



Transparency Report 2024





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Foreword

We continue to navigate an increasingly complex global environment, marked by digital disruption, economic uncertainty, geopolitical conflicts and climate change. These issues are not new, they are chronic, but they do require our global organisation to remain agile. With a focus on our clients, our people and communities, we unveiled our new global vision, **Global Solutions. Driven to be the best.**

Providing global solutions is what BDO excels at. We understand our clients' needs and play a vital role in safeguarding the public interest, by upholding the highest standards of integrity, transparency and accountability. We are driven to be the best we can possibly be.

Our vision is underpinned by three strategic pillars: Build a thriving global team, Do the right thing and Focus on tomorrow.



Build a thriving global team

Talent is a key driver of our overall strategy, ensuring we have the right people in place to help our clients successfully navigate the global landscape. We are defined by our purpose *People helping people*. It's our people who are the heart of BDO, who will bring our vision to life and deliver global solutions for our clients worldwide.



Do the right thing

Quality is a fundamental aspect of our business. We continue to expand and refine our policies, monitoring procedures, and reporting mechanisms to enhance the culture of quality across all our firms. And, we remain committed to upholding the ethical principles that strengthen the trust of our people, clients and communities.



Focus on tomorrow

We are a future-focused organisation, staying ahead of emerging trends and harnessing advancing technologies to address tomorrow's challenges, today.

Our commitment to sustainability and goal of achieving net-zero carbon emissions by 2050 or sooner, is a continued priority for the global organisation.

As I look to the future, I am proud of the progress we have made and excited about the possibilities that lay ahead for BDO. With our new global vision that defines who we are, together with our purpose, we are successfully positioned to make a difference for our clients, colleagues and communities.

Pat Kramer,
BDO Global CEO





GLOBAL BOARD AT SEPTEMBER 2024



USA

Wayne Berson
Global Board Chair



AUSTRALIA

Tony Schiffmann



CANADA

Bruno Suppa



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 Global Board is currently chaired by Wayne Berson, managing partner of BDO in the USA. The Global Board Chair is elected by the Global Board members.

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

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 2023, there were 109 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 TEAM

The global Executive team 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 Pat Kramer, former CEO 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. The CEO acts as spokesperson for BDO at international forums and organisations and represents the global organisation in discussions with international regulatory bodies.

Trond-Morten Lindberg is the Global Chief Strategy and Operations Officer (CSOO). He works closely with the CEO to drive alignment within our organisation and ensure the consistent execution of Global BDO strategies.

Martin van Roekel, former Global CEO, is currently the Vice Chair of BDO. Martin uses his experience and relationships to assist the Global CEO in a number of key areas across 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 Global Office coordinates service provision within BDO, providing impartial oversight, quality assurance and global tools. Departments and areas of focus include:

- Audit & Assurance
- Tax
- Advisory
- Business Services & Outsourcing
- Sustainability
- Business development
- Communications & Corporate Affairs
- Finance & Accounting
- IT
- Legal & Privacy
- People & Culture
- Regulatory & Public Policy
- Risk & Compliance

GLOBAL LEADERSHIP TEAM AT SEPTEMBER 2024



Pat Kramer
Global CEO



Trond-Morten Lindberg
Chief Strategy and Operations Officer



Albert Lopez
Global Head of BSO
Regional Managing
Director, Americas



Alicia DeFreitas
Global Head of People & Culture



Basile Dura
Global Head of Risk & Compliance



Belinda Thompson
Global Head of IT



Daphna Smuckler
Global Head of Audit & Assurance



Jay Duke
Global Head of Advisory



Robert Aziz
Global Head of Tax



Zara Hovhannisyan
Global General Counsel





GLOBAL COMMITTEES

Within BDO there are a number of global committees, composed of professionals from BDO member firms. 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, Audit Quality Committee and Ethics & Independence Steering Committee are key to our risk and quality management.

