

The background of the entire page is a photograph of a woman with long brown hair, wearing a red and black floral dress, looking down at a silver laptop she is holding. The scene is lit with a strong green light, and there are large green plants in the foreground and background. The overall aesthetic is modern and eco-friendly.

# Sustainability Report

2022

Dear reader,

We are delighted to share our 2022 sustainability report with you. As a company with around 1,600 employees, we consider ourselves to have a significant responsibility towards the environment and society. That is why we have set ourselves the goal of promoting sustainable practices in all areas of our company and embedding sustainability in our strategy. In this context, and as part of the reporting process, it was important for us to determine which topics are the most relevant and which of these represent the most powerful levers for making an impact.

In publishing our first sustainability report, we are creating transparency with regard to our economic, social and environmental commitment, and providing insights into our sustainability-related efforts.

We are committed to using natural resources in a sustainable way and reducing our greenhouse gas emissions. We have been working with the myclimate foundation for over five years to measure, offset and reduce our greenhouse gas emissions.

Good, committed employees are the key to our success. That is why at BDO we continuously invest in training and education for our people, and offer them personal development opportunities. By cultivating an inclusive and diverse work environment where people interact with respect, and without prejudice, we help create a fair and open workplace.

Independence, combined with our duty to act with objectivity and integrity, are fundamental prerequisites for our work as one of Switzerland's leading audit, business services and advisory firms. Trust is another crucial factor. Our success can only be sustainable if our services are recognised as the product of high-quality work by committed people.

Sustainability is not a passing trend, but a fundamental shift in society and the economy. For this reason, we want to provide holistic and sector-specific support to our clients on their own paths towards sustainable business. We strongly believe that we are able to contribute to the transformation towards a sustainable economy through our Sustainability Services in particular.

# Editorial

We recognise that there are diverse environmental, social and economic challenges, and that our stakeholders have multi-faceted expectations with regard to sustainability. This is why we engage in a continuous process of development. Publishing our very first sustainability report is a major step on our journey towards a sustainable future. We believe that we are already on the right track, and at the same time we are conscious of our potential for improvement.



A white handwritten signature of Thomas Studhalter on a dark background.

**Thomas Studhalter**  
CEO



A white handwritten signature of Denis Boivin on a dark background.

**Denis Boivin**  
Internal Sustainability Lead

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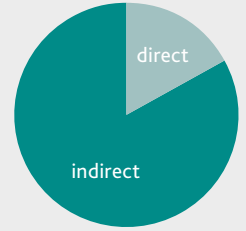
# KPI highlights

## — CLIENTS —



**25,210**

(+2.4%)



greenhouse gas emissions

## — ENVIRONMENT —



**2,233**

t CO<sub>2</sub>e compensated as our contribution to climate protection

**75.7%**

share of electricity consumed in our offices that originated from renewables sources



**49%**

women (+-0%)

## — PEOPLE —



**1,577**

(+7.3%)

**4.8%**

of our revenue is invested in training and education for our people

**82**

out of 100 – the score our people gave our working environment



## — REVENUE —



**257 m.**

(+4.0%)

**82**

trainees (+7.9%)

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# About BDO

# About BDO

BDO Ltd is one of the leading audit, business services and advisory firms in Switzerland. We offer services in our core areas of expertise: audit, financial services, business services and outsourcing, tax and legal advisory, and management consulting. With 35 offices in Switzerland, our firm's network offers the most extensive coverage in the industry. For BDO's people – around 1,600 professionals – close links and expertise are the key to successful and lasting relationships with our clients. BDO Ltd audits and advises industrial and service sector companies, including SMEs, listed companies, banks, insurance companies, public authorities and non-profit organisations.

For clients with an international focus, BDO draws on a global organisation spanning more than 160 countries. BDO Ltd has its head office in Zurich and is an independent, legally separate Swiss firm belonging to the international BDO network, whose head office is in Brussels (Belgium).

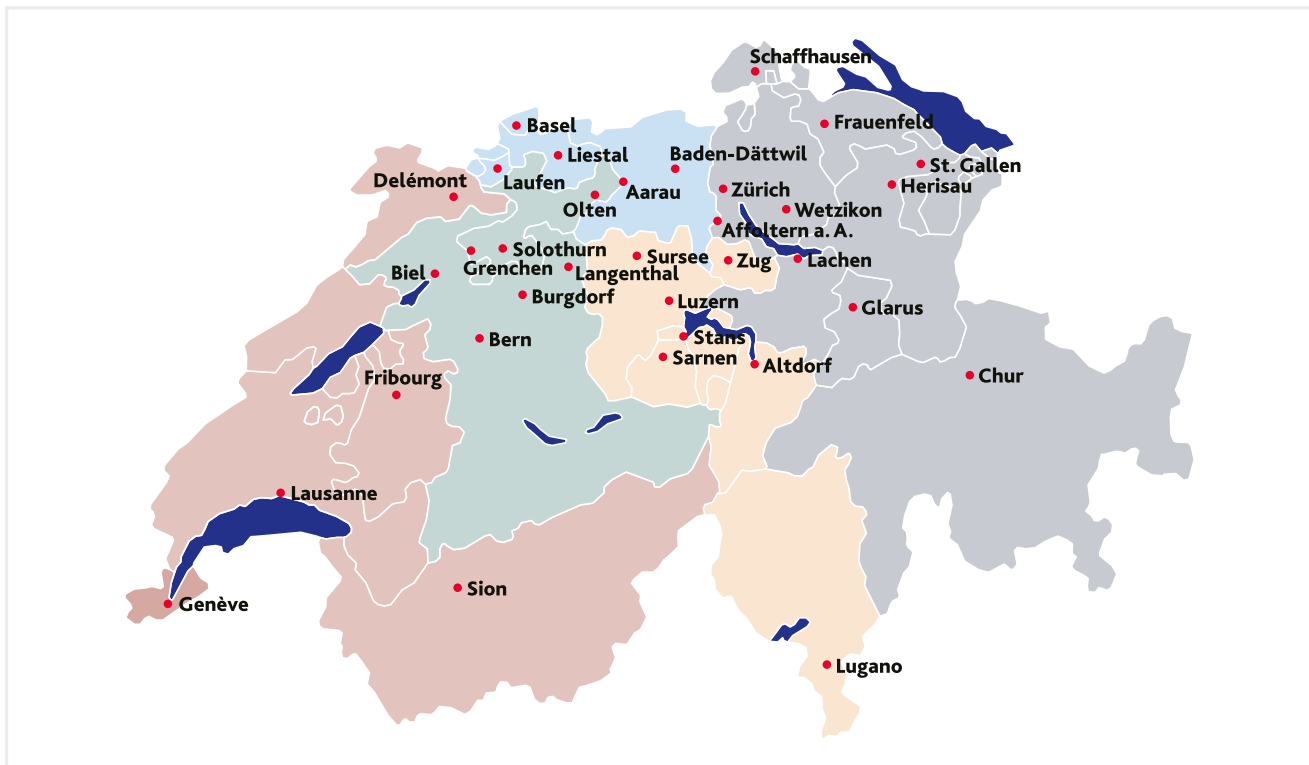
— Our vision —

**We're redefining service and proximity.**

# Legal structure, ownership and governance

## Market regions and service lines

BDO is divided into five market regions. Each of these is headed by a regional management responsible for the strategic, operational and personnel management of the region and the offices in their respective region.



Market regions and offices

In addition, BDO has the service lines Audit, Business Solutions and Tax & Legal. The head of each service line is responsible for professional and strategic management of BDO's services.



**Executive Committee:**

**Back (from left to right):**

Denis Boivin,  
Beat Rüfenacht,  
Stefan Kühn,  
Peter Baumgartner,  
Stephan Bolliger

**Front (from left to right):**

Marcel Rohrer,  
Yvan Haymoz,  
Thomas Studhalter,  
Harry Affolter



## Executive Committee

The Executive Committee is made up of the respective heads of the five market regions and the three service lines, together with the CEO. At least five members of the Executive Committee are certified public accountants.

