

A woman in a business suit is climbing a large rock, reaching out to help a man in a business suit who is already on top of the rock. The scene is set against a bright sunset sky, with the sun low on the horizon. The overall mood is one of teamwork and overcoming challenges. Two vertical red bars are positioned on the right side of the image, one near the top and one near the bottom.

# HELPING PEOPLE THROUGH OUR IMPACT

Environmental, Social & Governance

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An aerial photograph of a city skyline, likely Hong Kong, featuring a prominent skyscraper (the Bank of China Tower) and a harbor. The image is split vertically: the left side shows the city in sharp detail, while the right side is faded and overlaid with a light blue sky and clouds.

01

# OVERVIEW



## MESSAGE FROM OUR LEADERS

At BDO, we have always placed emphasis on having a sound corporate governance structure. This not only improves our productivity and our reputation but also helps us build trust among our people and our clients. Good corporate governance is the backbone of effective Environmental, Social and Governance (ESG), because it is so closely connected with frameworks for corporate strategy and risk management.

Climate change, rising industrialisation and the ongoing COVID-19 pandemic are all increasingly impacting business sustainability. The pandemic is disrupting the business environment, and our entire society has been facing unprecedented challenges. It is imperative that we rethink how businesses operate and behave if we are to ensure our systems and foundations are resilient and fit for a sustainable future. Thanks to the support of our colleagues, we have swiftly responded and adapted to evolving business practices, which has enabled us to maintain our market position and enhance our resilience in order to provide exceptional services to our clients.

We are pleased to see the increasing concern about ESG matters in the business environment. For many years, BDO has been at the forefront of driving this change. We understand that it is never easy for an organisation to transform its corporate strategy and operational practices. We acknowledge the potential risks this can bring to an organisation, but risks always come with opportunities. Therefore, our goal is to promote the importance of ESG and ways of responding to the potential challenges along the ESG pathway.

We are pleased to present our first BDO ESG Report, which showcases our commitment to enhancing our ESG practices. One of our company values is *people helping people to achieve their dreams*. By sharing our ESG philosophy, policies and measures in this report, we hope that we can help our community realise the importance of ESG and play a leading role in supporting our community to develop a sustainable future.



**CLEMENT CHAN**  
Managing Director,  
Assurance



**JOHNSON KONG**  
Managing Director,  
Non-Assurance





# OUR VISION AND PURPOSE

## Our vision

Our vision is to be the leader for exceptional client service. This vision is based on five key components that define BDO today: client needs, communication, commitment, people and value.



### Client needs

We aim to fulfil all our clients' complex needs through a combination of in-depth local market knowledge and global industry expertise and technical skills.



### Communication

Our top priority is to be clear, open and swift in all our communication, so that our professionals are easily contactable and our insights are readily available.



### Commitment

We are committed to providing a consistently high quality of service to meet our clients' needs.



### People

By providing the right environment for our people and the right people for our clients, we focus on delivering exceptional client service in all our firms.



### Value

We believe that new ideas and innovative thinking will help our clients achieve their objectives and commercial success, now and in the future.

## Our purpose

*“People helping people to achieve their dreams”*

The purpose of our business is to help people get to where they want to be, whether they are our colleagues, our clients or part of our community. People’s dreams matter to us, and this is our global organisation’s fundamental reason for being.

Our purpose defines our way of doing business, how we work with our clients, how we support our colleagues and how we help our communities succeed. It helps us make better decisions for ourselves and for all our stakeholders, individually and as a global organisation.

In the context of ESG, our dream is to inspire, educate and lead an unstoppable movement towards sustainable professional practices in our markets and in our organisation. Our ESG approach aims to create and foster long-term benefits by considering how we operate in an increasingly complex environment – recognising threats, mitigating risks and capitalising on development opportunities.

## Our commitment to net zero

In 2021, BDO International launched the BDO Sustainability Movement and committed to achieving net zero greenhouse gas emissions by 2050. We are making a collective and global effort to work towards this commitment and prevent undesirable impacts on our planet.

*“BDO’s WHY, or purpose, is ‘people helping people achieve their dreams’. We recognise the need to continually adapt our strategy, our service offering and the way we operate to meet the sustainability demands of all our stakeholders – our clients, our employees, our communities and our regulators – to protect our environment, our business and the interests of generations to come.”*

*“As part of this process, our organisation, as part of the Net Zero Financial Service Providers Alliance, has committed to supporting the goal of global net zero greenhouse gas emissions by 2050 or sooner, in line with the ambition to limit the global temperature increase to 1.5°C above pre-industrial levels.”*

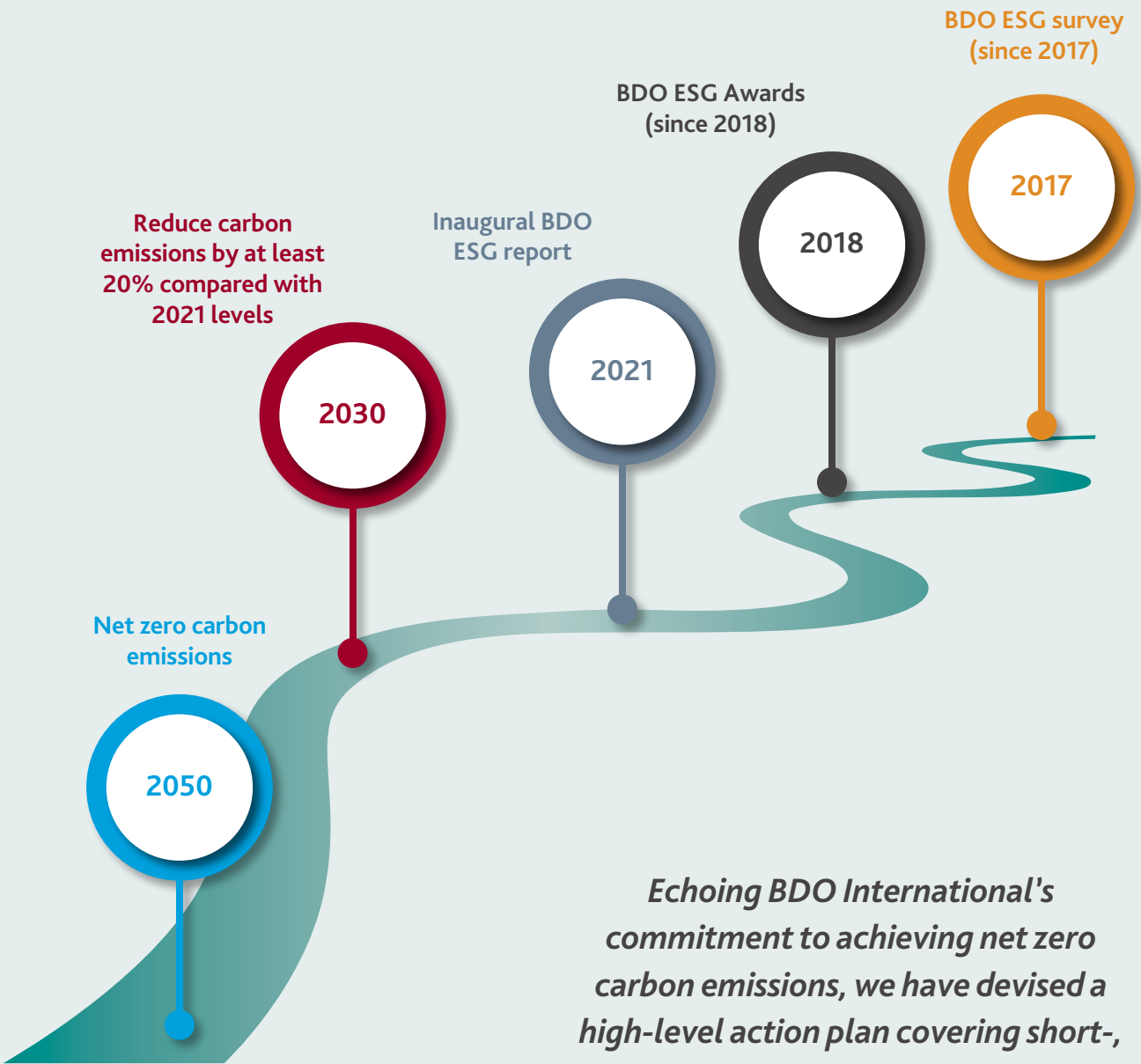
**KEITH FARLINGER**  
CEO, BDO International Limited

BDO International is opening a new chapter in the business journey with the support of ESG experts across the world. As a member firm, we echo the importance of achieving net zero for a positive impact on the environment and our entire planet.



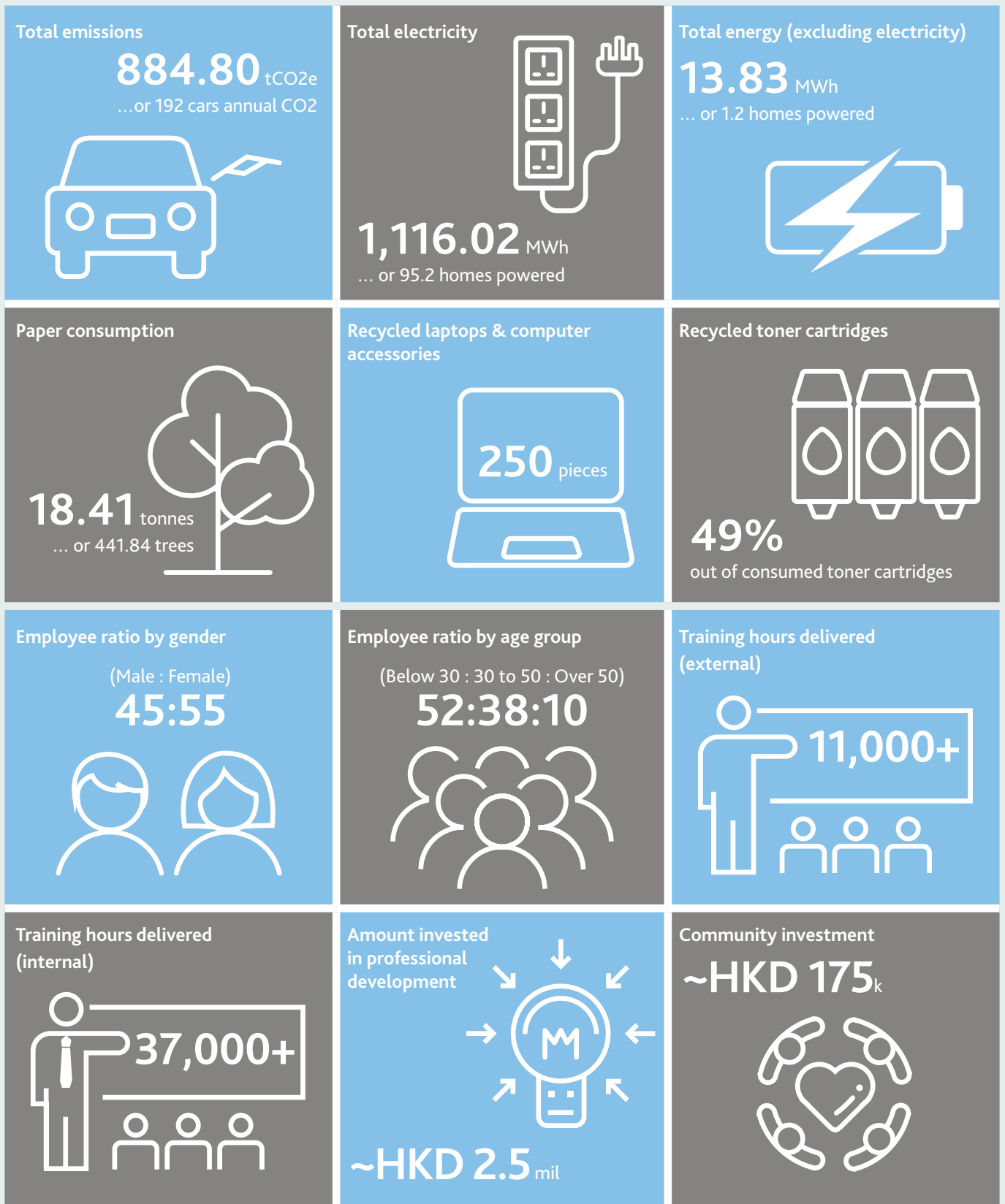
# OUR ESG FOOTPRINT

We have been committed to ESG and sustainability since 2015. In December that year, following consultation, the Stock Exchange of Hong Kong Limited (HKEx) published its Review of the Environmental, Social and Governance Reporting Guide, which stated that all listed companies must disclose their ESG practices on a “comply or explain” basis from 1 January 2016. We established an ESG Advisory Services Team to help listed companies understand the requirements of disclosure and provide them with support. Since then, we have continued to make significant efforts to raise public awareness of ESG issues through events and thought leadership.





