

A glass globe is the central focus, resting on a thick bed of vibrant green moss. The globe's surface is highly reflective, mirroring a lush forest scene with tall trees and a bright sun filtering through the canopy. The background is a soft-focus green, suggesting a forest floor. The overall composition is clean and natural, emphasizing sustainability and environmental stewardship.

YOUR JOURNEY TOWARDS SUSTAINABLE BUSINESS MANAGEMENT

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INTRODUCTION



Defining Sustainability

In recent years, sustainability has become synonymous with “going green” or “reducing emissions and carbon footprint”.

In other words, when most people think about sustainability, they think about things like *reducing emissions, energy consumption* or *tracking water usage, etc.*

And while there is nothing wrong with these actions - they are indeed essential goals - this is only the tip of the iceberg.

The most often quoted definition comes from the UN World Commission on Environment and Development: *“sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”*.

Sustainability considers natural resources as limited. Therefore, these resources should be used reasonably taking into consideration long-term priorities and consequences in their use. Sustainability is not just about *going green*; in addition to natural resources, we also need social and economic resources.

Sustainability - A common responsibility

In addition to be driven by the aim of individual resilience, the sustainability movement is also driven by international agreements such as the Paris Agreement and the Sustainable Development Goals which pinpoints sustainable decision making as a central tool in building global resilience.

With only 10 years left of the UN’s Sustainable Development Agenda and with disasters and social activism dominating headlines across the world, it is imperative that we rethink how we operate and behave if we are to ensure that our systems and foundations are resilient and fit for a sustainable future.

Businesses, governments and the financial industry alike, have a responsibility in assuring a more sustainable tomorrow. Essentially, if governments steer the economy - finance provides its fuel. And if finance provides fuel - then business is its engine.

Sustainability as a growing imperative for companies

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.

Planetary boundaries, social needs, social licenses to operate and legislations are narrowing the opportunity space for companies to keep on with their *business as usual* and constraining their ability to create value or even simply operate on the mid- / long-term.

The sustainable agenda is also pushed by the ever-increasing risks (in both likelihood and impact) of significant events disrupting what was long thought as a manageable yet complex equilibrium between the environment (and its resources), the society and the overall governance ruling it.

Investors, customers, employees, policy makers, and society as a whole demand transparency and accountability concerning the impact organizations have on the environment and society.

Eventually, stakeholders expect companies to both have a purpose and contribute to the greater good.

Surface-level sustainability and corporate social responsibility efforts that do not transform the business model are not enough anymore.

There is a momentum for organizations to act on sustainability. Those that act decisively unlock new opportunities, develop resilience and an overall sustainable competitive advantage for their business models on the long term.

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”



INTRODUCTION



Stakeholders

Sustainable organizations are those that positively impact all stakeholder groups. Richard Freeman formalized the notion of stakeholders in 1984 by defining stakeholders as "*any group or individual who can affect or is affected by the achievement of the firm's objectives*". In other words, it means that companies can only become sustainable if they consider their stakeholders and understand their needs and respond accordingly.

Stakeholders each possess their own respective set of interests and needs, which can lead to conflicting views within an organization. It is essential to align these different interests and views. Yet they interreact at different levels.

Primary stakeholders are directly tied to an organization through financial interests and/or contractual ties. These include shareholders, managers, employees, customers, and suppliers.

Secondary stakeholders, include those who indirectly impact an organization or are indirectly impacted by an organization. These include society at large, and the communities connected to primary stakeholders.

A common way to cluster these stakeholders is by dividing them in three different groups: Government, Market (Financial Institutions & Businesses) and Civil Society.



Government - Policymaking has become highly complex, especially when dealing with persistent, complex, changing problems that entail uncertainties due to the presence and wide range of perspectives of a diverse set of actors, and a lack of clear solutions. The Government's role is to provide the signals and conditions necessary to adjust economic behaviour by setting bold targets, using regulation and fiscal policy as incentives to support better outcomes and drive socially-useful innovation.



Market - Financial Institutions -

Financial institutions steer capital to companies under conditions. Considering EU policies on sustainable finance, financial institutions will have no other choice but to steer capital towards sustainable and responsible companies.

Sustainable finance refers to the process of taking environmental, social and governance (ESG) considerations into account when making investment decisions in the financial sector, leading to more long-term investments in sustainable economic activities and projects.



Market - Businesses - Critical challenges for businesses include aligning organizational purpose, strategy and business models, setting evidence-based targets and measuring the right things and reporting on progress. Businesses need to embed new ways of thinking in their operational practices and decision making and need to use their influence to engage communities to build public and government appetite for sustainable business by advocating sustainable business management.



Civil Society - The role and functions of civil society can be seen as the ability of civil associations to become engaged and contribute to the system's stability as well as the pressuring actor to force change in the system. Therefore, civil society can influence politics, governments and the market. It can do so by organizing protests, lobbying and pressuring decision making, running initiatives seeking for alternative solutions, etc.

In all its forms (foundations, NGO's, professional associations, religious groups, community groups or labor unions, etc.), civil society supports and defends those most likely to be directly affected by sustainability related issues and policies by advocating and communicating on these.



Mapping stakeholders

It is essential for companies transiting to a more sustainable model to run a stakeholder mapping exercise. Stakeholder mapping identifies communities, unions, organizations, companies... with potential inter-connected interests. It is the starting point to engage with stakeholders and essential to an effective and holistic sustainable transition.

