



# Striving for Better: Sustainability Report FY2024

BDO Luxembourg



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# Foreword

Sustainability lies at the heart of BDO's operations. While we do not view our responsibilities solely through the lens of "ESG," we have always been conscious of our environmental and social obligations, and worked hard to act on them. At the same time, we recognize our responsibility to uphold the highest ethical standards within our industry and for our clients.

This is because we know that businesses which actively integrate stakeholder needs and expectations into their business models, embrace environmental stewardship, and operate with transparency and accountability tend to be more resilient—an increasingly vital quality in an often unstable world.

Since the publication of our last Sustainability Overview, much of our work has focused on recognizing, codifying and quantifying the baseline sustainability characteristics of our organisation, while using stakeholder feedback to give greater direction and efficacy to our future efforts.

## Key highlights for FY24 included:

- ▶ Sustainability Officer: Appointment of our first dedicated sustainability officer.
- ▶ Corporate Sustainability Policy: Creation of the first version of a formal sustainability policy.
- ▶ Net Zero Commitment: A formal pledge to achieve Net Zero through the Science-Based Targets Initiative (SBTi).
- ▶ Carbon Footprint Measurement: Completion of our first emissions footprint for the firm, covering Scopes 1, 2 and 3.
- ▶ Workplace Recognition: Certification as a Great Place to Work for the first time.

## Looking ahead to FY25

Despite this progress, we know we still have a long way to go on our sustainability journey. In FY25, we intend to take another step forward in our corporate disclosures and are committed to further strengthening our credentials by reporting in detail on:

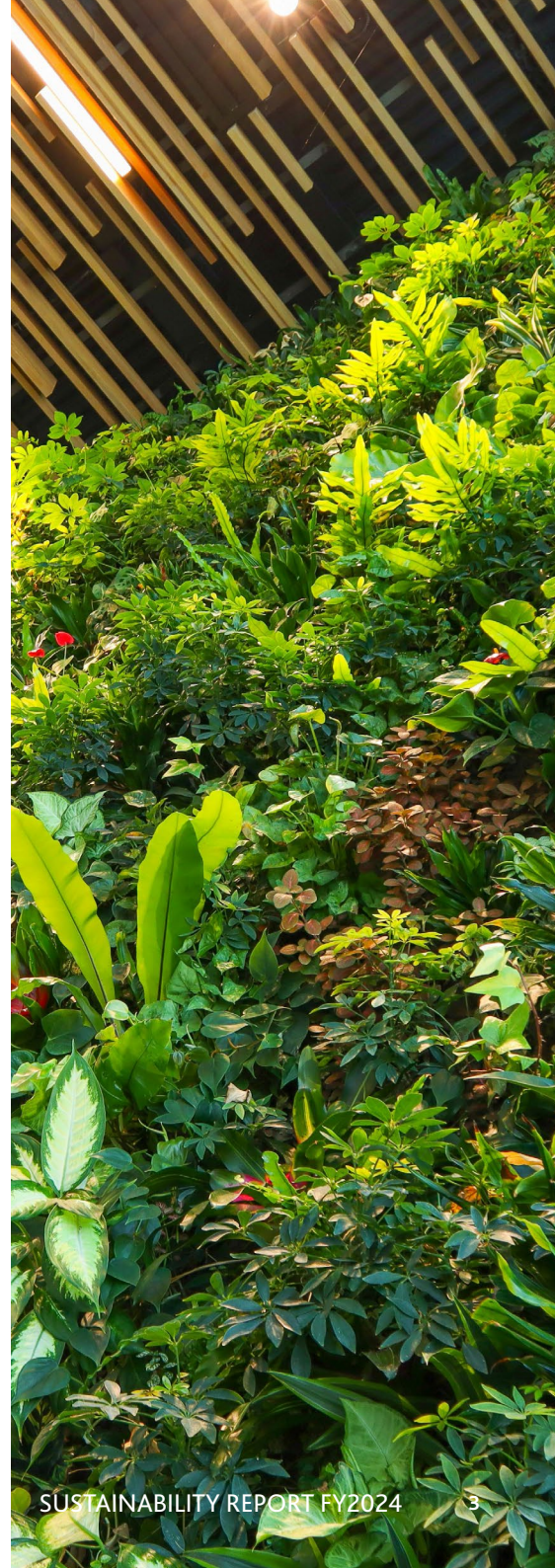
- ▶ Rolling out a stakeholder-driven corporate sustainability strategy.
- ▶ Reporting against SBTi approved emissions targets.
- ▶ Implementing our emission reduction plan.

We look forward to continuing to work with all of our stakeholders and harnessing the power of collaboration amongst our BDO teams to bring these plans, amongst many others, to life.



**Alain Lam**

Managing Partner



# Introduction

This report is intended to provide an insight into BDO Luxembourg's sustainability performance for the financial year 2024 (1st October 2023 – 30th September 2024). In particular, it seeks to provide relevant stakeholders with information on its environmental, social and governance impacts, activities and performance.

We recognise that there are gaps, and areas where we might not be able to offer as much context as is needed to make a comprehensive judgement on our performance, but we consider this report (only our second corporate publication on sustainability) as another step in the direction of greater transparency and accountability, and part of a process of continuous improvement. This report is not designed to be a marketing tool, and we have consciously included those areas of performance where we know there is room for improvement.

The report has been compiled for use by all members of our value chain including our own employees and leadership, our clients and suppliers, as well as the general public. Although at this early stage in the development of our formal sustainability agenda we have chosen not to align this report with any of the typically used international standards, this is something we aspire to for future iterations. For 2024, the report has simply been arranged to reflect the well-established E (environment), S (social) and G (governance) framework.

It is designed to provide readers with an overview of our current operations alongside details of our environmental performance and social impact. Where possible we have tried to present data in the context of previous years' performance to provide insight into the firm's trajectory. We will also provide an update on the progress we have made in the completion of a double-materiality assessment for our firm and the development of the strategy which will govern the structure of future sustainability disclosures.



