<ul style="list-style-type: none"> • Tender process • Due diligence and risk assessment of legal, IT, cyber security, data protection and ESG factors • Supplier feedback • Supplier code of conduct
	Professional associations	<ul style="list-style-type: none"> • Industry fora and roundtable events • Memberships / sponsorships • Joint research projects and publications
	Prospective clients	<ul style="list-style-type: none"> • RFPs • Directly through our partners and teams • Communications (external websites, events, emails, newsletters, brochures, websites, annual reports)
	Competitors	<ul style="list-style-type: none"> • Industry associations • External websites • Annual reports
 Our people and network	Partners	<ul style="list-style-type: none"> • Annual partners conference and general assembly • Quarterly update from GEB • Sector and service line meetings
	Employees	<ul style="list-style-type: none"> • Internal website and global app • Regular country CEO webinars • Annual global satisfaction surveys and D&I surveys • Global engagement campaigns • Learning and development trainings • Volunteering and pro bono programmes • Code of conduct
	Governance and leadership bodies	<ul style="list-style-type: none"> • GEB and GGC: regular virtual meetings and quarterly physical meetings • Decentralised country fora with all global leaders, GEB, GGC, CMPs • Monthly regional and service line board meetings
	Future talent	<ul style="list-style-type: none"> • School relations • Company presentations and recruitment events • Sponsorships • Mentoring
	Family and friends of Mazars	<ul style="list-style-type: none"> • Family days and gifts • Social media, external websites and annual reports
	Alumni	<ul style="list-style-type: none"> • Alumni events, networks and communication • Social media, external websites and annual reports

Our value proposition

Our approach to stakeholder engagement

Stakeholder group	List of stakeholders	How we engage
 Public institutions	Governments and policy makers	<ul style="list-style-type: none"> • Public consultations • Working groups
	Central banks, regulatory and oversight bodies	<ul style="list-style-type: none"> • Public consultations • Working groups • Letters of commitment • Annual reports
	Standard setters	<ul style="list-style-type: none"> • Public consultations • Working groups
	Intergovernmental institutions	<ul style="list-style-type: none"> • Public consultations • Working groups
 Academia, experts and media	Universities and other educational institutions	<ul style="list-style-type: none"> • School relations • Company presentations and recruitment events • Sponsorships • Mentoring
	Think tanks, academics and research institutes	<ul style="list-style-type: none"> • Memberships • Working groups • Joint research projects and publications
	Press and journalists	<ul style="list-style-type: none"> • Press releases • Interviews with Group CEO and C-level executive leaders
 Society and planet	NGOs and impacted local communities	<ul style="list-style-type: none"> • Pro bono and volunteering engagements • Local community fora • Charitable contributions • NGO partnerships
	Sustainability alliances	<ul style="list-style-type: none"> • Active engagement in UN Global Compact local and global networks • Working groups, trainings, consultations • Corporate sustainability report
	ESG rating agencies and certification bodies	<ul style="list-style-type: none"> • Consultations and sustainability disclosure submissions at country level



Our value proposition

Our value creation strategy for today and tomorrow

Quality is the bedrock 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 elements that support our talent's professional and personal development in accordance with Mazars' core values.

To support this core matrix, we have implemented a market- and sector-driven approach, backed by a solid infrastructure of cross-functional departments, to help develop 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. They leverage short, medium and long-term value creation, in the countries in which we operate first and foremost, but also at the global level, with global manuals, methodologies and tools.

We see quality and risk management as the bedrock of our values, our culture, our behaviour and 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, including the creation of practical quality metrics for the purpose of partner evaluation, promotion and remuneration. We will reward outstanding quality and, when necessary, penalise deficiencies in quality. We may ask partners to complete a partner improvement plan.

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

Quality and compliance programmes are in place in each of our seven service lines. These programmes are designed to train and evaluate our people and ensure they all 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 organisations 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 the wider society, contributing to the development of sustainable businesses and economies.

Available services include financial audit, corporate reporting, independent assurance and evaluation, 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 branding campaign and implementation of a global grade structure and competency framework
- Launch of a global audit delivery platform in Morocco initially to serve our four largest European countries with the goal of developing a blueprint to be rolled out in other countries and regions in the coming years
- Our reinventing audit teams are 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

Our value proposition

Our value creation strategy for today and tomorrow

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

With the help of the latest technology, Mazars' professionals combine their technical expertise and skills with a deep understanding of their clients' needs, circumstances and culture to collaborate in finding the answers that drive the results that clients are looking for. By working as one integrated, international team across geographies and sectors, combining extensive sector expertise and a global presence with a deep local understanding, our professionals can support their clients' most critical business objectives, from strategy to implementation, wherever they operate.

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

Financial advisory is a growing, dynamic and award-winning service line whose goal is to provide high-quality financial advice and business support to our diverse client base and become their number one trusted adviser.

This multidisciplinary service line provides a vast array of advisory services including:

- Transaction services (due diligence)
- M&A services
- Valuations (contentious and non-contentious)
- Forensic and investigation services
- Restructuring services (corporate and personal insolvencies)
- Global infrastructure finance services

Legal is a globally active service line providing the full range of legal advisory 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 in relation to 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 business-minded approach, in order to develop a deeper understanding of clients' needs, help

them make smarter decisions and add value to their business. As an acknowledgment of our performance, Mazars in Germany received the 2021 "Law Firm of the Year" award and was also nominated as "Law Firm of the Year for SMEs".

From a strategic standpoint, the goal is to develop and grow Mazars' in-house legal service in all partnership countries. In regions where Mazars does not or does not yet provide the 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 highly rated independent 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 (including legal due diligence)
- IT/IP law
- Data privacy law
- Real estate law
- Energy law
- Finance (banking, venture capital, supervision)
- Employment law
- Dispute resolution and litigation
- Public law
- Legal compliance
- Corporate secretarial services

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

- Employment and labour law (jointly with Marcalliance)
- Corporate and transaction services (jointly with Marcalliance)
- IT/IP law (jointly with Marcalliance)
- Energy law (jointly with Marcalliance)
- Company secretarial (Mazars only)
- Data protection services (Mazars only)

Our value proposition

Our value creation strategy for today and tomorrow

Outsourcing helps organisations enhance performance, ensure effective accounting and compliance processes, more easily manage the complexities of their global platforms, manage costs, and provide a high level of flexibility in resourcing and skills.

As national and international tax systems pose increasingly significant challenges for businesses and individuals, tax provides seamless delivery in helping Mazars' people and clients build a fairer and more prosperous world. Tax works closely with clients to build transparent and integrated tax-efficient solutions that give them confidence and help them excel whilst following a sustainable path.

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

Sustainability builds on the deep experience of audit and consulting in assisting 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 them develop sustainable businesses, economies and communities.

Each of these service lines has 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 challenges, which leads to enhancing trust in how organisations report to their stakeholders. Quality is a promise the audit service line makes 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 the country level on an ongoing basis.
- Launch of an audit quality survey dedicated to Group audits, with both central and local teams 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 of global acceptance to identify major 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 task with a commitment to the highest level of quality as well as 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 vary across different components of the consulting practice. The tools that we use 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 our approach to global delivery. We have made considerable efforts this year to develop a new global internal audit procedure as well as a new IT assurance system. We have reinforced this commitment to quality with significant investments in the training and professional development of our teams to ensure that they have the technical skills necessary to exceed our clients' expectations.

In our financial advisory (FA) activities, which cover a wide range of services, from deals and financing schemes to financial crises 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. Quality often means quality of advice and we therefore invest time in ensuring our project teams have the appropriate level of skills and depth of knowledge to provide our clients with the best possible outcome.

Our value proposition

Our value creation strategy for today and tomorrow

We want to establish quality as a core, mandatory feature of our service line's training programme, with the objective of having all global FA teams working towards the same high-quality standards. We are working on a global update to our Procedures Manual and developing a common QRM checklist for all our teams and projects.

In our legal practice, quality is a key element in providing legal services and crucial when competing with law firms (for clients and people). We thus aim to embed consistent, high standards across our services and deliverables while bearing in mind global and local risk considerations. With that in mind, we have developed learning pathways for legal services, legal toolkits and a quality handbook, while raising qualification requirements for our lawyers.

Within the tax practice, we are firmly committed to embedding a strong culture of quality and excellence, as these are fundamental to fulfilling our purpose. To that end:

- We continuously reinforce the importance of ethics and professional behaviour within the global tax community.
- We have established and are maintaining a rigorous system of internal quality controls and monitoring procedures aligned with our global system of quality management as part of our ISQM 1 project.
- We continue to develop our teams' skills, knowledge and capabilities by providing in-depth training and ongoing, tailored professional and personal development opportunities (for example, secondments to other Mazars countries under our MOVE programme or tax-related training such as on transfer pricing on our U-learn platform).
- We heavily invest in innovation and new technology tailored to support our tax service line across the firm in a digital age (for example, with the recent launch of our global mobility IT tool and the continued progress in developing a transfer pricing solution).

In addition, our tax quality control procedures are operating effectively. To this end, we introduced a structured country tax review that has been progressively standardised and aligned with other service lines, providing a scoring system that each year can be applied to 15 countries. The country action plans are closely supervised and monitored by the IQC Central team.

For our outsourcing practice, quality is derived primarily from the full compliance of our clients, operational excellence, talent management, knowledge sharing and training. It also requires robust checking processes and internal quality control procedures, an up-to-date suite of tools and solutions for global and local monitoring, as well as an ongoing focus on a proactive, flexible and assured approach.

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

- the technical expertise of trained and skilled teams who are up to date with the regulatory landscape and are able to provide both pragmatic and constructive solutions;
- the ability to understand clients' needs and meet their expectations in a fast-changing and complex environment; and
- an active contribution to current developments, shaping the future of international sustainability assurance standards in line with ongoing financial audit reforms.

Identifying risks and maximising value creation opportunities

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

As shown in detail in the table on page 26 outlining risks and opportunities, as well as in our materiality matrix on page 24, we have comprehensively mapped out 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 for maintaining our sustainable growth, making the most of new and emerging opportunities and reinforcing our resilience in times of crisis.

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

Our value proposition

Our value creation strategy for today and tomorrow

The main risks highlighted for our service lines are, however, common to several or all of them and mainly relate 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 in the market.
- Not having 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 full emergence of environmental, social and governance (ESG) and sustainability concerns – with the assurance market associated with the CSRD in Europe alone being estimated at €1.9bn. 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 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 also offer promising opportunities.

Our approach and policies to promote diversity and inclusion (D&I)

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

Diverse by nature

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

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

Inclusive by design

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

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

Gender diversity: a global programme supporting our convictions and goals

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

In recent years we have increased the representation of women in leadership positions and have made significant progress towards gender equality across Mazars. We have started to see good progress in the diversity of our top management and governance. In 2021-2022, women accounted for:

- 53% of our total staff
- 46% of our global talent list (our pool of potential candidates for partner roles), as well as making up 43% of our “long list” (potential partners within five years) and 31% of our “short list” (potential partners within a year).

Our value proposition

Our value creation strategy for today and tomorrow

- 35% of the global leadership team.
- 43% of our governance bodies overall (members of our GEB and our GGC taken together). However, we recognise the need to further balance female representation in our GEB alone. At country level, we have set ambitious targets to raise female representation in our national executive committees.
- 63% of our Group management team, with female C-suite executives leading our finance, marketing and communications, quality and risk, innovation, technology and general secretary functions.

In 2021-2022, women accounted for 20% of partners across the Group, and our realistic goal is to raise this number to 25% by 2025. It is a key objective set out in our strategic plan and based on a fair assessment of our current talent pipeline. Thanks to our efforts, we expect to reach 22% female partner representation as of January 2023.

Leading from the top

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

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

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

- Gender diversity is a key criterion for assessing performance in our six regions and our six largest countries (referred to as the G6).
- We discuss with our top 20 (G20) countries and each region their KPIs as well as their action plans to increase gender diversity in our partnership.
- Each zone and country have identified gender diversity champions in charge of promoting diversity and driving results. Overall, in 2022, we gathered together a community of 220 D&I leaders and champions around the world, who participated in ten dedicated sessions to discuss KPIs, actions and best practices.

We collect and monitor gender diversity KPIs. In 2022, we received detailed reports from 56 countries:

50%

report having gender-diversity initiatives and programme in place, of which 57% have specific HR policies to support flexible work schemes and/or work-like balance.

55%

have trained management and partners on gender bias and D&I topics.