DRIVERS OF CHANGE



What drives the change and how do we respond?

Over the last two decades awareness on sustainability has been on a constant rise among governments, industries and the general public. Companies are starting to realize the importance of finding the right balance between 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 organizations: access to capital, risks & opportunities, regulations and the pressure and engagement of stakeholders. These are pushing organizations to become more accountable, moving towards a more quantitative approach, disclosing dynamic sustainability performance in a holistic, action related, measurable, and transparent way.

Sustainable Finance - Financial institutions and institutional investors consider environmental, social, and governance factors as drivers for value creation and protection. Adding to that the EU policies on sustainable finance and companies will have no other choice but to report on ESG performance. Not meeting the standards and market's expectations will limit a company's access to capital potentially impacting its capacity to grow and become sustainable, leading to potential going concern.

Threats & Opportunities - Sustainable transition exposes companies to risks. Physical risks linked to climate change (extreme weather, scarcity of resources, drought, etc.) and transition risks related to a shift in technologies, regulations, stakeholders' expectations, etc. If not anticipated and properly managed, companies will transition under constraints with all drivers becoming adverse.

On the other hand, sustainability unlocks new opportunities, developing resilience and an overall competitive advantage through new business models profitable on the long term.

The future is bright for those companies which will leverage on sustainability challenges to redefine their strategy and invest in their transition eventually protecting and creating value in the long term.

Legislation and regulation - With less than ten years left to accomplish the SDG's and with the introduction of the EU Green Deal, a commitment to future generations with the ambition to become the first climate neutral continent by 2050, comes a wave of regulatory actions. These actions include regulations such as the EU climate law, the EU taxonomy and fit for 55. Between 2018 and 2021, the number of regulatory actions tripled. A similar level of regulatory activity can only be found in the regulatory wave that followed the 2008 global financial crisis.

Generation Z may be first generation to prioritize purpose over salary

64% of Millennials won't take a job if their employer doesn't have a strong CSR policy

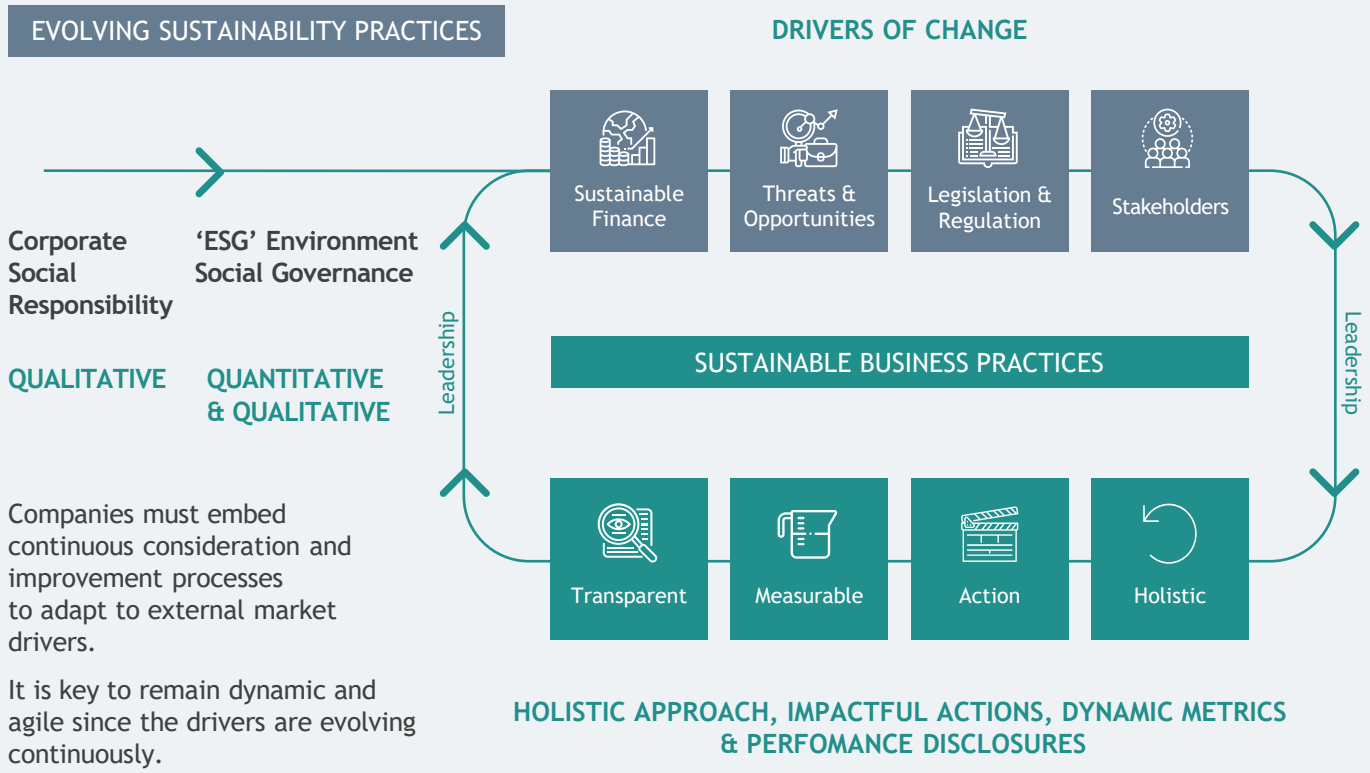
83% of millennials claim to be more loyal to companies with strong CSR policy

Stakeholders' pressure and engagement - Companies will only be successful with their sustainable transition if they consider their stakeholders and understand their needs and respond to these.

