

2020 Transparency Report

Deloitte Bedrijfsrevisoren/
Réviseurs d'Entreprises CVBA/SCRL

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Message from the Managing Partner

We¹ completed our incremental quality boost programme in May 2019, as I mentioned in last year's Transparency report. Over the past year, we have focused on rationalising our efforts and investments in quality by embedding in our culture our aim to continuously improve our skills in risk and internal controls understanding. 2019 was the year we accelerated the rollout of digital and automated auditing tools and approaches, especially in the area of internal controls assessments.

Early 2020, we prepared to launch the enabling technology and started to train our teams to allow a more extensive remote work approach. This enabled a fast switch to a 100 percent remote work practice in anticipation of the lockdown mid-March in response to COVID-19 spreading across Europe. Accelerating digitalisation in the ways we deliver our audits and interact with clients helped ensure a smooth transition to remote audits without any compromise in quality. Without doubt, the COVID-19 impact marked the end of our fiscal year 2020 (ended 31 May). Significant time was spent by our teams over the past months on understanding the deemed impact of the measures to slow down the spread of the virus on the businesses and entities we audit.

Undisputed audit quality leadership, more than ever, is at the core of our ambitions. Our people aspire to embed a continuous drive for quality as part of our teams' DNA. Strengthening our risk and business understanding every year enables us to focus on the substance, over and above just the form, of compliance. This is instrumental in responding to the evolving regulatory environment, as well as the increasing business and audit risks. Audit is, of course, only one part of the financial reporting ecosystem. Building the level of trust with stakeholders in that ecosystem also entails ensuring that companies sustain strong controls, high quality people and systems, effective governance, and high quality internal audit frameworks. We continue to carefully review our portfolio of audit mandates to ensure our cost to audit, as it increases, is fairly covered by the right fee structure to allow us to sufficiently invest in quality, risk management and our highly talented people. Where management and those charged with governance do not engage constructively with these challenges, or do not seek to address deficiencies we bring forward, we will keep questioning whether we can continue to serve as the entity's auditor.

Audit firm rotation has started to initiate significant movement in the audit mandates, as we will continue to see over the next 4 to 5 years. Considering the market position we have built over time, and given our teams' expertise and experience in public interest entities and capital market environments, we are able to take on audit mandates of any size, across all industries. Of course we will consider the fit for quality as we laid out above in onboarding new mandates. Furthermore, we continue to develop our assurance services based on the profound skills built by our teams in auditing a large scale of companies in different industries, as well as the way we deploy our multidisciplinary model to bring in the right expertise in delivering audits.

Looking forward, I trust that we will continue on the same path of undisputed quality leadership. I hope by this time next year we will have left these unusual times of dealing with pandemic risks behind us, and have moved to a next (new) normalised environment. No doubt, we will bear with us the strengths and benefits of how we accelerated the digitalisation in auditing and stakeholder interaction, and how they contribute to higher audit quality and thus public trust.

Joël Brehmen
Managing Partner
Audit & Assurance
Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL



1. Throughout this report, the terms "Deloitte, we, us, and our" refer to one or more Deloitte Touche Tohmatsu Limited member firms, its network of member firms, and their related entities. For more information about the Deloitte network, please refer to the related section of this report or to <https://www2.deloitte.com/be/en/pages/about-deloitte/articles/about-deloitte.html>.

Deloitte Network

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL: legal structure and ownership

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL, a co-operative company with limited liability, is connected to the Deloitte network through Deloitte North and South Europe LLP, a member firm of Deloitte Touche Tohmatsu Limited. Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL can be referred to throughout this report as “Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises” or the “Audit Firm”, and Deloitte North and South Europe LLP can be referred to throughout this report as “Deloitte NSE”. Deloitte NSE holds practice rights to provide professional services using the “Deloitte” name which it extends to Deloitte entities within its territory (comprised of Belgium, the Netherlands, the United Kingdom, Ireland, Switzerland, Denmark, Norway, Finland, Sweden, Iceland, Italy, Greece and Malta), including the Audit Firm. As from 1 June 2020, Deloitte NSE firms combined with Deloitte Middle East – covering

Cyprus, Libya, Egypt, Saudi Arabia, Yemen, Oman, United Arab Emirates, Qatar, Bahrain, Kuwait, Iraq, Jordan, Lebanon and Palestinian ruled territories. The Audit Firm is authorized to serve as an auditor for clients in Belgium.

The majority of the shares and voting rights of Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises are held by individuals who are members of the Institute of Auditors (“Instituut van de Bedrijfsrevisoren” / “Institut des Réviseurs d'Entreprises”), and the remaining shares and voting rights are held by individuals and by Deloitte Belgium CVBA. The unavailable equity of the audit firm is 18,625 EUR and its available equity is 2,669,112.50 EUR.

All information provided in this report relates to the situation of Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises on 31 May 2020, except if indicated otherwise.

Network description

The Deloitte network

The Deloitte network is a globally connected network of member firms and their affiliates operating in more than 150 countries and territories across the world. These separate and independent member firms operate under a common brand.



Deloitte Touche Tohmatsu Limited (“DTTL” or “Deloitte Global”)

DTTL is a UK private company limited by guarantee incorporated in England and Wales. DTTL serves a coordinating role for its member firms and their affiliates by requiring adherence to policies and protocols with the objective of promoting a consistently high level of quality, professional conduct and service across the Deloitte network. DTTL does not provide professional services to clients, or direct, manage, control or own any interest in any member firm or any member firm's affiliated entities.

“Deloitte” is the brand under which approximately 312,000 dedicated professionals in independent firms throughout the world collaborate to provide audit & assurance, consulting, financial advisory, risk advisory,

tax and related services to select clients. These firms are members of DTTL. DTTL, these member firms and each of their respective related entities form the "Deloitte organization". Each DTTL member firm and/or its related entities provides services in particular geographic areas and is subject to the laws and professional regulations of the particular country or countries in which it operates. Each DTTL member firm is structured in accordance with national laws, regulations, customary practice, and other factors, and may secure the provision of professional services in its respective territories through related entities. Not every DTTL member firm or its related entities provides all services, and certain services may not be available to attest clients under the rules and regulations of public accounting. DTTL, and each DTTL member firm and each of its related entities, are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm, and their respective related entities, are liable only for their own acts and omissions, and not those of each other. The Deloitte organization is a global network of independent firms and not a partnership or a single firm. DTTL does not provide services to clients.