Subject to the non-transferable and inalienable duties of the Board of Directors, the Executive Committee is responsible for the management of BDO. The CEO presides over the Executive Committee, manages the operating business and leads BDO's employees. The members of the Executive Committee are elected individually by the Board of Directors for a four-year term of office. The maximum term of office is 12 years in the same function.



**Board of Directors:**

**Front (from left to right):** Sibylle Kammer (Member of the Board of Directors), Harry Affolter (Chairman of the Board of Directors), Isabelle Cartier-Rumo (Member of the Board of Directors)

**Back (from left to right):** Thomas Studhalter (Delegate of the Board of Directors), Dr Michèle Etienne (Member of the Board of Directors)

## Board of Directors

The Board of Directors manages the business of BDO apart from tasks delegated to the Executive Committee. The Board of Directors has the following non-transferable and inalienable duties:

- Ultimate management of the company and the issuing of the necessary directives
- Definition of the organisation
- Structuring of the accounting system, the financial control as well as the financial anning, to the extent necessary for the management of the company
- Appointment and dismissal of the members of the Executive Committee
- Ultimate supervision of the Executive Committee, in particular with regard to compliance with the law, the articles of association, regulations and directives
- Preparation of the annual report
- Preparation of the general meeting and implementation of its resolutions, and the notification of the court in the event of over-indebtedness

The Board of Directors comprises two members of the Executive Committee, one BDO partner who is not a member of the Executive Committee, and two external members.

The members are each elected for an individual term of office of four years. The maximum term of office for the members is eight years, and 12 years for the Delegate of the Board of Directors (CEO).

## Ownership

BDO AG is a company limited by shares under Swiss law (Art. 620 et seq. Swiss Code of Obligations). It is a company with its own business name whose capital (share capital), which is determined in advance, is divided into partial amounts (shares); only the company's assets are liable for its obligations. The shareholders are only obliged to make the statutory payments and are not personally liable for the company's obligations.

BDO Ltd has a share capital of 3 million Swiss francs. Our 84 Partners hold an 80.5 percent stake in BDO, while our own pension fund holds the other 19.5 percent (as at 31.12.2022).

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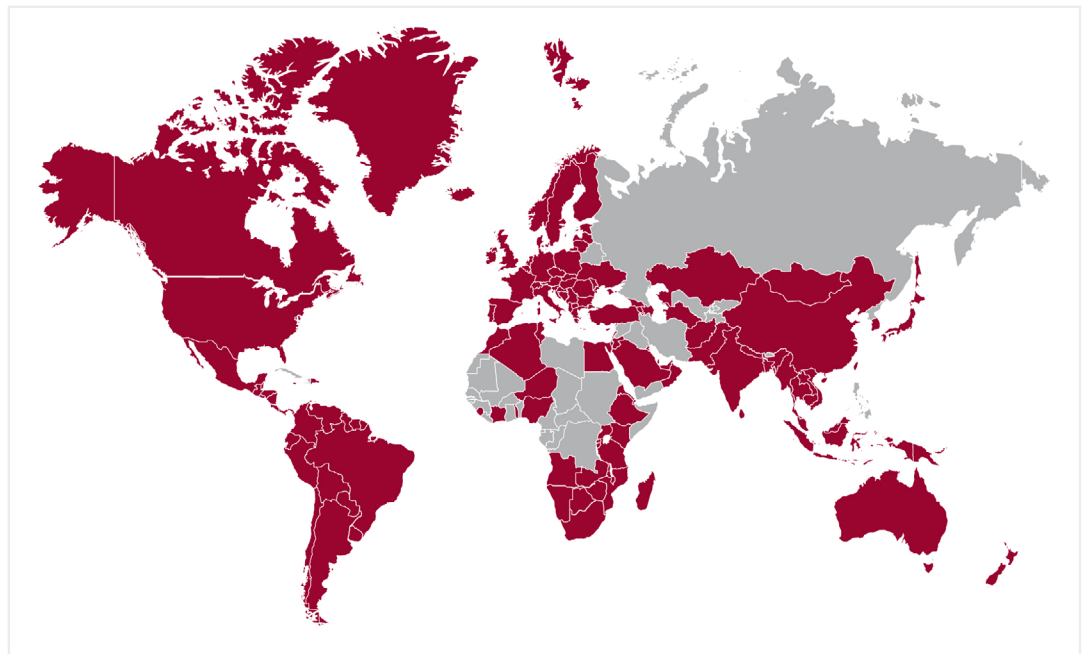
# BDO network

BDO Ltd is the independent, legally separate Swiss firm belonging to the international BDO network, whose head office is in Brussels (Belgium).

The global BDO network operates in 164 countries and 1,803 offices. Together, over 111,300 employees (+ 14.4%) generated total revenues of USD 12.8 billion (+ 12.1%) in the 2022 financial year.

The individual, independent members of the international network of public accounting, tax and advisory firms which perform professional services under the name of BDO cooperate closely and comply with consistent operating principles and quality standards. This pooling of resources contributes (worldwide) to a comprehensive understanding of our clients' business, the local and international markets and industry specifics: all backed by a truly global organisation. BDO is the brand name for the BDO network and the individual BDO member firms.

BDO network



## Governance of BDO Global

The BDO network is governed by the Council, the Global Board and the Global Leadership team of BDO International Limited.

- The Council comprises one representative, generally the managing partner, from each voting member, and represents the members of BDO International Limited in general meetings. The Council approves the BDO network's budget, appoints the Global Board and approves any changes to the Articles and Regulations of BDO International Limited.
  - The Global Board is the board of directors of BDO International Limited. It consists of one representative from each of the two to three largest BDO member firms in each region. The Global Board sets the policies and priorities for the global organisation and oversees the work of the Global Leadership Team.
  - The Global Leadership Team is responsible for coordinating the activities of the BDO network. It consists of the Chief Executive Officer (CEO), who is appointed by the Global Board, and the service line heads appointed by the CEO for Advisory, Business Development & Marketing, Business Services & Outsourcing, Risk, Quality & Governance, IT, Audit & Assurance and HR, as well as the CEOs for EMEA, Americas and Asia Pacific.
-

# Sharing mindsets – shaping the future

Our objectives are geared towards sustainable, shared impact. Proximity, which has no single definition, plays a central role in all our client relationships. It is our clients who decide what proximity to BDO should mean for them and what it should look like in the context of our working relationship. Whether through direct or digital interaction, our clients can expect to work with us, knowing that we are genuinely interested in their service needs, challenges and business requirements. Our claim “Sharing mindsets – shaping the future” reflects our collective understanding, commitment to partnerships of equals and joint, long-term collaboration.

## Our values

### People at the centre

- Care
- Trust
- Respect
- We before me



### Reliability

- Integrity
- Be a true professional
- Every client is important
- Model excellence



### Embrace change

- Be future-oriented
- Lead the way
- Grow and help others grow



### Empowerment through knowledge

- Listening attentively
- Share what you know
- Be curious



### Foster diversity

- Create an inclusive environment that focuses on promoting integration
- Enable flexibility
- Encourage “open minds”



### Responsible use of natural resources

- Use resources respectfully
- Consume resources sparingly and efficiently





“Valuing employees and clients and taking their needs seriously are the key to achieving long-term success. It’s a pleasure to work together in such an environment.”

**Oliver Häfeli, Head of Office**



“By regarding change as an opportunity and taking an active part in shaping it, we continue to develop and always help find the best possible solutions for our clients.”

**Claire Hubacher-Lanarès, VAT specialist**

## Conduct

We strive to be a reliable partner and to create value for our clients, our people and the communities in which we live. Achieving sustained economic success – whether for our clients, our environment or ourselves – is not BDO’s sole objective. Success should be the product of responsible conduct, because only then can we ensure positive and sustainable corporate development.

We can only meet these requirements if we – always and in every situation – comply with the applicable laws, regulatory requirements and our internal policies.

However, BDO’s Code of Conduct is not just about complying with laws, regulations and labour law directives. Beyond these, it sets out clear guidelines for responsible, ethical behaviour that is based on integrity.

