

An aerial photograph of a river with clear, turquoise water flowing through a dense forest of evergreen trees. The riverbed is visible in some areas, showing rocks and sand. The forest is lush and green, with sunlight filtering through the canopy.

LOYOLA UNIVERSITY FAMILY  
BUSINESS CENTER

SUSTAINABILITY & ESG

# State of Play

SEPTEMBER 28, 2023

BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



# Intro: BDO and your Speaker



With You Today



**CHRISTOPHER TOWER**

BDO Managing Partner, Sustainability & ESG

# About BDO USA

BDO USA HAS 3 BUSINESS LINES WITH SPECIALITIES ACROSS 18 DIFFERENT INDUSTRIES, PRIMARILY FOCUSED ON MIDDLE-MARKET COMPANIES. WE'RE PART OF A \$11.8 BILLION NETWORK IN 167 COUNTRIES.



*OUR VISION: Helping people thrive, every day*

BDO USA, LLP

**+\$2** billion  
Revenues

**40%** Assurance   **35%** Tax   **25%** Advisory and Other

**777** Partners   **8,274** Client Service Personnel   **70+** Offices  
**9,647** Total Personnel

**750+** Independent Alliance firm locations nationwide



# Agenda



INTRO: BDO and Your Speaker



DEMYSTIFYING: What is Sustainability & ESG?



DRIVERS: Mitigating Risk and Identifying Value Creation



WHERE TO START: The Maturity Roadmap



OVERSIGHT AND ACCOUNTABILITY: Board and Management Oversight



## DEEPER DIVE:

1. Regulations and Standards
2. Reporting and Assurance
3. Climate Mitigation
4. Supply Chain



CLOSING: Resources and Q&A

# BDO aims to help businesses, communities, people and planet thrive through sustainable business practices.



*At BDO, we have made sustainability and ESG one of the five strategic imperatives that drive our business strategy. We are building a business that lasts - a business that fulfills our firm's purpose of helping people thrive, every day.*

**WAYNE BERSON**



Launched a [Center of Excellence](#) dedicated to Sustainability & ESG



Formalized an ESG Leadership Team to oversee sustainability strategies



Further integrated sustainable practices into our operations



Brought to market Sustainability & ESG service offerings



Engaged our stakeholders through a materiality assessment

## Environmental



Completed a **full greenhouse gas inventory** including Scope 1, 2 and 3



Committed to **achieve net-zero emissions by 2050** and halve our emissions by 2030



Committed to the **Science Based Targets initiative\***

## Social



Signed the **United Nations Global Compact**



Reimagined and reaffirmed our commitment to **BDO Flex**, Our long-standing, dynamic workplace flexibility strategy



Hosted **200+ inclusion activities** and communication touchpoints with more than **10,500 participants**



Published our inaugural Diversity, Equity and Inclusion (**DEI**) [Transparency Report](#)



**Fed nearly 50,000** community members during BDO's semiannual Weeks of Service across the U.S.



Achieved an **89% participation** rate among BDO professionals in our annual employee Pulse survey



BDO professionals served in leadership roles for nearly **500** nonprofit organizations



Contributed nearly **\$2.5m** to **charitable and community** organizations



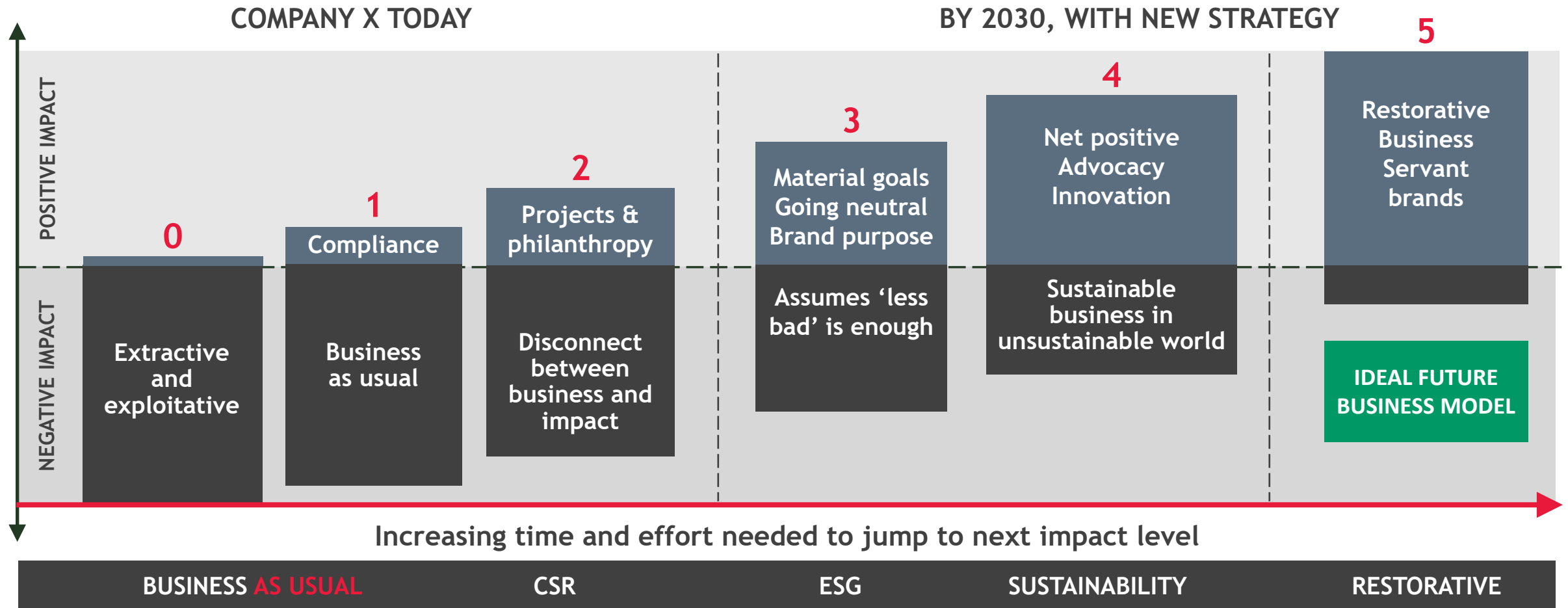
**600+** BDO professionals **volunteered** within their local communities for more than **3,000** community **service hours**

\* This commitment was made in February 2023.

# DEMYSTIFYING: What is Sustainability & ESG?



# The Continuum of Sustainable Business





# Sustainability vs. ESG

WHAT'S THE DIFFERENCE?

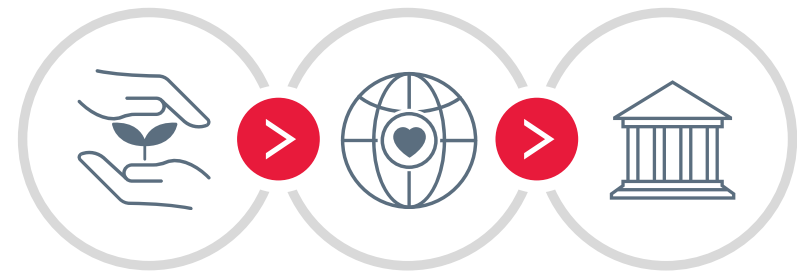
## SUSTAINABILITY

### Umbrella Term

- ▶ Refers to a company's efforts toward responsible and resilient business practices
- ▶ The ability to meet the needs of the present without compromising the ability of future generations to meet their own needs (United Nations Brundtland Commission, 1987)

## ESG

- ▶ A mechanism to quantify and report on a company's sustainability efforts and goals
- ▶ Collection of data and measurement of metrics crucial to business managers and investors



**E**nvironmental

**S**ocial

**G**overnance

# Sustainability Measured Through ESG

LIST ISN'T ALL-INCLUSIVE AND VARIES BY RELEVANCE AND IMPORTANCE BY COMPANY AND INDUSTRY



**DRIVERS:**  
**Mitigating Risk and**  
**Identifying Value Creation**



# Primary Business Drivers for Sustainability



## INVESTORS

Investors are increasingly including ESG aspects as active selection criteria. By 2030, around 95% of assets under management are expected to have explicit ESG criteria when evaluating investments.