THE PRIMARY GLOBAL COMMITTEES ARE AS FOLLOWS

Advisory Leadership
Group

Audit Leadership
Committee

Audit Quality
Committee

Board Advisory
Committee

BSO Steering
Committee

Ethics & Independence
Steering Committee

Global People
Committee

International Brand &
Marketing Committee

International
IT Committee

International
Risk Management
Committee

Sustainability
Steering Group

Tax Advisory
Committee





Build a thriving global team



What building a thriving global team means to us

“ At BDO, we aim to create a thriving workplace where everyone can achieve their goals, feel valued, and be recognised for their talents. ”

Alicia DeFreitas, *Global Head of People & Culture*

Our new global vision **Global solutions. Driven to be the best.** sets out a shared ambition to achieve our core purpose: *People helping people.*

Our vision and purpose shape how we work, helping us to make better decisions, attract and retain talent, and secure the trust of our clients.

Across our worldwide footprint, we operate as one BDO. Our diverse global teams effectively harness local expertise, innovation, and cutting-edge technology to deliver sustainable, international solutions.

With an unwavering commitment to quality and integrity, our employees set us apart within a complex and rapidly evolving environment. It's important to us that they feel proud and happy to work at BDO. We therefore seek to create a diverse, inclusive, and equitable workplace, where different perspectives are welcomed and celebrated. As a people-powered business, we nurture everyone to thrive.

BUILD A THRIVING GLOBAL TEAM

We nurture a place of learning and respect, where everyone is proud to be part of one BDO.

- ▶ We provide a thriving workplace and support our people to become the best versions of themselves.
- ▶ Our people feel valued, recognised, and autonomous.
- ▶ Our focus on problem-solving encourages innovation, nurtures curiosity, and embraces diverse perspectives.





A thriving global workforce

LEARNING & DEVELOPMENT

BDO is deeply committed to investing in the learning and development of every individual within BDO. This commitment includes access to high-quality resources, from unlimited English language proficiency courses to tailored coaching and skills training, ensuring each colleague builds in-depth expertise and a deep understanding of our quality standards. We value every team member's unique talents and provide them with the tools to achieve their goals, while upholding our commitment to excellence.

Strong leadership is crucial to steer our organisation in an ever-evolving world. As disruption, market change, client expectations and digital transformation shape the business landscape, we recognise the imperative of developing these skills across our teams, to align with and achieve our global objectives.

BDO offers dedicated programmes, including the BDO Harvard Executive Leadership Programme, enabling BDO participants from around the globe to receive the latest and best academic thinking on professional service firm models and on their roles as leaders. This programme not only builds alignment with the BDO strategy, but also challenges current ways of working and thinking on models of professional service firms, equipping our leaders to lead future-ready, sustainable, successful, and consistently high-quality organisations.





**Do the
right thing**



Risk & quality management

BDO'S UNWAVERING COMMITMENT TO QUALITY

“ We have a culture of excellence and resilience enabling stakeholder trust and protecting the public interest. ”

Daphna Smuckler, *Global Head of Audit & Assurance*

Our global strategy embraces quality as a key strategic focus, reflecting our unwavering commitment to excellence. At BDO, we view quality as a continuous journey. We are dedicated to ongoing improvement and innovation, ensuring that we meet the expectations of our stakeholders. Together, we strive to enhance the reputation and effectiveness of the audit profession, building trust and confidence in our services worldwide while protecting the public interest. Quality is a strategic focus and foundational element to achieve our vision. It is not only a matter of delivering products and services that meet the highest standards, but also a way of building trust and loyalty with our clients and stakeholders. Quality is embedded in everything we do, from our internal processes and systems, to our external interactions and collaborations. By setting a strong tone at the top and holding people accountable, leadership creates the right culture to maintain high quality.





STRATEGIC INVESTMENTS IN QUALITY

The member firms and the BDO organisation have made, and continue to make, significant investments to ensure quality is central to our culture and work. These activities include:

- ▶ Recruiting talent with specialised expertise
- ▶ Upskilling our teams and enhancing our training and resources
- ▶ Achieving more consistency and experience across the global
- ▶ Advancing our digital audit suite to be more consistent and efficient

We appointed a new Head of Global Audit Quality to promote consistency and drive our unwavering commitment to quality. Efforts to drive quality throughout the organisation are spearheaded by the Regional Quality Directors of each region (America, Asia Pacific, and EMEA).





OUR FIRMS' SYSTEM OF QUALITY MANAGEMENT (SOQM)

Our global organisation is dedicated to supporting firms in enhancing and maintaining their SoQMs. We achieve this through effective policies, tools, guidance, and training that promote and monitor quality, fostering consistency across our operations. Each firm adapts the guidance to suit its unique circumstances, utilising the resources provided by the network to uphold our commitment to delivering quality.

