



Transparency report 2021

Grant Thornton Bedrijfsrevisoren

For the year ended 31 December 2021



Contents

Section	Page
Introduction	04
A message from our management	05
Legal structure & governance	06
Grant Thornton International	07
List of the network's statutory auditors in the EU / EEA	11
Quality control and management	12
Professional development as a priority	15
Independence and regulatory compliance	16
Independence practices	17
Our Audit methodology	18
Communicating our audit findings	19
Monitoring activities	20
Valuating external oversight of Assurance activities	21
Responding to reviews	22
Statement of the firm's internal quality control systems	23
Financial information	25
Public interest entities	25
Contact details	26



Introduction

We are pleased to share our Transparency Report for Grant Thornton Bedrijfsrevisoren (hereafter “Grant Thornton”). We welcome the opportunity to present the information contained in this Transparency Report for the year ended 31 December 2021.

Grant Thornton’s Assurance practice operates with one central principle: to deliver audits of the highest quality for the benefit of our clients and the wider business community.

Transparency and quality are cornerstones of Grant Thornton’s values and governance practices. This report is a public statement of our commitment to good corporate governance and ongoing, transparent communication with our stakeholders: our people, clients, audit committees, regulators and the wider public. We provide quality assurance services to organizations in Belgium and around the globe. This report is issued in compliance with article 23 of the Law of December 7, 2016 concerning the organisation of the profession and public oversight on chartered accountants and article 13 of the European Regulation EU 537/2014.

The company continues to firmly believe that sustainable business success depends on its people and corporate culture. Therefore, we are constantly investing in the professional growth of our executives, as well as adopting new technological

trends and continuing to implement ideas and initiatives with a significant impact on society.

Making the best use of our key competitive advantage, i.e. the experience we offer to our client, and our constant tendency to develop both - our company and our customers - we prioritize improvement of audit procedures, methodology and technology applied by our executives.

At Grant Thornton, we believe that our people constitute our most significant asset. Consequently, we invest in their growth, placing them at the heart of our global strategy.

Focused on the unique experience we offer to our customers and maintaining our commitment to sustaining their trust, we continue to act with transparency and integrity, regularly communicating with the relevant regulatory bodies, investors, businesses and all stakeholders, thus reinforcing our responsibility as far as rendering assurance services is concerned, and helping them to unlock their potential for growth.



Ria Verheyen

Head of Independence
& Quality Control

A handwritten signature in blue ink, appearing to read 'Ria Verheyen'.



Gunther Loits

Head of Audit & Assurance

A handwritten signature in blue ink, appearing to read 'Gunther Loits'.

Quality at the foundation of all we do

A message from our management

This year was entirely dedicated to a new strategy. At Grant Thornton we strongly believe in making business more personal and in building trust through the services we provide. Our people work closely together and place great importance on the value of strong relationships. At the heart of all this is our ongoing commitment to excellence. This commitment is the foundation of the role we take in caring for our people, our customers and the communities in which we live and work, helping them to grow and develop.

The past year was an extension of 2020 and - because of the Covid crisis - it was again a year full of challenges. Working from home remained the general rule for our people. Thanks to the technologies we use, and the audit methodology we employ, we managed to maintain, and even improve, the quality of our audit activities.

This quality was achieved not only because of the improved technologies and methodologies, but also because of our focus on continuous training and coaching and further professional development.

In addition, as part of our identity, we are increasingly becoming a diverse and inclusive organisation. And the efforts made to create an inclusive and welcoming workplace contribute to our commitment to excellence. I firmly believe that an inclusive corporate culture improves decision-making, stimulates creativity and innovation, and encourages us to live up to our values.

Sustainable business is also high on the agenda. If we want to create long-term value for our stakeholders - our clients, our people and our communities - we need to adapt our strategy, our way of working and our service offering to sustainability requirements. Grant Thornton will also do its share to achieve these goals and contribute to a better world for everyone.

Despite the uncertainty caused by the pandemic, we have emerged from the crisis stronger and more resilient. I am proud of the boundless commitment of our people. Despite the often difficult circumstances of the past Covid year, they did their

utmost to continuously improve audit quality and succeeded in continuing to conduct audits in accordance with the prevailing high professional standards. I am pleased to be able to share these efforts towards audit quality and transparency with you again this year and to highlight the important commitments that have helped make this year's achievements possible.

I am confident that our investments in people and in technology will allow us to continue to grow in a sustainable manner and to guarantee the quality of our services, and I look forward to the year ahead with confidence.

Ria Verheyen

Managing Partner, Grant Thornton Belgium



Legal structure & governance

Grant Thornton Bedrijfsrevisoren is a cooperative limited liability company. Together with Grant Thornton Accountancy, Tax & Legal it is part of the network of Grant Thornton in Belgium.

Legal structure and capital

The company is a cooperative limited liability company. Its enterprise number is BE 0439.814.826. The equity is represented by 750 A shares, 19 B shares, 10 C shares and 1 D share.

Governance

Grant Thornton Bedrijfsrevisoren is part of a national structure organized around the legal entity Grant Thornton Belgium.

The daily management is executed by a Management Committee consisting of 6 members.

The Board of Directors is the body that determines the strategy and the policy rules and that ensures that the necessary corporate governance structures are at hand. The Board of Directors also monitors ethical rules of conduct and promotes a culture of corporate and social responsibility.

Furthermore, the Board of Directors assesses the risks faced by the organisation in the course of its operations and ensures that the rules and applicable agreements are properly observed.

The Managing Partner bears the (final) responsibility for the quality control policy, for setting up and observing the quality control system.

