



Mazars for good

Sustainability report 2021

mazars

Our commitment to the Ten Principles of the United Nations Global Compact

We are pleased to be participants of the UN Global Compact and confirm our support of the Ten Principles. These principles list the overarching commitments organisations need to make if they are to play their part in building a fairer and more sustainable world.

Grouped into four key themes, the principles focus on protecting human rights, safeguarding the rights of workers, looking after the environment and combating corruption ([see page 27](#)).

We continue to be committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of Mazars.

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Introduction

Welcome to Mazars for Good 2021, our second annual sustainability report. In it you will learn how we are working to create a stronger and more sustainable firm for the next generation.

It's good to be back

It's with genuine pleasure that we have returned to the office and embraced hybrid working. Being able to collaborate in person with clients and colleagues is a powerful reminder of why we all choose to work in this sector. It's also a reminder of what makes Mazars special: our connection with our clients.

It's exciting to be back, and the last two years have taught us many valuable lessons in helping us become an ever more sustainable firm.

Rethinking our office use

In 2020 and 2021, with far lower office use and travel, our carbon footprint diminished considerably. Government restrictions proved no impediment to our provision of high-quality services to clients thanks to our sustained investment in technology and, most significantly, the commitment and adaptability of our people.

Now our focus turns to the most rewarding part of the profession: working together in person. The challenge; which we accept with enthusiasm; is to embrace opportunities for collaboration, coaching and building relationships while working flexibly in a way that reflects personal circumstances and maintains our reduced carbon footprint. We believe that hybrid working will help us to meet this challenge.

In part, hybrid working ensures that our people can work in the location that best suits the task in hand. But it's also about ensuring work is rewarding and inspiring, enabling meaningful social interactions and networking opportunities. Already we are seeing the potential of this approach in our new Birmingham office – designed from the ground up to facilitate hybrid working – and we're looking forward to another 1,200 members of our team experiencing these benefits in our new London office.

Diversifying our thinking

We've also made great progress in becoming a more inclusive firm. This is an area of focus for every member of our team: each of whom has a specific performance goal related to making ours a more inclusive and diverse firm.

This is, of course, part of our broader mission to help build a fair and prosperous world. But it's also the best thing for our business. It enables us to better reflect the society we serve and increases our diversity of thought, helping us to shift our perspectives and challenge the status quo.

Sustainability and stewardship

From the very beginning, our firm has focused on building long-term value for our people, our clients and our communities.

This focus on stewardship is at the heart of our culture: we work hard to ensure we will have a stronger firm and a better-protected planet to pass on to future generations.

This report marks a step in that ongoing journey. I would like to thank all of our people for their efforts over the past year. In a dynamic, shifting and uncertain world I am constantly impressed by their enthusiasm, adaptability and values, and I look forward to us achieving even more together over the coming year.



Phil Verity
CEO, Mazars in the UK

Mazars at a glance

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services¹. Operating in over 90 countries and territories around the world, we draw on the expertise of over 44,000 professionals – 28,000 in the Mazars integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage of their development.

¹ Where permitted under applicable country laws.

Our services

Audit & assurance

Consulting

Doing business abroad

Financial advisory

Legal

Outsourcing

Privately owned business services

Sustainability

Tax

Key figures

90+

countries and territories

1,000+

Mazars SCRL partners

44,000+*

professionals

€2.1bn**

Group global turnover 2020-2021

* 28,000 professionals in Mazars' integrated partnership, 16,000 via the Mazars North America Alliance

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

These figures are valid as of 31 August 2021.



In the UK, Mazars is among the largest firms in its sector and a leading auditor to public interest entities (PIEs). Our team provides a balanced perspective and empowered expertise to clients of all sizes, from individuals and SMEs to the middle market, mid-caps and global players, as well as start-ups and public organisations at every stage of their development.

Our services

- Audit & assurance
- Consulting
- Financial advisory
- Financial Planning
- International Business Services
- Outsourcing
- Privately Owned Business Services
- Sustainability and ESG
- Tax

