

CREA -
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SHARED
VALUE
YEAR -
BOOK
2017

TRANS -
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TRANS - FOR - MA - TION

At Mazars, more than ever, we believe that businesses can thrive only by creating shared value for all their stakeholders. Publishing our 2017 Yearbook is a way to take stock of what we have achieved this past year. As a part of our 2016-2017 Annual Report, it also aims at providing a clear and global image of who we are and how we prepare the future. This year, the Annual Report has been redesigned as an entry point into a much larger world, with a lot more content available all year round on our digital platforms. From open innovation to stewardship, from the future of the audit profession to our teams' perspective on the future, we have chosen to shed light from various angles on the notion of transformation. To cover this topic, which is of key importance to us as a global organisation, we have interviewed internal and external stakeholders in South America, Europe, the Middle East and South-East Asia.



CLAIRE CIZAIRE

Chief Technology and Innovation
Officer, Mazars Group



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1

Partnership

980

Partners

86

Countries
and territories

300

Offices

20,000

Professionals

€1.5bn

Turnover

12.8%

Growth

These figures are valid as of 1st January 2018.
For current up-to-date information, please visit
www.mazars.com/keydata

Mazars is an international, integrated and independent organisation, specialising in **audit, accountancy, advisory, tax** and **legal** services.



SERVING OUR CLIENTS WORLDWIDE



NORTH AMERICA	
👤 1,022	🏢 19

LATIN AMERICA & THE CARIBBEAN	
👤 1,186	🏢 19

NORTH AMERICA

- Bermuda
- Canada
- United States

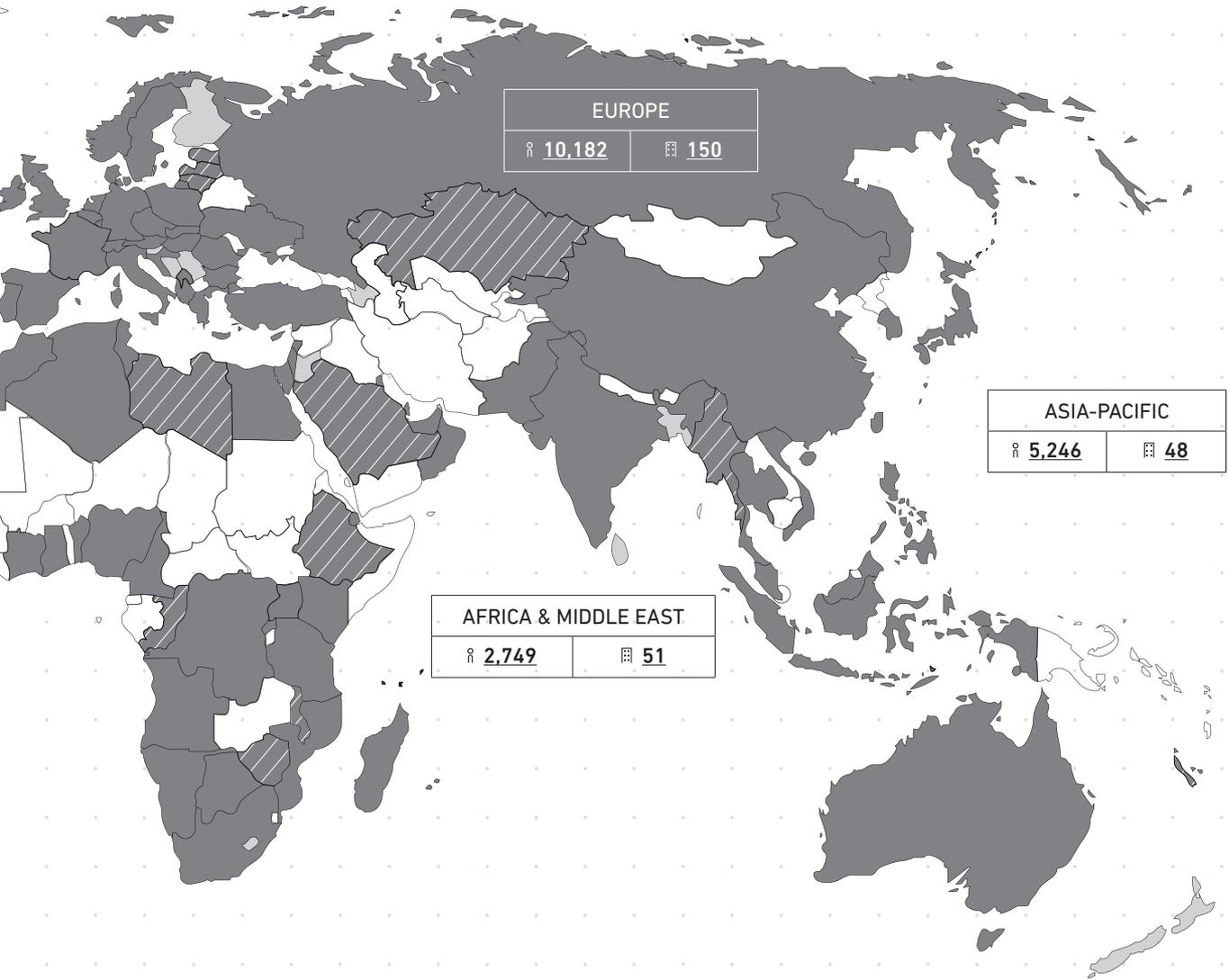
- Integrated countries and territories
- ▣ Non-integrated countries and territories: Mazars correspondents and representative offices
- Areas covered via the Praxity alliance
- 👤 Staff (FTE/integrated partnership)
- 🏢 Number of offices (integrated partnership)

LATIN AMERICA & THE CARIBBEAN

- Argentina
- Brazil
- ▣ Cayman Islands
- Chile
- Colombia
- Costa Rica
- Dominican Republic
- ▣ Dutch West Indies
- ▣ Ecuador
- El Salvador
- Guatemala
- Honduras
- Jamaica
- Mexico
- Nicaragua
- Panama
- Peru
- Puerto Rico
- Uruguay
- Venezuela

AFRICA & MIDDLE EAST

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



EUROPE

- | | | |
|------------------------|---------------|------------------|
| ■ Albania | ■ Germany | ■ Romania |
| ■ Austria | ■ Greece | ■ Russia |
| ■ Azerbaijan | ■ Hungary | ■ Serbia |
| ■ Belgium | ■ Iceland | ■ Slovakia |
| ■ Bosnia & Herzegovina | ■ Ireland | ■ Slovenia |
| ■ Bulgaria | ■ Italy | ■ Spain |
| ■ Channel Islands | ■ Kosovo | ■ Sweden |
| ■ Croatia | ■ Latvia | ■ Switzerland |
| ■ Cyprus | ■ Lithuania | ■ Turkey |
| ■ Czech Republic | ■ Luxembourg | ■ Ukraine |
| ■ Denmark | ■ Malta | ■ United Kingdom |
| ■ Estonia | ■ Netherlands | |
| ■ Finland | ■ Norway | |
| ■ France | ■ Poland | |
| | ■ Portugal | |

ASIA-PACIFIC

- | | |
|--------------------------|---------------|
| ■ Australia | ■ Pakistan |
| ■ Bangladesh | ■ Philippines |
| ■ China | ■ Singapore |
| ■ Hong Kong (SAR) | ■ Sri Lanka |
| ■ India | ■ Thailand |
| ■ Indonesia | ■ Vietnam |
| ■ Japan | |
| ■ Kazakhstan | |
| ■ Korea, the Republic of | |
| ■ Kyrgyzstan | |
| ■ Malaysia | |
| ■ Myanmar | |
| ■ New Caledonia | |
| ■ New Zealand | |

DARING IS THE PRICE OF PROGRESS.