As at 31 December 2021, the Board members of Grant Thornton Bedrijfsrevisoren CVBA were:

- Ria Verheyen
- Steven Pazen
- Gunther Loits
- Nicolas Dumonceau



Grant Thornton International

Grant Thornton International Ltd (GTIL) is a private company limited by guarantee, incorporated in England and Wales. It is a non-practising international umbrella entity that does not provide services to clients.

Grant Thornton member firms around the world deliver services to clients. References to 'Grant Thornton' in this report are to the brand under which the Grant Thornton member firms provide assurance, tax, advisory, outsourcing and other services to their clients, and/or refers to one or more member firms, as the context requires.

As of 1 January 2021, GTIL has more than 140 member firms. Each member firm is a separate legal entity. Membership in the global network does not make any firm responsible for the services or activities of other member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts and omissions. Member firms carry the Grant Thornton name, either exclusively or as part of their national practice names.

Governance

Board of Governors

The Board of Governors (the Board) is the principal and overriding authority in GTIL, and it exercises governance over GTIL. The Board comprises the following people: the chair of the Board; the chief executive officer (CEO) of GTIL; managing partners from the largest Grant Thornton member firms; managing partners elected or appointed from other Grant Thornton member firms that are not amongst the largest; and independent directors.

The Board aims for a balance of diversity and representation from different geographical areas, including emerging markets. The Board's responsibilities include the following:

- approve and provide input into the global strategic direction and policies
- oversee the implementation of the global strategy
- oversee membership matters (including approving new member firms, suspending the rights of a member firm, or expelling a member firm)
- appoint and set the remuneration of the chair of the Board
- appoint, evaluate performance and set the remuneration of the CEO
- approve the GTIL budget and member firm fees
- oversee the financial health of GTIL
- oversee global enterprise risk management
- oversee the technology and innovation strategy
- oversee general governance matters, such as the composition and performance of the Board.

Chair of the Board

The chair of the Board (the Chair) is a proactive role with a focus on ensuring that the Board functions as a coordinated group in support of the CEO to deliver on the global strategy. Judith Sprieser was appointed Chair as of 1 January 2020 for a term of three years, replacing Scott Barnes, who had served two terms of five years total. Judith is GTIL's first independent Chair. The role of the Chair is pivotal to creating the conditions necessary for a highly effective Board, focused on the strategic development of the Grant Thornton network.

The Board of Governors as of 30 June 2021

- Peter Bodin, Global CEO, GTIL
- Mauricio Brizuela, Mexico
- Vishesh Chandiok, India
- Robert Dambo, France
- David Dunckley, United Kingdom
- Martin Geh, Independent Member
- Emilio Imbriglio, Canada
- Anna Johnson, Sweden
- Kevin Ladner, Canada (observer)
- Michael McAteer, Ireland
- Ngozi Ogwo, Nigeria
- Brad Preber, U.S.A.
- Victor Sekese, South Africa
- Judith Sprieser, Chairman & Independent Member
- Li Huigi, China
- Shigeyoshi Yamada, Japan

Independent Board members

Independent Board members bring a valuable external business perspective to the deliberations of the Board, add to the network's profile and increase Board transparency.

Independent Board members support the network's recognition of its public interest responsibilities and its attitude towards quality, risk management and governance, as well as the network's effectiveness in executing its strategic goals and market positioning. GTIL has processes in place to ensure that the appointment of independent Board members and their ongoing services are compliant with relevant independence rules.

GTIL currently has two independent Board members: with a maximum of three independent allowable by our governing documents.

Standing committees

There are seven standing committees with authority and powers for certain matters as delegated to them by the board.

- **Governance committee (GC):** ensures efficient and effective operation and oversight of GTIL's leadership structures and performance
- **Strategy committee (SC):** advises on the development, alignment and execution of the global strategy
- **Budget and audit committee (BAC):** oversees the GTIL budget and audit processes to ensure the successful execution of the global strategy and adherence to the fiduciary responsibilities of GTIL
- **Member firm matters committee (MFMC):** considers and determines resolution of recommendations made by the global leadership team relating to member firm matters including member firm terminations, complaint handling and proposed changes to the rules and agreements that materially affect member firms
- **Enterprise risk management committee (ERMC):** has oversight responsibility for ensuring an appropriate enterprise risk management framework is maintained for GTIL and its member firms

- **Technology and Innovation Committee (TIC):** governs and oversees Grant Thornton's global technology and innovation strategy and ensures that global technology and innovation projects are aligned with Grant Thornton's commercial objectives
- **CEO compensation committee (CEOCC):** executes the Board's responsibilities relating to the annual performance evaluation and related compensation of the CEO, the adoption of policies that govern the CEO's compensation and performance, and the oversight of plans for CEO development

