



TRANSPARENCY REPORT 2022

— CONTENTS

.....	3	.....	12
.....	4	.....	12
.....	4	.....	12
.....	5	.....	13
.....	6	.....	13
.....	6	.....	14
.....	6	.....	14
.....	7	.....	14
.....	8	.....	15
.....	8	.....	17
.....	9	.....	17
.....	9	.....	18
.....	10	.....	18
.....	11	.....	19
.....	11	.....	19
.....	11		



— FOREWORD

For a second year, the global COVID-19 pandemic has continued to present a raft of unforeseen challenges, driving us to redefine our ways of working. Our people and our firms have pulled together and successfully adapted to hybrid operations, whilst at the same time supporting each other and our communities and delivering exceptional, high-quality services to our clients. I am #BDOproud of our organisation and applaud them for their ongoing endeavours.

Looking ahead, regulatory standards and expectations will remain a permanent strategic focus for our organisation. Through ongoing investment in new systems and tools, and as a result of embracing digitalisation, we are well placed to support our clients and our firms to navigate an increasingly complex risk spectrum. Committed to lead by example, we also continue to expand and develop our policies, monitoring and reporting to further enhance the culture of quality throughout all our firms.

We seek to inspire, educate and lead an unstoppable movement for sustainable business practice in our markets and in our organisation. We aim to ensure immediate and urgent action to meet the sustainability demands of all our stakeholders - our clients, our employees, our communities and our regulators. Our commitment to support the goal of net zero greenhouse gas emissions by 2050 or sooner (along with our GPPC peers, with whom we joined the Net Zero Financial Service Providers Alliance in September 2021) ensures that the topic of sustainability remains firmly on our global agenda.

PEOPLE AND CULTURE

We are a people-powered business, and as such our people and culture are our backbone. Our teams, comprised of BDO professionals from all over the world, are our biggest asset.

This month has seen the eruption of the conflict in Ukraine. Throughout this period, and going forward, the wellbeing of our colleagues will continue to be our first priority. I am #BDOproud of the way that globally, our organisation has come together in so many remarkable ways to show their solidarity and offer support

In the year ahead, BDO will continue to evolve and adapt to the ever-changing global business landscape and leverage our diverse talent base to drive our global mobility agenda. Our vision *People helping people achieve their dreams* will continue to guide and shape our current and future direction and the development of the unique skills of our people remains at the top of our agenda.

We aim to ensure that all our firms work as responsible and responsive businesses, and we recognise that employee engagement is key to our success on this journey. Our processes, and feedback from our teams, help us to respond to employees in thoughtful and meaningful ways. The diversity, equity and inclusion efforts of our firms are now making significant headway and will continue to gain momentum over the years to come. As we move forward on this journey, we will continue to aspire to have a positive impact on our people and planet.

It's time for BDO to lead.

Keith Farlinger |
CEO, BDO International Limited
March 2022



— FACTS & FIGURES

BDO GLOBAL STATISTICS 2021¹

GLOBAL REVENUES



US\$ **11.8**
BILLION
+10.8%*

*at constant exchange rates

TOTAL HEADCOUNT



97,292
PEOPLE
+6.8%

GLOBAL FOOTPRINT



167
**COUNTRIES/
TERRITORIES**



1,728
OFFICES

PERCENTAGE REVENUE BY REGION



12%

ASIA PACIFIC



35%

EMEA



53%

AMERICAS

FEE SPLIT BY SERVICE LINE

21.5% Advisory
(inc. Legal)

21.5% Tax



15% Business Services &
Outsourcing

42% Audit & Assurance
(inc. Other)

¹ Data 1 October 2020 to 30 September 2021 (including alliance firms)