BDO firms are committed to maintaining high standards of audit quality to consistently deliver quality engagements that meet stakeholders' expectations and serve the public interest. The firms set a culture of audit quality where partners and staff are responsible for performing quality engagements and upholding professional ethics, values, and attitudes.

To support consistent engagement quality, firms invest significant time and resources to establish and operate an SoQM that complies with ISQM 1 and achieves objectives that:

- ▶ The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- ▶ Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

Firms have adopted the quality objectives and specified responses for the eight components as set out in ISQM 1:

- ▶ The firm's risk assessment process
- ▶ Governance and leadership
- ▶ Relevant ethical requirements
- ▶ Acceptance and continuance of client relationships and specific engagements
- ▶ Engagement performance
- ▶ Resources
- ▶ Information and communication
- ▶ The Firm's monitoring and remediation process.

These components operate in the firms' SoQMs in an iterative and integrated manner. Robust monitoring and remediation are an important component of the Firms' SoQMs to ensure that firms continuously seek to improve their quality processes.

A fundamental part of an effective monitoring and remediation process is to perform root cause analysis ('RCA') on the identified deficiencies to understand why deficiencies arose and to be able to design an effective remediation plan to prevent deficiencies from occurring again in the future.

“ We uphold an uncompromising commitment to quality, consistently doing the right thing - even when it demands the most challenging path. ”

Nazia Lakhani, *Head of Global Audit Quality*





OUR A&A QUALITY RESULTS

We are diligently reviewing both our internal and external inspection outcomes and have identified areas that require improvement. Our firms are steadfastly committed to an ongoing quality journey toward excellence in their SoQMs.

Excellence in quality begins with leadership's dedication and the proficiency of our team members. We are investing and channeling resources to foster a culture of quality, develop our people, and upgrade our Audit & Assurance tools.

AUDIT QUALITY INDICATORS (AQIS)

AQIs are quantitative measures about the audit process. When assessed together with relevant qualitative information, they provide insights about factors that may influence audit quality. Some key indicators we believe drive our quality include:

TRAINING

58 Average training hours per engagement partner (PY58)

60 Average training hours per audit staff (PY57)

Annually our partners and staff are spending between 58 and 60 hours per year on professional development and learning, well above the minimum requirements. A commitment to training shows a commitment to investing in the competency and growth of our talent.



STAFF SURVEY

96% I believe BDO is committed to the consistent execution of quality engagements in serving our clients, investors, and capital markets (PY 96%).

97% I believe I am personally responsible for the delivery of quality on an engagement (PY 96%).

97% I believe the firm is committed to demonstrating ethical behaviours (PY 97%).

96% I understand what is expected of me with respect to quality on an engagement (PY 96%).

We understand the importance of having a culture of quality embedded into our day-to-day actions and behaviours. Annually, our firms conduct a survey to provide insight into the perceptions of staff and partners about the importance of quality at BDO.





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.

At global level, quality monitoring within BDO originates from the BDO Regulations, which stipulate that each firm is subject to Quality Reviews (QRs).

In practice, BDO firms are regularly reviewed, on a risk based approach. Equally, the results of the firms' own Engagement Inspection Programmes (EIPs) are monitored through the global annual Quality Monitoring Programme. The QMP is managed by the Global Risk & Compliance department and Quality Reviews are carried out by a team of independent and suitably qualified dedicated reviewers, for whom an ongoing training process is in place.

The scope of an audit Quality Review includes an assessment of the design and implementation of the firm's Engagement Inspection Programme (EIP), an assessment of compliance with professional and incremental BDO standards, and the review of a sample of engagement files and policies.

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 Risk & Compliance department requests that all firms report the results of these reviews to the Global Office annually.

The results are further analysed to spot trends or any difference with those of the Quality Reviews, in order to improve the monitoring procedures and the QMP on an ongoing basis.

The Compliance & Monitoring team has expanded the quality reviews to cover non-assurance services (NAS) with the focus on Client Acceptance & Continuance (CA&C) procedures, in view of the associated high-risks.