Key figures

2,302

UK professionals

141

UK partners

16

UK offices

£234m

UK turnover 2020-2021
36% in respect of audit services

14%

Increase on prior year
31% in respect of audit services

These figures are valid as of 31 August 2021

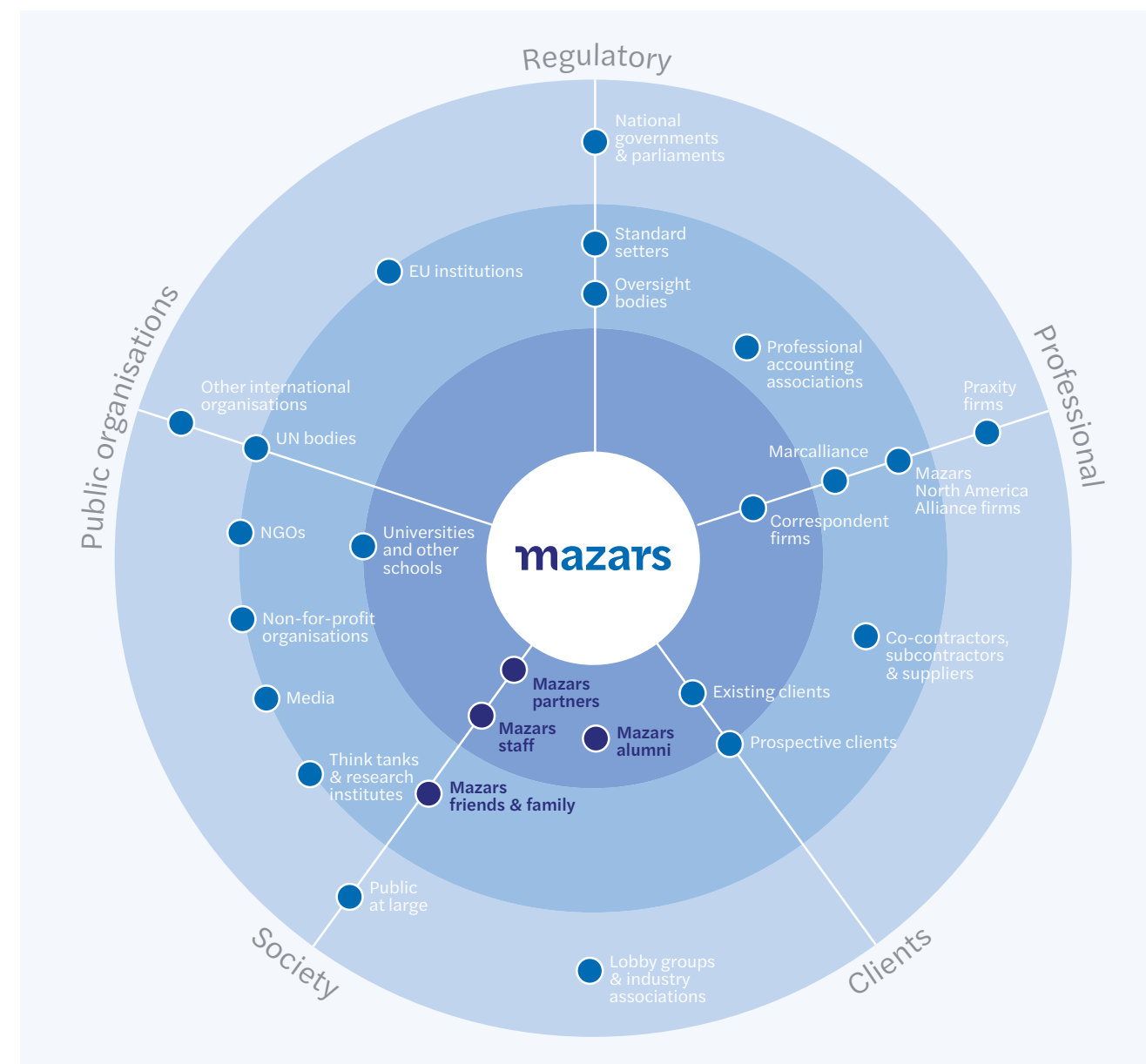


Please view our current up-to-date information here.

Our business affects, and is influenced by, a huge variety of different stakeholders. To help us understand the different groups that we consider in our decision making, we have produced the following stakeholder map.

It represents, in simplified form, our varied stakeholder groups, the different sectors they occupy, and the strength of our influence upon them, and of theirs upon us, as indicated by their closeness to the centre of the map.

By understanding who is most affected by our actions, we can better develop our business to deliver our organisational priorities: creating shared value and serving the public interest.



Our salient risks

Every organisation in its activities will pose certain risks to its people, to society at large and to the environment. But many business leaders struggle to come up with a coherent plan for tackling them.

This difficulty arises largely because such external risks – risks to others rather than to the business itself – are seemingly limitless in number and are often harder to quantify than risks to the business; and, if realised, the damage they do tends to be harder to detect than direct harm to the business.

What is salience?

To help businesses better understand and mitigate the risks they pose to people, the UN unanimously endorsed the Guiding Principles on Business and Human Rights, which set out the concept of salience: those issues most at risk of the most severe negative impact through an organisation’s activities or business relationships.

What salience teaches us about our risks

At Mazars, we have taken the view that salience is as useful a measure for risks to the environment as for those to people. So we have produced a combined matrix, given on the page opposite, which sets out the salience of the sustainability risks we most need to address.

Ours is a complex, people-focused business in an often highly pressured and highly competitive sector, so our biggest risks relate to the potential harms we could do to our people – risks including potential damage to our people’s mental health or career development, or potential damage resulting from unfair or insensitive treatment given to people because of their sexuality, gender or ethnicity.

Despite the preponderance of people-related risks, we are also acutely aware of our impact on the environment and of our responsibility to reduce the environmental damage we do. Although our core business activities are not significantly polluting, there are many steps we can and are taking to reduce our impact, from encouraging recycling to reducing business travel and working with our supply chain.

How we use and will develop our risk matrix

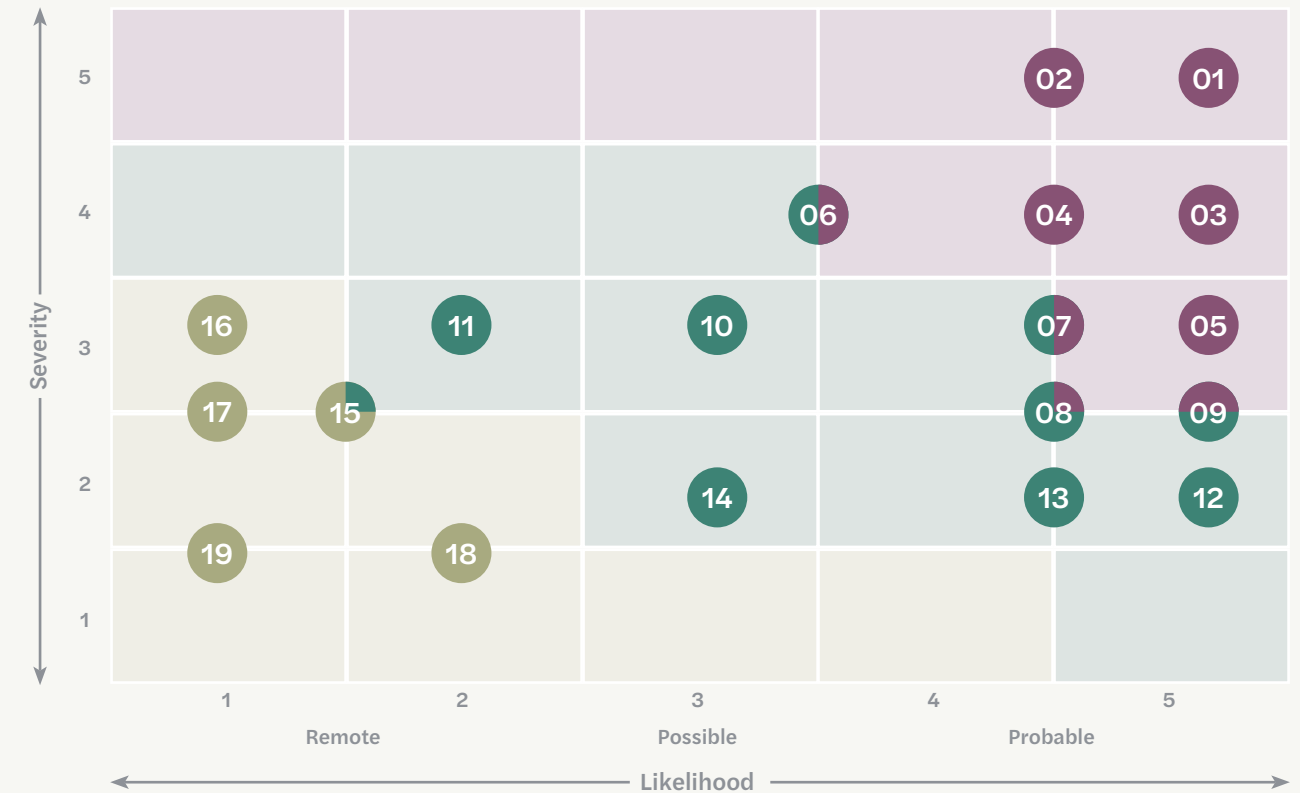
Our risk matrix is useful in our discussions about which risks to further investigate and what actions to prioritise in our efforts to enhance our sustainability.

