



BDO TRANSPARENCY REPORT 2021



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— FOREWORD

This year has been a year unlike any other, with the global COVID-19 pandemic bringing enormous personal, professional and societal disruption. It has proven to be a major catalyst for change, driving us to think and work differently, and brought with it a raft of unforeseen challenges. Throughout this period, our focus has been on the health, safety and wellbeing of our people; who have stood together and made remarkable efforts to support each other, our firms and our communities. To all of them, I extend my heartfelt thanks, admiration and respect.

It has also been a period characterised by evolving regulatory standards and expectations. We remain committed to strengthening our culture of quality - the cornerstone of our network. The pace of digitalisation has been accelerated, along with our ongoing efforts to build new systems and tools to support our firms. As the risk spectrum grows ever more complex and wide, we have continued the expansion of our policies, monitoring and reporting, to ensure that all our firms seek to continue to develop their own systems - to further drive quality oriented behaviour and bolster both their economic recovery and long term resilience.

In the year ahead, we will continue to invest in technology and in our people – both of which have already proved invaluable. We will also continue our key global strategic aim to consistently deliver exceptional, high-quality services. The topic of sustainability is also firmly on our agenda as we aim to inspire, educate and lead an unstoppable movement for sustainable business practice in our markets and in our organisation. We recognise the need to continually adapt our strategy, our service offering and the way we operate to meet the sustainability demands of all our stakeholders - our clients, our employees, our communities and our regulators - to protect our business and the interests of generations to come.

We recognise that engaging our people is key to our success on this journey. Our employees want to see BDO 'doing the right thing' and feel proud. As such, sustainability will continue to evolve as a key element of our *WHY: People helping people to achieve their dreams*. As we move forward on this journey, we hope that this approach will help our brand to continue to attract and retain the best talent, whilst at the same time future-proofing our business and contributing to a better world for all.

Keith Farlinger |
CEO, BDO International Limited



— FACTS & FIGURES

BDO GLOBAL STATISTICS 2020¹

GLOBAL REVENUES



US\$ **10.3**
BILLION
+7.8%
*at constant exchange rates

TOTAL HEADCOUNT



91,054
PEOPLE
+3.3%

GLOBAL FOOTPRINT



167
**COUNTRIES/
TERRITORIES²**



1,658
OFFICES

PERCENTAGE REVENUE BY REGION



12%
ASIA PACIFIC



35%
EMEA



53%
AMERICAS

FEE SPLIT BY SERVICE LINE

21% Advisory
(inc. Legal)

21% Tax



15% Business Services & Outsourcing

42% Audit & Assurance
(inc. Other)

¹Data 1 October 2019 to 30 September 2020 (including alliance firms)

²Data 1 October 2019 to 30 September 2020 (excluding alliance firms)

BDO REGIONAL STATISTICS 2020¹



AMERICAS



EMEA



ASIA PACIFIC

Percentage revenue by region

53%

35%

12%

Revenue
*at constant exchange rates



US\$ **5.46**
BILLION +8.4%

US\$ **3.56**
BILLION +7.5%

US\$ **1.24**
BILLION +6.2%

Headcount



36,918 +5.5%

33,285 +2.2%

20,851 +1.4%

Countries/
Territories²



42

98

27

Offices

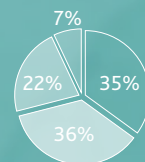


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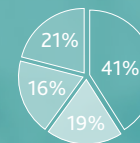
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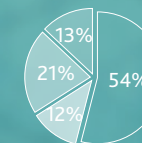
Fee split by service line



36% - Tax
35% - Audit & Assurance
(inc. Other)
22% - Advisory (inc. Legal)
7% - Business Services
& Outsourcing



40% - Audit & Assurance
(inc. Other)
21% - Business Services
& Outsourcing
21% - Advisory (inc. Legal)
18% - Tax



54% - Audit & Assurance
(inc. Other)
21% - Advisory (inc. Legal)
13% - Business Services
& Outsourcing
12% - Tax

¹Data 1 October 2019 to 30 September 2020 (including alliance firms)

²Data 1 October 2019 to 30 September 2020 (excluding alliance firms)

GLOBAL BOARD AT JUNE 2021



USA

Wayne Berson
Global Board Chairman



AUSTRALIA

Tony Schiffmann



CANADA

Patrick Kramer



CHINA

Jiandi Zhu



GERMANY

Holger Otte



THE NETHERLANDS

René Nelis



UK

Paul Eagland

GOVERNANCE

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 Chairman 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. The Global Board meets at least four times a year, and more if required.