“ Our responsibility is not only to identify risks but to anticipate them, fostering a culture of resilience and trust that protects both our clients and the public interest. ”

Basile Dura, Global Head of Risk & Compliance



GLOBAL MONITORING

The Global Compliance Reporting System (GCRS) allows us 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 2021-2022 was successfully run on the GCRS, resulting in considerable improvements in overall compliance with specified BDO quality standards. The primary purpose of the accreditation programme on the GCRS 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.

In 2021 BDO's Global Privacy Policy, BDO's Binding Corporate Rules (BCRs) for Controllers and Processors, received a positive opinion from the European Data Protection Board (EDPB), confirming that appropriate safeguards are in place within BDO to ensure the adequate protection of personal data within our global organisation. We are continuing our efforts to enhance the culture of data security within the organisation and demonstrate our strong commitment to the protection of privacy and personal data. Initially based on self-assessments, our Data Security compliance monitoring programmes have, since 2021, used the GCRS, with mandated reviews conducted by third parties that audit our firms against BDO's global data security policies. Our policies are supported by global programmes to help our firms to meet these important membership obligations and set the framework for data security compliance within BDO.





Ethics & independence

ETHICS & INDEPENDENCE

“ *Ethics and independence are of fundamental importance to our culture and success. To fulfil our responsibility to act in the public interest, BDO is dedicated to fostering an ‘ethics & independence first’ culture.* ”

Tracey-Lee Massey, *Head of Ethics & Independence*

THE IMPORTANCE OF TRUST

Ethics and independence remain central to reinforcing trust and confidence in BDO. The trust of the public can only be maintained and enhanced if member firms, their partners and members of their staff conduct themselves in accordance with the fundamental principles of ethics – set by the International Ethics Standards Board for Accountants (IESBA).

GLOBAL ETHICS & INDEPENDENCE MANAGEMENT PROGRAMME

The Global Ethics & Independence Management Programme (‘the Programme’) provides a framework to assist firms in complying with Relevant Ethical & Independence Requirements. It includes five key elements: Standards & Policies; Processes, Data & Tools; Training & Communication; Monitoring & Reporting, and Leadership & Governance.

Our ongoing investment in this programme underscores our commitment to driving consistent standards across our global organisation.

1. STANDARDS & POLICIES

The Global Ethics & Independence policies and procedures form the basis of the Programme, supported by technology where possible, to ensure that BDO continues to adhere to the Relevant Ethical Requirements (RERs) (including independence, both in fact and appearance). All policies are published in the Global Ethics and Independence Manual, which outlines the minimum requirements and describes the ethics & independence principles that BDO applies when providing professional services.

2. GLOBAL TECHNOLOGY

BDO serves clients, including many public interest entities, across multiple jurisdictions. Maintaining independence and working ‘conflict-free’ is a top priority. Continuous investment in global technology assists in managing global risk exposure, including independence risks. We have implemented a new global entity management system across all BDO firms and are in the process of implementing an enhanced conflict checking global solution.

► Conflicts of Interest

The principle of objectivity requires avoiding any compromise of professional or business judgement due to bias, conflict of interest or the undue influence. Engagement Partners are responsible for identifying potential conflicts of interest during the client acceptance process. International conflict of interest checks are conducted using our global technology. When potential conflicts are identified, procedures are in place to manage them appropriately. If a conflict cannot be managed to an acceptable level, the engagement will be declined.





3. TRAINING & COMMUNICATION

Effective collaboration between Global Ethics & Independence and member firms relies on regular and effective communication. The Programme includes mandatory training sessions and continuous analysis and review of communication effectiveness.

4. BDO ETHICS & INDEPENDENCE COMMUNITY

Collaboration between Global Ethics & Independence and member firms is essential for achieving global consistency, tailored to the diverse sizes of our firms.

5. GLOBAL MONITORING & REPORTING

Ongoing monitoring activities ensure compliance with the Programme and facilitate continuous improvements, to ensure that BDO continues to meet the evolving demands of our operating environments. Identified matters are reviewed, investigated, and rectified by the respective parties. Global Reporting is in place to enable firm management to make informed decisions.





Public policy landscape and engagement

In the modern world, regulation is a feature of most sectors of the economy, particularly those areas considered systemic. Those providing professional services associated with such sectors are therefore well accustomed to engagement with relevant policymakers and oversight authorities.