BDO REGIONAL STATISTICS 2021 ¹



AMERICAS



EMEA



ASIA PACIFIC

Percentage revenue by region

53%

35%

12%

Revenue



US\$ **6.15**
BILLION +12%²

US\$ **4.13**
BILLION +9%²

US\$ **1.45**
BILLION +10%²

Headcount



40,119 +8.7%

35,526 +6.7%

21,647 +3.8%

Countries/
Territories



42

98

27

Offices

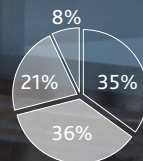


1,101

512

115

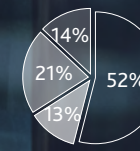
Fee split by service line



35% - Audit & Assurance
(inc. Other)
21% - Advisory (inc. Legal)
8% - Business Services
& Outsourcing
36% - Tax



42% - Audit & Assurance
(inc. Other)
21% - Advisory (inc. Legal)
19% - Business Services
& Outsourcing
18% - Tax



52% - Audit & Assurance
(inc. Other)
21% - Advisory (inc. Legal)
14% - Business Services
& Outsourcing
13% - Tax

¹ Data 1 October 2020 to 30 September 2021 (including alliance firms)

² At constant exchange rates

GOVERNANCE

GLOBAL BOARD AT MARCH 2022



USA

Wayne Berson
Global Board Chair



AUSTRALIA

Tony Schiffmann



CANADA

Patrick Kramer



CHINA

Jiandi Zhu



GERMANY

Holger Otte



THE NETHERLANDS

René Nelis



UK

Paul Eagland

The global BDO network is governed by the Global Board, the Council and the Executive of BDO International Limited.

GLOBAL BOARD

The Global Board is the Board of Directors of BDO International Limited. It comprises the managing partners of at least the three largest firms of the EMEA region, the two largest firms of the Americas region and the two largest firms of the Asia Pacific region. The (re)appointment of the Global Board members, each for a three year term, is approved by the Council. The table on the left sets out the present composition of the Global Board, which is currently chaired by Wayne Berson, managing partner of BDO in the USA. The Global Board Chair is elected by the Global Board members and serves for a period of three years.

The Global Board sets policies and priorities for the global organisation and oversees the work of the Executive.

BDO COUNCIL

The Council comprises one representative from each voting BDO Member Firm – generally the managing partner – and represents the members of BDO International Limited in general meeting. In 2021 there were 113 Council members. The Council is chaired by the Council Chair, elected among the existing Council members by the Council upon nomination by the Global Board. The current Council Chair is Wayne Berson, managing partner of BDO in the USA.

The Council approves BDO's global budget, appoints the Global Board and approves any changes to the Articles of Association and the Regulations of BDO International Limited. The Council meets at least once a year, with additional meetings held if the Council Chair and/or the Secretary of BDO International Limited consider it necessary or appropriate, or upon the request of a minimum number of Council members.

EXECUTIVE

The Executive comprises the Chief Executive Officer (CEO), who is appointed by the Global Board, and the members of the Global Leadership Team (GLT), who are appointed by the CEO.

The current global CEO is Keith Farlinger, previously CEO Americas and formerly managing partner of BDO in Canada. The CEO's powers and responsibilities are set out in the Regulations and as further determined by the Global Board. The CEO is tasked with the day-to-day management of the affairs of BDO globally, as well as the development and implementation of the global strategy for the organisation. He recommends quality standards, policies and strategies to the Global Board. The CEO also acts as spokesperson for BDO at international forums and organisations and represents the global organisation in discussions with international regulatory bodies.

Anders Heede is the Chief Operating Officer (COO). Working closely with the CEO, the overarching responsibilities of the COO are to ensure that the global BDO organisation is equipped to meet the challenges of today and is prepared for the future.

Martin van Roekel is the Vice Chair of BDO. Martin was previously global CEO and currently assists the CEO on a number of matters pertaining to the BDO organisation.

The members of the Global Leadership Team (GLT) are appointed by the CEO, who allocates and delegates responsibilities to them as he deems appropriate.

The GLT comprises the regional CEOs, the Global Heads of service lines and of support services, as well as the Global Head of Risk, Quality & Governance and Secretary of BDO International Limited. All the members of the GLT are dedicated full-time to their role within BDO International Limited.

