

United Nations Global Compact

Communication on Progress 2017/2018

Human Rights

Mazars fully complies with the Human Rights development agenda set forth by the Global Compact, and believes that respect for human rights paves the way for sustainable performance, as it fosters trust from all stakeholders, from employees to clients and communities as a whole.

Businesses should support and respect the protection of internationally proclaimed human rights.

Mazars strives not only to apply internationally proclaimed human rights in all of its locations, but also to promote the respect of these principles within our ecosystem and especially for our clients and prospects through the specific services we have developed.

As a professional services firm, we have developed Human Rights consulting and assurance services, which aim to help companies make respect for human rights an integral part of their corporate strategy. These services range from training through interactive workshops of management boards and worker groups, undertaking human rights due diligences, mapping out risks and opportunities related to human rights via risk assessment, designing and assisting in the implementation of appropriate procedures and controls to mitigate against adverse human rights impacts, to developing a communications strategy which supports a business' commitment to human rights and how it is addressing the risk of its impacts.

In 2015, Mazars, together with Shift, broke new ground by co-authoring the United Nations Guiding Principles Reporting Framework (UNGPRF). Richard Karmel, Mazars' partner in charge of business and human rights, explains: "Since the Reporting Framework was launched in February 2015, it has been referred to in the annual reports of many of the world's largest companies and has been recommended by governments globally including in France, Sweden, Norway, the US and the UK. It is also supported by a coalition of nearly 90 institutional investors with over \$5.3 trillion assets under management"¹. The European Commission has also referenced it in its non-financial reporting guidelines, and Richard Howitt, former European Parliament Rapporteur on CSR and current CEO of the International Integrated Reporting Council sees the UNGPRF as "the most authoritative framework that has been brought forward"².

¹ <https://www.ungpreporting.org/understanding-and-managing-human-rights-risks-is-a-key-element-of-integrated-thinking/>

² <https://www.ungpreporting.org/about-us/support-and-users/>

In addition to this generic framework, Mazars also spearheaded the production of the UN Guiding Principles Assurance Guidance, which is the first human rights-specific guidance to those who perform assurance either within a company on its human rights performance or externally on its human rights reporting. The launch event for this framework tool took place in London, on September 19, 2017.

Businesses should make sure they are not complicit in human rights abuses.

As a professional firm, we have developed a comprehensive Business For Good™ programme, aimed at encouraging business leaders to ‘think and act long-term’ in order to enhance business performance and pursue profit responsibly for the benefit of companies, their stakeholders and wider society.

Within the framework of this programme, we have worked with *The Economist Intelligence Unit* to publish a report on *Human Rights and Business*, launched in London on March 2015, and engaged a global conversation on the current state of human rights and business. Business For Good™ also encompasses all the actions Mazars can take to further its business in a responsible way. In a recent survey, for instance, Mazars analysed the links between ethics and value creation in the luxury industry³.

Since 2014, representatives of Mazars have attended the *United Nations Forum on Business and Human Rights* in Geneva in order to demonstrate our support for the UNGP and to promote the notion that business has an important role in mitigating against its activities harming people. At the Forum in 2015 and 2016, Mazars chaired and sat on various panels.

In June 2016, Richard Karmel, Mazars’ Head of Global Human Rights services, participated in the European Development Days in Brussels, Belgium to discuss “Business and Human Rights: from principles to practice - Two innovative tools for compliance and reporting”. Richard Karmel also has a Leadership blog, in which he expands upon how businesses would be able to create more value for themselves and their stakeholders if they were to apply a human rights lens to all of their operations⁴.

Our commitment to respecting human rights and fostering sustainability is reflected in the initiatives implemented in the offices that make up Mazars’ international integrated partnership.

In Germany, Mazars has developed the “Help for Helpers” programme, through which local staff provide administrative and legal support to refugees.

Mazars Denmark is approved on a yearly basis by the business authority *Erhvervsstyrelsen* on its sustainability and smart business strategies. This is a pre-requisite to be able to work for NGO clients in Denmark.