# Company Overview

## WHO AND WHERE WE ARE

BDO employs 679 people (not including trainees, at the midpoint of the financial year) and our main office is located in Gasperich, 4km from Luxembourg City centre. In addition to a site we utilise as part of a joint venture with BDO Belgium (BeLux), we also operate three small satellite offices across the country, providing flexibility to our employees in their commute and to our clients in accessing our services.

The Luxembourg firm is also part of a global BDO network. This extends across 166 countries and territories, with over 119,000 people working from more than 1,800 offices. BDO firms across the organisation work closely together and adhere to a range of common policies, procedures and standards to ensure consistent quality of service to our clients across a diverse range of areas.



Revenue  
€14 billion



Headcount  
119.611



Locations  
166 countries &  
territories



Offices  
1.800



● location of our Joint Venture BDO BeLux

OUR HISTORY

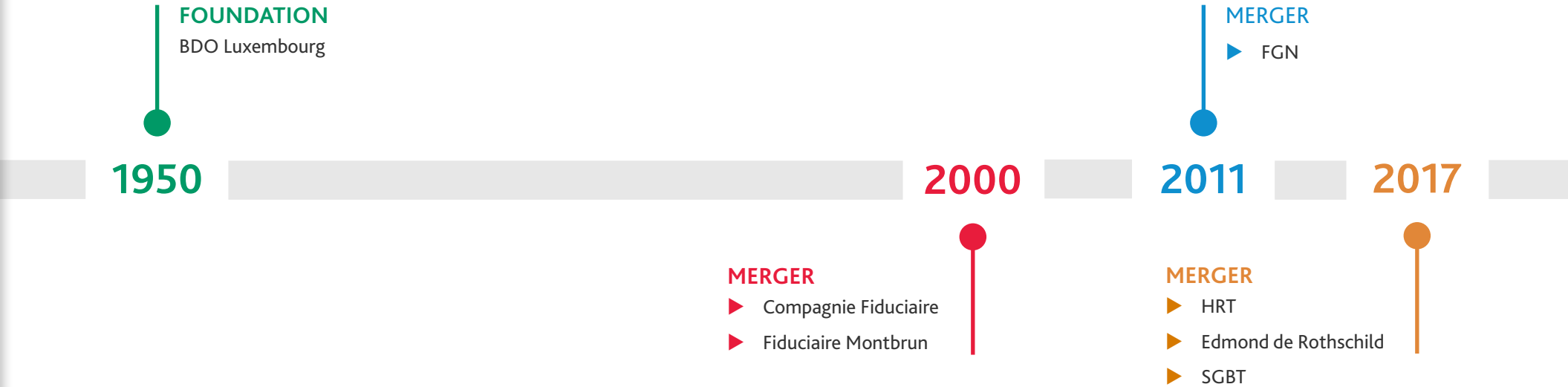
In August 1950, Rodolphe Gerbes, Georges Kioes and René Schmitter joined forces to create a firm of accountants and tax specialists serving a clientele of small and medium-sized Luxembourgish companies and craft industries, split into two areas of activity: chartered accountants and consultant organisers.

The considerable growth of Luxembourg as a financial centre through the second half of the twentieth century, along with the success of its policy of industrial diversification, provided a fertile environment for the growth of the firm.

After numerous mergers and dissolutions over the course of the following years, the firm, then known as "Compagnie Fiduciaire" joined the "BDO International" network in 1975, opening a range of new doors at both the national and international level.

Since then, BDO Luxembourg has continued to grow organically and through further notable mergers in 2000, 2011 and 2017 is now one of the largest firms of accountants, auditors and consultants in Luxembourg.

Despite this growth our local heritage is what sets us apart from our competitors and we consider ourselves an important piece of the fabric of the corporate community in Luxembourg.



## OUR SERVICES IN LUXEMBOURG

This combination of local roots and global connections allows us to find a unique balance in supporting clients across a diverse range of industries; from individuals in our own local market to large multi-national organisations operating on a worldwide scale. We specialize in the delivery of services in four key areas:

### Audit & Assurance

BDO Audit delivers a range of external audit, internal audit, compliance, information technology audit and other assurance services to clients in Luxembourg.

### Advisory

BDO Advisory supports companies with a range of corporate finance, employment advisory, HR advisory, technology advisory and compliance & regulatory advisory services in Luxembourg.

### Business Services & Outsourcing

BDO Business Services & Outsourcing provides companies with a range of corporate, accounting, payroll, tax compliance and fund administration services to support their growth and changing requirements within local markets and around the globe.

### Tax

BDO Tax offers clients a range of direct tax advisory, indirect tax advisory, tax regulatory services and transfer pricing services in Luxembourg.



## OUR VALUES

Core to the firm's identity is the shared set of values held by its employees, embedded in its day-to-day operations, and reflected in the relationships it maintains with its clients. They are focused on ensuring that the way BDO Luxembourg does business is established on a solid foundation of trust.



### Quality

- ▶ Strong sense of professionalism, urgency, commitment and loyalty
- ▶ An enthusiastic devotion to service



### Respect

- ▶ Understanding that we are all different and that we all have great things to offer



### Honesty

- ▶ Honesty means being open and transparent



### Integrity

- ▶ Integrity means we do what we say



### Responsibility

- ▶ We take ownership at both an individual and collective level



To deliver against these principles, we apply our 3 “R”s:

#### Resources

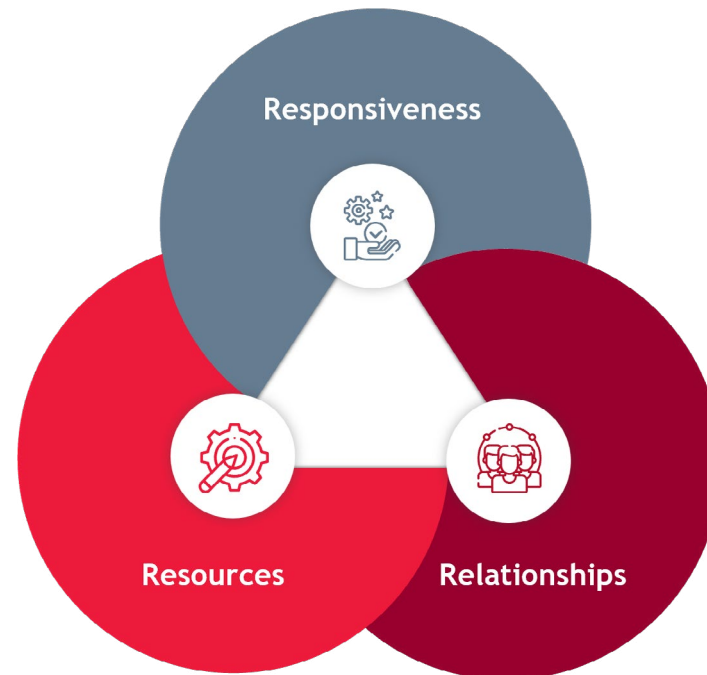
- The breadth, depth and quality of our resources, because these place us amongst the leading accounting networks.

#### Responsiveness

- This is a critical differentiator for us in terms of our largest competitors, as we are the most agile and responsive of the global accounting networks.

#### Relationships

- The key to the delivery of exceptional client service, in BDO's relationship-driven culture we always put people first, professionally and personally.



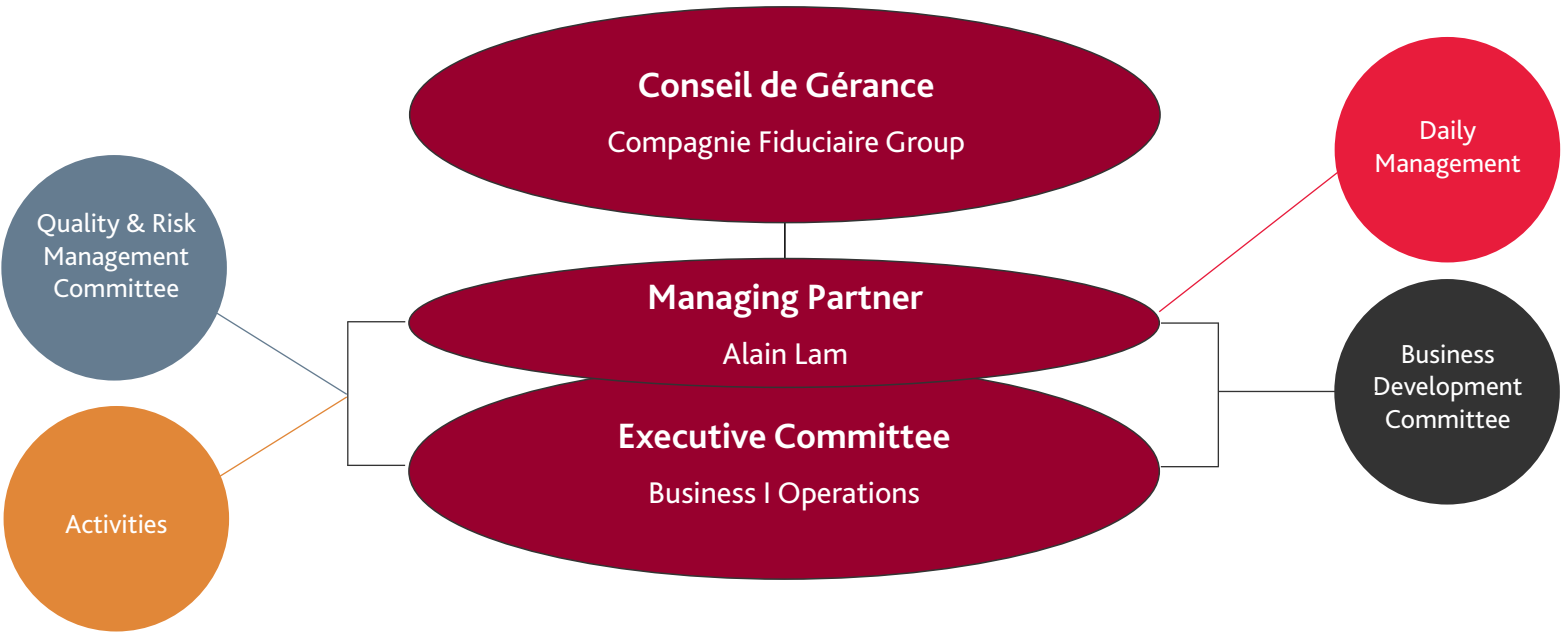
# Governance

## OUR FIRM'S GOVERNANCE STRUCTURE

### Conseil de Gérance

In the firm's most recent employee satisfaction survey, 85% of employees said that BDO's management is honest and ethical in its business practices. BDO's corporate governance structure centers around the operation of a range of key committees and the firm's Conseil de Gérance, overseen by the Managing Partner.

The Conseil de Gérance is the top-level governing body of the firm and is notably responsible for validating the firm's overall strategy, managing partnership matters and making key decisions.



### The Executive Committee

The Executive Committee or "ComEx" is headed by the Managing Partner. It represents the operational leadership group of the firm and is responsible for the practical execution of the firm's strategy and the implementation of the required policies. Within this structure the Managing Partner oversees the day-to-day management of the firm & is responsible for the operation of a number of key internal functions, notably including the firm's internal ESG agenda.

