

A person is sitting on a wooden dock that extends into a calm lake. The lake's surface is still, reflecting the surrounding landscape. In the background, there are large, rugged mountains with patches of green forest. The sky is clear and blue. The overall scene is peaceful and scenic.

SUSTAINABILITY REPORT BDO BELGIUM

FISCAL YEAR 2021

DECEMBER 2021

#BDO
Sustainability
NOW

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ABOUT THIS REPORT

This sustainability report describes why and how we address and implement sustainability at BDO Belgium. The report covers our ambitions and objectives, the roadmap we have defined on how to get there, the targets we have set for ourselves and the progress made so far.

The content of our sustainability report is based* on the reporting framework as disclosed by the International Business Council of the World Economic Forum. Our sustainability strategy, and more specifically our material areas truly form the heart of our report and the majority of our report will be devoted to how we have defined our material areas, the strategy we have put in place for each of them, as well as our progress and main achievements.

BDO Belgium first published a sustainability report last year, with the fiscal year 2020 as reporting period. As we now have a more mature sustainability policy in place, with a clear governance structure and a clear focus, and gained more experience and knowledge in the domain of (corporate) sustainability, the format of our report has changed. Although this makes the comparability of our two reports harder, we believe this format allows us to focus more on and to describe in more detail our material topics and makes it easier to integrate the WEF IBC core metrics.

The reporting period for this report covers the fiscal year of 2021, i.e. from 1 October 2020 until 30 September 2021, except for the CO2 emissions, where we will cover the emissions from the fiscal year of 2020 (October 1st 2019 - September 30th 2020) due to a delay in calculation and the set-up of a new tool to track our emissions.

* We aim to disclose more metrics in the sustainability report of next year and gradually evolve towards disclosing all 21 core metrics.

FOREWORD BY THE CEO AND THE SUSTAINABILITY SPONSOR

Positive disruption

When we were writing this preface, the UN climate summit in Glasgow was just about to start. There is no shortage of hopeful promises, but we are keeping our fingers crossed for more action. After all, we have a collective responsibility for a long list of forest fires, hurricanes, floods and droughts that have become more frequent and severe over the past decades due to the atmosphere heating up, which cause mass suffering. Moreover, climate change can exacerbate other challenges, such as increasing inequality, growing conflicts and insecurity, depletion of natural resources, and the threat to vulnerable ecosystems. There is no alibi that exonerates us as human beings from the impact we ourselves are causing. There is only one solution: living differently and doing business in a socially responsible manner and also sustainably. With respect for everyone's well-being and for the limits of our planet.

In the very beginning, Corporate Social Responsibility (CSR) amounted to philanthropy. Over the years, the content has been expanded several times: from 'nice to have' to 'licence to operate' to 'shared value'. Today, profit is no longer the unique indicator of a company's performance. The way in which we as a company tackle social and environmental challenges also counts. Today, this 'shared value' is an integral part of BDO's business strategy and becomes unmistakably tangible in every fibre of our DNA. The transition to a new and more sustainable development model is a structural challenge that we, as a responsible company, take on for ourselves, for our customers and for society, with the Sustainable Development Goals (SDGs) of the United Nations as a common thread.

Fundamentally, sustainability evolves into a personal narrative that we collectively bear and convey. Inspired and enthusiastically driven by a sustainability team of employees, ambassadors and working groups from all areas of expertise at all levels, who simultaneously monitor the objectives and guide the initiatives. In its actions, sustainability reinforces the positive impact of our company and reduces our negative footprint. And what initially feels like a limitation often ultimately translates into market opportunities that we invariably test against three factors: environment, social and governance. In this way, we are disrupting the traditional business model in a positive way, obliging ourselves to keep innovating and strengthening our employer brand.

Read our 2nd sustainability report and you will understand what we mean.

Peter Van Laer
CEO BDO Belgium

Fabrice Grognard
Member of the Board of Directors at BDO Belgium
(in charge of sustainability)

BDO BELGIUM AT A GLANCE

OUR VISION & MISSION

BDO's vision is to be the leader for exceptional client service. This is not about reinventing our profession's approach to service, but rather about delivering our services exceptionally well - and delivering that high quality consistently in every office, every country and every territory where we are present, with a positive impact on people, society and environment as a result.

BDO is an ambitious & dynamic service organisation that wants to be attractive for both entrepreneurs and employees, hence our mission 'let's grow together'.

Let's
grow
together

OUR VALUES

Our company values help us ensure that all our employees are working towards the same goals. Our culture is essentially built on four core values. In their DNA, our employees commit themselves to be pragmatic, respectful, personal and committed.

Pragmatic: we are to the point, hands-on and smart enough to keep complex matters simple. We have a tailor-made approach with concrete solutions and sustainable results.

Respectful: we value and care about our people and our planet. We contribute to a respectful, sustainable and human environment. We walk the talk and stand fully behind the values and regulations of our organisation.

Personal: we are close to our customers and close to our colleagues, regardless of their position. We recognise that together we have the right expertise and that together we can achieve more. Let's grow... together.

Committed: we are serious about our professional standards. We are dedicated and take responsibility for what we do. We run the extra mile.



BDO BELGIUM AT A GLANCE

OUR SERVICES

BDO is an international consultancy organisation with a strong reputation in financial services (Audit, Corporate Finance, Accounting, Tax & Legal) and other specialised consultancy services including Strategy & Transformation, Interim Management, Digital and Risk.

We assist a wide range of large international companies, SMEs and family businesses, as well as private individuals.

In order to serve its clients, BDO relies on a wide generalist know-how and an extensive experience of experts in several market segments and sectors, and on specialists in several domains, when needed.

More information regarding our different services can be found [here](#).

OUR LOCAL PRESENCE (OFFICES)

At BDO, we find it important to be close to our employees and clients. We believe that our local presence, through the various offices we have throughout Belgium, ensure this proximity.



OUR SUSTAINABILITY STRATEGY

At BDO, we believe that **sustainability is a continuous process**, given that taking care of our people, our clients, society, the economy and the planet we live on is an everlasting need, and moral obligation.

Last year, we decided how we want to develop this process over the course of the years 2020 - 2025. The aim is to grow and develop our sustainability movement year by year and to make sustainability part of the BDO DNA by 2025. Of course, we will not get there at once, so we defined how we can gradually evolve our process and how we can reach our goal by 2025. The overview below shows in more detail how we want to evolve our sustainability process.

	BRONZE 2020 	SILVER 2021 	GOLD 2022	PLATINIUM 2025
LEVEL	Ambition and first steps regarding Sustainability. Ad hoc initiatives	Management vision in place. Few years of experience	Co-creation with external partners	Sustainability integrated in business
SUSTAINABILITY TEAM + ROLE	First people/ambassadors involved in sustainability Having a budget/mandate to be involved in sustainability initiatives	Sustainability team coordinating and supporting the business. Ambassadors network in place	Sustainability team in support of business + externally oriented	Sharing best practices Leading by example
COLLEAGUES	Awareness and desire	Knowledge and first engagement	Engagement	Proud ambassadors
DELIVERABLES	<ul style="list-style-type: none"> ▶ Clear position of management on position of BDO regarding Sustainability ▶ First outline of Sustainability ▶ As-is Sustainability report ▶ Strategy + budget in places ▶ First partnerships with experts 	<ul style="list-style-type: none"> ▶ Sustainability strategy communicated to and beyond organisation ▶ Program, projects and processes in place within different departments ▶ To-be Sustainability report ▶ Value proposition Sustainability ▶ Intense partnership and collaboration with BDO Global, other BDO countries and expert network 	<ul style="list-style-type: none"> ▶ First credentials with clients ▶ Clear Sustainability strategy lived by organisation and promoted within BDO global 	<ul style="list-style-type: none"> ▶ Sustainability part of BDO DNA ▶ Full-blown Sustainability report used as best practice within BDO ▶ Sustainability services are a well-known service offering of BDO

OUR SUSTAINABILITY STRATEGY

WHY ARE WE INVESTING IN SUSTAINABILITY?

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.**

As we entered into 2021, we also entered the 'decade of change'. With only 10 small years left of the UN's Sustainable Development Agenda and disaster losses and social activism dominating headlines across the world, it is imperative that we realise our role in rewiring the economy and rethink how our companies operate and behave if we are to ensure that our systems and foundations are resilient and fit for a sustainable future.

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 solutions offering.

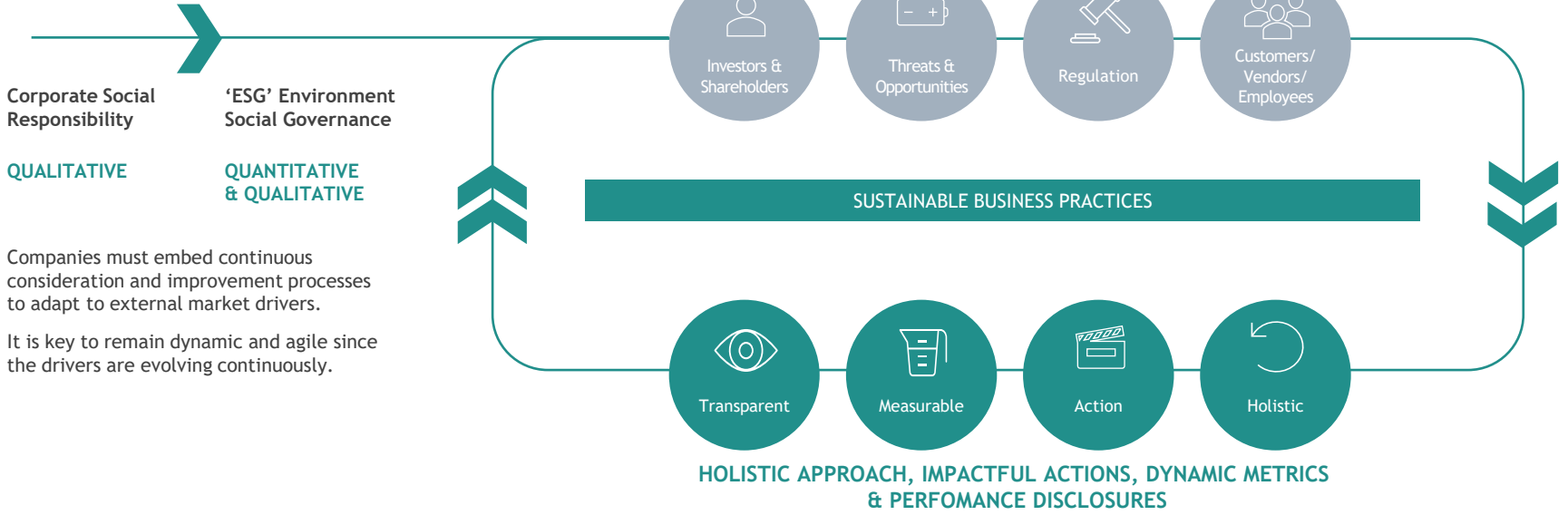
We realise the importance of finding the right **balance between financial, social and environmental priorities.** The different drivers of change are evolving at lightspeed and pushing our organisation to move towards a more quantitative approach, disclosing dynamic sustainability metrics in a holistic, action related, measurable, and transparent way.