The coordination of the service provision within BDO is done by the Global Office, which includes the following departments:

- Accounting & Administration
- Audit & Assurance
- Business Development, Marketing & Communications
- EU Key Account Procurement
- People & Culture
- IT
- Regulatory & Public Policy
- Risk, Quality & Governance
- Tax

GLOBAL LEADERSHIP TEAM AT MARCH 2022



GLOBAL CEO
Keith Farlinger



COO / GLOBAL HEAD OF ADVISORY
Anders Heede



GLOBAL HEAD OF BUSINESS DEVELOPMENT & MARKETING
Allan Evans



CEO AMERICAS / GLOBAL HEAD OF BSO
Albert Lopez



GLOBAL HEAD OF RISK, QUALITY & GOVERNANCE / SECRETARY OF BDO INTERNATIONAL LIMITED
Basile Dura



GLOBAL HEAD OF IT
Belinda Thompson



GLOBAL HEAD OF AUDIT & ASSURANCE
Chris Smith



GLOBAL HEAD OF TAX / GLOBAL HEAD OF PEOPLE
Robert Aziz



CEO ASIA PACIFIC
Stephen Darley



CEO EMEA
Trond-Morten Lindberg

REGIONAL STRUCTURE

To facilitate the communication and coordination of actions and the sharing of best practice, BDO is divided into three regions: EMEA (Europe, Middle East and Africa), Asia Pacific and Americas (Latin America, North America and Caribbean), each supported by a regional board.

Each region has its own regional CEO, who chairs the respective Regional Board and provides support and guidance regarding the strategic initiatives of firms in the region.

GLOBAL COMMITTEES

Within BDO there are a number of global committees, composed of professionals from our firms, who report to the respective member of the GLT and the CEO. These committees, which act in an advisory capacity for the benefit of our firms, are further supported by a number of sub-committees, task forces and working groups. The International Risk Management Committee and the Audit Steering Committee are key to our risk and quality management.

THE PRIMARY GLOBAL COMMITTEES ARE AS FOLLOWS:

ADVISORY LEADERSHIP
GROUP

AUDIT LEADERSHIP
COMMITTEE

AUDIT STEERING
COMMITTEE

BSO STEERING
COMMITTEE

GLOBAL BOARD
ADVISORY GROUP

GLOBAL PEOPLE
COMMITTEE

INTERNATIONAL
BRAND & MARKETING
COMMITTEE

INTERNATIONAL
IT COMMITTEE

INTERNATIONAL
RISK MANAGEMENT
COMMITTEE

SUSTAINABILITY
STEERING GROUP

TAX ADVISORY
COMMITTEE



RISK & QUALITY MANAGEMENT

Membership of BDO enables our firms to deliver high-quality services in furtherance of our *WHY: People helping people achieve their dreams.*

All BDO firms are subject to the obligations set out in the *BDO Regulations* and are required to abide by our global policies, procedures, methodologies and tools.

We underpin quality by mandating use of the *BDO Independence Manual*, which sets out our Code of Conduct and ethical requirements, and the *BDO International Risk Management Manual*, which provides instruction on the necessary design and implementation of risk management and quality control systems.

This is to support our firms' compliance with relevant domestic and international standards, such as the IESBA Code and the quality control standards of the IAASB.

Furthermore, all BDO firms are required to abide by the Global Privacy Policy and the Global Information Security Policy. As part of its risk management strategy, BDO has created an Economic Crime Sub-Committee (reporting to the International Risk Management Committee) to advise on policies and procedures to mitigate the risks of economic crime, including corruption and money-laundering etc. The public interest services in Audit & Assurance are supported by additional audit, risk and quality manuals.

REGIONAL QUALITY DIRECTORS

BDO's ongoing mission is to drive quality throughout the organisation, with efforts spearheaded by the Regional Quality Directors of each region (Americas, Asia-Pacific and EMEA).