The ComEx leadership team is currently comprised of the following partners:



**Alain Lam**  
Managing Partner



**Sandra Claro**  
People



**Livio Gambardella**  
Clients & Markets



**Daniel Hilbert**  
Head of Business Services & Outsourcing



**Paul Leyder**  
Head of Tax



**Jacques Peffer**  
Finance



**Anke Schelling**  
Quality



**Christoph Schmitt**  
Head of Audit & Assurance



**Patrick Terazzi**  
IT & Innovation



**Benoit Wtterwulghé**  
Head of Advisory

### Supporting Committees

The ComEx is supported in its operations by a number of key committees established to ensure the effective management of issues core to the firm's strategy. These include:

- ▶ The Management Committee
- ▶ The Quality and Risk Management Committee
- ▶ The Business Development Committee
- ▶ The Client Acceptance Committee

## ETHICS & INDEPENDENCE AT BDO

At BDO, independence is non-negotiable and the firm fosters a culture of “doing the right thing” through of the formal implementation of policy and procedure, reinforced through its “tone at the top”. Integrity, impartiality, and responsibility are fundamental principles that guide our work and underpin the trust we build with our clients. These values are essential to delivering quality services and sustaining long-term, ethical client relationships.

Our independence standards are shaped by legislation, regulatory frameworks, professional requirements, and the expectations of the public. Core to this is our Ethics & Independence Manual which outlines the independence policies that all BDO firms are required to follow. It provides an overview of the key components of the BDO Global Ethics & Independence Management Programme and emphasises that maintaining both actual and perceived independence is a professional duty that every BDO professional must uphold - confirmed annually through formal declarations. Through this declaration, employees confirm their adherence to BDO's risk, independence, and ethical policies and are asked to report on any related issues or breaches.

All employees at BDO are required to play their role in the operation of the Ethics & Independence Management Programme by adhering to its constituent policies and procedures. These address regulatory and professional requirements concerning service delivery, business and employment relationships, and financial interests. To reinforce this commitment, each BDO firm appoints an Ethics & Independence Leader, responsible for promoting compliance and awareness of independence and quality control standards while employees are required to participate in mandatory ethics and independence training on an annual basis.

Recognising the global nature of our client base, BDO maintains a worldwide database of restricted entities, including listed companies and other public interest entities served across our network. This database is accessible to all partners and staff, helping to prevent the provision of prohibited non-assurance services or unauthorized investments in such entities.

In addition, the Global Independence and Conflict of Interest tool facilitates collaboration among BDO firms before the acceptance of new engagements, ensuring that potential conflicts are proactively identified and managed.

## Our approach at BDO Luxembourg

At BDO Luxembourg, Independence and Conflict of Interest checks are a mandatory step in the client acceptance process. This requirement extends not only to new clients but also to any new engagements or project types for existing clients. It ensures that potential independence or conflict issues are properly assessed and monitored at every stage of the relationship.

We have developed and strictly follow a detailed 'Client acceptance manual', which covers the mandatory “Know your client” procedures. This structured process requires the completion of a client questionnaire prior to acceptance. Its objective is to mitigate risks and to avoid entering into business relationships with organisations that may be acting unethically.

## QUALITY AND RISK MANAGEMENT

In a client-focused business like ours, quality and risk management go hand in hand. Our ability to provide clients with the level of excellence they require is largely dependent on our ability to effectively identify, understand and manage our risks. Further underpinning our commitment to quality and consistency of services is the global approach BDO takes to the operation of its risk management framework.

All member firms adhere to the requirements of BDO's International Risk Management Manual which sets out essential policies and procedures for member firms. This is supported by the operation of BDO's International Risk Management Committee, which, chaired by a Global CEO appointee, oversees the development and implementation of the manual and its associated policies.

At BDO Luxembourg, we take an integrated management system approach to our management of risk, ensuring that a cycle of plan-do-check-act is embedded into the way we work to achieve continuous improvement. Our internal framework is overseen by a dedicated Quality and Risk Management committee, as described in the governance structure above - ensuring that all relevant areas of risks are suitably managed. In line with the global manual, our approach includes the operation of mature processes in areas such as client acceptance/KYC, supplier due diligence,

contract management, management of international sanctions, corruption, bribery, AML and CFT. This is bolstered by the provision of mandatory risk management training for all of our employees.

Our policies commit us to ensuring that quality standards are upheld through the appropriate provision of resources in the work we do, ensuring that our outputs are subject to clear review and approval processes with clearly defined roles and responsibilities. We ensure suitable internal assurance processes are in place to continually improve our performance, while clear channels are made available for communication (including for complaints, disputes, whistleblowing) to support a culture of accountability.

Effective management of risks, and consistency of quality outputs for clients is closely linked to our approach to ethics, independence and how we protect and use information. Further detail on these particular elements of our risks management approach can be found in the following sections.

## MAINTAINING INFORMATION SECURITY

Given the nature of our business, information security is crucial to our ability to operate effectively and meet the needs and expectations of our stakeholders – especially our clients.

To ensure our information security objectives are met, and that we continually improve our performance in this area, BDO Luxembourg operates an Information Security Management System as part of its integrated

approach to risk management. This management system has been awarded third-party certification against ISO27001 – providing our stakeholders with assurance of the firm's resilience to the ever-changing information security risk landscape.

Our pro-active approach to this issue is a reflection of the firm's commitment to the protection of sensitive information and from a practical risk control perspective, includes:

- ▶ **A focus on training and awareness** – All employees are required to complete mandatory information security training on an annual basis and information security is included in the onboarding process for new employees.
- ▶ **A constant commitment to improvement** – We regularly conduct vulnerability scans to highlight potential weaknesses in our systems for action. This is in addition to periodic penetration tests which simulate real-world cyber-attacks to similarly identify opportunities for improvement in our defences.
- ▶ **Multiple layers of assurance** – Our management system is subject to regular internal audits and third-party external assurance to ensure its operation is effective in managing the firm's risks and meeting its objectives.
- ▶ **Considerations in our value chain** – We embed a comprehensive and risk-based approach to information security in our supplier due diligence process and carefully manage our waste treatment processes to maintain security.





- ▶ **Physical security** – All of our buildings are badge access controlled, and we operate a clear desk policy alongside controls on the use and return of company hardware.
- ▶ **Ensuring risk controls are well resourced** – Our information security program is operated by our Quality and Risk Management team, with a dedicated Chief Information Security Officer in place to oversee the operation of the management system, supported by the firm's Information Security Steering Committee.