In order to grow as a responsible player and to continue evolving in this direction, we want to:

- ▶ Be transparent to and understand our internal and external stakeholders' expectations regarding social, environmental and economic commitment
- ▶ Set concrete goals for the coming years
- ▶ Reshape the way we think about a number of issues in the economy, that will provide us insight in our operations: 'better business, for better markets, for a better world'
- ▶ Set a critical first step in implementing a sustainable strategy
- ▶ Develop a service offering for clients in line with ESG objectives
- ▶ Comply with European / Belgian legislation (mandatory for all companies above 500 FTE).

OUR SUSTAINABILITY STRATEGY

EVOLVING SUSTAINABILITY PRACTICES



OUR SUSTAINABILITY STRATEGY

OUR APPROACH

OUR SUSTAINABILITY GOVERNANCE MODEL

To anchor sustainability in the company and ensure it receives attention from the highest decision-making bodies, while also being integrated into our operations and allow for close monitoring and follow-up, we have set up a sustainability governance structure.



Board of Directors

The Board of Directors undertakes the making of key decisions within BDO, such as determining the strategy of the BDO Group, inclusive of the sustainability strategy. One Board member takes on the role of sustainability sponsor and ensures a close collaboration with and representation of the board of directors into the sustainability movement.



Executive Committee

The Executive Committee is responsible for the day-to-day management of the BDO Group, including the implementation of the strategy and general policy.



Sustainability core team

The core team consists of five colleagues (including the sponsor) with a different professional background and seniority level, but all with the same passion and drive to grow the sustainability movement within BDO Belgium. The core team focuses on two inextricably linked workstreams, one being the development and monitoring of the internal sustainability strategy and the other being the development of our external sustainability service offering.

They monitor the progress and implementation of the sustainability strategy and provide a regular reporting towards ExCo and BoD.

N.B.: The extended core team consists of the heads of Marcom and HR, who are guiding and supporting the core team and ambassadors with making the sustainability movement visible within the company and supporting the change management so that ultimately, sustainability becomes part of our DNA.

OUR SUSTAINABILITY STRATEGY



Focus groups

Focus groups are organised around each of the 3 axes (environment, social and governance). In those focus groups the focus points, as well as the objectives, roadmap and action plan are defined and monitored.



Sustainability ambassadors

The sustainability ambassadors form a network of colleagues, representing each of our offices, with a different professional background and specialism as well as a different seniority level. They are all passionate about sustainability, eager to drive the movement and change within BDO, and enrich the movement by bringing their own focus and interests to the table.

Their mission is to support and accelerate the sustainability movement within BDO. They are assisted and encouraged by the core team and can support the movement in different ways, amongst others by communication and information sharing, acting as a sounding board for the core team, coordinating activities and actions as well as exchanging knowledges and experiences with one another and the organisation as a whole.



EXTERNAL

OUR SUSTAINABILITY STRATEGY

Sustainability ambassadors



CÉLINE DELAEY
Roeselare
ADMIN OPS



CHAIMA BEN
HADDOUCH
Antwerpen
FINANCIAL AUDIT



JO VISSERS
Antwerpen Noord
ACCOUNTANCY



JAN VERMEERSCH
Mechelen
ADVISORY - DIGITAL



THOMAS HUYGHE
Mechelen
ADVISORY - DIGITAL



JEROEN SEVENS
Gent
TAX



AUBRY DE PAUW
Gent
ADVISORY - S&T
Core Team, Support
"sustainability strategy"



JO RUYMEN
Hasselt
ICT



DENIS ANCION
Namur
FINANCIAL AUDIT



KHALID HAMD AOUI
Liège
TAX



SARA FARIAS DE
CARVALHO MARTINS
La Hulpe
ADVISORY - RAS



LAURA FENNANE
Brussels Central
TAX



CINDY DE BOCK
Brussels
TAX



THERESE HELLUM
Brussels
ADVISORY - RAS
Core Team, Support
"sustainability solutions"



FABRICE GROGNARD
Namur - Charleroi
TAX
Sustainability Sponsor



MICHAËL VAN CUTSEM
Namur - Charleroi
ADVISORY - S&T
Core Team, Lead
"sustainability strategy"



PIERRE PONCELET
La Hulpe
ADVISORY - RAS
"sustainability solutions"



TESSY MARTENS
Mechelen
ADVISORY - DIGITAL
Core Team, Lead
"sustainability solutions"

A few quotes from our ambassadors:

"Making a positive impact together, with all colleagues, on the community we operate in is why I am a sustainability ambassador." - Jan Vermeersch

"Sustainable business management for me implies that you as an organisation take care of and actively **take action on the wellbeing and health of your employees, society and the planet.**" - Chaima Ben Haddouch

"I would say that **being a sustainable organisation is about showing respect.** Showing respect for the boundaries of our planet, showing respect for people, and considering all stakeholders in every decision you make." - Céline Delaey

"According to me, sustainable business management means that you as an organisation think about how you can organise your activities while **taking into account your impact on the environment and on society not only today, but also for future generations.**" - Khalid Hamdaoui

OUR SUSTAINABILITY STRATEGY

DEFINING OUR MATERIAL FOCUS POINTS

MATERIALITY ANALYSIS

As sustainability is a broad concept, we have made the decision to focus our efforts on the most relevant (material) topics for us as a company. We define material topics as the topics that are most important to our stakeholders and where we as BDO can have a substantial impact on.

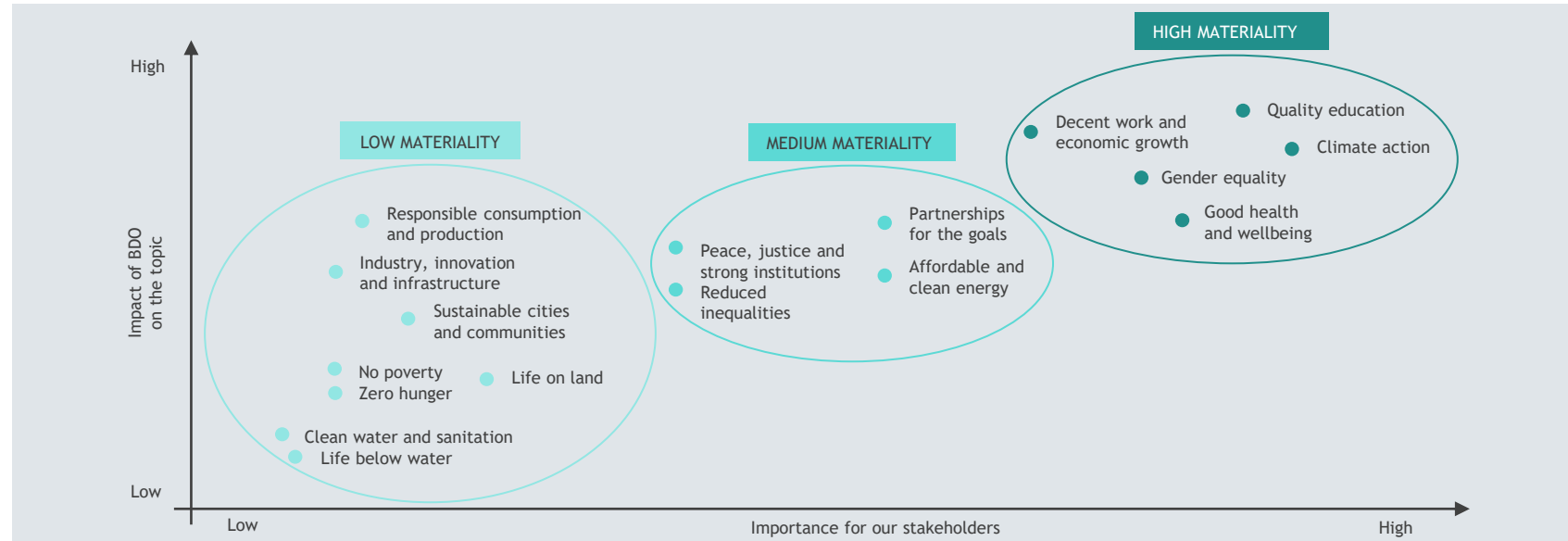
We use the ESG framework as the overarching framework to link our material topics to, meaning we want to **focus our efforts on three axes, i.e., environment, social and governance**. As those are still broad concepts, we decided to pinpoint our material areas within each of the axes on the basis of the UN Sustainable Development Goals (SDGs). The SDGs set the global agenda for a more sustainable future on the domains of people, prosperity, planet and governance. And although they are all interconnected and equally important, we have chosen to focus in greater depth on the ones most material for BDO.

We defined our material areas via media and trend analysis on the one hand and consultation of our extended core team and the sustainability ambassadors on the other hand. Media and trend analysis was used to capture the expectations of our external stakeholders and making sure their interests are covered. Our internal stakeholders, being our leadership team and our employees, were represented via the extended core team and the sustainability ambassadors and were directly involved in the process.



OUR SUSTAINABILITY STRATEGY

The materiality analysis resulted in the matrix as shown below. The results show that the SDGs quality education, decent work and economic growth, climate action, gender equality and good health and wellbeing are most material for us as a company, closely followed by partnerships for the goals, affordable and clean energy, peace, justice and strong institutions and reduced inequalities.



SUSTAINABLE
DEVELOPMENT
GOALS

OUR SUSTAINABILITY STRATEGY

OUR MATERIAL FOCUS POINTS

As some of the most material topics are strongly related, we decided to cluster them. This resulted in the focus areas carbon neutrality, growth and development, employee wellbeing, inclusive diversity, governance and responsible leadership and partnership for the goals. Next to those, also the development of our ESG solutions was considered an important focus area as to help our clients in becoming more sustainable.

How each of these material focus points fits into the ESG framework is represented in the visual below.