NEW FIRM ADMISSIONS

BDO seeks to admit new firms that share BDO's values and cultural approach. Each prospective new firm is subject to a due diligence process, which forms the basis for the decision of whether or not to admit that firm to BDO. These due diligence reviews are conducted by the Global Risk, Quality & Governance department, or under their direction. The global CEO then makes a recommendation to the Global Board, based on the due diligence report, which ultimately decides on the admission of the firm to BDO.

During the due diligence process, prospective firms are evaluated against BDO's membership criteria, which include the prospective firm's:

Reputation for quality and high ethical standards

- Compliance with domestic and international standards and requirements
- Commitment and capability to adopt our global policies, procedures, methodologies and tools

- Ability to maintain a system of quality control that meets or exceeds the extant International Standard on Quality Control (ISQC) 1 and could meet the requirements as per the new International Standard on Quality Management (ISQM) 1.
- Leadership
- Culture of quality.



ETHICS & INDEPENDENCE

To fulfil our responsibility to act in the public interest, BDO is dedicated to creating an 'ethics & independence first' culture. We strive to uphold the highest ethical standards by complying with the International Ethics Standards Board (IESBA) Code for Professional Accountants (the IESBA Code), including the five fundamental principles of ethics and the International Independence Standards. Independence is the key element driving continued trust and confidence in the quality and reliability of the assurance work performed.

Comprehensive due diligence is performed prior to accepting any new client or new engagement for an existing BDO client. The Global Independence policies and procedures, as well as our technological solutions, form part of BDO's control environment and are designed to identify, evaluate and address any threats to independence and/or potential conflicts of interest.

STANDARDS & POLICIES

Our Global Independence team is committed to developing policies and procedures, supported by effective technological solutions, to ensure that the BDO network continues to remain independent, where and when required, both in fact and appearance.

GLOBAL INDEPENDENCE MANAGEMENT PROGRAMME

Our policies and procedures form the basis of the Global Ethics & Independence Management Programme; a framework established to assist firms in complying with relevant ethical & independence requirements. The Programme is documented in the BDO Ethics & Independence Manual and comprises five elements: Standards & Policies; Processes, Data & Tools; Training & Communication; Monitoring & Reporting and Leadership & Governance.



GLOBAL INDEPENDENCE TECHNOLOGY

BDO services clients that operate across multiple jurisdictions. BDO maintains a worldwide database of each BDO firms' restricted entities, including listed and other public interest entities. The database is readily accessible to all partners and staff with the objective of preventing the performance of prohibited non-assurance services or holding prohibited investment in these entities. The Global Independence and Conflict of Interest tool enables BDO firms to collaborate on service provision prior to client acceptance.

BDO INDEPENDENCE COMMUNITY

Each BDO firm appoints an Ethics & Independence Leader - an experienced professional whose role is to establish the link between Global independence and firm(s) and take responsibility for the implementation of (and monitoring of compliance with) the Programme. This responsibility includes reinforcing the importance of compliance with independence and related quality control standards and promoting an independence compliance culture within their firm.

Support for the activities of Global Independence is provided by the BDO independence community, through the Ethics & Independence Steering Group.

GLOBAL MONITORING & REPORTING

Ongoing monitoring activities are carried out to ensure that BDO firms remain compliant with the Programme and to enable continuous enhancements, to ensure that BDO continues to meet the demands of the changing environments in which our firms operate.





QUALITY MONITORING PROGRAMME

The *Quality Monitoring Programme* (QMP) is designed to monitor firms' adherence and compliance with professional standards, as well as incremental BDO standards and requirements, including policies, procedures, methodologies and tools.

Quality monitoring on a global level within BDO originates from the BDO Regulations, which stipulate that each firm is subject to Quality Reviews (QRs). In practice, this results in a process where each firm, as a rule of thumb, is reviewed at least once every three years. Equally, the results of the firms' own Internal Inspection Programmes (IIPs) are monitored through the global QMP annually. In the last two years we have increasingly applied a risk-based approach when planning the inspections of our firms.