## LEGISLATION

International institutions and regulatory authorities are raising the threshold for disclosure of ESG and sustainability policies and practices, while financial sector regulators are increasing their focus on ESG risks.

## GROWTH

Integrating sustainability into a company's business model will enable new products and services as well as help increase profits and improve relationships with key stakeholders.

## CONSUMERS

Consumers are changing their consumption habits to reduce their impact on the environment. Willingness to pay for sustainable products is increasing.

## COMPETITORS

Changes introduced into the competitive landscape by sustainable development influences the way in which companies develop their resources, capabilities and activities, fostering the persistence of competitive advantages based on knowledge and innovation.



# Stakeholder Drivers for Sustainability

## INVESTORS

- ▶ PE and investor requirements
- ▶ Transparent ESG disclosures
- ▶ Shareholder activism
- ▶ ESG ratings

## LENDERS

- ▶ Sustainable lending
- ▶ Green bonds
- ▶ Capital/rates based on ESG ratings

## REGULATORS

- ▶ Expanding regulations
- ▶ Pressure for disclosure

## CUSTOMERS

- ▶ Reputation and brand risk
- ▶ Customer/client expectations
- ▶ Competitive pressures
- ▶ Supply chain responsibility

## EMPLOYEES

- ▶ Employee expectations
- ▶ Exec compensation tied to ESG performance



# Benefits of Becoming a More Sustainable Company



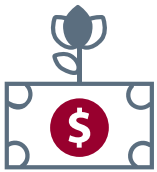
Reinforces and **enhances corporate image and reputation**, and improves employee and customer retention



**Defines an innovative vision** of the business by identifying non-financial drivers



**Improves access to credit** and the ability to attract investment



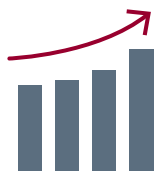
**Allows organizations to compete** with those already disclosing their sustainability focus



**Drives true corporate value creation** and simultaneously benefit the planet



Satisfies stakeholder expectations and **reinforces a social license to operate**



Systematically **makes the link between strategy and financial performance** including impacts of ESG factors



Identifies monitors and **manages non-financial risks** correctly



**Improves data quality** for more effective information management and decision making

# Sustainability Creating Value: Innovation and Transformation



## ENVIRONMENTAL

**Green Materials:** green steel and cement, green hydrogen, bioplastics

**Climate Technologies:** carbon capture, desalinization, AI for agriculture and water tracking

**Clean Energy:** offshore wind, rooftop solar, hydroelectric pumped storage

**Innovative Models:** power purchasing agreements, extended producer responsibility



## SOCIAL

**Supplier Partnerships:** supplier diversity, supplier development, prevention of slave labor

**New Products:** ingredient traceability, clean label transparency, circular design

**Human Capital:** inclusion networks, LGBTQ+ benefits, diversity tracking and transparency

**New Models:** Benefit (B) Corporations



## GOVERNANCE

**Compensation:** transparency in CEO compensation, executive pay tied to ESG performance

**Tax transparency:** total tax transparency, ESG tax credits and credit transfers/investments

**Advocacy:** shareholder resolutions, company advocacy/lobbying aligned with ESG strategy

**Integrated Reporting:** combining ESG (non-financial) with financial reporting

# WHERE TO START: The Sustainability Journey





# When You Should be Thinking About Sustainability & ESG?

YOU ARE A PUBLIC COMPANY OR PLAN TO GO PUBLIC	YOU ARE DOING BUSINESS IN EUROPE OR OTHER FOREIGN JURISDICTIONS	YOUR STAKEHOLDERS ARE DEMANDING IT
<ul style="list-style-type: none"><li>▶ SEC's proposed rules would require U.S.-listed companies to disclose climate-related information.</li></ul>	<ul style="list-style-type: none"><li>▶ Under the EU Corporate Sustainability Reporting Directive (CSRD), non-EU based companies will be impacted if they generate substantial revenue and have employees (e.g., a subsidiary) in the EU.</li><li>▶ The EU's proposed Directive on Corporate Sustainability Due Diligence (CSDD) would require organizations to identify, prevent and end adverse human rights and environmental impacts in their operations and value chains.</li></ul>	<ul style="list-style-type: none"><li>▶ Large companies have made public ESG commitments (e.g., emissions reduction or net zero targets) and are requiring ESG-related information and data when setting up contractual agreements.</li><li>▶ Customers are asking for information about an organization's ESG approach and how they determined that their products or services can be claimed sustainable.</li></ul>
YOU OPERATE IN CERTAIN U.S. CITIES AND STATES	... OR ONLY IN CALIFORNIA	YOUR FAMILY OWNERS ARE REQUESTING ESG INFORMATION AND A FOCUS ON SUSTAINABILITY
<ul style="list-style-type: none"><li>▶ Several states and major cities already have their own ESG and sustainability rules.</li><li>▶ Competitors are building strategies and reporting ESG progress. Companies not acting are at a disadvantage.</li></ul>	<ul style="list-style-type: none"><li>▶ In California, the sale of new fossil fueled vehicles will be prohibited after 2035.</li><li>▶ California proposed regulations that call for U.S. companies doing business in CA having more than \$1B in revenues to disclose their greenhouse gas emissions in accordance with TCFD standards.</li></ul>	<ul style="list-style-type: none"><li>▶ Multi-generational involvement in family-owned businesses is resulting in a rise in focus on sustainability related matters. The views amongst the generations may not be aligned.</li></ul>

## Key considerations before beginning an ESG journey:



Embrace stakeholder capitalism



Utilize change management best practices



Recognize that lack of internal leadership alignment is a deal killer



Define team roles as a critical first step



Know that it's not a one and done process; it is iterative in nature



Remember that it's a marathon, not a sprint



Consider costs, both financial and human capital

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# Sustainability Strategy Development Process



## READINESS ASSESSMENT

Perform a readiness assessment and competitive benchmarking

## MATERIALITY AND STAKEHOLDERS

Define material ESG risks/opportunities and engage key stakeholders

## STRATEGIC ROADMAP

Define your strategy for prioritization and action, then set goals and KPIs

## DATA COLLECTION AND CONTROLS

Identify processes, systems and controls over ESG data

## SUSTAINABILITY REPORTING

Begin external reporting, using common standards and frameworks

# Areas Affected by Sustainability & ESG

## LEADERS

In limited cases, companies already have an ESG department, and a person assigned with formal ESG roles and responsibilities. In other cases, depending on the size of the company, we typically engage with:

- ▶ CSO
- ▶ CFO
- ▶ Director of Internal Audit
- ▶ General Counsel/ VP-Legal
- ▶ HR or Marketing, in few instances

## FUNCTIONS MOST OFTEN AFFECTED BY ESG

- ▶ Climate Risk
- ▶ Manufacturing Processes
- ▶ Resource Management
- ▶ Product Innovation

- ▶ ESG Reporting
- ▶ Controls/Processes
- ▶ Responsible Investing
- ▶ Sustainable Finance
- ▶ Tax Transparency



- ▶ DEI
- ▶ Employee Retention
- ▶ Philanthropy
- ▶ Community
- ▶ Engagement
  
- ▶ Responsible and Ethical Sourcing
- ▶ Global Value Chain
- ▶ Circularity



# 10 Key Elements of an Effective Sustainability Strategy



Compelling vision and goals



Active, visible leadership from the top



Policies and procedures set the expectations



Training for board, leadership & employees



Transparency and communication



Accountability up, down and across the organization



Incentives/ compensation/benefits aligned to ESG measures



Key performance measures, data analytics, dashboards



Program management



Monitoring, auditing and reporting

# OVERSIGHT AND ACCOUNTABILITY: Board and Management Oversight



# The Board's Role in Sustainable Business



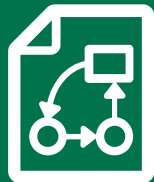
Establish the tone from the top with respect to ESG