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# Sustainability at BDO



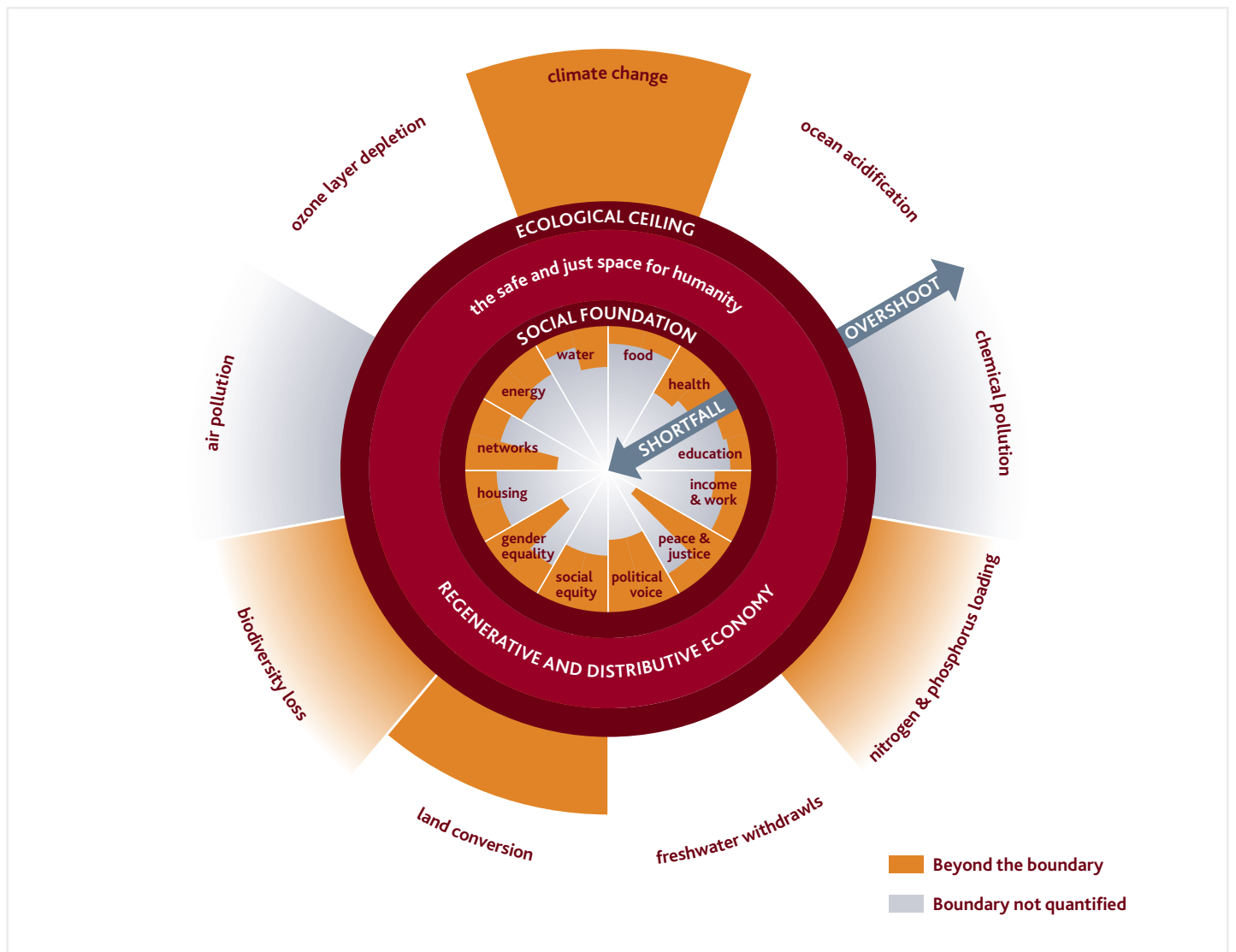
# Our understanding of sustainability

People, society and the environment are constantly changing. We are living at a time of significant challenges of our own making and our imperative now is to find sustainable responses to them. Companies also face growing challenges amid increased public awareness of diverse sustainability-related requirements. Alongside traditional business issues such as shareholder value, profitability, job security, taxation and general compliance, expectations around sustainable business have also increased.

Against this background, BDO's stakeholders also expect a lot from us. These expectations influence how we approach various issues in our corporate strategy. We make sustainability a top priority at BDO through our activities at various levels, including by:

- Making our operations more sustainable
- Helping shape the upstream and downstream value chain in a more sustainable way
- Providing sustainability services that support the transformation to a sustainable economy

For us, therefore, it is vital to have a clear understanding of sustainability. This forms the basis for BDO's overall contribution as a company and is something all our people can stand behind. To this end, we are guided by the concept of the "donut economy", which strives for a balance between the economy, the environment and social justice.



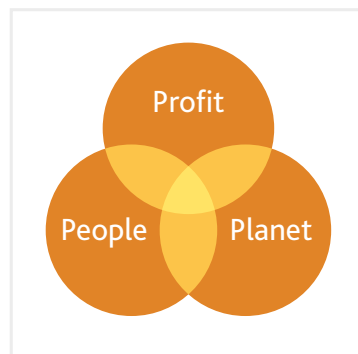
Donut economy (diagram by Kate Raworth)

The outer boundary of the donut reflects the ecological ceiling (air pollution, biodiversity loss, land conversion, etc.). The inner ring of the donut represents the social foundation (health, education, justice, equity, etc.) and signifies the agreed minimum social standards in the United Nations Sustainable Development Goals. Economic actors, as part of the donut ring, help shape a safe and just space for humanity between the ecological ceiling and the social foundation.

## Triple bottom line

Since it originated more than 25 years ago, the concept of the “triple bottom line” has become established in corporate practice. It is defined by the broad idea that corporate performance should be evaluated not only in economic terms, but on the basis of three dimensions, known in this model as the “three Ps”: people, planet and profit. The effectiveness of sustainability increases in line with its integration at different levels of the company – the more, the better. When implementing new processes, products, services and business models, we are careful to ensure that all three aspects of the triple bottom line are taken into account. In order to maximise our impact when implementing our sustainability principles, we focus primarily on measures along our value chain.

Triple bottom line



## Interplay of economy and environment

The modern, business-friendly understanding of sustainability differs significantly from previous interpretations. Today’s approaches follow a dual materiality perspective in which companies consider sustainability aspects from both the outside in and inside out. These two perspectives then form the basis for determining strategically relevant sustainability topics and reporting obligations.

Taking the outside-in perspective, companies have to analyse how sustainability factors such as climate change or biodiversity could impact the company’s performance and future cash flows. All factors that influence the value of the company must be taken into account. The second perspective, inside-out, focuses on what effects the entrepreneurial actions have on others, i.e. on people, society and the environment.

Double materiality



## Partnerships: Achieving more together

We strongly believe that individual organisations can achieve significant positive effects, but that together, we can achieve even more for sustainability. That is why we are committed to actively sharing our knowledge and experience. Moreover, we hope to accelerate sustainable change through our engagement as a member of organisations committed to a future-focused transformation of our environment, economy and society. Working with our specialised sustainability partners, we can also keep our finger on the pulse of new developments, trends and concepts.

We are committed to the following sustainability partnerships:



B Lab is an important partner for us with regard to internal sustainability. As a leading NPO for integrating sustainability into business enterprises, B Lab awards certification for achievements in the areas of transparency, accountability, sustainability and performance. As participants in B Lab's STI programme, we gain valuable insights into setting and communicating sustainability goals as well as planning sustainability measures.

[↗ B LAB SWITZERLAND](#) 



We have partnered with öbu, the Swiss Association for Sustainable Business, since 2011. The organisation promotes the implementation of the United Nations Sustainable Development Goals (SDGs) by Swiss organisations.

[↗ ÖBU](#) 



During 2022, we entered into a new partnership with GreenBuzz Zurich. GreenBuzz is a dynamic sustainability network that organises events for the business world with enthusiasm and innovative spirit. We expect this new partnership to help us build expertise within the company across all departments. We aim to make progress on our own sustainability agenda as well as continuing to provide expert advice to our clients.