Our current focus is on developing QR Programmes that will be performed across all the services lines of our firms on topics such as client acceptance and continuance, ethics, risk management, etc. These reviews will include firms' advisory, BSO and other services lines.

The QMP is managed by the Global Risk, Quality & Governance (RQ&G) department and QRs are carried out by a team of independent and suitably qualified dedicated reviewers, for whom an ongoing training process is in place.

AUDIT & ASSURANCE

The scope of an audit QR covers an assessment of the design and effectiveness of the firm's IIP or Other Monitoring Procedures (OMPs), an assessment of compliance with professional and incremental BDO standards and the review of a sample of engagement files.

Over the last five years, the QMP has evolved from a focus primarily on the review of the audit engagement files to the review and assessment of the BDO firms' internal controls: that is, the IIPs and OMPs. While the QR always includes a review of several engagement files, it now focuses on whether the IIP meets the criteria required for its results to be reliably reported within the QMP.

These criteria cover the assessment and monitoring of our firms' compliance with professional standards (including the IIP criteria) in addition to the six functional areas that cover leadership, responsibility for quality, ethics and independence, client acceptance and continuance, human resources, engagement performance and monitoring. The evaluation of a firm's performance also involves the review of a sample of assurance engagements. OMPs are implemented and performed at firm level by the firm's partners, directors and other responsible person(s) on a periodic and continuous basis. These procedures are focused on compliance with professional standards and incremental BDO standards.

Many of our firms are also subject to external inspections by local professional institutes and local regulators; or are subject to a peer review. The RQ&G department requests that all firms report the results of these reviews to the Global Office annually. These results are further analysed for reporting purposes to different regulators by the RQ&G department. Moreover, the results are used to spot trends or any difference with those of the QRs, in order to improve the monitoring procedures and the QMP on an ongoing basis.

OTHER PROFESSIONAL SERVICES

The BDO standards and requirements in terms of quality and risk management are applied for other professional service lines (tax, advisory, BSO, etc) and are mainly described in the Risk Management Manual and Tax Manual.

In 2020 - 2021 the QR programmes for non-assurance professional services were reviewed, such that the main focus remains on client acceptance and continuance and ethical standards, as applicable. The QRs of non-assurance practices are designed to consider the risk management and quality monitoring in each service line of BDO firms according to the global requirements.

GLOBAL COMPLIANCE REPORTING SYSTEM

In 2021, the organisation implemented a new Global Compliance Reporting System (GCRS) to monitor the compliance of each BDO firm with BDO quality standards in the areas of audit quality, independence, information security, privacy and insurance. The tool enhances transparency and the building of assurance across the organisation and is based on the validation of control assessments. BDO's global accreditation programme was revised in 2020 and was renewed in 2021 as the first campaign launched via the new GCRS. The primary purpose of the accreditation programme is to enhance all our firms' focus on quality, in line with the key global strategic aim for all our firms to consistently deliver exceptional and high-quality services.

DATA SECURITY (INFORMATION SECURITY & PRIVACY)

At BDO, we are continuing our efforts to enhance the culture of data security within the organisation. Our Global Policy on Information Security has been strengthened and in 2021 our Global Privacy Policy was approved as Binding Corporate Rules by the European data protection authorities. BDO's Binding Corporate Rules (for Controllers and for Processors) help demonstrate our strong commitment to the protection of privacy and personal data. Each of these policies is supported by Global Programmes to help our firms to meet these important membership obligations and set the framework for data security compliance within BDO. Initially based on self-assessments, the Data Security compliance monitoring programmes have, since 2021, used the GCRS, with mandated reviews by third parties, conducting audits of BDO firms against BDO's global data security policies.