Governments' responses to the public health, economic and financial impacts of the COVID-19 pandemic saw significantly greater involvement of policymakers and of independent regulators in all aspects of economic life. Societal reaction to the effects of the pandemic and the macroeconomic and fiscal stimuli provided by governments has further led to enhanced oversight of business life by governments and regulatory bodies. Activism around climate change, sustainability, inequality, the regulation of 'big-tech' and of Artificial Intelligence and calls for transparency in all its forms are continuing to profoundly influence the nature of the everchanging 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. In recent years, oversight authorities have moved from regulating national entities within a sector, to regulating activities and

businesses across jurisdictions as the necessary protocols, structures and technologies are continuing to be put in place. These developments enable regulators to carry out their roles in ways that match the nature of the techenabled business environment of the modern era. Mirroring the globalisation of the business world, regulators now routinely share best practice, regulatory philosophies and results of all forms of inspections with each other.

We welcome all of these developments and continue to strengthen our global compliance reporting and monitoring systems and to invest constantly in innovative technology in this area.

As a global organisation, our understanding of public policy imperatives and the fulfilment of our compliance obligations is central to the way we work. We recognise that regulation, and the scrutiny of policymakers and oversight bodies (across all areas of our operation) is part of being in business. Moreover, it is likely that the postpandemic policymaking environment will see further evolution in this area - particularly around the topics of cybersecurity and maintaining quality, given the shift towards remote and hybrid working.





At BDO, our firms have for many years embraced the comprehensive transparency requirements for public reporting by audit firms with public interest entity audit clients. BDO has sought to lead by example through the expansive nature and scope of our transparency reporting globally and at national firm level.

Our well-developed views are sought on issues such as non financial information and sustainability reporting, sustainability and climate change issues, corporate governance, cybercrime, data protection, privacy, and all forms of economic crime as well as on key geopolitical and geoeconomic themes such as 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 for the benefit of our clients and for our global organisation.



Focus on tomorrow



Sustainability

SUSTAINABILITY IS EVERYBODY'S BUSINESS

In today's dynamic corporate landscape, sustainability has transcended its role as a mere buzzword; it has become a rallying cry for many organisations worldwide. As we continue our sustainability journey, we recognise that this is not the responsibility of a select few within our organisation—it's everybody's business.

