



# Transparency Report 2023

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# Foreword

In today's rapidly evolving business landscape, adaptability is paramount. As a forward-thinking organisation, we recognise the need to embrace change and have embarked on a transformation journey. Staying ahead of the curve requires a proactive approach, anticipating and responding to changing market dynamics, emerging technologies and shifting client expectations.

Moving forward, regulatory standards and expectations will continue to be a priority and a key strategic focus. Through continuous investment in cutting-edge digital systems and tools, we are optimally positioned to assist our clients and our firms to effectively navigate the increasingly intricate risk landscape. Demonstrating our commitment to setting a precedent, we are actively expanding and refining our policies, monitoring procedures, and reporting mechanisms to enhance the culture of quality across all our firms.

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 2021) ensures that the topic of sustainability remains firmly on our global agenda.

The global scarcity of talent presents a significant challenge for all professional service providers. The demand for highly-skilled professionals continues to outstrip the availability of new talent. Together with our firms, we will continue to invest in both new and existing employees, and encourage lifelong learning and development for all. We recognise that employee engagement is key to our success, and the ongoing diversity, equity and inclusion efforts of our firms are inspirational, and a testament to who we are as an organisation. As we continue our journey, we aim to ensure that all our firms work as responsible and responsive businesses and have a positive impact on our people, our clients, and the communities we live in.



**Pat Kramer**

Global CEO  
June 2023

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## *PEOPLE HELPING PEOPLE*

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Our purpose - People helping People – will continue to be our guiding principle, shaping our current and future direction. We are a people-powered business, and as such our people and culture are the foundation of our organisation. Our teams, comprised of BDO professionals from all over the world, are our most valuable asset.

# Facts & figures

## BDO GLOBAL STATISTICS 2022<sup>1</sup>

### GLOBAL REVENUE



US\$ **12.8**  
BILLION  
+12.1%<sup>2</sup>  
REVENUE INCREASE

### PEOPLE



**111,307**  
PEOPLE  
+14.4%

### GLOBAL FOOTPRINT



**164**  
COUNTRIES/  
TERRITORIES



**1,803**  
OFFICES

### PERCENTAGE REVENUE BY REGION



**55%**  
AMERICAS



**33%**  
EMEA



**12%**  
ASIA PACIFIC

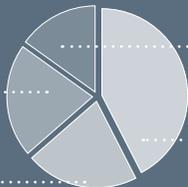
### FEE SPLIT BY SERVICE LINE

**22%**

Advisory (inc. Legal)

**22%**

Tax



**14%**

Business Services & Outsourcing

**42%**

Audit & Assurance (inc. Other)

<sup>1</sup> Data 1 October 2021 to 30 September 2022 (including alliance firms)

<sup>2</sup> At constant exchange rates



## BDO REGIONAL STATISTICS 2022<sup>1</sup>



AMERICAS



EMEA



ASIA PACIFIC

### Percentage revenue by region

55%

33%

12%

Revenue



US\$ **7.1**  
BILLION +15%<sup>2</sup>

US\$ **4.2**  
BILLION +10%<sup>2</sup>

US\$ **1.5**  
BILLION +7%<sup>2</sup>

Headcount



47,611

37,986

25,710

Countries/  
Territories



41

97

26

Offices



1,162

512

129

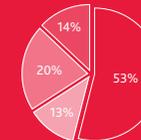
### Fee split by service line



36% - Tax  
33% - Audit & Assurance  
(inc. Other)  
23% - Advisory (inc. Legal)  
8% - Business Services  
& Outsourcing



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



53% - Audit & Assurance  
(inc. Other)  
20% - Advisory (inc. Legal)  
14% - Business Services  
& Outsourcing  
13% - Tax

<sup>1</sup> Data 1 October 2021 to 30 September 2022 (including alliance firms)

<sup>2</sup> At constant exchange rates

# 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 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 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 2022 there were 110 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.

## GLOBAL BOARD AT JUNE 2023



USA

Wayne Berson  
*Global Board Chair*



AUSTRALIA

Tony Schiffmann



CANADA

Bruno Suppa



CHINA

Jiandi Zhu



GERMANY

Holger Otte



THE NETHERLANDS

René Nelis



UK

Paul England

## 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 Pat Kramer, former CEO of BDO in Canada and a member of BDO's Global Board. 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.

Trond-Morten Lindberg is the Global Chief Strategy and Operations Officer. 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:

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

## GLOBAL LEADERSHIP TEAM AT JUNE 2023



**Pat Kramer**  
Global CEO



**Robert Aziz**  
Global Head of Tax  
Global Head of People & Culture



**Jay Duke**  
Global Head of Advisory



**Basile Dura**  
Global Head of Risk & Compliance



**Zara Hovhannisyan**  
Global General Counsel



**Trond-Morten Lindberg**  
Chief Strategy and Operations Officer



**Albert Lopez**  
Global Head of BSO  
Regional Managing Director, Americas



**Daphna Smuckler**  
Global Head of Audit & Assurance



**Belinda Thompson**  
Global Head of IT

## 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

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





## Risk & quality management

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

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. The public interest services in Audit & Assurance are supported by additional audit, risk and quality manuals.