— PUBLIC POLICY LANDSCAPE AND ENGAGEMENT

Regulators are involved in all aspects and sectors of the economy, particularly those areas considered systemic. Those providing professional services associated with such sectors are well accustomed to engagement with the relevant regulators. Regulatory and public policy matters have thus become a permanent strategic consideration for BDO and increasingly also, for our clients.

As the world responds to the public health, economic and financial impacts of the COVID-19 pandemic and to policymakers' responses, in the future we are likely to see the even greater involvement of governments and of independent regulators in all aspects of economic life. At a minimum, societal reaction to the pandemic and the macroeconomic and fiscal stimuli provided by governments will likely lead to enhanced regulatory intervention and participation in markets and business life by governments and regulatory bodies. Activism around climate change, sustainability, inequality, the regulation of 'big-tech' and calls for transparency in all its forms are all likely to continue to profoundly influence the nature of the ever-changing regulatory environment.

The tremendous pace of change brought about by new technologies since the turn of the century has dramatically affected the world in which we all live and work. The world of professional services has been no exception. Technology is already ensuring that the audit of the future will not look like the audit of today and will be wholly unrecognisable from the audit of yesterday. Furthermore, the delivery of taxation and a whole range of other advisory services is increasingly facilitated

by technology. Regulators are moving from regulating national entities within a sector, to regulating activities across jurisdictions and across clients as the necessary protocols, structures and technologies are put in place. These developments enable regulators to carry out their roles in ways that match the nature of the tech-enabled business environment of the modern era. Mirroring the globalisation of the business world, regulators now routinely share best practice, regulatory philosophies and results of inspections with each other.

In addition, in the European Union, a new package of anti-money laundering (AML) measures has been proposed. If implemented, this would standardise AML compliance regulations across Europe and also introduce new statutory regulators to oversee the activities of the existing self-regulatory bodies that currently supervise professional services firms such as BDO.

We welcome all of these developments and work closely with our regulators around the world and at global forums to share experiences and ideas. We have strengthened our global compliance reporting and monitoring systems and continue to invest heavily in innovative technology. In particular, we have invested significant resources in global platforms and analytical tools that meet evolving client and regulatory needs and support the consistent delivery of exceptional and high-quality services.

Meanwhile, public policy thinking on audit market issues - including concentration and choice in the public company audit market - continues to evolve. Innovative interventions have been proposed in several significant jurisdictions that may have some positive impact; but could have some negative side effects also. Significant regulatory developments in countries such as Germany, the UK, India and South Africa have shown that the world of professional services remains heavily exposed to regulatory response to business failures and to fast-changing societal expectations of the business community. The European Commission launched a comprehensive review of corporate reporting in the EU in November 2021 which will also look at various issues in the areas of statutory auditing and the supervision and oversight of PIE audits. This is the first step in a process that is likely to lead to further legislative changes for statutory auditors in Europe. BDO welcomes the consultation and will submit detailed responses to the Commission. We will also continue to engage in broad stakeholder discussions towards improving the corporate governance ecosystem of which the audit profession is a key component.

As an organisation with exceptional client service at its heart, our understanding of existing and looming public policy imperatives and the fulfilment of our compliance obligations is central to the way that we work. Regulation, and the scrutiny of policymakers and oversight bodies (across all areas of our operation) continues to increase. Moreover, it is likely that the pandemic will draw in further elements - particularly around the topics of security and quality, given the shift towards remote and hybrid working.

At BDO, our firms have for many years embraced comprehensive transparency requirements for enhanced public reporting by audit firms with public interest entity audit clients. Market expectations are often even higher than the regulatory threshold and BDO has sought to lead and give example by the expansive nature and scope of our transparency reporting globally and at national firm level. Our continued active engagement in public policy and regulatory debates is necessary and expected from a business perspective and from an organisation of our size.