OUR SUSTAINABILITY STRATEGY

DEFINING OUR ROADMAP, GOALS AND OBJECTIVES

As explained before, the fundamentals of our sustainability strategy have been defined in past years. We maintained the general roadmap on how to embed sustainability in the DNA of the company by 2025 but developed a clearer focus on which topics we as a company should concentrate our efforts on via the materiality analysis.

To embed sustainability and sustainable thinking in the heart of the company and allow for real actions and efforts to take place on all of our focus areas, a roadmap and action plan for each of the 3 axes and the corresponding focus points was developed. This for everyone in- and outside the company to clearly see where we are going and how we want to get there.

Focus groups are organised around each of the 3 axes and gather the most relevant internal stakeholders. In those working groups we discussed our current maturity level on the topic, as well as our goals and aspirations on the short and long term (our roadmap) and defined an action plan that will allow us to reach those goals and aspirations. The next chapter will explain in more detail the current status, roadmap and action plan for each of our focus points.



OUR MATERIAL THEMES IN MORE DETAIL



ENVIRONMENT

One of BDO's engagements is to be a climate-neutral consultancy firm. In 2019, we received the CO2 neutral label, and our ambitions are to continue this path.

CARBON NEUTRALITY

BDO was the first Belgian consultancy firm to receive the CO2 neutral label, validated by inspection and certification body Vinçotte, from the hands of CO2Logic.

The CO2 neutral label is a **commitment for the future**. It ensures, on the one hand, that today the remaining emissions of BDO are compensated and, on the other hand, continued efforts are made to further reduce these emissions. To do so, we are working together with CO2 Logic, who supports us in calculating and reporting about our CO2 emissions, as well as determining our objectives, roadmap and action plan to further reduce our emissions by 2030.



* The CO2 neutral label guarantees credible calculations, reduction efforts and offsetting climate impacts. Unlike "greenwashing", the label can only be achieved through serious efforts of (1) calculation of emissions, (2) reducing emissions and (3) offsetting the emissions.

Our approach:

- ▶ Calculation of emissions (knowledge)
- ▶ Reducing emissions (action)
- ▶ Off-setting emission (taking full responsibility and show solidarity)
- ▶ Communication (credibility, influence others)

OUR MATERIAL THEMES IN MORE DETAIL

OUR CURRENT STATUS

As explained before, this part of the report relates to fiscal year 2020 because of the set-up of a new tool, training on how to use this tool and consequently, delayed input and measurement.

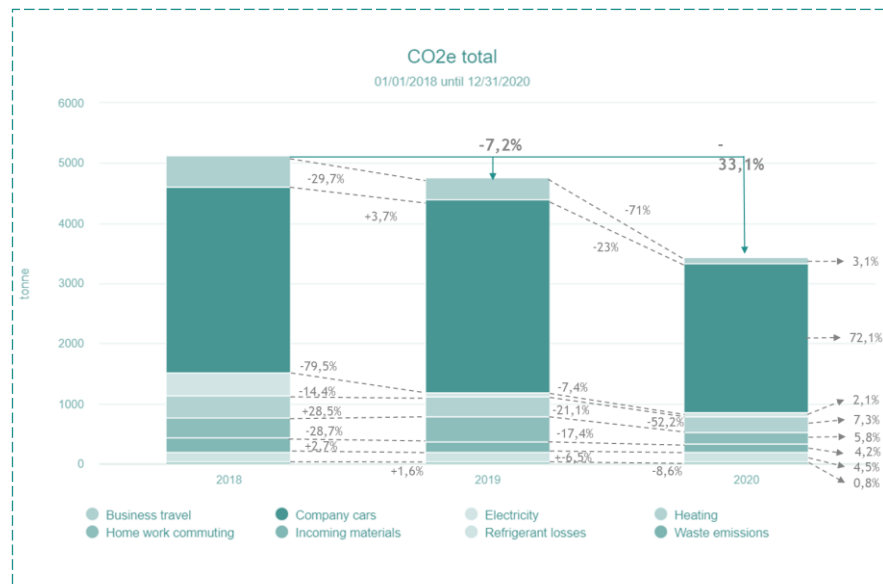
OUR TOTAL CARBON FOOTPRINT

We see that in fiscal year 2020 we had a total carbon footprint of **3,432 tCO₂e** (inclusive of the indirect emissions). We took all GHG (Greenhouse Gas) from the Kyoto protocol into account as well as non-Kyoto gases and water vapour due to aviation activities (as recommended by the GHG Protocol method).

Our carbon footprint corresponds to:

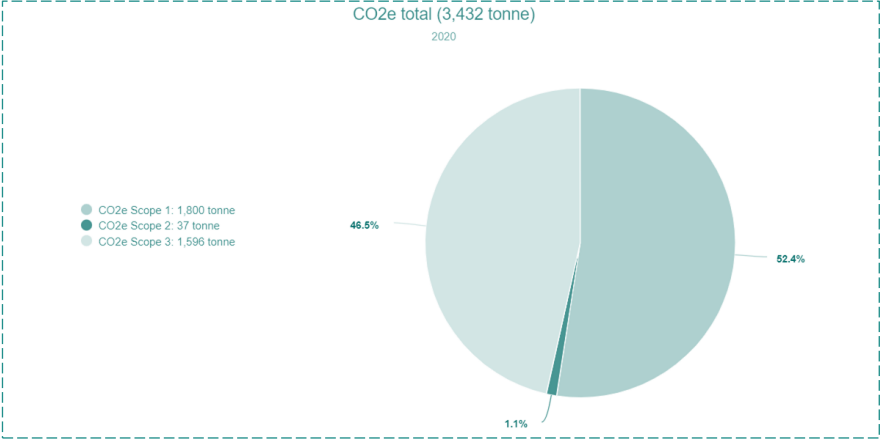
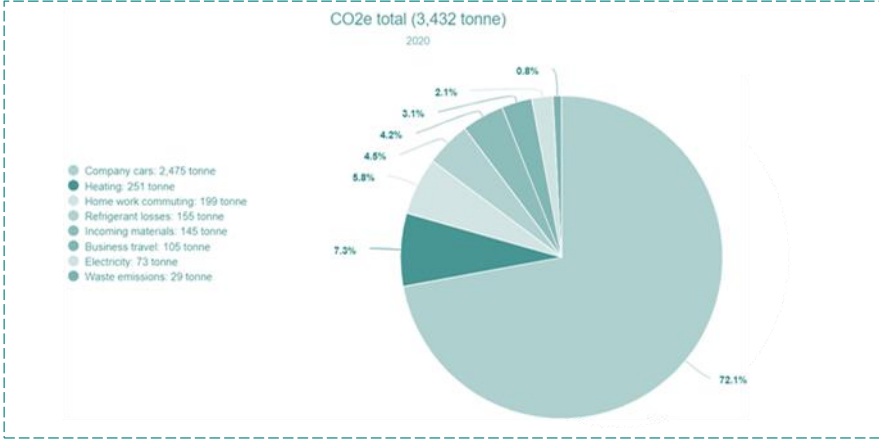
- ▶ 401 times around the world with an average car
- ▶ 337 times the annual CO₂ emissions of a Belgian person
- ▶ 590 ha of new forest needed to capture this amount in one year, which equals approximately the size of Brussel Airport Zaventem

Total **emissions decreased** by 27.9% compared to fiscal year 2019* and 33.1% compared to the base year (fiscal year 2018). Emissions decreased for all categories. First, due to Covid, business travel and commuting emissions decreased by 71% and 17.4% respectively. Emissions from company cars also declined by 23%. Overall, we see that company cars are the biggest source of emissions (72.1%) followed by heating (7.3%) and commuting (5.8%).



Our relative emissions are 4.64 tCO₂e/FTE (vs. 6 in n 2019) and 35.3 tCO₂e/m€ (vs. 50.1 in 2019)

OUR MATERIAL THEMES IN MORE DETAIL



The graph on the right shows the total emissions per scope as defined by the Greenhouse Gas (GHG) protocol. Scope 1, containing amongst others heating and company car emissions, represents the majority of emissions. Scope 2 emissions are very low, as 78.2% of the electricity consumed is green, which has no direct emissions. Scope 3 emissions account for 46.5% of our emissions. It is expected that if we were to take into account all scope 3 emissions, this number would slightly increase.

*Scope 1 accounts for direct emissions that occur from sources owned or controlled by the reporting company. Scope 2 contains the emissions from purchased electricity or steam. These emissions occur elsewhere but are directly related to the consumption of electricity and heat. Scope 3 accounts for all other indirect emissions not included in scope 1 or 2. The most relevant scope 3 emission sources are: purchased materials, commuting, business travel, waste generation, freight, end-of-life products. We currently only measure commuting, business travel, waste, incoming materials (paper and catering) and upstream scope 1 and 2 emissions.

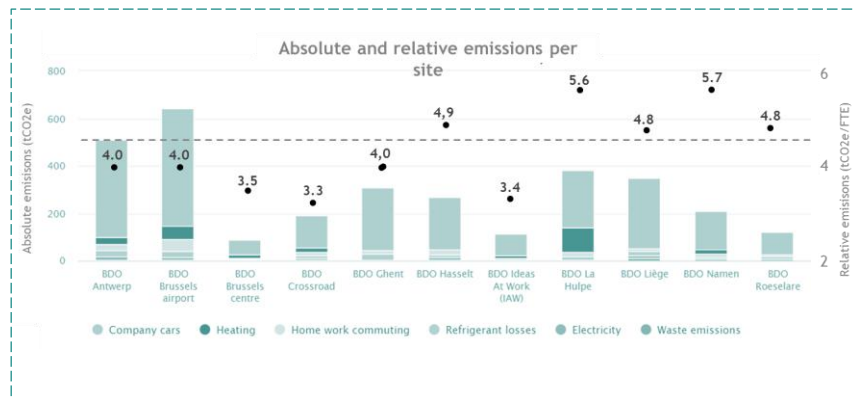
OUR MATERIAL THEMES IN MORE DETAIL

OUR CARBON FOOTPRINT PER OFFICE

The graph shows our absolute and relative emissions per office.

In FY2019, BDO Antwerp, Brussels airport, Ghent, and Roeselare completely switched to green electricity. In FY2020, only BDO Liège, Namur, Roeselare and Hasselt still use grey electricity. However, they will all switch to green electricity starting July 2021.

Switching to green electricity is done by renegotiation with energy suppliers and installing solar panels (for the offices of Ghent, Liège and Namur).



Our offices are not in or close to protected areas or key biodiversity areas (KBA), except for the office of La Hulpe. The office of BDO La Hulpe is adjacent to the Domaine Régional Solvay, one of the gateways to the Sonian Forest and equals an acreage of 1,630 m², within a multi-office building of 15,600 m².