The matrix itself remains unaltered from the previous edition of our sustainability report, but is under continual review, and will be updated as our business evolves.

However, to help ensure our risk matrix remains relevant this year, we will go through the process of identifying, assessing and mapping these and any further risks to recognise any changes within our business or operating environments.

Our value creation chain

Our sustainability risk matrix



- 01 **Mental Health** – the risk of harm to our people’s mental health
- 02 **Right to privacy** – the risk of a privacy breach
- 03 **People development** – the risk of a failure to provide opportunities which restricts our people’s development
- 04 **Diversity and equality** – the risk of bias and a failure to create a positive culture for everyone
- 05 **Wellbeing** – the risk of harm to our people’s physical wellbeing
- 06 **Social mobility** – the risk of a failure to offer opportunities to people from less affluent backgrounds
- 07 **Way we work** – creating a positive environment which enables our team to show their true potential
- 08 **Circular business** – the risk of a failure to re-use, repair and recycle
- 09 **Travel** – the risk of unnecessary travel or unnecessary use of higher-polluting modes of transport
- 10 **Harassment** – the risk our people are harassed or harass others
- 11 **Tax** – the risk our tax advice results in taking income from less well developed countries
- 12 **Waste** – the risk of unnecessary waste production and of improper waste management
- 13 **Use of plastic** – the risk of unnecessary plastics use
- 14 **Energy** – the risk of unnecessary energy use
- 15 **Living wage** – the risk of employees being paid less than a living wage in our organisation or supply chain
- 16 **Child labour** – the risk of under-age people being employed in our organisation or supply chain
- 17 **Forced and bonded labour** – the risk of forced labour being employed in our organisation or supply chain
- 18 **Working conditions** – the risk of inadequate working conditions in our organisation or supply chain
- 19 **Freedom of opinion** – the risk of employees of our organisation or supply chain having their freedom of opinion restricted

Creating shared value

Here we set out how we create shared value and show how we are a business for good.

The different types of capital we use...



Our business model...



How we create shared value...

Supporting business on their sustainability journey (ESG)

- Developing new sustainability services for clients
- Embedding sustainability services within existing service lines
- Co-ordinating with our Mazars colleagues across the Group to support their sustainability services
- Providing thought leadership for our clients

People at the heart of our development

- Focusing on positive support around mental health and wellbeing
- Continual promotion of inclusion, diversity and respect to provide equality of opportunity
- Digitally led learning to place our people at the heart of our agenda
- Enhancing the development and progression of our people
- Widening the talent pool through greater social mobility
- Agile working focusing on productivity and outputs

Reducing our climate and environmental impact

- Reducing our negative impact on environment
- Inspiring and empowering our team to make sustainable decisions
- Positively influencing the sustainability of our supply chain

Community involvement

- Sharing our expertise through skills-based volunteering and pro bono work
- Generating local social value through volunteering and investing in our communities
- Supporting and generating awareness of national charity initiatives – giving opportunities to our team to “do good” in society and be educated to appreciate the challenges of others
- Developing partnerships with organisations who share our values and principles
- Positively impacting society through the Mazars Charitable Trust

Integrity and responsibility at the core of our operating model

- Enterprise risk management to underpin our stewardship responsibility
- Increasing transparency, communication and accountability
- Continually evolving our client and supplier acceptance policies

Our sustainability strategy

Our sustainability strategy sets out how we intend to run our business to minimise harm and maximise our beneficial impact on our people, our clients, wider society and the environment. It is built around five strategic pillars: Supporting business on their sustainability journey, reducing climate and environmental impacts, community involvement, people at the heart of our development, and integrity and responsibility.

Our vision

Our sustainability vision describes the firm we want to be, and how we want to get there:

“Our vision is to be a business where sustainability is central to our purpose. We are actively learning about the impacts – both positive and negative – we can have on people and the environment, and we are using that knowledge to make more sustainable choices. We will earn a reputation for outstanding performance on sustainability and stewardship, and we will do this by embedding sustainability across every part of our business. As we build and progress, we will be transparent and accountable for our actions, and we will be brave in our choices.”

Our strategic pillars

Our sustainability strategy has key pillars, the areas where we believe we will have the biggest impact:



Our sustainability commitments by pillar

Supporting business on their sustainability journey

Commitments >>

- We will embed sustainability services within our existing service lines
- We will provide our clients with sustainable solutions that enhance their business
- We will develop our thought leadership to ensure we are positioned as the most responsible professional services firm
- We will enhance the talent and skills of our delivery teams through relevant training and leading on best practice
- We will develop a sustainability health check accessible to the SME market

People at the heart of our development

Commitments >>

- The wellbeing of our team is our priority
- We will actively promote inclusion and diversity to ensure everyone in the firm is treated and valued fairly
- Education and development will be at the heart of our people agenda
- We will identify talent early and nurture it to enable individuals to reach their full potential
- We will have a team that reflects society, our clients and the communities in which we work
- We will work in an agile way, focusing on outputs and productivity

Reducing climate and environmental impact

Commitments >>

- We will have a sustainable supply chain through the positive influence of the sustainability performance of our suppliers
- We will reduce our reliance on paper through digitalising our processes
- We will be plastic free
- We will become a low energy business by improving the energy consumption of our real estate and by reducing our travel emissions
- We will reduce the amount of waste we produce
- Our team will have the knowledge and be empowered to make sustainable decisions

Community involvement

Commitments >>

- We will generate local social value through volunteering, mentoring, educating, fundraising and signposting
- We will invest in the communities where we operate
- We will educate our team on the societal impact of community support and engagement
- We will support our community by providing skills-based volunteering and pro bono services
- We will positively impact society through the work of the Mazars Charitable Trust

Integrity and responsibility

Commitments >>

- We will focus on enterprise risk management to underpin the firm's stewardship
- We will embed our Code of Conduct with a greater understanding of our culture
- We will increase transparency, communication and accountability
- We will have a clear and robust client and supplier acceptance and continuation policy

Accountability

The firm's CEO and the UK Executive Board hold ultimate responsibility for our sustainability strategy, and they are accountable for its delivery. They provide leadership and support to drive it forward.

We have a Sustainability Leadership Group consisting of partners and directors of key business functions, and each member of the group has direct responsibility for one of the pillars of our sustainability strategy.

The core purpose of our Sustainability Leadership Group is to:

- **Direct** – set strategic direction
- **Listen** – seek and listen to the views of the team and external stakeholders
- **Be accountable** – for the delivery of agreed actions
- **Communicate** – both internally and externally

Mazars and the UN Sustainability Development Goals

Since 2015, the UN Sustainable Development Goals (SDGs) have provided a blueprint for achieving a better and more sustainable future for all. The goals address the global challenges the world faces, including poverty, inequality, climate change and environmental degradation.

The SDGs act as a guide to help governments, businesses and individuals take steps to protect our natural resources and to improve living standards. And they have guided us on our firm's sustainability journey.