Define oversight responsibility and board committee structure



Identify, monitor and oversee management of non-financial risks correctly



Be alert to controls over data quality for more effective information management, decision-making and reporting



Establish management accountability criteria and integration of ESG objectives into overall corporate strategy



Ensure communication and reporting is reflective of prioritized ESG factors, related objectives and tracking of progress

# Proactive Risk Management and Oversight is Key

RESPONSIBILITIES ACROSS BOARD, CEO, EXECUTIVE LEADERS AND SENIOR MANAGEMENT

## Identifying Business-Relevant ESG Issues

- ▶ Current process and assumptions
- ▶ Competitor analysis
- ▶ Integration into ERM

## Prioritizing ESG Risks/Opportunities Based Upon:

- ▶ Materiality assessment/risk tolerance
- ▶ Stakeholder impacts/expectations - engagement
- ▶ Market impact, valuation
- ▶ Decision-useful information

## Clearly Define Board Oversight:

- ▶ Identify full board/committee roles
- ▶ Update board charters
- ▶ Consider disclosure of oversight

## Tying to Strategy and Value Creation:

- ▶ Establishing short-term and long-term targets, goals and metrics in line with business strategy
- ▶ Assessing resource needs internally/externally
- ▶ Establishing compensation incentives

## Selecting Applicable Frameworks and Methodology

- ▶ Assess availability of data
- ▶ Process/internal controls for collecting/integrity of data

## Defining Performance Accountability

- ▶ Tracking & monitoring mechanisms

## Designing Reliable Reporting

- ▶ Selecting appropriate standards/frameworks
- ▶ Designing controls and processes over ESG data
- ▶ Identifying communication channels - sustainability reports, websites, filings
- ▶ Integrating within financial statements

## Maintaining ESG as a Regular Board Agenda Item

- ▶ Defining and formalizing responsibilities among board/committees/management
- ▶ Ensuring continued education on ESG matters

## Assessing Need for Third-Party Assurance

- ▶ Compliance
- ▶ Data integrity

## DEEPER DIVE:

1. Regulations and Standards
2. Reporting and Assurance
3. Climate Mitigation
4. Supply Chain



# 1. Regulations and Standards



# Regulations are Growing Worldwide

## CANADA

- ▶ Banks/insurance companies and crown corporations holding more than \$1 billion in assets to adopt TCFD requirements beginning in 2024
- ▶ Impending ESG reporting and climate regulation for public entities expected in 2025

## UK

- ▶ TCFD (Task Force on Climate-Related Financial Disclosures) mandatory for large companies

## JAPAN

- ▶ JFSA (Japan's Financial Services Agency) public statement - listed and unlisted companies to report climate-related information

## USA

- ▶ SEC proposed rule on climate change disclosures (published on March 21, 2022)
- ▶ Proposed Climate Disclosure Requirements for Federal Contractors, (published on November 10, 2022)

## EUROPE

- ▶ CSRD (Corporate Sustainability Reporting Directive)
- ▶ CSDD (Corporate Sustainability Due Diligence)
- ▶ EU Taxonomy
- ▶ SFDR (Sustainable Finance Disclosure Regulation)

## CHINA

- ▶ Law passed 8 February 2022 - listed and some unlisted companies to disclose environmental information

## INDIA

- ▶ Business Responsibility and Sustainability Report - top 1,000 listed entities for reporting on a voluntary basis for FY 2021-22 and on a mandatory basis from FY 2022-23

The growing importance of ESG has caused companies to look for assistance to enhance internal controls around ESG reporting and to formalize the processes for collecting the data.

# Key Sustainability & ESG Regulations to Watch

## U.S. SECURITIES AND EXCHANGE COMMISSION (SEC)

- ▶ In May 2022, the SEC proposed rules to **enhance and standardize climate-related disclosures** for both U.S. public companies and foreign private issuers.
  - Final rules are expected in October 2023.
- ▶ In July 2023, the SEC adopted rules requiring the **disclosure of cybersecurity risk management, strategy, governance, and incident disclosure** for both U.S. public companies and foreign private issuers.
  - The new rule will go into effect for fiscal years ending on or after December 15, 2023.

## INTERNATIONAL SUSTAINABILITY STANDARDS BOARD (ISSB)

- ▶ In June 2023, the IFRS Foundation's ISSB issued their first sustainability disclosure standards for **sustainability-related disclosures that are suitable for capital markets worldwide**, creating a global baseline for sustainability reporting.
  - The standards will go into effect in 2024.

## EUROPEAN UNION COUNCIL

- ▶ In February 2022, the EU Commission issued a proposal for the Corporate Sustainability Due Diligence Directive (CSDDD). The Directive sets **mandatory human rights' supply chain due diligence rules** for large companies operating in the EU.
- ▶ In November 2022, the EU Parliament adopted the Corporate Sustainability Reporting Directive (CSRD), introducing **mandatory sustainability reporting requirements** for all large companies operating in the EU.
  - The rule will go into effective beginning in 2024.
  - In November 2022, the European Financial Reporting Advisory Group (EFRAG) approved the European Sustainability Reporting Standards (ESRS), **setting out the rules and requirements under the CSRD.**