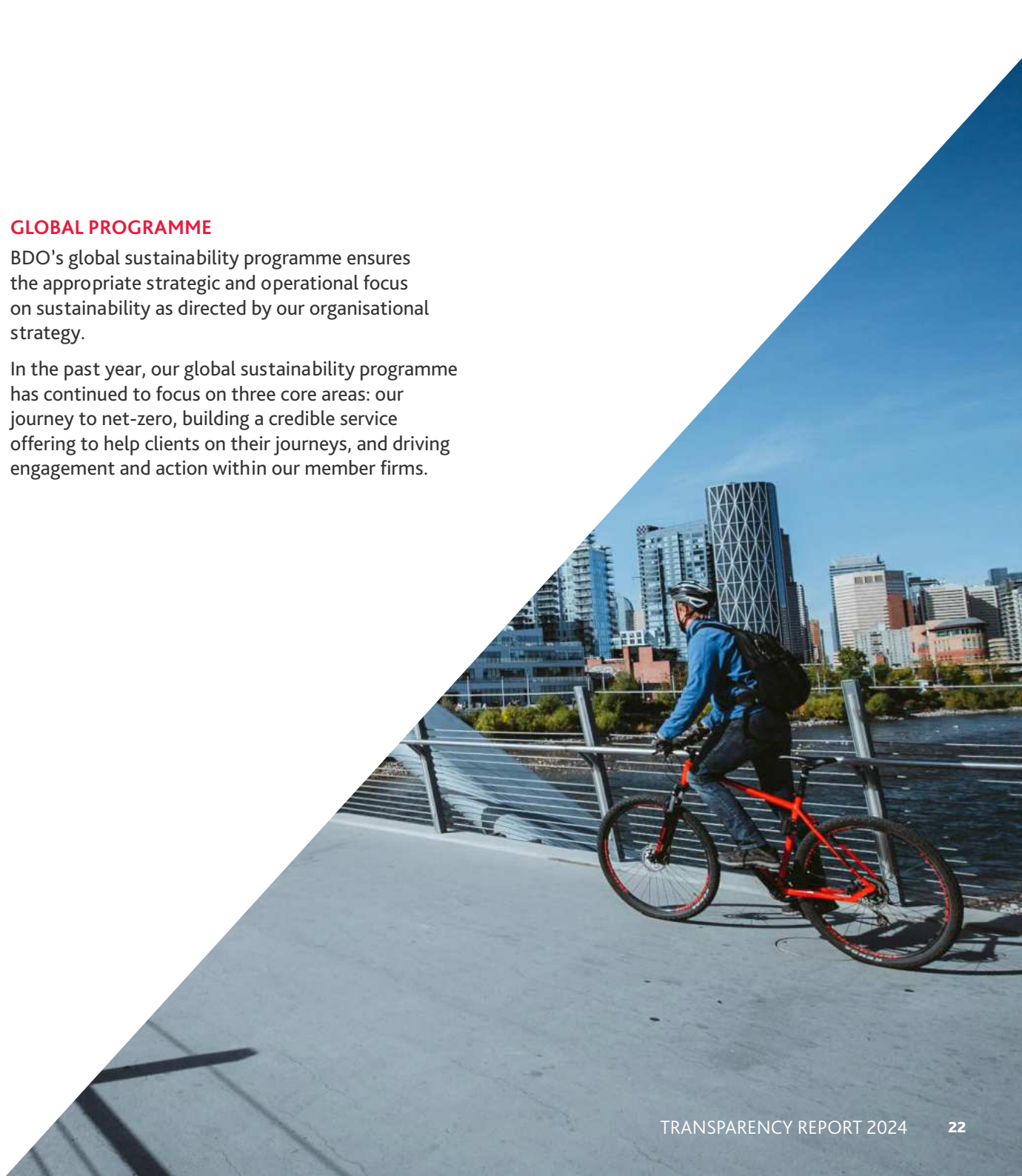
As such, sustainability weaves an intricate tapestry throughout our organisation with implications for BDO globally, for individual member firms, our clients and our people. From reducing carbon emissions to fostering inclusive practices, each facet of sustainability underscores the interconnectedness of our actions and their broader impact.

Sustainability at BDO is guided by our WHY – *People helping people* – and aims to inspire, educate and lead an unstoppable movement for sustainable business practice in our markets and in our organisation.

GLOBAL PROGRAMME

BDO's global sustainability programme ensures the appropriate strategic and operational focus on sustainability as directed by our organisational strategy.

In the past year, our global sustainability programme has continued to focus on three core areas: our journey to net-zero, building a credible service offering to help clients on their journeys, and driving engagement and action within our member firms.





1. BDO'S NET-ZERO CARBON EMISSIONS JOURNEY

Delivering net-zero demands transformation across the whole of society, and organisations such as BDO play a pivotal role. Indeed, achieving net-zero emissions is a priority for us as we drive sustainability as one of our organisation's strategic enablers.

Our global carbon footprint was measured for the first time in 2023 using an extrapolation from the individual footprints of 19 member firms plus BDO Global Office. This year, the majority of BDO firms has joined the global net-zero ambition. As this is a strategic, organisation wide programme, our global net-zero programme provides BDO firms with a standardised global methodology and approach that supports implementation through a carbon baseline emissions calculation, setting science-based net-zero targets, and annual reporting.

We have partnered with IBM Envizi, an industry leading, global ESG software solution to enable firms to collect, analyse and report their carbon data and effectively manage their individual net-zero ambitions. Envizi goes beyond carbon reporting and will also be used as our global ESG reporting platform.



TARGETING NET ZERO TOGETHER

WHAT EXACTLY IS 'NET-ZERO'?

Net-zero is a target of completely negating the amount of greenhouse gases produced by human activity, to be achieved by reducing emissions and implementing methods of absorbing carbon dioxide from the atmosphere.



Read our [Net-zero Financial Service Providers progress report](#), in which we report on progress made against our commitment to achieve net-zero carbon emissions by 2050 or sooner, including the release of our first global carbon footprint.



GLOBAL OFFICE NET-ZERO TARGETS VALIDATED BY SBTi

BDO's Global Office has had its **net-zero targets validated by the Science Based Targets Initiative (SBTi)**.