36%

have revised their talent promotion approach to introduce greater fairness and objectivity in hiring and promoting.

A global D&I programme

In 2021, we appointed a global leader of D&I, supported by a dedicated team and a budget, to drive gender-related D&I improvements. This leader is a recognised senior expert in gender diversity in corporations and drives a global D&I programme on the basis of four pillars.

1. Fact-based dialogues and individual, relevant and targeted improvement plans within our G20 countries.

- We appointed diversity leaders in our G20 countries, all six regions and five of our service line boards.
- Gender KPIs and an analysis of our talent pipeline are being used to identify, discuss and actively address the gaps in 61 of our 90-plus countries.
- All our G20 countries completed a gender diversity self-assessment checklist, shared targets and objectives for improving the pipeline, and developed a specific action plan.
- Dialogues with the top management and the HR and D&I leaders of our G20 countries and six regions allowed us to discuss targeted improvement plans and targets for female progression and promotion and advise on changes where necessary.

Our value proposition

Our value creation strategy for today and tomorrow

2. Awareness programmes, including :

- Global D&I community calls and specific skill-building and training modules.
- Unconscious bias and awareness training provided to our Group Executive Board and managing partners.
- Inclusive leadership training modules and awareness-building programmes provided to our top 150 executives and over 1,000 partners at our annual partner conference.

3. Review of key HR processes and policies, and creation of D&I guidelines and toolkit

- Review of key HR processes and identification of mechanisms to accelerate positive change or counter biases, including reviewing the processes used to hire, evaluate, and promote and identifying any gaps or bias.
- Review of the criteria and processes for promotion of staff to partner level and development of a Talent Promotion Checklist to educate leaders on fair processes and good practices.
- Global internal survey of critical cohorts to understand their D&I experience, and identify potential opt-out phenomenon, and address gaps. Our global D&I survey conducted in May-July 2022 (with 1,400 respondents across 60 countries) highlighted that:
 - A strong majority (79%) of our talent never felt excluded based on specific attributes.
 - 90% of respondents take pride in their job.
 - 80% of employees at Mazars see their work as a source of fulfilment.
 - 84% are convinced that their work serves an important purpose.

79%

A strong majority of our talent never felt excluded based on specific attributes.

80%

of employees at Mazars see their work as a source of fulfilment.

84%

are convinced that their work serves an important purpose.

- However, women tend to opt out of elections to partner more than men, as they are more concerned about combining an increasing workload with family responsibilities. To address this issue, we are promoting parental support and work-life balance policies in all our countries and have undertaken successful initiatives in several key countries.
- Exit interview guidance for countries to ensure they conduct systematic interviews with female staff who leave the firm, in order to understand and address pain points.
- Guidelines for inclusive HR policies, including flexible working, leave and back-to-work programmes, and addressing life cycles.
- In 2023-24 we plan to conduct a global internal audit to review the implementation of HR guidelines in our G20 countries.

4. Knowledge, tools and communication

- Introduction of the Mazars knowledge centre for D&I, responsible for promoting D&I through knowledge development, new tools, newsletters and thought leadership.
- A new D&I toolkit has been rolled out to all countries along with internal communication campaigns. It includes:
 - Tools to help address unconscious bias:
 - Unconscious bias checklist
 - Training in gender-neutral job descriptions
 - Recruitment checklist
 - Tools to help manage D&I in your country:
 - Gender diversity action plan: guidelines and template
 - CEO checklist: overview of gender diversity measures that work
 - “Great place to work” training: managing the career life cycle
 - Talent promotion survey and checklist: promoting with fairness and impartiality
 - Exit interview guidance.
- Thought leadership creation and dissemination across our internal and external channels. In 2022 we published a flagship study: “Myths and barriers preventing women from advancement”, which we wrote in partnership with the Observatory for Gender Balance.

Our value proposition

Our value creation strategy for today and tomorrow

Leading by engagement

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

Mazars wrote the publication "Myths and barriers preventing women from advancement" in partnership with the Observatory. It features key insights from experts and CEOs, sharing their

views on critical barriers and biases, as well as perspectives and experiences on how to drive improvements in gender diversity.

Working with other stakeholders on this topic, we have contributed opinion pieces which help build the case internally and externally for more impactful gender diversity strategies. We have published these articles on our website and promoted them on social media.

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



Our value proposition

Our value creation strategy for today and tomorrow

Our value creation chain



Our value proposition

Our value creation strategy for today and tomorrow

Our business model

We develop skills and expertise inside our integrated partnership

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

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

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

Clients

How we share value

Clients

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

People

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

Society

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

Regulators and the profession

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

⦿ Outputs = what we do ▣ Outcomes = what difference it makes (impacts)

Our value proposition

Sustainability as a pillar of our long-term development

Sustainability is at the heart of our business. We strive to create value for all our stakeholders, while also caring for our people, the planet and society at large.

1. Integrity and responsibility

Guided by our code of conduct and the foundational values of our firm, we recognise our role in serving the public interest. As an authentic, responsible firm, we rely on our values to deliver quality services to our clients, while also creating positive impact for our people, planet and society at large.

2. People

We strive to support the growth and development of our people by offering them life-long learning opportunities, reinforcing their potential, and designing the career that fits their aspirations. We focus on developing technical and leadership skills, whilst fostering a more inclusive and diverse workplace that is fit for the future, where people have a sense of belonging and can make meaningful contributions by being themselves.

Our people strategy therefore focuses on three key areas: empowering our people to grow and lead, diversity and inclusion, and learning and culture.

3. Climate and environment

As our world faces an existential crisis due to rising global temperatures, every individual and entity has a role to play, including Mazars. With our global partnership we are and will continue to preserve the environment and fight climate change by taking concrete actions to reduce our carbon footprint in line with climate science and a net zero future.

4. Community

Community engagement and impact encompasses our work to improve social and economic conditions in the communities where we operate.

We have identified education as a global cause as we are a professional services firm, and the learning and development of our own employees is a core strategic priority for us. We therefore, strive to address and solve societal challenges by leveraging the power of education and creating long term impact in local communities.

5. Supporting businesses on their sustainability journey

We have grown a full suite of sustainability capabilities covering environmental, social and governance assurance and advisory services to support organisations on their journey to sustainability. Our dedicated sustainability team has the expertise to help clients contribute to a stronger and more sustainable economy for tomorrow.

As a responsible organisation that is committed to acting with integrity and transparency, we are also a signatory to and active participant in the United Nations Global Compact (UNGC). We strive to implement the UNGC principles in our work and publish regular reports on our sustainability performance.

Through our corporate sustainability policy and its five pillars, we are actively contributing to eight United Nations Sustainable Development Goals (SDGs). We have linked each of Mazars' material topics to these goals, which guide the actions of our sustainability pillars.

- **SDG 3 Good Health and Well-being:** Ensuring the health, safety and well-being of our employees is a key priority for Mazars, especially with changing work patterns post-Covid. It is our employees who drive our achievements and success, and we are determined to ensure that they are all granted the necessary resources and support to safeguard their mental and physical health.
- **SDG 4 Quality Education and SDG 10 Reduced Inequalities:** Guided by our core value of stewardship, we have always engaged in contributing to social issues like poverty, hunger, and a lack of opportunities to learn and find employment, each of which has worsened over the last three years due to the Covid-19 pandemic. In order to align and amplify our impact, we have chosen education as a key area where Mazars has a fundamental role to contribute to improving the lives of communities.
- **SDG 5 Gender Equality:** We are by nature a geographically diverse organisation that has grown thanks to the different nationalities,

Our value proposition

Sustainability as a pillar of our long-term development

languages, and educational backgrounds of our team. Our current strategy is focused on addressing gender diversity imbalances and creating a work environment where everyone can bring their authentic selves and do their best.

- **SDG 8 Decent Work and Economic Growth:** We know that value for our business, our clients and our communities is created by embracing different perspectives, empowering our people, and bringing to the table varied backgrounds, views, and skills. Therefore, we celebrate the individuality of our employees and empower them through learning and culture programmes to become expert practitioners and the leaders of tomorrow.
- **SDG 10 Reduced Inequalities:** We are convinced that Mazars has a direct responsibility to help empower disadvantaged people so that they can access a better future by developing their knowledge and skills. Our approach to community development is therefore focused on leveraging the power of education to reduce social and economic inequalities. Working to reduce these gaps, we strive to maximise our capabilities and collaboration projects with local communities to promote access to education, job creation and fundamentally, a better quality of life.
- **SDG 12 Responsible Consumption and Production:** We are conscious that our consumption choices have direct consequences for the environment and society. Climate change, plastic pollution, resource scarcity, and the violation of work-related rights, are amplifying negative impacts on the environment and fragile populations. We have therefore introduced several initiatives across countries to raise awareness and induce behavioural change when it comes to resource consumption. We have also implemented a Group Supplier Code of Conduct that lays out our expectations in terms of compliance with ethical and ESG standards like diversity and inclusion, human rights, environmental responsibility, business integrity, labour practices, and employee health and safety.
- **SDG 13 Climate Action:** In a world where climate change threatens the very existence of life, every individual and organisation has a role to play in limiting the global temperature rise to 1.5C. At Mazars, we are determined to transform our processes and operations to reduce our environmental impact in line with a climate science and a net-zero future. We see this as a responsibility not only to our employees, clients and the societies we serve, but also to future generations.

- **SDG 16 Peace, Justice and Strong Institutions:** As auditors, we strive to bring about transparency in the world and we apply the same values to ourselves when sharing information. We also promote integrity, responsibility and exemplary ethical behaviour at all levels of the organisation, embedding these values in how we work, interact with our stakeholders and deliver services to our clients. Our code of conduct, which also inspired our supplier code of conduct, serves as a moral compass for our daily activities.

Our key performance indicators

Over **65%**

of our global headcount have completed the code of conduct training.

80 countries

We have gathered data from 80 countries to calculate our global carbon footprint.

3,700+ of our employees

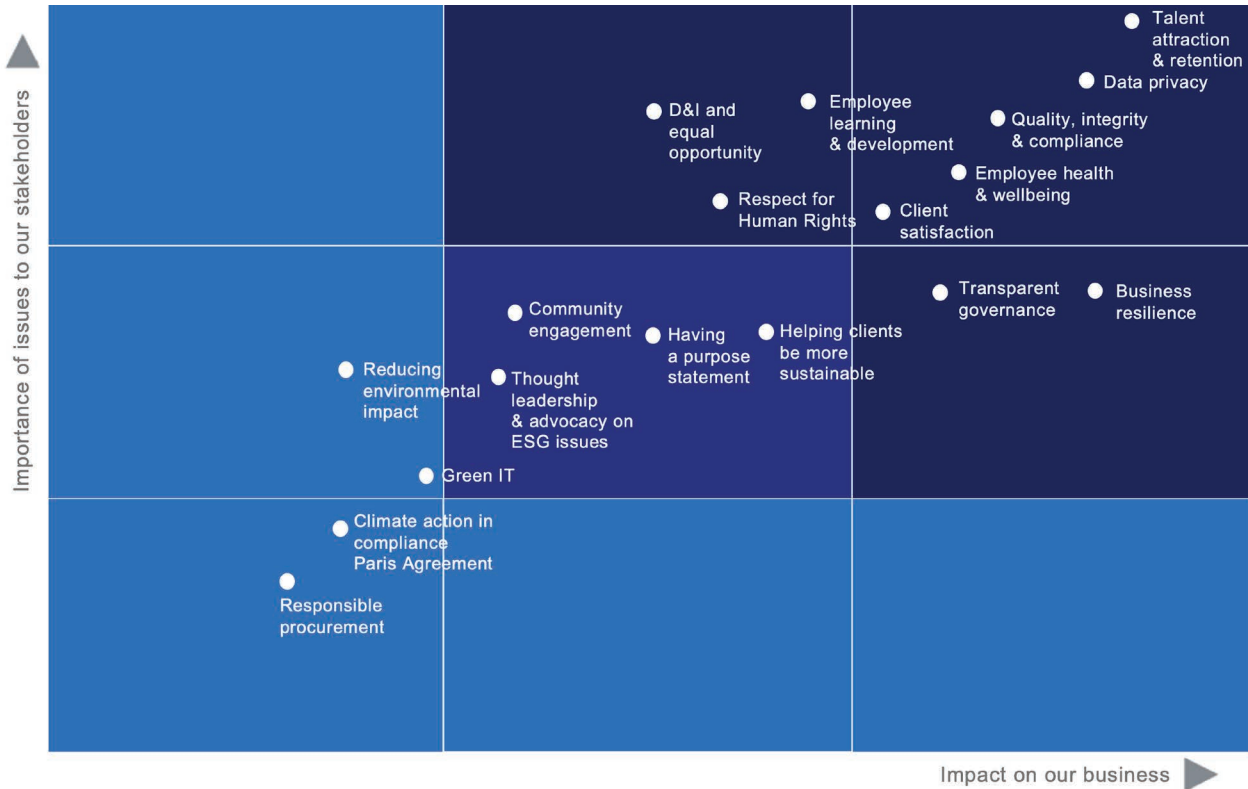
We have engaged over 3,700 employees across 46 countries in volunteering and pro bono-initiatives, contributing over 31,000 hours to support community development projects.