# OUR ESG PERFORMANCE IN FINANCIAL YEAR 2021



02

**GOOD  
GOVERNANCE  
AND RESPONSIBLE  
PRACTICES**



## GOVERNANCE

Corporate governance in BDO is about effective oversight, strict compliance with regulations, and sustainable value creation to protect the interests of our stakeholders. We uphold our commitment to the highest standards of corporate governance practices. Our good reputation in the market is built on the solid foundations of an ethical corporate culture and responsible business conduct, underpinned by a well-structured and effective system of governance.

The Executive Board of BDO in Hong Kong is responsible for ensuring that the firm's operations are in line with its strategic direction and its goals and objectives.

BDO in Hong Kong is managed on a day to day basis by a team of more experienced members. The management team plays an important role in ensuring that our operations comply with relevant rules and regulations by establishing an appropriate governance structure and related policies, risk-management mechanisms and internal control systems. The management team regularly reports to the Executive Board on matters relating to our operating performance.

As well as devising and implementing our business strategy and managing operational issues, the management team considers ESG-related matters in relation to our operations and industry development.

### Members of the management team



**CLEMENT CHAN, MH JP**  
Managing Director –  
Assurance

- Chairman, Hong Kong Association of Registered Public Interest Entity Auditors Limited
- Non-Executive Director, the Hong Kong Mortgage Corporation Limited
- Member, Independent Police Complaints Council, HKSAR government
- Chairman, Audit Committee of HKICPA
- Chairman, Remuneration Committee of HKICPA
- Member, Regulatory Oversight Board of HKICPA
- Member, Audit Committee of Western Kowloon Cultural District Authority
- Member, Audit Committee of the Consumer Council
- Chairman, Departmental Advisory Committee for Department of Accountancy, City University of Hong Kong
- Adviser, Department of Business Administration of Caritas Institute of Higher Education
- External Advisors, Department of Accountancy & Law, Hong Kong Baptist University
- Director, UNSW Hong Kong Foundation Board



**JOHNSON KONG**  
Managing Director –  
Non Assurance

- Accounting Advisor, The Ministry of Finance, PRC
- Member, the 5th Council, China Overseas Friendship Association
- Member, Election Committee, HKSAR Government
- Non-Executive Director, the Securities and Futures Commission (SFC),
- Member, SFC (HKEC Listing) Appeals Committee and Remuneration Committee
- Member, Operations Review Committee, Independent Commission Against Corruption (ICAC)
- Member, Panel of the Witness Protection Review Board (ICAC)
- Council Member, The Association of Hong Kong Accounting Advisors
- Alternate Director, Hong Kong Association of Registered Public Interest Entity Auditors
- Chair, SMP Business Support Task Force; Deputy Chair, Small and Medium Practitioners Advisory Group, International Federation of Accountants
- Deputy Chair, Governance Committee, HKICPA
- Member, Audit Committee, The University of Hong Kong
- Member, Service Promotion Programme Committee and Mainland Business Advisory Committee, Hong Kong Trade Development Council



**ANDREW LAM**  
Director and Head of Business  
Development & Marketing



**RINGO CHIU**  
Director of Assurance and  
Chief Operating Officer



## Our ESG philosophy

At BDO we take ESG seriously, and it is an important factor in driving our corporate strategy. We incorporate ESG-related elements

into our business model, from day-to-day operations to how we give back to the community. Our unique ESG philosophy is the cornerstone of our strategy for achieving long-term sustainability.

### OUR ESG PHILOSOPHY

#### Our commitment to ESG

- We incorporate ESG into our governance and professional practices, which demonstrate that BDO is a responsible professional organisation while protecting the interests of our stakeholders.

#### Our company plays an important role in ESG

- ESG is imperative for our long-term success and sustainability. BDO is making continuous efforts to raise awareness in the community of ESG and climate change.

#### Our people are our greatest strength

- Human capital is the strength behind BDO's exceptional client services, which have helped us get to where we are today. We care about our people and continuously strengthen their capability as they move up the career ladder.

#### Our innovation facilitates transformation

- BDO knows the needs of our clients and understands their pain points. We facilitate our clients' growth by introducing innovative solutions and helping them transform by introducing sustainable practices.

#### Our commitment to net zero

- BDO is committed to achieving net zero in the long-term, and we will continue to invest in and support initiatives related to net zero.





## Alignment with the United Nations Sustainable Development Goals

In 2015, the United Nations (UN) led participating states and countries to adopt a set of 17 Sustainable Development Goals (SDGs). These global goals are designed to end poverty, protect the planet and ensure that all people can enjoy peace and prosperity by 2030.

Although the UN SDGs are for international governments to achieve, BDO sees them as a universal framework for running a business with purpose. We have thoroughly examined each of the 17 goals and identified the ones that are relevant to our business and aligned them with our corporate strategy and objectives to help us achieve the biggest impact in the business environment. These relevant UN SDGs are as follows:

### UN SDG

### OUR FOCUS

#### 3 GOOD HEALTH AND WELL-BEING



#### Good health and well-being

- To promote mental health and well-being
- To provide quality essential healthcare services, medicines and vaccines to our workforce

#### 4 QUALITY EDUCATION



#### Quality education

- To ensure our workforce acquires the knowledge and skills needed to deliver sustainable professional practices
- To continue providing seminars and training courses for our clients to raise their awareness of ESG and climate change and facilitate their climate transition

#### 10 REDUCED INEQUALITIES



#### Reduced inequalities

- To empower and promote the inclusion of everyone, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

#### 13 CLIMATE ACTION



#### Climate action

- To raise awareness of climate change
- To help our client navigate risks and opportunities related to climate change
- To enhance corporate disclosures related to climate change

#### 17 PARTNERSHIPS FOR THE GOALS



#### Partnerships for the goals

- To enhance the sustainable development partnership and complement it with multi-stakeholder partnerships that mobilise and share knowledge and expertise to support the achievement of the sustainable development goals

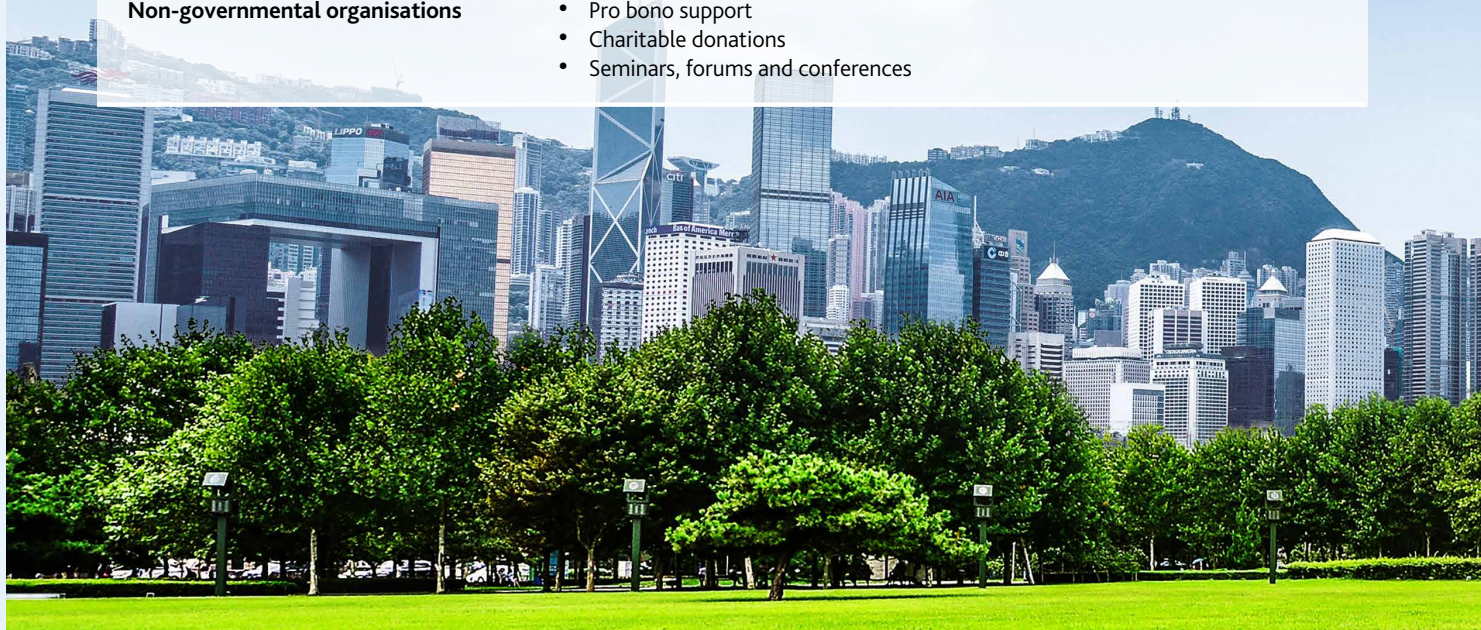


## Stakeholder engagement

Stakeholders play an important role in our ESG journey. We listen to their valuable views and feedback. We evaluate their input and incorporate them into our day-to-day operations and business

practices. Throughout the year, we maintain contact with our stakeholders in the following ways:

STAKEHOLDER GROUP	COMMUNICATION AND CONTACT
<p><b>Clients</b></p>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Company publications</li> <li>• Customer satisfaction surveys and feedback</li> <li>• Proposals</li> <li>• Direct communication</li> <li>• Seminars and events</li> </ul>
<p><b>Employees and prospective talent</b></p>	<ul style="list-style-type: none"> <li>• Training and orientation</li> <li>• Emails</li> <li>• Company intranet</li> <li>• Regular meetings</li> <li>• Employee performance evaluations</li> <li>• Employee activities</li> <li>• Alumni gatherings</li> <li>• Recruitment talks</li> <li>• Newsletters</li> </ul>
<p><b>Community</b></p>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Community activities</li> <li>• Newsletters and other publications</li> </ul>
<p><b>Government departments, industry associations</b></p>	<ul style="list-style-type: none"> <li>• Compliance inspections and checks</li> <li>• Comments on consultations about proposed rules and regulations</li> <li>• Active participation in industry and professional associations</li> <li>• Forums, conferences and workshops</li> </ul>
<p><b>Non-governmental organisations</b></p>	<ul style="list-style-type: none"> <li>• Pro bono support</li> <li>• Charitable donations</li> <li>• Seminars, forums and conferences</li> </ul>





## Our focus on material ESG matters

Material ESG matters are aspects of ESG that have, or may have, a significant impact on our operations and practices. To identify material ESG matters, we have gained input from stakeholders and considered the elements of international frameworks and best practice. These include the materiality map and universe of

sustainability issues produced by the Sustainability Accounting Standards Board (SASB).

