

BDO LUXEMBOURG CORPORATE SUSTAINABILITY OVERVIEW

FY23

FOREWORD FROM OUR MANAGING PARTNER



Daniel Croisé

At BDO in Luxembourg, we see the transition towards a more sustainable future not only as a necessary step but as an opportunity. Environmental, social and governance issues have always been of utmost importance to our organisation and are deeply rooted in our values. We believe the time has come to harness this core element of our identity to form a more strategic approach to coordinating our ESG activity. Over the next 3-5 years we want to build the enabling infrastructure that will allow us to maximise the positive impact our firm has on its clients, its employees as well as the communities and environments we interact with.

We already play a key role in BDO's sustainability centre of excellence, and will continue to leverage the sustainability ambitions of our global leadership team alongside the efforts of our 120,000-strong workforce across the world to build a better future together.

Our aim is to lead by example we and encourage all of our stakeholders to embark on this journey with us. In the following pages, you will find details of our outline plans for the future, along with some highlights of what we've been able to put in place so far.



OUR JOURNEY TOWARDS A MORE SUSTAINABLE FUTURE

1 Ensure sufficient dedicated resourcing in place to support internal ESG agenda

3 Refine our understanding of material ESG issues through extensive stakeholder engagement

5 Integrate data-driven performance measurement mechanisms - including for Net-Zero

7 Embed consideration of ESG risks and opportunities in established decision-making and management processes

2 Gain a detailed understanding of the baseline - including emissions

4 Set out a materiality-driven ESG strategy and time-bound action plans

6 Develop comms, engagement and training capacity across all business levels



COMMITTING TO NET- ZERO

BY 2050

ENVIRONMENTAL

Climate change & emissions highlights

As a member of the Net Zero Financial Service Provider Alliance (NZFSPA), BDO is committed to achieving Net-Zero emissions by 2050 with various ongoing activities contributing towards this goal:

- ▶ We are finalising our baseline emissions footprint and expect to submit reduction targets for verification by the SBTi by the end of 2024.
- ▶ Purchased electricity for our Luxembourg office is derived from 100% renewable sources.
- ▶ We have installed a green roof and created a dedicated wildlife zone to support improved biodiversity.
- ▶ We have implemented an eco-mobility policy to facilitate the use of more sustainable travel choices for employees.
- ▶ We recently launched our first employee travel survey to raise awareness, quantify and support the reduction of, commuter emissions.
- ▶ “Low-flow” infrastructure is installed throughout our Luxembourg building to reduce water consumption
- ▶ Presence sensors have been fitted and all unnecessary light fittings removed following an internal energy efficiency assessment.

Climate change & emissions highlights

Waste, in all forms, is taken seriously at BDO Luxembourg.

- ▶ We have been SDK® fir Betreiber certified since 2010. The Luxembourgish government has recognised us for best practice in waste management.
- ▶ Approximately 98% of the waste we produce is either recovered, recycled or reused.
- ▶ With particular respect to IT equipment, every item from phones to laptops to monitors is assessed at the end of each cycle of use for either internal or external re-use.



AIMING TO ACHIEVE EQUITY & DIVERSITY IN ALL FORMS, AT ALL LEVELS

SOCIAL

Local Communities

The firm also promotes a culture of giving, with regular donations and participative fundraising initiatives for a diverse range of causes.

This year, employees have walked (Met tes basket), run (Relais pour la vie) and cycled (Télévie Challenge) hundreds of miles for charity donated and significant sums to good causes - including the provision disaster relief following Morocco's devastating earthquake in September 2023 and substantial donation to Médecins sans Frontières

Diversity & Inclusion

BDO Luxembourg strongly believes in diversity and inclusion:

- ▶ BDO is currently in the process of rolling out unconscious bias training for senior personnel.
- ▶ The Firm has robust policies in place to protect employees from harassment and associated discriminatory behaviour.
- ▶ 21,7% of our employees have been with BDO Luxembourg for more than 10 years.
- ▶ Our gender pay gap currently sits at -1%.
- ▶ Our work environment is a multi-cultural one with around 40 different nationalities represented in our workforce.
- ▶ We have an overall 54/46 gender split in favour of women.

Our values

- Quality in all that we do
- Honesty and Integrity
- Accountability for our actions and results
- Respect for ourselves, each other, our clients and our communities