How we worked to promote the UN SDGs in 2021

Last year, two of our team members took part in the UNGC's SDG Ambition programme. This six-month accelerator programme challenges organisations to set ambitious targets and advises them on how to integrate the SDGs into their core business operations.

As well as including the SDGs in the Sustainability Foundation training which is available for all our team members worldwide, we also ran a half-day training session for 50 members of our team. The purpose of this session was to help them better understand the SDGs, and to explore how Mazars can drive progress towards the goals and how team members can influence senior stakeholders within Mazars.

And to further promote awareness of the SDGs in our firm, we now include a reference to the relevant goal or goals at the bottom of all sustainability-related internal communications.

How our sustainability commitments support the SDGs

Our approach to sustainability focuses on the five pillars we believe best focus our efforts, given our firm's particular characteristics and context. These five pillars, however, cut across different SDGs, so we have produced the diagram opposite to show which SDGs are most frequently advanced by each of our pillars.

Supporting business on their sustainability journey



People at the heart of our development



Reducing climate and environmental impacts



Community Involvement



Integrity and responsibility



Supporting business on their sustainability journey

One of the main ways in which Mazars does good is by helping other businesses to manage their ESG responsibilities better.

Since the publication of our 2020 sustainability report, there has been a significant rise in the number of organisations, across all sectors, approaching Mazars with a view to improving their environmental, social and governance (ESG) approach. These organisations tend to be motivated by a mix of three factors: shared value creation, access to capital, and compliance.

The business benefits of ESG

Business leaders increasingly recognise that they need to articulate to stakeholders how they have built ESG into their wider business strategy. They need to be able to explain how a sustained focus on ESG can deliver significant added value in addition to the broader environmental and social benefits.

For example, ESG initiatives can help organisations to:

- position themselves as employers of choice
- improve staff retention and engagement
- reduce costs
- enhance their risk management

Additionally, by fully integrating ESG concerns into their decision making, organisations can improve their access to capital, debt and insurance, helping them to deliver sustainable growth and purposeful, long-term profitability. Examples of ESG-focused sources of finance include green bonds and social and environmental impact bonds, which can help to fund an organisation's efforts to tackle climate change, energy challenges and social issues.

Despite the clear benefits, many companies continue to ignore their ESG responsibilities. To tackle such organisations, policymakers are introducing legislation to accelerate the ESG transition. But while regulation remains an important driver of change, businesses should not view compliance as the sole or main motivation for change. Organisations that approach ESG solely with a compliance mindset will be unlikely to enjoy the full benefits to be gained from embedding ESG into their wider business strategy.

Addressing ESG is not only about safeguarding the planet; it is also about helping organisations ensure their own longer-term sustainability. In a more ESG-focused world, organisations will need to embrace these changes today if they are to be the businesses of tomorrow.

How Mazars can help businesses with their ESG

With a pragmatic step-by-step process, Mazars helps organisations develop robust and credible ESG strategies adapted to their unique circumstances.

The starting point for organisations working with Mazars (especially those tackling ESG from scratch) is to take the Mazars ESG digital health check. This self-assessment tool highlights gaps between the organisation's current ESG position and best practice, and it checks for compliance against regulatory standards. The results provide a useful guide to help organisations recognise and prioritise their key ESG risk areas.

Mazars has also developed bespoke ESG services relating to the transition to net zero, respect for human rights, and responsible procurement.

Our UK risk assessment



The starting point for any organisation in addressing where they should embed environmental and social issues into their overall strategy is to understand what those issues are. We worked with a group of 12 of our team from across the UK in a risk identification workshop facilitated by our Sustainability Team. This workshop considered where the firm posed the greatest risks to people and the environment. By reversing the lens in this way, and not starting by looking at the risks to Mazars, the participants were able to identify those risk areas that can be expected to converge strongly with the risk to the business whether in the form of operational disruption, lost business opportunities or reputational harm. It wasn't surprising therefore, as a people focused service provider, most of the salient risks identified by participants were around risks to people. These salient risks can be seen on [page 6](#).

UN Guiding Principles Reporting Framework



In 2015, Mazars and Shift, the lead not-for profit on the UN Guiding Principles, published the authoritative guidance for organisations to report publicly on how they know and show that they are managing risks to human rights effectively throughout their operations and value chains, with the potential for positive impact on millions of lives. The UN Guiding Principles Reporting Framework, organised in a series of "smart" questions, is designed to enable companies to begin reporting on their human rights performance, regardless of size or how far they have progressed in implementing their responsibility to respect human rights.

Since its launch, the Reporting Framework has been referenced in various standards and benchmarks, as well as in legislative and policy guidance, and its core principles are driving the future of corporate reporting as regards respect for people.



[View the UN Guiding Principles Reporting Framework](#)

ASN Bank



ASN Bank, part of De Volksbank, is one of The Netherlands' leading retail banks and wanted to dive deeper into the social dimension of sustainable banking and investing. Before investing in listed companies, they assess whether they are eligible for their investment universe based on stringent sustainability criteria. ASN Bank wanted to influence their investee companies in progressing towards payment of living wages in their supply chain by rating them using a UNGP Reporting Framework based rating methodology. Our international team from Mazars helped ASN Bank define the rating methodology, provide independent assurance services on the processes the bank applied to the ratings of each investee company and also on their overall ratings and make recommendations for improvements.



People at the heart of our development

Our success as a business is dependent on the talent and dedication of our team. So it is vital we do all we can to support our people.

Over the past year, the Covid pandemic has continued to have a significant impact on our people; and their health and wellbeing has been our first priority. To support our people, the firm has not only invested in hiring additional team members across our business, it has also introduced new technologies and services to help them during the extended period of enforced remote working.

Adapting recruitment during the pandemic

During the difficult days when Covid restrictions were in force, we adapted our approach to entry-level recruitment by conducting all our assessments virtually, which made them more accessible to more people. We have also invested in technology, introducing a new recruitment system to automate our approach and improve our candidate experience and the onboarding of new team members.

And those joining us as trainees have responded very well to starting their professional career from home. We've adapted our induction and training programmes to be delivered remotely and have worked with new starters to accelerate their learning at a time when it has not been possible to provide in-person coaching.

Keeping connected

At the start of the pandemic, we introduced regular all-team webinars, which have since continued. Each month on the webinar we have a business update, meet members of our team at all levels and have the opportunity for questions and answers. In addition, we also run regular wellbeing sessions and drop-in sessions on various topics with members of our People & Culture team and our mental health first aiders.

We've conducted surveys to learn the views of our team on working remotely and returning to the office. The clear message from our team is that they

see the office a place for collaboration, development and social interaction.