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 2020 there were 115 Council members. The Council is chaired by the Council Chairman, elected among the existing Council members by the Council upon nomination by the Global Board. The current Council Chairman is Wayne Berson, managing partner of BDO in the USA. His appointment at the end of 2020 as Council Chairman is for an interim period, until the conclusion of a BDO International Limited governance review.

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 Chairman and/or the Secretary of BDO International Limited consider it necessary or appropriate, or upon the request of a certain 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 Chairman 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. The majority of the members of the GLT are dedicated full-time to their role within BDO International Limited.

The CEO and the GLT are supported by the Global Office: Brussels Worldwide Services BV. This is a limited liability company incorporated in Belgium, which coordinates the service provision within BDO. The Global Office includes the following departments:

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

GLOBAL LEADERSHIP TEAM AT JUNE 2021



GLOBAL CEO
Keith Farlinger



COO / GLOBAL HEAD OF ADVISORY
Anders Heede



GLOBAL HEAD OF IT
Belinda Thompson



CEO EMEA
Trond-Morten Lindberg



CEO AMERICAS / GLOBAL HEAD OF BSO
Albert Lopez



CEO ASIA PACIFIC
Stephen Darley



GLOBAL HEAD OF AUDIT & ASSURANCE
Chris Smith



GLOBAL HEAD OF TAX / GLOBAL HEAD OF PEOPLE
Robert Aziz



GLOBAL HEAD OF BUSINESS DEVELOPMENT & MARKETING
Allan Evans



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

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 guidance on the 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

As part of BDO's ongoing mission to drive quality throughout the organisation, Regional Quality Directors were appointed for each of the Americas, Asia-Pacific and EMEA regions. Part of the Global Risk & Quality team, they work closely with the Regional CEOs, the Global Head of Audit & Assurance and BDO member firms in their respective regions. Their focus is on creating, strengthening and maintaining high levels of quality and consistency in compliance and practice.

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 (RQ&G), 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.



INDEPENDENCE

Independence, objectivity and professional scepticism are required to perform high-quality audits. Independence is the fundamental principle driving trust in the reliability of audit, review and other assurance reports to third parties. BDO is dedicated to upholding the highest ethical standards and maintaining compliance with the international independence standards of the International Ethics Standards Board for Accountants (IESBA) and, in countries where standards are more stringent, those of national regulatory or standard setting organisations.

GLOBAL INDEPENDENCE MANAGEMENT PROGRAMME

BDO firms manage and maintain independence and objectivity on assurance clients through compliance with the *Global Independence Management Programme*. The Programme details the independence requirements, BDO policies and the minimum mandatory procedures that all BDO firms are required to follow. It is documented in the *BDO Independence Manual* and comprises five elements: Standards & Policies; Processes, Data & Tools; Training and Communication; Monitoring & Reporting and Leadership & Governance.

BDO is committed to acting in the public interest. Comprehensive due diligence is performed prior to accepting any new client or new engagement for an existing BDO client. The global procedures and systems are used by all BDO firms as part of BDO's control environment and are designed to identify, evaluate and address any threats to independence and/or potential conflicts of interest.

GLOBAL INDEPENDENCE TECHNOLOGY

BDO services clients that operate across multiple jurisdictions. BDO maintains a worldwide database of each BDO firms' restricted entities, including listed companies 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 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