Details of our initiatives to address these material ESG matters are provided throughout the rest of this report.



# RESPONSIBLE PRACTICES

## Ethics

BDO is committed to conducting business with integrity, transparency, honesty and the utmost professionalism. We have placed ethical culture and values at the top of our agenda, and we understand that it is our responsibility to serve the public interest while meeting stakeholders' expectations.

We have incorporated ethics into our corporate culture. Our eight integrity values were established to ensure that BDO continues to be a trustworthy and reliable business partner.

### BDO'S INTEGRITY VALUES

- Uphold the highest professional standards
- Rigorously maintain our independence and objectivity
- Give advice we believe in
- Behave ethically and stay true to our standards
- Avoid conflicts of interest and undue influence
- Speak up if we think something is wrong
- Respect and preserve client and business confidentiality and privacy
- Seek and give honest and constructive feedback

We include a Code of Conduct (CoC) in our internal policies, our manuals and our Staff Handbook. The CoC outlines the principles and standards of behaviour that guide the activities of our directors and staff and manage their activities and relationships with external stakeholders. We expect all directors and members of staff to fully understand and comply with:

- BDO's policies and procedures (including the Staff Handbook) on quality control, risk management and professional ethics
- The Hong Kong Code of Ethics (HK COE) issued by the Hong Kong Institute of Chartered Public Accountants (HKICPA)
- The International Federation of Accountants Code of Ethics (IFAC COE) issued by the International Ethics Standards Board for Accountants (IESBA).







## Independence

Independence and quality are essential to BDO's objectivity, integrity and impartiality, our responsibility to the investing public, and our ability to attract and retain clients. Maintaining independence – in fact and appearance – is a professional obligation that all our professionals must adhere to.

Comprehensive policies and procedures on independence have been established for the firm in line with the HK COE issued by the HKICPA and the IFAC COE issued by the IESBA, part of the IFAC. These policies and procedures on independence are designed to help BDO professionals to understand and meet independence standards and regulatory requirements so we can deliver exceptional client services. They also cover areas including our relationship with audit clients, the rotation of engagement directors, fees, and providing non-audit services to audit clients.

In practice, as part of our procedures for accepting new clients or entering into new engagements with existing clients, we consider the independence requirements in all jurisdictions that apply throughout the BDO International network. When providing non-assurance services to our existing audit clients, we go through an independence assessment to evaluate whether such services will impair our audit independence.

At BDO, a director has been appointed as our Ethics & Independence Leader. The Independence Champion is responsible for overseeing the design, implementation, operation and monitoring of the following independence controls:

- Independence and conflict searches
- Annual declarations of independence by all directors and employees
- Declarations of independence for audit engagements by all directors and employees
- Our restricted entities list (which prohibits holding a direct or indirect financial interest in restricted entities)
- Our internal inspection programme to ensure compliance with rules and requirements relating to independence

## Our commitment to anti-corruption

By upholding the requirements of the Prevention of Bribery Ordinance of Hong Kong and the "Prevention of Bribery" section of the HK CoC issued by the HKICPA, BDO strictly forbids all forms of corruption. As stipulated in the Staff Handbook, our policy on the prevention of bribery has been implemented to reinforce our commitment to business integrity and to minimise any inducements to corruption in our business operations. Directors and staff are forbidden to accept advantages during the course of business and employment if the acceptance would affect their accountability and professional judgement. The policy also limits the advantages we can offer to any company or organisation, or their personnel, when conducting business. Employees who breach this policy face disciplinary action, including termination of their employment.



## Anti-money laundering

BDO fully complies with the Professional Accountants Ordinance (Chapter 50) and Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF) Ordinance (Chapter 615). We make every effort to prevent money laundering and stop the flow of illegal funds. We have produced an AML/CTF Manual to regulate the activities of our directors and employees so we maintain the high standards expected of BDO. Appropriate disciplinary action is taken in response to any failure to comply with the policies and procedures in the manual.

We provide all new joiners with training on AML/CTF policies, procedures and controls as soon as reasonably practicable after they start their job with BDO. For existing employees, BDO offers refresher training on AML/CTF updates, procedures and guidelines at least once a year. In addition to training, we share relevant updates from regulators and authorities with all our members.

## Whistleblowing

A strong culture of whistleblowing helps corporations to identify potential irregularities. BDO has established a comprehensive whistleblowing system to encourage stakeholders to come forwards without fear of reprisal. Employees can report suspected corruption or policy breaches to the Head of Operations and Finance in person or by phone. For any activities relating to quality control, internal and external stakeholders may raise their concerns verbally or in writing to the Head of Risk. In addition, secure opinion boxes are located in our offices so employees may express their concerns or enquiries anonymously. All reported cases are treated as strictly confidential and are reported to the respective department and the management team for further action.

## Confidentiality and privacy

Safeguarding confidential and personal information is vital for delivering our services. BDO is committed to protecting confidential and personal information, including that of our clients and third parties.

Our Risk Management Department helps foster a culture across BDO that emphasises the importance of protecting confidential and personal information. This department sets guidelines, develops procedures, provides consultation and training, and assesses the effectiveness of controls relating to confidentiality and privacy.

BDO is committed to complying with privacy laws and regulations that apply in Hong Kong and relevant jurisdictions. These include the Personal Data (Privacy) Ordinance and the European Union (EU) General Data Protection Regulation (GDPR). We regularly check for changes in privacy laws and regulations, and adjust our policies and procedures when appropriate.







## Cybersecurity

Our Information and Technology Department establishes policies and procedures to protect the company and our stakeholders from cyber threats. Adequate systems are in place to enhance cybersecurity, and policies have been established to govern our internal operations and ensure a safe network environment. Areas covered by our policies and procedures include:

- Security incident and event monitoring
- Business continuity and disaster recovery
- Incident management
- Logging and monitoring
- Identity and management
- Access control
- User access management
- Vendor supported operating system
- End point protection
- Content filtering
- Information risk management
- Information security (training and awareness programme)

We have also been accredited with a Certificate of Assurance awarded by Cyber Essentials.

## Risk management

We have established a Risk Management Committee, supported by the Risk Management Department, to oversee risk-related matters. The committee is chaired by the Head of Risk and consists of senior managers and relevant department heads. It meets at least once a year to consider risk-related matters concerning BDO.

The Risk Management Department is responsible for devising and implementing measures relating to BDO's risk management matters, including ESG issues. The risk management policies and procedures that the department has put in place must be followed by our functional and front-line departments. The Risk Management Department constantly monitors the industry and regulatory landscapes, identifies changes and potential emerging risks, and regularly reports on developments to the management team. If necessary, the Risk Management Department will establish new measures to address newly identified risk factors relating to our practices.

## Quality assurance

BDO has implemented a systematic quality assurance framework to ensure we maintain high standards in terms of meeting clients' expectations, complying with BDO Global standards and complying with industry standards.

We have a dedicated department to ensure the high quality of our audit engagements and our compliance with professional standards and relevant legal and regulatory requirements. To help us continuously improve, we regularly conduct internal quality control reviews of audit engagements. Periodically, we also facilitate the external reviews conducted by BDO Global.





03

# CARING FOR THE ENVIRONMENT





13 CLIMATE ACTION



As one of the companies at the forefront of the ESG industry, we actively participate in combating issues relating to climate change. BDO International has committed to achieving net-zero carbon emissions by 2050 to lead positive change. BDO has devised a high level net-zero action plan for achieving this ambition. At the same time, we are continuing to invest our resources in raising awareness among corporates and building their internal capability in relation to ESG and climate management through training, seminars and service provision.

## RAISING ESG AWARENESS

### Our flagship ESG Awards

We launched our flagship ESG Awards in 2018. This awards scheme was the first of its kind in the industry, and it will be held for the fourth time in April 2022. We continue to recognise outstanding ESG performance from Hong Kong listed companies. We aim to encourage companies to incorporate innovative solutions for ESG practices into their business models. The ESG Award is a platform for showcasing best practice in the market and benchmarking corporate ESG performance.



Joint seminar with Chartered Accountants Australia & New Zealand (2016)

### Enriching the ESG and environmental knowledge of corporates and the public

We understand that behaviour change is intertwined with general perceptions of environmental protection. BDO has been hosting seminars and participating in global forums to promote ESG-related topics – from climate change to carbon neutrality.

For example, we shared our insights on ESG-related issues on ESG seminars with the World Wide Fund for Nature (WWF), Chartered Accountants Australia & New Zealand and the World Green Organisation (WGO).



BDO ESG Forum (2019)



Joint seminar with World Wide Fund for Nature (2019)

Hong Kong Economic Times - A22  
20 January 2021



Sing Tao Daily - B3  
13 January 2021



Wen Wei Po - B1  
13 January 2021



Ming Pao - B4  
13 January 2021

Oriental Daily - B2  
13 January 2021

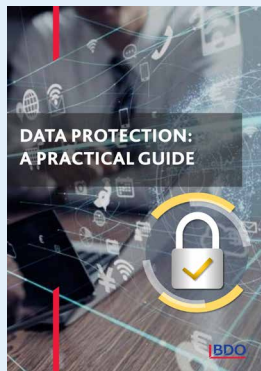
## Thought Leadership in ESG

As well as participating in award schemes and seminars, we have been sharing our knowledge and expertise in the sphere of ESG by conducting research and publishing thought-leadership material. In 2020, we conducted the fourth ESG Reporting Survey of Hong Kong listed companies.

### Other Publications:



BDO Survey: Rethink and Innovate - How Listed Companies Respond to COVID-19 Challenges?



Data Protection: A Practical Guide



Technology Guidance Note - The Hong Kong Chartered Governance Institute (Author of the paper)

## Conveying messages about protecting the environment

We are also making small changes to instil the concept of environmental protection in our day-to-day business practices. We are integrating eco-friendly ideas into our marketing tactics to share "green messages" with our clients and employees. Here are some examples:



We sent out seasonal greetings using e-cards instead of printed cards



We produced eco-friendly reusable charging cables to give to clients

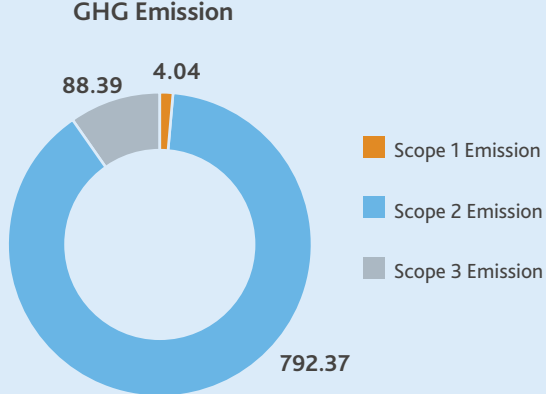


We distributed reusable shopping bags to encourage clients to use fewer plastic bags