The targets, covering greenhouse gas emissions from BDO Global Office's operations (scopes 1 and 2), are consistent with reductions required to keep warming to 1.5°C, the most ambitious goal of the Paris Agreement and what the latest climate science has told us is needed to prevent the most damaging effects of climate change.

The targets were approved using a streamlined target validation route exclusive to small and medium-sized enterprises (SMEs). Under this route SBTi only validates Scope 1 and 2 targets, while also expecting to see that SMEs understand the importance of Scope 3 and have set decarbonisation targets for this scope too.

The BDO Global Office commitment, which has been validated by the SBTi:

To reduce scope 1 and scope 2 GHG emissions by

42% by 2030
from a 2022 base year, and to measure and reduce our scope 3 emissions.

To reach net-zero by 2040 by reducing scope 1, 2 and 3 emissions

90%
from a 2022 base year.

OUR ORGANISATION'S PROGRESS TO NET-ZERO

BDO Global Office joins over 20 of the largest BDO firms who have either submitted their Commitment Letter to the SBTi or had their targets validated. We are proud that BDO firms are taking a leadership position with regards to their commitment to reducing their greenhouse gas emissions.

BDO Global Office, and the above mentioned firms, are developing decarbonisation strategies which encompass a range of initiatives and actions focused on company cars, travel, gas and electricity consumption and value chain emissions.

BDO Global Office is taking a leading role and there is a requirement for all BDO member firms to submit targets to the SBTi according to a set timeline in our global Net-Zero Policy.

TACKLING MATERIAL ISSUES AND CLIMATE RISK AND OPPORTUNITIES

This year, we embarked on two core projects to better understand the impacts of ESG factors on the BDO.

We are conducting a double materiality assessment (DMA) to identify our most important environmental, social and governance issues. These will inform our ESG strategy and enable us to prioritise the most important ESG issues.

Alongside this, a climate scenario analysis (CSA) - a deep-dive into the impact of climate change on BDO Global Office and the organisation – is examining the impacts of future events under different likely climate warming scenarios looking at physical and transitional risks. The CSA is a requirement under the BDO Global Net-Zero Policy as part of our TCFD-aligned climate impact reporting and will also enable us to assess resilience and integrate planning for possible climate futures into our business strategy, risk management processes and financial planning.

The results of both projects will be reported in our 2025 Transparency Report.





2. CLIENT SERVICES

The sustainability services offered by our firms continue to expand as clients require more support to meet their sustainability obligations and start to explore their own decarbonisation strategies.

Using our suite of ESG solutions and tools, we help our clients measure, report and improve the impact of their activities and outputs.

Our global focus remains on our suite of core sustainability services, incorporating climate risk, sustainable finance, building sustainable communities, ESG strategy and the importance of human capital. A global Sustainability Services working group meets regularly to share best practice, build credentials, collaborate on opportunities, and strengthen our overall services offering. We recognise the current focus on the impact of the CSRD on European businesses, and its knock on effect in other jurisdictions and our sustainability teams are building capacity to be able to support clients in this regard.