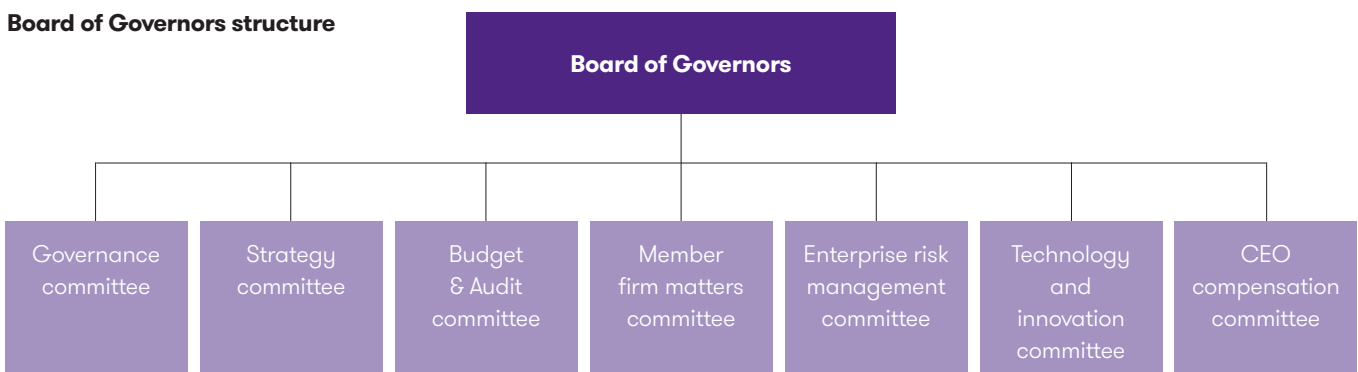
The use of standing committees allows a more efficient and effective discharge of the Board's responsibilities and involves others in the activities of the Board. Each standing committee is chaired by a Board member and its membership includes, but is not limited to, Board members.

Chief Executive Officer (CEO)

The CEO is appointed by the Board for an initial term of up to five years renewable once for a further period of up to three years. In 2017, the Board appointed Peter Bodin, formerly the CEO of the Swedish member firm, to be the GTIL CEO for a term of five years, as of 1 January 2018.

The CEO is responsible for the leadership of GTIL. The role of the CEO includes the development and recommendation of global strategic priorities for ratification by the Board, together with overseeing execution of these priorities. The CEO has responsibility for appointing the global leadership team (GLT), subject to the concurrence of the Board. The GLT assists the CEO in the execution of the global strategy. The CEO works closely with the GLT in maintaining global policies and procedures, including those governing international work for the assurance, tax and advisory service lines.

Board of Governors structure



Management

Global Leadership Team (GLT)

The GLT develops and drives the execution of the global strategy and is chaired by the CEO. It is a full-time management group dedicated to leading the network in the successful execution of the strategy. Between them, GLT members have global development, service lines, functional and regional responsibilities. The diagram below depicts these responsibilities as at 1 January 2021.

A critical role of the GLT is to work with member firms in driving the execution of the global strategy. Our ambition is to be known throughout the world as the leading adviser to dynamic organisations by 'unlocking the potential for growth' in our people, clients and communities and to become the next generation professional services network.

It sets out how Grant Thornton will achieve its vision and identifies the actions Grant Thornton will take.

The implementation of the strategy builds on strategic frameworks, prioritised investments and growth strategies that are appropriate for our chosen markets.



Our global strategy for 2025 is focused on Go Beyond with:



Strategic capabilities

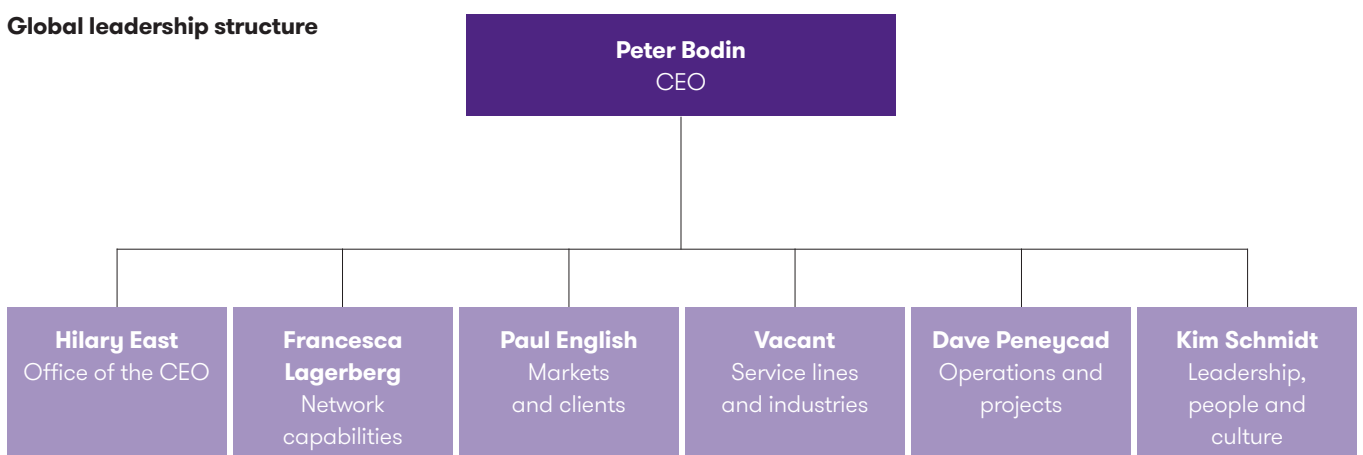


Risk management and quality



Culture

Global leadership structure



Global assurance steering committees

The Grant Thornton Assurance Strategy Group (ASG), meets approximately every six weeks. As its name implies, the ASG helps to set and execute the global assurance strategy, but it also monitors the ever-changing audit landscape to help guide the network's assurance practices on topics such as data analytics, robotic process automation, and audit reform efforts around the world. Membership includes the heads of audit from member firms in Australia, Canada, France, India, Japan, the UK and the US.

In addition to the ASG's broad mandate, Grant Thornton's separate Global Assurance Quality Steering Committee (GAQSC) dives deeply into matters that may influence audit quality. The GAQSC is currently chaired by the national managing partner for audit risk management of Grant Thornton LLP in Canada. Membership includes countries such as: Australia, Brazil, Canada, Philippines, China, France, India, Japan, UK and Greece, and key projects include:

Implementation of the International Standard of Quality Management (ISQM 1)

In response to the exposure draft of ISQM 1, GTIL developed an initial ISQM 1 strategy to prepare the network and member firms for the new standard. The committee's current priorities include developing ISQM 1 guidance and a compliance tracking plan.

