

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY

## BDO in the United Arab Emirates

Version 1.0

Owner of this policy  
Approver of this policy

Issued

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BDO in the United Arab Emirates  
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## 1. Introduction

At BDO in the United Arab Emirates (the “Firm”), we recognise the importance of Environmental, Social, and Governance (ESG) principles in our operations. We are committed to promoting sustainable practices, minimising our environmental impact, fostering social responsibility, and upholding strong governance standards. This ESG policy statement reflects our commitment to incorporating ESG aspects into our business decisions and policies using the United Nations Sustainable Development Goals (UN SDGs). The Firm commits to the following UN SDGs:

### **UN SDG 3 Good Health and Well-Being**

This is aimed at ensuring healthy lives and promoting well-being for all at all ages by 2030.

### **UN SDG 5 Gender Equality**

This is focused on pursuing the main goal of real and sustained gender equality in all aspects of women and girl’s lives.

### **UN SDG 13 Climate Action**

This urges us to take action to combat climate change and its impacts.

BDO global network is committed to achieving net-zero greenhouse gas emissions by or before 2050 and halving our emissions by 2030 - in alignment with the Paris Agreement. In line with this, our Firm commits to reduce scope 1 and scope 2 greenhouse gas (GHG) emissions 42% by 2030 from a 2023 base year, and to measure and reduce our scope 3 emissions. We commit to reach net-zero by 2050. As part of this, we commit to reduce scope 1, 2 and 3 emissions 90% by 2050 from a 2023 base year. These targets have been approved by the SBTi. The Firm also seeks to align and contribute to the United Arab Emirates’ initiatives and policies.

## 2. Purpose of this policy

The purpose of the ESG Policy is to promote environmentally and socially responsible conduct by integrating ESG practices and processes and outlining ESG-related risks within our operations. This policy is aligned with our mission to inspire, educate and lead in sustainable business practice in our market, supporting the UAE government and its vision. We will regularly review and update our policy to align with evolving best practices and regulatory requirements in pursuit of a sustainable future. Beyond compliance, this policy seeks to build a culture where ESG principles - including fairness, well-being and inclusion are actively embedded in the daily practices and conversations of our people.

## 3. Scope of this policy

This policy is applicable to all employees of the Firm, across all activities and operations. Additionally, all contractors, subcontractors, and individuals acting in any capacity for or on behalf of the Firm must adhere to the ESG policy. All suppliers in the Firm’s supply chain are also required to comply with the principles of this policy through our supplier screening exercise.

## 4. Our ESG governance

### 4.1 Governance Board oversight

The Firm's most senior governing body is the Governance Board, comprised of all equity partners. Our Governance Board oversees the management of strategic and operational risks by using several levels of review. The Board's two standing committees, the Risk Committee and the ESG Committee, oversee the management of risks and opportunities, including climate-related risks and opportunities, together with the Firm's alignment with specific UN SDGs that fall within that committee's areas of responsibility. The committee chairs provide regular updates to our full Governance Board on the activities of their committee and the Governance Board considers these submissions and provides feedback and guidance. In addition, our Governance Board reviews the risks associated with the Firm's business plan throughout the year.

### 4.2 Risk Committee

The Risk Committee meets quarterly and oversees the Firm's identification and assessment of the Firm's primary risks together with actions to mitigate these risks to an acceptable level. Environmental and climate-related risks are discussed within these identification, assessment and mitigation processes.

### 4.3 ESG Committee

The ESG Committee meets quarterly and comprises a member of the Governance Board, the Firm's ESG Leader, the Head of People, and the Head of Finance. The ESG Committee reviews key ESG strategies, measures and actions aligned to specific UN SDG Goals and provides regular updates to the Governance Board.

### 4.4 Management's role

The Firm has specific management structures in place to plan and implement processes and turn them into actions. The management structure is organised into functional groups that have responsibilities for discrete business operations. Our primary business groups are Assurance services, Tax services, Advisory services and Outsourcing services. Our primary centralised enablers are Finance and Administration, People, Risk and Compliance, Technology and Marketing. Each of these functions has direct responsibility for its designated functions and provides support and oversight to the business groups. Each business group and centralised enabling function plays a role in the assessment and management of climate-related risks and opportunities within their purview.

Frequently, there are topics that significantly impact multiple business groups and centralised functions. To ensure that decisions in these areas are made in the best interests of the Firm as a whole, members of senior management who sit across the teams shall review and approve matters that cut across business groups and centralised functions. The highest level of individual with executive responsibility for the Firm's commitment to the UN SDGs 3, 5 and 13 and climate-related issues is our Managing Partner.

The Firm's business groups and centralised enabling functions operate a year-round planning and implementation process. This process unites the Firm's business plan, financial planning and budgeting, and talent management to ensure that each business group and centralised enabling functions are coordinated as they deliver the business plan. Our business groups and centralised enabling functions apply a climate risk lens to decision-making where appropriate.

## 5. Key focus areas

### 5.1 Climate action

**Climate Change Mitigation:** We will actively work towards reducing carbon emissions and transitioning towards a low-carbon future. We will regularly measure, report, and take actions to minimise the carbon footprint of our Firm.

**Resource Conservation:** We will optimise our operations to minimise water usage, promote water conservation practices and implement efficient systems to reduce energy consumption.

### 5.2 Good Health & Well-being and Gender Equality

**Health and Safety:** We are committed to safeguarding health, safety and well-being of our employees, clients, and communities. Our approach goes beyond compliance, focusing on creating a culture of care. We will implement robust health and safety policies, promote wellness through firm-wide initiatives, health related activities, and continuous learning opportunities that support both physical and mental well-being.

**Diversity and Inclusion:** We value diversity and are dedicated to fostering an inclusive work environment that promotes equal opportunities, eliminate discrimination, and ensure fairness to all. Our recruitment and promotion practices are designed to be objective and unbiased, with an emphasis on balanced representation.

**Employee Training and Development:** At BDO, we believe that people are at the centre of all we Do. We are committed to offering development opportunities that enhance skills, support career growth, and strengthen inclusive leadership. This includes training on topics such as reducing bias, psychological safety and effective people management, which help embed ESG principles into everyday practices.

**Community Support:** Our organisation will actively contribute to the communities we serve through volunteering programs and partnerships with local organisations. We will support initiatives that enhance social welfare, education, and community well-being.

**Stakeholder Engagement:** We are committed to engaging openly and regularly with our stakeholders, including customers, employees, investors, and local communities. Their input is essential in shaping our ESG priorities, and we will actively seek feedback to strengthen our practices, address concerns, and ensure transparency and accountability in our decision-making.

### 5.3 Measurement and Accountability

To ensure accountability, the Firm will regularly measure and report progress against its ESG commitments. This will include indicators such as:

- Employee well-being and satisfaction scores
- Gender representation across different levels of the firm
- Participation in ESG related learning and development programs
- Progress towards environmental targets

These indicators will be reviewed by the ESG Committee and reported to Governance on a quarterly basis. Progress will also be communicated to employees and stakeholders to promote transparency and engagement. These reviews will align with the Firm's established sustainability goals framework, ensuring consistency between policy commitments and progress monitoring.

## 6. Compliance with local regulations

We are committed to complying with all local environmental laws and regulations, including the UAE's Federal Law No. 24 of 1999 on the protection and development of the environment and the UAE National Climate Change Plan.

## 7. Revision history

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