• VICTOR HUGO

EDITORIAL



PHILIPPE CASTAGNAC
Chairman of the Mazars Group
Executive Board



HERVÉ HÉLIAS
Mazars Group
Chief Executive Officer

⋈ One of the main differences between **leadership theories and practices** is the degree of control that can be exercised over the **transformation of organisations**. To make transformation happen, it is necessary to implement a **sustainable culture** of transformation – rather than merely treating it as a one-off event, however spectacular. It is also key to accept fumbling your way around, “trial and error” and experimenting. These two conditions help create an environment conducive to transformation.

At Mazars, we believe such an environment should be built as a **true ecosystem**, which brings together the talents, expertise, specificities and ideas of a wide variety of players, all different in size and nature. It is not simply about internalising or outsourcing innovation, in order to guard oneself against the risk of failure – especially in financial terms.

The real objective is to foster dialogue and exchanges, while respecting each player’s identity and for the benefit of all involved. This is why we have elected to make this topic one of the main stories of our Yearbook (“**Open Innovation**”, p. 6).

Innovation also means being able to reflect and bring a substantial contribution to the evolution of our core business. Audit, upon which Mazars has built its development, is one of those professions which must reinvent itself. The impact of the **digital revolution**, as well as **new expectations** from clients, regulators and other stakeholders are driving this imperative **need for change**. We have made it one of our top priorities; all over the world, we have asked our teams to provide their insights on the **future of audit** (“Insights from the field”, p. 24).

Transformation obviously implies agility as well, without ever compromising our values and identity. The teams that make up Mazars, as an international audit and advisory organisation, provide striking examples of both adaptation and development. In Egypt, they perpetuate a 75 year-old history, while in Chile, they help Baron Philippe de Rothschild achieve sustainable growth (“**Stewardship**”, p.10). In China, a year after our combination with ZhongShen ZhongHuan, the integration of new teams and new offices now enables us to achieve full coverage of the country and to play our part in its renewed economic expansion towards its Central and Western provinces (“**China’s new frontier**”, p. 26).

Thanks to a well-balanced mix of geographic and organic growth, Mazars’ global turnover rose by 12.8% in 2016–2017, to reach €1.5bn. This year’s performance shows a marked acceleration of our growth over the last 12 months and, more significantly, clearly confirms our continuous and fast-paced development trajectory, with a 45% increase over the last four years (“Key Performance Indicators”, p. 31). We believe it also demonstrates the relevance of our unique global, integrated and **independent partnership model**.

Last but certainly not least, transformation is fed by **diversity**. All over the world, our 20,000 women and men come from different generations and cultural backgrounds; they have different personal histories; they bring different sets of expertise. Beyond these differences, they have all comprehended the magnitude of the **technological (r)evolutions** that will shape their jobs in the years to come. By embracing the future, today’s generations are building the Mazars of tomorrow (“**Embracing the future**”, p. 16).

We are certainly not overly optimistic, yet we are convinced that if we continue on our transformation path, we will also be able to continue to **create shared value** for our clients, our teams, and our business and regulatory ecosystem. This is precisely what this Yearbook aims at showing. Together with our consolidated accounts, which we have published every year since 2005, it makes up our Annual Report, with a view to providing a clear and global image of **who we are** and of the path we are on to prepare the future. More than ever, we strive to build our reporting within the framework of an **open dialogue** with all our stakeholders. In 2017, we have devised our Yearbook as the main component of a global strategy which gives digital tools a prominent role. The content featured in our Yearbook is an invitation to read the full stories on our “Creating Shared Value by Mazars” website, linked with our dedicated Twitter account.

Enjoy your reading.



MARC ATALLAH

Co-founder and Head of Data Science at Zettafox, a big data, machine-learning and digital transformation start-up acquired by Mazars

NO - ON



Innovation is disrupting virtually every business model, but how does it really work? The industrial era model, based on secretive, silo-based processes within companies, is now obsolete. When it comes to creating new services, new products or new solutions, the concept of assembling ideas, resources and expertise from a variety of players, of different natures and sizes has gained considerable traction. From Chile to Singapore via Paris and Cairo, we have interviewed those who today drive the open innovation movement: 30 start-up founders as well as representatives of big corporations, accelerators and incubators. Get ready for a new paradigm, based on competition between ecosystems.

 Topic	 Location	 Date
Innovation	World	28/09/2017

“INNOVATION OFTEN HAPPENS AT THE EDGE OF MAJOR CORPORATIONS’ CORE BUSINESS. HOWEVER, THEY MAY NOT INITIALLY HAVE THE RESOURCES OR COMPETENCIES TO EXPLORE THESE IDEAS AND RUN THEIR OPERATIONS AS USUAL. IT IS EASIER TO CREATE PARTNERSHIPS AND WORK WITH START-UPS.”

CLAIRE CIZAIRE

Chief Technology and Innovation Officer,
Mazars Group

Since Henry Chesbrough coined the term “Open Innovation” in his eponymous book 15 years ago¹, the concept has reached catchphrase status. Simply defined, it is about applying the principles of open source – i.e. sharing, exchanges and the wide distribution of information – to innovation processes. It is about **sparkling innovation**, and an innovative spirit, in **collaboration with various other players** – start-ups, big corporations, incubators, scientific research institutions, public boards, etc. – as an ecosystem. Jacqui Hocking, co-founder of VWS, a Singapore-based start-up specialised in strategic storytelling, sums it up: “Open innovation is just collaboration; it’s about networking; it’s data. If you have open innovation, it means you’re open to different pieces coming together. Open innovation is the link in the relationship between all the components in your ecosystem.” As such, open innovation is in stark opposition to the formerly prevailing idea that corporations should only rely on their own resources to create novelty. Unsurprisingly, the first companies which decided to embrace open innovation already had a strong platform culture.

They started **reaching out to start-ups, and re-engineering their own organisations**, to gain flexibility and – hopefully – keep up with the ever-faster pace of digitally-enabled innovation, in order to stay ahead of the game.