Root Cause Analysis

The group has produced a toolkit which explains the requirement for member firms to perform root cause analysis and provides a template for member firms to carry out this process. Detailed resources and templates have also been made available.

Whistleblowing

To meet the new requirements of ISQM 1, the GAQSC has provided global guidance and benchmarks related to whistleblowing programmes.

Audit Quality Recognition (AQR) Framework

The GAQSC has also issued guidance to member firms on a framework for linking the compensation of audit partners to quality and ethics. The guidance encourages recognition of good quality through the monitoring of positive quality indicators, and the improvement of quality through the monitoring of certain negative quality indicators. The AQR framework, built on the following principles, is designed to ensure reward is materially linked to the quality of work.



Fair and consistent for all audit partners



Simple to understand and administer



Recognises excellent quality where present



Incentivises positive change where necessary



Observable by others through documentation

List of the network's statutory auditors in the EU / EEA

This list shows the network's members based in the EU / EEA as at 30.09.2021.

Country	Legal entity	Country	Legal entity
Austria	Grant Thornton Austria GmbH	Iceland	Grant Thornton endurskoðun ehf
Austria	Grant Thornton VERAX Wirtschaftsprüfungs - und Steuerberatungs Gesellschaft mbH	Ireland	Grant Thornton
Belgium	Grant Thornton Bedrijfsrevisoren CV	Ireland	Grant Thornton (NI) LLP
Bulgaria	Grant Thornton OOD	Italy	Ria Grant Thornton S.p.A.
Croatia	Grant Thornton revizija d.o.o.	Latvia	Grant Thornton Baltic Audit SIA
Cyprus	Grant Thornton (Cyprus) Ltd	Lichtenstein	Grant Thornton AG, Schaan
Czech Republic	Grant Thornton Audit s.r.o.	Lithuania	Grant Thornton Baltic UAB
Czech Republic	Fučík & partneři, s.r.o	Lithuania	Grant Thornton Baltic UAB Kauno filialas
Denmark	Grant Thornton Statsautoriseret Revisionspartnerselskab	Lithuania	Grant Thornton Baltic UAB Klaipėdos filialas
Estonia	Grant Thornton Baltic OÜ	Luxembourg	Grant Thornton Audit & Assurance
Finland	Revico Grant Thorton Oy	Malta	Grant Thornton Malta
Finland	Idman Vilen Grant Thornton Oy	Netherlands	Grant Thornton Accountants en Adviseurs BV
Finland	Advico Finland Oy	Norway	Grant Thornton Revisjon AS
France	Grant Thornton	Poland	Grant Thornton Frąckowiak Sp. z o.o sp.k.
France	AEG Finances	Poland	Grant Thornton Polska Sp. z o.o. Sp.k
France	IGEC	Portugal	Grant Thornton & Associados, SROC,Lda
France	Tuillet Audit	Romania	Grant Thornton Audit SRL
France	Cabinet Didier Kling & Associes	Slovak Republic	Grant Thornton Audit, s.r.o.
France	Carib Audit & Conseil	Slovenia	Grant Thornton Audit d.o.o.
Germany	Warth & Klein Grant Thornton AG	Spain	Grant Thornton, S.L.P.
Germany	Warth & Klein Grant Thornton GmbH & Co. KG	Spain	Grant Thornton Andalucia, S.L.P.
Germany	Trinavis GmbH & Co. KG	Spain	Cruces Y Asociados Auditores, S.L.P.
Germany	WPG Wohnungswirtschaftliche Prüfungs- und Treuhand GmbH	Sweden	Grant Thornton Sweden AB
Gibraltar	Grant Thornton (Gibraltar) Ltd		
Greece	Grant Thornton SA		
Hungary	Grant Thornton Audit Kft.		

Quality control and management

Grant Thornton's ongoing commitment to Audit Quality and Transparency.

Grant Thornton views the core of audit quality as using the best practices, procedures and judgement at our disposal to reach the right audit opinion for our clients and stakeholders. This means maintaining independence, complying with Belgian and global laws and audit standards, and putting forward impartial recommendations and appropriate insights to our clients.

Our firm's culture

A strong and inclusive organisational culture is the first step to conducting a rigorous, quality audit in which our clients and stakeholders can have confidence.

Demonstrating leadership in all we do

Grant Thornton aims to lead the assurance profession in Belgium with its focus on quality.

Our people are leaders in their chosen fields. They do this by contributing to the development of the profession through membership of working groups, as well as through teaching positions at Belgium's leading universities and highschoools.

Promoting a consistent culture of excellence

Grant Thornton's six global values – Collaboration, Leadership, Excellence, Agility, Respect, and Responsibility (CLEARR) – form the foundation of our approach to audit quality. Alongside our signature behaviours, this framework inspires our people across our entire business.



Uniting through global collaboration

Our firm's global scale allows us to tap into a network of experts from all corners of the world. We have international network agreements in place, giving us the tools to consult widely with:

- Grant Thornton International's global audit methodology team
- audit specialists in other member firms
- our financial reporting help desk
- industry specialists around the world.

A comprehensive internal online network equips our people with information on the latest global developments on auditing, financial reporting, ethics and independence standards, as well as guidance on applying these reforms effectively.

We understand that our clients and wider stakeholders often have differing demands of our Assurance engagement teams, though all parties have a common need: a demand for excellence.