The move to hybrid working

In the spring, we moved our Birmingham office to Chamberlain Square, and we designed the space around a more collaborative and social style of working. In July we launched our hybrid working policy which focuses on the principles of empowerment, inclusion and respect, making connections, supporting our clients and being a sustainable firm.

Hybrid working combines the advantages of working remotely with the collaboration and coaching opportunities of a physical work environment. To ensure we maximise the benefits, we need to ensure we fully embrace both halves of the hybrid working model. We know that working remotely can improve work-life balance, but we must also encourage those in-person interactions which remain vital to our business and our culture. We see our offices evolving to serve us as collaborative, learning and social spaces where we can be inspired and responsive to our clients.

Strengthening our team

We have increased the depth of our People & Culture team, bringing in a Head of Talent Acquisition, a Head of Education & Learning and a Head of People Operations, with team members joining to support them, such as a Performance and Culture Manager, whose focus has been on further embedding our approach to engagement as well as revamping our performance cycle.

The impact of these new team members has been positive, and for the fifth year running we have seen an increase in our engagement levels measured through our annual Gallup "You Matter" survey.

Wellbeing and diversity

The wellbeing of our team continues to be a focus. Our second cohort of mental health first aiders have been trained. We have given our people access to Bupa's Be.Me app, and we continue to encourage our team to make use of the Headspace mindfulness and meditation app.

Whilst we are delighted at the progress we have made in inclusion, diversity and wellbeing (ID&W),

we also recognise we have a lot more to do. We have strengthened our Inclusion, Diversity and Wellbeing team and launched three new networks across the firm. The next section gives a more in-depth look at our approach to ID&W over the last year.

Our team, with their resilience, their commitment, their empathy, their work ethic and their sense of fun, remain a source of great pride for us as a firm.

Be.Me



The Be.Me app helps our team members with their health and wellbeing. It allows users to set goals and to track their progress. Through the app, team members can also access useful health and wellbeing articles and guidance.

Our wellbeing timecode



Working at a professional services firm, we're all used to filling in timesheets to record how we use our time. However, if we are struggling, this sense of being on the clock can be overwhelming and can have a negative impact on our wellbeing.

At the height of the pandemic, with schools closing and team members home schooling, we introduced a wellbeing code on our timesheets. Any member of our team can log four hours a week to this code to focus on their wellbeing. They can use this time to home school Covid-positive children, to provide childcare when nurseries are closed, or to look after older relatives. They can also use these hours simply to take time out to focus on themselves and their own physical and mental health.

Headspace



We've made the Headspace app available to all team members. Through science-backed meditation and mindfulness tools, Headspace helps team members create life-changing habits to support their mental health and find their healthier, happier selves. Headspace can also help users relax their minds in minutes, improve their focus, and get better sleep.

Inclusion, diversity and wellbeing

Being inclusive is central to our firm's approach. We want to create a culture where everyone has opportunities, support and a sense of belonging. We are committed as a firm to embedding inclusion and diversity into everything we do.

One symbol of the strength of our determination to be more inclusive is the fact we have someone driving inclusion at a senior level in our firm, our Inclusion, Diversity and Wellbeing Executive Sponsor, Margaret Laidlaw.

And in 2021, we launched an inclusion and diversity (I&D) goal for all partners: among the performance goals that all partners focus on for the year, there is now one specifically dedicated to making our firm more diverse and inclusive. The goal was launched at an event with all partners in 2021, and our all-partner sessions are set to continue in 2022 to create a space for our leaders to learn, share and work together in making our firm more inclusive.

How our networks help our firm

In our efforts to improve inclusion and diversity in our firm, a hugely important role is played by our different community networks. These networks provide a space for our people to share their experiences and to increase understanding and awareness across the firm. Every one of our networks is open to all, and we encourage people from across the firm to get involved.

This year we launched three new networks:

- Families network
- Jewish network
- Hindu network

These three join our existing networks:

- Embrace, our ethnic minority network
- Speakeasy, our disability network
- Balance, our gender network
- Muslim network
- Christian network
- LGBT+ Champions

Over the last year, our networks have hosted many open-to-all events to support our culture of learning and inclusion. These included our International Women's Day 2021 photo campaign; our Families network challenge to walk, run, scoot or skip the 1,388 miles from London to Lapland to raise funds for Honeypot, a charity supporting young carers; and our International Men's Day event.



To learn more about how we are working to promote inclusion and diversity at the firm, please visit the Inclusion, diversity and wellbeing page on our website.



Black History Month



We held a number of events to honour Black History Month 2021, including a mini-series of sessions focused on allyship. The first session focused on "How do we move from saying to doing" and explored what it meant to be an active ally to black people and ethnic minorities. The second looked at the role of the media in shaping our views.

Both sessions offered a space in which to have important conversations, and to learn and ask questions. The sessions were open to everyone across the firm and were attended by many from outside the network.

We also held an event covering race and wellbeing, for which we were joined by special guests from Mental Health First Aid England, who spoke on the topic of race and mental health disparities.

Inclusion alliance



This year we also strengthened the connection between the leaders of our networks and the senior leaders of our firm. Our network leaders meet monthly with our executive sponsor, HR Director and our Head of Inclusion, Diversity and Wellbeing (ID&W), to help connect the networks and ensure we are making progress as a firm on diversity and inclusion issues.

Creating a culture of learning



We wanted to make sure everyone has a place to go to learn more about inclusion and diversity, so over the last year we have created our internal ID&W hub, an online space full of content relating to inclusion and diversity topics, which is updated monthly. The hub gives everyone the opportunity to learn about the issues and connect with others across the firm.

Reducing climate and environmental impact

We are committed to doing everything we can to reduce carbon emissions, reduce waste and help our people lead more sustainable lives.

Our focus in the last year has been data: the more we can measure, the more we can manage. We have used this data to agree medium- and long-term targets to reduce our environmental impact.

We have also registered our commitment with the Science Based Targets Initiative, a partnership

of global organisations, including the UN Global Compact and the World Wildlife Fund, that promotes science-based targets and provides guidance for companies trying to reduce their greenhouse gas emissions.

Making the move to hybrid working



Over the last year, we have seen a continued reduction in our travel and office use due to the pandemic. This has inevitably had a positive effect on our emissions. But a new challenge will come in the next year when we begin to adjust to a new normal. We must ensure we balance the benefits of working together in one place with the lessons we have learned whilst not being able to do so.

Our introduction of hybrid working and our continued digital transformation will play a key part in our continued climate journey. To support our teams with this transition, we ran a series of courses on Microsoft's business communications platform Teams.

And our efforts to reduce our travel-related carbon footprint go beyond hybrid working. We continue to offset our carbon emissions from travel, and we have prioritised other transport methods over flying in the UK and along Eurostar routes.

Going paperless



We continue to focus on reducing our reliance on paper. We report on this monthly and reflect on how we can change our processes to ensure they are paperless. And to help our team reduce their paper use, we ran a series of courses on Microsoft's notetaking programme OneNote.