The Audit Firm² : governance – leadership in action

The Audit Firm operates as a co-operative company with limited liability, established under Belgian law, with registered office situated at Gateway building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, and registration number 0429.053.863.

The Board of Directors of the Audit Firm retains competence for establishing the annual accounts of the Audit Firm and certain Directors-Special Proxyholders are entrusted with the overall management of the Audit Firm, including the governance and oversight of the audit practice. The Directors-Special Proxyholders are assisted by specialized teams, like for example Audit & Quality Risk Office that advises on specific matters and/or implement policies including periodical updates on technical matters such as accounting standards and auditing standards. Other examples are the Practice Protection Group, which assists with client and engagement acceptance and continuance matters, among others, and the Learning Group in charge of all learning programs within the Audit Firm.

The Board of Directors appointed by the General Meeting of the shareholders is composed of at least a majority of members of the Institute of Auditors. The Directors-Special Proxyholders are appointed by the Board of Directors of the Audit Firm.

The management bodies and the General Meeting of the shareholders exercise their responsibilities within the Audit Firm as defined and attributed according to the Articles of Association of the Audit Firm.

The Chairman of the Board of Directors is Michel Denayer.

The following are the Directors-Special Proxyholders of Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises:

Joël Brehmen, also Managing Director
Rik Neckebroeck, also Managing Director
Kathleen De Brabander, also Managing Director
Yves Dehogne, also Managing Director
Kurt Dehoorne, also Managing Director, as from 1 March 2020
Piet Vandendriessche

The Audit Firm's Directors-Special Proxyholders develop and implement the strategy for the Audit & Assurance practice, including related policies and procedures. In all of their activities, the engagement partners of the Audit Firm are responsible for the overarching objective of audit quality, including compliance with applicable professional standards and regulatory requirements. The Audit Firm strategy is developed in alignment with the overall strategic direction established for the Deloitte network.

The Directors-Special Proxyholders and the engagement partners of the Audit Firm participate in Deloitte network groups that set and monitor quality standards, and from which a number of audit quality initiatives emanate.

2. This report sets out the practices and processes that are currently employed by Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises, in accordance with the requirements of the European Union's Regulation 537/2014 (EU Audit Regulation) on specific requirements regarding statutory audit of public-interest entities and in compliance with article 23 of the law of 7 December 2016 organizing the profession and the public oversight of statutory auditors.

Our purpose and commitment: instilling trust and confidence

At the Audit Firm, our purpose is to make an impact that matters.

For Audit & Assurance, this means a focus on delivering independent high quality audits and instilling confidence and trust in the capital markets through the services we deliver.

This requires us to continuously build capabilities to support the delivery of high quality audits and make leading contributions to shaping the future of the audit profession.



What Deloitte Audit & Assurance brings to capital markets

Audit & Assurance Transformation

Being a relevant profession of the future and a sustainable practice that evolves with the pace of change in technology and society is critical. Driving this goal is the Deloitte Audit & Assurance Transformation initiative, which is currently being developed and deployed across the Deloitte network, including our Audit Firm.

Audit & Assurance Transformation is an important shift across the network in the way Deloitte professionals work and includes:

The Deloitte Way:
standardization of audit
processes supported by
our global technology
suite

**Real-time audit quality
monitoring**

**Enhanced talent model
which includes learning,
rewards and recognition,
centers of excellence, and
delivery centers**

**Agile deployment of
tools and technologies
to respond to changing
environments**

Deloitte Global leadership

The Deloitte Global Audit & Assurance Leadership Team is led by Jean-Marc Mickeler, Deloitte Global Audit & Assurance Business Leader. Deloitte Global Audit & Assurance responsibilities include:

- Developing and driving Deloitte Global Audit & Assurance strategy;
- Setting audit methodology standards and approving audit policy and methodology changes with the objective of enhancing audit quality across the Deloitte network;
- Driving key audit quality initiatives and policies across the Deloitte network.

Audit engagement acceptance and continuance

As a part of Transformation efforts, global initiatives are underway to foster a standard approach to audit engagement acceptance across the Deloitte network, resulting in consistent decisions and consideration of risks.

The Audit Firm has detailed policies and procedures in place for accepting prospective clients and engagements and assessing engagement risk. These policies and procedures are designed with the objective that the Audit Firm only accepts engagements where it:

- Is able to perform the engagement and has the capabilities, including time and resources, to do so;
- Can comply with all relevant ethical requirements and professional standards, including independence and conflicts of interest assessments and considerations;
- Considered the integrity of the potential client's management team.

Audit innovation³

With The Deloitte Way, Deloitte is bringing innovation into the core of how we audit: with automation that improves routine tasks, analytics that yield a deeper and more insightful view into the data, and artificial intelligence that enhances human discovery and problem-solving. As a result, clients get an experience that is less burdensome, with more transparency and deeper insight. Innovation is an expectation in today's fast-changing business environment, and this expectation holds true for the audit profession as well. Today's complex business environment requires that the audit be dynamic, multidimensional, and insightful. There is a demand for real-time, relevant information, and clients expect audits to evolve as they innovate their businesses and processes. While traditional procedures still have a place in auditing, the auditors of Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises are enhancing procedures by making more use of technology-based analytics, cognitive & cloud-based technologies, etc. This is due in part to the increased automation and effectiveness that tools like data analytics may provide, but also to the need for the Audit Firm to stay in front of technological advances used by the entities that we audit.

Innovation is an integral part of the entire audit delivery process.

Deloitte is committed to the continued investment in emerging technologies and diversity of thought that enables the delivery of enhanced quality, insights, and value to our clients and the markets. This includes Illumia, our global analytics platform, as well as an integrated suite of enabling innovation tools all connected in the cloud. We are also developing our next-generation cloud-based audit delivery platform, Omnia.