For companies to seize the opportunities offered by the sustainable transition, it is essential to shift from EGO - my company in the center - to ECO - my company as part of a larger ecosystem. Because the challenges companies are facing through their sustainable transition are complex with a lot of uncertainties, it is essential to engage with all stakeholders.



DRIVERS OF CHANGE



Leading Sustainable Business Transformation

Most companies are aware of the need to engage in a sustainable business transformation but find it challenging to integrate this reality into their core business and operational processes. This is mainly due to the high level of uncertainty on both the breadth and depth that is required to be considered as sustainable while remaining competitive.

There is a sustainable business case for every business, and the business can only transition successfully if it is profitable. Yet, for these companies which do not grief on economic models of the past, challenge the present and define a long-term strategy considering the 3 Ps (People - Planet - Profit), the transition will inevitably be made under constraint leading to adverse and long-lasting consequences.

Innovative leadership is key for effective sustainable business transformation. Leaders who incorporate sustainability in the core of the companies' strategy will attract like-minded employees and develop a sustainability centric culture. Leaders should foster a positive environment to work together on sustainability challenges, engage with stakeholders and generate impactful results. Eventually, leaders should inspire their people and enhance the capabilities of their company to capture value and manage risks from sustainability in a systematic and even transformational way.

SUSTAINABILITY - A BUSINESS IMPERATIVE



There are many examples that illustrate the broad nature of sustainability and how the business landscape is shifting accordingly.

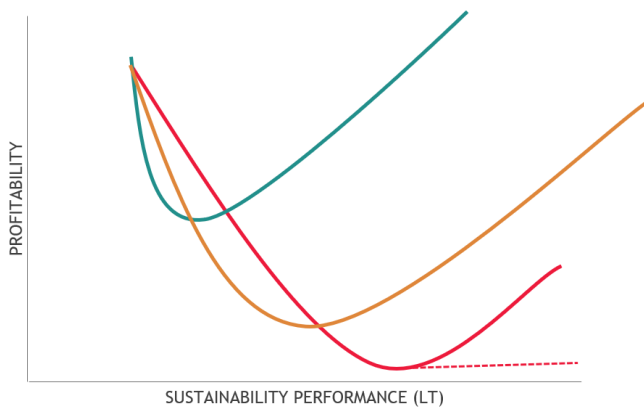
- ▶ **Sustainable Finance:** Pressured by the society on one side and the regulators on the other side, all financial market players are already and will be even more impacted by the sustainable transition. Eventually, access to capital will be limited for companies which are not delivering expected ESG performance. Consequently, institutional investors are increasingly committing to sustainability as a core driver of financial value, with a growing number launching ESG-dedicated funds or adopting sustainable investment principles.
- ▶ **Corporate Reporting:** As a result of the increased pressure on the financial industry, companies are increasingly being asked to disclose on their non-financial information. Through the existing Non-financial Reporting Directive (NFRD), there are currently about 11,500 companies in the EU that are obliged to report on their sustainability performance. By 2024, this number is expected to increase to as much as 50,000 through the introduction of the Corporate Sustainability Reporting Directive (CSRD) - an extension to the NFRD. With the CSRD additional requirements for using a recognised framework and verifying the disclosed information through independent assurance are introduced. Eventually, companies will be required to report fully on ESG performance.
- ▶ **Diversity, Equity and Inclusion:** Companies are increasingly seeing the competitive advantage of driving diversity, equity and inclusion (DE&I) within the organization. The most diverse companies are now more likely than ever to outperform their less diverse peers on both profitability and the *war for talent*. It is about bringing together diverse backgrounds and talents, developing accountability, enabling equality, fairness and transparency.
- ▶ **Supply Chain:** Fuelled by climate change, human rights activists, governments and business leaders alike pledge to work towards sustainable supply chains. One of the main challenges is to achieve a carbon neutral supply chain while meeting the growing demand. One type of risk has to do with the sustainability impact of providing goods and services to customers (Transition). A second type of risk occurs because sustainability impact can interfere with consumer companies' supply chains (Physical risk).
- ▶ **Energy Transition:** The transition from a fossil-based energy sector towards a zero-carbon one using renewable energy sources is essential in meeting EU's ambitious climate neutral objective. Europe's ongoing energy transition is set to change the utilities sector(s) landscape in many ways. One is that grids built on fossil fuels and centralised infrastructure will have to switch to decentralised, renewable and intermittent sources of energy while assuring the growing demand.
- ▶ **Green Mobility:** As transport accounts for about a quarter of the EU's greenhouse gas emissions, Green Mobility is a big target to slash greenhouse gas emissions. And, contrary to other sectors such as energy and industry, emissions are rising. The Commission figures they'll need to fall by 90 percent by mid-century. By 2035, the EU will therefore require all new vehicles sold from that date to be zero emissions.
- ▶ **Circular Real Estate:** The European Commission supports the transition from our throwaway economy into one where waste is eliminated, resources are circulated, and nature regenerated. With the push towards a circular economy comes a push towards circular real estate and our built environment plays a central role in addressing today's most pressing issues.
- ▶ **Smart and Sustainable Cities:** A smart, sustainable city is an innovative city that uses information and communication technologies (ICTs) alongside other means to improve quality of life, efficiency of urban operation and services, and competitiveness with respect to economic, social, environmental as well as cultural aspects. Smart cities are considered an imperative for a sustainable future. The public sector plays a key role in shaping these cities, providing the signals and conditions necessary to adjust economic behaviour by setting bold targets, to support better outcomes and drive socially-useful innovation.