Mazars in Poland is signatory of the Responsible Business Declaration of the French Chamber of Commerce and Industry in Poland, whereby Mazars in Poland has committed itself to

³ <https://www.mazars.com/Home/News/Our-publications/Surveys-and-studies/Mazars-2017-Luxury-Study>

⁴ <http://www.richardkarmel.co.uk>

contribute to the development of social and human capital, transparency management, protection of the environment and the promotion of CSR best practices.

Mazars in Sweden not only writes its own sustainability report according to the GRI standards, is a member of the TEM Foundation (which is a network that provides consulting, research and trainings with a focus on sustainability), and also rewards, on a yearly basis, a sustainable company that has been on the market for a significant period of time, has managed to grow during economic fluctuations and at the same time has created positive changes in their local area.

Mazars in Switzerland has been accredited by the RJC (Responsible Jewellery Council) to verify the compliance of industry organisations with the RJC Code of Practices. Such audits encompass business ethics, human rights and social performance, environmental performance and management systems.

Labour

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Businesses should uphold the elimination of all forms of forced and compulsory labour.

Business should uphold the effective abolition of child labour.

As a professional service firm, our reputation and methods are based on human capital. Our HR policies are designed to attract and retain talent in very specific and targeted areas of expertise.

Our HR policies apply all labor regulations in every country, including the establishment of specific bodies to consult staff members, such as the « Comité d'Entreprise » (works council), in France.

We follow good governance codes wherever they exist (the Republic of South Africa, Sweden, the UK, the Netherlands), and the Group has also applied some of the more stringent laws globally, for instance with the appointment of external members to its Governance Council, the body that oversees global management.

All operations are subject to public scrutiny in our Group Transparency Report. Where applicable, local Transparency Reports are also published on a yearly basis, and can be viewed on local Mazars websites. The Group's Transparency Report is available on our Group website⁵.

As a professional services firm, we are dedicated to developing all talent. We provide our staff worldwide with unlimited access to LinkedIn learning. As an example, for the audit business, each of our auditors received 41 hours of training on average in 2017.

⁵ www.mazars.com

We are also convinced education and human development are major components of the fight against child labour. We have made them integral parts of our Partnership Social Responsibility strategy and our offices around the world have launched a variety of exemplary initiatives aimed at fostering education for unprivileged children.

For example, Mazars in China has built a long-term partnership with a French organisation called Maidaifu which devotes its time and resources to helping children in remote areas continue their education.

In Singapore, for more than 5 years, Mazars has been a corporate sponsor of *Enfants du Mekong*, a non-profit organisation that sponsors the education of nearly 22,000 children in Southeast Asia.

Mazars in Nigeria, a small practice of 24 people, pays the school fees of a visually challenged boy who is enrolled in the Pacelli School for the blind.

Mazars in Sweden is sponsoring two students in Tanzania. They are hoping to work hand in hand together with Mazars in Tanzania to expand this programme.

In Mexico, we have developed a relationship with Mano Amiga, a civil organization dealing with basic and high school levels of education for children in poverty. 22 schools are involved in the country and they serve 14,000 students.

In Ireland, our staff participate as volunteer mentors in the SUAS Literacy Support Programme with a local Primary School. SUAS Literacy Support Programme involves staff volunteering for 1 hour per week for 8 weeks. Working with the same child every week mentors help them to read on a one-to-one basis. Mentors also become a role-model in a child's life and giving them a new, bigger perspective on their future.

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

One of our core values is fostering a diverse and inclusive work environment. Accordingly, Mazars stands guard against all forms of discrimination and offers its professionals equal opportunities and treatment, regardless of their racial or ethnic origin, gender, religion, age or disability.

Diversity is one of the Group's unifying values and a key factor for long-term success. Since 2008, Philippe Castagnac, now Chairman of the Board, has been the sponsor of the Group's Diversity strategy in coordination with the International Diversity Committee. Its members identify and share best practices within the Group.