Existing global enabling tools include:

- Deloitte Connect – Online communication, information sharing, and progress tracking
- Icount – Mobile-enabled inventory counts (release H2 FY20)
- Reveal – Sophisticated regression analysis
- Signal – Comprehensive risk analytics
- Audit Online – Interface with delivery centers and support of guided risk assessments
- Iconfirm – Automated management of the audit confirmation process

Coronavirus disease 2019 (COVID-19)

Deloitte's highest priority is the safety and well-being of its professionals. As the impact of COVID-19 unfolds, investors and stakeholders are looking to auditors to provide an independent opinion on companies' financial statements more than ever. Deloitte remains committed to this critical role and delivering the highest quality audits.

The Audit Firm and its professionals are affected by restrictions on travel and requirements to stay at home. The Audit Firm has therefore put in place new ways of working remotely and obtaining information required to conduct the audit.

In addition, company's management is faced with significant uncertainty in making judgments to project future operating results and cash flows, going concern, and developing valuation analysis, etc. The financial reporting process likely requires careful analysis and further considerations of impact from management and auditors given the current environment.

All stakeholders of the financial reporting ecosystem must exercise significant judgment in this unprecedented and uncertain environment: governments, when projecting the length of closures; bankers, when deciding if a loan can be repaid in full; management, when evaluating if a company can continue operating as a going concern and audit committees providing oversight of management; auditors, when assessing these judgments; and investors, when analyzing the

available financial information in light of these unprecedented uncertainties.

Although the existing accounting frameworks have provisions for uncertainties, it is important for financial statement users and regulators to expect a higher degree of market and economic volatility in the near future.

Deloitte welcomes the public statements and guidance issued by regulators that recognize the current uncertainties and emphasize the importance of high-quality, forward-looking corporate disclosures. Importantly, some regulators have conveyed that good faith attempts to provide investors and other market participants with appropriately framed forward-looking information will not be second-guessed. Deloitte seeks to raise awareness about the areas that pose challenges and require more scrutiny, context-specific judgment, and increased skepticism and documentation. There is benefit to the public for greater transparency from various financial reporting ecosystem stakeholders raising awareness about these issues. This includes providing more clarity on the responsibilities of management, audit committees, companies, auditors, regulators, and other stakeholders. Deloitte's global technology and infrastructure has allowed for an agile and rapid response to the various impacts of COVID-19. We have prepared for various contingencies in order to support changing client needs and to keep Deloitte professionals informed while working remotely. Deloitte's business continuity plans have been updated and we have affirmed that Audit & Assurance products and solutions have the necessary bandwidth to ensure continuity. We have launched the Deloitte Global Audit & Assurance Technical Delivery Resource Center—a central location for globally relevant and locally adaptable Audit & Assurance COVID-19 related resources. In addition, COVID-19 industry disclosures have been added to the Disclosure Analytics tool to provide example disclosures across several areas, including risk factors, subsequent events, and management's discussion and analysis.

Multidisciplinary model (MDM)

MDM is an important contributor to high-quality audits. Auditors increasingly use the work of specialists in a number of areas, including to assist in their evaluation of accounting estimates and fair value measurements when auditing companies' financial statements that are increasingly complex as a result of COVID-19. Further, as big data utilization becomes more pervasive in line with other digital advances, the demand for data analysts and IT specialists will grow accordingly.

Among the benefits of the MDM for audit:

- It is possible to develop industry insights through multiple lenses, which enhances auditors' understanding of business risks relevant to conducting audits.
- The audit practice has immediate access to specialized resources and expertise in other business lines. It promotes audit quality because auditors can tap the expertise of advisory professionals who are skilled in subjects that may not be native to auditors.
- A diverse organization helps attract and retain premier talent.
- Intellectual capital is available within the network to innovate audit processes, technologies, etc.
- Different parts of our business grow at different rates during different time periods in different markets. Our MDM provides a hedge against market volatility that is important to long-term viability of the network and makes significant investments in audit quality and innovation possible, even in times of financial pressures on the audit business.

Deloitte's response to COVID-19 demonstrates both resiliency in putting audit quality and the public interest first which is further supported by the significant benefits of the MDM. Negative quality events have the potential to impact the Deloitte brand as a whole significantly. As such, each non-audit Deloitte business has a shared and vested interest in supporting audit quality initiatives.

The organizational capabilities we build

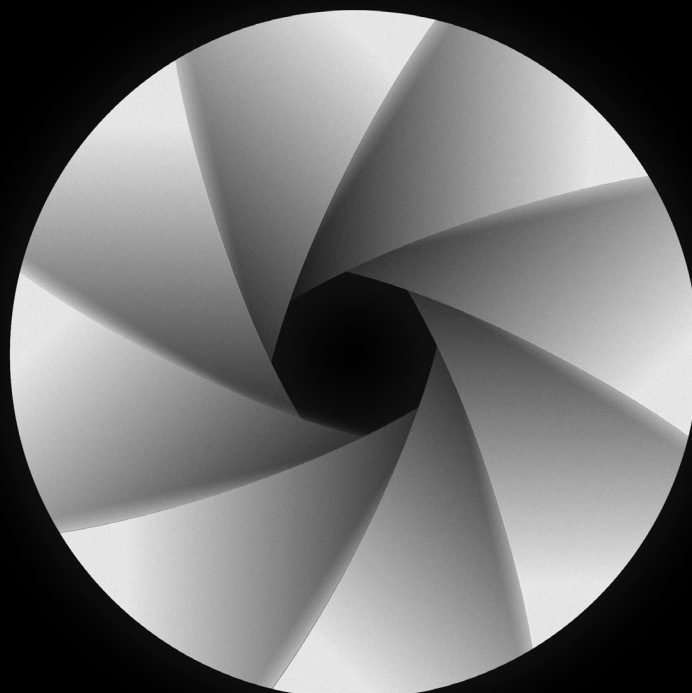
Deloitte culture and the design of our learning programs place our people at the forefront. Deloitte professionals are technically proficient with high levels of ethics, integrity, professional skepticism, and objectivity, and are continuously enhancing their skillset and experience.

Deloitte is committed to delivering an unrivalled talent experience, to developing our professionals, and furthering their careers by creating a life-long learning environment. We are advancing audit education, skillsets, and flexible career options that appeal to future auditors.

Deloitte professionals bring diverse backgrounds, knowledge, and skillsets that enhance our capability as an organization in delivering the highest quality audits.