A consistent culture of excellence is an important element of how we think and what we do. Our culture of excellence involves employing strong client acceptance and continuance systems and processes, aligned with the relevant legislative requirements and Grant Thornton International's protocols.

Our audit consultation and risk monitoring activities help drive quality in our work, ensuring clients and the wider market receive a world-class assurance product from our engagement teams.

Acting with agility and ensuring deep respect for people

The assurance landscape is changing, with advancements in technology and the rapid emergence of disruptive industries. In line with the transformations around us, Grant Thornton has shown the commitment to the continued professional education and training of all our people, fostering a culture of agility, adaptability, innovation and respect for each team member's strengths. We do this by making full use of our resources, including:

- global, national and local training, delivered both face-to-face and online
- regular firm-wide and industry and/or service line-specific communications
- national support staff and industry experts sharing knowledge across offices.

Taking responsibility for our actions

Grant Thornton recognises our wider impact on our clients and stakeholders. We act with integrity, openness and accountability to stay true to our purpose and behave in a way that is consistent with our values. In Assurance, we demonstrate this commitment to our responsibilities through strong ethical practices promoted with consistent messages, including:

- annual ethics and independence training
- our Audit and Risk & Compliance 'Alert' programs
- national bulletins and technical training.

Quality Control Manual

Assurance quality is an essential element of Grant Thornton's service delivery. The quality supporting policies, procedures and controls are bundled in the Quality Control Manual englobing the Grant Thornton International (GTIL) Quality policies which fully comply fully with the International Standard of Quality Control (ISQC 1) and the code of ethics issued by the IESBA on the one hand and specific requirements that are of application in a Belgian context, on the other hand. GTIL issues and updates on a yearly basis Quality Control and management procedures that apply to all member firms.

The IAASB approved the new international standard on quality management becoming effective from December 2022 onwards. GTIL issued a Quality Management Manual version 2022, which is compliant with ISQM 1 and serves as a guidance along with other assisting materials, templates and a framework for the implementation of ISQM 1 by the member firms. Grant Thornton Bedrijfsrevisoren is required to set up, and maintain a System of Quality Management (SoQM) comprising the design, implementation, testing and evaluation of the operating effectiveness of procedures, controls and quality management. While preparing for ISQM 1 we are adapting our SoQM to a more risk based model in relation to the quality objectives that are defined.

Supervision, consultation and review

A strong culture where our people can exchange feedback and consult with one another on challenging issues is essential to a successful and high-quality audit engagement. We embed this throughout our audit methodology, to provide the right level of quality control and support for audit engagement teams.

We make use of our extensive resources, in line with the requirements of ISQC 1, including:

- engagement quality control reviewers (EQCR) on listed and other Public Interest Entities and other specified engagements
- experienced support partners on higher-risk engagements
- technical specialists (e.g. valuations, IT audit, taxation)

- industry specialists (international)
- the Audit Quality team
- the Client Acceptance team.

This synergy of experience and technical ability – coupled with our culture of constructively challenging each other – ensures quality and rigour in all stages of the audit.

We make full use of the resources at our disposal to maintain a culture of robust client acceptance, and quality of work at all stages of an audit. These resources include:

- Client continuance systems aligned with Belgian legislative and regulatory requirements as well as Grant Thornton International's stringent protocols and audit methodology, supported by a globally utilised state-of-the-art software suite
- Policies and procedures in our audit guidance material benchmarked against stringent international auditing regulations and standards
- Regular ethics and independence training, Audit and Risk & Compliance 'Alert' programs and national bulletins and technical training
- Mechanisms to monitor quality and our supporting risk management methodology

Engagement acceptance and continuance

An important part of audit quality is the right choice of clients. Grant Thornton employs a rigorous client engagement acceptance and continuance policy, taking into account risk, complexity and specialised experience requirements.

Looking at potential and new engagements

We assess each potential and current audit engagement, assigning them to a risk category to help drive additional quality control procedures where required.

In the case of high-profile engagements, such as listed and other Public Interest Entities, the Client Acceptance team, headed by the Independence and Quality partner, must review and approve the proposed engagements. In certain exceptional circumstances, we will also consult with and obtain approval from our colleagues at Grant Thornton International.

Solutions following client acceptance

If we identify weaknesses in governance and internal control systems during the audit, we work with clients to identify and recommend actions for improvement.

We run through a similar annual process for continuance of an engagement. If we identify significant changes in circumstances (such as intention to become a listed entity) or if other risk indicators are present, we require the Client Acceptance team to review and approve the engagement before our teams proceed with the audit.

Corporate governance and engagement continuance

A client's corporate governance and the robustness of its financial reporting system are critical to an effective audit.

Any concerns we identify about a client's corporate governance through our client acceptance and continuance procedures need careful consideration to determine whether or not we act for that client.

Accepting new clients during the COVID-19 pandemic has been accompanied by additional levels of risk. Clients in certain sectors may have higher solvency risks in the current environment or may be dismissing auditors due to professional disagreements. As a result, member firms have needed to strengthen controls during the COVID-19 pandemic, including the following:

- increased involvement of member firm leadership in client acceptance decisions
- greater communication with prior auditors
- greater lead time prior to acceptance to enable stronger due diligence
- increased levels of consultation with GTIL in complex or
- contentious client acceptance or continuance discussions.



Professional development as a priority



Our Assurance practice prioritises maintaining and improving the skills and technical competencies of all our people, ensuring we meet all professional and legal benchmarks.

We take pride in reinforcing the need for broad business insights, technical excellence, audit quality, critical thinking, and ethical behaviours in all team members, from induction through to continuous learning programs.

Applying technical expertise is a key competency which is reviewed during our six-monthly Performance Inspiring Conversations, together with team members' personal development plans.