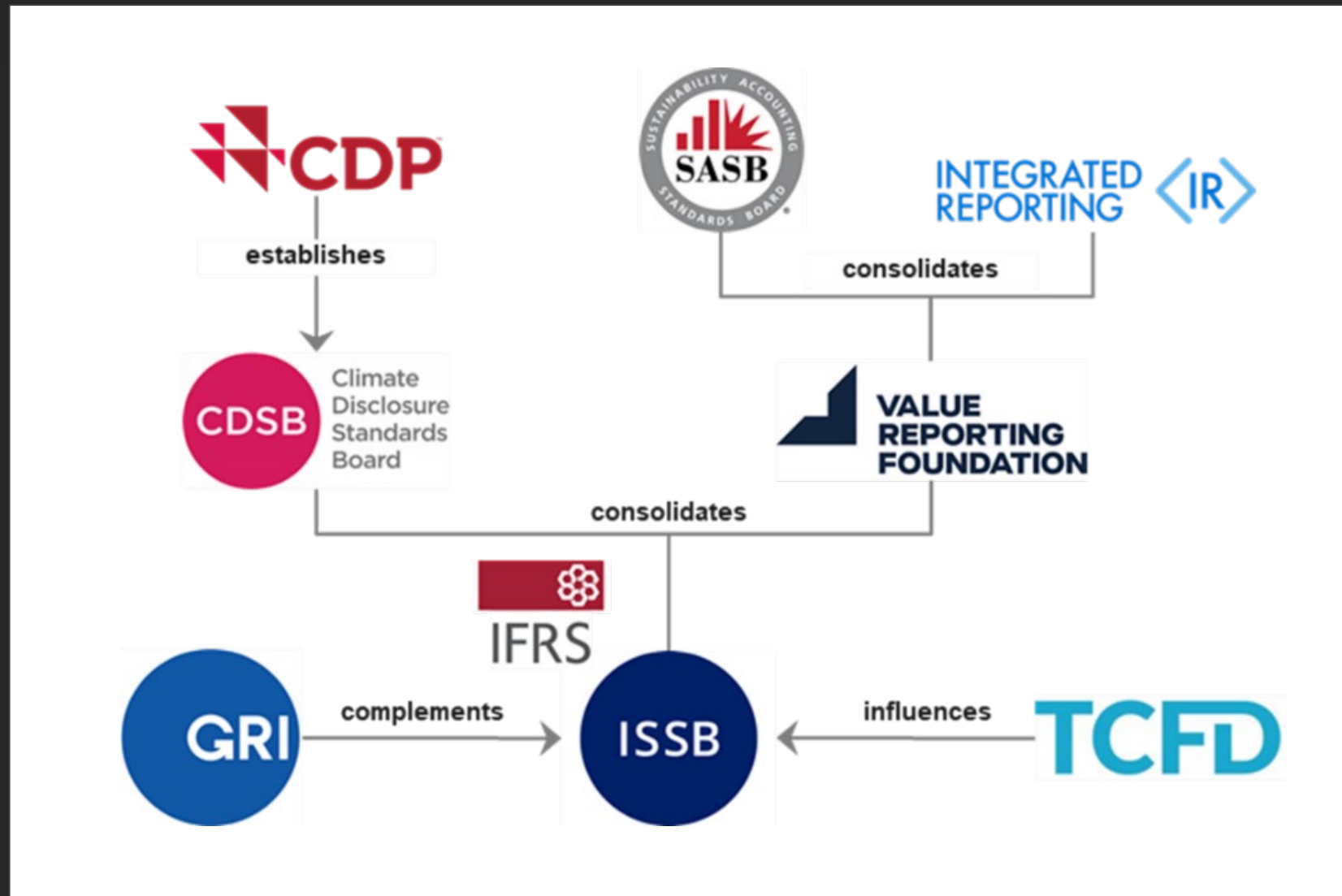
## CANADA

- ▶ In April 2023, the Canadian Government issued standards pursuant to the Policy on Green Procurement, requiring government suppliers with contracts >\$25 million **disclose greenhouse gas (GHG) emissions and adopt a science-based target to reduce emissions** in line with the Paris Agreement, Net-Zero Challenge or an equivalent initiative.

# The Proliferation of Sustainability Reporting Standards

<b>GUIDELINES</b> for non-financial sustainability reporting	<b>ASSESSMENTS</b> Based on questionnaires/submissions	<b>RATINGS AND RANKINGS</b> based on public and/or private info
 <p>                         SUSTAINABLE DEVELOPMENT GOALS                          TCFD   TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES                          SASB   SUSTAINABILITY ACCOUNTING STANDARDS BOARD                          IFRS                          Global Reporting Initiative™                          WORLD ECONOMIC FORUM                          PRI   Principles for Responsible Investment                     </p>	 <p>                         THE GLOBAL COMPACT   UNITED NATIONS GLOBAL COMPACT                          SCIENCE BASED TARGETS   DRIVING AMBITIOUS CORPORATE CLIMATE ACTION                          ecovadis                          CDP                          Dow Jones Sustainability Indexes                          ISSB                          GLOBAL100                          S&amp;P Global                     </p>	 <p>                         Bloomberg®   FTSE Russell                          SUSTAINALYTICS                          MOODY'S   MSCI                          ISS ESG   RepRisk                          REFINITIV™                          vigeo eiris                     </p>