WHY TO TAKE PART IN THIS JOURNEY



The Sustainability Transition Challenge:

Although managers and board members know this is the way forward, they are still hesitating to place sustainability at the core of their company's business strategy. The most common reason is the mistaken belief that the costs outweigh the benefits. However, adopting a proactive approach will unlock new opportunities, develop resilience and future-proof the business model with a sustainable competitive advantage in the long term.



Being **proactive** results in a more resilient organisation. In addition, the company is able to leverage on opportunities sustainability brings (technologies, partnership, M&A, etc.), strengthen performance and increase overall value.

Being **reactive** results in fewer opportunities, less leverage leading to long term under-performance. The organisation tries to catch-up on new technologies, regulations, trends, etc. Leading to structural competitive disadvantage.

Being the **lagger** means transitioning under constraints. The organisation misses the train and the drivers of change have an adverse impact on the company. It results in structural under-performance and questions about the going concern.

A proactive approach will lead to



ACCESS TO CAPITAL

Easier access to capital, better financing conditions, attract investors and long-term investments



OPPORTUNITIES

Competitive advantage, higher profitability, boost market share



RESILIENCE

Increased resilience towards uncertainty and unexpected harmful events



REGULATORY COMPLIANCE

Proactive compliance with regulatory landscape, avoiding sanctions and fines as well as preserving its license to operate



STAKEHOLDER VALUE

Sustainable partnerships developing a sustainable ecosystem



LEADERSHIP & CULTURE

*Attracting and retaining more customers, especially the younger generations
And increased employee engagement*

SUSTAINABILITY - A BUSINESS IMPERATIVE



An effective and impactful sustainable transformation

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 beneficial for business, society and the planet. In addition, moving from short term perspectives to longer term objectives is crucial for an effective and impactful sustainable transformation.

Right now, a growing business imperative most businesses need to address is sustainability. The material risks that companies face are broadening and becoming more complex, due to climate change, the energy transition and rising concerns from civil society and institutions.

These accumulating risks have led to the emergence of a global sustainability movement, driven by capital markets, governments, communities and various stakeholders. This demand for transparency and accountability in 'environmental, social and governance' (ESG) matters calls for better understanding of the impact of business and industry on the environment and our societies - and an effective and impactful response.

A **materiality analysis**, is the fundamental activity to start ESG reporting. It consists of identifying the primary impacts of economic, environmental and social elements, summarized in a Materiality Matrix. This methodological analysis helps to determine the broader dimensions of the company, defining its strategic role with respect to the sector and the challenges within a national and international context.

Stakeholder engagement, an activity carried out with the purpose of updating the Materiality Analysis. BDO would propose a strategic engagement program with key stakeholders to ensure communication and alignment of program objectives.

Integrated thinking aims to view a business holistically and find value-creation opportunities using a combination of financial and non-financial methods. BDO accompanies the organization in a journey of value creation including a short, medium, and long-term horizon. Using internationally recognized frameworks, BDO promotes ESG reporting processes that allow the periodic publication of a non-financial report (besides the annual financial report), or an integrated financial report - namely a single annual document containing both financial and non-financial information in accordance with industry standards

Role of the Sustainable Development Goals- The SDGs encourage business to include sustainable development at the core of their business strategy to ensure organizations meet the needs of the present without compromising the needs of future generations.

Our 3 Pillars towards sustainable transformation

To support your company in achieving its sustainable and strategic objectives, we work across our service lines to address the scope of challenges and opportunities that may arise from transitioning toward sustainability across the Environment, Social and Governance (ESG) factors.

BDO's sustainability services are based on three pillars:

- ▶ Sustainability Transition, through defining a sustainability vision, assessing the As Is and developing a transition program
- ▶ Sustainability Reporting assistance on environmental, social and governance performance
- ▶ 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 and performance driven sustainable transformation. The center of excellence for sustainability collaborates with the industry and business line experts to deliver outstanding solutions.





PILLAR 1: TRANSITION



PILLAR 1: TRANSITION



The Sustainability Transition - a continuous improvement process

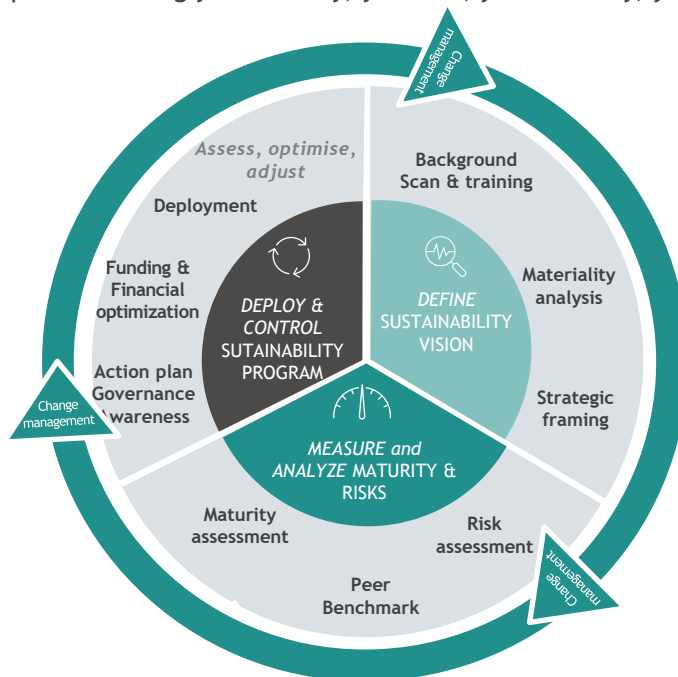
Whether your company is willing to initiate or boost its transformation towards becoming more sustainable, BDO supports you in defining and deploying an impactful sustainability strategy as well as reporting on its effectiveness and performance.