Gender diversity is one of Mazars' key priorities. Women actually make over 50% of our global staff, but efforts still need to be made to help them access management and leadership positions. Our involvement is carried out through various actions of raising awareness internally, developing an internal female network through a collaborative platform of

discussions and a programme to identify female talents who will benefit from specific support and development action plans.

Since Mazars' annual Partners' Conference in Istanbul in 2014, key steps and objectives have been set out:

- A steering committee was set-up and Gender Diversity is championed by Antonio Bover, GEB member and Managing Partner of Mazars in Spain. He is helped by a committee composed of a representative variety of partners, numbering 2/3 of female partners and 1/3 of male partners, but also managers and support staff.
- Focus is on significantly increasing the number of female partners and executives among our firm by 2020. Our guiding principle is no longer to communicate widely on the subject but to work closely with our largest 15 subsidar and follow-up on key development indicators.
- A Women Talent Pool has been identified and specific actions have been put in place to support them. A yearly leadership seminar is held (the Women Leaders @ Mazars) was held in Milan in September 2016 and 2017. This seminar covers a wide variety of topics all essential for the growth and development of high potentials: mentoring, coaching, leadership, public speaking, empowerment, business development....
- A group-wide gender diversity survey was carried out in 2016 and led to the identification of 4 core areas: promoting with fairness, Mazars as a great place to work, mentoring & networking and measuring gender diversity at Mazars. Focus groups are now working on delivering diversity & inclusion guidebooks on these four key items.
- Finally, ambassadors are being identified in each country to support progress on these initiatives and to become positive role models.

Gender Diversity has also become an important strategic focus for many offices in the Mazars partnership. For instance, "The Women at Mazars" is a central part of Mazars USA's strategic plan to enhance the development and retention of women leaders, creating an environment where all of their best and brightest excel. Women at Mazars is a long-term effort supporting the full potential of women leaders at Mazars USA through education, awareness, and improving visibility of and access to role models. The firm actively engages all men and women at the firm, building diverse teams to enhance the growth of the firm and the individual. For instance, the *Be Visible*. campaign showcases women leaders at Mazars USA that embody the core values and principles the firm seeks to promote. To *Be Visible* means taking a proactive approach to demonstrating leadership skills while empowering others through shared knowledge.

In South Africa, we sponsor the Africa Women Innovation & Entrepreneurship Forum, the continent's premier female entrepreneurship conference, exhibition and awards event. AWIEF is a comprehensive platform that seeks to enhance the profile of women-owned and women-led businesses for Africa's inclusive economic growth.

In France, we have developed and implemented the Mazars&Elles programme, a comprehensive three-pronged action plan aimed at attracting female talent, providing support and mentoring to help them reach leadership positions and taking tangible measures to improve work-life balance. In this regard, for example, internal meetings have to be

scheduled between 9am and 6pm and maternity or parental leaves are prepared in order to make both leaving and resuming work easier.

In Switzerland, Mazars is a corporate member of the Women Business Society, a non-for-profit organisation, which aims at promoting women in business and politics.

Another approach to empowering women is Project Inspire, a UN-run initiative to help young change-makers create a better world for women and girls in Asia Pacific, which was highly supported by Mazars in Singapore. As key supporting partners of Project Inspire, Mazars gave a US \$10,000 grant to the Financial Inclusion Award winner, Village Volunteers, for Project Inspire 2016. Village Volunteers' India-based project, named Mukti, runs a biodegradable sanitary pad company which employs vulnerable women.

Mentoring programmes have also been set up in Belgium, the United Kingdom and Sweden for example. Other offices sponsor high-level events such as the first Women's Forum in Mexico City, or the #FinancialFitness2016CT, a seminar to empower women entrepreneurs in South Africa. Mazars in Switzerland is a corporate member of Women Business Society, an NGO promoting women in different professional fields such as economics, law and politics.