In addition, operational discipline, effective management of our business, and the development of a singular approach to doing audits known as The Deloitte Way, provide the foundation for our commitment to bring consistency to our audits.

We are driving a sustainable audit and assurance business that recognizes and rewards its people and funds ongoing investment in our business.



Learning and development initiatives

Deloitte's transformed approach to audit delivery is changing the audit experience for our professionals. Audit teams are empowered by more advanced tools and technologies and more extensive use of data analytics, within a guided workflow to execute the end-to-end audit cycle. For our professionals, this means focusing on how the engagement is planned, executed, and managed consistently across the globe using forward looking techniques and capabilities. It also offers opportunities to enhance their technical and professional skillsets and capabilities. For example, the following skills become more important: enhanced data analytics, project management, critical thinking, communication, enhanced professional judgment, and the application of accounting and auditing principles to work more effectively and deliver higher quality engagements. Not only do we deliver value in more areas, but as we enhance capabilities and skillsets, we build greater confidence and become ever-better evaluators of risk.

Deloitte has made substantial investments in talent and learning strategies and transformed the technical audit curriculum to build the refreshed skillsets and proficiency required by level.

At the core, we have a single, global mandatory audit technical learning curriculum for auditors, targeting learners by level, using a dynamic blend of live instructor-led, digital on-demand courses and on-the-job activities. Due to the Covid-19 pandemic, live instructor-led learnings are no longer primarily rolled-out in a classroom delivery model, but rather virtual. Over the last months, we delivered high quality virtual learnings to all levels and obtained very positive feedbacks.

The Audit Firm establishes minimum levels of continuing professional development to be undertaken by partners and other professionals within a specific period of time. These levels include a minimum of 20 hours of structured learning per year and 120 hours of structured learning in every three-year period (i.e., an average of 40 hours per year). To achieve these levels of development, the Audit Firm offers structured, formal learning

programs, such as internal or external courses, seminars, or elearning covering all areas of the competency model (e.g., shared competencies, function-specific technical competencies, and competencies in areas of specialization).

All client service professionals have clearly defined role expectations and our global Talent Standards outline the capabilities that are required of practitioners at each level.

Deloitte has also established specific learning opportunities for specialists working on audit engagements to support their knowledge and understanding of the audit process. Advanced project management, a key capability for executing audit engagements, has been included in annual development programs which provide a blend of technical and soft skill learning development. The objective of the Audit Firm professional development program is to help partners and practitioners maintain and enhance their professional competence and ensure consistency of audit execution. To supplement on-the-job development, the Audit Firm provides formal continuing professional development programs in relevant subject areas consistent with the Deloitte Global Audit & Assurance Curriculum.

The learning plan offers a variety of topics, including technical matters (GAAP, GAAS, professional rules, taxation, company law, labour law, IT systems, internal controls), management and interpersonal skills, business economics and industry specific courses. The continuing education program is comprised of both Deloitte organized learning sessions as well as external learning, organized by the Institute of Auditors and the ICCI ("Informatiecentrum voor het bedrijfsrevisoraat - Centre d'information du révisoriat d'entreprises") among others. Next to this, a variety of e-learning sessions are available to deepen certain skills. Certain courses are mandatory and others are optional, such that each auditor or trainee auditor can personalize his or her learning programme to the specific needs.

During the first years with the Audit Firm, training is predominantly comprised of mandatory courses on technical topics, including Deloitte methodologies

and processes. For more experienced people, the optional part of the learning plan increases given that individual needs become more diverse. More experienced auditors must update and deepen their technical and industry knowledge. Developing management and interpersonal skills also gain importance for this group. According to their capacities, some individuals are also given the opportunity to follow long term courses, such as management courses organized by reputable schools.

In addition, auditors working on audits of SEC registrants or subsidiaries of SEC registrants (Securities and Exchange Commission) are required to be US accredited under firm policies. Specific trainings on the standards of the PCAOB (Public Company Accounting Oversight Board) need to be followed every year to be accredited.

Deloitte University

Deloitte actively cultivates the collective knowledge and skills of Deloitte professionals globally through continued investment in Deloitte Universities (DU). These are state-of-the-art learning and development centers focused on Deloitte culture, and rooted in the principles of connectedness and leadership in a highly inclusive learning environment⁴.

Deloitte. University

Partner remuneration

Execution of high quality audits is expected from all professionals and is embedded across the Deloitte network. Audit quality is recognized through reward and recognition programs and is built into performance standards at every level, against which professionals' overall evaluations are measured.

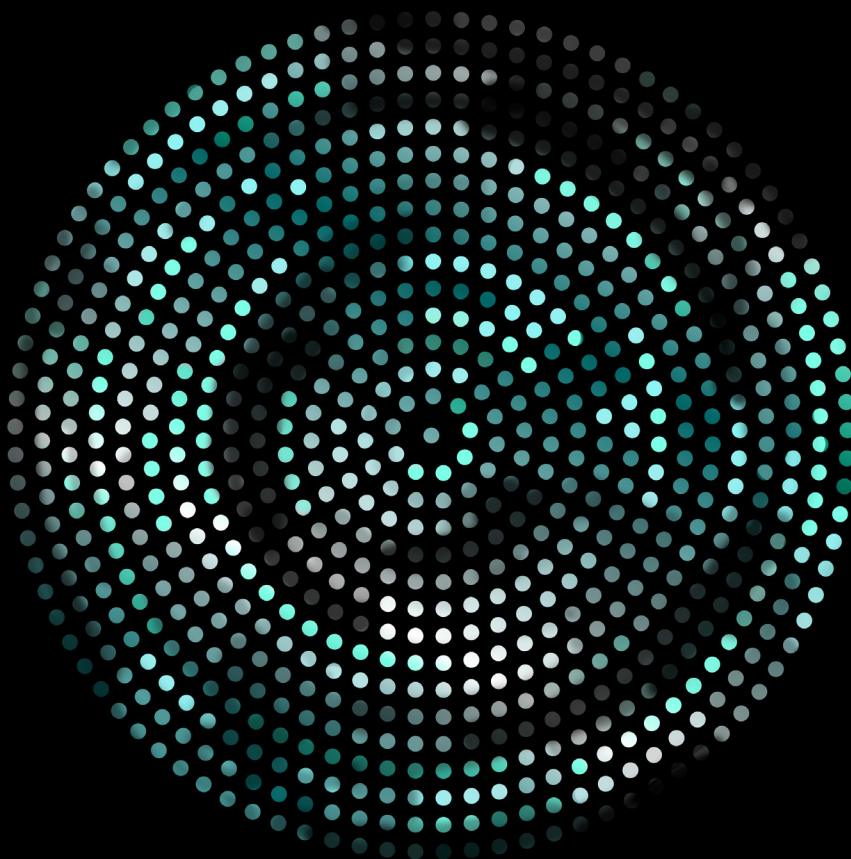
In accordance with global policies, the Audit Firm's partners are evaluated on a yearly basis, and depending on the outcome of the evaluation, the remuneration of partners may increase or decrease. Specifically, partner evaluations take the following factors into account: quality, expertise, integrity, professionalism, entrepreneurship, independence and compliance.