# CLIMATE ACTION AND MANAGING GREENHOUSE GASES

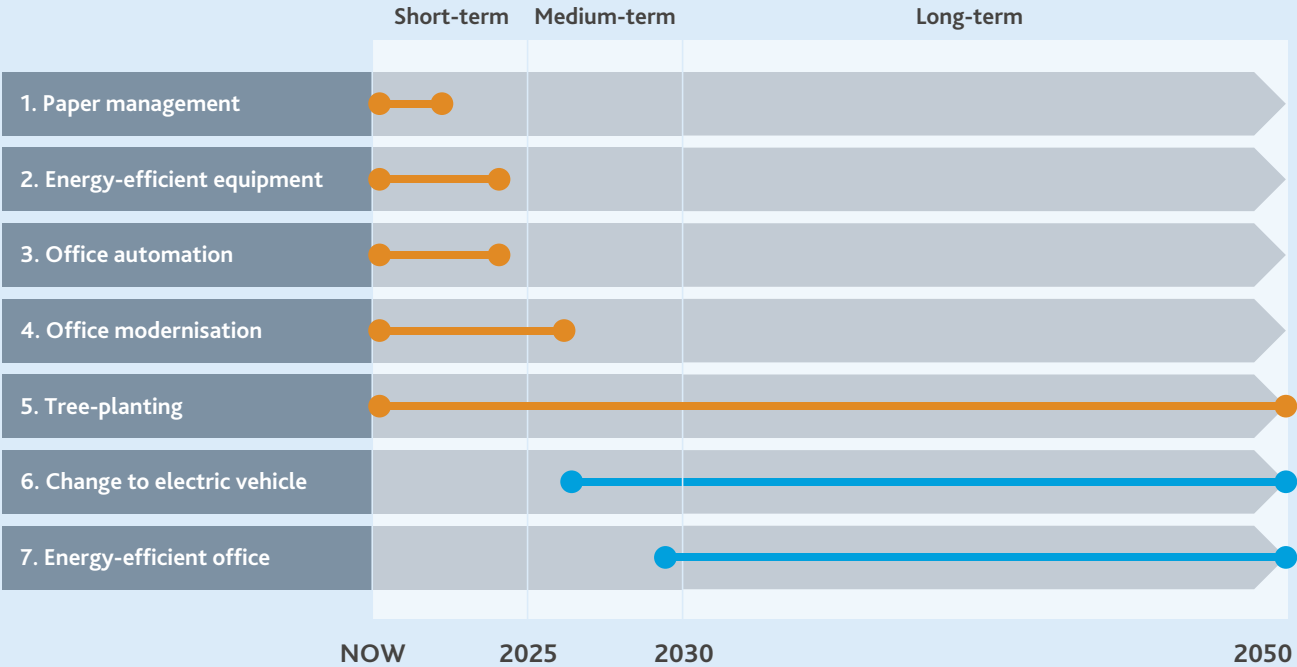
As a professional service provider, our main sources of greenhouse gas (GHG) emissions are the petrol used in our company cars and the power consumed by our offices. An inventory of our GHG emissions shows that during the reporting period a total of 884.8 tonnes of CO<sub>2</sub>e was generated, with an intensity of 0.94 tonnes CO<sub>2</sub>e per employee. Our GHG profile is shown below:



To support BDO International's commitment to reach net zero by 2050, we have set the following targets for ourselves:

- Reduce GHG emissions by at least 20% by 2030, when compared with 2021 levels
- Achieve net-zero GHG emissions by 2050

To achieve these targets, BDO has devised the following high-level net-zero action plan, which sets decarbonisation milestones in the short term, medium term and long term.



## Short-term measures

### 1. Managing use of paper

- We will monitor our use of paper as we work towards becoming a paperless office. Printing onto paper consumes electricity, and producing paper involves GHG emissions. We will revisit our existing policies for limiting the amount of printing we do, while continuing to educate our staff about conserving our planet's resources.

### 2. Accelerating the adoption of energy-efficient equipment

- GHG emissions can be greatly reduced by using energy-efficient equipment. We will continue to look for Energy Star certified computers, copiers, printers, lighting, heating and cooling equipment, appliances and so on. Our goal is to ensure that at least 90% of our equipment is Energy Star certified.

### 3. Office automation

- Widely available artificial intelligence and automation software can be used to streamline and enhance many repetitive procedures involving a significant number of manual operations, which increases operating efficiency. This can result in reduced operating time and lower headcounts for processing, which reduces the office space and resources required. BDO will revisit all operating procedures that involve significant manual input and, if appropriate, use office automation technology.

### 4. Office modernisation

- BDO has a plan in place for modernising our office spaces to enhance the experience for clients who visit our offices and, more importantly, to save energy. We will deploy a smart energy management system, installing energy-efficient sensors to control the lighting and related office equipment and save energy when they are not in use.

## Medium- to long-term measures

### 5. Switching to electric vehicles

- Currently, BDO's company cars use petrol, which creates GHG emissions. We will consider switching to electric vehicles when our existing company cars need to be replaced.

### 6. Energy-efficient offices

- The lease for BDO's existing offices has recently been renewed. When it is about to lapse, we will consider other options available. Our criteria for choosing a new office building will include energy-efficiency and "green building" status. Given that most of our GHG emissions come from running our offices, meeting these criteria will enable us to significantly reduce our carbon footprint.

## Ongoing measures

### 7. Tree-planting

- To become a more eco-friendly employer, we will consider ways of reducing our carbon footprint. This can be achieved by donating to tree-planting organisations or taking part in planting trees ourselves. Forests capture and store carbon, locking up many tonnes of GHGs. By planting more trees, we can help fight climate change and reduce our GHG emissions.

On top of the actions set out above, we will continue to engage with our workforce about environmental issues and invite them to suggest ways in which we can help combat climate change. We will also encourage our staff to get on board with the efforts we are already making to conserve the environment. By helping to reduce our environmental impact, they will feel a sense of pride and purpose.

In addition, to accelerate our transformation into a green office, BDO plans to participate in the Green Office Awards Labelling Scheme (GOALS) organised by the WGO. Participating offices that demonstrate sufficient achievements in green workplace practices will be awarded WGO's Green Office Awards label.





## WASTE MANAGEMENT

BDO is committed to continuously reviewing our approach to waste management, and we strive to recycle useful materials in our business operations. Paper is the most common type of non-hazardous waste generated by professional firms like us. In response, BDO has installed a waste paper collection facility in our offices. All paper collected is handled and recycled by our vendor. About nine tonnes of paper were recycled.

We are also making efforts to maximise the amount of hazardous waste we recycle. Due to the nature of our business, the hazardous waste generated is limited to items such as toner cartridges, old laptops and computer accessories. Empty toner cartridges are sent back to our printer supplier for recycling. Through a partnership we have formed with the Caritas Computer Workshop, we give our old laptops and computer accessories a second life. During the reporting period, we donated a total of 250 old laptops and computer accessories to charitable organisations.

## RESPONSIBLE PROCUREMENT

We understand that indirect carbon emissions from our supply chains have a negative impact on our carbon footprint and cannot be ignored. We are continuously working with our supply chain vendors and partners to identify supplies that are as environmentally friendly as is practical.

In our procurement process, as well as product quality and price, our selection criteria include a wide range of ESG considerations, such as eco-friendliness and energy efficiency. For example, we aim to procure fair trade food to support communities, and electrical appliances with good energy-efficiency ratings.







04

# BUILDING SOCIAL CAPITAL



# COMMUNITY AND SOCIAL ENGAGEMENT



As a leading Certified Public Accountant (CPA) firm in Hong Kong, BDO is always keen to fulfil its responsibility to contribute to society. We offer numerous training events and seminars to promote ESG concepts in society and engage industry leaders and academic institutions to boost the exchange of knowledge. By nurturing young people, giving the public free access to professional knowledge and providing pro bono support, BDO has been making positive contributions to building a harmonious society.

## Nurturing young people

We believe that young people are an important pillar of society. We have been connecting with university students through the BDO Shiner student club to offer them career development programmes, workshops and networking events that will facilitate their personal development. To support the Shiners in their quest for professional success, our events are designed to focus on enhancing the Shiner values.

- S – Superb
- H – Helpful
- I – Integrity
- N – Noble
- E – Enterprising
- R – Reliable

*The Shiner values*

*Group interview skills workshop (2018)*



*Welcoming party for new members of BDO Shiner (2018)*



*Baking workshop (2019)*



*Secondary students were invited to visit our firm to enhance their understanding of the professional services industry. (2019)*

As part of our programme, we offer well-rounded training that focuses on professional and soft skills. The programme also includes activities to enhance the students' environmental awareness, such as visiting an eco-farm. We also organise leisure activities, such as a baking workshop and a T-shirt design competition. Through spending time with each other, the Shiners are able to connect and build a sense of belonging to the BDO Shiner student club.

BDO is also keen to enhance university students' practical skills. Our employees take part in university mentoring programmes, such as the Shadowing Programme organised by the University of Hong Kong and the A-Team Student Development Programme run by Hong Kong Metropolitan University.

We also support university events by sponsoring development activities such as the GBA Online Tax Competition 2021 organised by the Taxation Institute of Hong Kong, which encourages teenagers to explore new solutions for the accounting professional services and tax consulting industry.

We have also offered scholarships to students at the Chinese University of Hong Kong and Lingnan University (the BDO Limited Scholarship and the BDO Limited Prize) and to qualified candidates in HKICPA.

The sooner we can begin the journey of exploring our career path, the better the outcome. We understand how important it is for college students who are at a crossroads to be able to gain industry insights and understand what it is like to work for a professional services company. As such, BDO has collaborated with a variety of other organisations, such as HKICPA and Caritas Hong Kong, to arrange visits for secondary school students and spark their interest in pursuing a career in the professional services sector.



*T-shirt design competition (2019)*



*Eco-farm visit (2018)*



*Taxation Debate Competition organised by the Taxation Institute of Hong Kong (2019)*



## Raising awareness of industry and regulatory developments

To keep our clients, business partners and other stakeholders abreast of the latest updates on rules and regulations and help them stay alert to the implications for their businesses, BDO organises a range of seminars, webinars and talks for stakeholders on topics in the spheres of assurance, tax and advisory. Periodically, we also collaborate with local and overseas corporations, as well as non-profit organisations (NGOs), to promote other topics. We hope to leverage our professionalism to accelerate the economic, environmental and social development of organisations and nurture a knowledgeable society.

BDO is also keen to bring our clients and business partners together on key topics in the industry and in the community, not least corporate culture. We are proud to have a corporate culture that embraces innovation, transparency and intelligence. In September 2019, we were honoured to be invited to an industry exchange by a leading banking and finance institution, at which we shared our insights on corporate culture and had a lively discussion.

Training hours delivered (external)<sup>1</sup>



We were delighted to be the silver sponsor of the InspireHR conference organised by Human Resources Online and share our insights on talent management (2021)



Joint seminar with the Hong Kong Chinese Enterprise Association (2019)



Our Director of Risk Advisory was invited to be a panel member at the ReThink 2020 conference to discuss "the boardroom response to sustainability challenges" (2020)



BDO Corporate Culture and Experience Sharing Session (2019)

<sup>1</sup> The total external training hours is presented in person-time, which take into account of the sum of aggregate hours of all seminars and webinars held by BDO. The number is obtained by multiplying the duration of each event and the number of participants or registrants.

## Participating in industry development

We believe social development shares the same level of importance as economic advancement for the overall development of a community. During consultations on updates to regulations since 2019, we have proposed suggestions in line with this belief, such as:

### Individual livelihoods

- Increase basic allowances and allowances for married couples
- Reduce progressive rates for salaries tax and personal assessment
- Deductions on tuition fees for health and sports-related courses
- Deductions on rent paid on private housing
- Deductions on expenses for looking after parents
- Deductions on the cost of employing domestic help
- Deductions on the cost of children's education
- Super tax deduction during the COVID-19 pandemic

### Enterprise

- Reduce the rate of profits tax
- Enhance tax certainty
- Introduce group tax relief/allow tax losses to be carried backwards
- Relax the conditions on research and development expenditure deductions
- Promote green industries

### Tax system & policy

- Consider introducing a digital tax
- Introduce a luxury goods tax
- Evaluate the territorial basis of taxation

During Legislative Council elections, a gratuitous independent scrutinising service is provided to political debate forums to ensure that political events are justified and have integrity. Since 2012, BDO has been the honorary scrutineer of the HK Legislative Council election debate run by TVB.