Mazars in France has developed a partnership with Les Déterminés, a non-for profit dedicated to opening up entrepreneurship to youth coming from underprivileged backgrounds. This translates into tangible actions: the association is headquartered in our premises and we provide them with mentoring and pro-bono services.

Environment

Businesses should support a precautionary approach to environmental challenges.

Even though, as a professional service provider, we do not conduct activities or manage industrial processes that have a major impact on the environment, Mazars has instituted a set of policies that contribute to the conservation of the environment as well as to the reduction of the Group's impact on natural resources.

We firmly believe the promotion of greater environmental responsibility should rely on tangible initiatives. Since 2004, the fight against climate change has been one of the four pillars of our Partnership Social Responsibility (PSR) policy. The Group provides guidelines and leaves countries free to use the most relevant levers to best answer this global challenge: green IT, local providers or green vehicles, etc.

At the beginning of 2018, within the framework of our Business.For Good programme, and with the support of YouGov, an international market research company, we conducted an international survey on global water risks in France, United Kingdom, China, Spain, Germany, India, and the United States of America⁶.

⁶ <https://www.mazars.com/Home/News/Our-publications/Surveys-and-studies/Global-Water-Risk-Survey>

In the years to come, Mazars aims to develop its key performance indicators in terms of environmental impact and energy consumption. In 2018, for the first time, we did publish some of our extra-financial indicators in our Yearbook: they show 75% of our staff and partners work in offices that implement specific processes to systematically sort out their waste and recycle paper, and that average carbon footprint of our French staff is 0,69 tCO₂e per person.

We plan to continue on that path in the years to come, as we believe this is a best practice to be followed. For instance, Mazars in the United Kingdom works closely with *Statesman* to help plan travel and expenditure more efficiently as they measure the carbon cost of journeys.

Many Mazars offices encourage the use of public transportation. Mazars in Canada pays for one full month of the travel fee incurred by its employees. Mazars in Netherlands has recently moved its headquarters to a new location in Rotterdam to offer a totally energy efficient and paperless work environment. The office is now close to public transport links and only offers very few parking spots, so staff is highly encouraged to use public transport. In Belgium, public transportation tickets are fully reimbursed.

In the USA, Mazars has a partnership with *Citibike*, offering employees discounted annual memberships to Citibike, the nation's largest bike share programme. This membership programme provides employees with an environmentally-friendly way of commuting to work.

In La Défense, Mazars has invested EUR 30,000 - an amount equivalent to one year's power consumption- to equip its Group headquarters with motion sensors that automatically switch the lights on and off, as needed.

Businesses should undertake initiatives to promote greater environmental responsibility.

In France, as one of the founding members of "Obsar" (the « Observatoire des Achats Responsables »), we focus on responsible procurement and the daily implementation of energy-saving practices, such as lights being automatically turned out after 8pm, recycling ink cartridges, bulbs and batteries, and using recycled paper or paper issued from sustainably-managed forests.

The Group's "Green Committee" comes together every year in order to follow up on the (above-mentioned) environmental protection measures that are put into place.

The same above analysis applies for our procurement practices, whereby we strongly encourage our offices to pay attention to the environmental impact of their service providers, but do not have as of yet clear indicators on the topic. As an example, Mazars in France implemented a plan to reduce its carbon emissions into place. In choosing its suppliers and sub-contractors, Mazars heavily takes into consideration the latter parties' social and environmental performance results.

Overall, more than 75% of our staff are involved in some form of charity or pro bono work, and many countries in our partnership have implemented innovative eco-friendly initiatives.

Our offices in Sweden are currently working with an organisation named "Miljöbron" which acts as a link between industry and academics. In a pilot project, they offered four students the opportunity to carry out an environmental study at their Lund office during 2014. The study led to an action plan that is used to reduce the office's environmental and climate impact. In 2015, Mazars in Sweden contacted more students and in 2016, a similar investigation was conducted for the office in Malmö.