COMPANIES HAVE TO FORM ALLIANCES WITH THOSE THAT WILL ENABLE THEM TO GO FASTER

In other words, rather than pitting Goliath against David, open innovation has those two players working together. At first sight, it looks both like common sense and a risky attempt at forming unnatural alliances. The context actually explains this shift: “Time-to-market has been very significantly reduced”, says Corinne Jouanny, Group Innovation Officer at Altran. “The phenomenon applies to all industries. **Businesses have to transform and form alliances** with those that will enable them to go faster, and to break silos and stereotypes. In today’s world, certainties are a thing of the past. Real value lies in disruption.”

¹. Chesbrough, Henry W. (2003). *Open innovation*. Boston, Massachusetts, Harvard Business School Press.

**COMPANIES WILLING
TO WORK WITH START-UPS
NEED TO BE WILLING
TO CHANGE THEIR CULTURE**

As a direct consequence, no matter how risky it may be, cooperation becomes a must. The question therefore is: how to best make it work for all involved? How to optimise the chances of success? "In my opinion", says Cédric Maloux, founder of StartUp Yard, a Prague-based innovation accelerator, "large corporations are still a little selfish. They love start-ups, but mostly for their own benefit. They mainly see start-ups as suppliers, that will help them solve a problem."

Gilles Babinet, the French Digital Champion for the EU, sheds light on the issue at hand: "A company that decides to work with a start-up needs to be willing to **change its culture and have a medium-term perspective.**"

**MAZARS HAS BEEN ENGAGING
IN OPEN INNOVATION IN
MANY WAYS, FROM PARIS
TO SINGAPORE**

At Mazars, we believe in "Creating Shared Value", or the interdependence between the competitiveness of a company and the health of the communities to which it is connected. To us, open innovation not only is a trend affecting all industries worldwide; it is also a very modern illustration of our conception of **the link between businesses and society, that of a complex ecosystem.** We also operate in one of the industries that is the most impacted by the current robotisation wave; to us, innovation is a strategic priority. We have been engaging in open innovation in many ways, from co-developing client-centric, cloud-based solutions in Asia to incubating start-ups in Paris. Building on this web of relationships, and on our ecosystem, we have interviewed 30 leaders that make open innovation happen today.



Read the whole story and the interviews at <http://sharedvalue.mazars.com/open>
Scan the QR code with your mobile phone to read the rest of the story online.



S T E

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Stewardship can come in many ways, shapes or forms. However, they all have one thing in common: they aim at ensuring the sustainable development of an organisation. In Chile, our teams help Baron Philippe de Rothschild establish its position as one of the country's premier wine makers. In Egypt, they strive to continue on a journey that started 75 years ago. In both cases, long-termism is of the essence.



I P



Case story



Location



Date

Philippe de Rothschild
Mazars Mostafa Shawki

Chile
Egypt

May 2017
August 2017



PHILIPPE BUJARD
Technical Director,
Baron Philippe de Rothschild Maipo Chile

C H I L E



In 1999, Baron Philippe de Rothschild decided to invest in Chile, with the aim of exploiting one of the world's most promising wine growing potentials. Almost 20 years on, its successful development is still rooted in the same principles and values of stewardship, loyalty to its tradition and innovation.



33° 44' 19" S.
70° 46' 54" W.

In 1996, Baron Philippe de Rothschild first ventured to the Andes, before deciding to set up shop in the country three years later. "Chile is one of the New World countries with the most promising wine growing potential", Emmanuel Riffaud, Head of Baron Philippe de Rothschild Maipo Chile, explains. "From the beginning, we wanted **long-term commitment.**"

In an **expertise-driven industry** such as wine, having a long-term perspective means both counting on the local workforce and passing on knowledge. "While we never tried to impose our rules, we always wanted to stay true to our traditions, winemaking methods and quality standards", Riffaud states. "We invested a lot of time in **training** our workers and managers, as well as our local partners. All in all, I am

convinced this is what helped us succeed in becoming one of Chile's premier *bodegas.*"

What are the keys to future growth? "We will never compromise our traditions, but we also need to live up to the **spirit of innovation** we inherited from our founders", says Riffaud. "That also means being able to reinvent our processes to adapt to natural conditions and investing in new promising wine lands, in the Southern part of the country, which is rainier and cooler than the Maipo valley. We are banking on the idea that global climate change will probably make Chile's wine production as a whole, move South in the years to come. In other words, we see it as **long-term risk management.**"



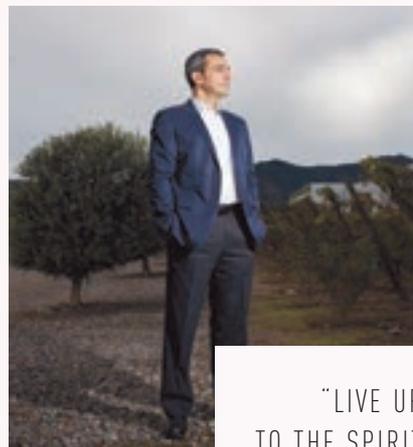
Read the whole story and the interview of other Baron Philippe de Rothschild team members at <http://sharedvalue.mazars.com/chile>
Scan the QR code with your mobile phone to read the rest of the story online.



“LONG-TERM COMMITMENT IS ONE OF THE MAIN CHARACTERISTICS OF BARON PHILIPPE DE ROTHSCHILD MAIPO CHILE. THEY WERE ONE OF THE FIRST FRENCH COMPANIES TO INVEST HERE WITH A VISION, AND WITHOUT LOOKING FOR SHORT-TERM RETURN ON THEIR INVESTMENT.”

DAMIEN DE LA PANOUSE

Managing Partner, Mazars in Chile



“LIVE UP TO THE SPIRIT OF INNOVATION WE INHERITED.”

EMMANUEL RIFFAUD

Head of Baron Philippe de Rothschild Maipo Chile

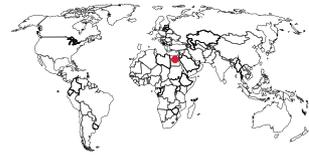


SEBASTIAN REBOLLEDO

CFO, Baron Philippe de Rothschild Maipo Chile



Just as Robert Mazars in France, Mostafa Shawki was in many ways a pioneer, starting one of Egypt’s very first accounting and audit firms, in 1942. 75 years later, Mazars Mostafa Shawki still thrives. While its founder passed away in 1997, the firm has kept serving its clients and the Egyptian business community and society ever since, under the guidance of a new generation of talented and dedicated partners.



30° 02' N.
31° 14' E.