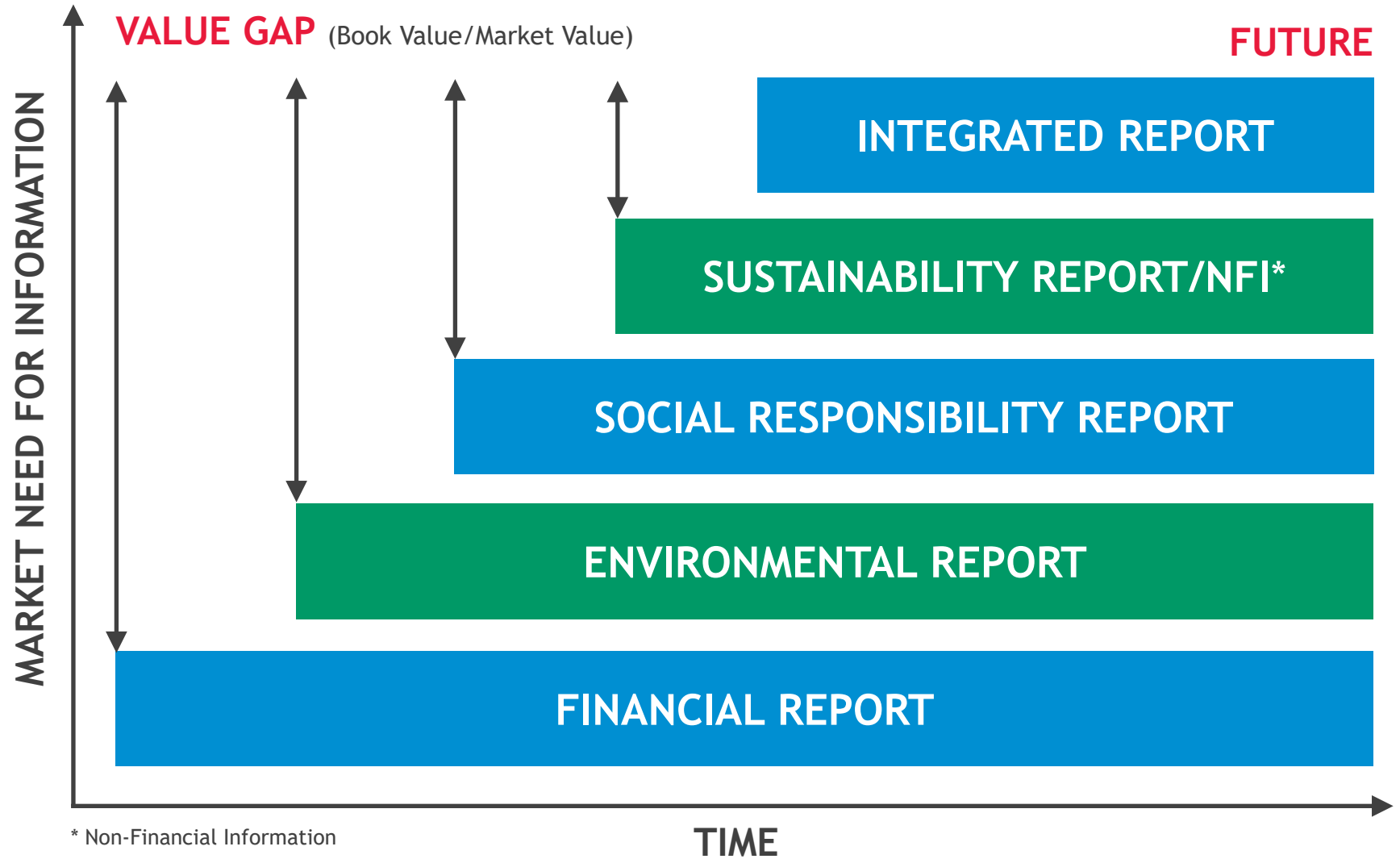
# Reporting Standards are Converging



## 2. Sustainability Reporting and Assurance

# The Evolution of Reporting

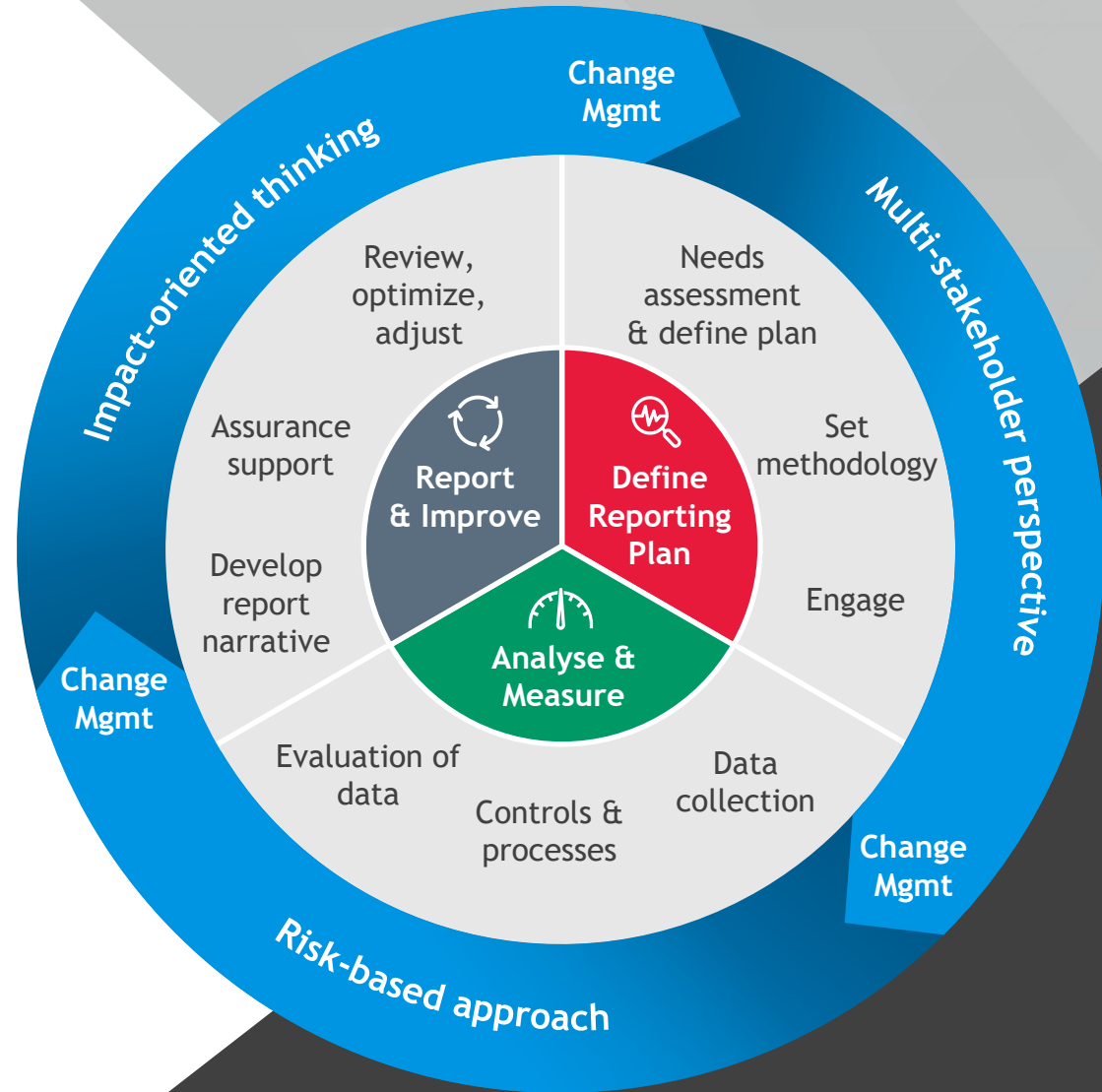
REPRESENTATION OF VALUE OVER TIME





## Reporting Process Phases

Integrating sustainability into a business is a transformation journey and ongoing process of monitoring, modification and rethinking 'how' you can ultimately embed sustainability across the organization.



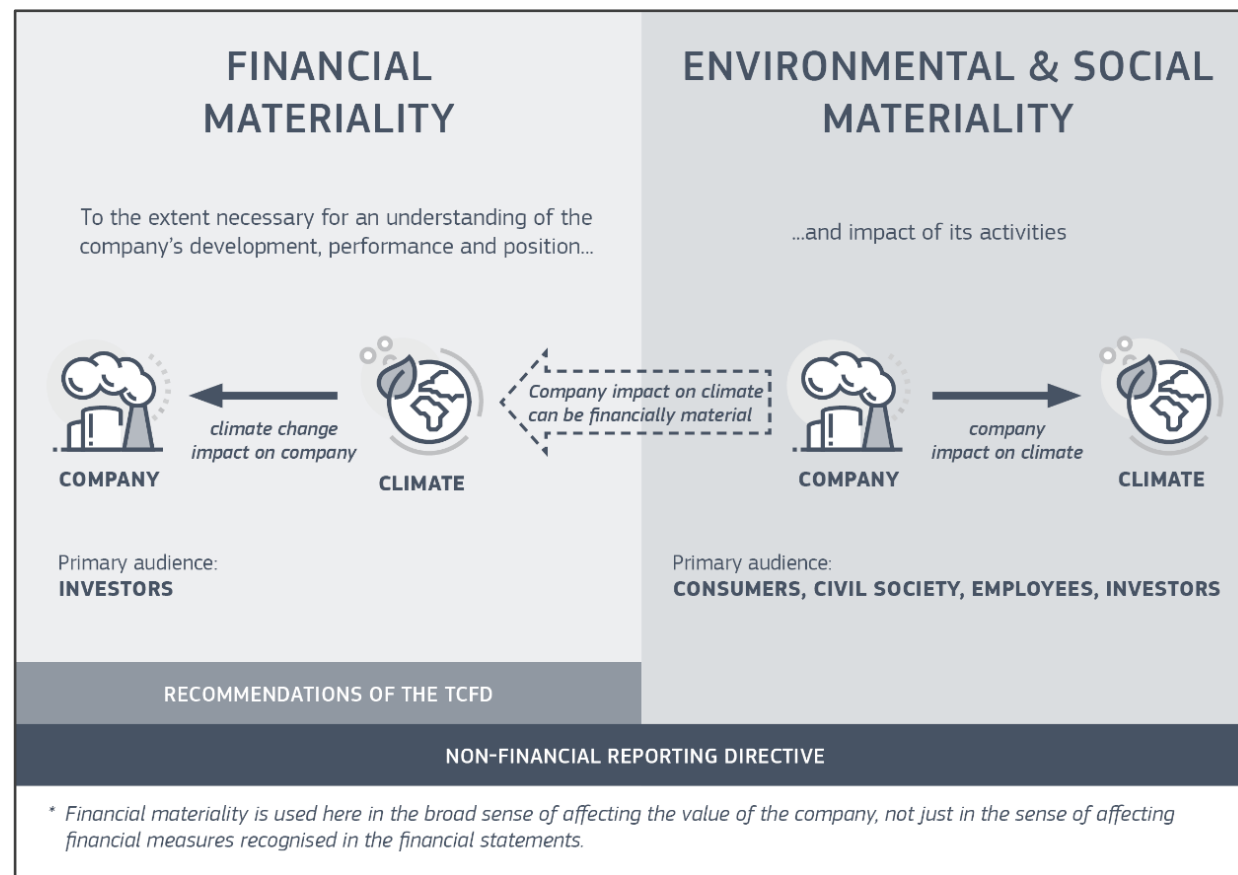
# Double Materiality in Sustainability Reporting

The concept of double materiality acknowledges that a company should report simultaneously on sustainability matters that are:

- ▶ Financially material in influencing business value
- ▶ Material to the market, the environment, and people

The Double Materiality perspective of the Non-Financial Reporting Directive.