[↗ GREENBUZZ ZÜRICH](#) 



Klimaplatform der Wirtschaft Zürich (Zurich Business Climate Platform) is a place to showcase business models and projects for resource and energy efficiency and decarbonisation. This partnership enables us to participate in cross-sector exchange about business cases and projects in and around the economic hub Zurich.

[↗ ZÜRICH BUSINESS CLIMATE PLATFORM](#) 

# Our material sustainability topics

Sustainability is a very broad concept, encompassing environmental issues, human rights and other issues. It is therefore important for a company to determine which issues are the most relevant and where it can pull the most powerful levers. Our materiality analysis lays the foundation for anchoring sustainability in our corporate strategy and developing our reporting approach. In our analysis, topics are considered from the dual materiality perspective. This means, on the one hand, that we analyse the impact of sustainability factors on our company's performance and, on the other hand, how economic decisions affect people and the environment.

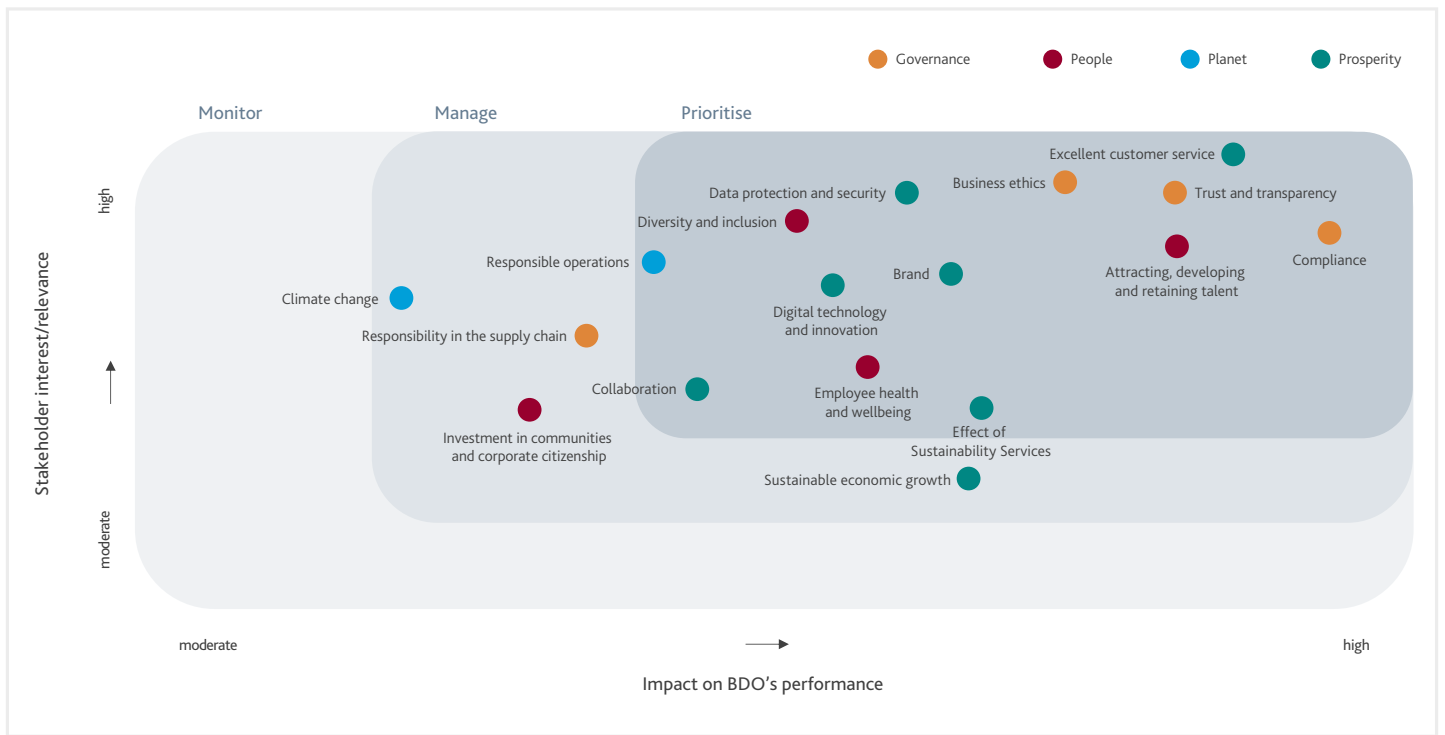
## How the materiality analysis reveals the need for action

The materiality analysis is designed to identify those fields of action that are most significant from the perspective of BDO and our stakeholders. To conduct the materiality analysis for BDO in 2022, we evaluated the relevance of the individual sustainability topics for our stakeholders on the vertical axis, in particular through media and trend analyses. On the horizontal axis, we measured the extent to which the individual topics affect BDO's performance.

We clustered our sustainability topics according to the approach of the International Business Council of the World Economic Forum, which divides sustainability into the four dimensions of environment, social, governance and prosperity.

After evaluating all of the company's material topics, we divided them into three areas to determine the strategic urgency of each individual topic. The aspects at the top right of the matrix received the highest score in the evaluation in terms of their relevance for our stakeholders as well as in terms of BDO's performance and are therefore treated with the highest priority. For example, we focus our attention on the topics "Excellent client service" and "Trust and transparency". Guaranteeing our clients the best service at all times is beneficial to their business and also positively impacts our performance. As an audit firm, we also see it as one of our top priorities to provide the greatest possible transparency regarding our business activities.

Our efforts to improve our performance extend to all areas, including those in the "Manage" and "Monitor" clusters. While we are placing a greater strategic focus on certain topics, we are still actively working on enhancing these areas to ensure a comprehensive approach to our operations. Even though the issue of climate change is yet to have a significant economic impact, we recognise the urgency of the problem and its importance for our stakeholders. For this reason, we need to set ambitious goals for the continuous reduction of our greenhouse gas emissions.



Materiality matrix 2022

## Proactivity builds resilience

The process of carrying out a materiality analysis enables us to identify at an early stage the opportunities and risks associated with our core business activities and to take consistent action based on the insights gained. By taking a proactive approach, we aim to make BDO more resilient in the face of changeable conditions. We are positioning ourselves to take advantage of opportunities related to sustainability, for example by using new technologies or entering into partnerships to enhance our performance.

The concept of “dual materiality” recognises that opportunities and risks can be material from both a financial and non-financial perspective. This allows BDO to take responsibility for – and manage – the actual and potential negative and positive impacts of our decisions on people, society and the environment.

It is important to note that the concept of sustainability is not static. At BDO, too, our understanding of sustainability shifts, and we will conduct the materiality analysis regularly to ensure that the relevant topics are always up to date.



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# Governance

# Ethical principles and independence

Independence is linked to our duty to be objective and act with integrity, and is considered a fundamental prerequisite for audit and assurance services. BDO and its people embrace a culture that emphasises ethical principles and independence.

## Regulatory basis for independence requirements

Legislators, regulators and the public have high expectations of audit firms' independence. The legal basis for independence requirements can be found in the Swiss Code of Obligations, both for the statutory audit and for the limited statutory examination (Art. 728 and 729 CO). Further provisions are set out in the Audit Oversight Act (AOA). Based on this, our professional body EXPERTsuisse has issued independence guidelines (RzU), which we have further clarified in our internal independence guidelines and the BDO Code of Conduct.

Depending on the type of engagement, the international guidelines of BDO Global may also apply. These are primarily based on the Code of Ethics for Professional Accountants (IESBA Code) issued by the International Ethics Standards Board for Accountants (IESBA). Where applicable, BDO must also ensure compliance with the standards of the US Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (PCAOB), as well as any other applicable local professional or regulatory standards.

## Threats to independence

Independence encompasses intrinsic and factual independence (independence in mind) as well as extrinsic independence (independence in appearance). The potential threats to independence from self-interest, self-auditing, lobbying, personal familiarity or intimidation are multi-faceted.

## Implementing requirements – mitigating risks

We offer regular training to enhance employees' awareness of the challenges associated with independence and obtain personal confirmations.

At BDO, clarifying independence and conflicts of interest is a mandatory step before an engagement can be accepted or continued. BDO serves clients who operate in several countries. For this reason, BDO, in cooperation with its global network, maintains processes, software solutions and a worldwide database with the necessary controls for compliance with independence regulations, for example with regard to additional services.