A sustainable transition is a journey that requires constant assessment, optimization and adjustment of the sustainability program, focusing on the measurement of impacts, corporate objectives and change management. While sustainability comes from within a company, BDO can assist teams and provide the right tools and methodologies to grow sustainably. The approach delivered by BDO will be tailored to address your specific needs and to provide relevant output considering your industry, your size, your maturity, your sustainability targets, etc.

A holistic approach impacting policies, people, processes and data.

The maturity and risk approach drives your decision-making process, defining your priorities.

Multi-stakeholder perspective takes into consideration the interests and needs of stakeholders, which helps strengthen the integrity of the program.



IN PRACTICE

PHASE 1 - VISION

The starting point consists of defining the **sustainability vision** of the company. The materiality analysis identifies the material sustainability topics for the success of the company and to the key stakeholders. Clarifying the sustainability vision will require multiple workshops, where the awareness and knowledge of the participants regarding sustainability / ESG will be boosted to ensure an optimal decision-making process.

PHASE 2 - ASSESSMENT

The main trends and challenges for the company are identified based on industry research and the legislative train schedule, resulting in first insights towards current and future risks and opportunities. To measure the current performance of the company, interviews with different roles and levels in the organization, site visits and an internal audit of the policies, protocols and certifications are organised and reviewed. To define the maturity of the company, a **peer benchmark** is performed to get insight in the position versus your closest competitors or other stakeholders. The gap analysis will result in a maturity and **risk assessment**.

PHASE 3 - PROGRAM

The **sustainability program** of the company is co-created by setting up an action plan containing improvements, based on best practises. The governance is set up, supported by a balanced scorecard defining the main KPI's related to the sustainability vision. Awareness regarding this sustainability transition is created by trainings and communication, preventing any perceptions/claims of greenwashing.

Depending on the sustainability actions, the possibilities towards **funding and financial optimisations** are investigated, by analysing the impact of **Green mobility** and **Project structuring**. Furthermore, **Financial advisory and modelling** can help integrate the sustainability indicators.

BDO can offer support in deploying your sustainability strategy by offering expertise in different fields such as Lean, Software Implementations, Cybersecurity and Implementing new technologies and apps.

PILLAR 1: TRANSITION



Deliverables

VISION	BACKGROUND SCAN & TRAINING	High level background scan of similar companies and industry
	MATERIALITY ANALYSIS	Identify and estimate ESG factors which may impact the business and its stakeholders
	STRATEGIC FRAMING	Define a sustainable vision and how this vision can be embedded in the business strategy
ASSESSMENT	RISK ASSESSMENT	Identify and map an organization's sustainability-related current and emerging risks (Physical & Transition)
	THREATS & OPPORTUNITIES	Benchmark of selected peers or customers to define the industry standard regarding material ESG issues
	MATURITY ASSESSMENT	Assess overall maturity of the organization towards sustainable challenges in the short, mid- and long-term.
PROGRAM	ACTION PLAN	Action plan addressing the gaps, defining focus areas, high level business case, best practices and financing options
	ROADMAP	Develop a sustainability roadmap capturing the way forward for the company ("To Be").
	GOVERNANCE	Creating a sustainability taskforce, governance and setting objectives / KPI's in line with GRI / SBT / Taxonomy
	AWARENESS	Awareness training for staff and advice on external communication

A close-up photograph of a hand holding a black pen, pointing at a document. The document features a bar chart with blue and yellow bars and some text. The background is a blurred green bokeh. The text 'PILLAR 2: REPORTING' is overlaid on the left side of the image.

PILLAR 2: REPORTING

PILLAR 2: REPORTING



Non-Financial Disclosure

Companies are under increasing pressure to demonstrate greater commitment to long-term, sustainable value creating which incorporates the wider demands of people and planet.

The changing legal reporting requirements in the EU and upcoming regulations for non-financial disclosures are not making things easier for companies. Yet, it is increasingly expected from companies to prepare their reports in accordance with sustainability reporting standards or frameworks (e.g., WEF/IBC, GRI, TCFD, SASB, etc.), while others will use company-developed or custom metrics that may or may not use existing standards as a starting point. While there is no “one-size fits all”, frameworks provide principles-based guidance that helps companies identify topics to cover and determine how to structure and prepare the information they disclose.

In this relatively new landscape of non-financial / ESG reporting, companies are wrestling with what information to report and where and how to communicate it to stakeholders. In any case, reporting must be accurate, complete and consistent for investors and other stakeholders, who rely upon such data for their decisions.