Our value proposition

Our risks and opportunities analysis

Our top material issues

The Mazars materiality matrix



In 2021, we engaged with key affected stakeholders, including our clients and employees, to identify, assess and prioritize our material ESG topics, as well as their related risks and opportunities. The foundations of our materiality assessment are based on cross-collaboration between our Group Corporate Sustainability team, key business functions, and relevant stakeholders.

For the first time, we engaged with stakeholders beyond our European operations to gather worldwide insights across North America, Asia Pacific, Africa, Middle East and Latin America. The stakeholder consultations we undertook were mainly based on digital surveys and structured interviews.

These interactions allowed us to understand the perceptions of our stakeholders regarding the strategic importance of the identified ESG topics to our Corporate Sustainability strategy, as well as their potential short and mid-term impact on our business. Although the stakeholder engagement

process involved mainly our clients and employees, the feedback provided by them was of strategic value to this exercise. It served to refine our understanding of our stakeholders' overarching expectations and concerns related to a diverse range of sustainability topics.

The results of our materiality assessment, which have been overseen and validated by the GEB Corporate Sustainability sponsor, are shown in the above materiality matrix. As indicated in the relevant axes, the material topics are ranked according to our stakeholders' perception regarding the importance of material topics to our sustainability strategy and their potential impact on our business.

This assessment revealed highly valuable insights that constitute the foundations of our current sustainability strategy, as well as its corresponding policies and actions. Through the identification, assessment and prioritization of sustainability-related impacts, risks and opportunities, we strive

Our value proposition

Our risks and opportunities analysis

to improve the resilience of our business strategy while contributing positively to our people, the environment, and local communities. We are convinced that this is only possible by aligning our policies and actions to our stakeholder expectations and we are thereby committed to strengthening our stakeholder dialogue channels, as portrayed in our approach to stakeholder engagement.

All in all, we are pleased to say that our materiality assessment proved the validity of our sustainability strategy, which addresses most topics identified as material by our stakeholders. We have therefore continued our efforts throughout 2022 to reinforce strategic initiatives that already existed and doubled our efforts to ensure we act upon and deliver progress across emerging material topics.













Our value proposition

How we assess and manage our risks/opportunities



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

Risks /opportunities	Capital	Stakeholders	Initiatives
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I. Global footprint of our partnership






<p>Impact of the Covid-19 pandemic</p> <p>The Covid-19 pandemic is still present and has lingering effects on people, businesses and societies.</p>	  	<p>Clients, partners, staff</p>	<p>We are closely working with our partners and staff keeping up-to-date with regulatory changes and business model adaptation due to Covid-19.</p>
<p>Risk management</p> <p>1. The war in Ukraine has already had severe consequences on stability and macro-economic conditions (inflation, rising costs of raw materials, supply chain difficulties,...)</p> <p>2. The new ISQM 1 regulation compels audit firms to enhance their risk management processes, tools and policies. This generates both no constraints and new opportunities.</p>	   	<p>Client, partners, staff</p>	<p>We are monitoring the situation per government pronouncements to ensure we follow the newest health regulations and protocols, as well as we delivers differently and efficiently.</p> <p>Flexibility and remote working schemes have been implemented in most partnership countries.</p> <p>1. We did actively support our Ukrainian colleagues, ensuring full financial support and extending humanitarian aid, transport and accommodation. We also decided to stop all Mazars activities in Russia while exploring exit options that ensure, to the greatest possible extent, a seamless and quality transition for our clients, as well as a sustainable path for our former Russian partners and staff.</p> <p>2. We are prepared to meet all ISQM 1 requirements: we have further strengthened our risk management framework and reinforced our quality and risk management teams at country and group level.</p>
<p>Safety and health care</p> <p>As we perform international assignments, we need to care for the physical integrity of our people wherever they are deployed on firm business.</p>	  	<p>Partners, staff</p>	<p>All our staff benefit from global insurance coverage, and we have implemented a firm wide travel policy. Group and local HR provide regular communications to ensure proper safety and health protocols are upheld and followed. We make sure our premises are covered by adequate security infrastructure wherever needed and continuously monitor potential issues and threat levels in business travel or commuting destinations.</p>

II. Service offering & activities

<p>Service offering</p> <p>Ability to provide innovative, tailored and global solutions to our clients.</p>	  	<p>Clients, society</p>	<p>Combining the reliability of our methodologies with our ability to think 'outside the box', we innovate and deliver value to our clients and our communities. Our consulting and advisory business lines have grown significantly over the last few years, and we have now achieved the right balance between audit and expert non-audit services.</p> <p>KPIs: We have reached the right balance between audit and non-audit activities, with a stable part of audit fees representing 49% (with ZhongShen ZhongHuan) of our global turnover.</p>
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Our value proposition

How we assess and manage our risks/opportunities

Risks /opportunities	Capital	Stakeholders	Initiatives
<p>Efficiency and performance</p> <p>Adverse economic conditions could affect our ability to provide high quality services. On the other hand, they lead us on to the path of innovation.</p>	  	<p>Clients, society</p>	<p>The quality standards of our services are not negotiable. We offer integrated solutions adapted to our clients' markets and needs, always striving to best anticipate the changes that will impact our stakeholders. We have learnt from past challenges to increase the stability of our organisation. We ensure the consistency of our services in all the 93 countries and territories that make up our international partnership. We nurture the Mazars DNA and guarantee business continuity through genuine integration and the establishment of strong and stable regional hubs.</p> <p>Outcome: We have identified three key sectors (financial services; industry, services and public sector; entrepreneurial businesses), and seven service lines (accounting and outsourcing services, audit and assurance services, consulting, financial advisory, law, tax and sustainability) which we are consistently deployed throughout our international partnership.</p>
<p>Reputation</p> <p>Mazars is a young, renowned and developing brand. Significant failure in one Mazars office to comply with legal, ethical or professional requirements could damage our brand and reputation.</p>	 	<p>Clients, society</p>	<p>Our internal quality management systems, which are designed to maintain and enhance quality, include, among other things:</p> <p>Client engagement and acceptance processes and standards supported by methodologies and tools: we are currently implementing our global independence check tool. This one-stop-shop IT tool will speed up and further secure the process of acceptance throughout the Mazars Group, helping us steer clear of any relationship that could distract us from acting to the highest professional standards.</p> <p>Our global code of conduct, clearly states who we are, what we expect from our people and how we deal with our clients, stakeholders and communities at large. We have developed training modules on our code of conduct, and on ethics & independence, which are mandatory for all our staff. We aim to have 100% of our staff trained on our code of conduct by 2024.</p> <p>Continuous technical and soft-skills training of staff and Mazars' partners: we strongly believe in lifelong learning and have designed an education-based strategy to help our people acquire the best expertise.</p> <p>Quality reviews of Mazars' offices: our internal quality reviews cover all our service lines. On average, we perform quality controls in 30 countries every year.</p> <p>Furthermore, we train our staff and partners to adhere to ethical standards in their daily use of social media.</p> <p>KPIs:</p> <ul style="list-style-type: none"> On average, each of our people received 40 hours of training in 2021-2022 On average each of our auditors underwent 62 hours of training in 2021-2022 Every year, a minimum of one third of our practices are subject to an internal quality review

Our value proposition

How we assess and manage our risks/opportunities

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

Risks/opportunities	Capital	Stakeholders	Initiatives
<p>Ethics & independence</p> <p>We do need to remain independent, whether we provide audit & assurance (channel 1) or non-audit/ advisory (channel 2) services.</p>	 	<p>Clients, society</p>	<p>We have implemented risk management procedures that ensure the independence of our two core professions as auditors or advisers. We have recently refreshed and updated our global code of conduct, clearly drawing the line between what is recommended or acceptable and what would put our reputation and other people's trust at risk. We handle any breaches seriously and take appropriate action to uphold this code whenever necessary. Our audit, tax, outsourcing and financial advisory lines also each have their own specific code of conduct.</p> <p>KPIs: All the entities of our partnership are covered by our global independence tool WeCheck.</p> <p>As of August 31, 2022, 79 countries representing 97% of our turnover frequently uploaded and refreshed client data into WeCheck's data management system.</p> <p>85% of requests are now processed in 48 hours or less.</p>
<p>Compliance with regulation</p> <p>The development and strengthening of regulation have an impact on our activities.</p>	  	<p>Clients, society, public and regulatory organisations</p>	<p>We comply with all regulation, in all the services we provide. We keep up-to-date with the latest changes in regulation, incorporate them in our codes of conduct, and inform our clients in a timely manner. We undergo regular reviews by our oversight bodies and regulators. We take part in the evolution of the regulation and anticipate potential impacts for the benefit of our clients and prospects.</p> <p>KPIs: Independent audit oversight took place in 68 countries of the Mazars integrated partnership, of which 13 countries were subject to regulatory inspections in 2021-2022.</p>
<p>Confidentiality and data protection</p> <p>A situation could arise where business and personal data may not be adequately protected.</p>	 	<p>Clients, society</p>	<p>In all we do, confidentiality and information security are key elements of our professional responsibilities. Our Group Chief Information Security Officer is responsible for providing oversight, policy and strategic direction on information risks and cyber security matters. He directly reports to the Chief Compliance Officer and to the Group Executive Board.</p> <p>Outcome: Our European offices are GDPR-compliant and we have, since 2014, implemented whistle blowing procedures for our staff, our clients and our stakeholders. Both external and employee complaint forms are available on all our Mazars websites (on the Group website: http://www.mazars.com/Complaint-form). All claims are directly processed through the Group Chief Compliance Officer except when required otherwise by the local regulation.</p>

Our value proposition

How we assess and manage our risks/opportunities

Risks /opportunities	Capital	Stakeholders	Initiatives
III. Talents & partnership organisation			
<p>Talent</p> <p>Skilled people, especially in economically vibrant areas, are increasingly mobile.</p> <p>Specific, adapted policies are required in order to attract and retain them.</p>		<p>Clients, society</p>	<p>As a professional services firm, we have developed a dynamic human resources policy, valuing excellence and a strong sense of ethics. We invest in our people, train them to make their years with Mazars a profitable experience and prepare them to be future leaders inside or outside our firm. We strongly believe in lifelong learning, and have created our own corporate university which offers state-of-the-art on-site and online programmes, for our staff and partners.</p> <p>We have taken tangible steps to make Mazars a genuine school of excellence, for all of our people.</p> <p>We devised our online platform MazarsU as the go-to hub for all the best learning materials and practices across the Group, both in the areas of technical expertise as well as the other skills now required to perform the profession: soft skills, digital skills, and leadership skills. We aim to train top-notch technicians, as all as professionals who can abide by the strictest ethics and independence requirements.</p> <p>KPIs: For our audit activities, we have a Partner leverage ratio of 12.5 staff per Partner, and a Management leverage ratio (Directors, Senior Managers, Managers vs. Seniors, Assistants, Interns) of 3.2 staff per manager, both nearly stable despite a quite difficult HR hiring landscape.</p>
<p>The evolution of core audit and accounting services delivery due to digitalisation requires defining new skill-sets for our talents.</p>		<p>Clients, society</p>	<p>Mazars strengthened its competency matrix so as to embed IT and digital aspects into our core audit and advisory trainings. The profiles we seek are increasingly diverse, with AI experts and data scientists becoming primary targets, in order to steer change, pioneer the digital transformation of our professions and offer the augmented services our clients and the market expect.</p>
<p>Some individuals might not adhere to Mazars' culture, and this could potentially lead to disengagement from clients and demotivate others from joining or hiring us.</p> <p>If proper measures are not appropriately implemented, we could fail to achieve cultural alignment and inclusion, which might endanger our performance and ability to attract young talent.</p> <p>Failure to understand the future needs of our people in relation to purpose, inclusion, well-being, and working styles might also hinder our long-term development.</p>		<p>Clients, society</p>	<p>We have developed training modules on our code of conduct and on ethics and independence. They are mandatory for all our staff.</p> <p>We believe tone needs to be set at the top and have made ethics, inclusion and diversity priorities for our entire organisation.</p> <p>We have appointed a C-suite executive as Chief Leadership, Education and Culture Officer.</p> <p>D&I are actually part of our One 24 strategic programme, with clear and quantifiable objectives. We have set incentives and mechanisms to drive gender diversity improvements in over 80 countries, and made it a key criterion for assessing performance in our six regions and our six largest countries.</p> <p>We have also made unconscious bias training mandatory for all GEB members and managing partners.</p> <p>Both at country and group levels, we conduct regular surveys to keep in touch with and take into account the needs of our people, especially young talent. "People development" and "respect & diversity" are among the top three Mazars attributes our people value most.</p>