⁴; For more information about Deloitte Universities, please refer to www2.deloitte.com/content/campaigns/global/global-report/index.html.

The high quality audits we deliver

The experience of a high-quality audit, delivered well, will provide the audit committees, investors, and other stakeholders of the companies with (but not limited to):

- An audit report that is appropriate to the circumstances;
- Innovation in how we do the audit;
- More insights about their company than they had at the outset of the process.



External and internal audit quality monitoring

Audit Quality Monitoring & Measurement

A continued focus on audit quality is of key importance to the Deloitte brand. It is critical that a Deloitte audit is consistently executed and of high quality, wherever in the world it is performed.

The objectives of the Deloitte Global Audit Quality Monitoring & Measurement ("AQMM") program are to:

- Transform the way audit quality is monitored and measured and audit deficiencies are resolved; and
- Enhance the internal system of quality control which all Deloitte network firms follow.

The AQMM program is focused on driving:

- Continuous, consistent, and robust monitoring of completed and in-flight engagements;
- Fundamental understanding of deficiencies and timely execution of corrective actions by all member firms consistently;
- Greater transparency and consistency in reporting key measures of audit quality.

The Audit Firm maintains policies and procedures to promote an internal culture based on the recognition that quality is the number one priority. The Audit Firm focuses on professional excellence as the foundation for achieving audit quality on a consistent basis.

The system of quality control of the Audit Firm is comprehensive and has the overall objective of providing reasonable assurance that our professionals and personnel comply with applicable professional standards and member firm's standards of quality, and that the reports issued by the member firm are appropriate in the circumstances.

Our quality control policies and procedures encompass the following 6 elements:

- Leadership responsibilities for quality within the member firm ("tone at the top");
- Relevant ethical requirements, including independence;
- Acceptance and continuance of clients relationships and specific engagements;
- Human resources (talent);
- Engagement performance;
- Monitoring.

Our system of quality control has been designed and tailored to operate effectively within the structure, size, and complexity of our firm. The foundation of our system of quality control are the issued policies, procedures, manuals, and guidance for partners and other professionals and employees of the firm to ensure that our practice is conducted in accordance with professional and regulatory standards and rules and legal requirements. This foundation is supported by an organizational structure at national management level that provides leadership, supervision, and monitoring over the services we perform and various other aspects of our system of quality control.

In addition, the member firm's multiple functions (i.e. audit, advisory, tax, consulting... see the multidisciplinary model), have an effect on the organizational structure as well. In addition to the member firm board of directors, policies, procedures, processes and systems for the independence element of the system of quality control exist across all functions in recognition that services performed by another function or actions by employees of another function can affect the determination of independence of our audit services. As a result, our policies and procedures, including applicable systems, associated with maintaining auditor independence, are significant and extensive.

The Audit Firm is actively preparing for the implementation of the International Standards on Quality Management (1 & 2), currently published as a draft, which will replace the International Standard on Quality Control 1. Those new standards will encompass the 6 elements of quality management listed above, but also new elements such as information and communication (including IT) and risk assessment.

Audit Quality Monitoring & Measurement





In-flight monitoring

Continuous audit quality monitoring by the Audit Firm drives a faster response to audit issues on “in-flight” engagements, driving identification, timely solutions, and real time corrective actions achieved by:

- Deployment and monitoring of a series of core Diagnostics, enabling engagement partners and teams, as well as the Audit Firm audit quality leaders, to continuously monitor audit quality and take immediate action;
- A program of subject matter specific “health checks” and “in-flight engagement reviews”, to assist the Audit Firm audit quality leaders in assessing progress and identifying potential issues on in-flight engagements.



Engagement reviews

Key components of engagement reviews (internal practice reviews) include:

- Risk-based engagement selection and consideration of all major industries served by the Audit Firm;
- Selection of both archived engagements (practice reviews) and ongoing engagements (inflight engagement reviews);
- Mandatory moderation panel to drive consistency in findings and engagement ratings;
- External partners and deputies who oversee practice reviews to increase global consistency;
- Identifying appropriate resources (from within the Audit Firm as well as from other Deloitte geographies) with the right experience and industry expertise, including establishing central review teams.



System of quality control (SQC)

SQC includes numerous elements, such as documenting key areas of the SQC processes and controls, and performing procedures for testing the operating effectiveness of the SQC, including execution of a comprehensive SQC review program.

Used in conjunction with other metrics, Audit Quality Indicators (AQIs) further assist the Audit Firm in developing and monitoring audit quality action plans and reporting on the progress in its audit quality journey. AQIs are integrated with ongoing AQMM activities.

In addition, proper timing and sequencing of audit activities, including timely reviews of work performed and the resolution of matters identified, are closely associated with high quality audits.

Audit Quality Milestones are intended to drive consistency of engagement teams in project management, timing of when work is done, and necessary focus on engagement staffing, including sufficiency and expertise of assigned resources.



Causal factor analysis and remediation

Focusing on continuous improvement is essential to driving improvements in audit quality. Understanding why audit deficiencies occur in a causal factor analysis is essential to the design of effective actions to remediate findings. Further, actions are taken when audit deficiencies in the performance of an audit engagement are identified. Engagement level remediation is imperative to drive continuous improvement in audit quality and avoid future similar findings. An Audit Quality Plan is prepared by the Audit Firm and provides for effective implementation and monitoring of key audit quality priorities.