Non-financial reporting can be included as part of an annual or interim report or issued as a separate stand-alone document. Whatever approach is followed, companies need to consider their environmental, social and governance impacts across a wide range of issues. Related disclosure could include the following topics:

E	S	G
Environmental	Social	Governance
<ul style="list-style-type: none"> ▶ Carbon and other greenhouse gas emissions ▶ Production and office waste management and recycling systems ▶ Natural resource use, such as water and paper ▶ Pollution (noise, dust, particles) 	<ul style="list-style-type: none"> ▶ Diversity, equity and inclusivity policies and practises ▶ Employee wellbeing and mental health support programs ▶ Flexible working opportunities and arrangements ▶ Talent retention and attraction strategies ▶ Digital upskilling of employees 	<ul style="list-style-type: none"> ▶ Board structure, ESG knowledge and diversity criteria ▶ Risk management practises including material environmental and social issues ▶ Tax strategy ▶ Execute remuneration policy including any ESG based KPI's ▶ Supply chain management, including consideration of ESG

Taking above elements into consideration, BDO supports companies in defining the right reporting model, setting up the process, identifying the most appropriate methodology and areas to be covered, aligning with corporate priorities and defining indicators and parameters while ensuring stakeholder engagement.

Within this phase BDO assesses the tools and processes -including advice around internationally recognised frameworks- which would efficiently and effectively capture ESG data and content to be reported.

BDO also supports companies with data management by developing processes and tools to collect the required data, verify and aggregate these, and ensure that the data & sequences are interpreted and

correctly captured within and converted to the defined report parameters.

Taking it one step further, BDO can also support in fully designing the report for impactful communication by adding experts from our marketing team.

BDO can conduct a benchmark analysis, comparing your reporting or your ESG performance with similar companies active in your industry or any other best practice.



PILLAR 2: REPORTING



Deliverables

NON-FINANCIAL REPORT	GOVERNANCE	Standardized policies, procedures, controls and governance are crucial to efficiently manage non-financial reporting.
	PROCESS	Co-constructive approach, developing reporting process and executing it together with the client
	METHODOLOGY	Document sustainability metrics in compliance with the selected framework, requirements from stakeholders and applicable regulations.
DATA MANAGEMENT	COLLECTION	Define & implement sustainable metrics for ESG / sustainability reporting as well as processes to collect and aggregate data
	INTERNAL CONTROL	Assess and improve internal control framework and systems related to collecting, processing and disclosing non-financial data.
	CERTIFICATION	Define framework for certification / attestation based on defined metrics and control framework
BENCHMARK ANALYSIS	REPORTING & ESG PERFORMANCE	Compare performance with similar companies active in the industry or other best practices





PILLAR 3: ASSURANCE



PILLAR 3: ASSURANCE



Non-Financial Assurance

Investors, banks, customers, regulators and other stakeholders are increasingly demanding comparable and reliable ESG reporting from companies. Therefore, it is important that publicly disclosed non-financial / ESG information are accurate, complete and consistent over time.

Independent assurance provides comfort on the level of completeness and accuracy of the environmental, social and governance information, metric and indicators disclosed by a company in its non-financial / ESG reports. More so, in the coming years, it is expected that the EU will mandate independent assurance and attestation of sustainability reports (as it is the case for accounting and financial reporting).

The ability for companies to report effectively on non-financial / ESG elements depends on the design and effectiveness of internal controls. As internal auditor, BDO has developed an internal audit work program dedicated to sustainability and ESG initiatives within the company. These internal audits cover three stages: sustainability governance (incl. oversight, risks, policies, culture, etc.), sustainability processes (incl. Internal Control Framework, processes, tools and data) and sustainability monitoring (incl. complain management, investigation, reporting, record keeping, etc.).

Prior to moving into an assurance process, BDO recommends performing a readiness assessment and identify areas of improvement before going public or before any external certification or independent audit.

BDO also provides third party assurance in line with the internationally recognised assurance standards: the International Standards on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Limited assurance can be provided in addition to our traditional audit practises, complying with the Corporate Sustainability Reporting Directive (CSRD) - an extension to the NFRD. With the CSRD requirements for using a recognised framework and verifying the disclosed information through independent assurance are introduced.

Furthermore, BDO offers ESG Due Diligence service covering a wide range of performance risk, potential liabilities and compliance issues. Evaluating ESG risks and opportunities which may result in material adjustments to company valuations in an M&A context. Our ESG experts work side-by-side with financial and legal experts to integrate ESG parameters through the process.

Deliverables

INTERNAL AUDIT	READINESS ASSESSMENT	Readiness assessment on internal control framework and data management related to non-financial reporting
	SUSTAINABILITY INTELLIGENCE	Systematic monitoring of areas in which the company can improve in comparison to the industry or other best practices
INDEPENDENT ASSURANCE	THIRD PARTY ASSURANCE	Compliance with International Standards on Assurance Engagements (ISAE) 3000 and 3410).
	(LIMITED) ASSURANCE	Compliance external audit with the NFRD, CSRD or any other non-financial reporting directives
DUE DILIGENCE	SUSTAINABILITY RISK AESSMENT	Evaluating ESG risks and opportunities which may result in material adjustments to company's valuations
	SUSTAINABILITY LIABILITIES	Identify potential liabilities related to ESG factors
	SUSTAINABILITY COMPLIANCE	Assess compliance with standards and regulations related to sustainability and non-financial reporting

BDO SUSTAINABILITY KNOWLEDGE CENTRES



To keep up with the fast pace in which sustainability is evolving, BDO has established specialised knowledge centers. These are supported by industry experts who are focused on best practices as each of these knowledge centres has to deal with specific trends and challenges.