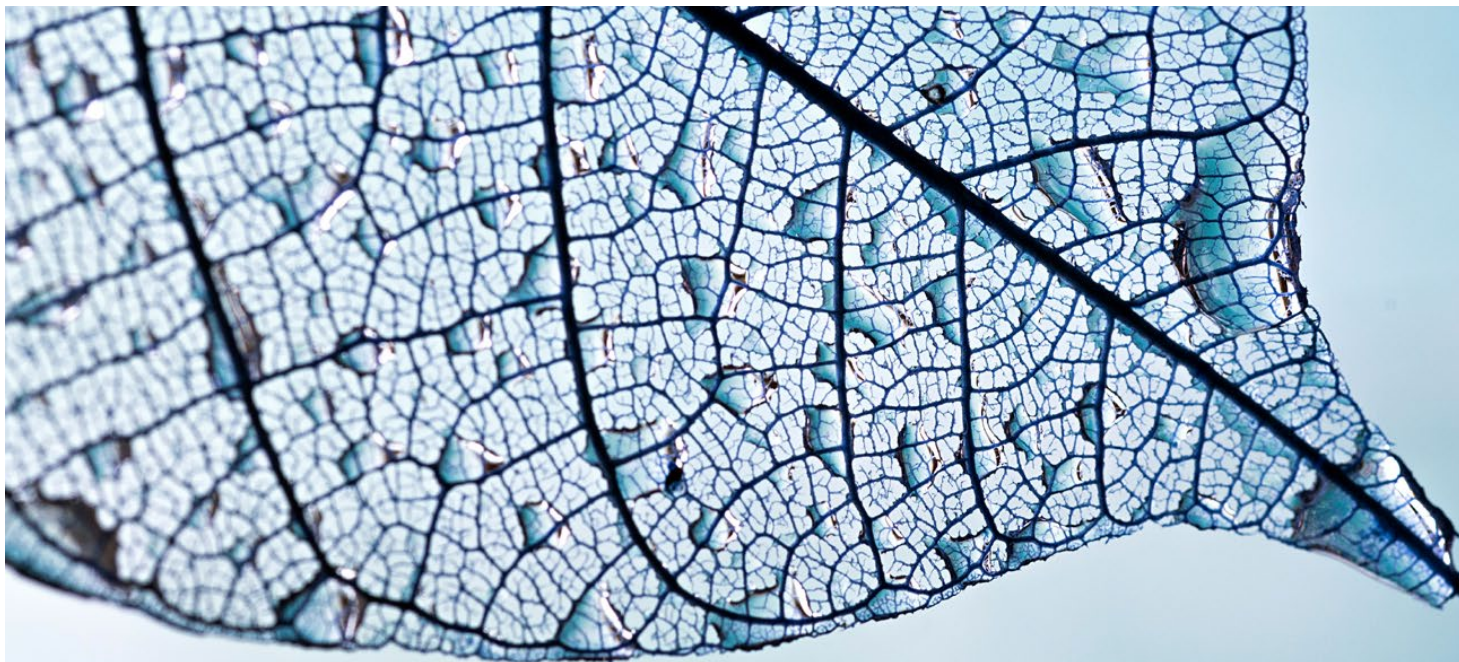
Each BDO firm appoints an Ethics & Independence Leader, an experienced professional who is responsible for implementing and monitoring compliance with the Programme. They also reinforce the importance of compliance with independence and related quality control standards and promote an independence compliance culture within their firm.

Ethics & Independence Leaders attend eight mandatory global sessions per year on specific independence related topics. Ethics & Independence Leaders are responsible for the accuracy of their firm's client data, as included in the global restricted entities database and the monthly confirmations to the Global Independence Team.

GLOBAL MONITORING & REPORTING

Ongoing monitoring activities are carried out enabling continuous enhancements across the Programme to ensure that BDO is meeting the demands of the changing environments.

BDO firms confirm to the Global Independence Team annually their firm's compliance with the *Global Independence Management Programme*.



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 QARs (Quality Assurance Reviews). 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 QAR 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 QARs 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 a QAR 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 QAR 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 QARs, in order to improve the monitoring procedures and the QMP on an ongoing basis.

TAX

The minimum BDO standards and requirements for the conduct of tax engagements are met by complying with the BDO Tax Manual and the BDO Risk Management Manual.

Tax QARs are very different from audit QARs due to the local tax regimes and frameworks which are specific to the territory in which the firm operates. The reviewer is usually unable to have a reliable opinion as to the appropriateness of tax advice given and local tax compliance for individual clients. The tax QARs are therefore designed to consider the risk management and quality monitoring around the tax services.

For any firm with a tax practice meeting certain criteria set by the RQ&G department, the timing of the tax QAR will be synchronised with the audit QAR (where applicable).

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.