## ENSURING DATA PROTECTION AND PRIVACY

The General Data Protection Regulation (GDPR) has been in force in the European Union since 2018 with the aim of giving citizens more control over their personal data, establishing greater corporate accountability and strengthening the role of data protection authorities. BDO Luxembourg is committed to compliance with all principles of the GDPR and the national legal framework in the processing of the personal data of its prospects, clients, business partners and employees.

To facilitate this, BDO has appointed a Data Protection Officer and a Privacy Champion, responsible for reporting on data protection and privacy matters to local management and the BDO's Global Privacy Office. The Privacy Champion and the Data Protection Officer work closely together in the active handling of data privacy matters and pro-actively contribute

to the prevention of personal data incidents. BDO's Data Protection Officer can be contacted through the following dedicated email: [dpo@bdo.lu](mailto:dpo@bdo.lu).

Further activities which facilitate Compliance with GDPR principles, the local legal framework, and data privacy risks more broadly include:

- ▶ Regular monitoring of the Register of Data Processing Activities;
- ▶ The implementation of Privacy by Design and by Default principle, including the completion of Privacy Impact Assessments for relevant cases;
- ▶ The handling of internal and external data breaches (impact assessment, remediation planning, communication to parties involved and the CNPD where required);
- ▶ The completion of mandatory training by all employees;
- ▶ The annual review of the firm's privacy policies;
- ▶ The review and drafting of data protection agreements with suppliers and/or clients.

BDO Luxembourg is also committed to compliance with BDO's global data protection and privacy policies, enforced in part through an annual accreditation process to ensure consistency of approach across the network. As part of this privacy champions from across the world also participate in quarterly update sessions - facilitating the sharing of best practices and learnings between firms.

## SUPPLIER MANAGEMENT & PROCUREMENT

BDO Luxembourg extends its risk management approach to its supply chain. All suppliers are subject to a multi-faceted risk assessment, aiming to ensure alignment of the supplier to BDO's priorities and identifying opportunities for improvement. BDO takes a collaborative approach to the remedying of risks identified during this process and works with suppliers to find solutions to any improvement areas identified. The status of these risk assessments is monitored on an ongoing basis by the Firm's Quality and Risk Management Team and subject to formal review on an annual basis. The firm seeks to integrate a wider range of ESG considerations into this process to further support the firm in meeting its sustainability objectives, drive better standards and maximise strategy alignment in the value chain.



# People

## STRATEGIC FOCUS AREAS

The continued growth of the business remains a key strategic aim for the firm, while our other people-focused objectives center on enhancing the experience of BDO employees once in the door. In particular, the firm aims to improve employee retention through:

- ▶ Enhancing employee wellbeing
- ▶ Strengthening its approach to professional development
- ▶ Boosting employees' sense of belonging.

For FY2024, the firm had an employee retention rate of 68.22%, while further detail on the firm's activities and approach to training, development and employee wellbeing can be found in the following sections.

## RECRUITMENT

BDO tries to cast its net as wide as possible when sourcing talent. We work with a wide range of partners to help us access expertise from as diverse a selection of backgrounds as possible. Alongside the use of traditional recruitment services and our regular attendance at careers fairs, we work closely with educational institutions, ADEM and others to make sure we find the right person for the job, irrespective of their race, religion, colour, age, sex, sexual orientation, marital status, national origin, handicap or disability. Our commitment to non-discrimination is enshrined in our equal opportunities and recruitment policies, while 88% of our employees believe that when you join the company, you are made to feel welcome.

## HEALTH, SAFETY AND WELLBEING

### Employee Wellbeing

BDO conducts an employee engagement survey on a biennial basis, aimed at capturing employee insight on what it's like to work at BDO – the positives, and the things that could be better. We work with "Great Places to Work" to facilitate this, and for the first time, achieved certification as a Great Place to Work in 2024 – achieving an overall score of 70%. Survey results on specific issues have been used to illustrate the firm's performance in relevant areas throughout the report.

We want to engage our employees in this way because we know that our business is essentially its people. And it follows that if our people are healthy and resilient then our business will be healthy and resilient. Exemplifying our efforts to invest in the wellbeing of our people, and inspired by World Wellbeing Week, we launched our own wellbeing month in June 2024 in recognition of the importance of looking after our most valuable resource. Over the course of the month, we organized a range of activities, workshops and talks covering both physical and mental wellbeing. These included:

- ▶ Workspace ergonomics workshops
- ▶ Breathing and stress-reduction presentations
- ▶ Nutrition workshops; and
- ▶ Corporate massages



## Value through participation

Physical wellbeing has also represented one of the consistent themes in BDO's community contributions throughout the financial year. BDO employees both walked and ran on behalf of the firm across a range of events and activities throughout FY24 - raising money for a diverse range of charities in the process.

- ▶ Luxembourg Times Business Run 2024
- ▶ ING Night Marathon 2024
- ▶ Postlaf 2024
- ▶ Relais pour la vie 2024
- ▶ Schleck Gran Fondo 2024

The firm also provides its employees with use of gym and facilitates employees in participating in a range of sporting activities including gym classes, badminton, football and cycling.



## Working Parents

BDO Luxembourg is also keen to ensure parenthood, career development and wellbeing all go hand-in-hand for our employees. Our employees benefit from the legally mandated periods of paternity, maternity and parental leave and our offices feature dedicated mothers' rooms to facilitate feeding needs in a suitable environment. We have also established a partnership with Luxembourg crèches, through which our employees benefit from priority access (including in the event of a waiting list) and a preferential discount.

In FY24 26 of our employees extended their families, with 18 new mothers initiating their maternity leave during the reporting period, and 8 fathers beginning paternity leave. Additionally, 14 fathers used parental leave during the reporting period and 26 mothers.