## IN THE CONTEXT OF LONG-TERM VALUE CREATION:



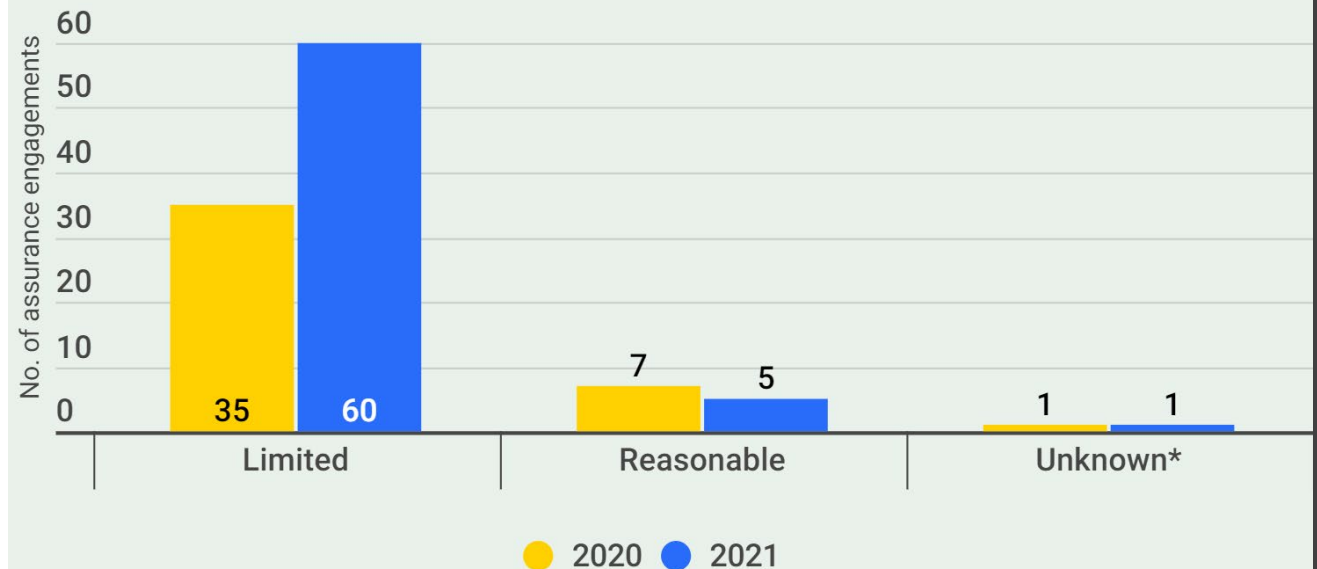
Source: [Guidelines on Reporting Climate-related Information](#)

# The Need for Assurance on Sustainability Reporting

INSIGHTS FROM THE S&P 500

- ▶ **99%** of S&P report sustainability information
- ▶ **65%** have had some form of assurance or verification over ESG metrics
- ▶ **18%** had assurance from public company audit firm

## Level of Assurance from Public Company Auditors



\*Level of assurance could not be determined from the company's documentation of assurance in its ESG reporting. 2021 data totals 66 because certain companies had multiple assurance engagements performed.

Source: [Center for Audit Quality S&P 500 ESG Reporting and Assurance Analysis](#) as of June 2023

# Reporting & Assurance Readiness

BDO has prepared a practice aid of iterative considerations for management and boards to help them assess a company's readiness to report out on its sustainability strategy:

## TAKING INVENTORY

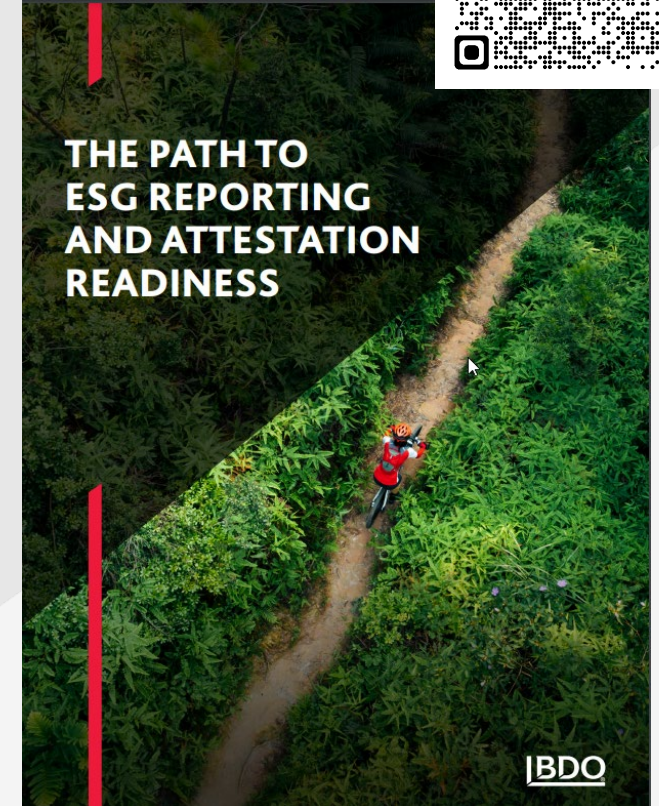
- ▶ Materiality assessment
- ▶ Competitive landscape
- ▶ Corporate story
- ▶ Reporting standards & frameworks
- ▶ Current state assessment

## ESTABLISHING GOVERNANCE OVERSIGHT

- ▶ ESG roles
- ▶ ESG goals/objectives
- ▶ Third party resources
- ▶ Progress and accountability
- ▶ Continuing education
- ▶ Board strategy & ERM agenda

## ESG REPORTING READINESS

- ▶ Reporting requirements
- ▶ Quantitative measures and data
- ▶ Data collection (processes, policies, procedures)
- ▶ Control effectiveness
- ▶ Qualitative information
- ▶ Draft disclosures
- ▶ Review as reasonable shareholder
- ▶ Third party attestation value



# 4. Climate Mitigation



# Emerging Climate Risks Affecting Business

Organizations are facing new types of risks that over the past decade have extremely evolved.

The annual Global Risk Report by the World Economic Forum (WEF) identified the **top threats** facing our world by likelihood and extent of impact.