In our line of work, our people often have to review and sign documents, and many of us have got used to doing this with printed copies. So we're helping our team move to digital reviewing, and we have run a series of skills courses, such as one on the cloud-based e-signature service Adobe Sign, to help them with this. And we're excited to be moving to a digital post and archiving solution.

Reducing our waste



Now that we have more access to the office, we have re-established our network of green champions. Their first campaign focused on single-use plastic and featured a survey, issued to all our team in our London office, to help us understand how much plastic we use in our day-to-day lives.

As an organisation, we are making significant strides towards our target of sending zero waste to landfill. In fact, most of our offices are already diverting all of their waste away from landfill. Where we are undertaking large, physical projects, such as office refurbishments, we aim to donate rather than dispose. Even with smaller changes, we make a concerted effort, such as when we introduced new branded mugs in the office and donated the old mugs to charity rather than throwing them away.

We were delighted to open a new office in Birmingham last year, designed to facilitate hybrid working. And we were even more delighted that during the fit-out process zero waste was sent to landfill.

Educating our people



One of our goals has been to provide education to our team on sustainability. Last year we launched Sustainability Foundation training modules for all our team members worldwide. If we can start to bring about a cultural shift among our team members, both in their professional lives and their personal lives, we are going to have a positive impact on the environment.

Tapt



Despite the pandemic putting a pause on face-to-face meetings and events, Mazars took a forward-looking approach, preparing for a time when we could once again work more closely together.

With traditional business cards not being environmentally friendly, and many ending up unused and discarded, we looked to technology for a solution.

Mazars' new Tapt cards allow each individual to transfer contact details from their own Mazars-branded business card (made from recycled plastic), directly to another individual's phone through a simple 'tap'. Contact details can be managed through an online database, meaning that cards will never go out of date and can be reused, as details can simply be updated as necessary.

Better bins



To help reduce confusion about what goes where for recycling, we have tried to simplify our approach. We established what the waste-disposal policy is in each of our buildings and put in place colour-coded central bins with educational signage. And to make sure people use the new bins, we removed all deskside bins.

We hope that the improved signage and the guidance on how to separate different types of waste for recycling will give our team knowledge they can use to improve their recycling efforts at home.

Zero waste on our fit-out



There was no landfill produced from the fit-out of our new Birmingham office. All the waste from the project was recycled, reducing our carbon emissions by 77%. The emissions saved are equivalent to those of generating electricity for five homes for a year, or of driving an average car for 8,500 miles.

Community involvement

We have a team made up of thousands of creative and caring people. And we are happy to help them make a difference on the causes they care about.

Despite the pandemic, we've been able to continue with our volunteering activities, although many have had to become virtual.

Events we have supported this year have included the men's health campaign Movember; Cervical

Cancer Prevention Week with the #SmearforSmear campaign; International Women's Day with the #ChooseToChallenge campaign, which aims to raise awareness of gender bias and inequality; and Mental Health Awareness Week.

Mazars community month



Every year we hold a national challenge which usually involves all our offices taking part through in-person activities. We changed the format this year and instead held a Mazars community month. Throughout December, all our team members were able to take part in:

- The Notes of Positivity campaign in partnership with Sue Ryder and On the Mend
- A Sue Ryder interactive workshop
- A lunch-and-learn session with suicide-prevention charity Samaritans
- Christmas Jumper Day for children's charity Save the Children
- Foodbank donations

We have a national network of community champions who promote our community work locally and who meet up every month to plan our initiatives. Each community champion has a specific performance goal in relation to this activity. And our champions work together with our inclusion and diversity networks to help with certain initiatives, such as our support of the charity Young Minds.

Charity work and volunteering



Each year our team takes part in a vote to select our national charities, and this year we supported Young Minds, a mental health charity for children and young people; Carers Trust, which supports unpaid carers; Samaritans; and Refuge, which supports women and children experiencing domestic abuse.

Our focus is currently on skills-based volunteering. We are delighted to be partnering with Young Enterprise, a national charity that equips young people with work skills and knowledge. Members of our team from across all our UK offices are volunteering their time to mentor young people in schools, either through face-to-face or virtual meetings.

We also have team members taking part in expeditions to Costa Rica and Nepal organised by sustainable development charity Raleigh International. These expeditions will support local communities through voluntary work. They were cancelled last year because of the pandemic, and we're delighted they are now going ahead.

Notes of Positivity



We partnered with On the Mend, a social enterprise whose passion is to educate people on the societal impacts of health and wellbeing, and Sue Ryder, a charity that provides palliative, neurological and bereavement support. Throughout the pandemic Sue Ryder's doctors and nurses have been delivering front-line services to relieve pressure on the NHS, and they will continue to do so for as long as they are needed.

Over 300 Mazarians signed up to take part in our letter-writing campaign, sharing notes of positivity with those who were receiving hospice care and who were, as a result, isolated from their friends and family. Interactive letter writing workshops were hosted by On the Mend, with some fantastic heart-warming and creative results.

#SmearForSmear



In January 2021, our friend and colleague, Helen Forman, lost her battle with cervical cancer. Helen fought tirelessly against cancer for two years, during which she was supported by Jo's Cervical Cancer Trust. The support she received gave her the confidence to support and build friendships with others who were going through treatment, diagnosis and recovery. Following her diagnosis, she worked to raise awareness that smear tests save lives.

We are proud to be continuing her great work and, championed by our Payroll team, Mazars supported Cervical Cancer Prevention Week, and in particular, the #SmearForSmear campaign. The challenge was simple, but incredibly effective. Our team members first located their boldest shade of lipstick, applied and then smeared it, before posting a selfie on social media. These photos acted to persuade loved ones to book a smear test, a test that could save their lives.

#MazarsDoes Movember



In November, our team supported #MazarsDoesMovember. There were two main ways to take part:

- Grow a Mo – start clean shaven and then grow a moustache and start conversations.
- Move for Movember – run or walk 60km over the month. That's 60km for the 60 men that we lose to suicide each hour, every hour across the world.

More than 180 of our people took part, and they raised over £22,500, and moved nearly 9,000km, all whilst raising vital awareness for men's health.

Mazars Charitable Trust



The Mazars Charitable Trust (MCT) was set up by our partners in 1983 to share some of our profits with charities and good causes. Part of these funds are allocated to local offices to provide "office grants" to charities supported by local team members. This may be an organisation they volunteer with, such as their local Scout group, or a charity that has helped them or their family.