This gives an indication that BDO is a place where employees feel comfortable building a family, but we know that more can be done in this area to help parents manage the challenge of balancing priorities. The firm is actively working on the development of a "working parents group", an initiative inspired by suggestions made through the firm's staff delegation and conceived to help design and deliver the changes required to smooth the parenting journey for BDO employees.

## Work-life balance

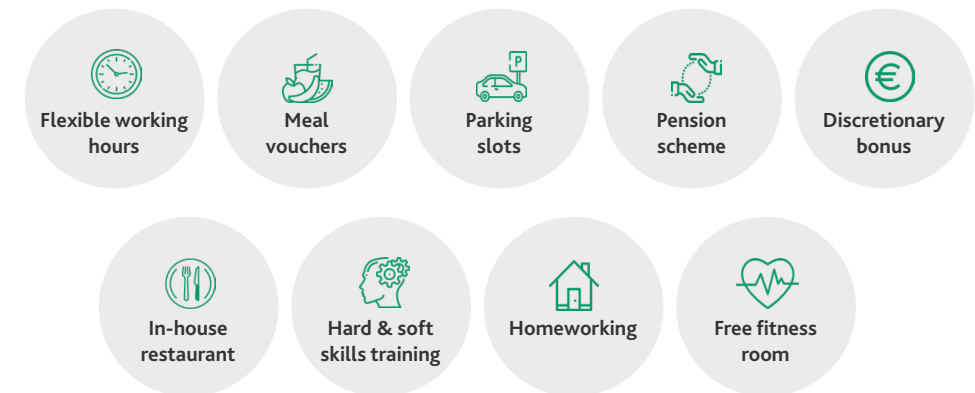
BDO Luxembourg also operates a range of policies to ensure employees are able to maintain a positive work-life balance in general. Whether this relates to time in the car, juggling the needs of the kids or managing other parts of our busy lives, BDO endeavors to ensure a balance between the needs of our clients and the long-term well-being of our people. These include:

- ▶ The operation of satellite offices around the country to reduce commuting times;
- ▶ The use of a system of core working hours allowing employees to fit their mornings and evenings around other priorities;
- ▶ The use of a flexible working hours system allowing employees to accumulate and "take back" working time to suit other outside pressures on their time;
- ▶ A working from home allocation; and
- ▶ Part-time working options.

In addition, our most recent employee survey highlighted that 83% of our employees feel that they are able to take time off when they think it's necessary – highlighting the competitiveness of our annual leave policy and the culture of empowerment within the firm.

## Employee benefits

BDO employees are also able to make use of a range of benefits including an annual mobility budget, regular after-work social events and our famous BDO summer and Christmas parties.



## Physical Safety & First Aid

Our employee survey also told us that 96% of our employees believe BDO to be a physically safe place to work, and the firm recorded 6 work-place accidents for the reporting year. On an annual basis we offer first aid training to our employees, to ensure that at any one time we have people in the building who can respond in an emergency situation. During FY24 28 of our employees, spread throughout our employee population, participated in first aid training.



### DIVERSITY & INCLUSION

We believe that building teams with a wide range of backgrounds and perspectives makes our firm a better place to work, and makes us better at what we do. As a firm dedicated both to industry excellence and the well-being of our employees, BDO is deeply committed to fostering workplace inclusion in all dimensions. We encourage diverse voices and empower our professionals – whoever they are, and wherever they're from. The results of our employee survey bear this out, with our employees telling us that the firm treats people fairly regardless of their sexual orientation (93%), gender (88%) or race (88%).

The firm's gender pay gap (excluding Partners) remained low for FY24 at 1.4% and following on from FY23, BDO continues to have a higher proportion of women than men in its workforce. In fact, the proportion of female employees has increased from 54% in FY23 to 55% in FY24. However, when broken down according to seniority we can see that the balance is not consistent, and that the proportion of women reduces as seniority increases. Despite this continuing challenge, things are improving in all senior categories.

In recognition of this, and as it does every year, BDO celebrated the women in its workforce in 2024 – this year along the theme of #InspireInclusion – aiming to inspire a world where gender equality is the norm, where stereotypes and prejudice are eliminated and where diversity is valued.

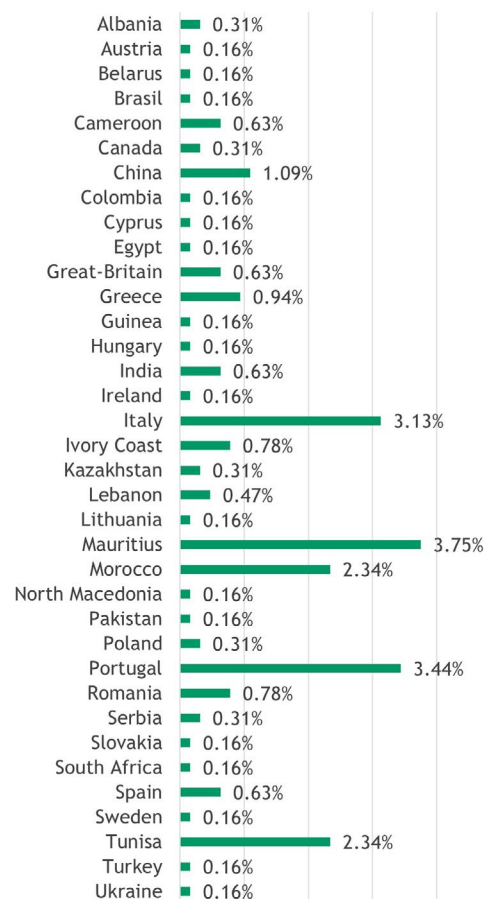
One of the ways we encouraged engagement on this special day was by inviting some of our (many) inspiring female leaders to speak to the wider employee population about their experiences as women in leadership positions, their journeys to get there as well as the challenges and successes they experienced along the way.

This included supporting the Rotary Club Luxembourg-Schuman's, "A Rose for Every Woman" initiative with proceeds going Grand Duchess's "Stand, Rise, Speak-up" organisation, which aims to denounce rape as a weapon of war, to prevent its proliferation and to support survivors in their recovery and their need for justice.