Sustainable finance

Supporting the re-allocation of capital towards well-rated ESG companies

BDO supports companies and financial services providers in effectively meeting the challenges of sustainable financing and investment decisions



Smart & sustainable communities

Developing strategic partnerships across communities to reach sustainability goals

BDO provides systematic support to governments & municipalities to reach smart & sustainability community goals



Energy transition

Supporting companies move to a low-carbon world

BDO helps support and report on GHG emissions, carbon tax and climate related financial impact & disclosures



Supply chain

Creating value through a sustainable supply chain

BDO's integrated GVC (Global Value Chain) solution aims to engineer operational resilience and agility across a client's supply chain.



Circular real estate

Creating value through circular real estate

BDO's provides financial advice on circular real estate.

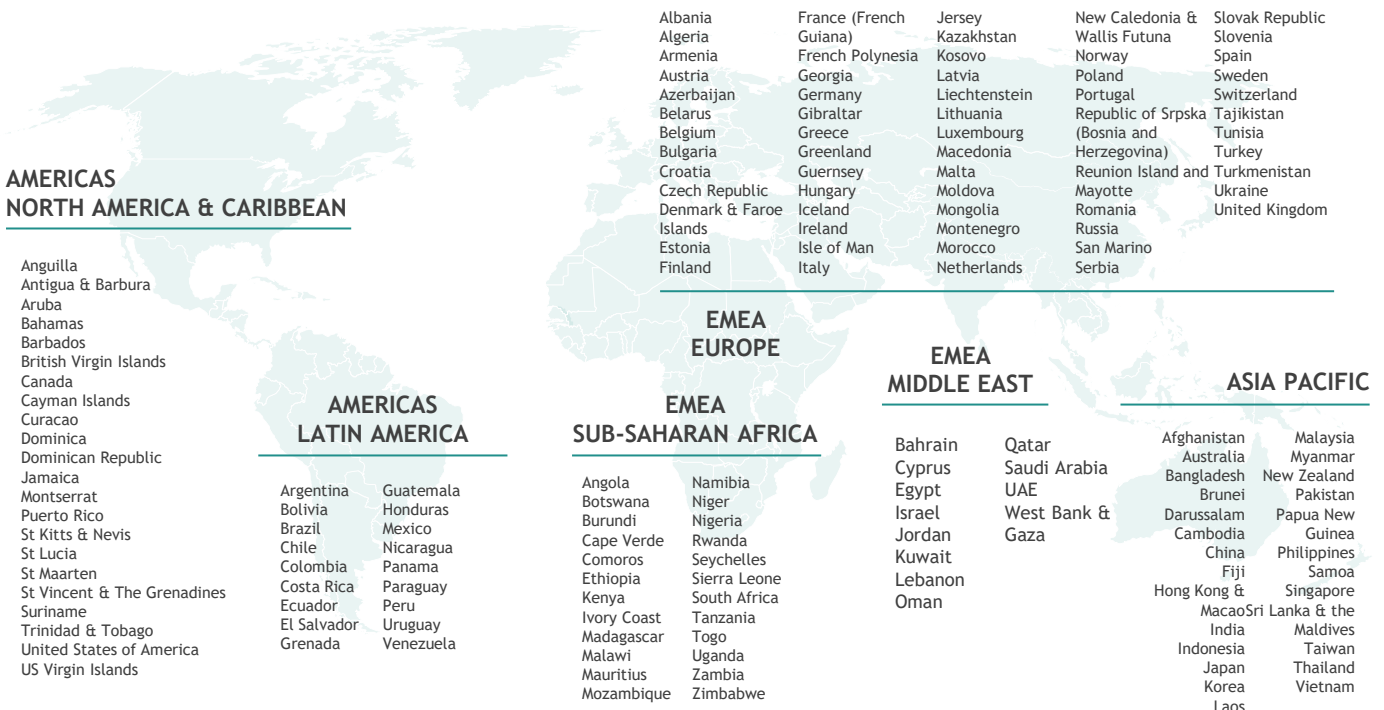


OUR MULTIDISCIPLINARY TEAM

Given the transformational nature of integrating sustainability into an organization, BDO has developed comprehensive advisory support to ensure we offer clients best-in-class solutions, with a multidisciplinary team.

	Tessy Martens Sustainability & Lean		Pierre Poncelet Sustainability & Risk		
	Therese Hellum Sustainability and Risk		Sara Farias De Carvalho Martins Sustainable Finance		Thomas Huyge Sustainability
	David Lenaerts Audit		Thomas Verachtert Accounting & Reporting		Delphine Vanassche Innovation
	Laura Dewez Tax & Legal		Michaël Van Cutsem Public Sector New way of working		Erik Van den Broeck Financial Advisory Real Estate & construction

BDO’s global reach across 167 countries and workforce 90,000+ enables us to work globally while acting locally. We benefit from a global presence, access to industry and commercial insights and a globally diverse workforce that our clients can access. Our global sustainability services framework stitches together BDO’s best, both from service expertise to industry experts.