In accordance with the statutory rotation provisions as well as BDO's internal regulations, lead auditors may, among other things, only provide audit services for certain companies for a limited number of years. Technical tools are in place to support the timely identification of any rotation requirements. We communicate upcoming rotations to our clients at an early stage in order to ensure as smooth a transition as possible from the previous to the new lead auditor.

## Public interest entities (PIEs)

Public interest companies include, on the one hand, publicly traded companies within the meaning of Art. 727 para. 1 no. 1 Swiss Code of Obligations, i.e. companies which

- a. have equity securities listed on a stock exchange (this applies to Swiss and foreign exchanges)
- b. have bonds outstanding
- c. contribute at least 20 per cent of the assets or of the turnover to the consolidated accounts of a company in terms of letter a or b.

On the other hand, supervised entities within the meaning of Art. 3 FINMASA, which must commission an audit firm licensed under Art. 9a Audit Oversight Act to conduct an audit under Art. 24 FINMASA, also fall into this category. In the Principality of Liechtenstein, listed companies as well as banks and insurance companies are considered public interest entities.

In the financial year ended 31 December 2022, BDO audited the following public interest entities (PIEs).

### Publicly traded companies

Addex Therapeutics Ltd	PolyPeptide Group AG
Alpine Select AG	Reuss Private Group AG *
Astrocast SA **	Schaffner Holding AG
Banque Cantonale Neuchâteloise *	Skan AG
Bendura Bank AG ***	SKAN Group AG
Bergbahnen Engelberg-Trübsee-Titlis AG, BET	Spital Männedorf AG
EEII AG	Stiftung Kantonsspital Graubünden
EMS-CHEMIE AG	SunVesta Holding AG
EMS-CHEMIE HOLDING AG	Swiss Real Immo AG
ENR Russia Invest SA	TELEVERBIER S.A. **
Edisun Power Europe AG	VITRUVIA MEDICAL AG **
Habsburg Immobilien AG	Valartis Group AG
JUNGFRAUBAHN HOLDING AG	WISeKey International Holding AG **
Jungfraubahn AG	Wengernalpbahn AG
Mikron Holding AG	Wockhardt Bio AG
Mikron Switzerland AG	Xlife Sciences AG
NEBAG AG	mobilezone ag
Patrimonium Urban Opportunity AG	mobilezone holding ag
Phoenix Mecano AG	

\* AOA and FINMASA

\*\* Listed on an EU-regulated market

\*\*\* Liechtenstein under freedom to provide services

## Persons and entities subject to financial market supervision pursuant to Art. 3 FINMASA

ACOLIN Fund Services AG	L'Habitat Les Fourches & Cie, Société en Commandite de Placements Collectifs
AMG Fondsverwaltung AG	L'Habitat des Cyprès & Cie Société en Commandite de Placements Collectifs
AQUIS CAPITAL AG	LIMMAT CAPITAL Alternative Investments AG
AS Investment Management SARL	M.M. Warburg Bank (Schweiz) AG in Liquidation
Active Niche Funds SA	MBaer Merchant Bank AG
Alias Partners SA	MFM Mirante Fund Management SA
Appenzeller Versicherungen Genossenschaft	Mercer Alternatives AG
Arfina Capital SA	Mont-Fort Funds AG
Arvernus Capital AG	PMG Investment Solutions AG
Asia Green Real Estate AG	Parsumo Capital AG
AtonRâ Partners SA	Pascal Investment Advisers SA
Axioma Wealth Management AG	Pensofinance SA
Banque Cantonale Neuchâteloise *	Picard Angst AG
BERGOS AG	Plenum Investments AG
BWM AG	Privatbank IHAG Zürich AG
BZ Bank Aktiengesellschaft	Property One Investors AG
Bank von Roll AG	QCAM Currency Asset Management AG
BankMed (Suisse) SA	Quantus AG
Berger, van Berchem & Cie SA	Remaco Asset Management AG
Blackwall Capital Investment AG	Reuss Private AG
Bovay & Partenaires S.A.	Reuss Private Group AG *
Brainvest Wealth Management SA	Riedweg & Hrovat AG Vermögensverwaltung und Finanzberatung
Bruellan SA	RobecoSAM AG
CIM BANQUE SA	Rossier, Mari & Associates AG
Caisse d'Epargne Riviera société coopérative	SELVI & Cie SA
Caisse d'Epargne d'Aubonne société coopérative	SUSI Partners AG
Caisse d'Epargne de Nyon société coopérative	SWISS OPPORTUNITY SME, Société en Commandite de Placements Collectifs
Caisse d'Epargne et de Crédit Mutuel de Chermignon société coopérative	Santro Invest AG
Carnot Capital AG	SterWen BAM SA
Crypto Finance (Asset Management) AG	Swiss Asset Partners Vermögensverwaltungs AG
Crypto Finance (Brokerage) AG	Swiss Opportunity Real Estate Société en Commandite de Placements collectifs
Delen (Suisse) SA	Tolomeo Capital AG
Diem Client Partner AG	Tom Capital AG
Entrepreneur Partners AG	Trillium SA
FERI (Schweiz) AG	WERTGARANTIE Aktiengesellschaft, Hannover, Schweizer Zweigniederlassung Zürich
FORTUNE FINANCIAL STRATEGIES SA	Waystone Fund Services (Switzerland) SA
GAMA Asset Management SA	Weisshorn Asset Management SA
GZC Investment Management AG	Wyss & Partner Vermögensverwaltung und Anlageberatung AG
GeFiswiss SA	XO Investments SA
Gemsstock AG	YOUPLUS Assurance SCHWEIZ AG
Genossenschaft Krankengeldversicherung JardinSuisse	Yapeal AG
Genossenschaft Krankenkasse Steffisburg	Z3 Capital SA
Helvetische Bank AG	zCapital AG
Hottinger AG	
IBKR Financial	
IMAC Bond SA	
K-Tipp Rechtsschutz AG	

\* AOA and FINMASA

# Description of the internal quality assurance system

Trust and reliability are two closely connected qualities. After all, we can only gain our clients' trust by guaranteeing due diligence and quality in delivering our services, as well as independence and objectivity. To ensure this, BDO has implemented various processes and measures, which we review, enhance and adapt on an ongoing basis. These include:

## **Firm-wide quality assurance:**

- Risk management, i.e. systematic recording, analysis, evaluation and control of the most important risks within the company. BDO uses appropriate measures to ensure that errors are prevented to the greatest possible extent, that compliance with processes is monitored and that preventative measures are initiated in good time. Our company's open culture of collaboration is built on mutual respect and trust and forms the basis for a conscious approach to risks.
- Regular further employee training (see details on [page 45](#))
- Directives on the avoidance of money laundering or AMLA-relevant engagements as well as related topics and corresponding reporting obligations.
- Compliance with professional and trade secrecy requirements, information security and data protection, e.g. through technical and organisational measures, training, instructions and monitoring.
- Code of Conduct, which must be observed in all decisions and actions and which guides employees in making the right decisions.

### **Engagement-related quality assurance:**

- Review of the acceptance and continuation of engagements based on certain criteria such as financial risks and reputational risks for BDO, an independence review and other regulatory requirements as well as capability to provide the desired services. If the quality cannot be guaranteed, the engagement is not accepted or, in the case of an existing relationship, is terminated.
- Provision of appropriate resources, tools and guidance that help our employees to deliver the desired quality of service.
- Personnel management that enables and ensures quality through professional and appropriate selection, instruction and supervision as well as through suitable organisation and mutual open and transparent communication.
- Segregation of functions and joint signature with qualified dual control on engagements and in internal processes.
- Dedicated Client Partner principle, according to which all clients have a personal contact with broad generalist knowledge and, if necessary, access to further expert knowledge. In this way, we can offer the best business and technical solutions in all areas and regularly review the various services provided. This approach supports relationships built on trust, and a high-quality, holistic service.