## Supporting social enterprises

In recognition that social enterprises (SEs) are pursuing a dual mission to achieve economic and social goals, BDO has tried its best to include SEs in our procurement process as a means to support the development of Hong Kong SEs. During the reporting period, we purchased souvenirs such as tea bags and fruit basket from the New Life Psychiatric Rehabilitation Association and Fair Taste (HK) Limited for our clients and employees.

In 2019, we organised a BDO Care & Share Day for our employees and invited local NGOs and SEs, such as the Hong Kong Down Syndrome Association, the Hong Kong Federation of Handicapped Youth, and the Society for the Aid and Rehabilitation of Drug Abusers (SARDA), to participate in the event. This helped to build a platform connecting our employees with disadvantaged and marginalised groups and contributed to adapting society to accommodate these groups.



BDO Care & Share Day (2019)



Social Enterprises Bazaar (2019)



SARDA Sharing Session (2019)



# PRO BONO SUPPORT

## Access to free financial service support

To assist underprivileged groups who find it difficult to access financial services, we harness our knowledge and expertise to provide them with pro bono support. For example, our Taxation Department provided free advisory services to members of the public at a consultation booth and through a hotline organised by the Tax Institute of Hong Kong and ACCA respectively.

## Food donations

As environmental awareness is one of BDO's key concerns, we support efforts to reduce food waste. To tackle this problem and increase employee awareness, since 2014 we have partnered with the Hong Kong Convention and Exhibition Centre (HKCEC) to donate unconsumed leftovers to Food Angel to help people in need.

## Blood donation

BDO has partnered with the Hong Kong Red Cross Blood Transfusion Service for over a decade. Every year, we make our function room available for the organisation to set up blood donation equipment, and we encourage our staff to give blood and share the joy of helping others. Snacks and drinks are provided for donors. Although one of our blood donation events had to be suspended due to the COVID-19 pandemic, we are planning to rearrange this meaningful event when it is safe to do so.



Refreshments for blood donors



Mobile blood donation service (2018)



Banner promoting the event

# SPONSORING EVENTS

## Charity run

We always encourage our employees to take part in industry charitable events, such as the CPA Virtual Run 2021 organised by the HKICPA. By taking part in the charity run, our employees were able to spend time exercising. The event raised money for the Hong Kong Cancer Fund, which makes it possible for cancer patients and their families to access support.



National Day Dinner organised by the HKICPA (2019)

## Sponsorship support

Meanwhile, BDO has provided strong support for ESG campaigns organised by external organisations. During the reporting period, we sponsored the Chamber of Hong Kong Listed Companies, the Guangdong-Hong Kong-Macao-Bay Area Economic and Trade Association, and the HKICPA.



Annual Charity Dinner organised by the Guangdong-Hong Kong-Macao-Bay Area Economic and Trade Association (2021)



Corporate Governance Excellence Awards 2019 hosted by the Chamber of Hong Kong Listed Companies (2019)





05

# BUILDING HUMAN CAPITAL



What makes working at BDO unique is that we treasure the individuality of our people. We have been striving to develop an inclusive and innovative workplace, where all employees are respected and valued. By ensuring that all our employees are offered equal opportunities to pursue their career goals, BDO unleashes their potential, ignites their passion and develops their talent. At the same time, we are continuing to invest resources in enhancing our workplace safety and employment standards so employees can fulfil their roles without difficulty.

## ADVOCATING FOR WORKFORCE DIVERSITY, EQUALITY AND INCLUSION

10 REDUCED INEQUALITIES



BDO's achievements and successes rely on the strength of our people, from different backgrounds and with different experiences, who bring together their diverse ideas, perspectives and skills to work as a unified team. We make every effort to promote an inclusive and respectful workplace culture, and we encourage all employees to be themselves while playing their role in the BDO family. The principles of diversity and inclusion not only apply in our offices but also extend to our services, our community and our neighbourhood.

### Diversity and inclusion

As a signatory of the Racial Diversity and Inclusion Charter for Employers initiated by the Equal Opportunities Commission (EOC), BDO maintains a diverse, equal, fair and open workplace that welcomes people from all backgrounds. For all job openings, we welcome applications from all qualified candidates who meet the prerequisites for the job advertised. We have included extra steps in our recruitment process to ensure that it is free from bias and partiality. We have a zero tolerance approach to all forms of discrimination, harassment and unequal treatment based on age, skin colour, race, disability, gender, marital status, maternity status, religious background or sexual orientation.

We are translating these commitments into action by participating in diversity and inclusion initiatives. BDO took part in the EMerging Talent Internship Programme 2021, which is fully supported by the EOC and organised by the Zubin Foundation, an NGO that aims to improve the lives of marginalised ethnic minorities in Hong Kong. Recognising the value of internships for future career prospects and the difficulties that non-ethnic Chinese (NEC) students currently face in securing these openings, BDO invited an NEC student intern to work at our firm in August 2021.

To keep our employees up to date with legal and regulatory developments relating to diversity and inclusion, we regularly work with the EOC to deliver training on anti-discrimination laws.

### The Racial Diversity & Inclusion Charter for Employer Trophy Presentation to 2-year Charter Signatories 《種族多元共融僱主約章》2年簽署機構嘉許典禮



*BDO received a Certificate of Appreciation presented by the Chairperson of the EOC and of the Founder and CEO of Zubin Foundation (2021)*



*BDO collaborated with the EOC to deliver anti-discrimination talks (2019)*



## Building an accessible and welcoming workplace

We have a strong belief that including people with disabilities strengthens our workplace culture and morale. We put this into practice in our offices by ensuring that we provide barrier-free facilities. For example, we position seats for disabled employees near to the door to make access more convenient for them. We provide adaptations, such as larger tables and a desktop printer, to make it easier for them to carry out day-to-day tasks. In addition, we offer flexible working hours for employees' who may need them for health reasons, including those who are pregnant. If employees feel that they have been treated unfairly or discriminated against, we encourage them to report it to us through our grievance system. All reported cases are investigated swiftly and taken seriously.

### Embedding the principles of diversity and inclusion in our service provision

As a leading provider of exceptional client services, BDO is always looking to extend its responsible practices to the services offered to clients. In our provision of executive search and recruitment services, our Professional Resources Solutions & Recruitment (PRS) team has been assisting jobseekers from diverse backgrounds, including ethnic minorities and working mums, to access job opportunities that offer flexibility and potential for growth. Engagement with our team has resulted in a number of retirees being offered a second career that has enabled them to begin a meaningful new chapter in life.

Furthermore, BDO is the first professional services firm to have engaged with the gig economy by proactively hiring 'giggers' as consultants and allocating them to projects aligned to their experience, calibre, expertise and talent. By applying our bespoke consultative and advisory model to the provision of "match-making" services, we are assisting our clients to create a diversified workforce made up of people from different backgrounds, with different perspectives, who have the attributes needed to work on projects as a team.

“Everyone at work is friendly and easy-going. I am being treated the same way as everyone else in BDO and don't feel discriminated against at all. I really appreciate the company's efforts in building a harmonious and disability-inclusive workplace.”

ROSE LEE  
BDO Employee

“Although I reached the retirement age, I am still energetic to continue working. BDO PRS team has given me a meaningful second career so that I can flourish in the industry that I'm used to. I've been able to refresh my skills and knowledge, as well as to join the workforce actively in the market.”

PAULINE  
BDO Consultant

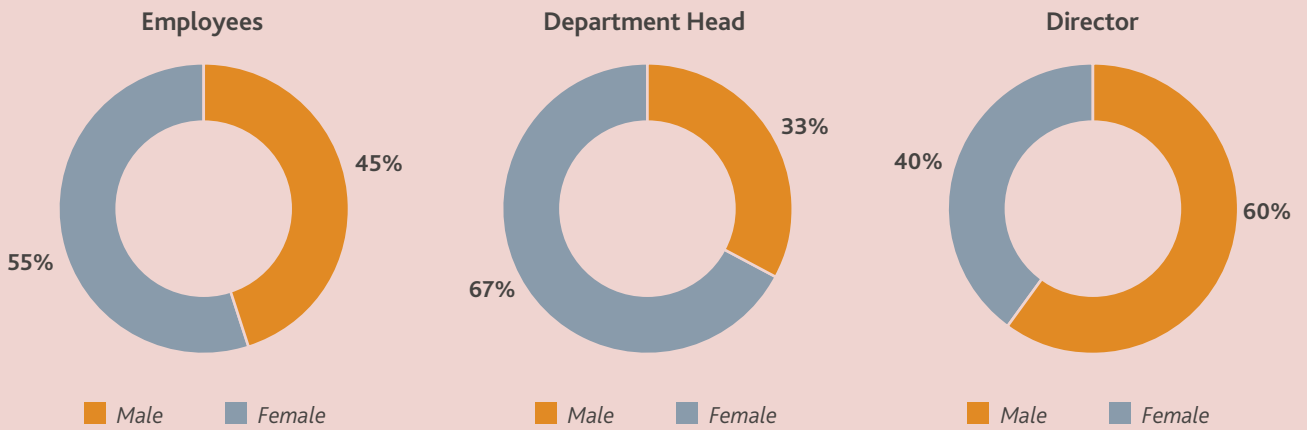
“BDO has been supportive in enabling me to re-enter the workforce after being a full-time mum. I accomplished the job in the private bank successfully and achieved several awards in the job position. This opportunity enabled me to equip with the soft skills and techniques required for future career development. I am more than happy to prove that I can fulfil my roles as a mother and in the bank, thanks to BDO.”

TARYN  
BDO Consultant

**Employee equality**

BDO is a market forerunner in achieving gender equality and embracing women's rights. With 40% of our directors and 67% of our department heads being women, BDO is outperforming the averages for the percentage of management positions filled by women (29%) and the percentage of directorships of Hang Seng

Index-listed companies chaired by women (13.8%). As well as boosting women's participation in management, BDO promotes gender equality across the firm. During the reporting period, 55% of our employees were female.



**BDO Care & Share Day (2019)**

We uphold our values relating to diversity and inclusion by incorporating our beliefs into our signature event – the BDO Care & Share Day. In alignment with our respectful, open-minded and inclusive culture, we invited NGOs from diverse backgrounds to participate in the event. One of these was SARDA which gives aid to rehabilitate drug abusers.

BDO was the first private organisation to engage with SARDA, and it was a rewarding experience. During the event, two people who had been supported by SARDA to overcome addiction shared with our employees their highly inspiring and extraordinary experiences of overcoming difficulties and challenges during and after their rehabilitation. It was an enlightening talk for many employees who attended the event.





# HEALTH AND WELL-BEING



BDO complies with the Occupational Safety and Health Ordinance (Cap. 509) and the relevant occupational safety and health (OSH) guidance, and follows industry best practice. We are committed to protecting the physical and mental health of our employees and taking health and safety aspects into consideration in our office management. We also aim to promote healthy lifestyles and enhance our employees' well-being. During the reporting period, we were not made aware of any material breach of the relevant Hong Kong laws and regulations pertaining to providing a safe working environment and protecting employees from occupational hazards, such as the Occupational Safety and Health Ordinance (Cap. 509) and the Employees' Compensation Ordinance (Cap. 282). There were no work-related injuries or fatalities during the reporting period.

## Health and safety

### Medical benefits

BDO's business operations do not involve any high-risk OSH hazards. We follow the Occupational Safety and Health Council's recommendations relating to sedentary workers. First aid boxes have been placed in various locations in our offices to ensure minor injuries can be dealt with quickly and properly.