Within Assurance, our people have access to firm-delivered and external learning on financial reporting, company law, ethics and auditing matters. This is in addition to the annual and quarterly technical updates the entire team receives.

Independence and regulatory compliance

Independence from an assurance client is paramount to a successful engagement, both in legal and ethical terms.

When accepting an assurance client, Grant Thornton's strict policies and processes safeguard us from providing prohibited services.

Grant Thornton people assigned to an engagement must adhere to:

- The independence rules prescribed by Article 23 of the Law of 7 December 2016, and Article 13 of the Regulation (EU) N° 537/2014
- Professional standards and codes
- Relevant foreign legislation and regulations
- Grant Thornton's internal policies, including declarations that team members are free from prohibited financial interests in – and relationships with – a client, its management, partners and significant owners.

Using Grant Thornton International's independence framework

In keeping with best practice, we adopt Grant Thornton International's global policies, designed to safeguard independence on assurance engagements and identify circumstances that could pose a conflict of interest.

Our firm's global independence policies and procedures are based on the International Ethics Standards Board's (IESBA) Code of Ethics for Professional Accountants, with supplements to govern compliance with our global independence and international relationship checking processes.

We tailor our global independence policies to fit with local requirements, including those outlined in Article 23 of the Law of 7 December 2016, and Article 13 of the Regulation (EU) N° 537/2014.

Personal independence monitoring

We monitor personal independence through our Risk & Compliance Group and web-based Global Independence System (GIS). Controls are also built into our acceptance and continuance tool for non-audit services to make sure we consult and seek approval to provide these services. In cases where a conflict may arise, we consult the Engagement Partner on the audit to determine the appropriate safeguards and remove threats to independence or ethical concerns.

Partner rotation and other compliance monitoring

Where clients are registered organizations, we ensure that rotation and independence provisions are in line with the law.



Independence practices

Maintaining objectivity and independence of thought is vital to conserving Grant Thornton Belgium's reputation.

Grant Thornton has a strong system of independence and conflict checks, which is designed to identify potential conflicts of interest at the earliest possible juncture and deal with them appropriately.

Independence has particular meaning in the audit environment, but is equally relevant throughout the whole firm. Independence standards are clearly defined in our Independence Policy and Guidelines and in our Assurance Quality and Control Manual.

Independence compliance is monitored actively, and the firm, Partners and client facing managers are required to record their financial interests (and those of their immediate family members) in our automated tracking system, the Global Independence System (GIS).

Financial interests of the firm and its affiliated entities are also recorded in GIS. A list of the firm's audit clients with publicly-traded securities is maintained and can be accessed on the firm's intranet by all Grant Thornton people. Compliance with the independence policy by all of the firm's personnel is checked formally on an annual basis.

To maintain our objectivity when delivering services to clients, we have policies and procedures in place to identify any existing client, vendor, or business relationship with a prospective client or its affiliate prior to accepting the appointment. The nature and effectiveness of the firm's procedures for maintaining independence are under constant review. We obtain assurance about their operation from annual audits of user accounts in GIS, cold reviews of audit files and internal reviews of non-audit practice areas of the firm. Where weaknesses or breakdowns are revealed, appropriate corrective action is taken.

Our procedures are designed effectively and are generally operating as intended.

We have joined other Grant Thornton member firms in adopting the Global Relationship System (GRS) – Grant Thornton International's independence system – an automated solution to aid collection and assessment of individual independence declarations. We have also enhanced our vendor risk assessment program which incorporates independence considerations, and delivered a new training format for all independence training.

Grant Thornton's GRS is a global web application that streamlines the International Relationship Check (IRC) process between Grant Thornton member firms and provides insight into client and business relationships worldwide, supporting the identification of cross border business development opportunities. This global relationship checking tool was rolled out to all Grant Thornton member firms during FY2018. It has facilitated the preparation, communication and workflow for international relationship check requests.

It provides a robust platform and includes regular processes for assessing potential threats to independence or conflicts of interest identified during client acceptance.

Continued or repeated failure by any GIS user to comply with their obligations will be subject to escalation to the CEO; this is in addition to the mandated sanctions for GIS non-compliance by Grant Thornton International. Breaches are also taken into account during Partner and team member performance evaluations.

Our audit methodology

Grant Thornton views quality as an essential element of the assurance service line. Member firms are focused on delivering high-quality engagements with exceptional client service in an ever-changing environment.

The global network has established standards, service delivery systems, controls and risk management systems to provide the necessary framework to meet professional standards. Member firms are provided with support and resources to help maintain quality, including:

- an audit methodology, with supporting software
- policies and procedures contained in audit manuals that are benchmarked against international auditing, quality control, independence and ethics standards
- protocols that enable member firms to consult with the global auditing standards team and, if necessary, with audit specialists in other member firms
- protocols that enable member firms to consult with an International Financial Reporting Standards (IFRS) help desk
- a comprehensive intranet service that includes up-to-date information for member firms on auditing, financial reporting, ethics and independence standards, and guidance on applying them effectively.

Global audit methodology and technology

At Grant Thornton we build consistency and quality through a global audit methodology, learning and a suite of tools referred to as Voyager/Leading Effective Audit Practice (LEAP).

We begin to drive quality through a global audit methodology that meets the stringent requirements of International Standards on Auditing (ISAs). Each member firm then localises our global methodology to meet their local jurisdictional and regulatory requirements.

We operationalise our audit methodology through a global learning programme called the ISA Proficiency Series. This programme walks every Grant Thornton auditor through the ISAs and culminates in the Audit 360 simulation which takes the auditor through the planning of an engagement using our global audit methodology. This training is supplemented

with customised training for any local requirements that may differ from the ISAs, such as for audits subject to standards established by the US Public Company Accounting Oversight Board.