### **Quality management in audits**

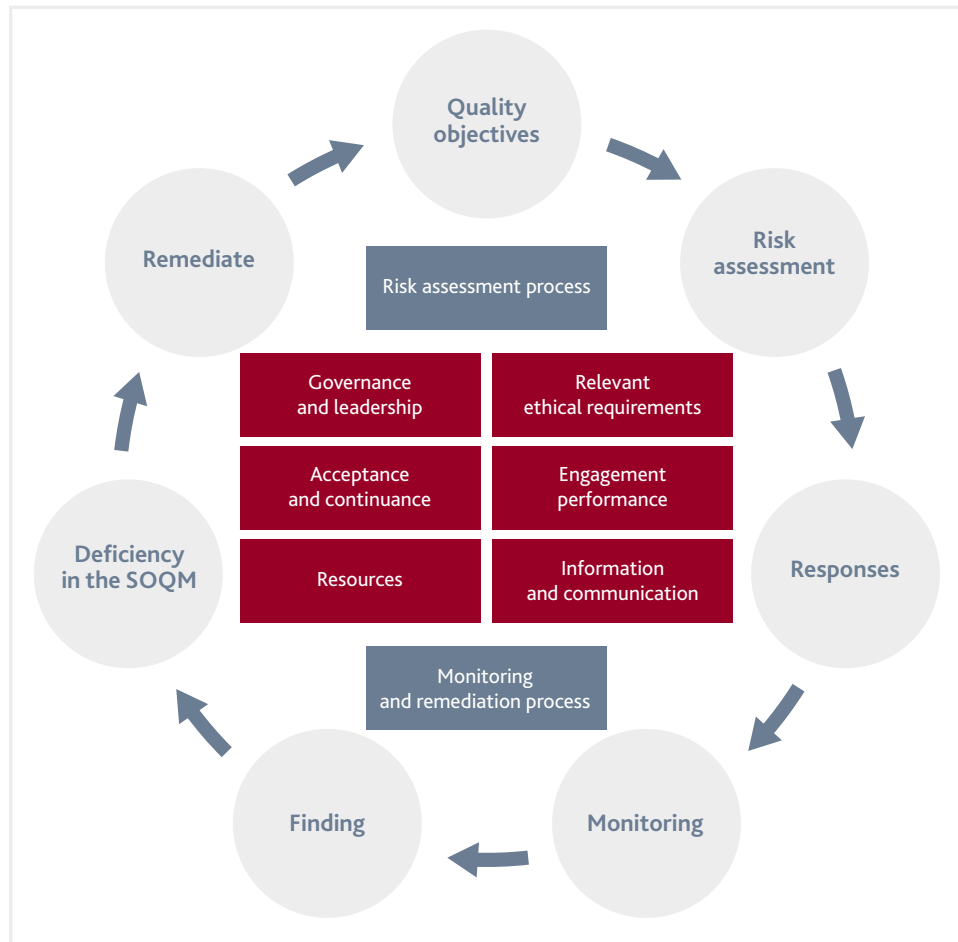
In December 2020, the International Auditing and Assurance Standards Board (IAASB) issued the International Standards on Quality Management (ISQM) 1 Quality Management for Practices Performing Financial Statement Audits, Reviews of Financial Statements, Other Business Audit Engagements or Related Services Engagements. A quality management system according to ISQM 1 consists of the following eight components:

- Firm's risk assessment process
- Governance and leadership
- Relevant ethical requirements
- Acceptance and continuance of client relationships
- Engagement performance
- Resources
- Information and communication
- Monitoring and remediation process

In addition to ISQM 1, the IAASB has issued ISQM 2 Engagement Quality Reviews and revised ISA 220 Quality Management for an Audit of Financial Statements. These three standards have superseded ISQC 1.

ISQM 1 requires a practice to design, implement and operate a system consisting of eight interrelated components. For each of the above components, the practice must establish the quality objectives to be achieved, identify and assess the risks of achieving the quality objective, and take action to address those risks. This is a continuous, iterative process as illustrated in the figure below:

Quality management process in accordance with ISQM 1



In order to meet the requirements of the standards and to have an ISQM 1-compliant quality management system by 15 December 2022, BDO has undertaken various activities. These include, but are not limited to:

- Assessment of the requirements specified in ISQM 1
- Analysis of the current quality system to identify changes and improvements needed to meet the requirements
- Identification and assessment of quality risks, and
- Development of measures to address these risks

In addition, BDO will determine and assess the effectiveness of its system on an annual basis in accordance with the requirements of ISQM 1 and initiate any measures to improve the system.

Operational responsibility for the audit quality management system rests with the Head of Audit & Assurance Quality Management (HAAQM), who was appointed in 2022, while ultimate responsibility remains with the CEO.

## Selected measures and instruments for quality assurance in auditing

In order to meet the professional requirements, BDO has implemented various measures and instruments to ensure the quality of the audit, including the following:

- Detailed system of directives on auditing
- Tools enabling the documentation and processing of audit engagements
- Deployment of engagement quality assurance specialists for publicly traded companies and for selected audit engagements subject to the Financial Market Supervisory Act
- Internal reviews are carried out on the one hand in relation to the engagement and on the other hand by reviewing the individual components of the ISQM 1
- Periodic Audit Quality Reviews by the BDO network
- Quality consideration in remuneration
- Performance of cultural audits, which capture cultural and behavioural developments by means of surveys
- Audit Quality Indicators (AQI) such as capacity utilisation, length of employment, employee turnover, proportion of women, sick days or equal pay

## External supervision

There are regular external inspections by regulators such as the Swiss Federal Audit Oversight Authority (FAOA), the US supervisory authority PCAOB and the Financial Market Authority (FMA) of Liechtenstein. In addition to the review of the quality management system (firm review), the FAOA's inspection includes the inspection of audits of public interest entities (file reviews). While the FAOA conducts its inspection annually, PCAOB inspections generally take place every three years and those of the FMA every five years.

## Assignment of tasks and responsibilities

The following individuals have been assigned responsibility for key functions:

- Risk Management Partner
- Head of Audit
- Head of Audit & Assurance Quality Management (HAAQM)
- Ethics and Independence Leader (EIL)
- Chief Information Security Officer (CISO)
- Data Protection Officer (DPO)

## External reviews:

- Annual review of BDO's financial accounting and financial matters by the external auditors
- External audits and certifications such as Information Security Management (ISO 27001)
- Establishment of an external reporting office for complaints and allegations, where clients or employees may report anonymously and provide information on any breaches

# Partner remuneration

Partner remuneration consists of a fixed salary, the share in corporate profits and the dividend. The main fringe benefits include a company car financed by BDO and attractive 2nd pillar pension plans. Partner remuneration is based on the remuneration policy, which is approved by the partners and based on market benchmarks.

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- Climate-neutral company
- Corporate real estate management

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# Environment



# Climate-neutral company

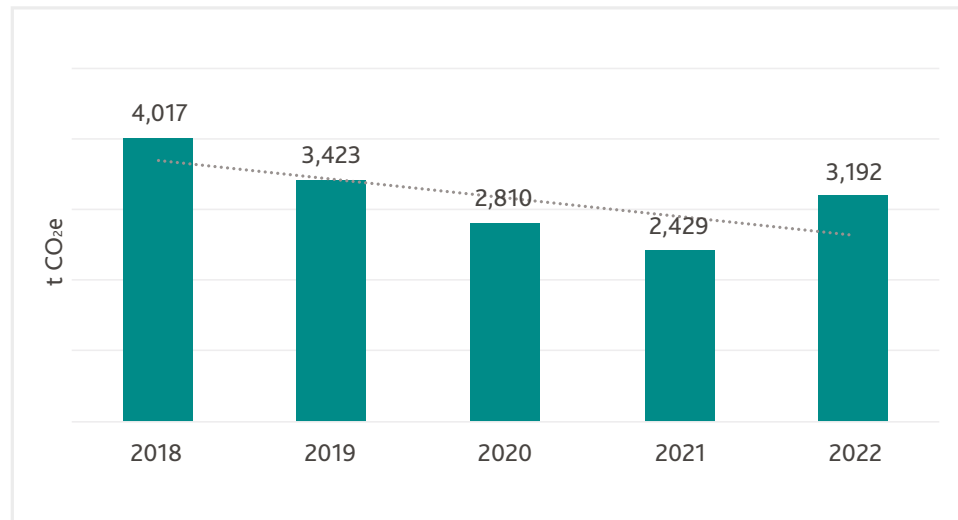
As a corporate citizen, we have a special responsibility to contribute to the reduction of greenhouse gas emissions. We have been working with myclimate for over five years to measure, offset and reduce our greenhouse gas emissions.