3. ENGAGEMENT AND ACTION

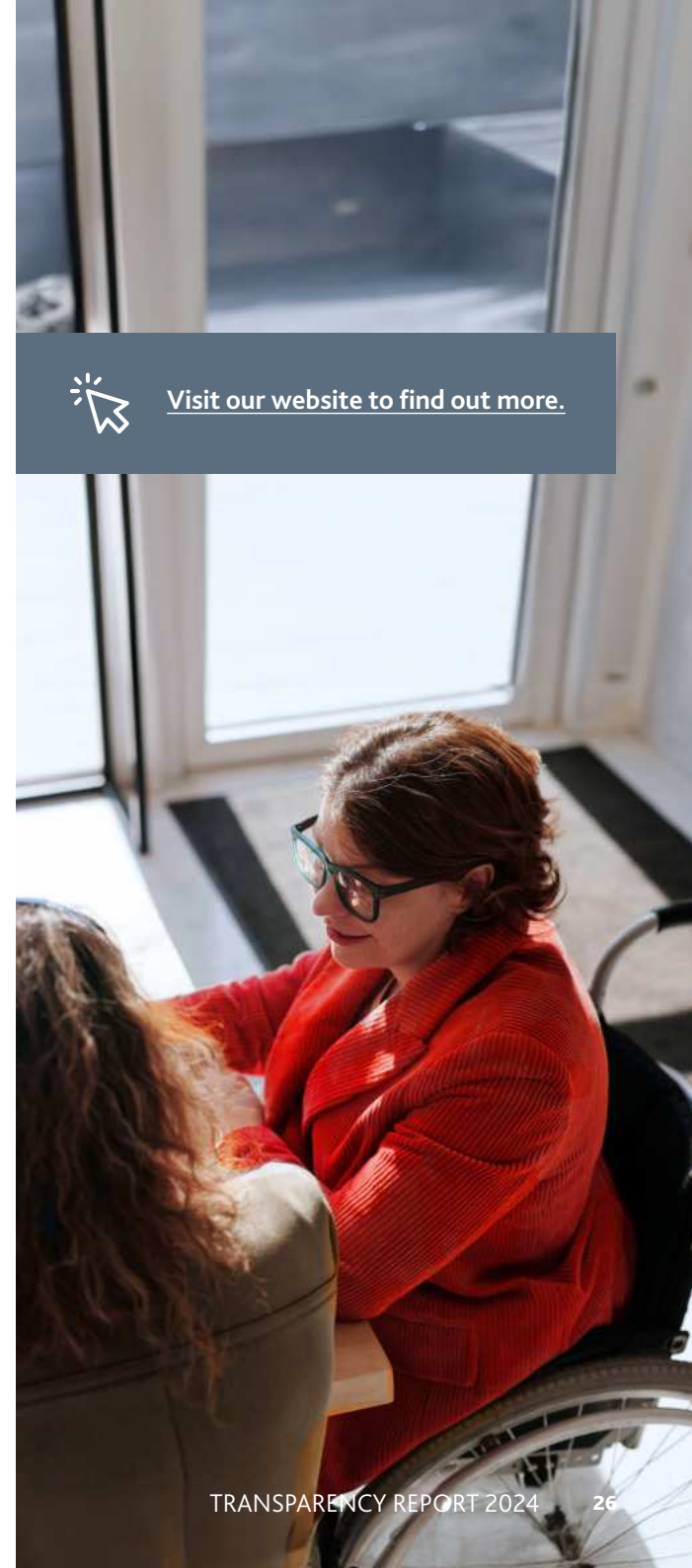
We encourage our people to support sustainable ways of doing business and embrace sustainability practices as an individual, as a BDO professional and as advisers to our clients. Highlights from this year:

- ▶ Our **International Women's Day Report** which explores the topic of inclusion and spotlights BDO women from around the globe who share their experiences and discuss what inclusion means to them. This report aims to demonstrate the importance of inclusion and inspires everyone in our organisation to continually strive towards a future where everyone feels valued and respected.
- ▶ The **BDO Sustainability Communicators** group meets quarterly to share best practice and develop programmes to drive internal engagement with our sustainability agenda. It also aims to inspire action by showcasing the efforts made by BDO firms to positively impact people, communities and the environment.
- ▶ **Diversity** is a large part of what makes life – and work - interesting and rewarding. Global Diversity Month in October and Pride Month in June celebrated the melting pot of ethnicities, cultures, heritages, experiences, abilities, and other attributes that contribute to BDO's dynamic workplace.

- ▶ For **Earth Day** in April, we joined calls to reduce plastic pollution and to do something in our member firms to support the Earth Day 60 x 40 campaign - a 60% reduction in plastic production by 2040. Earth Day is an annual reminder of the importance of environmental conservation and sustainability, encouraging us all to come together to take action for a healthier planet and a brighter future.
- ▶ Similarly, for **World Environment Day** in June we encouraged our people to be part of #generationrestoration to secure our land and future.

Our net-zero programme is just the beginning of a broader sustainability journey at BDO, which ultimately will also encompass initiatives that tackle the social and governance aspects of ESG.

As a global organisation, we aim to foster a culture of collective responsibility - a culture where every one of us, from the boardroom to the back office, plays an integral role in shaping a sustainable future. Together, we will drive meaningful change, demonstrating our commitment to sustainability and leaving a positive legacy for generations to come.



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