

Global Impact Review

Executive summary

June 2020



Introduction

Grant Thornton International Limited (GTIL) has produced the first Global Impact Review for the global network. The aim is to create an initial understanding of our impact on our clients, people, markets, communities and wider society.

Prepared by sustainability advisers from Grant Thornton Sweden and Grant Thornton Israel in collaboration with GTIL, this review is the result of extensive work gathering data, interviewing key stakeholders and compiling case studies from across our global network. The review contains the most recently updated accessible data as of 1 January 2020.

The review provides some baseline data as well as highlighting the areas where data is missing or can be improved. It is split into four sections (Clients, People, Organisation and Communities and wider society) which is based on the strategic pillars in the Growing Together 2020 global strategy.



This approach has also resulted in the network's own impact model, below, which show a holistic view of our impact.

Communities and wider society: Key findings

- >280,000 lives impacted**
through global CSR Day activities
- High engagement**
with regulators and developing industry standards
- <10% firms**
analyse impact on communities and wider society
- No common platform**
for speaking out on sustainability

Organisation: Key findings

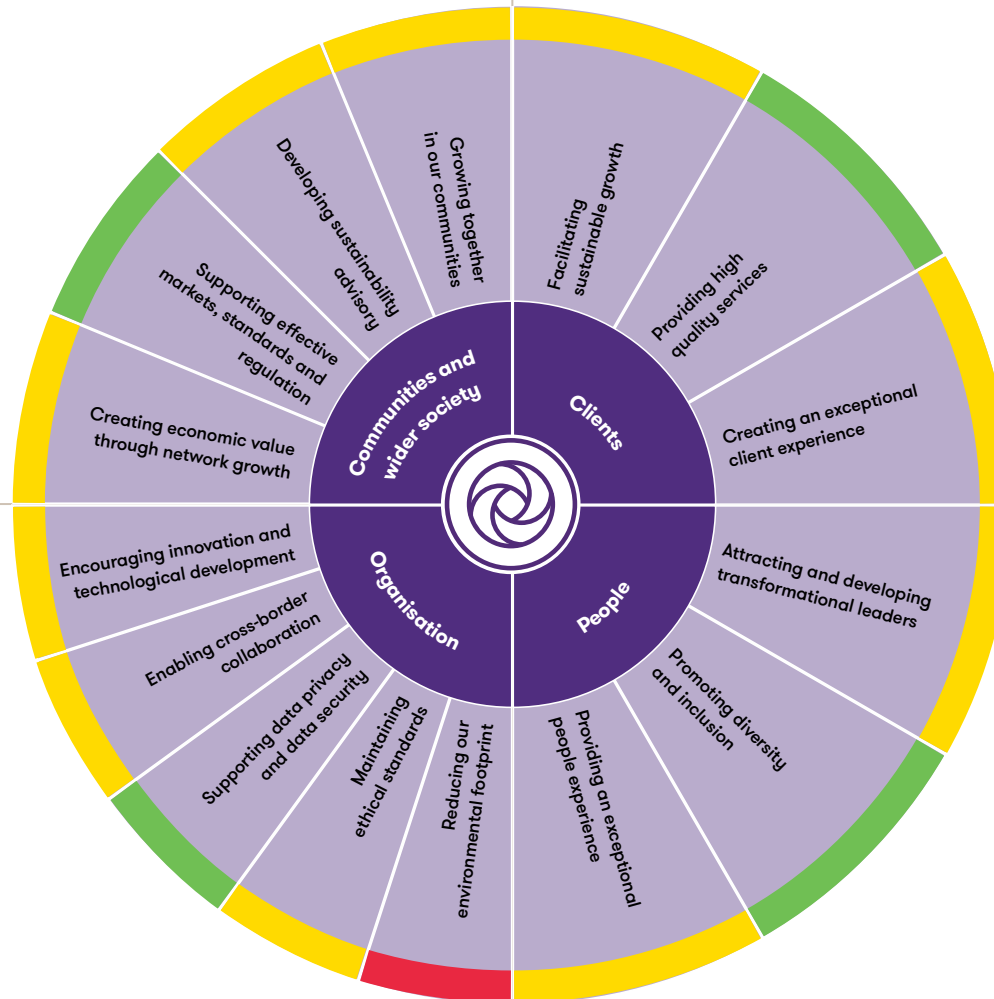
- Cyber compliance**
at top externally rated level
- <15% firms**
have environmental policy in place