Level of Seniority	Female Proportion FY23	Female Proportion FY24
Student	N/A	100%
Intern	62.5%	38%
Assistant	49.2%	55%
Senior	68.8%	72%
Assistant Manager	57.8%	59%
Manager	46.4%	45%
Senior Manager	44.8%	59%
Director	40.5%	43%
Partner	22.5%	24%

BDO also employs its people from a range of different backgrounds and nationalities. Approximately 74% of the firm's employees are of Luxembourgish, French, German or Belgian nationality. However, the remaining 26% of the employee cohort represent a diverse range of nationalities – a total of 36 for FY2024.

#### Proportion of employees by nationality (excluding Luxembourg and neighbouring countries)



## PROFESSIONAL DEVELOPMENT

At BDO we know that our greatest strength lies in our own people. Developing our own therefore continues to be a key focus area for the business – helping to enhance the level of service we can offer our clients, while simultaneously supporting the professional growth of the individuals who make everything happen. On average, our employees received 49 hours of training during FY24, representing a 35% increase compared to the figure presented in last year's overview.

Investing in the professional development of our workforce is key to enhancing the overall performance of the business. As such, the firm has a robust professional development framework aimed at ensuring continuous improvement in employee performance. In alignment with the strategic goals of the organisation, but also including personal goals, employees are required to set annual SMART objectives with their manager. The aim of this objective setting process is to:

- ▶ Ensure everyone is pulling in the same direction and the organisation can achieve its goals on a corporate level;
- ▶ Ensure meaning and value in people's day-to-day work -giving people something to aim for;
- ▶ Motivate employees through linkages to remuneration;
- ▶ Create a framework to measure and compare performance; and
- ▶ Encourage the development and growth of our most important resource.

Employees are not then left on their own to meet their objectives and are supported in their professional development journey through their management structure. We operate a check-in process to ensure employees have what they need to deliver against their own and the business's expectations. Check-ins were completed for 72% of employees during FY24, while 14 of our employees gained new formal qualifications in their discipline during the same period.

## BDO'S SPEAK-UP CULTURE

BDO relies on the inputs of its employees to continually improve its operations and the firm has a number of policies, processes and procedures in place to enable this.

The firm's complaints and speak-up policy is a foundational piece of BDO's corporate culture - ensuring accountability is maximized across all of our operations. The policy is designed to facilitate employees in safely reporting complaints, disputes and whistle-blowing in relation to actual or alleged unlawful activity (including instances of corruption or bribery), non-compliance with applicable professional standards or BDO's internal policies. The policy operates in conjunction with BDO's speak-up reporting platform, managed by the Firm's Quality and Risk Management Team who ensure appropriate investigation, protection and sanctioning processes are in place.

The firm also operates a formal anti-harassment policy; setting out clear definitions for the various forms of harassment an employee may encounter. It clearly sets out behavioural expectations for employees at all levels and provides details of relevant reporting and investigation procedures. It provides a framework for the implementation of required disciplinary or corrective actions, alongside well-defined roles and responsibilities and measures to ensure discretion is maintained throughout.

Linked to this, the firm also has a clear procedure to support the reporting of employee grievances – this covers a wide range of potential issues and circumstances that could impact an employee's working conditions. In combination, these various communication channels enable accountability within the firm, and ensure roles and responsibilities are understood for all stakeholders.



## PARTICIPATION IN LUXEMBOURG'S CORPORATE COMMUNITY

BDO Luxembourg is an active member of the corporate community across the wide range of disciplines in which BDO operates. This helps the firm keep its finger on the pulse of the needs and expectations across a range of stakeholders from government bodies and regulators, to members of our supply chain, to clients.

Pro-actively engaging in these communities helps us foster relationships that support a collaborative approach to many of the ESG issues facing Luxembourg, the planet and the industry as a whole.

We are proud members of:



# Environment

## ENVIRONMENTAL MANAGEMENT SYSTEM

BDO Luxembourg is in the process of laying the foundations for an environmental management system to support the management of its environmental impacts, risks and opportunities. This will be incorporated into the firm's existing integrated management system framework to ensure continuous improvement in the firm's environmental performance. Over time, this framework will be used to support the management of the firm's ESG agenda in general.

## EMISSIONS

BDO Luxembourg's emission reduction journey really began in 2021 when BDO committed at a global level to achieve Net-Zero emissions by 2050 in alignment with the Paris Climate Agreement.

This led to the introduction of a global policy requiring all member firms to measure their baseline emissions footprint in accordance with GHG protocol standards and set Net-Zero targets - to be validated by the Science based Targets initiative. BDO Luxembourg used FY23 as its baseline year, and has now measured its FY24 footprint.

In general, the firm's emissions increased from FY23 (2,392.46t) to FY24 (2,723.66t). Although reductions were seen in some areas (most notably electricity, driven by greater coverage of guarantees of renewable origin) the overall picture was affected by an increase in business travel - specifically a larger number flights being taken by BDO employees over the course of the year - in addition to capital goods purchased to support the fit-out of new office space and upgrades to physical on-site IT infrastructure. Our decarbonization plan will be developed and implemented through 2025 and beyond to support the achievement of our net zero ambitions. Keep up-to-date with our progress in the development of our SBTi targets using their online dashboard.

Emission Scope	Emission Source	Total Emissions FY23 (tCO2e)	Total Emissions FY24 (tCO2e)
Scope 1	Stationary combustion fuels and equipment	79.65	84.00
	Mobile combustion fuels and vehicle	3.78	2.97
	Fugitive emissions	6.45	6.60
Scope 2	Location-based electricity	90.94	88.43
	Market-based electricity	86.95	15.20
Scope 3	Purchased goods and services	1,243.39	1,227.74
	Capital goods	173.25	424.33
	Fuel- and energy-related activities	17.50	17.35
	Upstream transportation and distribution	21.66	23.03
	Waste generated in operations	16.74	6.37
	Business travel	75.70	204.95
	Employee commuting	649.02	690.96
	Downstream leased assets	17.89	19.89
	Investments	0.48	0.27
Total Scope 3 per employee (ex .trainees)		3.47	3.85

## WASTE

In our engagement with internal stakeholders, it is already very clear that waste is a significant issue for the firm, despite the relatively small quantities that the firm produces – it's still too much.