**ACCORDING TO THE GLOBAL RISK REPORT 2023, 3 OF THE MOST SEVERE RISKS ON A GLOBAL SCALE:**



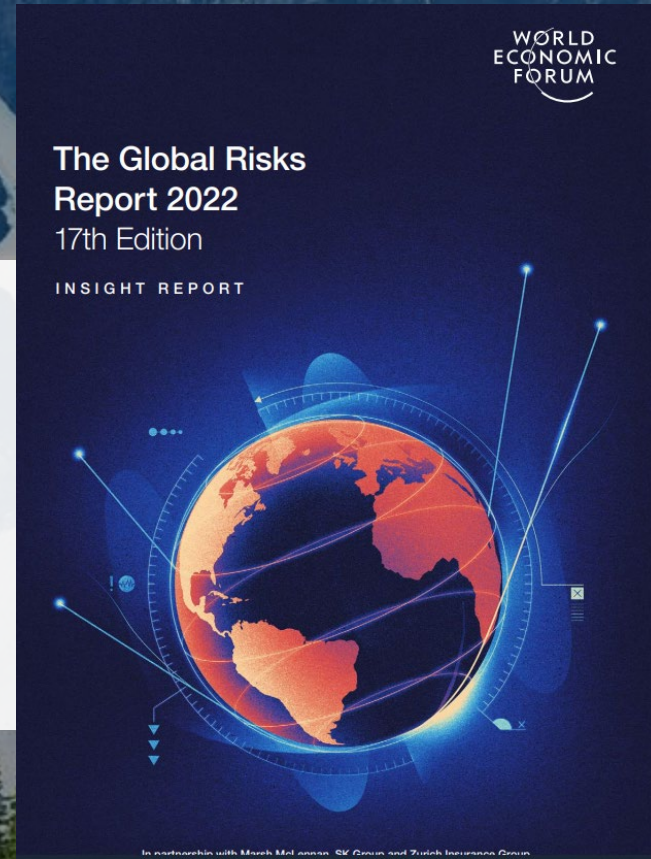
Climate Action Failure



Extreme Weather



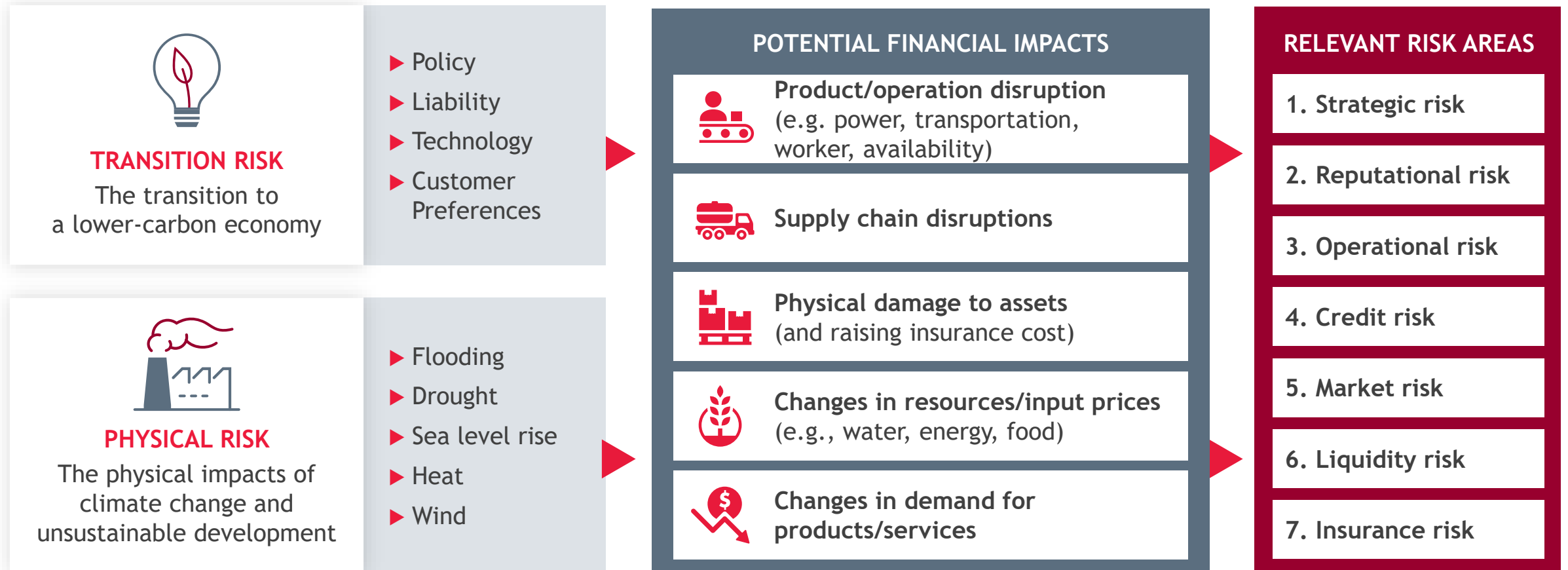
Biodiversity loss



Source: World Economic Forum, Global Risks Report 2023, 18<sup>th</sup> Edition, Insight Report



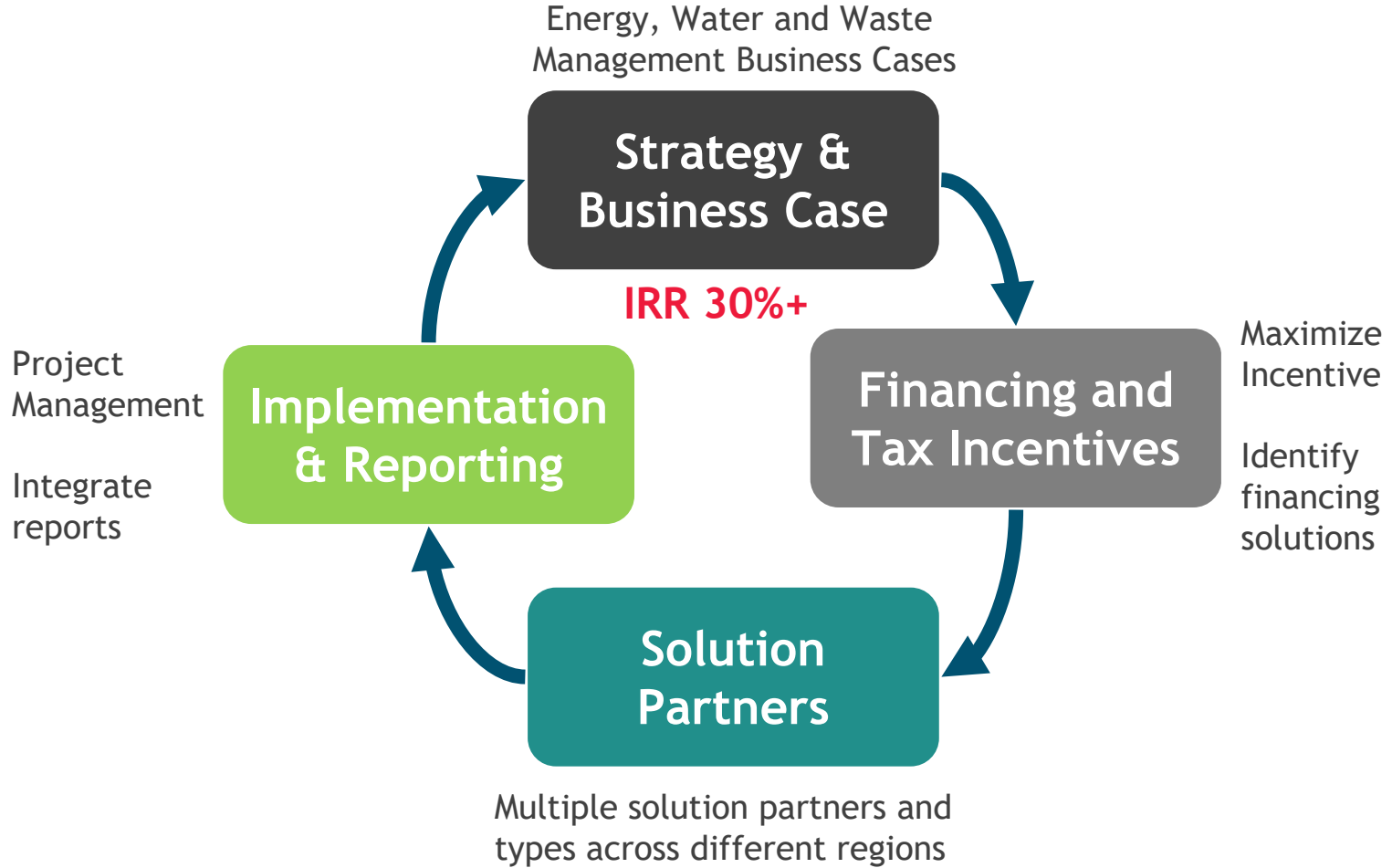
# The Financial Impact of Climate-Related Risks



# Climate Mitigation Strategies



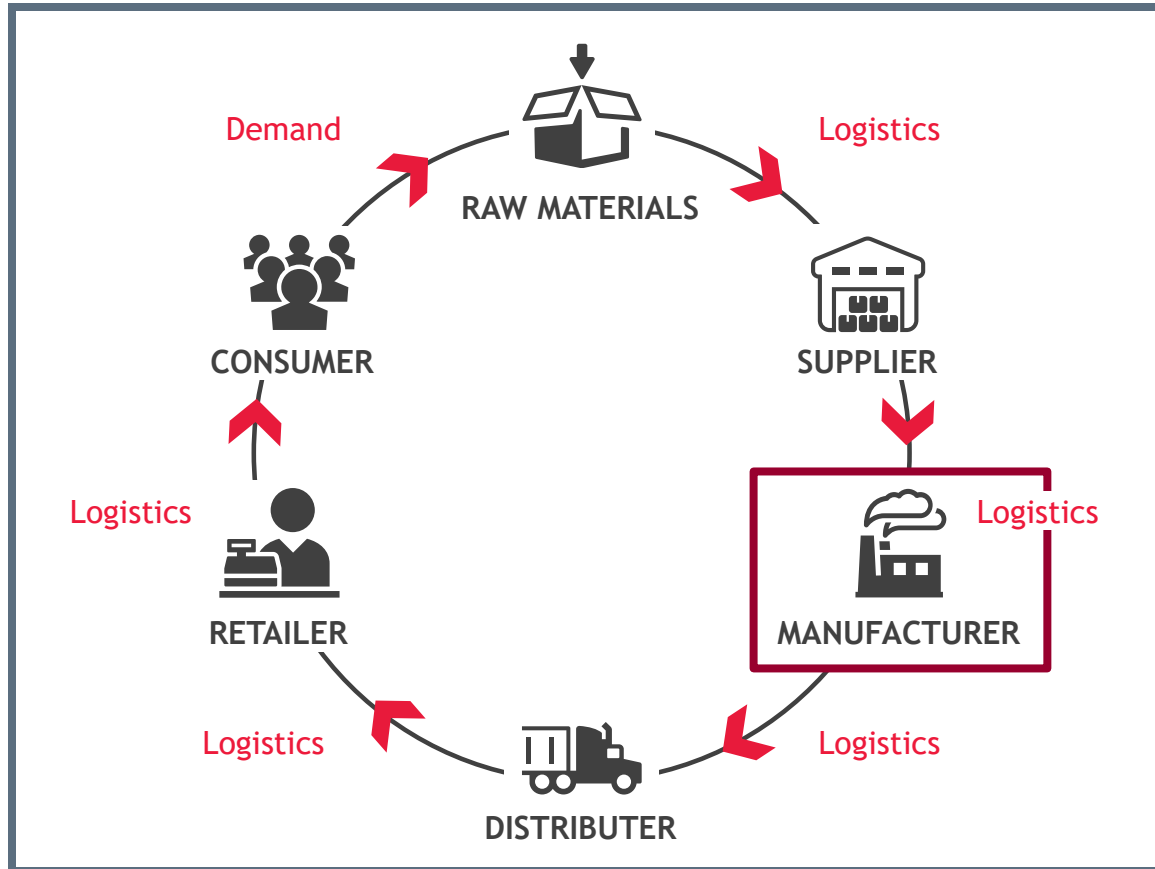
**Mitigation Strategy & Business Case Development**