Our value proposition









How we assess and manage our risks/opportunities

 Human capital
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Risks / opportunities	Capital	Stakeholders	Initiatives
<p>Evolving in an ever more connected and fast-paced global work environment, today's young talent expect more flexibility for their personal organisation.</p>		<p>Clients, society</p>	<p>Our model is by nature human-centric and decentralised. In all of our offices, we encourage the implementation of new ways of working which foster cooperation and collective intelligence, increase efficiency and enhance employee satisfaction. We also want our people to generate and implement new ideas to improve both our internal processes and our offering. Local internal satisfaction surveys are carried out on a regular basis and action plans put in place to continuously improve work-life balance.</p> <p>We are implementing a peer coaching and feedback culture, which we are trickling down the organisation with programmes such as ReCoach, and LEAD.</p>
<p>Diversity ought to be encouraged, not only for moral / ethical reasons, but also because our business model benefits from more diversity.</p>		<p>Clients, society</p>	<p>Building a diverse talent pool is one of our top priorities. Both at group and local levels, we have implemented initiatives to fight against discriminations and promote gender diversity and inclusion.</p> <p>We have appointed a C-suite executive as D&I leader at Group level.</p> <p>KPIs: In 2022, women accounted for 53% of our total staff and 43% of our global executive and governance bodies. We had 20% of female partners and we have set ourselves the objective of having 25% women partners in 2025.</p>
<p>International integrated partnership structure</p> <p>Although it is demanding, growing as an international integrated partnership favours long-term reinforcement and transparency, all for the benefit of our clients.</p>	  	<p>Clients, society, professionals</p>	<p>International expansion has been, is, and will be one of the keys to our development.</p> <p>We never fear to venture into new territories and discover new cultures, and we have faith in our unique partnership model. We have steadily grown our coverage in the last 20 years, and in the last six years alone, have gone from 73 to 90+ countries and territories where we now have fully-fledged integrated Mazars offices. We are a truly multicultural group, over 30,000 professionals worldwide and 1,020 partners.</p> <p>KPIs: according to the latest IAB survey, we rank:</p> <ul style="list-style-type: none"> 14th worldwide for turnover 12th in audit worldwide 13th in advisory 14th in tax 15th in North America 16th in Latin America 13th in the Middle East 9th in Europe 7th in Africa 17th in Asia Pacific
<p>Our ability to serve our clients or our reputation in the marketplace can be severely impacted by the failure of a member firm.</p>	  	<p>Clients, society, professionals</p>	<p>Global processes and specific procedures have been put in place and are prominently featured in our global risk manual and quality assurance manuals. Each of our integrated and correspondent firm countries must complete a self-assessment on a yearly basis. They are also regularly subject to international inspections, led by Mazars quality control experienced partners and senior staff.</p>

Our value proposition

How we assess and manage our risks/opportunities

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

IV. Global trends & stakeholders, expectations

<p>Digital transformation</p> <p>As an international professional service firm, we heavily rely on IT to perform our assignments and are provided access to highly confidential client information. We have identified cyber attacks as one of the most potentially damaging risks we could face.</p>	   	Clients, professionals, society	<p>We have a dedicated group IT committee, and a data security committee, which includes our Group Chief Information Officer. Each country is required to have its own information security policy, which undergoes an annual self-assessment, reviewed by the Group Chief Information Security Officer. We regularly invest in up-to-date and state-of-the-art security tools and solutions. Firm wide training sessions and exercises on phishing have been developed and made available to all staff.</p> <p>We are developing our global IT platform project as part of our One24 strategy, under the sponsorship of a GEB Member.</p>
<p>An inadequate data strategy, governance and management may impede the firm's ability to realise the benefits of using data as an asset.</p>	   	Clients, professionals, society	<p>We have implemented robust group wide data security and usage policies. Our information governance policy is communicated to all member firms as part of our RMM.</p>

Our value proposition



How we assess and manage our risks/opportunities

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

Risks / opportunities	Capital	Stakeholders	Initiatives
<p>Clients</p> <p>Continuous and accelerated technological evolution impacts not only the way our clients do business but also the way we work and communicate with our clients.</p>	   	<p>Clients, professionals, society</p>	<p>Achieving our digital transformation is about improving our quality of service, and helping our clients solve their own challenges. As we become more digital, we help them harness and use the power of new technologies to gain efficiency and foresight, make the best of vast amounts of data available for analysis, and set up increasingly agile and virtual organisational structures. We created our own innovation labs, physical spaces in which clients, innovators and Mazars experts can gather, share and fully realise new initiatives, because if mastering and understanding technology are prerequisites, without a human element this innovation cannot occur.</p> <p>Outcome: we are running an ongoing client feedback programme, which ensures we are continuously listening to the views of our clients and working to improve our service. More than 48 countries are now involved in the programme.</p>
<p>Business model</p> <p>Disruption from technology based possibilities, such as sophisticated automation, will impact basic accounting and audit services.</p>	   	<p>Clients, professionals, society</p>	<p>We fully embrace technological evolutions. We hire technology savvy professionals and foster innovation in all our service lines. Under the guidance of our Chief Technology and Innovation Officer, we bring together Mazars' professionals, external experts and cutting-edge entrepreneurs to reflect on and prototype the ideas that will shape audit and consulting in the near future. A majority of our offices worldwide have now appointed innovation ambassadors, who serve as catalysts to boost new ideas and creativity across the group.</p> <p>KPIs: We have established nine hubs worldwide and rely on more than 250 innovation ambassadors in around 60 countries.</p>
<p>Communication weaknesses</p> <p>Digital transformation empowers internal and external stakeholders' communication about Mazars' activities, with a risk of unchannelled enthusiasm leading to undesirable outcomes.</p>	 	<p>All stakeholders</p>	<p>Mazars implemented a proactive digital media strategy as well as formal social media policies and guidelines for all staff. Over the last few years, we have focused on employee advocacy, to encourage staff to act as brand ambassadors on social media. Through our group communications & marketing department, we provide social media trainings to staff and partners alike.</p> <p>KPIs: Since 2011, we have provided more than 60 social media training sessions covering over 30 countries. Over 2,000 partners, directors and senior managers have been trained.</p>
<p>Technological advances or novelties could reduce the relevance of our current product offering and solutions or limit our ability to compete in the market. Under-investing in new and advanced technology or inadequate response to non-traditional disruption might also hit our competitiveness.</p>	 	<p>All stakeholders</p>	<p>We invest steadily and significantly in new technology, new tools and new digital solutions. We are fully aware of the risk of getting behind and strive to stay ahead. We have made innovation a top priority in our audit and consulting businesses. We currently have six innovation hubs and a worldwide network of innovation ambassadors. Significant investments in new and innovative digital solutions for various lines of business from project to completion spearhead our efforts in all countries.</p>

Our value proposition

How we assess and manage our risks/opportunities

Risks / opportunities	Capital	Stakeholders	Initiatives
<p>Sustainability and responsible behaviour</p> <p>Our stakeholders expect us to demonstrate responsible behaviour with regard to our business conduct, our employment practices, our environmental impact, our contribution to local communities, and our relationships with our suppliers.</p>		<p>All stakeholders</p>	<p>Contributing to better and healthier ecosystems and societies is at the heart of Mazars' purpose, as we strongly believe performance and responsibility go hand in hand.</p> <p>We encourage our staff to engage in community initiatives through volunteering and pro-bono work, whilst fostering the adoption of sustainable behaviours that are in line with our values of integrity and responsibility. These efforts are driven by our global network of sustainability ambassadors and our Global Corporate Sustainability Leader, who is under the direct supervision of a GEB member.</p> <p>Within our sustainability service line, we have developed a full array of services aimed at re-engineering trust in business, empowering people and nurturing collective responsibility, ranging from non-financial audit to anti-corruption, governance or sustainability consulting. We have brought our active contribution to the definition of the upcoming CSRD and invested time and resources to develop our own CSRD expertise.</p>
<p>Business for good</p> <p>Our stakeholders and the public at large expect new solutions and services for a better and more sustainable world and consider that global organisations have global responsibilities.</p>		<p>All stakeholders</p>	<p>The Mazars international partnership tackles its global responsibilities internally and externally, - e.g. investing in and enforcing more diversity measures inside and outside our organisation, developing corporate sustainability consulting services, etc.</p> <p>We do meaningful business for good in order to seize the best business opportunities.</p>

Our approach to sustainability

How we prepare for what is coming

The advent of sustainability and ESG issues will increasingly compel organisations to reinvent their business models and value creation processes. Beyond complying with new reporting requirements, corporations will have to fully comprehend new risks and opportunities, be able to measure their impact and integrate them into their strategies and management.

There will be no turning back. With the CSRD coming into effect in 2024 and additional regulations looming on the horizon, ESG issues are already high on the agenda of organisations all over Europe. While the first CSRD-compliant sustainability reports will be due in just two years' time – initially, for listed companies only – preparations have already begun on a large scale. What is at stake here goes way beyond mere compliance and requires specific expertise on ESG-related risks and opportunities, the ability to transform value creation chains to make them more sustainable and the right expertise to choose and define the most relevant KPIs to help assess progress and measure performance. In other words, the changes are systemic and will shape tomorrow's economic landscape. The imperatives of containing global warming, maintaining biodiversity, preserving natural resources, achieving energy efficiency and transitioning to a carbon-free model are as compelling as those of a financial nature. Organisations that fail to adjust and do not genuinely embark on their sustainability journey are likely to disappear. For those who seriously embrace sustainability in all its dimensions, however, the future looks a lot brighter.

A wide range of bespoke services

At Mazars, we consider it our duty to assist businesses at all stages of their journey towards sustainability. We collaborate with them to strengthen business resilience, create economic value, enable compliance with the new regulations and contribute to a healthy ecosystem and strong community.

Within the framework of our sustainability service line, we offer a wide array of sustainability services to meet our clients' needs. They include:

- Implementation and transformation: Advice and assistance to help our clients prepare their sustainability reporting in a controlled, compliant and accurate way and transform their

internal organisation to enable the delivery of such data during a period of change.

- Audit and assurance: Solutions for sustainability reporting, certification for green and social bonds and assurance over all forms of carbon reporting.
- Strategy and due diligence: Assistance with developing low-carbon strategies and business models aligned with best practice ESG principles, as well as due diligence services to ensure alignment of the supply chain with strategic objectives.

“The changes sustainability will bring are systemic and will shape tomorrow's economic landscape.”

Chris Fuggle

Global Head of Mazars' Sustainability Service Line

Getting ready for the CSRD

With the upcoming CSRD, it is estimated that over 50,000 businesses operating in Europe will have to report on their extra-financial results and performance and have their ESG statements verified and certified, with an initial requirement for limited assurance and a subsequent move to reasonable assurance in the longer term. This compels us to be able and ready to help our clients become CSRD-compliant and to perform high-quality ESG audits. This is why we have already:

- set up a specific CSRD task force and CSRD workshops to share information and create and structure a true pan-European sustainability community;

Our value proposition

How we prepare for what is coming

“The CSRD compels us to be able and ready to help our clients become CSRD-compliant and to perform high-quality ESG audits.”

Emmanuel Thierry

Partner, Sustainability Service Line

- started recruiting ESG experts, both junior and experienced, to deliver the high-quality services our clients expect;
- trained and developed “hybrid professionals” (i.e. auditors and consultants who can work on both financial and extra-financial data);
- invested in building a team of technical support specialists dedicated to ensuring we apply the best sustainable reporting and assurance standards; and

- started developing an innovative and modern Sustainability Audit Methodology to ensure a level of quality that meets the expectations of our regulators.