To ensure good healthcare coverage and access to quality healthcare services for our employees, we provide medical and life insurance plans for eligible full-time employees. To look after their families, we extend the medical benefits we offer to employees to members of their family who meet our eligibility criteria. To better protect the physical and mental health of our employees (and their families), and in light of the pandemic, we have been working with our insurance provider to reinforce the coverage of our medical plan. In addition to the medical insurance plan, eligible employees are entitled to a set of extra health benefits, such as dental care, medical checks, cancer marker screening and influenza vaccination, which are paid for by the firm.

### Talks on physical and mental health

Before the pandemic, we organised regular health talks for our employees (every two or three months) to discuss the most common health issues of the season. Topics covered at previous talks have included Chinese medicine, vision correction, and dealing with depression and stress.

### Work-life balance

In maintaining a good relationship with our employees and consultants, looking after their well-being has always been important to us. We allocate budget to organising leisure activities for our employees and consultants. Unfortunately, these events have had to be suspended to prevent the spread of COVID-19, but we hope to resume them once the situation has improved.



*A Health Talk on Common Gastrointestinal Disorders was delivered to our employees (2018)*



*BDO often holds a series of teambuilding events to develop solidarity among our colleagues (2019)*

# PANDEMIC RESILIENCE

The COVID-19 pandemic has brought enormous challenges to the whole world. In these unprecedented times, BDO is doing its utmost to manage the challenges that are arising from the pandemic. The health and safety of our people and our clients are paramount to us. Therefore, we are closely monitoring the situation as it rapidly evolves, adopting appropriate measures with the support of our management team to help protect against the spread of COVID-19 while continuing to deliver services to our clients.

**BDO's response to COVID-19**  
We are closely monitoring this rapidly evolving situation, offering guidance to help you through this time of uncertainty.

**INSIGHTS ON COVID-19**

**COVID-19 RELATED RENT CONCESSIONS BEYOND 30 JUNE 2021: EXTENSION OF PRACTICAL EXPEDIENT**  
The IASB published COVID-19-related Rent Concessions beyond 30 June 2021, amendments to IFRS 16 Lessees on 31 March 2021. The Amendments extend the practical expedient available to lessees in accounting for COVID-19 related rent concessions by one year to reduction in lease payments could only affect payments originally due on or before 30 June 2021 is extended to 30 June 2022.

**GOING CONCERN - IFRS FOUNDATION PUBLISHES EDUCATION MATERIAL**  
The stressed economic environment caused by the COVID-19 pandemic has resulted in the assessment of going concern even more judgmental and challenging than usual. Accounting standard setting bodies globally are paying close attention to this hot topic. Recently the IFRS Foundation has published education material to support companies to consistently apply the requirements in IFRS standards...

**IMPLICATIONS OF COVID-19 FOR LESSORS (HK/IFRS/IFRS 16 LEASES)**  
The global pandemic has resulted in many different types of concessions being agreed between lessors and lessees, including rent deferrals, rent abatements/forgiveness and many other types of relief. The amendments to HK/IFRS/IFRS 16 simplify the lease accounting requirements for rent concessions. BDO has released IFRS/IFRS Update 2020/06, which discusses the amendments to IFRS/IFRS 16.

## BDO COVID-19 Hub

To support our business partners and individuals to overcome the challenges related to the pandemic, we have launched the BDO COVID-19 Hub to share the latest information, implications for various business operations and useful advice for responding to the pandemic and the changing environment.

## COVID-19 webinars

COVID-19 has had major, prolonged impacts on businesses, including the growing challenge of managing risks, maintaining business as usual, and securing data privacy. To keep our clients and stakeholders up to date on the implications for their businesses, we have shared insights from our experts on various subjects – including assurance, risk advisory and resourcing – on what COVID-19 means for them and how they can prepare themselves. Here are some examples of the webinars we have held:

*Risk Advisory Services – Sharing insights on securing data privacy during the pandemic (2020)*

**BDO WEBINAR: DATA PRIVACY ISSUES IN THE COVID-19 PANDEMIC PERIOD - COLLECTION OF ADDITIONAL PERSONAL DATA INCLUDING HEALTH DATA**  
Sacha Chiu, Manager of Risk Advisory, 21 August 2020

*Financial Reporting Advisory Services – Key implications of COVID-19 on ECL (2020)*

**BDO WEBINAR: COVID-19 AND CHALLENGES AROUND ECL ESTIMATION UNDER HK/IFRS 9**  
24 June 2020  
Simon Riley, Director and Head of Financial Reporting Advisory Services, BDO

*Risk Advisory Services – Sharing insights on managing the value chain and leveraging technology in the healthcare sector (2020)*

**BDO WEBINAR: ADDRESSING PRIORITIES FOR HEALTHCARE MANAGEMENT IN A PANDEMIC**  
Wyatt Osoy, Director, Risk Advisory Services, BDO  
Egor Ig, Senior Manager, Risk Advisory Services, BDO  
4 July 2020

*Professional Resources Solutions & Recruitment – Addressing business concerns about remote working and growing a business during the pandemic (2020)*

**BUSINESS SUSTAINABILITY, OUR FOCUS IN THE POST-PANDEMIC ERA**



## Clients

In their role as our clients' reliable partner, all BDO professionals have been showing resilience, agility and expertise in helping our clients to cope with the COVID-19 pandemic. The following

table lists some examples of how we helped our clients through this time of uncertainty and hardship:

SERVICE LINE	HOW WE HELPED
<b>Assurance</b>	We have been closely monitoring amendments to regulatory policy as a result of COVID-19, such as the extension of the practical expedient for COVID-19-related rent concessions under IFRS 16 Leases.
<b>Risk Advisory</b>	We published an impact and risk response guide to provide clients with insight into the relevant impacts of COVID-19. We also suggested a set of general risk response guidelines for companies to consider when deploying pandemic-related business continuity planning measures.
<b>Professional Resources Solutions &amp; Recruitment</b>	<p>We stood side-by-side with our clients and consultants during the challenges of the pandemic. Our measures to support clients included the development of Valise, which makes it easy for clients to conduct and coordinate general administration work remotely. Our newly developed Remote Workforce Hiring and Resource Outsourcing service has helped a number of organisations to transform and sustain their operations during the pandemic.</p> <p>Furthermore, we have provided concrete support to our consultants and matched them with amazing job opportunities in a range of sectors in the face of growing job losses during the pandemic.</p>

## Employees

Protecting our employees' health and safety has remained a top priority for the firm during the pandemic. As such, we have been carrying out a set of preventive procedures to contain and minimise the risk of COVID-19 infection, as far as practicable. These procedures include:

- Upgrading our network infrastructure to facilitate company-wide remote working
- Monitoring employees' and visitors' temperature (in the office lobby)
- Installing sneeze shields to prevent the spread of viruses
- Enhancing office sanitation
- Providing employees with personal hygiene supplies such as face masks, sanitising soap and hand sanitisers
- Suspending unnecessary business trips, conferences and large-scale events
- Holding regular management meetings to formulate pandemic-related strategies
- Keeping employees updated about the latest pandemic developments

We understand that it has been a very challenging period for businesses, and our professionals remain ready to provide guidance and support to help clients navigate these difficult times. Our commitment, as always, is to deliver exceptional client services, whenever they are needed. We will continue to deliver the best service to our clients and make every effort to protect our people and our wider community. We are confident that, together, we will successfully navigate this difficult period and come out stronger than ever.

# LEARNING AND DEVELOPMENT

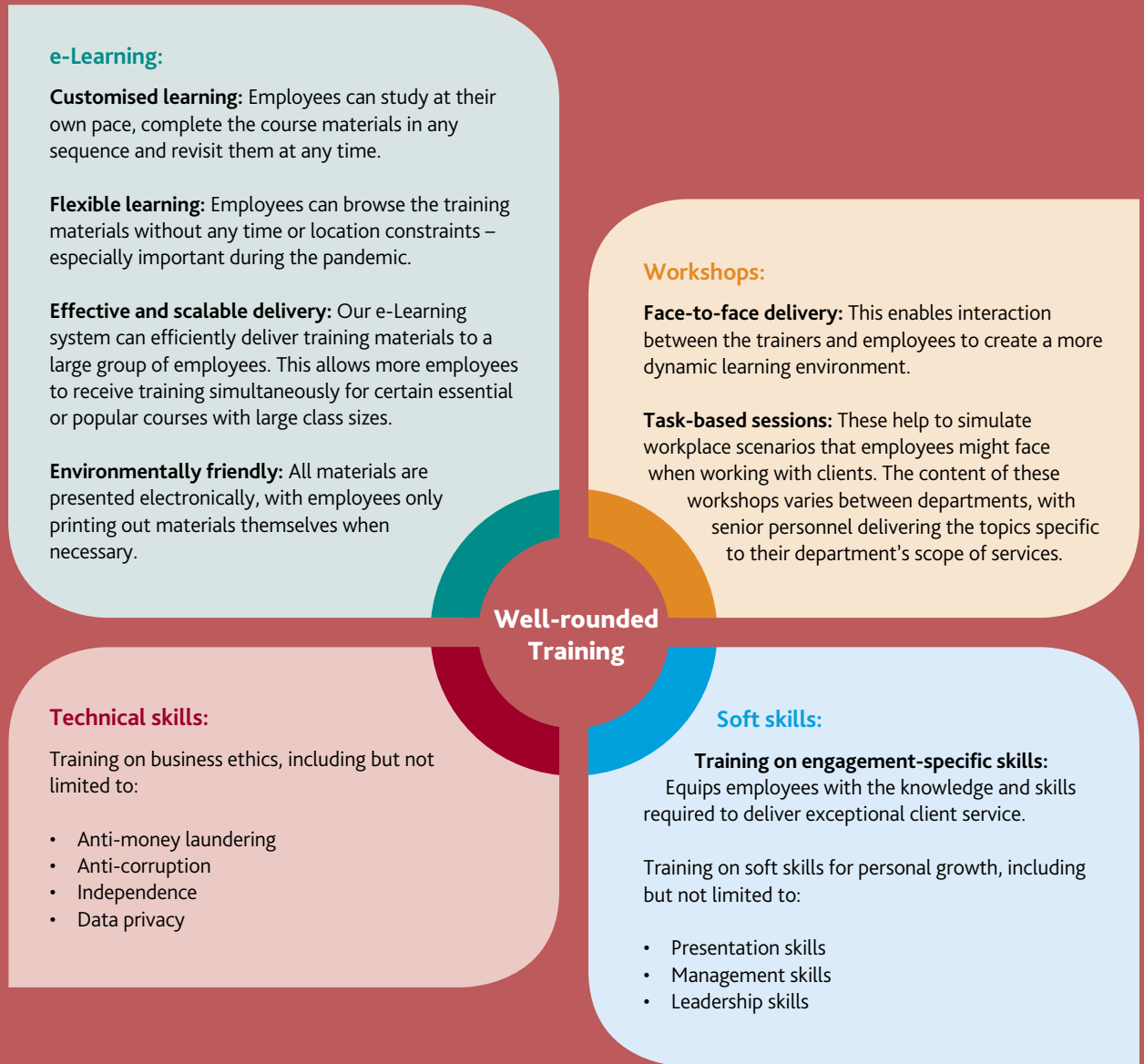
BDO recognises that the skills, ideas and expertise of our people are the foundation for our exceptional client services and the long-term development of our employees and our firm. As such, our employees receive a wide range of learning and development (L&D) support to help them develop their soft and professional skills, and bring out their strengths through professional qualifications.