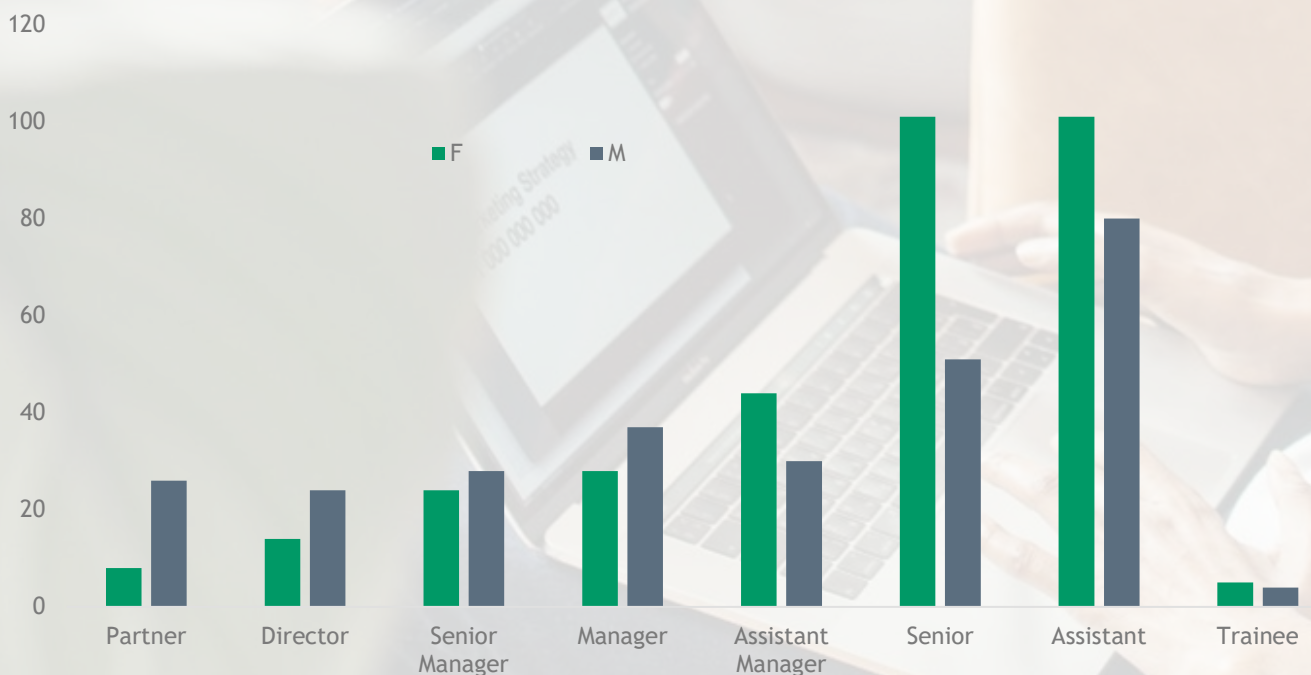
AIMING TO ACHIEVE EQUITY & DIVERSITY IN ALL FORMS, AT ALL LEVELS

SOCIAL

Employee well-being

Our vision for a sustainable future is closely linked to our people and we care deeply about the health, safety and wellbeing of our employees.

- ▶ We believe in a healthy work-life balance and operate a range of flexible working models to facilitate this. Our Flex-Office Policy includes options for part-time working, working from home, working from one of our “hub” offices amongst others.
- ▶ We want our employees to grow. The average number training hours completed by BDO employees has increased year-on-year since 2021. During the 2022-23 financial year employees each benefited, on average, from 36.3 hours of training.
- ▶ Employees benefit from structured and robust objective-setting, appraisal and check-in processes to support their continuous professional development.
- ▶ BDO employees benefit from private sports coaching opportunities, the use of an on-site gym as well as regular training and awareness opportunities on mental and physical wellbeing.
- ▶ No major work-related injuries occurred during FY23.



BUILDING TRUST & RESPECT TO DELIVER THE BEST POSSIBLE SERVICE

GOVERNANCE

Compliance & Ethics

Our corporate culture is anchored in our dedication to the highest ethical standards

- ▶ All employees are required to abide by a clear code of conduct which mirrors the values outlined above.
- ▶ We have dedicated resources to ensure continuous monitoring of the regulatory landscape and ensure compliance.
- ▶ Employees are provided with annual anti-bribery, corruption, AML/CFT, GDPR, information security, risk and independence training.
- ▶ We have robust Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) procedures in place for all of our activities.
- ▶ In conjunction with our Global Ethics and Independence Management Programme our Ethics and Independence Manual clearly sets out the standards expected of our employees.

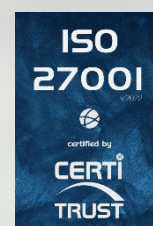
Responsible Leadership

The values of our business run through every component of its operation and embodies in its leadership.

- ▶ These values are embedded throughout the organisation via a well-defined governance structure. This also enables a strategic approach to the management of risks and opportunities affecting the firm.
- ▶ The satisfaction of our clients is vitally important to us, as are the views of our own employees. We perform client satisfaction surveys on a regular basis, alongside extensive internal employee surveys, and ensure the outcomes feed into our operations and decision-making.
- ▶ We have created a dedicated ESG role within our internal support operations to ensure the continuing development of our ESG agenda is suitably resourced and coordinated.
- ▶ We protect our employees through the operation of a range of internal processes and procedures including those for whistle-blowing and anti-harassment.
- ▶ We have extensive 'Know your client' (KYC) procedures in place, supported by conflict-of-interest checks, to provide ensure a risk-based approach to the acceptance of a client.
- ▶ We apply the same approach to the onboarding of supply-chain partners, who are also subject to robust due diligence checks.

Risk, Quality & Information Security

- ▶ We are committed to quality in all that we do.
- ▶ Our ability to consistently deliver high-quality service to our clients is underpinned by the principles of our integrated and ISO-aligned approach to the management of risk - bolstered through appropriate layers of internal and external assurance.
- ▶ The firm's information security management system is certified to ISO27001; making use of a "privacy by design" approach.



OUR SUSTAINABILITY ADVISORY JOURNEY

We understand that sustainability is a journey - and one that begins with learning about the “hows and whys” of ESG and its business impact. We act as a guide on this journey, building awareness and empowering our clients to create tangible, positive change within their organisations. We use a wide range of bespoke products, processes and tools to support this, enabling our clients in owning the change and realising a more sustainable future. In the fast-changing and rapidly evolving world of sustainability, we aim to go above and beyond; ensuring that our clients’ sustainability efforts are not simple short-term quick fixes, but contribute to the longer-term evolution of a business’s culture, structure and skills to support improved ESG performance. We look at sustainability in its holistic form, aiming to embed ESG considerations in business strategy and decision-making processes. We provide simplified and effective solutions to enable organisations to harness the benefits of sustainability and flourish as a result.



WANT TO KNOW MORE ABOUT OUR APPROACH?

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BDO IN LUXEMBOURG

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