The Global Risk & Compliance team, supported by the International Risk Management Committee and the Ethic & Independence Steering Group (and their sub-committees) is responsible for developing and issuing risk management policies which are subject to monitoring. In 2022, additional global network policies and procedures were issued for digital assets business, anti-bribery and corruption and politically exposed persons.

During 2022, as a result of the situation in Ukraine, several major jurisdictions imposed significant economic sanctions and trade restrictions affecting Russian persons and activities. The Risk and Compliance team reviewed the Global Sanctions policy and ensured that guidance and information relating to these economic sanctions and restrictions were available to member firms. The team also provided support to member firms and their compliance teams.

### 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 of the admission decision. These due diligence reviews are conducted by the Global Risk & Compliance and Legal & Privacy departments, or under their direction. The Global CEO then makes a recommendation to the Global Board, based on the due diligence report, and they then make the final decision.

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

- 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.





# 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 reviewed on the basis of a risk assessment, and otherwise at least once every three years. Equally, the results of the firms' own Engagement Inspection Programmes (EIPs) are monitored through the global annual Quality Management Programme. Our current focus is on developing QR Programmes that will be performed across all the services lines of our firms (including advisory, tax, BSO and others), and will cover topics such as client acceptance and continuance, ethics and risk management. These programmes will be developed further as policies are updated as part of the review of the International Risk Management Manual. 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 effectiveness 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.

Over the years, the QMP has evolved from a focus primarily on the review of the audit engagement

files to the review and assessment of the internal controls of our firms. While the Quality Review always includes a review of several engagement files, it now assesses whether a firm's EIP provides is reliable for QMP purposes. In 2022, work included the assessment and monitoring of our firms' compliance with professional standards - 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. Other monitoring procedures 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 Risk & Compliance department requests that all firms report the results of these reviews to the Global Office annually. These results are further analysed for the purpose of reporting to different regulators. Moreover, the results are used 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.

# 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 creating an 'ethics & independence first' culture.

## THE IMPORTANCE OF TRUST

Ethics and independence remain central to reinforcing trust and confidence in BDO and in the accountancy and auditing profession. The trust of the public can only be maintained and enhanced if BDO firms, their partners and members of their staff conduct themselves in accordance with the fundamental principles of ethics - as outlined by the International Ethics Standards Board for Accountants (IESBA) in the IESBA Code for Professional Accountants, and the International Independence Standards.

## 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 and is comprised of five elements: Standards & Policies; Processes, Data & Tools; Training & Communication; Monitoring & Reporting, and Leadership & Governance.

We have continued to invest in growing the Global Ethics and Independence function. This growth reflects the 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 clients, including a large number of public interest entities, operate across multiple jurisdictions. Working 'conflict-free' and maintaining independence, where required, is a priority for BDO. Continuous investment in global technology assists in managing global risk exposure, including independence risks. We are currently in the process of designing and implementing a new generation of our global entity management system and global conflict of interest tool, which will futureproof our system of internal control. Technology designed to identify, evaluate, and address threats to the fundamental ethical principles including independence and/or potential Conflicts Of Interest (COIs) further contributes to our control environment.

- **Conflicts of Interest**

The principle of objectivity imposes an obligation to avoid the compromise of professional or business judgement as result of bias, conflict of interest or the undue influence of others. Engagement Partners are responsible for the identification of potential conflicts of interest during the client acceptance process. International conflict of interest checks are performed using our global technology. Where potential conflicts are identified, procedures are in place to ensure they are appropriately managed. Where it is concluded that a conflict is not manageable, or where it cannot be managed to an acceptable level, the engagement will be declined.

### 3. TRAINING & COMMUNICATION

The successful collaboration between Global Ethics & Independence and BDO firms is dependent on regular and effective communication. To this end, the Programme includes mandatory training sessions. In addition, ongoing analysis and review of the effectiveness of Global Ethics & Independence communications to firms provides further feedback.

- **Annual Global Ethics & Independence Conference**

This annual conference brings together all ethics and independence and risk leaders across BDO and provides a platform to drive quality and encourage the cultivation of an ethical culture.

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### 4. BDO ETHICS & INDEPENDENCE COMMUNITY

Collaboration between Global Ethics & Independence and BDO firms is fundamental to achieve global consistency appropriate to the varying sizes of firms in our organisation.