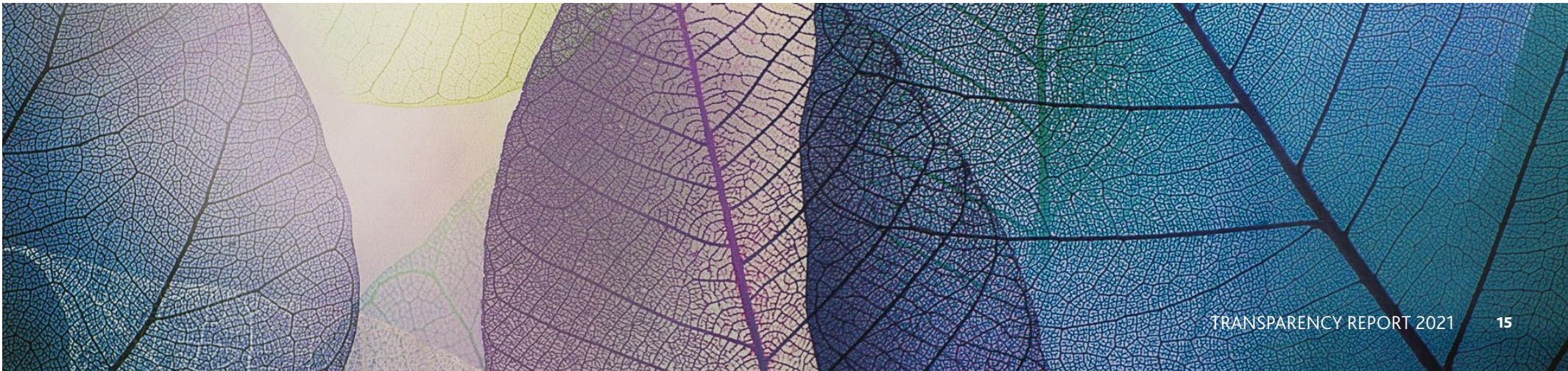


— PUBLIC POLICY LANDSCAPE AND ENGAGEMENT

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 technology 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. 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 Union will launch a new full spectrum review of the EU PIE audit market later this year - likely leading to further and far-reaching regulatory changes on its conclusion. We welcome and will actively participate in this broad stakeholder consultation on improving the corporate governance ecosystem of which the audit profession is a key component.

The environment in which almost all BDO firms now operate is one of heightened regulation, constant external scrutiny, expanded transparency expectations and ever more detailed compliance obligations. The expectations of the policymakers, regulators and oversight bodies continue to develop and more of our service offerings are regulated than ever before. BDO is a globally cohesive and future-focused organisation with exceptional client service at its heart. We constantly engage with policymakers and regulators and seek to understand the existing and looming public policy imperatives that shape the environment in which we and our clients operate. Regulators' expectations also extend to human resource matters such as recruitment, training and appointments to key positions in our firms, to ensuring adequate cybersecurity precautions, data protection procedures, and to anti-money laundering and 'know-your-client' processes. The pandemic will add new areas to be considered such as safely facilitating remote working whilst maintaining the capacity to deliver continuously high levels of service quality.

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.

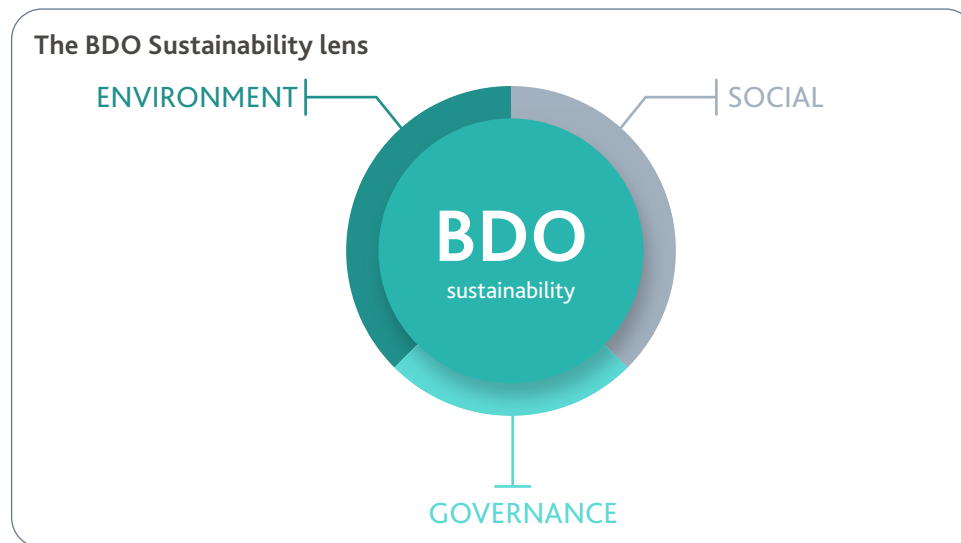
The list of environmental, social and governance (ESG) risks faced by corporations has recently exploded onto every business agenda - diversity and inclusion, climate change, #blacklivesmatter, pollution, corruption, #metoo, human rights and employee welfare, supply chain scandals...and of course COVID-19, 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 workstreams, implicitly designed to align our internal sustainability strategy with our external service offering.

SUPPORTING OUR CLIENTS

Through our *Sustainability as a strategic service offering* workstream, 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.



We believe in the power of technology 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 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* workstream 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.

In 2021, the BDO Sustainability Movement was launched. 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. This initiative is endorsed by Keith Farlinger, Global CEO, with the support and active participation of the Global Leadership Team. 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 to achieve their dreams.*



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

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