## L&D approach

To ensure that BDO people receive well-rounded training that satisfies both their career needs and their personal development, our training involves a hybrid approach, which comprises

e-learning, workshops, and the delivery of technical and soft skills training sessions. The ideas behind this approach are illustrated in the chart below:

### HYBRID APPROACH TO DELIVERING TRAINING





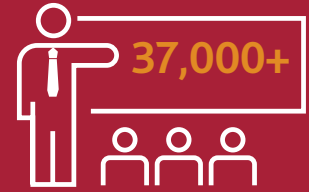
## L&D management

Our L&D activities are organised, coordinated and overseen by our well-structured Technical and Training Department (TTD). We propose a training plan annually based on regulatory requirements, the business needs of each department and the training needs of employees. Information on training needs is systematically collected through regular employee performance appraisals, so that our training can address our people's intended improvements and needs.

TTD engages closely with two major stakeholders to evaluate training outcomes – a process that is crucial in formulating our future L&D strategy:

- **Management:** TTD participates in executive meetings to understand the business performance plan and communicates with business units to collect their views and feedback on L&D matters.
- **Employees:** Training attendees are asked to complete an evaluation after each session so that we can understand the effectiveness and limitations of the training we provide. We are pleased to note that the employee satisfaction rate for our training has remained at a high level in recent years.

### Training hours delivered to our employees



### Average training hours per employee



### Amount invested in professional development



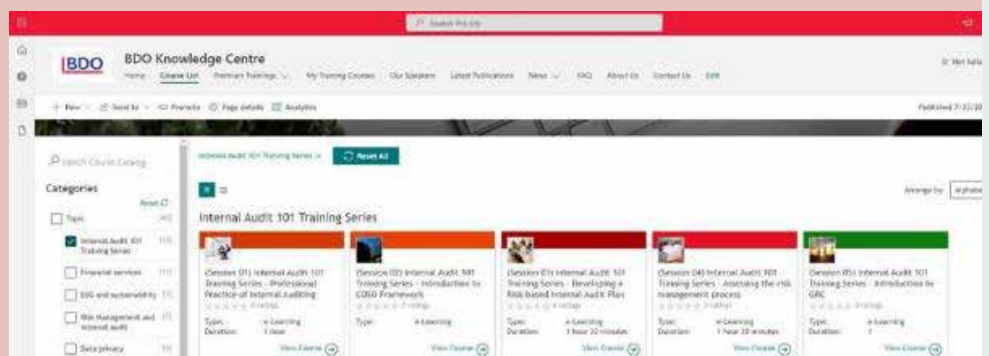
## Professional development

As a leading professional services firm, BDO strongly advocates professionalism. To equip our staff to develop into fully-fledged accounting, advisory and tax professionals, the firm offers abundant professional development opportunities to our employees through an array of learning programmes and resources. For example, we offer employees a series of professional examination support programmes, and various kinds

of leave benefits to help them prepare for and take professional examinations. To further incentivise our employees to pursue professional qualifications, we might offer an employee a qualification pay rise to reflect their new professional qualification. With a favourable professional development environment, BDO is made up of a range of professionals in various fields.

## Meeting the training needs of our clients and contacts

In 2021, we launched BDO Knowledge Centre to provide our clients and contacts with free access to our recorded webinars and publications. The webinars cover a variety of topics, including internal audit, ESG and sustainability, financial services-related topics, data privacy and cybersecurity.



# TALENT ATTRACTION AND RETENTION

BDO's success and growth are primarily based on the concerted efforts made by our talented and experienced professionals.

## University engagement

We look for talented people who share our passion and aim to achieve their full potential. Through campus recruitment and internship programmes, we recruit potential candidates from local universities. Their insight can provide diverse ideas and inspiration for our business.

As well as offering spring and summer internships to university undergraduates and post-graduates, we have organised the BDO Best Intern Scholarship Contest every year since 2012. The awards are granted to high-performing interns who, during their internship, demonstrate strong professional performance, practical and high-quality ideas for addressing real-life business cases, and great presentation skills. We are always pleased to hear these interns express how fruitful they have found this working experience for their development.

BDO also maintains close relationships with local universities. From time to time, we organise seminars and firm visits for students, as well as participating in job fairs organised by these universities.



*Our Director and Head of Professional Resources Solutions & Client Services gave a talk at the Hong Kong Baptist University's seminar on Contemporary Human Resources Issues: Modern Workforce Management (2018)*

*Our Best Intern Scholarship Contest (2020)*

## Employment benefits

In order to promote mutual growth, we endeavour to provide remuneration packages that value the performance and efforts of our employees. BDO is fully aware of how employee remuneration and benefits can influence employees' productivity and engagement. We offer employees an attractive and market-competitive remuneration package in accordance with their experience, qualifications and responsibilities, as well as the prevailing market conditions. Discretionary bonuses are

also available to reward employees based on their individual performance. Our remuneration policy is reviewed periodically to ensure its competitiveness.

We also understand the importance of work-life balance. In addition to statutory holidays and paid annual leave, BDO offers employees a full range of leave entitlements to support their needs at different stages of life.







06

# **BUSINESS MODEL AND INNOVATION**

## CORE SERVICES

Since BDO was established in 1981, we have been committed to providing our clients with exceptional services and helping businesses to grow by advising the people behind them. Our professionals have expertise in all the accounting standards, auditing standards, tax rules and investment regulations that apply in Hong Kong, mainland China and other major economies. We adopt a responsible, flexible and personalised approach, and conform to the highest international standards, to deliver a wide range of professional services. These services include:



### Business Services & Outsourcing

- Accounting and Financial Reporting
- Corporate Secretarial
- Expatriate Services
- Payroll and HR Outsourcing
- Professional Resources Solutions & Recruitment
- Commercial and Banking Documentation
- Valise
- Project Management



### Audit & Assurance

- Audit
- Initial Public Offering (IPO)
- Hong Kong Financial Reporting Standards (HKFRS)/International Financial Reporting Standards (IFRS)
- Financial Reporting Advisory
- Japanese Desk



### Advisory

- Risk Advisory
- Corporate Finance
- Restructuring and Insolvency
- Litigation Support and Matrimonial Advice
- Investigation and Forensic Accounting
- Business Consulting



### Tax

- Hong Kong/International Tax
- People's Republic of China (PRC) Tax
- Transfer Pricing
- Private Client Services



# SERVICE INNOVATION AND EXCELLENCE

## BDO Discover

In providing services to our clients, we continuously strive for business innovation and provide valuable solutions. By integrating the concept of digitalisation with conventional accounting services (such as valuation and data analysis), BDO has launched an online tool: BDO Discover.

BDO Discover was designed by a team of experts specialising in valuation, forensic accounting, due diligence, data, and mergers and acquisitions. This user-friendly and easily accessible tool allows companies to complete a business valuation and more in just a few clicks. BDO Discover has five key features:

### Income approach

- Includes: discounted cash flow, weighted average cost of capital (WACC), comparables
- For valuations using an income approach

### Market approach

- Includes: market multiples, comparables
- For valuations using a market approach

### Health check

- Review financial health
- Generate relevant financial ratios

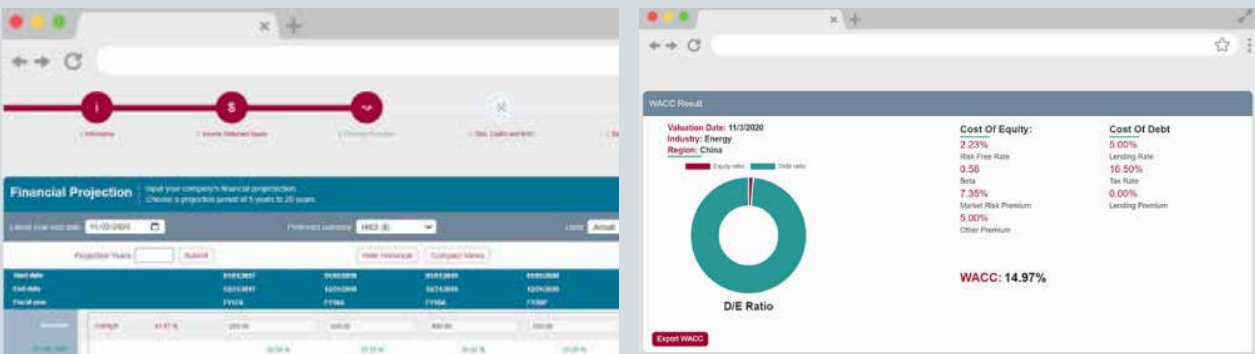
### WACC & comparables

- Advanced company search system
- Comprehensive WACC calculator

### Commercial due diligence

- Compares company's position with that of peers
- Industry overview and analysis

## BDO DISCOVER INTERFACE



## Outsourcing services

We extend our traditional financial services and taxation consultation services to provide business process outsourcing services for clients who require it. Our outsourcing services provision includes corporate secretarial, human resources and accounting elements.

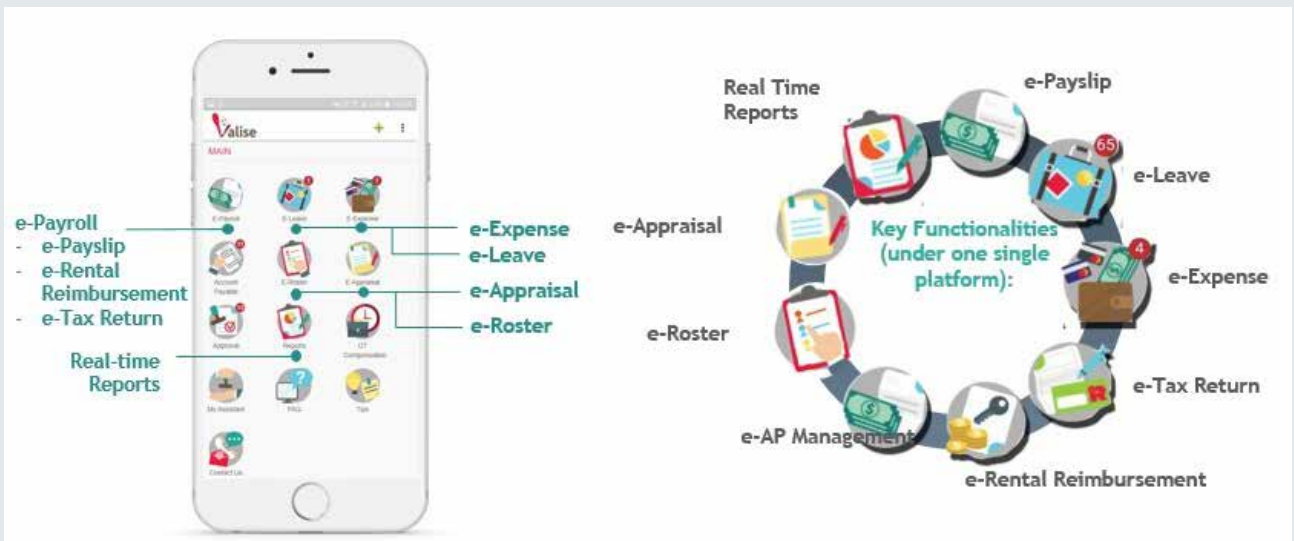
As a key provider of outsourcing services, we seek to lead the market with high-quality, personalised services supported by the latest technology. In pursuit of our mission to provide exceptional client services, we have developed several innovative platforms to optimise our clients' experience.

### Valise: Employee self-service online platform

In response to our clients' operational needs and the administration hurdles they face, we developed an all-in-one employee self-service platform, Valise, to smooth the operational processes involved in administrative tasks. Using their mobile devices to access the online platform at any time, anywhere, our clients' employees can retrieve their payslips, apply for leave, make expense claims, retrieve their annual employer's return, and submit receipts for rent reimbursements.