OFFSETTING OUR EMISSIONS

As explained before, to receive the CO₂ Neutral label, we need to compensate for our CO₂ emissions. We see that in fiscal year 2020 we had a total carbon footprint of 3,432 tCO₂e (inclusive of the indirect emissions). To compensate this amount of CO₂ emissions, we will invest in a sustainable development project in the South. Those projects do not only support the local community to reduce their carbon footprint by lowering greenhouse gas emissions, but also contribute to other benefits and getting one step closer to reaching the sustainable development goals by 2030.

In the past we invested in a cookstove project in Ghana and a sustainable landscape management project in Zambia to offset our emissions. We are currently investigating in which project we will invest this year to offset our emissions.

Although we are contributing to the global effort of reducing CO₂ emissions and we are supporting the local communities in many ways by investing in such projects, reducing our own CO₂ emissions remains our prime objective and priority. We will, however, also investigate how we can still support local communities and contribute to reaching the sustainable development goals.

OUR MATERIAL THEMES IN MORE DETAIL

OUR FOCUS POINTS FOR 2022

To maintain the CO2 Neutral label, and reach our prime objective, we will need to continue our efforts to decrease our total carbon footprint (and as such, decrease the amount of offsetting needed). To reach this objective, we have agreed on a set of focus points:

- ▶ As company cars are the main source of our CO2 emissions, rendering our **fleet** more environmental friendly will be one of the main focus points not only for this year, but also for the coming years. Also alternative mobility solutions and reducing home-work commuting (e.g. by increased telework) will be considered in the fleet and mobility policy.
- ▶ **Energy**
 - Sources: investing in solar panels and making the transition towards green electricity contracts
 - Usage: become more conscience of and reduce our energy usage
- ▶ A more sustainable **procurement** policy

OUR ROADMAP & ACTION PLAN

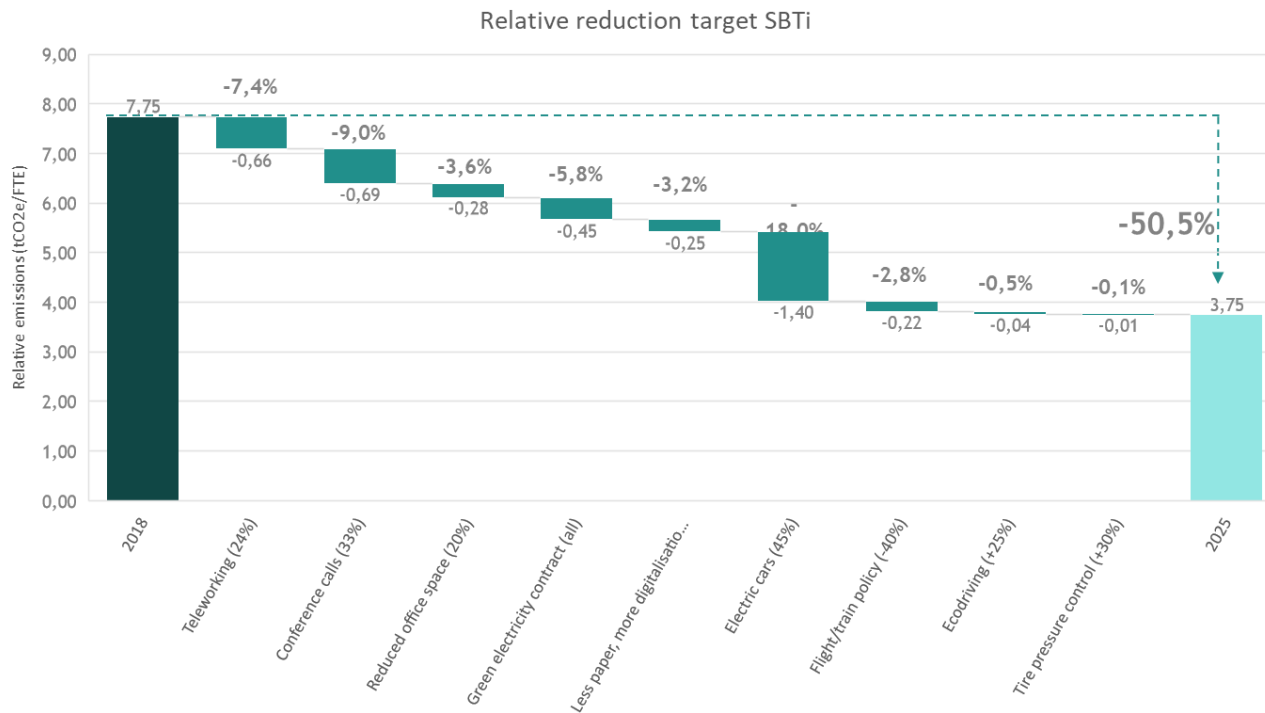
In 2018, we set goals for 2020, 2025 and 2030 regarding our CO2 emissions and environmental impact. Already last fiscal year, we estimated that we would reach our goal of reducing 25% of our emissions by 2025. This fiscal year we reconsidered our goals, bearing in mind that the COVID-19 crisis also significantly influenced our data (mainly because of the telework obligation).

As we already see a large reduction in emissions and decided to put a large focus on our fleet and energy usage and sources for the coming year(s), it seemed no more than logical to also set more ambitious CO2 emission reduction targets. We decided to opt for a **science based reduction target**, which means that we have set a target that respects the carbon budget and is in line with keeping the temperature increase below 1.5°C.

In order to be in line with the SBT an **annual reduction of 4.2%** has to be reached. The most material and realistic measures in order to obtain this are:

- ▶ Increase teleworking: 2 days/week for 60% of people
- ▶ Have 1/3 of the meetings via teleconferencing
- ▶ Reduced office space per FTE due to teleworking
- ▶ 100% green electricity
- ▶ 80% less paper due to digitalisation
- ▶ 45% of electrical cars
- ▶ 40% less flights compared to base year
- ▶ +25% of drivers that apply ecodriving
- ▶ +30% better tire pressure control

OUR MATERIAL THEMES IN MORE DETAIL



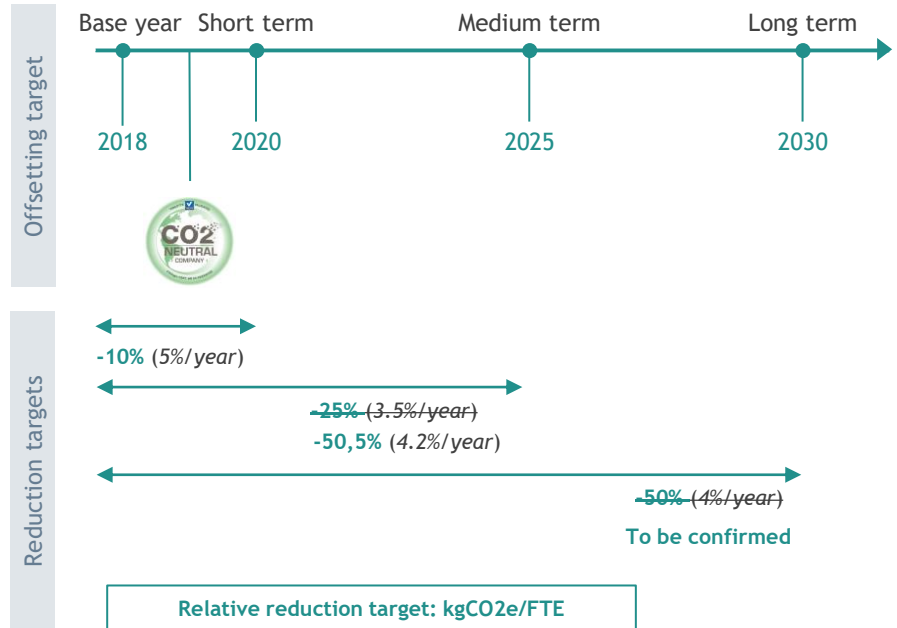
OUR MATERIAL THEMES IN MORE DETAIL

Considering the most material emission reduction options, it should be feasible to respect the 4.2% reduction per year as required by the science based target. If we take into account our objective to shift towards electric mobility by 2030, the obtained reductions will probably be higher than estimated in the Science Based Target scenario.

We will investigate over the course of 2022 if we want to align to the official Science Based Target Initiative of the Belgian Alliance for Climate Action, a full scope 3 screening will have to be performed. This will mainly include a full list of Purchased Goods & Services and of Capital Goods. Other scope 3 categories are less relevant for BDO.

N.B.: Note that we have considered a relative reduction. So we do not take into account economic growth factors. Note that if BDO aligns to the official SBTi scenario, absolute reductions will have to be respected.

Our updated roadmap towards 2030:



OUR MATERIAL THEMES IN MORE DETAIL

OUR CONCRETE OBJECTIVES AND ACTION PLAN FOR FISCAL YEAR 2022 ARE:

Defining a new fleet and mobility strategy



- ▶ Gradually evolve the strategy and **prepare the transition towards a green fleet**
 - By 2023: first fleet renewal (\pm 300 cars), H/EV
 - By 2025: 50% of the fleet renewed, H/EV
 - By 2030: 100% new fleet, EV
- ▶ In which **alternative mobility solutions** are integrated
 - Today, we already provide in the reimbursement of all kinds of means of public transportation, as well as transportation by bike and we offer our employees the possibility to lease a bike

Energy



- ▶ **Green electricity sources:** Installing solar panels at our offices and renegotiating contracts to ensure a transition towards a 100% green energy supply
- ▶ **Sustainable energy usage:** Continuing our efforts on energy usage, for example, by switching off our neon signs during the day

Purchase policy



- ▶ Defining a new **purchase policy** in which decisions are not limited to cost and quality considerations, but that also take into account the impact of the goods and services on the **3P's**, being profit (value for money, budgetary constraints & opportunities), planet (sustainability, reducing waste or consumption, buy local) and people (upholding ethical standards in making purchasing decisions, avoid conflicts of interest)*
- ▶ Increasing the visibility of small, yet **symbolic actions** (often started by the sustainability ambassadors) in the offices that show our commitment to sustainability and to increase awareness amongst all our colleagues

*A risk assessment of our current suppliers regarding how they take into account the 3P's has to be performed.