Communicating our audit findings

The Audit Planning Report and Audit Findings Report

Grant Thornton's audit process is not merely about issuing a standard audit report. We strive to enhance our clients' businesses – within regulatory guidelines – working to bridge the expectation gap between our audit process and how Audit Committees, Boards and those charged with governance understand those processes.

To succeed in this, we use tools such as the Audit Planning Report and Audit Findings Report, which provide clarity about topics including:

- The scope of our audit
- Identified threats and mitigations
- Key risks and judgements
- Emerging issues
- Regulatory changes
- Any other findings that must be communicated.

Factors affecting audit quality outside the control of auditors

On many occasions there are factors the engagement team cannot anticipate or control.

Making use of the engagement team's knowledge of the client's we can pinpoint factors outside the control of our audit process as risks within our audit tools. Our collaborative culture and internal processes ensure that engagement teams put in place the right responses to address these risks throughout the audit.

Some examples of factors outside the control of auditors that have the potential to affect audit quality include:

- The client's culture and their focus on financial reporting.
- The resources of the client's internal finance team and their Audit Committee.
- Quality, timeliness and availability of the client's financial information.
- Changes in the regulatory environment in which the client operates, including reporting deadlines.

Reporting to clients – the Audit Findings Report

Following extensive testing, analysis and use of professional judgement, our engagement teams report to clients using both the formal audit report (the audit report) – which is made public, and an internal Audit Findings Report.

This report outlines the primary considerations, judgements and results of our audit. The content and format is tailored to each client's needs, but all include:

- The scope and approach of our audit
- An explanation of any ethical or independence matters (including safeguards in place)
- Principal audit judgements
- An outline of any control weaknesses identified
- Insight into upcoming changes in reporting requirements or other relevant legislative/regulatory changes.

The audit reports for listed client engagements also contain a description of Key Audit Matters (KAMs) identified during the audit and procedures to address them.

As part of the drafting and finalisation of audit reports for listed entities, a qualified team conducts a comprehensive quality review of the description of identified KAMs and the ways in which the audit addressed each issue. This process ensures our Extended Audit Reports are comprehensive and understandable to investors, including those without a technical accounting background.



Monitoring activities

It is a common adage that continuous improvement is better than delayed perfection. Grant Thornton Belgium's Assurance practice takes on board the recommendations of all reviews – both internal and external – incorporating them into our plans for continually improving audit quality.

We also monitor and respond to ongoing regulatory, industry and other developments in financial reporting and audit, further delivering improvements in the quality of our work.

Internal reviews

The National Assurance Quality team drives the Internal Quality Control Reviews (IQCR) process to assess the quality of completed audit work and its compliance with the firm's quality and risk management framework. The IQCRs are conducted over a two year rotation period to capture each Partner. The review teams are comprised of experienced Partners, Directors and Managers from other offices and the engagements selected are those that the Review Team Leader consider to be more complex or of higher risk.

The IQCR process tests the effectiveness of our quality controls in areas such as client acceptance, training, compliance with ethical standards and independence.

The findings from the IQCR process are then collated in our Root Cause Analysis to form part of our Audit quality action plan.

The NAQ team communicates thematic findings from the root cause analysis to the entire Assurance team through regular training sessions, workshops and technical updates. We make sure that areas for improvement are built into audit quality action plans.

During FY2021, Grant Thornton's internal quality inspection reviewed 6 engagement files.

Internal monitoring

Grant Thornton Belgium engages in ongoing monitoring programs, all with the aim of continually ensuring the strength of our quality framework and performance in addition to our IQCR process. These stringent internal monitoring policies include:

- Grant Thornton International Audit Review (GTAR) – last inspection, September 2021. Grant Thornton International reviewed 6 audit engagement files.

Internal Quality Control Review program

The firm's IQCR review program extends beyond the review of individual engagement files. The program assesses the design and implementation of firm policies and procedures, and how effectively they serve their purpose. It comprises a compliance review component to assess performance against relevant legislation, regulatory standards, industry codes and our own policies.

As an example, Grant Thornton member firms use the standardised Grant Thornton International ISQC 1 reporting mechanism to form a basis for internal reviews. Each member firm submits a final inspection report of its quality control system to Grant Thornton International for monitoring and follow-up.

This is in line with the requirements of the following standards:

- ISQC 1, Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- International Standards on Auditing (ISA 220), Quality Control for Audits of Historical Financial Information.
- IESBA Code of Ethics for Professional Accountants.

Engagement level

Partner and engagement quality reviewers are assigned to monitor quality on a real-time basis

Member-firm level

As part of Internal Quality Control Reviews, member firms are required to review completed engagements on a schedule that ensures all partners are reviewed on a regular basis, typically once every three years

Global level

Member firms are reviewed by the global quality team on a regular basis, typically once every three years

Valuing external oversight of Assurance activities

Engagement with regulators

The changing audit regulatory environment has a clear effect on the quality of assurance work. Given this, Grant Thornton member firms maintain an open and constructive relationship with their national regulators, consistent with our global policy of valuing external oversight, along with our support of balanced public reporting of external inspection programs.

As a leading international network of independent professional services firms, Grant Thornton meets several times each year with the International Forum of Independent Audit Regulators (IFIAR) and regularly contributes to the public debate on major industry issues.

Grant Thornton's leading role

Grant Thornton's people actively participate in various boards, committees, working groups and forums across a diverse range of bodies and topics, and provide commentary and feedback on the firm's view of planned developments and issues.