Our developed views are sought on issues such as non-financial information reporting, sustainability and climate change, corporate governance, cybercrime, data protection, privacy, and all forms of economic crime as well as on key geopolitical and geoeconomic themes such as Brexit, global trade tensions, global supply chain challenges and international digital tax proposals. BDO will continue to work with the wider accountancy profession in detailed discussions with the relevant stakeholders in these critical public policy areas. Most importantly, BDO understands the urgent need to maintain and elevate confidence in the quality of the core audit and in the integrity of the audit profession.

Our regulatory and public policy experts' frequent engagement with audit policymakers and regulators all over the world is testament to our deep commitment to actively support efforts to develop focused, effective and value-adding regulation. The post-Covid environment will require even deeper engagement in our contact with policymakers and regulators and we are fully committed to meeting expectations in this regard.



— SUSTAINABILITY

OUR AMBITION



We aim to inspire, educate and lead an unstoppable movement for sustainable business practice in our markets and in our organisation

At BDO, we recognise the need to continually adapt our strategy, our service offering and the way we work to meet the sustainability expectations of all our stakeholders – our clients, our employees, our investors and our regulators - to protect our environment, our business and the interests of generations to come.

The list of environmental, social and governance (ESG) risks faced by corporations has recently exploded onto every business agenda - diversity and inclusion, climate change, #blacklivesmatter, pollution, corruption, #metoo, human rights and employee welfare, supply chain scandals...and of course COVID-19, with all its disruptive impacts. Our sustainability approach aims to create and foster long-term benefits by taking into consideration how we operate within this increasingly complex environment – recognising threats, mitigating risks and capitalising on development opportunities.

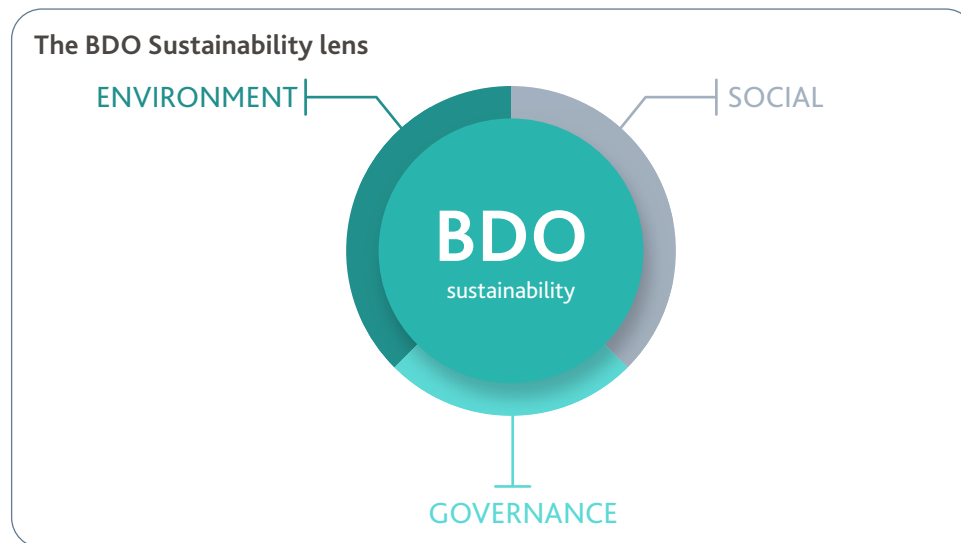
We aim to work with the wider business community to facilitate change, guided by the goals listed in the 2030 Agenda for Sustainable Development (adopted by all United Nations Member States in 2015). These have paved the way for the development of two inextricably linked approaches, implicitly designed to align our internal sustainability strategy with our external service offering.



SUPPORTING OUR CLIENTS

Through our *Sustainability as a strategic service offering* approach, we continue to support all our firms to develop sustainability portfolios, building on (and sharing) existing best practice to ensure a consistent and aligned proposition that meets the growing demand for ESG services.

We will continue to view the needs of our clients through a 'sustainability lens,' to help them build both purpose and resilience, so they are able to thrive now and into the future.