In business terms, 75 years is a long time. Almost a human life. When Mostafa Shawki founded the firm that still bears his name, Egypt was a very different place. “Accounting and auditing were the exclusive domain of foreigners”, says Ahmed Shawki, son of the firm’s founder, and managing partner of Mazars in Egypt. “The country did not have any tax law. Still, we decided to start a tax practice and communicated about it. This is what we have always tried to do: look forward.” Another key ingredient in the recipe for corporate longevity is the quality of the services provided. “The first reason for our longevity is the fact that we always strove to maintain excellence in the quality of our work”, explains Ahmed Shawki. “We also always tried to be agile, in order to be able to adapt our services.” “We have focused on training”, says Hala Rashed Fahim, a partner in Cairo. “Not only are we very selective in the sourcing of our staff, but we also place strong focus on helping them acquire new expertise and grow.

We do not hesitate to give them responsibilities, and opportunities to take on new challenges.”

For the last 75 years, this combination of quality of service, adaptability, willingness to innovate and talent development has proved quite successful, to the point where Mazars Mostafa Shawki is now one of Egypt’s prominent tax practices, and confidently looks at the future, as Ahmed Shawki states: “Technology will transform our jobs, but we have a young generation of bright, IT-savvy people. They will help us move forward.”



Read the whole story at <http://sharedvalue.mazars.com/egypt75>
Scan the QR code with your mobile phone to read the rest of the story online.



AHMED SHAWKI
Managing partner,
Mazars in Egypt

E
G
Y
P
T





JONATHAN MAGLAQUI
Senior Manager, Audit

NURADLIN RAHMAN
Senior Manager, Audit

SITTHICHAI MATHIPRECHAKUL
Assistant, Audit

R A - T H E R E



They are auditors, advisers, business developers or digital experts. They live and work on all continents. They are passionate about technology and make the most of it everyday. They also love their jobs, but long to be agents of change. They want to travel the world, get to know new places and meet new people. They have goals and dreams. They are the many faces of Mazars. And this is how they look to the future.



Topic

Diversity



Location

World



Date

May – October 2017



MANAL MOHAMED TAYEL
Senior, Consulting

AHMED HAMDY
Assistant, Consulting

MOHAMED REFAAT ABD ELGAWAD
Junior, Audit

HA PHUONG PHAM
Assistant Accountant,
Accounting & Advisory Services

ASWINI NADARAJAH
Assistant Accountant,
Finance Department

—
33° 24' S.
70° 34' W.

It is commonly acknowledged that increased exposure to different cultures, different jobs and different ways of life is one of the perks of working for a large international organisation. Mazars' Gen-Yers are no exception. Whether they live in Singapore, Germany, Chile or Egypt,

work in audit, advisory or tax services, technical or support functions, the 40 or so Mazars professionals ('Mazarians' as the firm lingo goes) we interviewed all emphasise **mobility**. Gabriel Lim, a digitalisation specialist in the Singapore office, would love the opportunity to live



GREGOIRE MORLAËS-DUSAUTOIR

Director, Accounting
and Outsourcing

AMBAR VELOSO LABARCA

Assistant, Audit

**FELIPE YAÑEZ
VILLANUEVA**

Partner, Tax

ÉLÉONORE DE LA TAILLE

Junior, Audit

and work in “either Perth or Melbourne, in Australia” or to spend time “in a big German city, ideally Munich”. Many long for the hustle and bustle of the big city, with major metropolises such as London, New York, Tokyo or Paris coming high on the list.

The Mazars women and men (the latter represent 48% of the global Mazars organisation workforce) we talked to embody a striking **diversity** of ages, personal and cultural backgrounds, education, and professional specialities. What brings them together, beyond ...



LUDMILA GAGLIADI
Director, Transfer Pricing

JAVIER MALDONADO ZÚÑIGA
Analyst, Financial
Advisory Services

GUILLAUME FRÉMONT
Senior, Forensic
& Investigation Services

HOSSAM ALAA GHANAM
Assistant, Audit

—
1° 16' N.
103° 55' E.

their belief in the firm's values, culture and future, is a shared idea that their current jobs are about to be transformed by technology. Some think the changes will not really affect the bulk of what they do, as robots and algorithms cannot replace **creativity, empathy and personal**

relationships, while others believe most of what they do today could soon be performed by software. But they all trust their own ability to move on and find new ways of **creating value for their clients**. And they see technology as an enabler, as something that boosts communication and somehow



TAHANY ESAYED KILANY
Senior, Audit

MIRA EMAD SAMY FAM
Senior, IT Consulting

RICK CHAN
Partner, Audit

ZUMING CHONG
Assistant,
Tax Services

RILEY LECK
Assistant, Audit

makes their jobs easier. For Pierre Zapp, in Germany, "**Technology** is a mixed blessing as it allows us to react more quickly; it also increases the expectations from the client's side." More reactivity, indeed, but also positive consequences for the environment. Nattali Valenzuela, an auditor in Chile,

thinks the development of technologies will go a few steps further and that "in the future, instead of attending meetings personally, we may be represented by avatars. It will save time, lower our environmental impact, and make distances become meaningless." Going further, for Tawfik Sayed Fahmy,

...



G. ARULL
Partner, Owner-Managed
Businesses Audit

CASSANDRA TAN
Assistant, Corporate
Communications

YANNICK NG
Senior, Audit

**MARIA CONSUELO
MUÑOZ MOLLER**
Senior, Legal Services

AURELIA GIACOMINI
Consultant, Tax
and Legal Services

—
30° 02' N.
31° 14' E.

an auditor in Cairo, this definitely sounds like a path to follow. "In an open world, beyond tools such as videoconferencing, the **ability to change our organisation** to effectively leverage on systems that connect all our offices in the world, letting us express our value as a really global integrated

organisation: this is a major component of a modern firm."



Read the whole story and the interviews at <http://sharedvalue.mazars.com/embracing-the-future>
Scan the QR code with your mobile phone to read the full story online.



**JOSÉ DE
LA FUENTE CORREA**
Manager, Tax Services

TAWFIK SAYED FAHMY
Junior, Audit

SHEREEN NAGY SAMWEL
Secretary

**MOHAMED SAYED
ABD ELHAMEED**
Assistant, Audit

THE FUTURE OF AUDIT: INSIGHTS FROM THE FIELD



While we remain convinced that audit is still of critical importance in society, there is no denying that the profession is at a crossroads. Audit has not significantly changed in the last decades, yet technology, radical changes in how value is created and new societal expectations are provoking a need to change. In order to be able to meet the requirements of all stakeholders while serving the public interest, the audit profession has no choice but to evolve.

Two years ago, we published in our Yearbook our "Audit Manifesto", in order to state the belief of our partners in the relevance of audit and its value for the business community and society as a whole. Last year, we asked three market experts to share their views about the state of today's audit and its future evolutions. This year, we asked our own auditors across all grades and countries to provide insights on what they believe these changes should be and how they think their profession needs to adapt to continue adding value.