- **Ethics & Independence Leaders**

Each firm designates an Ethics & Independence Leader (EIL) - an experienced professional whose role is to establish the link between Global Ethics & Independence and the firm, and to take responsibility for the implementation of (and monitoring of compliance with) the Programme. This responsibility includes reinforcing the importance of compliance with relevant ethical requirements and related quality management

standards, and promoting an ethical compliance culture within their firm. The EILs play a key role in ensuring that all local policies comply with BDO ethics and independence policies, the Programme, and international professional standards.

- **Ethics & Independence Steering Committee**

Leadership & Governance is provided by the Global Ethics & Independence Steering Committee (EISC) and Global Ethics & Independence. The committee is comprised of, as a minimum, the EILs from BDO firms represented on the Global Board and is chaired by the Head of Global Ethics & Independence. The EISC's overall purpose is to provide strategic direction to, and input into, the projects and services provided by Global Ethics and Independence. Where required, topic specific subgroups are established to inform implementation resources for BDO.

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### 5. GLOBAL MONITORING & REPORTING

Ongoing monitoring activities are conducted to ensure compliance with the Programme and to enable continuous enhancements, to ensure that BDO continues to meet the ever-changing demands of the environments in which we operate. Matters identified are reviewed, investigated, and rectified by Global Ethics and Independence, with regular reporting in place to help the management of our firms make informed decisions.



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 International Risk Management Manual and Tax Manual. The Compliance & Monitoring team has expanded the quality reviews to cover non-assurance services (NAS) with the focus on Client Acceptance & Continuance (CAC) procedures, in view of the associated high-risks. The Quality Reviews 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.

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.



# 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

## WHY SUSTAINABILITY MATTERS

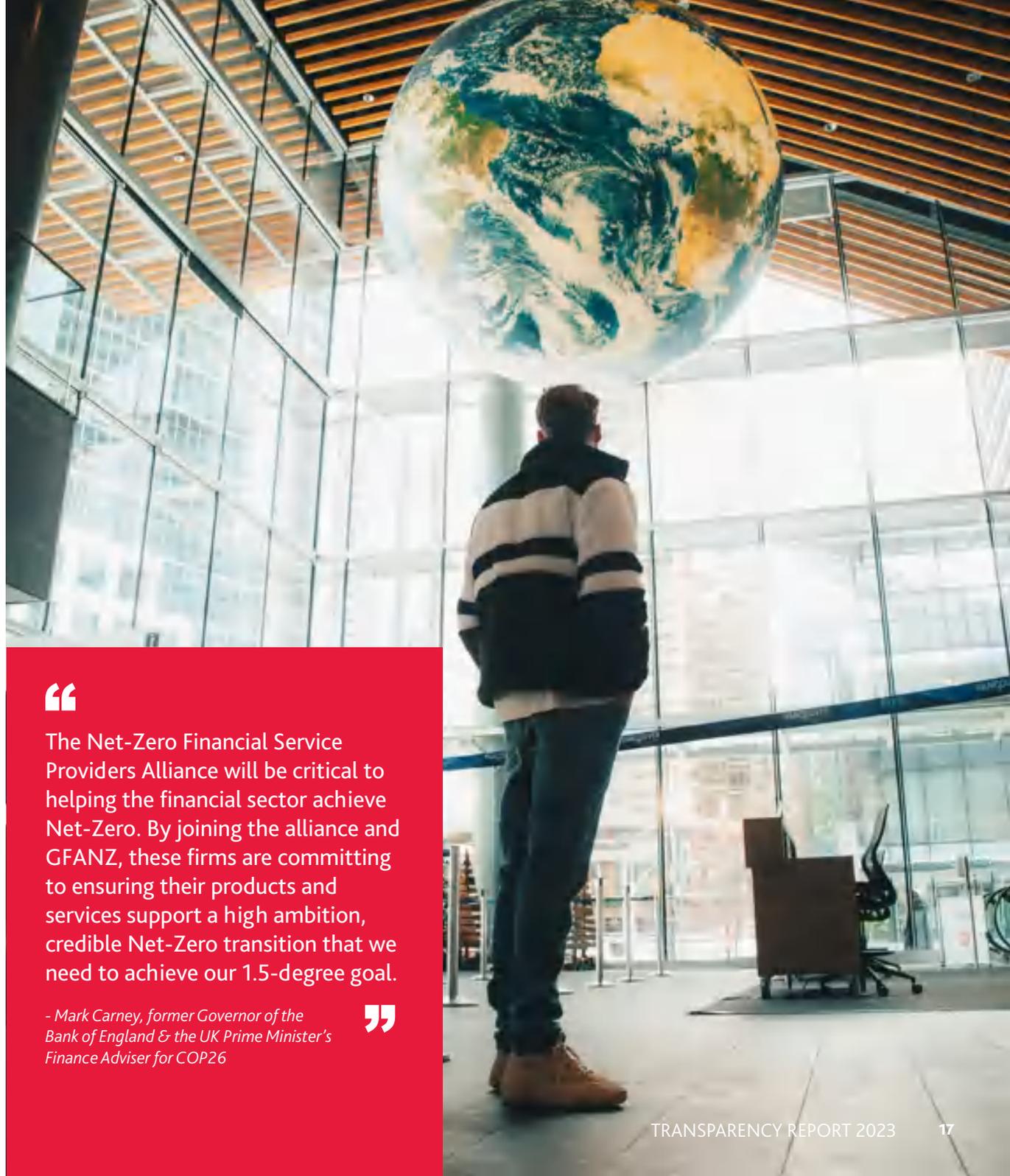
There is a growing business, social and ethical imperative to address sustainability across the board. Our approach to sustainability is underpinned by BDO's belief that it's the right thing to do, and that making changes to the way we do business will be better for all our stakeholders.