External inspections

In addition to the Audit Firm own monitoring of audit quality, we are subject to external reviews by the Belgian Audit Oversight body (“*College van Toezicht op de Bedrijfsrevisoren*” / “*Collège de Supervision des Réviseurs d’entreprises*”, “CTR-CSR”). A first inspection by CTR-CSR was started-up in December 2017. Next to the review of the systems of quality control, with a focus on engagement quality control review (EQCR) and monitoring activities (including practice reviews), a number of public interest entities (PIE) and non-PIE engagements have also been reviewed. CTR-CSR issued its final inspection report in October 2018 on which we provided our feedback and action report mid-February 2019.

Statement on the effectiveness of the functioning of the internal quality control system

We confirm that we are satisfied that our internal quality controls and systems are robust, operate effectively, and allow us to readily identify any areas of potential enhancement. We continually seek to refine all aspects of our business and we use the findings of the practice review, other internal reviews and external regulatory reviews to enhance our system of quality control.

Independence, ethics, and additional disclosures

Deloitte Global Independence



Sets **independence policies and procedures** based upon the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and the independence standards of the US Securities and Exchange Commission and the Public Company Accounting Oversight Board.

Performs full reviews of independence quality controls on a three-year cycle; provides an annual focused review program to be performed by member firms as part of their Audit Practice Review for the off-cycle years; and performs in-depth follow-up reviews as needed.



Performs **on-going monitoring** activities of firms—enabling continuous enhancements to global policies, quality controls, tools, and practice support activities.



Delivers **global systems** to provide professionals with entity information to support compliance with personal and professional independence requirements, including financial interests and scope of service approvals.



Supports **independence awareness** across the Deloitte network through active engagement with independence and business leadership groups, periodic communications and alerts, and development of guidance, learning and instructions.

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises - Independence

The Audit Firm has policies and procedures designed to address compliance with applicable professional standards that relate to independence. These policies and procedures are based on the Deloitte Global Independence policy, and are supplemented, as appropriate, to reflect additional national or regional requirements that may be more restrictive than Deloitte Global policies. The Audit Firm leadership reinforces the importance of compliance with independence and related quality control standards, thereby setting the appropriate tone at the top and instilling its importance into the professional values and culture of the Audit Firm. Strategies and procedures to communicate the importance of independence to partners, other professionals and support staff have been adopted, emphasizing each individual's responsibility to understand and meet the independence requirements. The Director of Independence is responsible for overseeing independence matters within the member firm, including the design, implementation, operation, monitoring and maintenance of the system of quality control related to independence.

The key elements of the system of quality control that the Audit Firm implemented in accordance with global independence policies include the following:

- Engagement acceptance and monitoring;
- Monitoring long association of partners and professionals with audited entities;
- Business relationship assessments and monitoring;
- Use of independence business process tools, including the Deloitte Entity Search and Compliance (DESC) system, and the Global Independence Monitoring System (GIMS);
- An Inspection & Testing program, annual and special purpose independence confirmations, and consultation procedures to monitor individuals' compliance with independence requirements;
- Procedures to identify and analyze non-compliance with independence requirements and apply related disciplinary measures and actions;
- Procedures to report identified breaches of an independence requirements applicable to a particular audit engagement to those charged with governance;
- Independence-related learning and communications;
- As part of the testing of the System of quality control (see above), an internal review of independence compliance was conducted in July 2018 by independence specialists from Deloitte Global, and an update review is performed each year.

DESC**Deloitte Entity Search and Compliance**

Global, searchable database containing specific entity information relevant in determining personal and professional independence restrictions.

GIMS**Global Independence Monitoring System**

Application that contains financial relationship data with relevant independence compliance indicators.

Long association requirements of audit partners and professionals

We have established practices for the assignment of audit partners to engagements, including consideration of partner rotation requirements. The Audit & Assurance Directors-Special Proxyholders are accountable for the assignment of engagement/signing partners to the engagements, whereas the audit risk leader keeps an overview of all partner rotation requirements. An annual workload analysis and monitoring of partners serving in clients and EQCR (engagement quality control review) roles is done by audit leadership, partially based upon input received from the annual portfolio reviews.

For PCAOB (US Public Company Accounting Oversight Board) audits, in accordance with our policies, partners or persons serving in an equivalent position should not serve for more than five years in the position of lead audit engagement partner or EQCR, or in another partner role for more than seven years.

For Belgian PIEs (including their significant Belgian or foreign subsidiaries), partners should not serve as the audit firm's permanent representative for more than six years, and key audit partners including EQCR should not be involved for more than seven years. In addition, the auditor has to establish an appropriate gradual rotation mechanism for the most senior personnel involved in the statutory audit, including at least the persons who are registered as "bedrijfsrevisor" / "réviseur d'entreprises" (certified auditor registered in Belgium). We have established rotation policies as well as threats and safeguards analysis for most senior personnel involved in audit engagements for PIEs. These procedures encompass both the Belgian legal requirements and the requirements of the international Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the "IESBA Code"), a standard-setting body of the International Federation of Accountants (IFAC). It also includes cooling-off periods, generally for a period of three years, during which the individual may not serve the PIE audit client in any capacity. For all other engagements, there are no rotation requirements.

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises - Ethics

All Deloitte professionals are expected to act with integrity in accordance with high ethical standards as described in the Deloitte Global Principles of Business Conduct ("Global Code"). The Global Code is embedded into each member firm's Code of Conduct, and defines the commitments that all Deloitte professionals make regarding ethical standards, as well as explaining each individual's responsibilities

to their clients, colleagues, and society. As member of Deloitte NSE, the Audit Firm complies with the member firm's Code of Conduct of Deloitte NSE.

In addition to the Global Code, other foundational elements of Deloitte's ethics program include global policies, a program of training and communications, and established reporting channels supported by defined incident management protocols. For continuous improvement, regular program assessments and reviews are conducted and feedback is collected from our professionals through an annual ethics survey.