OUR MATERIAL THEMES IN MORE DETAIL



SOCIAL

“Our goal is to create an inclusive environment in which colleagues feel free to communicate and take initiatives, are eager to learn and most of all are having fun at work”

- Wim Galbusera (HR Director)

Average Headcount	769
Average FTE	754
Total number (headcount) of new hires	160
Headcount promoted (1/10/2020)	215



OUR MATERIAL THEMES IN MORE DETAIL

GROWTH & DEVELOPMENT

At BDO, we want our employees to feel their best at work. That is why we build a feedback and growth culture, where each employee is given all the tools and support to draw out a tailored development path, in line with their personal and professional needs.

OUR CURRENT STATUS

At BDO, we grow together. To enable our employee's personal and professional growth, we strengthen the growth mindset of each of our employees on the one hand, and on the other hand, we continuously invest in the right initiatives and programmes to support them.

An overview of our most important, and continuous, investments:

- ▶ Learning and Development services
 - **BDO Academy:** The mission of BDO Academy for internal services is to develop and maintain a learning culture within BDO. BDO Academy manages and offers a generic portfolio of training and coaching. On the other hand, they are there to help individuals and smaller groups to find the best solution in their specific growth path.
 - **Good Habitz:** We provide our colleagues with a free e-learning platform that focuses mostly on personal development and soft skills on which they can complete short development activities at their own pace.

- ▶ **Me@BDO:** a framework that guides employees and their people manager in regular growth conversations across different areas: wellbeing, performance, career and development. By focusing on continuous feedback around these domains, each employee knows where he/she stands and how and in which area(s) he/she wants to grow. The me@BDO mindset is an essential part of our BDO DNA.
- ▶ Further activation of the role of **people managers** who focus on the development, career path and wellbeing of our employees and act as a sounding board in the me@BDO story of employees. Based on a relationship of trust, the people manager supports his co-workers during feedback sessions to discover and draw a personal growth path.
- ▶ Introduction of the **HR Business Partner** role to form a bridge between HR and the business and to answer all kinds of expectations and questions: bottom-up (from the employees) and thus influencing (HR) policy.

Total amount of training days	5,010 days
Average amount of training days per FTE	6.79 days / FTE
Average amount of training days by gender	Female: 7.15 Male: 6.44
Average amount of training expenditures per FTE	€513/FTE
Percentage of employees who have reached the goal of following min. 6 days of training	42.14%
Total amount of educational leave (in days)	299 days

OUR MATERIAL THEMES IN MORE DETAIL

OUR FOCUS POINTS FOR 2022

Within BDO, we value and care about our people. Therefore, we offer an employee development model that leads to the retention of the full range of talent to professionally fulfil and satisfy employees and to enterprise success.

As we offer a broad range of development opportunities, the focus for the next fiscal year lies on

- ▶ increasing the **visibility and accessibility** of existing opportunities;
- ▶ offering the necessary **support** to grow and develop (mainly via the support of the people managers);
- ▶ enabling our employees to take **ownership** of their growth and development path and to take place in the driving seat of their own careers.

OUR ROADMAP & ACTION PLAN

By 2025, we want to reach the following objectives:

- ▶ 2/3 of our employees (+/- 66.66%) have followed min. 6 days of training a year*;
- ▶ Employees have regular me@BDO conversations with their people manager (mix of formal and informal, at least 3x/y);
- ▶ me@BDO is part of our BDO culture: the framework is known & used, and employees feel supported in their personal and professional growth;
- ▶ All of our employees have the feeling that they get the necessary time, space, support and opportunities in order to grow and develop themselves to their full potential.

* We will investigate the option to determine specific training goals per employee category. The average should however remain 6 training days a year.

OUR MATERIAL THEMES IN MORE DETAIL

WE WILL ACHIEVE THIS BY CONTINUING THE PATH WE HAVE EMBARKED:

Growth mindset (me@BDO)



Strengthening the growth mindset of each of our employees with the me@BDO framework to come to a cultural change within our organisation. With different actions (communications, workshops, e-learnings, knowledge articles, trainings, ...) we guide employees and people managers through the 5 outcomes they need to achieve, for the change to be successful: Awareness, Desire, Knowledge, Ability and Reinforcement.

L&D services



Continued focus on our learning & development services and increasing awareness about all services offered

- ▶ Better communication on the complete offering (trainings, e-learning, ...)
- ▶ Make registration for trainings simpler
- ▶ Maintain the quality and relevancy of the trainings offered

People managers



People managers who focus on the development, career path and wellbeing of our employees and act as a sounding board in the me@BDO story of employees.

OUR MATERIAL THEMES IN MORE DETAIL

WELLBEING

We aim to create a work environment where wellbeing is fully rooted. This means our BDO employees:

- ▶ *Have an optimised physical and mental wellbeing*
- ▶ *Are motivated and committed, because they're aligned with BDO's strategic objectives*
- ▶ *Belong to our BDO organisation and fit our BDO culture*

OUR CURRENT STATUS

At BDO we value our people and we want to provide a friendly and personal working environment in which our people feel good. This is reflected in a number of actions that were taken in the past and on which we continue to put focus on:

- ▶ Recruitment of an **Employee Experience & Change Expert** who focuses on projects that benefit how an employee experiences interactions with the organisation;
- ▶ Regular **employee surveys**, to measure how employees feel, if they are motivated and committed, and how they experience the BDO culture (engagement survey, teleworking survey, project surveys, ...);
- ▶ **Honey@BDO**, to celebrate both professional and personal milestones;

- ▶ **Young BDO**, a committee that listens to young professionals (ages 18-31) within the organisation, organises working groups in the context of strategic elaboration, brings them together across business practices and provides fun at work.
- ▶ **Awareness & inspirational sessions** related to healthy food habits, mental resilience, ...
- ▶ Access to wellbeing and **healthcare services**:
 - Internal confidant;
 - External service for prevention: we actively refer employees who show a risk of dropping out due to mental exhaustion;
 - Hospitalisation insurance;

During the Covid-19 crisis, we also provided for additional actions to make sure our colleagues would maintain their health and wellbeing:

- ▶ **Moving Mondays**: Each Monday, a video was launched to make sure our employees got the necessary inspiration to keep on moving (boxing, pilates, yoga, desk exercises, ...);
- ▶ **Virtual (informal) team events** to make sure our colleagues kept in contact with one another in a virtual way (e.g. virtual coffee breaks);
- ▶ **Team agreements & New Normal survey** to obtain the input of our colleagues in developing our new teleworking policy;

OUR MATERIAL THEMES IN MORE DETAIL

OUR FOCUS POINTS FOR 2022

Our focus points for the fiscal year of 2022 are mainly influenced by the ongoing Covid-19 crisis and allowing our employees to find the right work-life balance and strengthen their team cohesion as these were often at risk during the crisis. The crisis also made us realise even more how important it is to maintain your physical as well as your mental health. That is why we decided to continue our efforts on the health pillar this year as well.

OUR ROADMAP & ACTION PLAN

Our main objectives for fiscal year 2022 are:

- ▶ Increase **team cohesion**
- ▶ Increase the awareness around **hybrid working** and flexible working conditions
- ▶ Increase focus on the importance of **physical and mental health**

WE WANT TO OBTAIN THIS BY ACTIONS ON 3 LEVELS:



OUR MATERIAL THEMES IN MORE DETAIL

INCLUSIVE DIVERSITY

We are committed to creating a diverse and inclusive workplace where you can contribute with your uniqueness, with growth opportunities for everybody at every stage, and where you continuously feel connected to BDO and our values. Our ambition is to make everyone at BDO feel welcome, heard, valued, and respected, creating a sense of belonging.

At BDO, we recognise the power of inclusivity and diversity. We are aware that this is a marathon, not just a sprint. That is why we want to shape our further development towards an inclusive and diverse organisation step by step and purposefully. Since 2019, concrete steps have been taken to generate change and this fiscal year we actively developed our inclusive diversity strategy, by defining what this means for us, where we should focus on, the principles of our strategy as well our roadmap and action plan for next year.



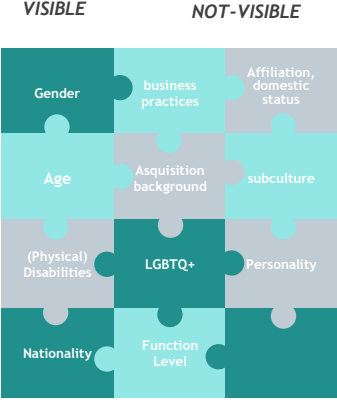
OUR MATERIAL THEMES IN MORE DETAIL

WHAT DOES INCLUSIVE DIVERSITY MEAN TO US?

This fiscal year focused on growing our ID strategy. The starting point was defining what inclusive diversity means to us. Inclusive diversity for us is based on 2 axes, valuing diversity and practising inclusion, and by focusing on those 2 axes creating a sense of belonging.

VALUE DIVERSITY

In our difference lies our treasure



PRACTISE INCLUSION

Being able to bring our authentic selves to work, feeling..

WELCOME
All voices, particularly those different

HEARD,
Honoring input, taking actions



VALUED
Getting important and visible assignments

RESPECTED
Expressing gratitude, Distributing responsibility

CREATE SENSE OF BELONGING

OUR MATERIAL THEMES IN MORE DETAIL

OUR FOCUS POINTS FOR 2022

Although there are many aspects that relate to creating a diverse and inclusive environment, we decided to define clear focus points for the next fiscal year. We defined 3 focus areas based on our ID audit for the fiscal year of 2022:

- ▶ Supporting **women** in leadership;
- ▶ **Parenting** @ BDO;
- ▶ Embracing **subcultures**

PRINCIPLES OF OUR ID STRATEGY



OUR MATERIAL THEMES IN MORE DETAIL

OUR ROADMAP & ACTION PLAN

We aim to become a leader in inclusive diversity by 2025, which means that everyone at BDO should feel welcome, heard, valued and respected, feels a sense of belonging and is not afraid to be and show their true self. The foundations will be laid out over the next fiscal year and reinforced over the coming years.

The action plan for fiscal year 2022 concentrates, as said before, on underrepresentation of women in leadership, leavers and subcultures and uses a multidimensional approach to lay the foundation of inclusive diversity by focusing on creating awareness, taking concrete actions and communicating about inclusive diversity.

ID LEADER
(Ahead of the curve)

2025

ID ADVOCATE

2023

FOUNDATION

2022

OUR MATERIAL THEMES IN MORE DETAIL

ACTION PLAN 2022 INCLUSIVE DIVERSITY

Creating awareness



LEADERSHIP CONVERSATION

Strategic debate regarding D&I (keynote speaker)



TEAM CONVERSATION

Making time during team meetings, listening and introducing ID



AWARENESS TRAINING/VIDEO

Awareness training on inclusion and diversity and on unconscious bias for all employees BDO



ONBOARDING

Make ID part of the onboarding programme of BDO

Taking concrete action



PARENT JOURNEY

Listening tour to discover main root causes of leakage. Setting up a (diverse) workgroup identifying barriers, defining possible solutions.