In addition, our clients can use Valise to manage and keep track of the progress and status of tasks and deliverables. Valise also provides readily available built-in template reports. These reports are prepared using real-time user information and can be reviewed and retrieved in different formats. We can also provide tailored reports to clients who request them.





**i-Gigger online application**

In recognition that the gig economy and the opportunities it presents have been overlooked in Hong Kong, BDO has established a platform, i-Gigger, that connects clients who are looking for human resources solutions with experienced and qualified freelancers. The platform benefits giggers and companies alike by making it easier to adapt work to current business needs and the demand for flexible lifestyles.

The platform not only serves as a catalyst for the gig economy, but also promotes workplace diversity and inclusion. In keeping with the principle of equal opportunity, we focus solely on candidates' qualifications and professional experience. This results in giggers with diverse backgrounds, from working mums to seniors and minorities. By using i-Gigger, they can break away from society's stereotypes and unleash their full potential. As a result, some of the giggers received repeated offers of work after successful matching.

**GIGGERS**

**HIRING COMPANY**

**Register CV**

Giggers can register their CV with BDOHK on this app



**Real-time application update**

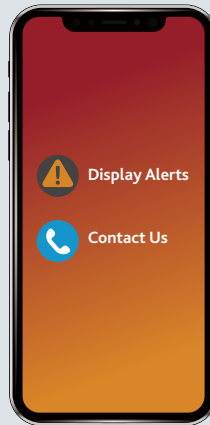
Giggers can easily track the status of their application



**Admin On-the-go**

This app can provide operational conveniences:

- e-Timesheet
- Serves as a documents library, etc



**Register requirements**

Centralised location to:

- Register resourcing needs
- Post enquiries



**Real-time enquiry status update**

- Access to candidates list presented with CVs
- Shortlist candidates
- Interviews arrangement
- Make job offers



**Project information**

- Onboarded consultants
- Project/roles
- Contract period
- Rate information
- Updates budget information
- Project documents



**Admin-on-the-go**

This app can provide administrative efficiencies:

- e-Timesheet approval
- Serves as a documents library as and when required
- Reminders (ie budget matters or nearing end of contract period)

**Internal Treasury Approval Process system**

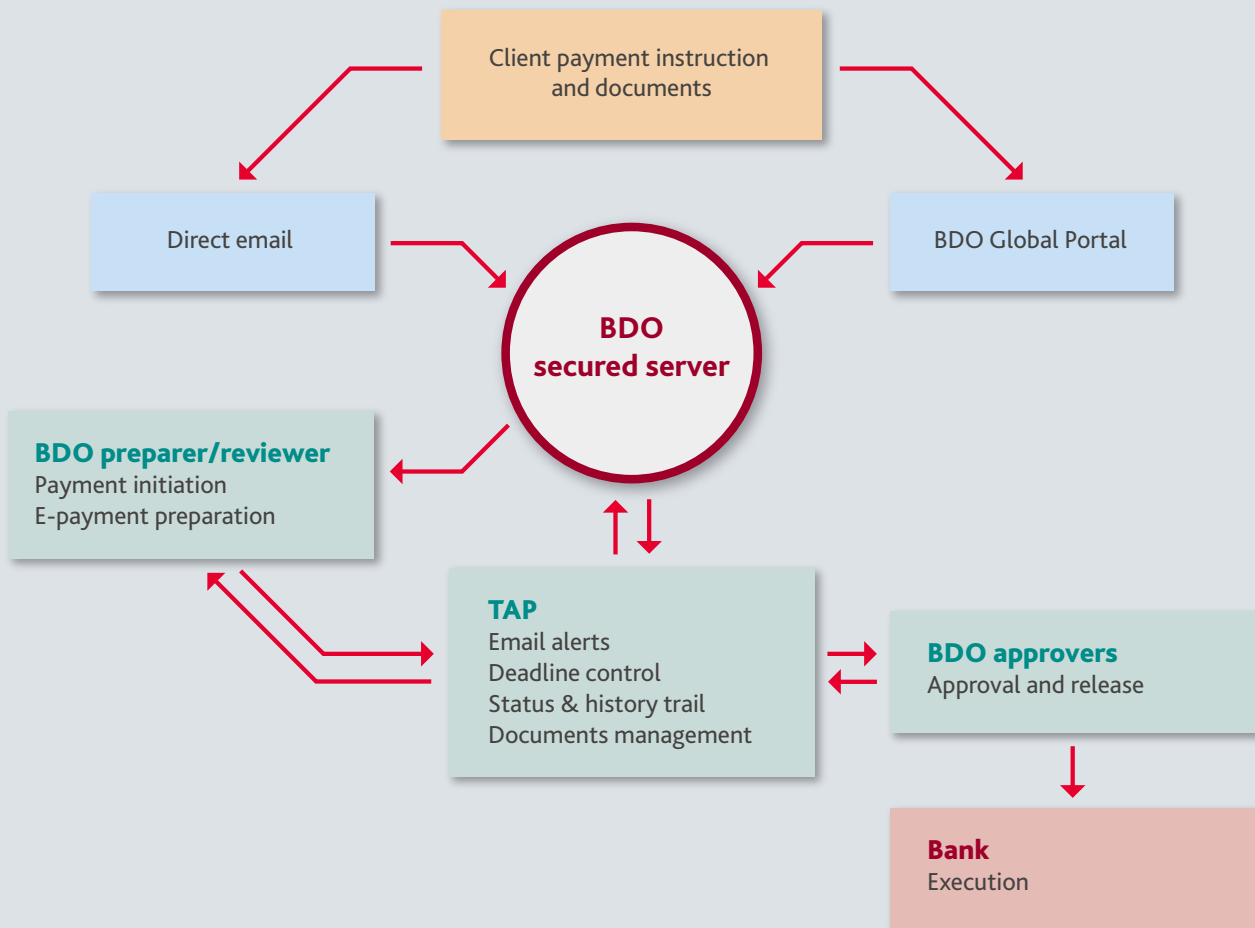
Treasury is a core area of our business process outsourcing services. Systemising the work processes associated with payments and other bank transactions can optimise overall operational efficiency. In view of this, BDO has developed a centralised e-platform, Treasury Approval Process (TAP), to support the delivery of our treasury services.

Through the TAP system, instructions received from clients are logged alongside their priority levels and deadlines. Documents uploaded to the BDO secure server can be readily accessed by

all stakeholders who have been granted the relevant access permission. Email alerts are automatically sent to the person responsible for taking the actions required. To provide a full audit trail, the TAP system also monitors and controls pending instructions from initiation through to completion, without geographical constraints.

Moving forwards, we will explore new functional enhancements for the TAP system, including extending its workflow to cover processes required by our external clients.

**INTERNAL TAP SYSTEM**





## ESG-driven service offerings

Since we established our ESG team in 2015, we have been investing effort and resources into strengthening our skills and capabilities. Our dedicated ESG professionals are well versed and experienced, and regularly receive technical training. The clients for whom we have provided ESG services come from a wide

range of industry sectors, including manufacturing, property construction and investment, waste treatment, resources and mining, banking and finance, trade, and catering, among others. Our current ESG service offerings include:



### ESG strategy

Advise on ESG related risks and opportunities, integration of UN Sustainable Development Goals, scenario analysis facilitation, etc



### ESG governance review

Review ESG governance structure, board oversight on ESG matters, management approach in ESG risk management, monitoring of metrics and targets



### ESG & climate risk assessment

Provide risk assessment services on ESG and climate risk and make recommendations on mitigating measures



### Carbon emission audit

Conduct independent audit and verification on carbon emission



### Metrics target setting

Provide recommendations on metrics target setting with peer companies comparison



### ESG reporting

Provide assistance to prepare the suggested content of ESG report with reference to prevailing disclosure requirements



### ESG report assurance

Provide independent assurance on ESG report (either part or whole report)



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## AWARDS AND CERTIFICATION



## Recognition for innovation

BDO was honoured to be chosen as the winner of the Excellent Innovation Provider Award by the Hong Kong Institute of Human Resource Management in 2020. We are very proud of being able to demonstrate and convince the industry that innovation is not just associated with technology, but can be applied to the design and delivery of professional services.



Winner of the Excellent Innovation Provider Award (2020)

## Best Client Service

BDO was honoured to receive the Gold Award for Best Client Service for the third consecutive year, and the Bronze Award for Best Recruitment Transformation Agency for the first time in the Asia Recruitment Awards 2021, organised by HR magazine. These awards recognise our efforts in pursuing our mission to provide exceptional client services and promote the transformation of recruitment.



Gold Award for Best Client Service and Bronze Award for Best Recruitment Transformation Agency (2021)

## Caring Company



For many years, we have been making an effort to look after our employees' well-being. We were presented with the Best Employee Wellness Award in the CTgoodjobs Best HR Awards by Career Times, a member of the Hong Kong Economic Times Group. We were able to outperform seven other finalists thanks to our comprehensive staff wellness programme. This award recognises our commitment to enhancing employee well-being and the clear evidence of a positive impact on the workforce. We have also been recognised as a Caring Company every year since 2015, a Good MPF Employer (MPF Authority) since 2016, and a Family-Friendly Employer (Family Council) since 2015.



Winner of the Best Employee Wellness Award (2017)



Hong Kong Best Employer Brand Award 2019 an award granted by the Employer Branding Institute, World HRD Congress and Stars of the Industry Group (2019)



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# OUR PUBLICATIONS





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# ABOUT THIS REPORT

This inaugural BDO ESG report summarised our ESG goals, approach, development roadmap, practices and initiatives taken place in recent years. Some of the initiatives were suspended since the outbreak of COVID-19 and they will be resumed when the situation becomes safe and practicable.

#### **Reporting Period**

The reporting period of ESG performance related data presented in this Report covers from 1 October 2020 to 30 September 2021.

#### **Reporting Boundaries**

The scope of the report covers ESG performance and data related to the operations of BDO in Hong Kong only.

#### **Reporting Reference**

This report has been prepared with reference to the World Economic Forum's Stakeholder Capitalism Framework, the SASB's materiality map and GRI guidelines.

#### **Your Feedback**

Thank you for taking the time to read this report. Your feedback is important to us, as it will help us to understand your concerns and continue to improve.





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## ABOUT BDO

### **BDO in Hong Kong**

BDO Limited is the Hong Kong member firm of BDO International Limited, the fifth largest global accountancy network by annual turnover, with more than 95,000 people working out of 1,700 offices in 164 countries and territories to provide advisory services across the globe. BDO Limited began practising in Hong Kong in 1981, serving a diversity of local and international clients in a range of industries.

BDO Limited currently has over 60 directors and 1,100 staff serving more than 200 clients listed locally and overseas. It provides an extensive range of professional services including assurance, business recovery, business services and outsourcing, environmental, social and governance reporting readiness support, family office services, forensic accounting, litigation support, matrimonial advisory, risk advisory, taxation, and trust set-up and succession planning. BDO Limited is the fifth-largest accounting firm in Hong Kong.

We are firmly grounded in the local business and professional community, delivering practical, to-the-point and immediate advice and service. At the same time, we leverage the global resources of other BDO member firms around the world, bringing our clients personalised and attentive service wherever they are.

Our professionals are well-versed in all accounting and auditing standards, as well as the tax and investment regulations in Hong Kong, mainland China and other major economies.

Our Assurance Managing Director Clement Chan and our Non Assurance Managing Director Johnson Kong have both served as former presidents of the HKICPA.

## BDO SUPPORT AND ASSISTANCE

If you have any questions or would like additional information, please contact us:

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