Ethics at Deloitte is led by the Deloitte Global Chief Ethics Officer at the global level, and by member firm Ethics Officers at the national level, who is an experienced senior director with direct access to the member firm's CEO and governing body. Deloitte Global and member firm ethics leaders work together to continually monitor risk and to reinforce compliance with the Global Code.

The Audit Firm maintains policies and procedures that build on the global policies and are designed to provide reasonable assurance that its professionals comply with relevant ethical requirements. The ethical requirements for audit and related assurance services provided by the Audit Firm are in accordance with the legal provisions applicable in Belgium (such as the law of 7 December 2016 organizing the profession and the public oversight of statutory auditors, the Code of companies and associations and the related implementing decrees) and the standards issued in Belgium. The Audit Firm also complies with Deloitte Global policies and procedures, which align with the requirements and guidance set out in the IESBA Code. When the national professional requirements are more restrictive than the Deloitte Global policies and procedures, the Audit Firm follows the applicable national requirements.

The Audit Firm reinforces its commitment to ethics and integrity through communication tools, learning programs, compliance processes, and measurement systems. In addition, the Audit Firm requires all partners, professionals and support staff to confirm annually that they have read and comprehended the Deloitte NSE Code of Conduct and understand that it is their responsibility to comply with it.

Deloitte Global Ethics

Deloitte is committed to conducting business with honesty, distinctive quality, and high standards of professional behavior.

Deloitte Global Principles of Business Conduct ("Global Code") outlines Deloitte's ethical commitments as a network and expectations for Deloitte's approximately 312,000 people, giving a strong, principled foundation. The foundation of the network's ethics program is comprised of the following elements:

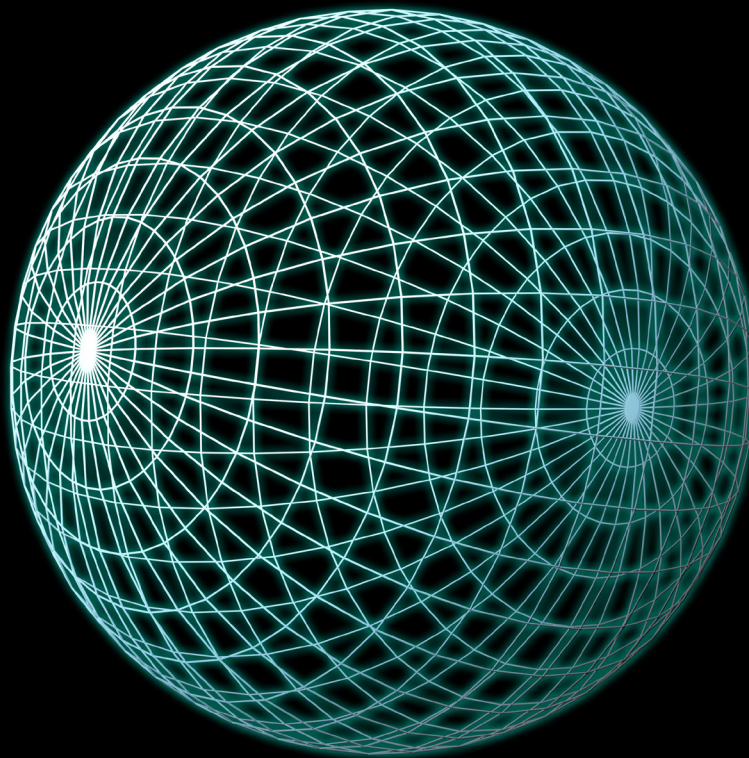
Elements of the Deloitte Ethics Program



Shaping the future of the audit profession

Management teams, audit committees, investors, regulators, and standard setters all play critical roles in shaping the environment in which audits are performed.

We strive to engage with these parties, both formally and informally, to share, offer and debate ideas with the objective of ensuring the relevance of audit and assurance to the capital markets.



Appendix A

EU EEA audit firms

Disclosure in accordance with Article 13.2 (b)(ii)-(iv) of the European Union's Regulation 537/2014 on specific requirements regarding statutory audit of public-interest entities ("EU Audit Regulation")

EU/EEA Member State (Article 13.2 (b)(iii) EU Audit Regulation: the countries in which each audit firm that is a member of the network is qualified as a statutory auditor or has its registered office, central administration or principal place of business)

Name of audit firms carrying out statutory audits in each Member State (Article 13.2 (b)(ii) EU Audit Regulation: the name of each audit firm that is a member of the network)

EU/EEA Member State	Name of audit firms carrying out statutory audits in each Member State
Austria	Deloitte Audit Wirtschaftsprüfungs GmbH
	Deloitte Burgenland Wirtschaftsprüfungs GmbH
	Deloitte Niederösterreich Wirtschaftsprüfungs GmbH
	Deloitte Oberösterreich Wirtschaftsprüfungs GmbH
	Deloitte Salzburg Wirtschaftsprüfungs GmbH
	Deloitte Tirol Wirtschaftsprüfungs GmbH
	Deloitte Wirtschaftsprüfung Styria GmbH
Belgium	Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Bulgaria	Deloitte Audit OOD
Croatia	Deloitte d.o.o. za usluge revizije
Cyprus	Deloitte Limited
Czech Republic	Deloitte Audit s.r.o.
Denmark	Deloitte Statsautoriseret Revisionspartnerselskab
Estonia	AS Deloitte Audit Eesti
Finland	Deloitte Oy
France	Deloitte & Associés
	Deloitte Marque & Gendrot
	Audalian Commissaire
	BEAS
	Cisane
	Constantin Associés
	Constantin Entreprises
	D.B. Consultant
	ECA Audit
	Jacques Serra et Associés
	Laurens Michel Audit
	Opus 3.14 Audit et Conseil
	Pierre-Henri Scacchi et Associés
	Revi Conseil
Germany	Deloitte GmbH Wirtschaftsprüfungsgesellschaft
	Deutsche Baurevision GmbH Wirtschaftsprüfungsgesellschaft
	SüdTreu Süddeutsche Treuhand GmbH Wirtschaftsprüfungsgesellschaft
Greece	Deloitte Certified Public Accountants S.A.