We will continue to dedicate time and resources to further enhance our sustainability and CSRD expertise and capabilities in Europe and throughout our international partnership.

We have also acted upstream through our contributions to 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. We also provide regular feedback to European authorities through national audit and accounting bodies and various industry workshops to which our professionals contribute in Europe and beyond.

CSRD scope and timeline

The CSRD will extend the scope of sustainability reporting requirements to all EU companies that meet at least two of the following criteria:

- More than 250 employees
- Turnover that exceeds €40m
- A balance sheet that exceeds a total of €20m

Timeline:

Mid-November 2022: EFRAG submitted its revised sustainability standards to the European Commission.

- June 2023: The European Commission issues the final version of the CSRD.
- 1 January 2024: Applies to companies that are in the scope of the NFRD (report in 2025).
- 1 January 2025: Applies to companies that are not presently subject to the NFRD but meet at least two of the three criteria listed above (report in 2026).
- 1 January 2026: Applies to listed small and medium-sized enterprises (report in 2027).



Mazars at a glance

Global coverage

90+

Countries & territories

300+

Offices

47,000+*

Professionals

* 30,000+ professionals in Mazars' integrated partnership, 17,000+ via Mazars North America Alliance

1,000+

Mazars SC partners

Group global turnover 2021-2022

€2.45**

bn euro

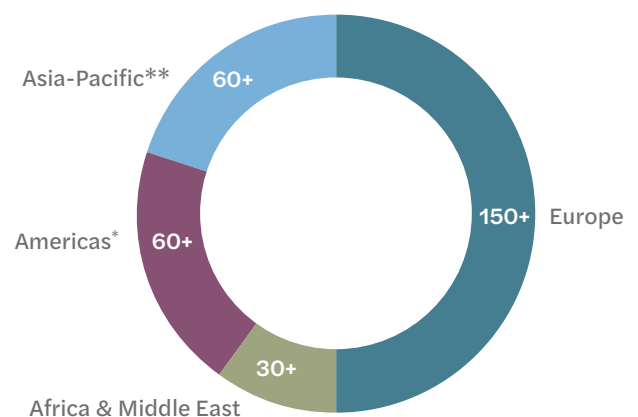
** Includes data for our ZhongShen ZhongHuan and ZhongShen Yatai practices

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

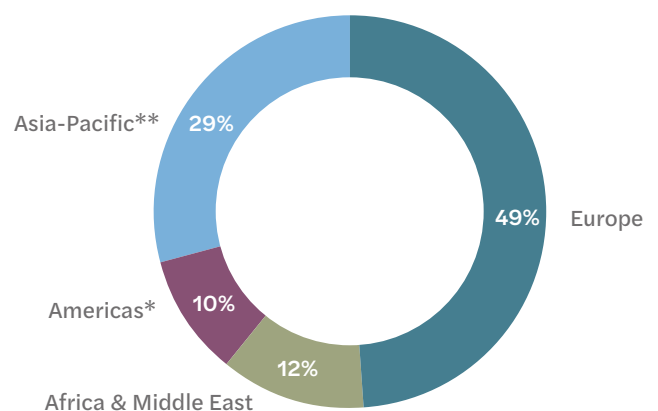
Mazars SC (hereafter, Mazars Group or the Group) is an international, integrated and independent organisation specialising in audit, advisory, accountancy, tax and legal services.

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

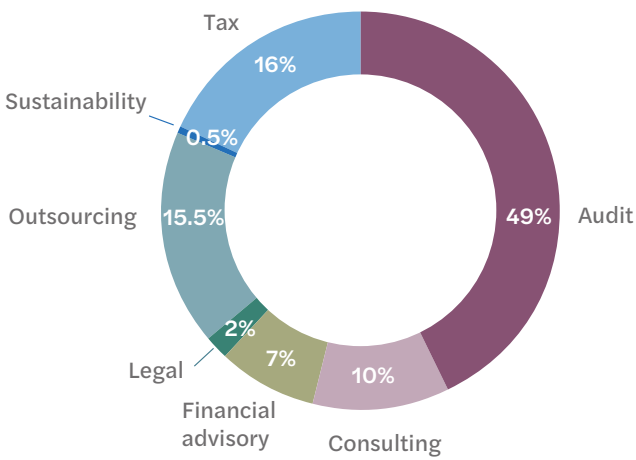
Offices split by region



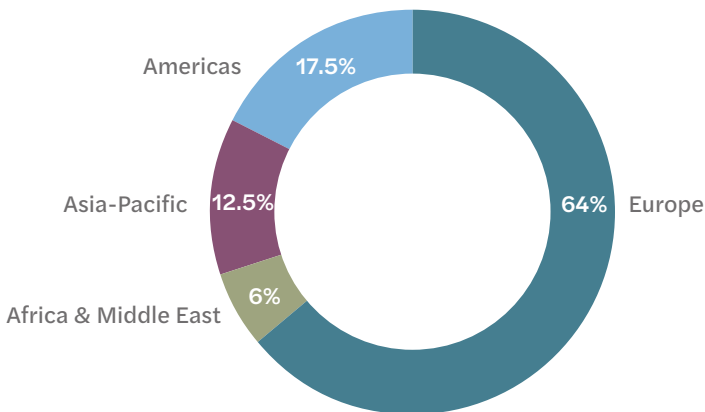
Professionals by region**



Turnover (%) by service line**



Turnover (%) by region**



Our history in key milestones

Start-up in France

1945

Growth in Europe

€100m turnover

1995

1,000 professionals
Creation of the international partnership

€500m turnover
37 countries

2005

5,300 professionals
Growth in Europe and in America

€2.45 bn turnover
90+ countries and territories

2022

47,000+ professionals
(30,000+ professionals in Mazars' integrated partnership, 17,000+ via Mazars North America Alliance)
Presence on all continents

Mazars in Malta at a glance

1

Office

70

Professionals

4

Partners

Malta's turnover
2021-2022

€5.16m

47% in respect of audit services

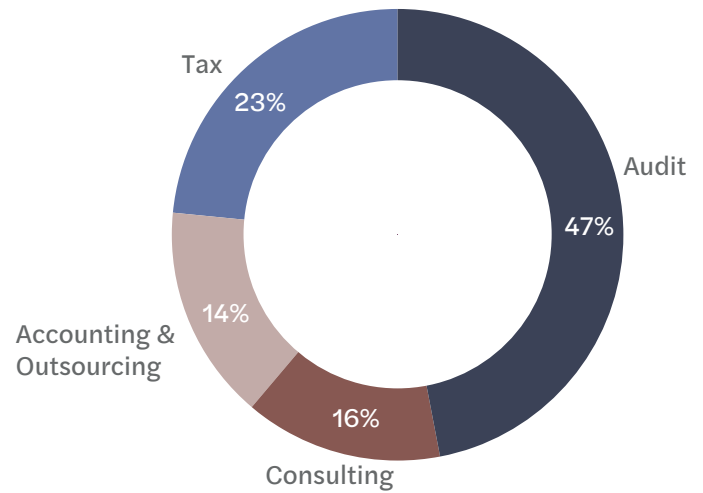
10%

Increase on prior year

1,696

Training Hours

Turnover by service lines (%)





Statement by Jean-Luc Barlet,
Quality Management and Compliance Leader

"Mazars audits 2,700 public interest entities worldwide, of which 1,300 are head-quartered in Europe and 960 are listed on a regulated market, including 480 listed in Europe. Mazars is ranked fifth in the European audit market for large listed European companies."



Statement by Jean-Luc Barlet, Quality Management and Compliance Leader

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, 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 our top priorities.

As this transparency report goes out, ISQM 1 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, as well as to develop our quality teams not only at the global level but also in the countries of our wider partnership.

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

We are continuously improving our know your client (KYC) procedures, and we will soon add a new tool that will complete WeCheck, our Group-wide one-stop shop for checking global independence. All countries within our partnership can log into WeCheck, and 79 of them, representing 97% of our turnover, regularly access WeCheck's management systems to upload client data or refresh existing client data. Some 85% of our independence checks can now be performed in less than two days.

All in all, our risk management structure and policies have demonstrated their reliability and effectiveness. We are confident ISQM 1 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 balance between our audit and advisory activities, our talent and our dedication to quality were key drivers of our excellent 2021-

2022 performance. For the fourth consecutive year, Mazars achieved double-digit growth and continued to expand within the PIE audit landscape. 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 are listed on a regulated market. We remain Europe's fifth-ranked auditor for large corporates.

As we enter 2023, Mazars is where it should be: a global player with very strong assets, resilient quality and risk management systems and procedures, 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 in 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 developments. Our future leaders have been well prepared: they are true to our founding values and they have the talent, expertise, qualities, level of risk aversion and will needed to write an exciting new page in the history of Mazars.



Jean-Luc Barlet
Quality Management and
Compliance Leader

Statement by Jo Connolly,
Chief Quality and 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 (ISQM 1), creating the new Mazars global system of quality management (SoQM).



Statement by Jo Connolly, Chief Quality and Compliance Officer

What ISQM 1 requires

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

ISQM 1 requires firms to establish a robust 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 ISQM 1, and through the application of the risk assessment process, the focus is on understanding and mitigating risks associated with achieving these quality objectives.

ISQM 1 also requires evaluation of the effectiveness of the SoQM to identify deficiencies that demand remediation and to provide a basis for evaluating the overall effectiveness of the SoQM.

Our approach to the implementation of ISQM 1

We have determined ten components for our SoQM framework, as set out below. Within each component, we identify the related processes, risks and responses 'controls'.

1. **Governance and leadership** – our culture, structures, tone at the top and leadership accountabilities
2. **People** – recruitment, development and rewarding our talent
3. **Clients** – accepting and continuing to work with clients 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 guidance on the job and empowerment through the use of engagement workflow tools
8. **Information and communication**
9. **Monitoring and remediation**
10. **Risk assessment process** – evaluation of risks associated with achieving quality objectives, as well as identification of controls and responses that address those risks.

Each Mazars partnership entity is ultimately responsible for the design, implementation and operation of its 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 ISQM 1. Our global SoQM framework is designed to promote consistent engagement quality and operating effectiveness of our client undertakings. 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 can add to reflect their nature, circumstances and complexities. Utilising the SoQM framework and risk assessment approach, all Mazars firms can build on responses already in place under the ISQC 1 framework.

What will change for Mazars

Continuous improvement of quality requires us to challenge ourselves and be open to change. The changes brought about by the standard also create opportunity – and we have certainly viewed them 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. For example:

- We continue to drive consistency across the globe – for example, we recently updated our global policies and procedures within the risk management manual and MAQ to reflect changes introduced through our ISQM 1 project.
- We continue to develop and define quality indicators aligned to the new SoQM, including indicators that clearly articulate accountabilities for quality – for example, the Partner Quality & Risk Report.
- Our IT strategy continues to evolve – we have designed a global IT ISQM 1 tool to facilitate the risk assessment process and the testing and evaluation of each member entity's SoQM.
- We are driving and maturing our approach to continuous improvement by enhancing the design of our global monitoring programmes to factor in ISQM 1, which will take effect in the year ending 31 August 2023.

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



Jo Connolly,
Chief Quality and Compliance
Officer

Inspiring stakeholder confidence in audit quality

Our culture and global talent policy

You join Mazars to learn. Education is the backbone of Mazars' talent and leadership development strategy, and it is 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 are expected of a responsible, modern firm. This is what we owe our people, our clients, our stakeholders and society as a whole.

Making Mazars a school of excellence

We are convinced the evolution of our profession and the aspirations of our people compel 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, 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” and our women leadership seminar to our business development accelerator and our LEAD development and assessment centre.

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 to all our stakeholders. It is proof of value in a knowledge-based industry. Looking forward, it could even become a business in itself for Mazars.

In the coming months, we will reinforce our focus on digital skills and Web 3.0. Thanks to the work of our learning architects, our worldwide learning platform, U Learn, will soon become a fully-fledged app to provide professionals from all seven of our service lines with state-of-the-art training programmes built around five 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, etc.)

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 Group, regional and country levels, 70 of our most promising partners are being assessed and trained in partnership with Korn Ferry and through specifically designed curricula as part of Mazars' “the Next MBA” programme.