<p>AMERICAS NORTH AMERICA & CARIBBEAN</p> <ul style="list-style-type: none"> Anguilla Antigua & Barbura Aruba Bahamas Barbados British Virgin Islands Canada Cayman Islands Curacao Dominica Dominican Republic Jamaica Montserrat Puerto Rico St Kitts & Nevis St Lucia St Maarten St Vincent & The Grenadines Suriname Trinidad & Tobago United States of America US Virgin Islands 	<p>AMERICAS LATIN AMERICA</p> <table border="0"> <tr> <td>Argentina</td> <td>Guatemala</td> </tr> <tr> <td>Bolivia</td> <td>Honduras</td> </tr> <tr> <td>Brazil</td> <td>Mexico</td> </tr> <tr> <td>Chile</td> <td>Nicaragua</td> </tr> <tr> <td>Colombia</td> <td>Panama</td> </tr> <tr> <td>Costa Rica</td> <td>Paraguay</td> </tr> <tr> <td>Ecuador</td> <td>Peru</td> </tr> <tr> <td>El Salvador</td> <td>Uruguay</td> </tr> <tr> <td>Grenada</td> <td>Venezuela</td> </tr> </table>	Argentina	Guatemala	Bolivia	Honduras	Brazil	Mexico	Chile	Nicaragua	Colombia	Panama	Costa Rica	Paraguay	Ecuador	Peru	El 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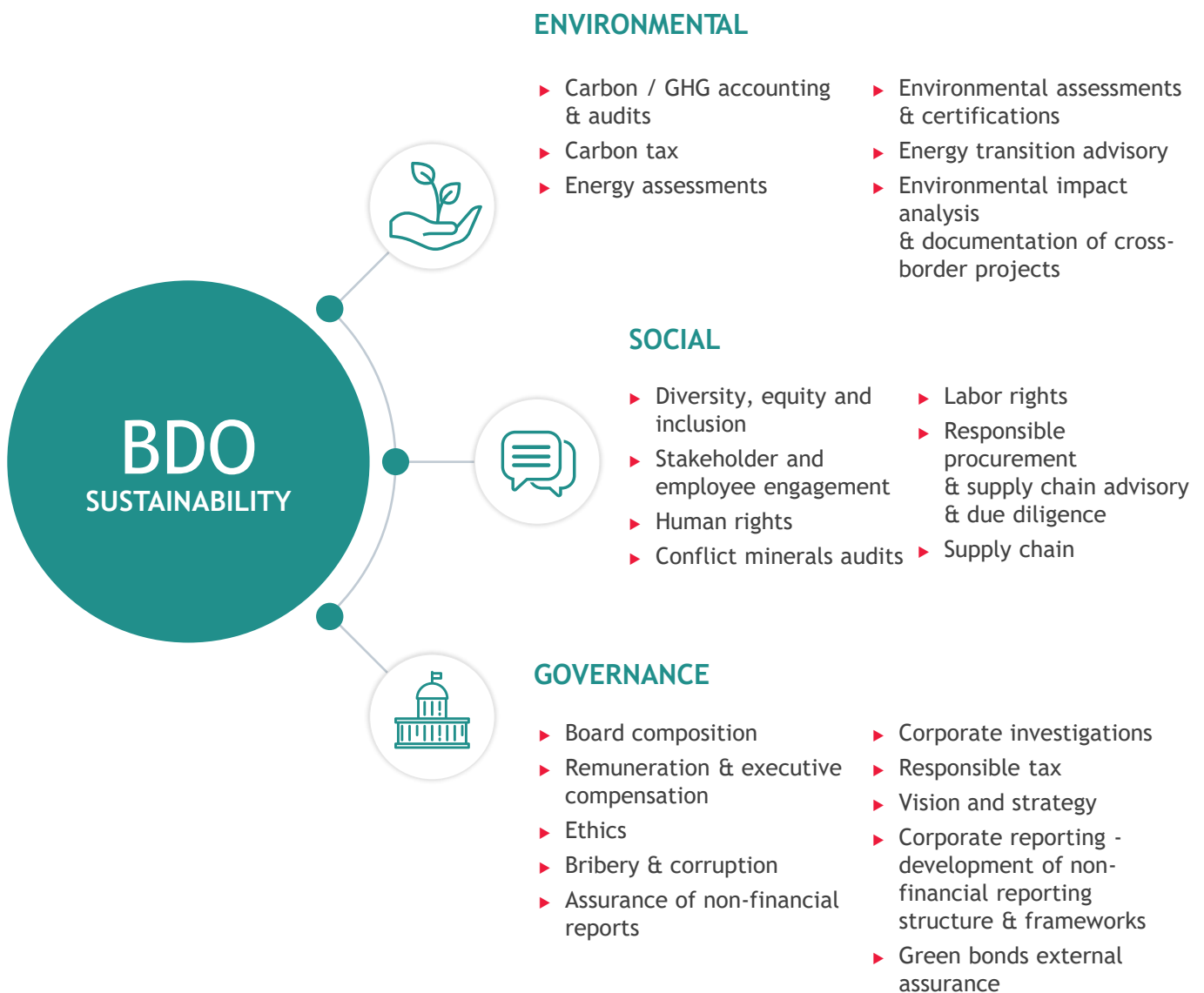
APPENDIX



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 organizational value and impact.





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.



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



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



Ensure sustainable consumption and production patterns.



Ensure healthy lives and promote well-being for all at all ages.



Take urgent action to combat climate change and its impacts.



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



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



Achieve gender equality and empower all women and girls.



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



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



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



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



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



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



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



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

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