# 5. Supply Chain Risk

# Supply Chain Sustainability Risks and Opportunities

MANUFACTURERS BEAR 90% OF REPUTATIONAL RISK



- ▶ 10% of GHG emissions
- ▶ 5% of jobs
- ▶ 7% of accidents
- ▶ 90% of reputational risk
- ▶ 95% of perceived stakeholder visibility

- ▶ 90% of GHG emissions
- ▶ 95% of jobs
- ▶ 93% of accidents
- ▶ 10% of reputational risk
- ▶ 5% of perceived stakeholder visibility

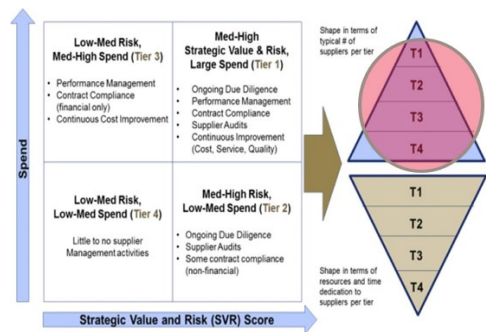
= ESG risks and opportunities are not evenly spread across a products supply chain

# Sustainable Supply Chain Mapping and Transparency

Supply Chain Mapping and Transparency aims at better understanding the flow of goods and information across several tiers of suppliers (from raw materials to finished goods). This step is foundational to assess ESG risks and opportunities, as well as to uncover inefficiencies and cost reduction opportunities

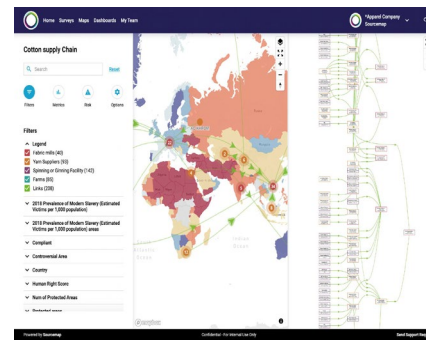
## SUPPLIER SEGMENTATION AND RISK ASSESSMENT

Classification of spend categories and suppliers based on potential risk and impact on the business



## TARGETED SUPPLY CHAIN MAPPING

Identification and mapping of goods and information flows highlighting areas of risk and optimization opportunities



## SUPPLY CHAIN COMPLIANCE CONTROLS AND REPORTING

Benchmarking existing controls relative to suppliers' practices in the areas of carbon emission reporting & management, labor practices, EHS and governance



# CLOSING: Resources and Q&A





# BDO Sustainability & ESG Services

At BDO, we take a practical approach to services, meeting clients where they are in their journey and tailoring our offerings to meet their needs. We break things down in ways that can be immediately applied, focusing on what clearly adds value to an organization.

<p><b>1 ESG Strategy &amp; Program Development</b></p> <ul style="list-style-type: none"> <li>▶ ESG risk assessment</li> <li>▶ Industry benchmarking</li> <li>▶ Materiality assessment</li> <li>▶ Stakeholder engagement</li> <li>▶ Strategic roadmap</li> <li>▶ Program development</li> </ul>	<p><b>2 ESG Reporting &amp; Assurance</b></p> <ul style="list-style-type: none"> <li>▶ Framework selection</li> <li>▶ Target-setting</li> <li>▶ ESG ratings improvement</li> <li>▶ SOX readiness</li> <li>▶ Sustainability reporting</li> </ul>	<p><b>3 Tax Transparency &amp; ESG Tax Strategy</b></p> <ul style="list-style-type: none"> <li>▶ Framework and metric selection</li> <li>▶ Qualitative and quantitative data analysis</li> <li>▶ Controls evaluation</li> <li>▶ Integrated non-financial reporting</li> <li>▶ Stakeholder communication</li> <li>▶ Third-party assurance</li> <li>▶ Assurance readiness</li> </ul>
<p><b>4 Human Capital Management</b></p> <ul style="list-style-type: none"> <li>▶ Policy review</li> <li>▶ Strategy development and refinement</li> <li>▶ Diversity, equity and inclusion (DEI)</li> <li>▶ Compensation and benefits</li> <li>▶ Development and retention issues management</li> <li>▶ Workplace benchmarking</li> </ul>	<p><b>5 Supply Chain Sustainability &amp; Resilience</b></p> <ul style="list-style-type: none"> <li>▶ Analysis of procurement tools</li> <li>▶ Global value chain evaluation</li> <li>▶ Responsible sourcing</li> <li>▶ Ethical supplier practices</li> <li>▶ Supplier diversity</li> <li>▶ Supplier due diligence</li> <li>▶ Customs and trade compliance</li> <li>▶ FCPA</li> <li>▶ Fair labor/human rights</li> </ul>	<p><b>6 Climate Services</b></p> <ul style="list-style-type: none"> <li>▶ Total tax responsibility</li> <li>▶ Tax transparency</li> <li>▶ Green tax credits and incentives</li> <li>▶ Sustainability specialty tax evaluation</li> <li>▶ Integration of ESG into tax strategy</li> <li>▶ Credit monetization strategy for buyers and sellers of tax credits</li> </ul>
<p><b>7 Sustainable Finance &amp; Investing</b></p> <ul style="list-style-type: none"> <li>▶ Impact investing</li> <li>▶ Green financing</li> <li>▶ Sustainable financing</li> <li>▶ Exclusionary investing</li> <li>▶ Pre-deal due diligence</li> </ul>	<p><b>8 Community Resilience</b></p> <ul style="list-style-type: none"> <li>▶ Climate footprint analysis</li> <li>▶ Risk assessment</li> <li>▶ GHG accounting</li> <li>▶ Scope 1,2 and 3 measurement and reporting</li> <li>▶ TCFD compliance and reporting</li> <li>▶ Science-based target setting</li> <li>▶ Climate vulnerability assessments</li> <li>▶ Climate mitigation strategy and implementation</li> </ul>	<p><b>9 ESG Learning Services</b></p> <ul style="list-style-type: none"> <li>▶ Guidance on local policy decisions</li> <li>▶ Strategic community investments</li> <li>▶ Sustainable financial and equity models</li> <li>▶ ESG regulatory compliance (CMS, CFR, FAR)</li> </ul>

# Resources



Newsletter:  
BDO Knows ESG



ESG and Sustainability  
on BDO.com

# Questions?







## About BDO USA

At BDO, our purpose is helping people thrive, every day. Together, we are focused on delivering exceptional and sustainable outcomes – for our people, our clients and our communities. Across the U.S., and in over 160 countries through our global organization, BDO professionals provide assurance, tax and advisory services for a diverse range of clients.

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