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 executive MBA programme: Building Mazars' next united community of leaders

As part of our global ambition to prepare the next generation of leaders at Mazars, we have designed an internal executive MBA programme. This two-year programme combines five onsite chapters on different continents, virtual peer coaching and a metaverse experience. Topics are mostly covered in an interactive format, including exchanges with regional senior executives, start-ups and thought leaders. The faculty is comprised of professors with multicultural backgrounds and strong academic track records, such as Tammy Erickson, Tawfik Jelassi and Moran Cerf.

Inspiring stakeholder confidence in audit quality

Our culture and global talent policy

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) and involved 65 participants from 31 countries.

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

Exposing our future leaders to external experiences is a critical part of our global talent development strategy. 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 now attended this annual event and had the opportunity to debate and devise innovative solutions to the world's most pressing issues. In addition, our Mazarians were counselled by influential business, political and humanitarian leaders. The 2022 edition of OYW took place in Manchester, UK (5-8 September) with Mazars' Harriet Walker and Danny Janssen in attendance.

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 millennials to become the coaches sought after by Gen Z.

Our Group-wide ReCoach programme has been designed as a 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 can 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 our newly revamped Partner Development Review (PDR) and as a way to leverage the roles of our senior leaders as early adopters and change agents within our partnership to instigate a cultural (r)evolution and spread a culture of coaching throughout the organisation. The PDR, which is mandatory, is an opportunity for each partner to reflect on their development and contribution to the wider partnership. It is a valuable exercise, allowing partners to explore their preferences and achievements, as well as the areas they would like to develop further. 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 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.

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

ReCoach has now been cascaded down and extended to our shortlist of future partners – 82 professionals in 31 countries. It has become an integral part of our six-month LEAD programme aimed at training the men and women who will be appointed as partners within the next two years.

Our 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 discovering talent, recognising performance, delivering quality, managing communication and representing Mazars, to help build the 2020-2024 strategic plan for Mazars in France.

Inspiring stakeholder confidence in audit quality

Our culture and overall talent policy

Mazars University uses the most advanced format in executive education

The LEAD programme is Mazars University's very own development centre, aimed at assessing and nurturing future leadership capabilities and helping to build a personal roadmap to the partnership. The programme is designed as a peer coaching experience combined with leadership development training.

Some 82 participants from 32 countries are part of the 2022 cohort, which is composed of seven training modules and six peer coaching sessions. This seven-month hybrid programme kicked off in Milan, Italy in June and ended at the beginning of December.

Feedback 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 consuming. Partaking in this journey with other future leaders has made the experience all the more valuable, and I have left the programme encouraged about the future of Mazars. The people that I believe 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 actions 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; I 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 (EVP) 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 with a focus on technical and leadership skills as well as 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 wellbeing and development, providing flexibility and modern workspaces, and 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 entrepreneurs.

In 2022, a number of countries, including Germany, Switzerland, the Netherlands, the United Kingdom, South Africa and Australia, launched local campaigns to highlight our employer branding policy.

Through global and local initiatives, such as international forums and partnerships with universities, we showcase and demonstrate the reality of our EVP to various target audiences. Our efforts to strengthen our EVP and make Mazars a great place to work were 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” awards.

Inspiring stakeholder confidence in audit quality

Our culture and overall talent policy

- In France, Mazars once again received the “Happy Trainees” label, rated the fourth best company for internships.
- In the United States, Mazars was recognised in Crain’s 2022 “Best Places to Work in New York City” list.
- During the International Volunteer Day ceremony, Mazars in Croatia received a Volunteer Oscar to reward its volunteering programme and active corporate sustainability policy.
- Mazars in Hungary received a Silver Award at the national HR Komm awards for its “Add Impact!” campaign, aimed at enhancing its overall employer branding policy.
- Mazars in Ukraine’s 2021 “Headhunting Relatives” campaign was rewarded with a gold Effie prize in 2022 at the Ukrainian HR awards, in the “non-standard recruitment” category.
- Mazars in Austria received a Kununu “Top Company” award. Kununu is the leading platform for employer ratings (by both job applicants and employees) in the DACH region, which comprises Germany, Austria and the German-speaking part of Switzerland.



Inspiring stakeholder confidence in audit quality

Our culture and overall talent policy

User-friendly digital learning worldwide: partnership renewal with LinkedIn Learning

With the renewal of its partnership with LinkedIn Learning, Mazars University continues to provide 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 ten tech hubs in different countries, which are seamlessly linked together through the league of hubs. Regular updates, a common repository and direct connections between local teams prevent redundancy and allow local teams to share best practices and resources. Each tech hub has a different focus, but all of them have a common passion: technology and innovation.

We also rely on a network of innovation ambassadors, comprised of corporate entrepreneurs with a range of backgrounds, experience and language 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 that work across borders, with senior representatives working at the cutting-edge of the latest developments such as extended reality, ideation, data analytics, trend watching and LCNC.

The priorities of the innovation and technology teams around the world revolve around enhancing our marketplace for innovation, including ensuring the delivery of projects with potential for the Group and monitoring international roll-out while developing the right infrastructure. We have a portfolio of projects deployed globally that are aligned to our business objectives and we are continuously working to deliver new services focused on clients.

Design Sprint Project

Through our programmes we embed technology and innovation in our business transformation. As an example, the Design Sprint Project was created in the CEE region with the purpose of transforming Mazars from a knowledge-intensive to an education-based firm as one of the strategical axes of our roadmap.

This project is a learning initiative, made up of a kick-off event and eight workshops, with the aim of developing a culture of innovation at Mazars, and more particularly the CEE, by educating employees to be innovation ambassadors and team players. The objective is for staff to learn how to apply and implement innovation methods by working on the design thinking process.



Talent management: key performance indicators (KPI)

At group level, every year we track key talent indicators, such as gender diversity or learning.

A few gender diversity indicators

Women account for over 53% of our staff, 35% of our global leadership team and 43% of our governance bodies (Group Executive Board and Group Governance Council together). In 2022, women represented 20% of our partnership, we have set ourselves the objective of women accounting for 25% of partners by 2025.

Significant progress has been made on gender diversity over the last few years, with 100% of our partnership's largest countries (our G20) having reported their detailed gender diversity KPI, and engaged into a dialogue to identify the gaps, discuss targeted actions, and develop a country action plan (a set of measures to boost gender diversity in their partnership and management teams). In addition all our countries have identified gender diversity champions who work with HR towards achievement of our group targets.

Among the talent KPI we track every year globally, this report highlights:

- 50% of our countries report having gender-diversity initiatives and programme in place, of which 57% have specific HR policies to support flexible work schemes and/or work-life balance.
- We promote lifelong learning and development and to that end, each of our people received an average 40 hours of training in 2021-2022.

Global workforce indicators

- 49% of our workforce is under 30 years old.
- 41% are between 31 and 50 years old.
- 10% are 51 years and over.
- We welcomed 9,000+ new joiners this year.

Breakdown of our workforce

By gender

53%

women

35%

of our Group Leadership Team are women

43%

of our Group Governance bodies are women

20%

of our partners are women (objective: 25% by 2025)

By age

49%

Under 30 years

41%

31 – 50 years

10%

51 years and over

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 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 road maps.
- Managing and monitoring quality, with a focus on the implementation of a system of quality management in line with ISQM 1.
- Managing compliance-related issues, with a Group-wide focus on client acceptance procedures, independence, methodology and manuals, the oversight of quality and active management of our risks.
- Managing change, in governance and reporting, with a view to strengthening.

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

Quality is the cornerstone 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.



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 cornerstone 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 of governance and to shareholders.



Delivering audit quality

We invest time to understand and participate in improving quality within the profession, develop our methodology, review quality recommendations and findings 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 our approach to the implementation of a common and 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 (on auditing accounting estimates and related disclosures) for 2020 year-end audits. We also started to adjust our global methodology to begin implementing the revised standards ISA 315R (on identifying and assessing the risks of material misstatement) and ISA 600R (on group audits).

Mazars' audit commitment

We challenge ourselves to make our audit and assurance offerings relevant, bring value to companies and their many stakeholders and ensure our assignments are 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 2022 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 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 for high-risk areas such as quality and talent, as well as internal audit reform task forces at the European and Group level.

Responsibility for quality

The quality and effectiveness of our audit services are critical to all our stakeholders and are 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 actions. We are convinced that the 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. A representative of each member entity is responsible for the implementation of the quality monitoring system, which applies to both member and correspondent firms.

Our audit quality assurance framework

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

Mazars Group is actively involved in IFAC.

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:

- maintaining quality control standards in accordance with the International Standard on Quality Control 1 (ISQC 1), issued by the International Auditing and Assurance Standards Board (IAASB), in addition to relevant national quality control standards and regulations;
- implementing 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;
- abiding by the 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;
- conducting regular globally coordinated internal quality assurance reviews, to the extent that they are not in conflict with national regulations; and
- submitting to the Secretary of the FoF an annual report, in an approved format, indicating that we meet the above-mentioned membership obligations.

Delivering audit quality

We have maintained these commitments since 2007 and make an annual declaration confirming our continuing commitment.

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

- Responsibility and leadership
- Independence and objectivity
- Acceptance and continuation of client engagements
- Human resources;
- Audit methodology and engagement performance
- Planning and supervision of client 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 financial claims

Each member entity has put in place the MAQ in its own country, edited as necessary to include country specifics. The policies and procedures in our MAQ are complemented by the global Mazars audit methodology (MAM). 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 reflect changes in international and national standards as well as in response to users' operational suggestions.

Our compliance with the MAQ 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. A representative from each member entity is responsible for the implementation of our quality monitoring system.

Furthermore, each representative is required to:

- promote the firm's internal culture of quality and reinforce this culture with clear, consistent and frequent messaging and initiatives;

- remind individuals at all levels of the existence of the quality monitoring system; and
- underline the importance of respecting legal and regulatory obligations, particularly with regard to the IESBA Code, local ethical requirements and professional standards of practice when accepting and carrying out new assignments.

Audit policies and methodology

The MAM is mandatory for all member entities, supplemented by local regulatory and legal requirements. Using a common methodology allows us to apply a consistent approach and level of quality globally to all client engagements irrespective of the client's size and international presence.

In an increasingly globalised world, the MAM allows us to assure our multinational clients of 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 our focus and efforts based on the level of risk. Our methodology and associated guidance on its application are 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 NextGen and Atlas Analytics NextGen 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 also made significant progress on other key projects:

- 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.

Delivering audit quality

- Putting in place a Reinventing Audit team, which 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 the Group level to improve our ability to attract and retain talent and address the resourcing challenges we face in many countries, and have continued to work, in cooperation with our Public Affairs team, to promote joint audits 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 consultation on audit and financial reporting 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 can demonstrate compliance, with ISAs. Our audit quality policies and procedures are also embedded as part of our firm's day-to-day activities.

Engagement Quality Control Reviews (EQCR)

The assessments undertaken by the local and global quality monitoring teams have been designed in compliance with IFAC quality standards 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 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 three years, and 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 Mazars' international inspections.

Entities are required to communicate internally the results of their audit quality monitoring reviews to their quality monitoring representatives, partners and audit managers. Sufficient detail must be provided to enable the necessary corrective measures, whether by the relevant representative, partner or audit manager, or at the overall level of the entity.

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

- a description of the procedures applied and of the scope of the quality monitoring review;
- the results and conclusions of reviews of the entity's procedures and audit engagements; and
- 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 a vote at the General Assembly of Partners. The report may be accompanied by an action plan, progress against which will be monitored by the QCC.

Our contribution to the profession

For many years now, Mazars has brought a pragmatic approach to 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 and Europe and at the global level.

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

- Act as a driving force in proposing new regulatory changes in the areas of accounting and audit.
- Act as a catalyst for dialogue and exchange 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, the drafting of

Delivering audit quality

EFRAG's sustainability standards and the European Commission's consultation on the strengthening of corporate reporting and its enforcement.

Mazars closely follows regulatory developments – discussion papers, initial drafts, further consultations, etc. – through all stages, from the drafting to the adoption of new regulations, while actively contributing to relevant lobbying groups.

Mazars is one of the seven firms the 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 consistently contributes to audit-related debates by responding to all calls for comments on projects carried out by the IASB and the IFRS Interpretation Committee. We also contribute to the works of the IASB on a regular, informal basis. We take part in meetings between the IASB and the major audit firms, and regularly meet with senior staff at the IFRS Interpretation Committee to express our opinions and present our stance on current topics.

Our contribution to the European taskforce on non-financial reporting

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

Our direct participation in international audit and accounting bodies

ESMA

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

EFRAG

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

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

Maud Gaudry is involved in the 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 key performance indicators



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



Staff/Manager ratio

3.2/1



Staff/Partner ratio

12.5/1



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 is covered by our global independence check tool, WeCheck.