## myclimate foundation

Our partnership with myclimate strengthens our commitment to sustainability, for example by enabling us to support carbon offset projects. For the year 2022, we have once again received certification as a climate-neutral company.

In 2022, we emitted a total of 3,192 t CO<sub>2</sub>e. Compared with 2021, total emissions have increased by 31.4 percent (+763 t CO<sub>2</sub>e). The trend line below illustrates the development of emissions over the last five years.



Development of greenhouse gas emissions

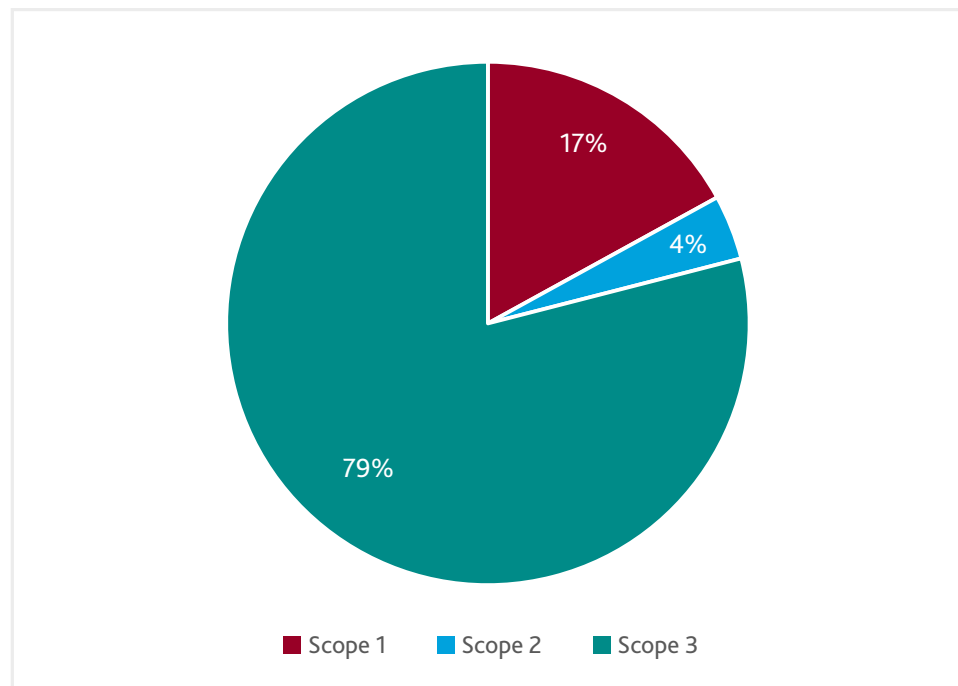
At 36 percent (1,142 t CO<sub>2</sub>e), business travel is the largest contributor to total emissions. In 2022, we also replaced our existing IT infrastructure with the purchase of new laptops. This one-off event also contributed to the increase in emissions.

The greenhouse gas emissions are assigned to three scopes, which distinguish between the source of the emissions – at the company itself or in upstream or downstream processes related to the production and transport of goods.

**Scope 1** includes all **direct emissions** from our own or controlled sources, such as business travel with company-owned vehicles.

**Scope 2** comprises all **indirect emissions** from the production of purchased energy consumed by BDO. If, for example, renewable energies are used to produce electricity, no emissions are reported here.

**Scope 3** combines all other **indirect emissions** arising from the production of raw materials, products or services used by BDO. Also included is business travel in vehicles that are not owned by the company.



Percentage of emissions by scope

## Pre-Covid trend continues

The increase in emissions is also due to the fact that all measures to contain the pandemic were lifted in the post-Covid year 2022, leading to an increase in business travel. Excluding the two pandemic years 2020 and 2021, CO<sub>2</sub> emissions tend to decrease.

Of the 3,192 t CO<sub>2</sub>e generated, we offset 2,233 t CO<sub>2</sub>e, distributed among various myclimate carbon offsetting projects. BDO was therefore able to make a sustainable contribution to climate protection. We supported the following projects in 2022:

- "Access to safe drinking water in Uganda and worldwide" (744 t CO<sub>2</sub>)
- "Solar power plant in Monte Plata, Dominican Republic" (755 t CO<sub>2</sub>)
- "Electricity from FSC woodchips in Itacoatiara, Brazil" (744 t CO<sub>2</sub>)

The remaining 959 t CO<sub>2</sub>e relates to commuter traffic and is not directly offset by BDO. However, we do implement appropriate measures to promote sustainable commuting. For example, when selecting office locations, we consider those with good public transport connections. We have also been taking part in the "Bike to Work" challenge for several years, supporting and encouraging our people to cycle to work. Together with our partner myclimate, we also conduct a mobility survey every two years and monitor developments. The results inform our planning of further measures.

➤ CLIMATE-NEUTRAL COMPANY 

➤ GREENHOUSE GAS EMISSIONS 2022 

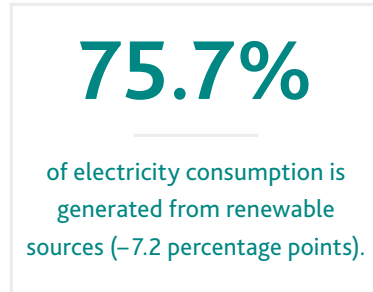
# Corporate real estate management

BDO's goal is to achieve sustainable use of natural resources and minimise CO<sub>2</sub> emissions in the real estate sector. Office locations and premises have a major influence on a company's economic and environmental footprint. With offices in accessible locations, BDO aims to encourage its people to commute more sustainably using public transport and non-motorised vehicles. Our efficiently equipped offices are designed to keep the space and energy consumption per workstation as low as possible. To this end, we have introduced guidelines for all our offices on the use of corporate real estate. We have defined key performance indicators that we collect throughout Switzerland and use for benchmarking. A monitoring report is prepared annually, detailing our activities, status of implementation and compliance with the requirements.

Since 2020, specialised BDO employees have been responsible for real estate management, supporting the office managers in their search for locations. They also help with the evaluation of properties, the design and development/conversion of office space, and the negotiation and conclusion of rental agreements. Sustainability criteria are also taken into account in the various activities. For example, BDO requires that all lighting be converted to LED, that as much of the existing building as possible be reused during extensions and conversions (reduction of grey energy), and that accurate heating/utility accounts be kept in order to allow a property's energy efficiency to be measured.

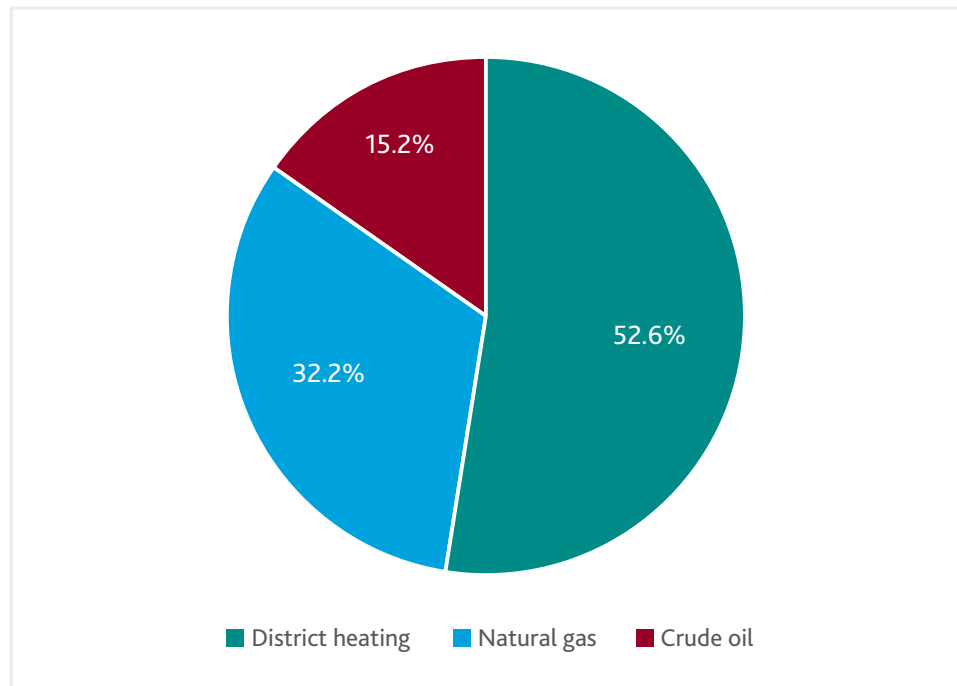
### Electricity consumption

BDO consumed 1,347,329 kWh of electricity on its premises in 2022 (-11.2%).