External reviews

In keeping with our legislative and regulatory requirements, Grant Thornton is subject to a program of scheduled monitoring of its audit quality, as well as monitoring of compliance with independence rules.

The final quality control, carried out by the Belgian Audit Oversight College (College van Toezicht op de Bedrijfsrevisoren), was performed in 2019. The final report has been issued beginning of 2021.

Responding to reviews



Risk mitigation

Grant Thornton assesses all risk issues identified through review and monitoring activities, determining appropriate remedial and Improvement Actions (IA) for issues identified.

Results are communicated to the firm's management teams through all levels, up to and including the Board. The results of our quality monitoring and risk assessment programs are used to effectively allocate resources where needed to maintain or improve quality performance.

All compliance breaches are carefully considered on a case-by-case basis and an investigation conducted to determine the impact, extent and reasons the breach occurred, and then the appropriate action to address it.

The goal of our compliance program is to minimise the chance of a breach occurring and mitigate the impact if one does occur.

During the last 12 months, no issues have been raised which we believe have had – or have the potential to result in – a material negative impact on the quality of our statutory audits.

Statement of the firm's internal quality control systems

The Managing Partner has ultimate responsibility for Grant Thornton's quality management systems and the establishment of appropriate internal control systems across the firm.

The policies and procedures that serve as the basis for the system of quality management for Grant Thornton Belgium and Grant Thornton Bedrijfsrevisoren are designed to manage rather than eliminate the risk of failure to achieve business objectives, or in the case of financial controls, the risk of material misstatement of our financial statements. Accordingly, they provide only reasonable and not absolute assurance against such failure or material misstatement.

Through the activities during the year, the Board reviewed:

- the design and operation of the quality management systems as described in this report
- the findings from regulatory inspections and subsequent follow up and/or remedial actions
- reports from the Belgian regulatory body CTR/CSR
- reports from Grant Thornton International and various compliance programs operated by our firm on the firm's quality control systems
- assessment of the impact of non-compliance on the Partners balance scorecards.

The review has not identified any failings or weaknesses that it deems to be significant, but identified actions which it believes will strengthen controls to mitigate significant risks. On the basis of the review, the Managing Partner is satisfied that the firm's internal quality control systems are operating effectively. In addition, the Managing Partner confirms an internal review of our internal independence processes has been conducted during the year.

We continually seek to improve all aspects of our business and use the findings of the practice review, other internal reviews and external regulatory reviews to enhance our system of quality control.

Cybersecurity

One of the most significant risks facing the profession is the risk of a cybersecurity breach. Grant Thornton has implemented an ongoing global cybersecurity programme to mitigate the network's exposure to cybersecurity threats through an integrated legal, risk, and technology approach.

All member firms must meet minimum cybersecurity standards, which are expanding in 2021 to better align with the growing threat landscape. The Global Cybersecurity Compliance Review (GCCCR) programme validates the implementation of the minimum standards and supports compliance self-assessments through risk-based, third-party reviews.

The network's global monitoring programme utilises multiple information feeds to identify real-time changes in potential security vulnerabilities. These include a third-party security ratings service, patching and vulnerability management cadence, and credential/data breach monitoring on the dark web.

Finally, incident response is key to preparedness. All member firms are required to have incident response plans in place to test their plans regularly. In the event of a security incident, member firms have access to 24/7 professional incident response support services. Where any incident affects more than one member firm, firms are also required to share real-time information regarding cybersecurity incidents via a central portal. Some firms have also cybersecurity insurance to obtain rapid support in the event of an incident that exceeds the capability of a firm's existing resources.



Crisis management

Given today's age of connectivity and technology, local situations can rapidly develop into 'crises' with cross-border implications. This was never truer than the impact of the global pandemic. It is important to have a common approach for identifying such situations and responding to them. Every member firm is required to have its own crisis management plan that, at a minimum, includes a reporting process for employees to follow if an issue is identified (including a process for employees to report issues confidentially), and a list of key internal contacts who comprise the firm's crisis management team. In 2020, member firms were invited to join a webinar in which experts from the network provided guidance and best practices with respect to relevant and appropriate crisis management.

Risk management is an enterprise-wide activity overseen by the enterprise risk management committee (ERMC). The ERMC comprises several Board of Governors members, including one of GTII's independent governors. The ERMS reports on its activities to the board.

Enterprise risk management at Grant Thornton focuses on processes to identify, monitor and manage key risks in a prioritised manner, including a strong emphasis on continuous procedures to monitor quality and necessary improvements.

The global leadership team (GLT) monitors professional risks with operational support from the global risk management function under the direction of the global head of risk management and independence.

Financial information

Consolidated turnover	2021	2020
	23.035.255	21.437.214
Turnover Grant Thornton Bedrijfsrevisoren	2021	2020
Revenue received for the statutory audit of annual financial statements and consolidated financial statements of public-interest entities and entities belonging to a group of entities of which the parent is a public interest entity	52.608	51.706
Revenue received for the statutory audit of annual financial statements and consolidated financial statements of other entities	5.528.505	5.312.312
Revenue received for permitted non-audit services provided to entities audited by the statutory auditor or audit firm	626.878	689.285
Revenue received for non-audit services provided to other entities	3.317.906	2.546.228
Total turnover	9.525.896	8.599.531
Consolidated number of employees	2021	2020
In FTE	193	181
Head count	201	189

Public interest entities

The following is a list of Public Interest Entities where we performed statutory audits in the financial year ended December 31, 2021:

- smartphoto group NV (RPR 0405.706.755)

Contact us

Find out how Grant Thornton can help you unlock the potential for growth in your business.

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