All the entities of our partnership are also covered by WeCheck.

79

countries

As of 31 August 2022, 79 countries, representing 97% of our turnover, frequently access WeCheck's data management system to upload client data or refresh existing client data.

In 2021-2022, 45% of our countries were subjected to a globally coordinated internal quality review for at least one of their service lines.

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. These 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 and introduces additional specific requirements for Mazars firms and staff. All Mazars member entities are required to update the CCOI to reflect 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.

Acceptance and continuation of client 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, 79 countries, representing 97% of our turnover, are live on WeCheck. These countries regularly access WeCheck's data management system to upload client data or refresh existing client data.

Annual declaration of independence

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

- 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.
- 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 that is an audit client, provided that these are undertaken on an arm's length basis).

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

Except in specific situations which have been approved by the member 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, key audit partners are rotated in PIE audit engagements, in compliance with national and EU laws and regulations, the EU Statutory Audit Directive and the IESBA Code. This rotation reduces the risk of “closeness” to the audited company impairing 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 member entity’s executive committee and ensures that partners can effectively conduct and supervise engagements under their responsibility.

The allocation of responsibilities is reviewed annually as well as when there are any changes in the partner’s situation or when any difficulties are encountered. In the rare case of disagreements between partners and technical departments, national executive committees are called upon to arbitrate. The two-partner team 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 member entity to which they contribute. Each criterion has equal weighting. Several countries, including France, have opted to introduce a bonus system based on individual performance.

Under the supervision of the GGC and based on the recommendations received from the country executive, base points are allocated to Partners for a period of 4 years according to the overall average performance of the country and the individual performance of each partner in the previous years.

This performance is assessed through various criteria:

- Professionalism, technical competence and adherence to business practice norms
- Spirit of partnership
- 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. The financing of business activities is determined exclusively by each member entity and follows the same proportionality as the division of profits.

Global whistleblowing procedures

Our values set the foundation 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 to our clients and the best possible environment for our teams. Mazars is committed to dealing responsibly, openly and professionally with:

- concerns raised internally by partners or their team members about possible malpractice within Mazars’ member entities; and
- concerns raised by persons external to Mazars (clients and other stakeholders) about the services provided by Mazars.

Our Group-wide whistleblowing procedures for addressing any such concerns of our staff, our clients and our other stakeholders reflect our policy of zero tolerance towards unethical behaviour.

They have been deployed since 2014 and both external and employee complaint forms are available on the Group website at <https://www.mazars.com/Whistleblowing-and-complaint-forms/>

All claims are directly processed through the Group’s Chief Compliance Officer (CCO) unless applicable local law requires otherwise.

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. They directly report to the CCO and the GEB.

Our structure and leadership

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 90 countries and territories in Europe, Africa, 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 nine countries.



Our structure and leadership

All members of our integrated partnership are member entities of Mazars SC (hereafter, Mazars Group or the 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 a 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, partners or shareholders of the national member entity are not shareholders of the Mazars Group.

The financial statements of the Mazars Group are consolidated with the results of the member entities, prepared in accordance with the International Financial Reporting Standards (IFRS), and 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 the 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 our strategic platform, One24. This new platform answers our partners’ call 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 ever-more rigorously in order to ensure the longevity of our partnership.

Our structure and leadership

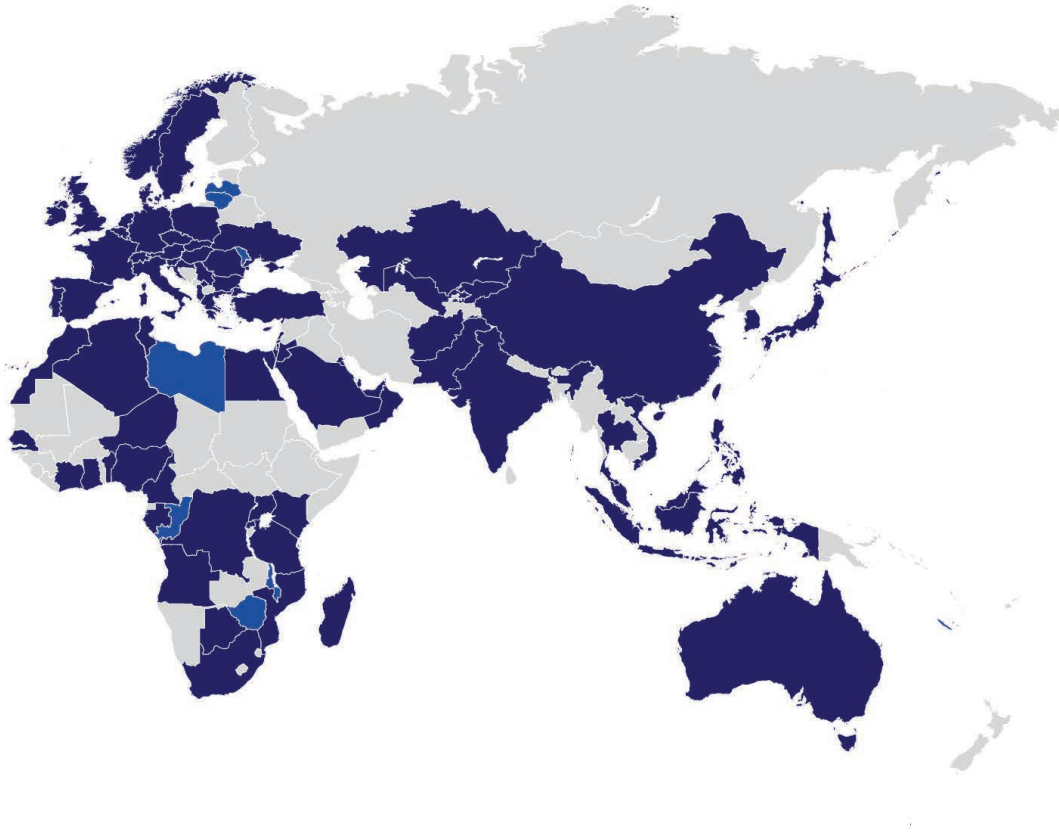
Operating in more than 90 countries and territories around the world, we draw on the expertise of over 47,000 professionals – more than 30,000 in the Mazars integrated partnership and 17,000 via the Mazars North America Alliance.



Valid as of 31 August 2022

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

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



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

Our structure and leadership

Our operational organisation

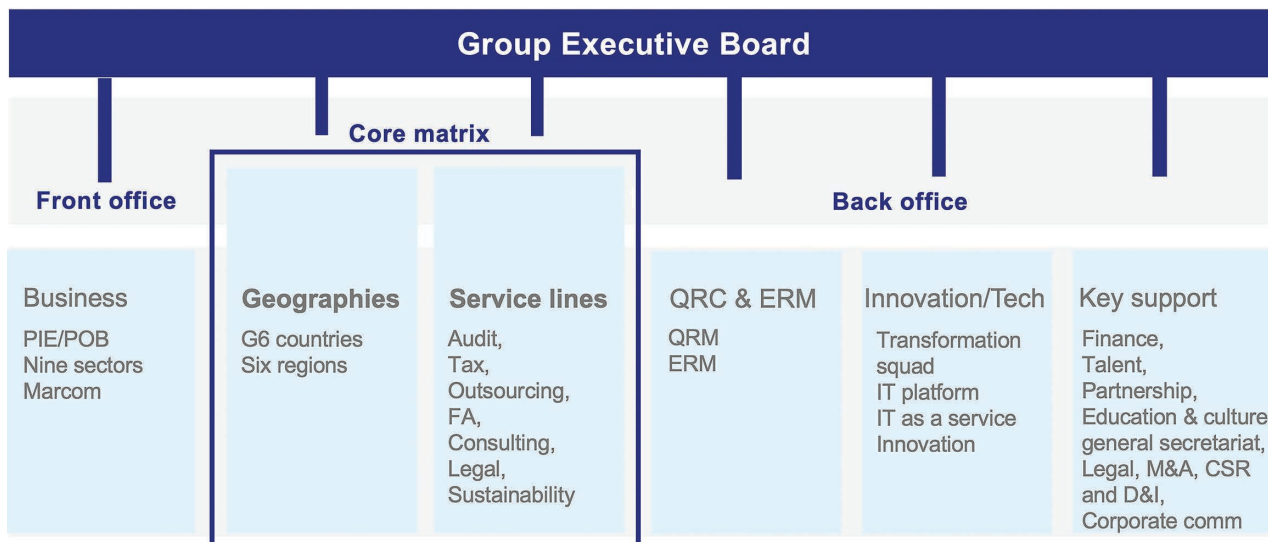
We built our business organisation with three key stakeholders in mind: first, our people, to whom we want to provide the best opportunities to grow; second, our clients, to whom we want to deliver the highest quality; and third, society as a whole, as we are determined to bring our full contribution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

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

sizes and in all industries; and to create the firm of the future – more integrated, more diverse and more focused on training as a school of excellence.

GEB governance in 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 and 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 with a view to contributing to, and making use of the benefits of, our front-office risk management framework and back-office support, thereby strengthening

integration and helping the firm to develop as one. 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
- Consulting
- Financial advisory
- Legal
- Outsourcing
- Sustainability
- Tax

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

Our structure and leadership

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; and
- a back-office organisation including finance, HR, legal, global learning and partnership development, the general secretariat, M&A, corporate communication, corporate Sustainability and D&I, to support the development of a sustainable business.

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

3. Our business and market approach

Our business and market approach is structured around our two core markets (PIEs and POBs) and

nine sectors (banking, real estate, insurance, asset management, public sector, mobility, consumer, technology, media and communications, and energy, infrastructure and the environment).

Our business and markets teams are supported by our marketing department and are under the direct oversight of three GEB members. The teams for 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 the marketing programme for the PIE segment, and defining the segment's offering and the skills it requires.

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



Our structure and leadership

Our operational organisation

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

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

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

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

IT, technology and innovation are the responsibility of two GEB members who are supported by a cross-border leadership team with a focus on building a new global IT platform, developing IT as a service and accelerating 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 Secretariat; Legal; M&A; Corporate Sustainability; D&I, and Corporate Communication –

are under the responsibility of GEB members and the leadership of dedicated professionals. They operate through their own communities.

This level of organisation ensures the 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 across the Mazars Group.
- Sectors and service lines are represented in member entities, ensuring coordination of assignments and cross-border relations between countries.
- Each assignment requiring an international team is carried out by an integrated team sharing common standards and procedures.
- Each global or international assignment is carried out by an integrated team and coordinated by the partner in charge of the client engagement, who takes final responsibility for reporting to clients.

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

The member firm in Malta

Ownership

In Malta, the member entity of the Mazars Group is Mazars Malta, a Civil Partnership. As at 31 August 2022, Mazars Malta had four Partners and 66 professionals working in the office located in the Central Business District, Mriehel. Out of these, 40 professionals were assigned to provide financial audit services.

Mazars Malta provides audit and assurance services. It holds a licence to practice as an audit firm from the Malta Accountancy Board in terms of the Accountancy Profession Act.

Mazars Malta has one related company, Mazars Consulting Limited, which is a limited liability company registered in Malta. The company is fully owned by the partners of Mazars Malta.

Mazars Consulting limited provides mainly non-assurance services including accounting, payroll, taxation (both direct and indirect), IT audit, business advisory, regulatory services, internal audit, corporate services and transaction services.

The four Partners in Mazars Malta, as at 31 August 2022, were shareholders in Mazars SCRL, a Limited Responsibility Cooperative Company headquartered in Belgium, which is tasked with defining the strategic objectives of the Mazars Group, and coordinating their implementation at member entity level. Mazars SCRL also has specific responsibility for promoting and protecting the Mazars brand worldwide.

Mazars Malta has a co-operation agreement with Mazars SCRL which sets out the terms of its relationship with the same Mazars SCRL.

The operational structure of Mazars in Malta

Mazars in Malta is a multidisciplinary firm that offers a varied range of services. The operational structure is divided into four service lines; audit & assurance; outsourcing, tax and corporate services. Each service line is responsible for setting the service line strategy; quality, standards and risk management; talent management and development, technical training, business model definition and implementation, and innovation.