RESEARCH UNIVERSITY

KU Leuven research regarding subculture



BRAINSTORM A-X-BDO

Setting up focus groups to get insight and brainstorm regarding solution



REVERSE MENTORING

Start up (reverse) mentoring programme, linking BoD/ExCo with young female potential



QUICK WINS

Quick wins/ action such as ID building

Communication



COMMUNICATION PLAN

When to communicate what and how (e.g. Eid al-Fitr, international woman's day, ...)



COMMUNICATION PRINCIPLES

Setting up checklist for ID communication



PARTNERSHIP

UPOP, BDO International- BDO NL,ADM, ...

OUR MATERIAL THEMES IN MORE DETAIL



GOVERNANCE

From the beginning till the end of the day, BDO is a service offering firm of 800+ employees dedicated to the improvement and the sustainability of our main economic drivers, i.e. enterprises. This societal responsibility needs to be clearly aligned with the state of the art of our professions. We walk the talk and do not compromise our organisation's values.

GOVERNANCE & RESPONSIBLE LEADERSHIP

Professional services based on a clear Mission Statement and Corporate Values are only possible if the policy structure of the organisation is supported by the same values. Given our professional services, we have not only taken into account the generally applicable principles of Corporate Governance, but also national and international deontological codes and the standards and recommendations of national and international professional institutes and professional associations.

In what follows, you will find an overview of the main governing bodies as well as our approach to risk and quality management. More detailed information regarding our corporate governance and the main bodies can be found in our [Corporate Governance Charter](#).

OUR MATERIAL THEMES IN MORE DETAIL

GOVERNING BODIES

The following bodies are retained at group level:

- ▶ General Meeting
- ▶ Board of Directors
 - Admission Committee (AdCom)
 - Audit Committee (AuCom)
 - External Growth Committee (ComEx)
 - Quality and Risk Committee (QarCom)
 - Remuneration Committee (RemCom)
- ▶ Executive Committee (ExCo)
 - Business Support Services Committee (Com BSS)
- ▶ Nomination Committee (BenCom)
- ▶ Secretary-General
- ▶ External auditor

The composition of the General Meeting, Board of Directors and the Executive Committee, their competences and organisation are described in more detail below.

GENERAL MEETING

The General Meeting is made up of all Shareholders of BDO Belgium BV. The General Meeting is convened on the initiative of the Chairman of the Board of Directors, in accordance with the provisions contained in the articles of association, the Internal Regulations and the Companies and Associations Code.

A minimum of 3 meetings are organised annually. Additional special or extraordinary general meetings are organised in the interim by the Chairman of the Board of Directors at the request of the Shareholders within the provisions of the articles of association, the regulations and company law.

The office of the General Meeting is composed as follows:

- ▶ Chairman: Chairman of the Board of Directors;
- ▶ Secretary: Secretary-General;
- ▶ Counters: 2 vote counters to be designated by the General Meeting on a proposal from the Chairman and the Secretary-General.

The General Meeting exercises the competences granted to it by the articles of association, the Internal Regulations of BDO Belgium BV and the provisions of the Companies and Associations Code.

OUR MATERIAL THEMES IN MORE DETAIL

BOARD OF DIRECTORS

The Board of Directors is the highest management body of the BDO Group and is accountable to the General Meeting.

The Board of Directors has full management competence for the realisation of the objective of the BDO Group, except for those competences that are reserved by the Internal Regulations for the General Meeting or by law to the General Meetings of the various companies of the BDO Group. The Board of Directors undertakes the making of key decisions within BDO, such as determining the strategy and general policy of the BDO Group, determining the external growth strategy and supervising compliance with the Internal Regulations and the Corporate Governance Charter. Policy formulation and policy control both belong to the tasks of the Board of Directors.

The Board of Directors is composed of a maximum of 9 members who, unless otherwise stipulated, are directly elected by the General Meeting for a renewable period of 4 years, in accordance with the principles and procedures of the Internal Regulations and its Appendices, and are:

- ▶ the Chairman of the Board of Directors;
- ▶ the CEO;
- ▶ a minimum of 4 and a maximum of 7 Shareholders;
- ▶ a maximum of two independent directors as provided for in the Internal Regulations.

The General Assembly considers diversity and inclusion in general as a core value of its policies. The General Meeting shall take this general principle of (gender) diversity into account when assigning mandates and approving the entry of Shareholders.

The members of the Board of Directors may divide tasks among themselves and, within the provisions of the Internal Regulations, the Board of Directors may delegate certain competences.

EXECUTIVE COMMITTEE

The Board of Directors proceeds to the installation of an Executive Committee (ExCo) to which it delegates its competences with regard to the day-to-day management of the BDO Group, including the implementation of the strategy and general policy.

Besides the CEO, who is appointed and dismissed directly by the General Meeting, the ExCo is composed of the COO appointed by the Board of Directors and the Managing Partners of each Business Practice. The number of members of the ExCo is thus limited in order to facilitate efficient deliberation and decision-making within this body.

The ExCo can autonomously execute the competences assigned to it provided that it respects the executive nature of its competences and the policy lines of the Board of Directors.

OUR MATERIAL THEMES IN MORE DETAIL

Members of the Board of Directors and their roles, LTR:

Peter Van Laer (CEO), Alexandre Streel (Business Performance), Pieter-Jan Pattyn (Organisational Innovation & Fit), Karen Keuleers (Human Capital), Frederik De Roo (Client & Markets), Hennie Herijgers (Digital Agenda & Innovation), Johan Vandendroeck (Chairman) and Fabrice Grogard (BDO DNA & Sustainability).



Members of the Executive Committee and their roles, LTR:

Christophe Colson (COO), Koen Claessens (MP Risk Advisory, repr. BDO Strategy & Transformation), Peter Van Laer (CEO & Chairman, repr. BDO Digital), Veerle Catry (MP Audit & Assurance), Erwin Boumans (MP Tax & Legal), Alexander Veithen (MP Financial Advisory) and Dirk Vandendaele (MP Accounting & Reporting, repr. Interim Management).



OUR MATERIAL THEMES IN MORE DETAIL

RISK AND QUALITY MANAGEMENT

Quality matters. Of course it does. Our clients expect it and our regulators demand it. We all share the belief that BDO stands for quality.

All BDO firms are subject to the obligations set out in the BDO Regulations and are required to abide by the 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 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.

Our regulated services are framed by existing legislation and certification such as the recognition of our auditors by the IRE or the accountants. Their daily work, under this recognition, ensures that Belgian companies comply with the law and the prescriptions of the Company Code. At the end of the day, this is a contribution to a well-functioning democracy.

As far as our non-regulated services are concerned, our consultants also follow and update certification belts and trainings in order to offer the most up-to-date quality service to our clients: project management, internal control, agile development, and digital milestones are just a couple of examples from our toolbox.

In the next paragraphs, we explain what this means for BDO Belgium and which actions and procedures we have set in place.

INDEPENDENCE

BDO does not compromise on independence. Integrity, impartiality, responsibility are undisputable criteria to carry out our activities and to ensure a long-lasting relationship with our clients.

Standards for independence are shaped by legislation, regulations, professional requirements and public expectations. Maintaining independence in fact and appearance is a professional obligation to which all our professionals within BDO must adhere on a yearly basis.

OUR MATERIAL THEMES IN MORE DETAIL

All BDO colleagues are required to comply with the independence policies and procedures which address professional and regulatory requirements related to the provision of our services, business and employment relationships, and financial interests. To reinforce the importance of compliance with independence and related quality control standards and promote an independence compliance culture within their firm, as well as to monitor compliance with the program, each BDO firm appoints an Ethics & Independence Leader.

Given that 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.

Within BDO Belgium **Independence and Conflict of Interest checks** are the exclusive prerogative of the Independence Team and will be a mandatory step before accepting a project. In doing so, we are ensuring that the risks of any potential Independence or Conflict of Interest issues are more adequately assessed and monitored, not just at the start of a client relationship, but also at the start of every new type of project for existing clients.

We created an extensive **'Know your customer' procedure**. This is a policy, translated into a manual, that defines a structured procedure: before the acceptance of a client a 'know your customer' survey should be completed in order to prevent fraud or doing business with organisations who are acting in an unethical way.

3101

Number of accounts scrutinised under KYC procedure for regulated services

245

Number of accounts scrutinised under KYC procedure for non-regulated services

4

others might have been stopped earlier in the process

Number of projects scrutinised under KYC procedure and deemed too risky or illegal

OUR MATERIAL THEMES IN MORE DETAIL

DATA PROTECTION & PRIVACY

BDO, as a professional services provider, processes a high amount of (confidential) data of its clients and sees it as one of its top priorities to protect these data well.

Since 25 May 2018, every organisation in Europe that processes personal data must be compliant with the European General Data Protection Regulation (GDPR). As a company, BDO has the objective to be compliant with the GDPR legislation. As a data privacy service provider, BDO leads the way in helping companies achieving compliance with data privacy legislation by offering the following 4 services to its customers:

- ▶ Data privacy compliance assessment;
- ▶ Data privacy implementation;
- ▶ DPO-as-a-Service;
- ▶ Data privacy certification.

Our whitepaper '[GDPR: a pragmatic approach](#)' describes how BDO helps companies to become GDPR compliant.

BDO has its own DPO officer who ensures that the company complies with the applicable data privacy rules and assists data subjects with personal data related questions or issues. The DPO can be reached via dpo@bdo.be.

Other data protection measures taken include amongst others:

- ▶ Privacy policy for our employees and cookie policy;
- ▶ Privacy notices for our customers and employees;
- ▶ Register of data processing activities;
- ▶ Data processing agreements with customers and suppliers;
- ▶ Data subject right procedures and data breach procedures;
- ▶ Privacy Impact Assessments (PIA's) for more sensitive measures;
- ▶ Technical security measures to protect personal data (see also next paragraph on cyber security);
- ▶ Privacy awareness programme, with an e-learning module for all staff members to recall the key principles and expectations.

We are also complying with the BDO Global Privacy Policy (BDO's Binding Corporate Rules for Controllers and Processors). It is generally recognised that the most efficient means of ensuring compliance with data protection law (in order to legitimise transfers of personal data within a global organisation such as BDO) is to implement Binding Corporate Rules ('BCRs').