The audit profession is under scrutiny, and the question of its relevance redoubles each time a financial crisis or a corporate scandal occurs. Auditors, some said, have failed to adapt to new economic and financial threats. In spite of increasingly stringent regulations and thorough oversight,

the much-needed trust between audit firms and stakeholders in the companies that they audit needs to be strengthened further. Audit, however, still matters. In fact, in today's world, audit is more crucial than ever. With globalisation, new expectations from stakeholders and emerging social and societal issues, the need for corporate transparency is at an all-time high. And those who can provide clients, analysts, regulators, markets and society as a whole with a reliable assessment of a company's real value drivers are auditors.

TECHNOLOGY AS THE MAIN DRIVER OF CHANGE

One thing everyone agrees on, is that technology will play a major role in transforming the audit profession and defining its future. "Technology should

not be considered only as a threat. It could also offer new opportunities to improve the efficiency and transparency of the audit work, and a better service to stakeholders", explains Daniela Ricci, a senior auditor in Mazars' Milan office. Indeed, "the goal of the audit will remain untouched, but how we get to our conclusion will change drastically", says Wihann Rabe, a senior manager in audit for Mazars in Cape Town.



Read the whole story, the interviews and the full survey results at <http://sharedvalue.mazars.com/future-audit-2017>
Scan the QR code with your mobile phone to read the rest of the story online.

AN ENDURING PURPOSE, A BROADER SCOPE

Our teams believe that technology will be an enabler. But to which end? “I definitely think we play an incredibly important role within society as a whole. Significant stakeholders rely on our opinions”, states Justin Rodrigues, audit manager in London. These opinions must come from professionals who are able to exercise their judgement and scepticism. “The great thing about technology”, explains Pierre Zapp, audit leader for Mazars in Germany, is that “it will help us concentrate more on tasks where thinking is of primary importance”. Also on the change agenda is the scope of audit assignments. “We can no longer provide a true image of a company’s value and performance through financial indicators only”, says Grégoire Morlaës-Dusautoir, director of outsourcing and accounting at Mazars in Singapore.

“We need to come up with a more holistic view, taking into account social and environmental impacts. As long as that is not done, we will not be able to significantly move forward.”

REINVENTING OUR MODELS

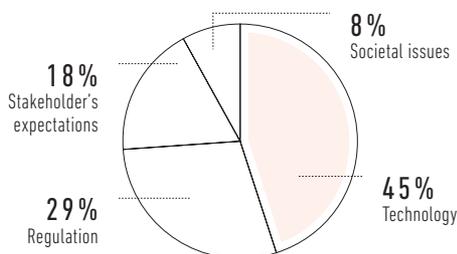
The changes to come also mean audit firms will have to develop new expertise and rethink their models. And this might happen quickly. “This is where Mazars has a real opportunity”, says Mazars’ Global Head of Audit, David Herbinet. “We are flexible enough to change fast.”

MAZARS AUDITORS SHARE THEIR INSIGHTS ON THE FUTURE OF AUDIT

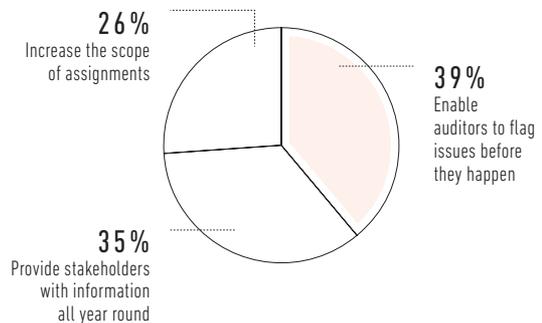
In an internal survey conducted in November 2017, our auditors shared their views about the future of the audit profession. Even though

societal issues and stakeholders’ expectations are clearly on the radar of auditors, the technological revolution and a shifting regulatory landscape stand out as key change drivers for the profession. Artificial intelligence is understood as the most change-driving technology, expected to create major impacts on the way auditors perform their work in the future. Auditors identify big data as another source of disruption for their profession, as it gives access to a comprehensive volume of information (as opposed to the traditional sampling methods). Three courses of action appear as equally important avenues of progress for audit, with the first one clearly being the auditor’s ability to report issues before they actually happen (as opposed to ex-post reporting).

1. Audit is expected to evolve dramatically in the near future. What would you say are the most important drivers for the changes to come?



2. What do you personally see as the most important avenues of progress for audit? What should be done to better meet the expectations of clients and stakeholders and restore a higher degree of trust in the profession?



CHINA'S NEW FRONTIER



1. ☉ **Wuhan / Hubei**

8.18 million inhabitants
183,783 hectares (urban area)
30° 34' 00" N, 114° 16' 00" E

2. ☉ **Hangzhou / Zhejiang**

10.45 million inhabitants
372,189 hectares (urban area)
30° 15' 00" N, 120° 10' 00" E

3. ☉ **Shenzhen / Guangdong**

10.95 million inhabitants
104,119 hectares (urban area)
22° 33' 00" N, 114° 06' 00" E

■ Urban area, 1990 ■ Urban area, 2013



Scan the QR code with your mobile phone or visit <http://sharedvalue.mazars.com/china-urbanisation> to read the full story and the interviews.



Urbanisation in China is having a “frontier” moment. While coastal Tier 1 megacities like Shanghai and Beijing are faced with near saturation, soaring real estate prices and quickly inflating labour costs, the nation’s efforts have been redirected towards other cities. Companies and talent are setting their sights on the promising Central and Western areas, sparking the rise and development of the so-called Tier 2 and Tier 3 cities like Wuhan and Hangzhou. Mazars is no exception: one year after our combination with ZhongShen ZhongHuan, we keep expanding in China. The Group now has a truly nation-wide coverage thanks to nearly 3,500 professionals operating out of 28 offices across the whole country.

It has become fashionable in economic circles to speak of the variation of the growth of the world’s second largest economy, China. But the question that should be asked is: **“which China?”** Because economic conditions differ so widely across provinces, referring to a unified level of Chinese development tends to obscure the underlying regional patterns of growth.

Thanks to a wave of **“people-centric” urbanisation** that is hitting central China, the country’s second and third tier cities now offer first-class opportunities, acting as **new growth engines** of the Chinese economy. In a not so distant past, these inland regional hubs were poor, rural outposts. Yet recent social and economic reforms have transformed and reshaped the industrial, commercial, and

regulatory landscapes of China’s developing Tier 2 and Tier 3 cities. Today – and presumably more so tomorrow – they are boosted by huge amounts of **domestic and foreign investment**, new infrastructure through the Belt and Road Initiative (BRI - the former “One Belt One Road” plan) and an **influx of new talent** seduced by better living conditions than those in coastal megacities.

While urban centres in China are growing, so is Mazars. Following our 2016 merger with local firm ZhongShen ZhongHuan, we now have offices in 28 major Chinese cities, including the country’s new and upcoming central urban areas. With this comprehensive array of professionals and services, we have the full ability to help our clients capitalise on growth opportunities in all of China’s most promising regions – and beyond.