Our structure, leadership, and governance

The member firm in Malta

The turnover of Mazars in Malta in 2020/21 and 2021/22 can be summarised as follows:

SERVICE LINE	2020/2021 (thousands)	2021/2022 (thousands)
Revenues from the statutory audit of annual and consolidated financial statements of public interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity	€ 315	€ 401
Revenues from the statutory audit of annual and consolidated financial statements of other entities	€ 1,871	€ 2,062
Revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm; and	€ 23	€ 39
Revenues from non-audit services to other entities.	€ 2,480	€ 2,653
Total	€ 4,689	€ 5,155

A list of the Public Interest Entities in respect of which Mazars Malta has expressed an audit opinion in 2021/2022 is set out in Appendix 1.

Mazars Malta local partners

For the year 2021/2022, there were four (4) partners in Malta. In the reporting period, the four Mazars in Malta partners are members of the Malta Institute of Accountants and are warrant holders with a certificate to practice as auditors. Moreover, two of the partners are also fellow members in the chartered association of certified accountants.

Going Concern

The partners of Mazars Malta have a reasonable expectation that the firm will have adequate financial resources to meet its operational needs for the foreseeable future and therefore considers that the Firm is a Going Concern.

Our structure, leadership, and governance

The member firm in Malta

Promote a Culture of quality and integrity

The culture of the firm strives for excellence. Our Code of Conduct is entitled 'Our Commitment to Quality and Integrity' and sets out the way we wish to operate both between ourselves, between the firm and our clients and, also between the firm and society.

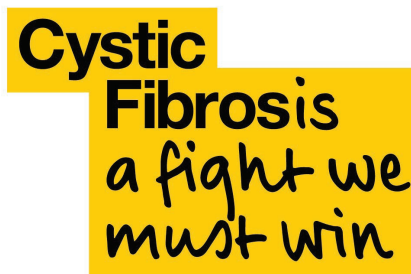
In our view, the importance we place on adhering to our Code of Conduct, Corporate Social Responsibility (CSR) and charitable contributions are all instrumental in creating effective team engagement.

Corporate Social Responsibility

Supporting our communities is at the heart of our values and fundamental to who we are as a firm. Our corporate social responsibility programme encompasses various areas including participating in various community and social programmes, sports and charitable donations of € 7,700 in 2021/2022.

Donations were also raised from the sale of furniture used in our old office which were not required in the new offices. This furniture was sold to our staff, and the proceeds collected were donated to various charities.

Various organisations and charities we supported throughout 2021-2022

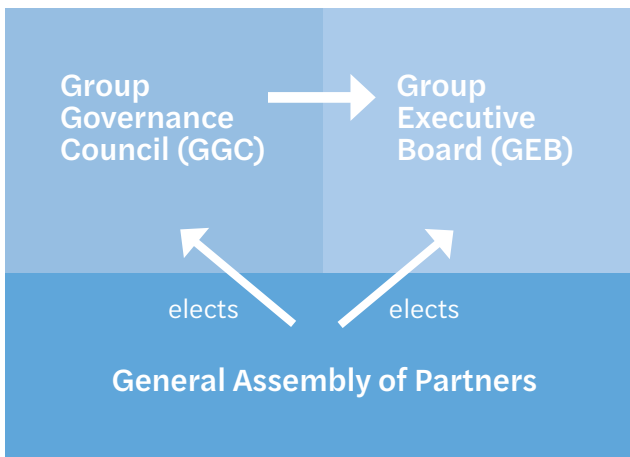




Our governance

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 GGC 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.

Due to the Covid-19 crisis, our last General Assembly of Partners was held in a virtual fashion, between October and December 2021. Our next General Assembly will be held remotely in December 2022.



Our governance

The Group Executive Board

The GEB is Mazars' executive body. It is in charge of the operational management of the partnership with regard to collectively defined key strategic objectives, under the supervision of the 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 team of around 57 global leaders, defined as an evolving

community with no fixed seats. In 2022, this team represented ten partnership countries, and 35% of its members were women.

The GEB meets at least monthly. It also meets twice a year with the managing or senior partners of member entities at "country forums" and once a year with all regional partners. Each GEB member is entrusted with specific geographical responsibilities, functional roles and the oversight of key strategic projects, such as innovation, diversity, quality and risk management, business development and the integration of new partners.

As at 31 August 2022 the Group Executive Board was composed of:



France
Hervé Hélias
CEO and Chairman



Switzerland
Pascal Jauffret



Ireland
Marc Kennedy



United Kingdom
Rudi Lang



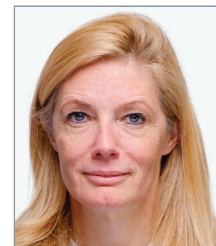
China
Julie Laulusa



Senegal
Taïbou M'Baye



Germany
Dr Christoph Regierer



Belgium
Véronique Ryckaert



Netherlands
Ton Tuinier



United Kingdom
Phil Verity



United States
Victor Wahba

Our governance

The Group Governance Council

Elected for the same term as the GEB, the GGC exercises a general role supervising the management activities of the GEB and, in that capacity, assesses their appropriateness. As set out in the partnership's Charter of Association, it also has specific responsibilities over:

- the approval of partnership candidates and activities to promote external growth;
- the compensation of GEB members; and
- the approval of any disciplinary action decided by the GEB.

The GGC is required to meet at least every four months. It may comprise between eight and 16

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

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

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 Group Governance Council was composed of:



United Kingdom
Tim Hudson
Chair



France
Juliette Decoux
Vice-Chair



Germany
Gertrud Bergmann



France
Frank Bournois
Independent Member



United States
Kathryn Byrne



Spain
Maria Cabodevilla



France
Fabrice Demarigny



Sweden
Asa Andersson Eneberg



United States
Denise Fletcher
Independent member



UK
Chris Fuggle



South Africa
Michelle Olckers



China
Liwen Zhang

Our governance

Leadership and governance in Mazars Malta

Throughout 2021-2022, Mazars operated from one office, located in the Central Business District in Mriehel. It is managed by a partner's committee composed of the four partners.

Mr. Anthony Attard is the Managing Partner of the firm and is also the outsourcing and assurance partner. He heads the accounting department and is also responsible for the overall administration of the firm. Anthony acts as the compliance principal within the firm.

Mr. Alan Craig is the partner who heads the consulting department of the firm. He is also the partner who is responsible for the firm's overall promotion and development. Alan is also the Money Laundering Reporting Officer (MLRO) within the firm

Mr. Paul Giglio is a tax and assurance partner and is also responsible for human resources matters.

Mr. Tino Riolo is the audit and assurance partner and is the partner in charge of technical matters in the firm.

The partners collectively form the partner's committee which meets regularly to review the firm's direction and overall controls.

The Audit & assurance service Line, which is of particular relevance to this transparency report, is led by the head of audit & assurance for Mazars Malta supported by a management team responsible for external financial audits. The head of audit & assurance for Mazars Malta reports to the partners' committee.

Audit quality

In order to maintain audit quality, the Audit & Assurance service line considers emerging issues and how they will affect the firm, approves policies in the areas of audit and assurance quality, and agrees the quality control program and planned actions arising from the quality control review findings and recommendations.

Moreover, the Malta Accountancy Board carries out regular External Quality Assurance reviews as part of the Quality Assurance process and its responsibility towards Audit Public Oversight. The last Quality Assurance Unit (QAU) monitoring visit was carried out at Mazars Malta during the period December 2018-January 2019. The previous monitoring visit was carried out in 2014.

Training

All audit staff are required to undertake training on ethical rules and the Mazars' ethical procedures. In particular, according to Directive Number 1 issued in terms of the Accountancy Profession Act (Cap. 281) and of the Accountancy Profession Regulations 2009, All warrant holders must spend at least twenty-five (25) hours per calendar year on structured CPE Activities.

Our governance

Leadership and governance in Mazars Malta

As at 31 August 2022, Mazars Malta's executive board was composed of:



Malta
Anthony Attard

Outsourcing &
assurance partner



Malta
Alan Craig

Advisory partner



Malta
Tino Riolo

Audit & assurance
partner



Malta
Paul Giglio

Tax & assurance
partner

Statement of the Group Executive Board on the integrated transparency report's value proposition

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

We started in 2013-2014 with a first Integrated Reporting (IR) of our journey and progressively expanded our 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), now part of the Value Reporting Foundation.

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



Statement of compliance from the CEO and the CCO

Statement on the effectiveness of the quality management system

Mazars' global quality management system is designed to provide reasonable assurance that the firm and 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 the results of its quality control monitoring process, Mazars positively confirms that it met the membership obligations of the IFAC's Forum of Firms in all material respects in 2022.

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

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

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

Statement of compliance with professional training obligations

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

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

Each year, member entities must compile a list of training attended by their professionals, and membership of professional bodies and institutions, in order to ensure compliance with the above-mentioned requirements.

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

Glossary



Glossary

CCOI – Code of Conduct for Objectivity and Independence	IQC – Internal Quality Control
CEE – Central and Eastern Europe	ISA – International Standard on Auditing
CISO – Chief Information Security Officer	ISSB - International Sustainability Standards Board
CLIP – Corporate Learning Improvement Process	ISQC – International Standards on Quality Control
CSR – Corporate Sustainability	ISQM – International Standard on Quality Management
CSRD – Corporate Sustainability Reporting Directive	IT – Information Technology
DAOI – Annual Statement of Objectivity and Independence	KAM – Key Account Management
D&I – Diversity and Inclusion	KPI – Key Performance Indicator
EFMD – European Foundation for Management Development	LCNC – Low-Code No-code
EFRAG – European Financial Reporting Advisory Group	L&D - Learning and Development
EQCR – Engagement Quality Control Review	LLP – Limited Liability Partnership
ESG – Environmental, Social and Governance	M&A – Mergers and Acquisitions
ESMA – European Securities and Markets Authority	MAM – Mazars Audit Methodology
EU – European Union	MAQ – Manuel d’Assurance Qualité (Quality Assurance Manual)
EVP – Employer Value Proposition	Mazars Group – Member entities of Mazars SC
FA – Financial Advisory	NFRD – Non-Financial Reporting Directive
FoF – Forum of Firms	Partners – Partners and shareholders of Mazars entities in the Mazars Group
GDPR – General Data Protection Regulation	NPS – Net Promoter Score
GEB – Group Executive Board	PDR – Partner Development Review
GGC – Group Governance Council	PIC – Public Interest Committee
GLT – Global Leadership Team	PIE – Public Interest Entity
Group – Member entities of Mazars SC	POB – Privately Owned Business
IASB - International Accounting Standards Board	QCC – Quality Control Committee
IAASB – International Auditing and Assurance Standards Board	QM&C – Quality Management and Compliance
IESBA – International Ethics Standards Board for Accountants	QRM – Quality Risk Management
IESBA Code – IESBA Code of Ethics for Professional Accountants	Q&RM – Quality Risk and Management Board
IFAC – International Federation of Accountants	R&D – Research and Development
IFRS – International Financial Reporting Standards	RMM – Risk Management Model
IP – Industrial Property	SEC – Securities and Exchange Commission
IRO – International Reporting Obligations	SC – Société Cooperative (Cooperative Company)
	SDGs – Sustainable Development Goals
	SME – Small and Medium-sized Enterprise
	SoQM – System of Quality Management
	TAX – Tax services
	UNGC – United Nations Global Compact

Appendix 1



Appendix 1

Public Interest Entities audit clients of Mazars Malta

Appendix 1

Public Interest Entities audit clients of Mazars Malta

The Public Interest Entities in respect of which Mazars Malta has expressed an audit opinion in 2021/22 are the following:

- Amalgamated Growth & Income Fund PLC
- Cambridge Holdco Limited
- Cambridge Topco Limited
- Citadel Insurance
- Fresenius Medical Care Global Insurance Limited
- G2g PLC
- Helix SCC
- HSF Health Plan Malta Limited
- Insurem Insurance Limited
- London & Leith Insurance PCC SE
- Loqus Holdings PLC
- Marco Capital Holdings Limited
- Marco Insurance PCC
- Premium Insurance Company Limited
- Rci Insurance Limited
- Rci Life Limited

The firm also audits the following entities that are EU incorporated and that issued securities that were accepted for trading on a market that is not regulated in the EU as defined point 14 of Article 4(1) of Directive 2004/39/EC

- ANCHOVY PLC
- ETSF FUND PLC
- KAMBI GROUP PLC

Contact

Mazars Malta
The Watercourse, Level 2,
Zone 2, Central Business District
Mdina Road
Birkirkara CBD2010
Malta

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

*Where permitted under applicable country laws

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