Clients: Key findings

- >300,000**
mid-market clients
- 58% net promoter score**
world class client experience
- 87% quality satisfaction rate**
amongst member firms
- 16% firms**
not measuring client experience index

People: Key findings

- Top 50 global employer**
for Diversity and Inclusion
- 83% proud**
to be associated with Grant Thornton
- 21% gender balance**
at partner level
- 10% firms**
do not measure people experience



● Good progress ● Some progress ● Needs attention

Clients

The Grant Thornton network of member firms serves a diverse range of clients in terms of scale, complexity and ownership structures. Our 'sweet spot' or heartland is working with dynamic, ambitious organisations, often in the mid-market space that is the engine of economic growth and stability in many countries.

Providing high quality services to small and large, private, public and non-profit clients, our member firms have a significant impact on over 300,000 organisations around the world. They support clients from 12 main industries; with consumer products and financial services contributing the largest percentage of revenue.

Through assurance services, firms help their clients to verify financial results, provide important observations and support business performance. And through tax and advisory services, they help their clients create, transform and protect value and **facilitate sustainable growth**. A more detailed breakdown of these service lines is available in the full report.

Creating an exceptional client experience covers every way in which clients engage and interact with Grant Thornton member firms, our people and our brand. Grant Thornton firms track and measure this through regular surveys.

Grant Thornton's NPS reached a new high of 58% this year, based on the views of more than 10,000 clients worldwide. This NPS is 4% higher than last year's result and has now been over 50% for three years running which is a world class result. 45% of Grant Thornton clients have seen improvements in their service experience compared to previous years, which correlates with the year-on-year NPS growth we have seen.



People

Grant Thornton's global network of more than 56,000 diverse, dedicated and ambitious people is what sets us apart. They are what drives the network forward, what helps our clients and communities grow, and what gives us a competitive edge.

To assess whether our firms are **providing an exceptional people experience**, Grant Thornton uses Employee Net Promoter Score (eNPS) as the global measurement. eNPS is a measure of how likely people are to recommend Grant Thornton as a workplace to others. All member firms are now obligated to measure their eNPS and share their data with GTIL for inclusion in a global benchmark report. It should be noted that individual firms may measure their peoples' experience on an 18- or 24-month basis, so not all firms are included every year.

Looking at the combined figures for 2017 and 2018, where 90% of our headcount was covered, the results show that people are highly engaged and feel we are delivering on our people promise. Out of the respondents, 83% said they were proud to be associated with Grant Thornton.

GTIL **promotes diversity and inclusion (D&I)**, and invests heavily in tools for collaboration, leadership development and diversity and has taken significant measures to empower women and ensure diversity at all levels. This includes delivering sessions on diversity and inclusion at regional conferences, providing member firms with new tools and resources, increasing D&I council membership, and investing in specific D&I activation conferences for leaders and high-potential female talent.

With our strong commitment to becoming a more diverse and inclusive network, we were pleased to be ranked as a top 50 global employer for D&I according to the new index developed by Universum in 2019.

Our mission to **attract and develop transformational leaders** throughout the network is supported by a range of global milestone leadership programmes. For these, GTIL has set a target of at least 40% female participants. In 2019, 44% of participants on our Senior Leadership Programme (for our most senior leaders) and 45% of participants on our Advanced Leadership Programme (for developing leaders from senior manager to junior partner) were women. However, our gender balance at partner level across the whole network currently stands at 21% -- something we are working to rectify.



Organisation

Grant Thornton does not currently have a global environmental policy; however, we recognise that there is an opportunity for us to do more to reduce our environmental footprint.

Recent research among 65 of our member firms, revealed that approximately 68% had some sort of environmental initiative in place to reduce their environmental footprint. 23% of respondents had a specific environmental policy in place which stated their commitment and goals towards environmental responsibility, and eight member firms confirmed that they measure their environmental impact. Five key areas where we believe we can have the most impact are: more sustainable travel, utilise more energy from sustainable sources, more sustainable procurement, improved waste management and growing environmentally conscious people within the organisation.

A professional accountant's responsibility is not exclusively to satisfy the needs of individual clients or the employing organisation, but to the societies and markets in which they act. As such, **maintaining ethical standards** is of upmost importance to Grant Thornton member firms and all Grant Thornton people are required to follow the guidelines within the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants.