“MAZARS ZHONGSHEN ZHONGHUAN WILL CONTINUE TO OPTIMISE ITS BUSINESS STRUCTURE AND WORK HARDER TO ASSIST OUR CLIENTS AND PROMOTE INNOVATION-DRIVEN DEVELOPMENT.”

WENXIAN SHI

Member of the Mazars Group
Executive Board

GROUP EXECUTIVE BOARD



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

As at 31st August 2017, the GEB was composed of nine members:



PHILIPPE CASTAGNAC
Chairman of the Mazars
Group Executive Board
(France)



HERVÉ HÉLIAS
Chief Executive Officer
of the Mazars Group
(France)



ANTONIO BOVER
Member of
the Group Executive Board
(Spain)



RUDI LANG
Member of
the Group Executive Board
(United Kingdom)



CHRISTOPH REGIERER
Member of
the Group Executive Board
(Germany)



WENXIAN SHI
Member of
the Group Executive Board
(China)



TON TUINIER
Member of
the Group Executive Board
(Netherlands)



PHIL VERITY
Member of
the Group Executive Board
(United Kingdom)



VICTOR WAHBA
Member of
the Group Executive Board
(United States)

GROUP GOVERNANCE COUNCIL



The Group Governance Council (GGC) is the Group's impartial and independent supervisory body.

As of 1st December 2017, there were eleven members of the GGC:



TIM HUDSON
Chairman (United Kingdom)



THIERRY BLANCHETIER
(France)



KATHRYN BYRNE
(United States)



JULIETTE DECOUX
(France)



FABRICE DEMARIGNY
(France)



BHARAT DHAWAN
(India)



DENISE FLETCHER
External member (United States)



CHRIS FUGGLE
(Singapore)



GREGOR KUNZ
(Germany)



MICHELLE OLCKERS
(South Africa)



LIWEN ZHANG
(China)

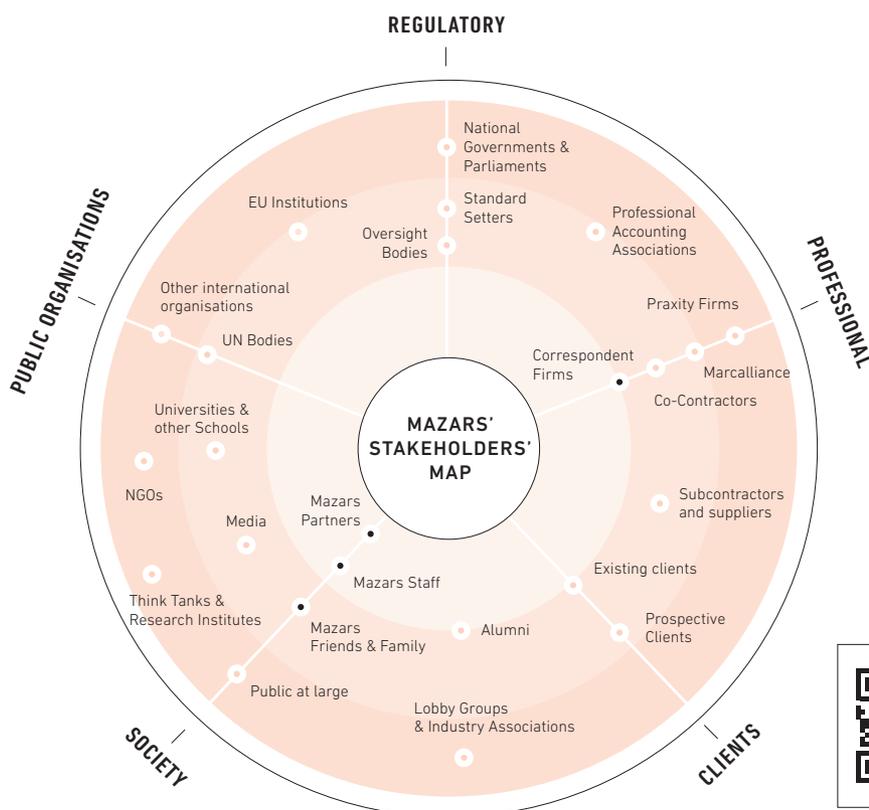


INTEGRATED REPORTING



Mazars continues on its path towards a clearer, more transparent explanation of its value creation model.

An integrated report is a concise communication about how an organisation’s strategy, governance, performance and prospects – in the context of its environment – lead to the creation of value in the short, medium and long term. Integrated Reporting focuses on how an organisation uses and affects the following six capitals: Human, Intellectual, Social & Relationship, Financial, Manufactured and Natural. In 2005, Mazars was the first global audit and advisory firm to publish global consolidated and audited financial statements. In 2014, we embarked on a journey towards Integrated Reporting, allowing us to better explain who we are and how we serve our clients, our communities and the public interest wherever we operate worldwide. We are continuing on this path and pursuing our effort to explain our business model and our value creation process using four different representations: a mapping of our stakeholders, our ‘materiality matrix’, our value chain, and key performance indicators (KPIs) that include, year after year, an increased number of extra-financial indicators, all with the goal of an ever-clearer understanding of the relationship between how we use our resources and how we create value. All of our financial and non-financial information is featured in our Financial Statements, which are part of our 2016-2017 Annual Report, together with this Yearbook.



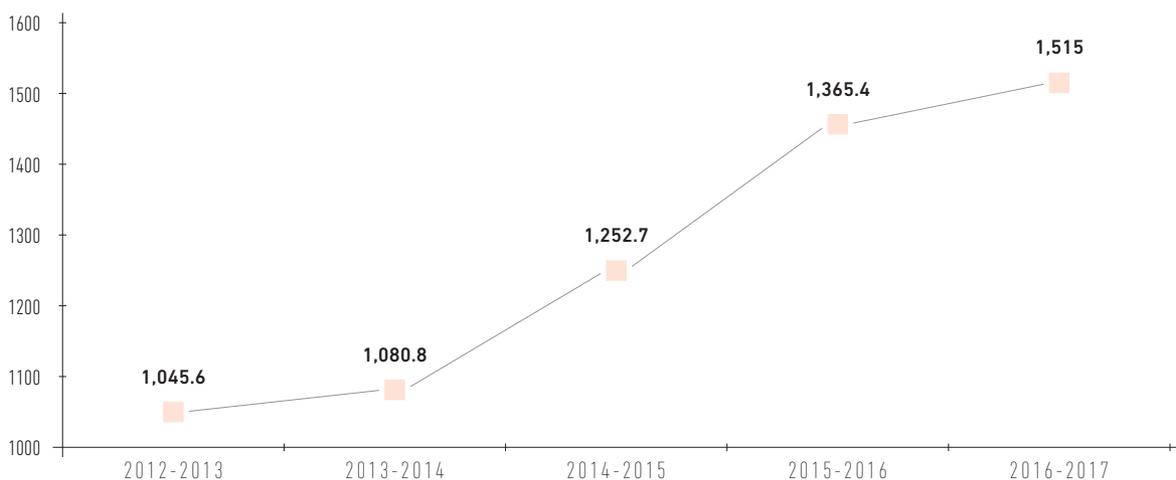
Scan the QR code with your mobile phone or read our Financial Statements online at www.mazars.com/fs1617