Nominations can also be submitted for a major grant and these are reviewed by our MCT Committee. Examples of major grants approved in the prior year are:

- **Children Heard and Seen** – A grant to allow the charity to employ a part time project worker to focus on children with a mother in prison.
- **Wonder Foundation** – A grant to support empowering 600 girls and 100 women from the poorest families in Guatemala City who live in the surroundings on a 40 acre rubbish dump. The grant supported buying IT equipment for the local school to teach the girls and empower the parents on the use of technology for good.
- **Social Enterprise Academy Scotland** – A grant to enable the Academy to run a financial literacy pilot in 12 schools.

Integrity and responsibility

If we don't have the trust of our people, of our clients and of our society, we don't have a sustainable business. So we work hard to build integrity and responsibility into everything we do.

Integrity and responsibility are at the core of everything we do as a firm. They represent two of our six values – the statements that describe what we as a firm believe is important and what we expect from all of our people – and they form the foundation of our sustainability strategy.

How we build quality into our organisation

To ensure that quality is embedded into everything we do, we have a quality leader in each of our service lines, including our Business Services team. Each part of the business is developing a quality roadmap, and every member of our team has quality objectives in their personal performance plan.

Our Quality & Risk Committee meets quarterly, with the key purpose of driving forward quality in everything we do. The committee is chaired by our Head of Quality, who is also a member of our Executive Board.

Our Audit service line also has an Audit Executive Committee, which takes a no-compromise approach and has a quality plan monitored by our Executive Board and Public Interest Committee.

We have an internal audit strategy, which reports directly to the firm's Audit and Risk Committee (ARC). The ARC is a formal sub-committee of our supervisory body, the Governance Council (GC). GC is independent of the Executive.

Every person who joins Mazars must undertake a suite of mandatory technical training, and this training is refreshed and re-issued to all team members on a cyclical basis. We also ensure that each team member has the appropriate training to achieve technical and ethical excellence.

Our progress over the past year

Our focus over the last year has been on developing our enterprise risk management (ERM) processes; updating our processes and communication to strengthen our speaking-up culture and embedding our code of conduct; and working towards the information security standard ISO27001:

- **ERM:** we have strengthened our ERM approach. This effort has been led by a partner and we have

recruited a dedicated team to provide support. We have a firm-wide risk register as well as a risk register for each service line. We have invested in software to capture and manage the data. Our ERM team meets regularly with the risk owners to ensure we are doing all we can to mitigate identified risks.

- **Speaking-up culture:** we increased our communication encouraging our people to speak up when they saw a team member taking actions they thought were incorrect or unethical, and we have seen an increase in matters reported compared with the prior year.
- **ISO27001:** we have undertaken a gap analysis and have put in place a ISO27001 steering committee. An internal audit of our processes and procedures has been carried out and over the next year we aim to achieve the formal accreditation. We test our incident management framework on an annual basis, and we are making this framework more robust by creating a series of playbooks to guide us if we have a crisis.

Leading reform in the sector

We believe that the audit market needs to reform. Trust in the sector needs to be rebuilt. Transformation across the audit profession will be needed. Through continuous investment in our teams and in technology we are prepared to take up the challenge.

“Integrity, independence and a strong sense of duty to serve the public interest have always been our core beliefs.”

David Herbinet – Global Head of Audit

Information governance and security



We take our responsibility for information governance and security seriously. Safeguarding the information which our people and our clients have supplied is crucial to the trust that is placed in the firm.

To further enhance our information security, we have enhanced our technical defences, but we have also continued to roll out frequent training to all team members, including simulated phishing attempts to ensure the training is taking effect.

This learning helps us as a firm, but it is also important for our team members in their private lives.

Client Take On



To enhance the experience for new and potential clients, and for our team members who work with them, we launched our Client Take On project in September 2020.

This project aims to:

- make our processes clearer and more efficient
- help our team members be more proactive
- provide us with better management information
- increase visibility of potential client acceptance
- improve regulatory compliance in such areas as ethics and anti-money laundering
- identify tasks that can be automated in future

We have already established a client engagement centre to perform many compliance and administrative tasks that are currently performed by client-facing team members.

The project will give us a foundation we can build on as both the firm and the complexity of our client mix grow.



KPIs

KPI	Unit	FY20	FY21
Issues raised through Speaking Up activities	Number	8	17
Dismissals for misconduct	Number	4	0
Fair pay: Average partner pay vs average staff pay ¹	Ratio	6.44:1	4.95:1
Fair pay: Average supplier payment days ²	Days	44.4	42.6
Staff perception of quality culture ³	Grand Mean – total 5	4.06	4.11
NEW Breaches of external audit independence regulations ⁴	Number	–	4
People Engagement Score ⁵	Grand Mean – total 5	3.90	3.97
Partners: Women	Percentage	18.10	22.7
NEW Partners: Ethnic minority	Percentage	–	5
New hires: Women	Percentage	43.41	47.00
New hires: Ethnic minority	Percentage	30.57	39.60
Gender Pay Gap (incl. partners) ⁶	Percentage	36.60	29.90
Gender Pay Gap (not incl. partners) ⁶	Percentage	13.20	9.30
Ethnicity Pay Gap (not incl. partners) ⁶	Percentage	8.60	6.90
Days lost to sickness ⁷	Percentage	1.59	1.12
Social mobility: Free School Meals ⁸	Percentage	8.51	5.39
Social mobility: Work experience provided ⁹	Number	0	54
NEW Regretted attrition	Percentage	–	16.88

- 1 Ratio of average partner pay to average staff pay (hourly rate including bonuses), on a consistent period with the gender pay gap reporting.
- 2 Calculated as the average days taken to pay supplier invoices from the date of receiving an invoice (excluding invoices from other Mazars firms), as reported to the UK Government.
- 3 Score derived from the quality question within the firmwide engagement survey: “My fellow employees are committed to doing quality work”. Reported each September in relation to the previous year (e.g. September 2021 reflected in FY21 column above).
- 4 Breaches of external audit independence regulations reported to the regulator, as a percentage of total staff.
- 5 Overall score from the firmwide engagement survey. Reported each September in relation to the previous year (e.g. September 2021 reflected in FY21 column above).
- 6 The data refers to the mean pay gap for combined Mazars UK entities as disclosed in the Gender and Ethnicity Pay Gap Report issued in the stated period.
- 7 Days lost to sickness as a percentage of total full time equivalent days available per year.
- 8 Proportion of people hired during the year who have voluntarily disclosed being in receipt of Free School Meals while attending a state secondary school.
- 9 Total number of work experience placements provided under our social mobility programme. The pandemic paused our programme during FY20.