OUR MATERIAL THEMES IN MORE DETAIL

BCRs are a self-regulatory means of compliance based on European data protection legislation. These must put in place adequate safeguards for protecting personal data throughout the organisation, in line with the requirements of the European Data Protection Board on Binding Corporate Rules.

INTERNAL AUDIT

An internal audit function has been established on request of the Audit Committee.

The internal audit function reports to the Audit Committee and has been active at BDO Belgium for over 10 years now.

The internal audit function evaluates and improves the effectiveness of risk management, control and governance processes at BDO Belgium, its scope includes all risks areas of BDO Belgium.

The internal audit function is set up and conducted in line with the standards of the Institute of Internal Auditors (IIA), which is the recognised international standard setting body for the internal audit profession.

A global risk assessment is conducted periodically at BDO Belgium to identify the major risk areas and their priorities. Based on this, an audit plan is established over 4 years to address the major risk areas following their priorities.

Following the internal audit plan, yearly 2 internal audits are performed. In these audits, observations are made related to risks, and actions are defined in collaboration with management to mitigate the risks. A yearly follow-up is performed on these actions.

The internal audit function reports yearly on the conducted internal audits and the follow-up of the action plans to the Audit Committee. In addition, the results of the audits are shared with the external auditor, so they can align their audit approach with this.

OUR MATERIAL THEMES IN MORE DETAIL

CYBERSECURITY

We aim to be compliant to the ISO 27001 standard by mid-2022 and have set up a project to ensure the necessary actions are taken and we can follow up on our progress.

At multiple levels and in different periods of time, BDO ensures that its systems are safe. This is guaranteed in various ways:

- ▶ Vulnerability scan: perform periodic scans on the internal network to spot, assess and solve technological weaknesses.
- ▶ Penetration testing: externally controlled hacking of the organisation, within a defined scope and limitation, helping us to detect weaknesses.
- ▶ Internal cyber audit, as part of the internal audit plan, every 3 years
 - Where do we stand today as a cyber security organisation? Where do we want to be in the future?
 - What are our main points of improvement?
 - How have we evolved over the past 3 years? Have gaps been closed or are they still open?

- ▶ Periodic testing of employees: We organise controlled attacks to raise awareness minimum once per quarter to all employees and additionally organise targeted tests to a certain number of employees in a particular domain. Not only in a business context, but also in terms of privacy (e-mail, text message, invoice, etc.), both digitally and physically (e.g. check who enters the offices);

Number / percentage of employees having failed to react properly to the tests (meaning: they clicked on a link of a phishing test mail)

9%

39%

during the last 3 tests of fiscal year 2021

Number of employees who score above 80% when tested about cybersecurity

149

166

employees who followed the cybersecurity training in fiscal year 2021

OUR MATERIAL THEMES IN MORE DETAIL

CUSTOMER SATISFACTION

The satisfaction of our clients is the first barometer of our activity.

In the past, BDO sent a customer satisfaction survey every two years to ask our clients for their feedback. The survey was based on the NPS methodology*, extended with some additional qualitative questions.

This fiscal year, we started the process of adapting our customer satisfaction survey so that we can ask our clients for feedback once the project has ended, or intermediary in case of long-lasting projects, which not only provides us with input for the NPS score, but also provides us with specific qualitative feedback related to the type of solution offered. We aim to have this new procedure and survey in place by 2022.

*What is NPS? The NPS methodology is a globally accepted tool (used by companies worldwide) to measure client satisfaction. It is based on one simple question: "Would you be willing to recommend BDO to a friend/colleague/relation?". Scores can vary between 0 (not at all) and 10 (definitely). Clients who score us a 9 or 10 are called 'promoters', whereas everyone scoring between 0 and 6 are known as 'detractors'. The overall score is calculated by deducting the detractors from the promoters, divided by the total respondents. Worldwide, a score of +30 is considered a good score.



OUR MATERIAL THEMES IN MORE DETAIL

PARTNERSHIPS FOR THE GOALS

We believe that strong partnerships are a necessity to be able to further grow and develop our sustainability process. As the saying goes, we are **stronger together**. This is true not only for reaching our own goals and objectives and developing our strategy even further, but also in supporting other organisations to reach their goals and create a sustainable future and positive impact on the society and economy we operate in together.

Below you can find an overview of some of the structural partnerships we established and the kind of collaboration and support we get from and/or provide to each of our partner organisations.

CO2 LOGIC

One of BDO's engagements is to be a climate-neutral consultancy firm. That is why we work together with CO2 Logic, a company specialised in supporting organisations in calculating, reducing, offsetting and communicating about CO2 emissions. They provide a CO2 Neutral label, validated by Vinçotte, to companies that make efforts in continuously reducing and, if necessary, offsetting, their CO2 emissions.



PLAN INTERNATIONAL

For several years now, BDO has been supporting the children's rights projects of Plan International Belgium. Last fiscal year, we participated as Equal Rights ambassador during the Memorial Van Damme. Our sustainability ambassadors and clients were invited to root for one of our colleagues and sustainability ambassador Therese Hellum, who participated in the Equal Rights run. By doing so, we offered financial support to Plan International in their continuous actions regarding gender equality and raised awareness amongst our colleagues and clients for equal rights.

To strengthen this partnership we aim to develop a partnership in which we can both (financially) support Plan International in their mission to support equal rights of children, and girls in particular, and combine our different strengths, expertise and knowledge to create a more sustainable economy and society together. Discussions with Plan International are ongoing on how we can realise this. We aim to have a plan in place by 2022.

BDO has also partnered with Plan International by selling face masks to our colleagues during the COVID crisis.



Girls first

OUR MATERIAL THEMES IN MORE DETAIL

THE SHIFT

BDO is a member and partner of The Shift. The Shift is a platform that connects diverse organisations who want to work around one common goal, to move towards a more sustainable economy and society.

This partnership enables us to connect with other organisations and experts who are actively involved in creating a more sustainable economy and society and to drive this change together. Various webinars, workshops and networking events allow us to get a better understanding of the challenges we, as a company and as a society, are facing and provide us with useful insights and inspiration going forward.

BIKE FOR KIVU

As a long-standing partner of the fair trade coffee producer COMEQUI, BDO has willingly jumped into the project “Bike for Kivu” aimed at supporting NGOs active in this remote Congo region ravaged by conflicts for two decades. A call for sponsors was launched among our colleagues, their families and friends in order to support BDO bikers who proudly rode their bike on a sunny Sunday in September. A total amount of 3,130 EUR was collected to support five NGOs active in Kivu in addition to a specific donation of BDO to the cause. The projects supported are noticeable for their sustainability character: COMEQUI, En Avant les enfants, Fonds Ngangi, Kivo Kick Starter and Agri-Est.

UPOP

UPOP is a strategic consultancy agency that specialises in the domains of inclusion and diversity, talent management and organisational development. UPOP supports BDO in the inclusive diversity strategy and implementation.

MADASTER

BDO became a MAX Partner in 2021 and will also take on the role of accountant for Madaster. Madaster is an online cadaster in which a digital material passport of all materials used in a building can be created. This allows for easier reuse, stimulates smart design and eliminates waste and fits perfectly in the transition towards a circular economy.



THE
SHIFT



BIKE
FOR
KIVU



upop.



M
MADASTER

OUR MATERIAL THEMES IN MORE DETAIL

OTHER ACTIONS & INITIATIVES SUPPORTED BY BDO

EARTH FUNDERS

BDO supports the launch of the first Earth Funders project dedicated to support climate initiatives around the globe. Earth Funders selects between 4 to 6 climate projects per year that benefit from a donation based crowdfunding campaign to fund the early stages of development and help them achieve financial autonomy. Thanks to the contribution of many Earth Funders, including BDO, 25,000 EUR was raised for the benefit of Eco-Benin, which will help equip 500 families with improved stoves and protect nearly 10,000 trees in local forests.

DE WARMSTE WEEK AND VIVA FOR LIFE

Through our local offices and thanks to motivated colleagues, we organised several social initiatives in order to bring our contributions to the media campaigns designed to help the poverty-reduction projects financed through Viva for Life and De Warmste Week. These are only a small part of regular social support that we try to ensure when our offices are open*.

*N.B.: Due to the Covid-19 Crisis our offices were closed and less actions were undertaken by our colleagues.

PRO BONO WORK

We believe that it is important to support organisations who want to create social, societal and/or environmental impact. Such organisations can profit from our services at a reduced tariff, or in some cases even pro bono. It goes without saying that we will of course carefully select which organisations can profit from such beneficial tariffs.

Alexander Veithen, Managing Partner Financial Advisory and ExCo member, also takes on the pro bono role of vice-president of the Investment Committee of the 'Venture Philanthropy Fonds'. This fund offers structural support to organisations (non-profit organisations or social economy enterprises) with development potential or a stake in maintaining their societal impact in Belgium, in the form of external consultancy, funding assistance and mobilisation of the network of the King Baudouin Foundation.



OUR MATERIAL THEMES IN MORE DETAIL

SUSTAINABILITY SOLUTIONS

Sustainability is becoming a business imperative to remain resilient as well as competitive. Tomorrow's successful businesses must find ways to both protect and generate value while creating meaningful change that is good for business, society and the planet (3P - People, Planet, Profit). It is also about moving from short term perspectives to longer term objectives.

There are four main drivers for change which apply to all organisations: access to capital, risks & opportunities, regulation and the pressure and engagement of stakeholders.

For our clients, we work across our service lines to address the scope of challenges and opportunities that may arise when transforming toward sustainability across the Environment, Social and Governance (ESG) factors.

BDO's sustainability services are based on three pillars:

1. Sustainability Transition, through defining a sustainability vision, assessing the as-is and developing a transition program
2. Sustainability Reporting assistance on environmental, social and governance performance
3. Sustainability Assurance, providing assurance to companies and external stakeholders on its sustainability performance.

BDO aims to simplify its clients' journey towards an impactful, holistic, purpose led, performance driven sustainable transformation.

The centre of excellence for sustainability will work closely together with the industry and business practice experts to deliver outstanding solutions to our clients.

TRANSITION



Defining & implementing a sustainability roadmap & transition programme

REPORTING



Assisting companies in reporting sustainable performance

ASSURANCE



Providing assurance on a company's sustainability performance

PILLAR

1

2

3

More information on our sustainability services can be found [here](#)

APPENDIX

In accordance with the law on the organisation of the Office of Auditors, BDO yearly issues a transparency report. The intent of the transparency declaration is to inform all stakeholders involved about the legal structure, the internal organization, the quality controls and the network.