KEY PERFORMANCE INDICATORS



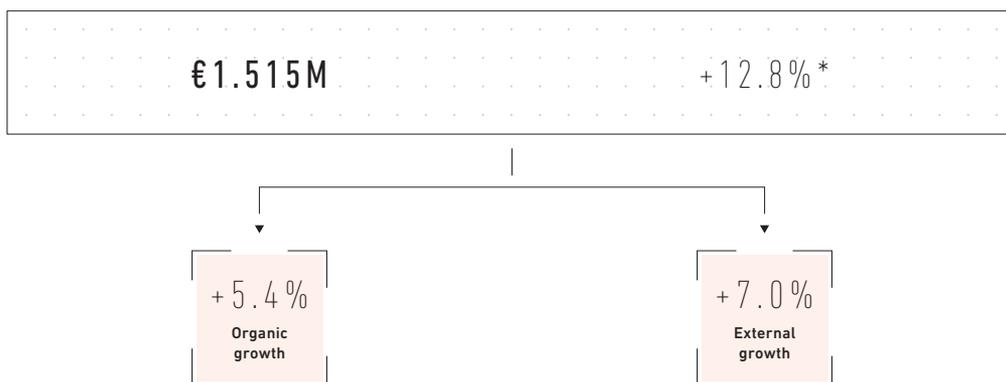
Fee income growth 2013-2017

In millions of euros.



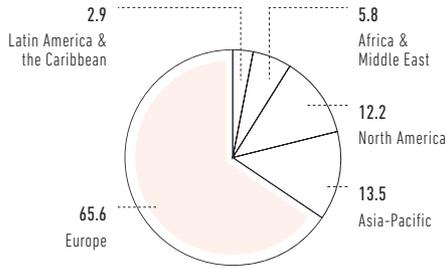
Turnover growth

*Excluding a -1.6% foreign exchange impact.



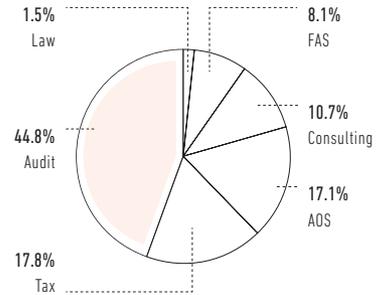
Turnover per region

% of global turnover.



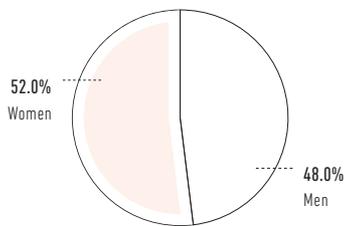
Turnover per service line

% of global turnover.



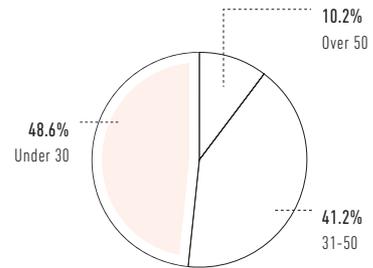
Breakdown of workforce by gender

% of total workforce.

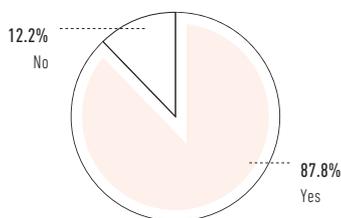


Breakdown of workforce by age

% of total workforce.

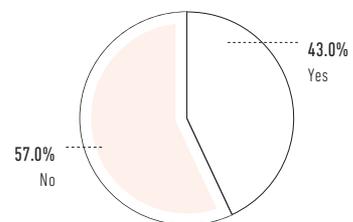


Charity / CSR actions



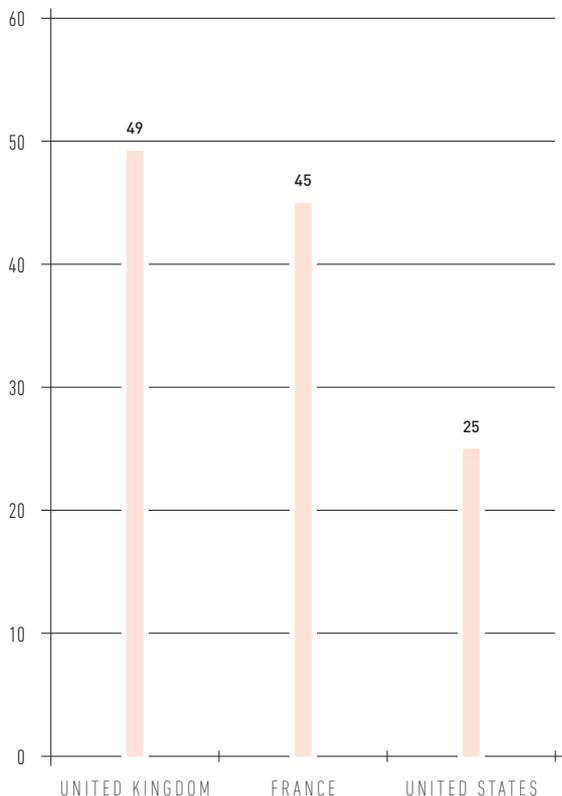
Almost 90% of our staff and partners work in offices that donated to local charitable causes or corporate social responsibility initiatives.

Pro bono work



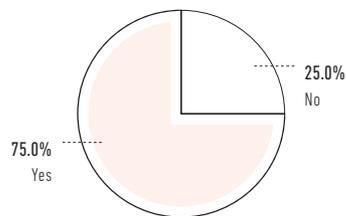
43% of our staff and partners work in offices that give our workforce the opportunity to engage in pro bono work.

Diversity



Out of our 86 integrated countries and territories that make up the Mazars' global partnership, the 3 countries above rank first in terms of number of nationalities in the workforce.

Environmental impact: recycling



Three quarters of our staff and partners work in offices that implement specific processes to systematically sort out their waste and recycle paper.

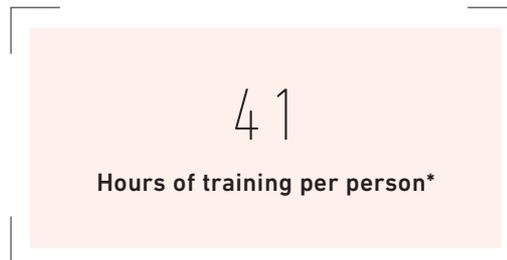
Environmental impact: carbon footprint

Average carbon footprint per person: focus on France.