Technology has the power to evoke change in our business and that of our clients. Our suite of ESG solutions and tools enables organisations to measure, report and improve the real sustainable and societal impact of their activities and outputs.



[Visit our website to find out more](#)

We believe that companies that successfully address ESG issues often reap additional rewards including operational efficiencies (i.e. reduction in waste, less volatile supply chains), innovation (i.e. new technologies), improved employee relations (i.e. lower turnover and higher productivity) and risk mitigation (regulatory, operational, market, and reputational). A significant portion of a company's value is tied to its reputation, and the management of ESG issues can negatively or positively affect both public and investor perception and a company's relevance/resilience in a world increasingly suffering from ESG-related crises.

The audit, tax, business services & outsourcing, and advisory practices of our firms help businesses to identify all these risks and opportunities, navigate disclosure and measurement standards and master reporting and governance challenges, and in doing so provide business solutions that also help build resilient and purpose-driven organisations fit for the future.

ENGAGING OUR PEOPLE

From an internal perspective, our ambition is for sustainability to become a mainstream priority for all our firms. As such, embedding sustainability across all BDO firms is a global initiative and a business imperative. Our *Sustainability as an all-firm strategy* approach supports BDO firms to adopt, integrate and certify sustainability as part of *their own* business strategy and culture by sharing best practice, tools and guidance. We aim to ensure that all our firms behave as responsible businesses.

The BDO Sustainability Movement was launched in 2021. Through this, we encourage everyone in the BDO community to join and learn more about how they can personally embrace sustainability practices as an individual, as a BDO professional and as an adviser to our clients. We recognise that employee engagement is key to our success on this journey. Our employees want to see BDO 'doing the right thing' and feel proud. As we move forward on this journey, we will continue to aspire to have a positive impact on our people, our communities and our environment and the sustainability movement will continue to evolve as a key element of our WHY: *People helping people achieve their dreams.*

THE COP26 GLASGOW CLIMATE PACT

The 26th UN Climate Change Conference of the Parties (COP26) took place at the end of 2021 and culminated with almost 200 countries signing the Glasgow Climate Pact. This global agreement will accelerate climate action during this decade and keeps alive the hope of limiting the rise in global temperatures to 1.5C above pre-industrial levels. We all have a role to play in protecting, preserving and renewing our resources so that the way we live our lives today does not negatively impact future generations. We can also play our part in leading positive change.

OUR COMMITMENT TO NET ZERO

The fight against climate change is a priority for BDO as a global organisation and for our global leadership team. We aim to ensure immediate and urgent action among all firms within the organisation.


As such, we have committed to support the goal of net zero greenhouse gas emissions by 2050 or sooner, along with our GPPC peers, with whom we joined the Net Zero Financial Service Providers Alliance (NZFSPA) in September 2021.

To guide BDO in achieving this important goal, we have established a Net Zero Advisory Council. This will make use of the substantial expertise in this area that exists within our firms to create a robust strategy to achieve net zero emissions going forward.



[Visit our website to find out more](#)





This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication. No entity of the BDO network, its partners, employees and agents accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

'BDO', 'we', 'us', and 'our' refer to one or more of BDO International Limited, its network of independent member firms ('the BDO network'), and their related entities. The BDO network (referred to as the 'BDO network') is an international network of independent public accounting, tax and advisory firms which are members of BDO International Limited and perform professional services under the name and style of BDO (hereafter: 'BDO member firms'). BDO International Limited is a UK company limited by guarantee. It is the governing entity of the BDO network.

Service provision within the BDO network is coordinated by Brussels Worldwide Services BV, a limited liability company incorporated in Belgium.

Each of BDO International Limited, Brussels Worldwide Services BV and the BDO member firms is a separate legal entity and has no liability for another entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BV and/or the BDO member firms. Neither BDO International Limited nor any other central entities of the BDO network provide services to clients.

BDO is the brand name for the BDO network and for each of the BDO member firms.

© Brussels Worldwide Services BV March 2022

www.bdo.global

BDO