EU/EEA Member State	Name of audit firms carrying out statutory audits in each Member State
Hungary	Deloitte Könyvvizsgáló és Tanácsadó Kft.
Iceland	Deloitte ehf.
Ireland	Deloitte Ireland LLP
Italy	Deloitte & Touche S.p.A.
Latvia	Deloitte Audits Latvia SIA
Liechtenstein	Deloitte (Liechtenstein) AG
Lithuania	Deloitte Lietuva, UAB
Luxembourg	Deloitte Audit
Malta	Deloitte Audit Limited
Netherlands	Deloitte Accountants B.V.
Norway	Deloitte AS
Poland	Deloitte Audyt spółka z ograniczoną odpowiedzialnością spółka komandytowa Deloitte Audyt spółka z ograniczoną odpowiedzialnością
Portugal	Deloitte & Associados, SROC S.A.
Romania	Deloitte Audit SRL
Slovakia	Deloitte Audit s.r.o.
Slovenia	Deloitte Revizija d.o.o.
Spain	Deloitte, S.L.
Sweden	Deloitte AB
United Kingdom	Deloitte LLP Deloitte Limited Deloitte N.I. Limited

Disclosure in accordance with Article 13.2 (b)(iv) of the EU Audit Regulation

The total turnover achieved by the audit firms that are members of the network, resulting from the statutory audit of annual and consolidated financial statements: € 2.1 billion⁵.

5. Amount represents an estimate determined based upon best efforts to collect this data. Certain Deloitte audit firms registered to perform statutory audits in respective Member States provide statutory audit services as well as other audit, assurance and non-audit services. While Deloitte endeavored to collect specific statutory audit turnover for each EU/EEA Deloitte audit firm, in certain cases turnover from other services has been included. The turnover amounts included herein are as of 31 May 2020, except for a limited number of instances where a Deloitte audit firm has different financial year-end or has not finalized its reporting for such period. In these cases, turnover amounts are for the relevant financial year or preceding financial year. Where currency other than Euros is used in the Member State, the amount in Euros was translated using an average exchange rate in effect for the period 1 June 2019 to 31 May 2020.

Appendix B

Financial information

Disclosure in accordance with Article 13.2 (k)(i)-(iv) of the EU Audit Regulation

The breakdown of the Deloitte Bedrifsrevisoren/Réviseurs d'Entreprises's 2019-2020 turnover*:

Turnover	EUR
Revenues from the statutory audit (PIEs or PIE subsidiaries)	29,028,145
Revenues from the statutory audit (non-PIEs or non-PIE subsidiaries)	32,537,827
Revenues from permitted non-audit services to audited PIEs or PIE subsidiaries	8,437,785
Revenues from permitted non-audit services to other audited entities	7,234,732
Revenues from non-audit services to other entities	14,275,116
Total billing	91,513,606
WIP variances and others	1,291,483
Total turnover	92,805,089

* Update December 2020: Total turnover as approved by the General Meeting of shareholders of Deloitte Bedrifsrevisoren/Réviseurs d'Entreprises held on 16 November 2020.

Appendix C

Public interest entities

Disclosure in accordance with Article 13.2 (f) of the EU Audit Regulation

Public Interest Entities Audited for Statutory Purposes by Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises in the Financial Year 2019:

Name	FYE
Alliance Développement Capital SIIC	31-Dec-19
Argenta Assuranties / Assurances / Versicherungen	31-Dec-19
Argenta Spaarbank	31-Dec-19
Ascencio	30-Sept-19
Association Mutuelle Médicale d'Assurances (AMMA Assurances)	31-Dec-19
Bekaert	31-Dec-19
Belfius Assurances / Verzekeringen	31-Dec-19
Belfius Bank	31-Dec-19
Beobank	31-Dec-19
Biocartis Group	31-Dec-19
Bone Therapeutics	31-Dec-19
Campine	31-Dec-19
Cofinimmo	31-Dec-19
Compagnie d'Entreprises CFE	31-Dec-19
Compagnie du Bois Sauvage	31-Dec-19
Corona	31-Dec-19
Euroclear	31-Dec-19
Euroclear Bank	31-Dec-19
Euroclear Belgium (C.I.K.)	31-Dec-19
European Liability Insurance (ELINI)	31-Dec-19
European Mutual Association For Nuclear Insurance (EMANI)	31-Dec-19
Exmar	31-Dec-19
Fagron	31-Dec-19
FEDERALE Assurance, Association d'assurances mutuelles sur la vie / FEDERALE Verzekering, Vereniging van Onderlinge Levensverzekeringen	31-Dec-19
FEDERALE Assurance, Caisse Commune d'Assurance contre les Accidents du Travail / FEDERALE Verzekering, Gemeenschappelijke Kas voor Verzekering tegen Arbeidsongevallen	31-Dec-19
FEDERALE Assurance SC / FEDERALE Verzekering CV	31-Dec-19
Galapagos	31-Dec-19
Garantiefonds Reizen / Fonds de Garantie Voyages	31-Dec-19
Greenyard	31-Mar-20
Groupe Bruxelles Lambert (GBL)	31-Dec-19
Hospitaal Plus VMOB	31-Dec-19
Immo Moury	31-Mar-20
Immobel	31-Dec-19
Intervest Offices & Warehouses	31-Dec-19
Mercurius Funding NV	31-Dec-19

Name	FYE
MOB Verzekeringen CM-Vlaanderen	31-Dec-19
North Europe Life Belgium (NELB)	31-Dec-19
Nyrstar	31-Dec-19
Penates Funding NV	31-Dec-19
Private Insurer	31-Dec-19
Protect	31-Dec-19
Proximus	31-Dec-19
Recticel	31-Dec-19
Roularta Media Group	31-Dec-19
Shizuoka Bank (Europe)	31-Mar-20
Sioen Industries	31-Dec-19
Sipef	31-Dec-19
Sofina	31-Dec-19
Solvac	31-Dec-19
Solvay	31-Dec-19
Ter Beke	31-Dec-19
TEXAF	31-Dec-19
Vandemoortele	31-Dec-19
VDK Bank	31-Dec-19
VGP	31-Dec-19
Warehouses De Pauw	31-Dec-19



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Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte’s more than 312,000 professionals are committed to becoming the standard of excellence.

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