The global cybersecurity compliance review programme (GCCR) – with external audits of member firms' cybersecurity controls – was established in 2019 as part of measures **supporting data privacy and cybersecurity.**

The GCCR provides continuous evaluation of cybersecurity controls and will see that the network is resilient in the face of increasing cybersecurity risks. The network's minimum cybersecurity standards help firms prepare for possible attacks. Some 78% of all Grant Thornton member firms are rated "advanced" for their cybersecurity posture by Bitsight.

To **facilitate cross-border collaboration**, Grant Thornton has developed 23 international business centres (IBCs), which operate as gateways to worldwide resources. They provide clients with services while operating as a hub for global communications, strategy and regionally focused business expertise.

Referrals are a key indicator reflecting the status of our cross-border collaborations. In 2018, total referral revenues increased by over 11%. The Americas and Europe were the two regions with the highest increase of referrals with 34% and 7% growth respectively, compared to 2017.

In 2018, the Board of Governors formed the Technology and Innovation Committee, so to encourage innovation and technical development and elevate them to a high level of importance in the organisation. In 2019, the Innovation Council was formed. It is made up of innovation directors from nine member firms and explores innovation on behalf of the



Committee. The council has developed an innovation maturity model that shows the scale of maturity of innovations in the network – from prototype to global market exposure. It also allows every member firm to better understand the state of their innovative product, service, process or idea and how it can be made available to others.

Communities and wider society

As a global network, Grant Thornton has significant economic impact. By growing responsibly, we contribute to creating economic value in relevant markets and communities across the world. Our 750+ offices, up by 1.5% than last year, are located in more than 140 countries, which include 13 of the world's least developed countries according to UN classification.

We have a key role in **supporting effective markets, standards and regulation**, as a network with thousands of professional accountants. Our member firms can support trust and integrity in markets by assuring our clients' financial and non-financial information. By assessing internal controls and reporting procedures, we seek to ascertain the validity and reliability of the information provided, and therefore address the public issue of lack of trust.

As part of our commitment to supporting well-functioning markets, we are actively engaged in shaping public policy and regulatory environments by working with domestic, regional and global regulators as well as professional bodies. GTIL meets annually with the International Forum of Independent

Audit Regulators (IFIAR) which aims to enhance audit oversight globally, and to report on progress in developing and maintaining audit quality. We also actively contribute to the development of the International Financial Reporting Standards (IFRS).

GTIL submitted global comment letters on International Accounting Standards Board (IASB) proposals for new and amended standards. We respond to IASB outreach requests on a wide variety of evolving accounting topics, and also contribute to developing, implementing and promoting adherence to internationally recognised standards for securities regulation through our participation in International Organization of Securities Commission (IOSCO) and the European Securities and Markets Authority.

Grant Thornton brings a greater value proposition to the table for clients and creates substantial business possibilities for itself. For one of our European member firms, sustainability consultancy produced 15% of the firm's advisory revenue, while the average revenue of sustainability services in the network reached 5.2% of advisory revenue. Within the past year, several new firms joined the sustainability services market and predict equally promising projections. Sustainability services encourage network-wide collaboration, and 46% of our sustainability survey respondents reported to working with other Grant Thornton firms to perform and **developing sustainability advisory services.**

To support joint sales and business development, GTIL initiated a sustainability services centre of excellence at the end of 2019. This will serve as a communication and cooperation platform for both member firms with existing sustainability services and those that want to develop this practice.

One area of activity that has grown in popularity over the last five years is our initiative for local volunteering, known to us as **Growing together in our community.** This is celebrated each year over two days in September and also through the GTX (Grant Thornton Experience) awards that are open to people throughout the network to showcase community work.





Looking forward

This project has been an important first step towards establishing a common understanding of sustainability within Grant Thornton and has highlighted best practice examples and processes in the network; as well as gaps and opportunities. We recognise the importance of further developing our approach towards corporate responsibility and look forward to continuing this journey in the years to come.

The experience of a global pandemic in 2020 has highlighted how quickly individuals and organisations can respond to extraordinary circumstances. We will use this work – that shows our impact position in a pre-Covid environment – to help us navigate the new business environment we are going to see as the next phases of change become clear.