Sustainability is the overarching term we use to describe our efforts to minimise our negative impact on the world and we recognise the need for it to be central to our strategic ambition. Our WHY – *People helping People* - guides our efforts 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 is guided by our Sustainability Steering Group (SSG) which is comprised of representatives from our firms in Australia, Canada, Germany, The Netherlands, the UK, and the USA. Our Sustainability Sponsor, Trond-Morten Lindberg, is also a member of the Global Leadership Team, which ensures the appropriate strategic and operational focus on sustainability.

In 2023, our global sustainability programme focused on three core areas:



“

The Net-Zero Financial Service Providers Alliance will be critical to helping the financial sector achieve Net-Zero. By joining the alliance and GFANZ, these firms are committing to ensuring their products and services support a high ambition, credible Net-Zero transition that we need to achieve our 1.5-degree goal.

- Mark Carney, former Governor of the Bank of England & the UK Prime Minister's Finance Adviser for COP26

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## 1. Global Net-Zero Programme

Delivering on our commitment to achieve Net-Zero carbon emissions by 2050 or sooner.

BDO is leading by example, having joined the [Net-Zero Financial Service Providers Alliance \(NZFSPA\)](#), in September 2021. As a global organisation, we have committed to achieving Net-Zero greenhouse gas emissions by 2050 or sooner. As this is a strategic, organisation-wide goal, 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.



### STEP 1

Calculation of carbon baseline



### STEP 2

Carbon reduction strategy



### STEP 3

Climate reporting

This will ensure the consistency and auditability of BDO's Greenhouse Gas (GHG) emissions report and reduction targets.

In 2023, a group of 20 BDO firms joined a programme to measure our carbon baseline for 2022, set science-based targets and develop a roadmap for our carbon emission mitigation strategy. These 20 firms, including the BDO Global Office, were chosen for their fast-moving and forward-thinking approach to sustainability. By the end of 2024, we expect all BDO firms to have joined the programme. A Net-Zero Forum has been established to enable these pioneering firms to guide and mentor others embarking on the journey.

Towards the end of 2023, BDO will make a disclosure to the Net Zero Financial Services Providers Alliance, detailing our progress with the global carbon baseline calculations and setting services targets. We will continue to invest in our commitment to Net-Zero by developing the necessary tools and processes to ensure that our organisation achieves Net-Zero greenhouse gas emissions by 2050 or sooner.

## 2. Client services

As a global professional services organisation, it is incumbent upon us to collaborate with our clients, to help them act now and create positive change.

We continue to support the sustainability professionals in our firms with their ongoing efforts to develop and strengthen the sustainability services offered. Using our suite of ESG solutions and tools, BDO clients are able to measure, report and improve the impact of their activities and outputs.

In 2023, our global focus is on building a suite of core sustainability services, to help our clients meet their sustainability challenges and opportunities – incorporating climate risk, sustainable finance, building sustainable communities, ESG strategy, assurance and reporting, 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. Ultimately, we aim to help all our clients to identify areas to reduce their impact on the planet, and thus:

- consolidate their reputation
- improve their access to credit and their ability to attract investment
- help to identify, monitor, and manage non-financial risks.

## 3. People and client engagement

To ensure that all our firms function as responsible businesses, 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 include:

- Our annual [International Women's Day publication](#). This showcases the strong cohort of female leaders we have within our ranks and recognises the DE&I programmes in place at many of our firms.
- Our global IT team has rolled out an accessibility programme for our digital platforms.
- The BDO Sustainability Movement. This internal initiative develops programmes to drive engagement with our sustainability agenda, and aims to inspire action by showcasing the efforts made by BDO firms to positively impact people, communities and the environment.
- [Sustainability Spotlight](#), our first global sustainability publication, was launched earlier this year to showcase the best in thought leadership from BDO firms.





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