Other examples of our commitment to protecting the environment include:

- Poland, where Mazars held a contest for International Plastic Bag Free Day, in order to inform staff about the danger plastic bags represent for the environment
- Turkey and Sweden, which publish sustainability reports;
- The Netherlands, where Mazars publishes a yearly national report on climate change in line with the GRI (Global Reporting Initiative) and has established a Partnership with SodaProducties, a CSR consulting firm, to develop a professional and dedicated approach of social responsibility targets;
- The Czech Republic, where Mazars has taken various key steps in recycling plastics and ink cartridges, and reverting to local suppliers for water and tea, etc;
- Belgium, where recycling practices are promoted and encouraged;
- The USA, where Mazars has created its own "Go Green" dedicated team.

In the United Kingdom, we have elected to sponsor initiatives that raise awareness about sustainable development and help improve local standards of life on a long term basis. Examples include helping The Wildfowl & Wetlands Trust in its goal to provide a high tech learning session (Exploring Conservation) that will bring science and conservation to life by encouraging children to explore their environment using the latest technology, and sponsoring Humanity First, for the digging of 5 water wells in the Tharparker region of Pakistan, where 200 children died in the last 3 months. The wells will benefit around 4,500 people and 5,000 livestock.

Businesses should encourage the development and diffusion of environmentally friendly technologies.

As an organisation, Mazars strives to develop technologies that are relevant to its business and more environmentally friendly.

As a professional service firm, we apply the same dematerialisation principles with our clients, with all the needed security measures to ensure confidentiality. We also strive to offer green ideas and solutions that support the competitiveness and image of our clients and help them embed sustainable development into their strategies and operations.

Anti-Corruption

Businesses should work against corruption in all its forms, including extortion and bribery.

Integrity and irreproachable ethics have always been at the heart of our values. Our profession has been severely hit by scandals that caused one of the largest audit and accounting firms to crumble and the entire world economy to experience a severe downfall. So we believe we are uniquely placed to know that business ethics and transparency are absolute musts, and that any wrongdoing in these areas can ultimately result in threatening our own survival as a firm.

As a consequence, we have a “zero tolerance” policy for unethical behaviours and this is reflected in our group-wide whistleblowing procedures for our staff, our clients and our stakeholders. These procedures were deployed in 2014 and both external and employee complaint forms can be accessed on all our Mazars websites⁷. All claims are directly processed through the Group’s Chief Compliance Officer (CCO) except when stated otherwise by the local regulation.

As a professional service firm that is committed to promoting transparency, trust and security in business, we have developed an Anti-Bribery and Corruption Services team that has, for over 16 years, been helping companies to design, assess and continuously improve their anti-corruption programmes.

Since 2013, Mazars has rolled out its own anti-corruption certification offer, established in compliance with national and international laws and regulations: French law, the UK Bribery Act, the US Foreign Corrupt Practices Act, the OECD Anti-Bribery Convention, etc., and endorsed by an International Advisory Board and the French Ministry of Justice. Thanks to our international expertise and thorough knowledge of international and local anti-corruption laws, we are able to conduct internal control reviews in the frame of statutory audits and advisory assignments to assess and improve anti-corruption programmes. We cover all major sectors, from Energy to Financial Services, and have certified some of the most robust corporate anti-corruption programmes, including that of Thalès, a major international leader in the areas of Aerospace, Space, Defense and Transportation.

Our experts also contribute to *Board Agenda*, a progressive and independent resource for a global community of executive & non-executive board directors, institutional investors and recognised industry experts, providing access to insight, intelligence and shared experience about emerging issues that are shaping corporate strategy. In the 2017 fall edition, we have provided insights on such topics as the value of intangible assets, Chinese investment in Europe, and reputation management.

In addition, in November 2017, we published a research report on Board Leadership of Corporate Culture in Europe, in association with Board Agenda and INSEAD⁸.

⁷ <http://www.mazars.com/Complaint-form>

⁸ <https://www.mazars.com/Home/News/Our-publications/Surveys-and-studies/Board-Leadership-of-Corporate-Culture-in-Europe>