KPI	Unit	FY20	FY21
Community contribution via Mazars Charitable Trust ¹⁰	£	£399,816	£108,610
Community contribution: Number of awards ¹¹	Number	277	131
Volunteered time (absolute number) ¹²	Hours	2,738.3	767.1
Business travel miles:			
– Air	Miles	1.9m	16,200
– Rail	Miles	2.0m	48,000
– Vehicle ¹³	Miles	1.3m	195,070
Carbon emissions: ¹⁴ (FY23 target – 1,911 Tonnes CO ₂)			
– Air	Tonnes CO ₂	748.7	4.9
– Rail	Tonnes CO ₂	127.9	3.1
– Vehicle ¹⁵	Tonnes CO ₂	354.2	53.8
NEW Electricity consumption	kW h	–	1,019,450
NEW Proportion of offices using electricity from renewable sources ¹⁶	Percentage	–	78.57%
Paper usage ¹⁷	Sheets	4.1m	983,000
NEW Proportion of offices sending zero waste to landfill ¹⁸	Percentage	–	71.43%

- 10 The cash value of the awards granted via the Mazars Charitable Trust for the year up to 31 March 2019, 2020 and 2021. Contributions were impacted by the pandemic, with a significant donation by the firm in March 2021 to be disbursed by the MCT in the year ending 31 March 2022.
- 11 The number of awards granted via the Mazars Charitable Trust for the year up to 31 March 2019, 2020 and 2021. Contributions were impacted by the pandemic, with a significant donation by the firm in March 2021 to be disbursed by the MCT in the year ending 31 March 2022.
- 12 As recorded on the firm’s time recording system. The figures for FY20 include all activity relating to Mazars for Good, including network participation. We introduced new timesheet codes in December 2020 in order to better measure volunteering activity. The figure for FY21 has therefore been pro-rated as an estimation to include the full year. The pandemic also paused a number of our activities.
- 13 For company and private vehicles where expenses claimed. Based on UK Government 2019, 2020 and 2021 GHG Conversion Factors for Company Reporting, using conversion factor for average size car, fuel unknown.
- 14 Ongoing target of 15% YoY reduction against FY19 baseline year of 2,248.
- 15 For company and private vehicles where expenses claimed. Based on UK Government 2019, 2020 and 2021 GHG Conversion Factors for Company Reporting, using conversion factor for average size car, fuel unknown.
- 16 Out of 14 offices, not including serviced offices.
- 17 Copy and print total based on inked pages printed.
- 18 Out of 14 offices, not including serviced offices.

Total staff @ 31 August 2019 – 2173. All staff includes contractors, agency workers etc.
 Total staff @ 31 August 2020 – 2137. All staff includes contractors, agency workers etc.
 Total staff @ 31 August 2021 – 2498. All staff includes contractors, agency workers etc.

Methodology

- The statistics given in this report cover our financial year from 1 September 2020 to 31 August 2021.
- The report as a whole, however, contains information about initiatives and events up to the present moment.
- Our salient risks were considered in March 2020 by a team of Mazarians from across our UK firm and have since been kept under review.
- The data collected for this report relates to Mazars in the UK.
- The results were analysed by our Operations team with the help of our Head of Quality.



Mazars is a participant of the United Nations Global Compact (UNGC), the world's largest voluntary corporate sustainability initiative, which encourages businesses worldwide to adopt socially responsible policies and to report on their implementation.



Correspondence table



- P.9:** “We will work in an agile way, focusing on productivity and outputs”
- P.9:** “We will develop our thought leadership to ensure we are positioned as the most responsible professional services firm”
- P.12:** “Mazars helps organisations develop robust and credible ESG strategies”
- P.14:** “We see our offices evolving to serve us as collaborative, learning and social spaces where we can be inspired and responsive to our clients”



- P.9:** “We will work in an agile way, focusing on productivity and outputs”
- P.9:** “Education and development will be at the heart of our people agenda”
- P.12:** “Mazars has [...] developed bespoke ESG services relating to transition to net zero, respect for human rights, and responsible procurement”
- P.19:** “With traditional business cards not being environmentally friendly, [...] we looked to technology for the solution”



- P.9:** “The wellbeing of our team is our priority”
- P.14:** “We [...] run regular wellbeing sessions and drop-in sessions [...] with members of our People & Culture team and our mental health first aiders”
- P.15:** “The Be.Me app helps our team members with their health and wellbeing”
- P.15:** “They can use [the wellbeing timesheet code] simply to take time out to focus on themselves and their own physical and mental health”
- P.15:** “Headspace helps team members create life-changing habits to support their mental health”



- P.9:** “Education and development will be at the heart of our people agenda”
- P.9:** “We will identify talent early and nurture it to enable individuals to reach their full potential”
- P.9:** “Our team will have the knowledge and be empowered to make sustainable decisions”
- P.9:** “We will educate our team on the societal impact of community support and engagement”
- P.9:** “We will support our community by providing skills-based volunteering and pro bono services”
- P.14:** “We have worked with new starters to accelerate their learning at a time when it has not been possible to provide in-person coaching”
- P.19:** “We launched Sustainability Foundation training modules for all our team members worldwide”
- P.20:** “Members of our team from across all our UK offices are volunteering their time to mentor young people in schools”



- P.9:** “We will actively promote inclusion and diversity to ensure everyone in the firm is treated and valued fairly”
- P.9:** “We will have a team that reflects society, our clients and the communities in which we work”
- P.16:** “We launched an inclusion and diversity goal for all partners”
- P.16:** “Our networks have hosted many open-to-all events to support our culture of learning and inclusion”



- P.9:** “We will provide our clients with sustainable solutions that enhance their business”
- P.9:** “We will be plastic free”
- P.9:** “We will reduce the amount of waste we produce”
- P.19:** “We are making significant strides towards our target of sending zero waste to landfill”



- P.9:** “We will become a low energy business by improving the energy consumption of our real estate and by reducing our travel emissions”
- P.9:** “We will reduce our reliance on paper through digitalising our processes”
- P.18:** “Our introduction of hybrid working and our continued digital transformation will play a key part in our continued climate journey”
- P.18:** “We continue to offset our carbon emissions from travel”
- P.18:** “We have asked our team not to fly within the UK or along Eurostar routes”



- P.9:** “We will embed our Code of Conduct with a greater understanding of our culture”
- P.9:** “We will increase transparency, communication and accountability”
- P.16:** “We are committed as a firm to embedding inclusion and diversity into everything we do”
- P.22:** “Integrity, independence and a strong sense of duty to serve the public interest have always been our core beliefs”

UNGC Ten Principles

Human rights

Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2 Make sure that they are not complicit in human rights abuses.

Labour

Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4 The elimination of all forms of forced and compulsory labour.

Principle 5 The effective abolition of child labour.

Principle 6 The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7 Businesses should support a precautionary approach to environmental challenges.

Principle 8 Undertake initiatives to promote greater environmental responsibility.

Principle 9 Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10 Businesses should work against all forms of corruption, including extortion and bribery.

Mapping

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 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

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy organisation, and is a limited liability partnership registered in England with registered number OC308299. A list of partners' names is available for inspection at the firm's registered office, 30 Old Bailey, London EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861.

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