It should be noted that the presentation of the data below is heavily reliant upon estimations using established industry and national benchmarks. To support our ambitions to improve our waste management performance, we also aim, and have already begun to, improve our waste data collection capacity. Nevertheless, our waste footprint is dominated by our paper and mixed municipal waste streams – something we hope to remedy in the coming years through improved on-site recycling infrastructure and a refocus on paperless processes.

	FY2023*		FY2024	
	Quantity (t)	%	Quantity (t)	%
Landfill	8.09	5.96	7.96	5.4
Diverted from Landfill	127.67	94.04	139.45	94.60
Total	135.76		147.41	

\*Correction from figure reported in previous disclosure.



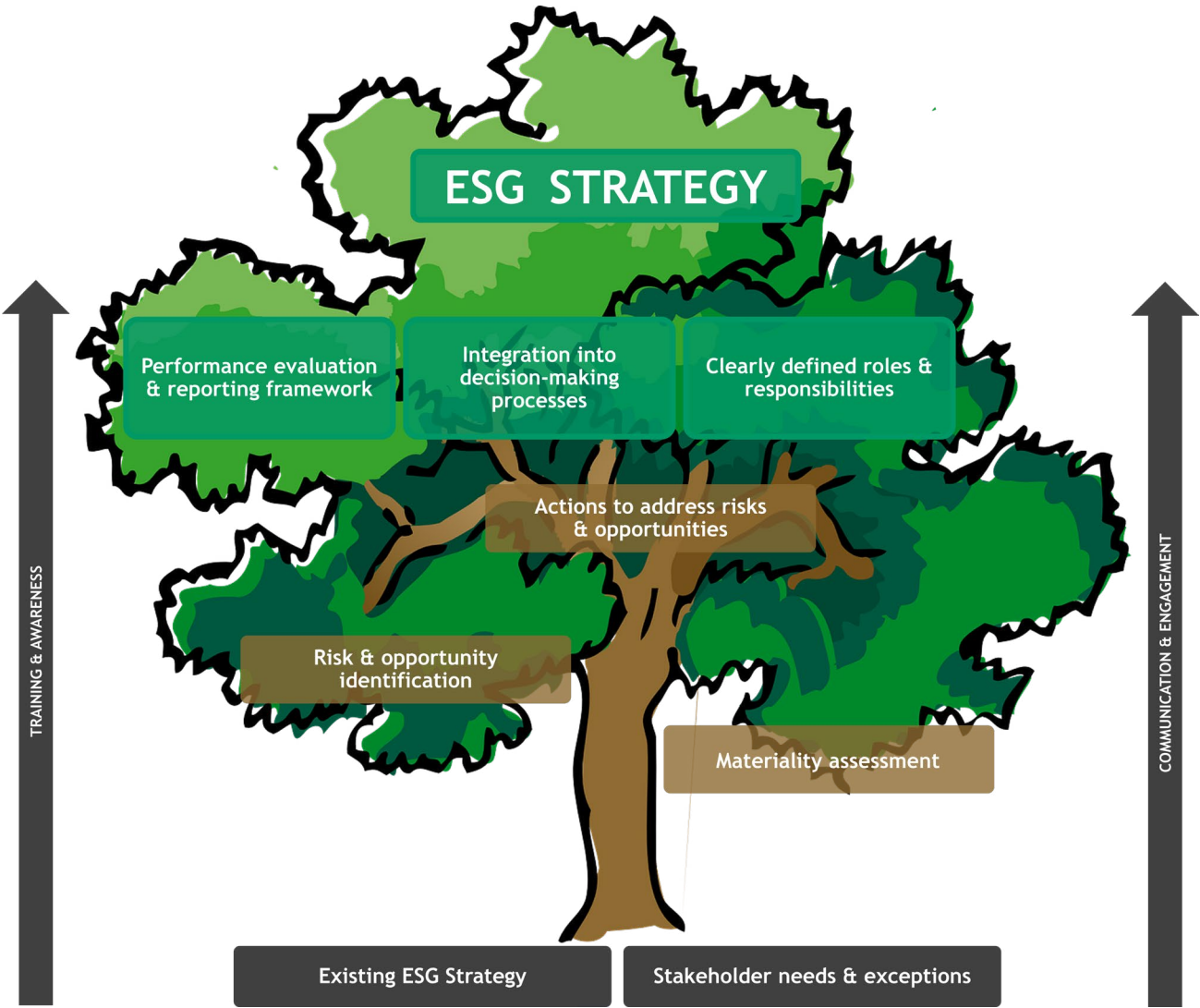
# Looking Ahead


Between the end of the 2024 financial year and the drafting and publishing of this report, much work has been done to develop a targeted and coherent sustainability strategy for the firm, based on a stakeholder driven materiality assessment. Stakeholder engagements undertaken as part of this process reflected the operation of the firm's value chain and included:

- ▶ BDO employees (through focus groups and surveys)
- ▶ BDO leadership (through workshops and interviews)
- ▶ Our clients (through interview)
- ▶ Our corporate community (through interview and survey)
- ▶ Our supply chain (through interview and survey)

This assessment of the outputs from these exercises as, part of a double-materiality assessment, is nearing completion and the firm hopes to have a written strategy in place before the end of 2025. From 2026 onwards therefore, all of BDO's sustainability activities will be driven by and undertaken in the context of this strategy and its associated objectives.

The firm will also continue to develop its emission reduction activities and will be able to report on its SBTi approved Net-Zero targets in its next report (FY25), alongside progress on the development and implementation of its emission reduction plan.





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