[Transparency Report BDO Global](#)



[Transparency Report BDO Belgium](#)

APPENDIX

ESG FRAMEWORK

In today's world, the actions of companies are deeply intertwined with environmental, social and governance concerns. Excelling in these three areas is no longer a 'nice to have' but have become 'table stakes' and validation among organisational stakeholders is essential. Thus, the adoption of ESG programmes are integral to maintaining and creating sustainable organisational value and impact.



ENVIRONMENTAL



- ▶ Carbon / GHG accounting & audits
- ▶ Carbon tax
- ▶ Energy assessments
- ▶ Environmental assessments & certifications
- ▶ Energy transition advisory
- ▶ Environmental impact analysis & documentation of cross-border projects

SOCIAL



- ▶ Diversity, equity and inclusion
- ▶ Stakeholder and employee engagement
- ▶ Human rights
- ▶ Conflict minerals audits
- ▶ Labor rights
- ▶ Responsible procurement & supply chain advisory & due diligence
- ▶ Supply chain

GOVERNANCE



- ▶ Board composition
- ▶ Remuneration & executive compensation
- ▶ Ethics
- ▶ Bribery & corruption
- ▶ Assurance of non-financial reports
- ▶ Corporate investigations
- ▶ Responsible tax
- ▶ Vision and strategy
- ▶ Corporate reporting - development of non-financial reporting structure & frameworks
- ▶ Green bonds external assurance

APPENDIX

WEF/ICB FRAMEWORK - CORE 21 METRICS

As of the date of this publication, the ESG reporting landscape is highly fragmented with more than 5,000 sustainability / ESG / CSR reporting and communication standards in play globally. The lack of consistent, comparable and assurable metrics and information being used by reporters, investors and stakeholders is cause for confusion and discrepancies.

However, there is consolidation occurring in the market and we are likely to see an internationally agreed upon reporting framework reflecting the key sustainability metrics and information needed by reporters and report users to assess and compare company performance, risks and prospects. The IFRS Foundation have prepared a Sustainability Standards Board (SSB) in 2021 to analyse and recommend a single framework for future reporting.

In the meantime, BDO is basing its own report on the WEF/IBC Framework and recommending our clients to also follow the WEF/IBC framework as it integrates key metrics from existing standards, the Sustainable Development Goals (SDGs) and provides flexibility to cross report using other standards when required and if desirable.

APPENDIX

GOVERNANCE METRICS

Theme	Sub-themes, Core Metrics & Disclosures	Sources
Governing Purpose	Setting purpose Whether the company has a stated purpose linked to societal benefit and their core business	GRI (102-26), EPIC, Colin Mayer and others
Quality of Governing Body	Board composition Composition of the highest governance body and its committees by: executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; competencies relating to economic, environmental and social topics; stakeholder representation	GRI (102-22), GRI (405-1a)
Stakeholder Engagement	Impact of material issues on stakeholders A list of the material topics identified in the process of defining report content and how they impact stakeholders	GRI 102-47
Ethical Behaviour	Anti-corruption 1. Total percentage of governance body members, employees and business partners who have received training on the organisation's anti-corruption policies and procedures, broken down by region 2. Total number and nature of incidents of corruption confirmed during the current year but related to previous years 3. Total number and nature of incidents of corruption confirmed during the current year, related to this year	Adapted from GRI (205-2) and GRI (205-3)
	Protected ethics advice and reporting mechanisms A description of internal and external mechanisms for: 1. seeking advice about ethical and lawful behaviour, and organisational integrity; 2. reporting concerns about unethical or unlawful behaviour, and organisational integrity	GRI (102-17)
Risk and Opportunity Oversight	Integrating risk and opportunity into business process Company risk factor disclosures clearly identify the principal risks facing the company specifically (as opposed to generic sector risks), the Board appetite in respect of these risks, how these risks have moved over time and the response to those changes. These should include discussion of data security and other emerging principal risks and should disclose the number of data breaches in the reporting period.	Combination of EPIC and SASB (230a.1 and 2)

APPENDIX

WEF/ICB FRAMEWORK

PLANET METRICS

Theme	Sub-themes, Core Metrics & Disclosures	Sources
Climate Change	<p>Greenhouse Gas (GHG) emissions Report GHG Protocol Scope 1 and 2 emissions in tonnes of carbon dioxide equivalent (tCO₂e) and estimate and report upstream and downstream (GHG Protocol Scope 3) emissions where material.</p>	GRI (305-1), CDP (C6, C7), CDSB (R03, R04), SASB (110a.1), GHG Protocol
	<p>TCFD-aligned reporting on material climate risks and opportunities TCFD-aligned reporting on governance and risk management for all. If climate change is material in short, medium or long term, disclose strategy and metrics/ targets as well, including whether the company has committed to set a science-based target in line with net zero by 2050.</p>	TCFD, CDSB R01, R02, R03, R05 and R06; SASB 110
Nature Loss	<p>Land use and ecological sensitivity Report for operations and estimate & report for upstream supply chain, where material, on:</p> <ul style="list-style-type: none"> ▶ overall area of land used or affected ▶ annual change in area of land used or affected ▶ number of IUCN Red List species present in areas used or affected. 	Adapted from: GRI (304-1, 304-3, 304-4), CDP (F1)
Fresh Water Availability	<p>Fresh water consumption in water stressed areas Report for operations and estimate & report for upstream and downstream supply chain, where material, on mega-litres of fresh water consumed (withdrawals minus discharges of equal quality) in water-stressed areas.</p>	Adapted from: GRI (303-3), CDP (W1), CDSB (R04), SASB (140a.1)

APPENDIX

PEOPLE METRICS

Theme	Sub-themes, Core Metrics & Disclosures	Sources
Dignity and Equality	Pay equality (%) Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.	GRI (405-2)
	Diversity and inclusion (%) Percentage of employees per employee category, by age group, gender and other indicators of diversity	GRI (406-1)
	Wage level (%) Ratios of standard entry-level wage by gender, compared to local minimum wage for specific categories of workers.	GRI (202-1)
	Risk for incidents of child, forced or compulsory labor (#, %) Number and percentage of operations and suppliers considered to have significant risk of: a) incidents of child labor, and b) incidents of forced labor, by type of operation and supplier, in terms of countries or geographic areas with operations and suppliers considered at risk.	GRI (408, 409)
Health and Wellbeing	Health and safety (%) 1. The total recordable injury rate (TRIR) by specific categories of workers 2. The absentee rate (AR) for specific categories of workers	SASB (CN0101-18), GRI (403-2.a4)
Skills for the Future	Training provided (#) 1. Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of trainings provided to employees divided by the number of employees) 2. The average training and development expenditure per full time employee	GRI (404-1), SASB (HC0101-15)

APPENDIX

PROSPERITY

Theme	Sub-themes, Core Metrics & Disclosures	Sources
Wealth creation and employment	Net number of jobs created 1. Total number and rate of new employee hires during the reporting period, by age group, gender and region 2. Total number and rate of employee turnover during the reporting period, by period, by age group, gender and region	GRI (401-1a & b)
	Net Economic Contribution 1. Direct economic value generated and distributed (EVG&D) - on an accruals basis, covering the basic components for the organisation's global operations, including revenues, operating costs, employee wages and benefits, payments to providers of capital, payments to government 2. Financial assistance received from the government (e.g. tax breaks, subsidies, investment grants etc.) 3. Net Economic Contribution = (EVG&D) minus (Financial assistance received from the government)	GRI (201-1 and 201-4)
	Net investment <ul style="list-style-type: none"> ▶ Total capital expenditures (CapEx) ▶ Depreciation ▶ Share buybacks ▶ Dividend payments Calculation: (Total CapEx - depreciation) / (Total cost of share buybacks + dividend payments)	International Accounting Standard (IAS) 7 - Cash Flow Statements
Innovation in better products and services	R&D spend ratio (%) Total amount of spending on R&D as a percentage of total sales	2015 edition of the Frascati Manual for measuring R&D (OECD, 2015a)
Community and social vitality	Community investment (%) A percentage breakdown of community investment, including monetary contributions such as charitable gifts and community partnerships; time contributions such as staff volunteering in paid time; in-kind contributions from services or equipment; and management costs, normalised as a percentage of pre-tax profit	GRI (G4-EC1)

APPENDIX

PROSPERITY

Theme	Sub-themes, Core Metrics & Disclosures	Sources
	<p>Integrating risk and opportunity into business process Company risk factor disclosures clearly identify the principal risks facing the company specifically (as opposed to generic sector risks), the Board appetite in respect of these risks, how these risks have moved over time and the response to those changes. These should include discussion of data security and other emerging principal risks and should disclose the number of data breaches in the reporting period.</p>	Combination of EPIC and SASB (230a.1 and 2)
	<p>Country by country tax reporting 1. All tax jurisdictions where the entities included in the organisation's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes. 2. For each tax jurisdiction reported in Disclosure 207-4-a:</p> <ul style="list-style-type: none"> ▶ Names of the resident entities ▶ Primary activities of the organisation ▶ Number of employees and the basis of calculation of this number ▶ Revenues from third-party sales ▶ Revenues from intra-group transactions with other tax jurisdictions ▶ Profit/loss before tax ▶ Tangible assets other than cash and cash equivalents ▶ Corporate income tax paid on a cash basis ▶ Corporate income tax accrued on profit/loss ▶ Reasons for the difference between corporate income tax accrued on profit/ loss and the tax due if the statutory tax rate is applied to profit/loss before tax <p>3. The time period covered by the information reported in Disclosure 207-4.</p>	GRI (207-4)

APPENDIX

SUSTAINABLE DEVELOPMENT GOALS

UN Sustainable Development Goals (SDGs) provide a unified language and goals, globally recognised, that business can align to. The SDGs were officially endorsed by 193 countries and 12,000+ companies have since signed up to the UN Global Compact, a movement aimed to mobilise companies and stakeholders towards achieving the goals.



End poverty in all its forms everywhere.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Ensure access to affordable, reliable, sustainable and modern energy for all.



Reduce inequality within and among countries. Make cities and human settlements inclusive, safe, resilient and sustainable.



Conserve and sustainably use the oceans, seas and marine resources for sustainable development.



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.



End hunger, achieve food security and improved nutrition and promote sustainable agriculture.



Achieve gender equality and empower all women and girls.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Ensure sustainable consumption and production patterns.



Conserve and sustainably use the oceans, seas and marine resources for sustainable development.



Strengthen the means of implementation and revitalise the global partnership for sustainable development.



Ensure healthy lives and promote wellbeing for all at all ages.



Ensure availability and sustainable management of water and sanitation for all.



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.



Take urgent action to combat climate change and its impacts.



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.



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