Calculated for the workforce of four practices (Mazars SA, Mazars SAS, Actuariat, BPO, MCF) operating out of the Mazars main office of Paris La Defense, i.e. a total of 1,870 professionals. These figures include professional travel as well as cost of archive management, archive recycling, and the energy consumption of the building.

Training



*For the 6,931 partners and technical staff (FTE) who work in the audit service line (excluding the ZhongShen ZhongHuan practice in China).

MAZARS TOP PUBLICATIONS OF THE YEAR



UNLEASHING AFRICA'S CORPORATE INNOVATION POTENTIAL

Africa's decisive transformation is gaining speed, driven by entrepreneurship and innovation. By giving increased access to new ideas, knowledge and technologies, the digital revolution is playing a key role in the emergence of innovation on the continent.



Read our study online at www.mazars.com/africa-innovation

REINVENTING LUXURY? ETHICS AS VALUE CREATION

Mazars presents a study which sheds light on the current dynamics in the luxury industry and how companies are using ethics to build value. In response to a world shaken by increasing global economic volatility, the luxury industry is starting to focus on sustainability and ethics. Respect for the environment, recycling, integrity throughout the value chain, and social entrepreneurship are among the strategic priorities for luxury companies.



Read our study online at www.mazars.com/luxury-2017

THE FUTURE OF FINANCIAL SERVICES: TRANSFORMING AN INDUSTRY

In partnership with the Economist Intelligence Unit, Mazars has developed a unique programme of thought leadership to examine the current challenges the Financial Services industry is facing.



Read "The marriage of high tech and high finance" and "Regulatory reform in uncertain times - No rest for the weary" at www.mazars.com/ffs

WHY BANKS NEED TO ADDRESS CYBER SECURITY

In this podcast, Greg Simpson discusses cyber security with our expert Francisco Sanches, exchanging views about major threats such as emerging risks, FCA guidance on cloud data storage and the cyber security skill gaps, to name a few.



Listen to the podcast online at www.mazars.com/banks-cyber

THE CHALLENGES FACING THE INSURANCE SECTOR: INTERVIEW WITH AN INDUSTRY LEADER

Since 2010, Gérald Harlin has been Group Chief Financial Officer and a member of Axa's Executive Committee since July 2008. As of July 1st, 2016, he joined the Group's Management Committee. In this interview, Harlin talks about Axa's response to challenges facing the insurance sector.



Read the interview online at www.mazars.com/harlin

THE IMPACT OF BREXIT ON THE REAL ESTATE INDUSTRY

In this series, we discuss the impact of Brexit on the Real Estate industry from various angles (key insights for the sector, impacts on Real Estate in Germany, France, UK, etc.).



Read the articles from this series online at www.mazars.com/brexit-re

HIGHLIGHTS OF THE YEAR

(September 2016-August 2017)

SEPTEMBER 2016

Cyprus joins the Mazars partnership

After 8 years as a correspondent firm, Nacouzi & Co joins the Mazars partnership, adding Cyprus to our European and international coverage.

OCTOBER 2016

Mazars sets foot in Mozambique

With the opening of its new office in Mozambique, Mazars expands its already strong presence on the African continent.

NOVEMBER 2016

Mazars team wins Tax Hackathon

A team of Mazars tax experts wins the IMF-backed Tax Hackathon, held in Dakar, Senegal.

DECEMBER 2016

New smart office opens in Rotterdam

After Milan, Mazars keeps progressing on smart working with the opening of the new 100% digital, 100% eco-friendly Dutch headquarters in Rotterdam.

Mazars celebrates 25 years in Hungary

As part of its European development in the 90s, Mazars opened its Budapest office in 1991. We continue to expand our business in Hungary 25 years later.

JANUARY 2017

WeiserMazars becomes Mazars USA

Five years after successfully joining the Mazars integrated partnership, WeiserMazars renames to "Mazars USA". This rebranding is the culmination of a long-standing plan to closely align Mazars USA's expertise in the United States with the broader Mazars international partnership.

Tanzania joins our partnership

Wiscon Associates, a Dar Es Salaam-based audit & advisory firm becomes Africa's 27th country to join the Mazars partnership.

APRIL 2017

Mazars sponsors TEDx on education

On 28th April, Mazars was one of the sponsors of TEDxAix, a disruptive event that gathered 18 speakers from several countries in Aix-en-Provence, France.

MAY 2017

Mazars partners with the Africa Banking Forum

On 15th and 16th May, Mazars was the Scientific Partner of the 9th edition of the Africa Banking Forum (ABF) held in Dakar. This year's main topic revolved around the benefits of digitalisation to expand access to banking services on the continent.

JUNE 2017

Mazars holds first Audit Hackathon

Under the hashtag #hacktheaudit, Mazars convened over 80 participants from different countries to discuss what the audit of the future may look like, in order to truly address the needs of all stakeholders.

Mazars Shake, take two

For the second year in a row, Mazars gathered in-house advisers and start-uppers to work on common projects aimed at shaping the advisory industry of tomorrow.

AUGUST 2017

New offices around the world

After opening its first Albanian office in Tirana, in 2015, Mazars sets up shop in Pristina, so as to provide services to its clients in Kosovo. The Group also expands its coverage of Africa, with a brand new office in Kigali, Rwanda.

Mazars' Berlin professionals enter new office

Berlin became the last in a string of new German offices, following the 2015 merger between Mazars and RBS.

C R E D I T S



PROJECT TEAM

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Othman Abdelmoumene, Marie Coudié,
Chantal Coupri, Jean-Philippe Daniel, Ievgenii Gorobchenko,
Elizabeth Husson, Guillaume Lassiat, Thomas Rouchon,
Cristina Sarcinella, Tom Scott, Jessica Wheaton

Sibylle Barbier, Thibaut Bataille, Blandine Bernier,
Mathilde Bouvelot, Hélène Devynck, Fatemeh Jailani,
Steve Janiaud, Isabelle Jullian-Chartrain, Yann Lacombe,
Bruno Morael, David Nosibor, Alexia Perversi

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Laurent Furedi, David Herbinet, Pascal Jauffret,
Corinne Jouanny, Julie Laulusa, Gerardo Mejias,
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Emmanuel Riffaud, Ahmed Shawki, Jacques de T'Serclaes,
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www.aristophane.com

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& CREATIVE**

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WWW.MAZARS.COM

Mazars Group's 2017 Yearbook and 2016-2017
Financial Statements are available online at:
<http://annualreport.mazars.com>



This Yearbook is but an entry point into
a much larger world, with a lot more
content available all year round on our
digital platforms. All our stories are available
in full format on our dedicated website:
<http://sharedvalue.mazars.com>



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