### Energy consumption

A further 3,030,122 kWh (+6.8 percent) was consumed for heating and cooling:



Energy consumption for heating and cooling

In order to reduce reliance on fossil fuels, we make a point of installing modern heating systems in new rental properties. For existing properties, we raise our concerns regarding sustainable energy solutions in the course of regular discussions with the landlord when renewing contracts. We also promote energy conservation at our offices by running awareness campaigns on energy saving.



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# People

# People

BDO's commitment to industry excellence also extends to the wellbeing of its people. We continuously strive to offer interesting, varied work and personal development opportunities, both now and in the future. We do this by providing an attractive, fair and flexible working environment that contributes to a high level of employee engagement and satisfaction. Because one thing is certain: good, committed employees are the key to our success.



In 2022, BDO was once again awarded the Kununu Top Company label. Positive reviews from current and former employees on kununu.com put BDO in the top five percent of Switzerland's most popular employers.

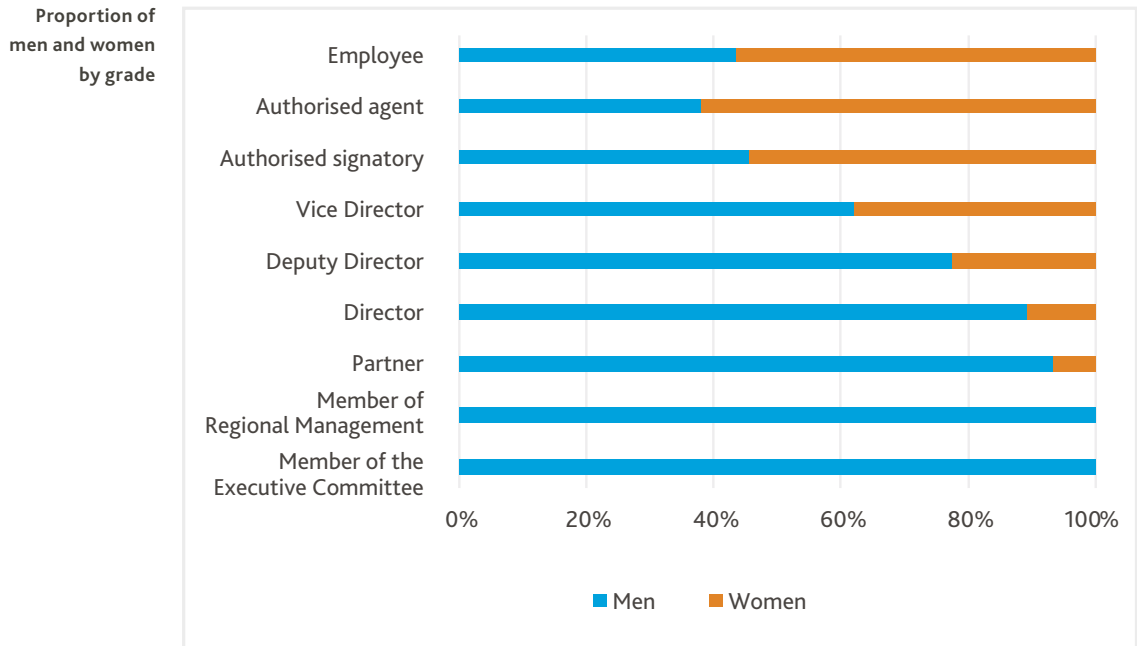


“There are various reasons BDO is a particularly attractive employer for me as an amateur athlete and group fitness instructor. One is the flexible working time model, which - with a bit of organisation and coordination with my team - enables me to teach some weekly fitness classes at a nearby gym. I really appreciate being able to combine roles and having the freedom that goes with that.”

**Yvonne Zihlmann, Auditor and fitness instructor**

## Employee structure

As of 31 December 2022, BDO has grown its headcount by 7.3 percent to 1,577 employees, 35 percent of whom work part-time. The average employee age is 37.9 years, which is in line with previous years. The proportion of women is 49 percent and this is distributed across the various grades as follows:





## Investing in the future

We are fully committed to providing our trainees with an excellent learning experience. We train apprentices in an inspiring working and learning environment, embrace a modern working culture with flexible working hours and support apprentices with our know-how and understanding. BDO has around 80 apprentices at any one time and is the largest training centre in Switzerland for young people pursuing a commercial apprenticeship in the fiduciary or real estate areas.

In 2022, all our 28 apprenticeship candidates successfully passed their final examinations. We pride ourselves on offering our people attractive prospects once they have successfully qualified. After all, our people's professional development, motivation and loyalty are key success factors for BDO.



“My apprenticeship enables me to dip into various interesting areas.”

**Nora Ramos, 4<sup>th</sup>-year apprentice**



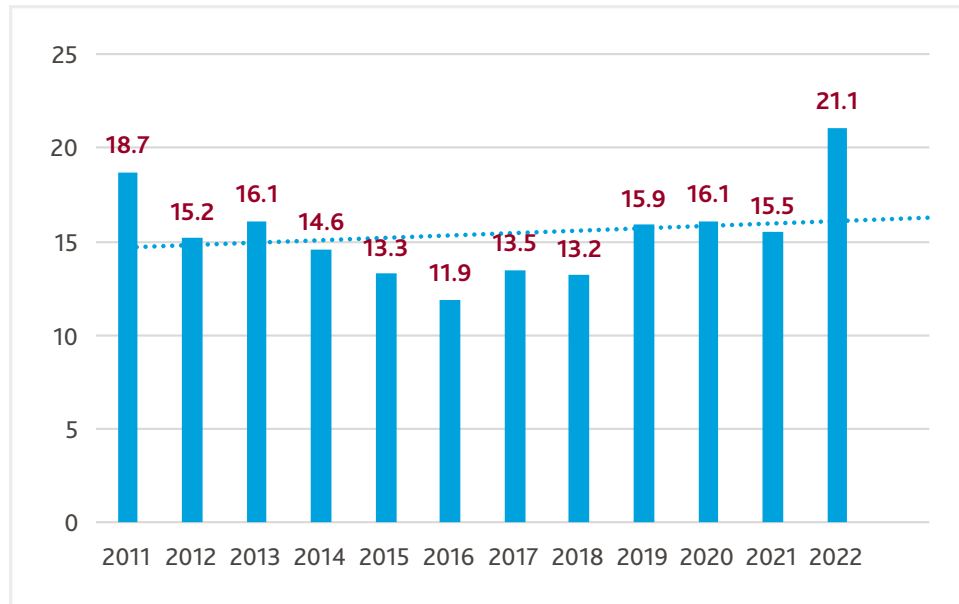
“As an apprentice, I always felt that I was in good hands. The variety of tasks I was entrusted with during my apprenticeship was the ideal preparation for a career in the industry. And now, even after my apprenticeship, I still enjoy the challenging work and appreciate the support I get as an assistant in Business Solutions: I'm happy to be part of BDO.”

**Celine Burkard, Assistant in Business Solutions**

## Employee retention

On average, our people stay at BDO for around six years. Employee turnover has increased over the last ten years, with the rate rising from 15.5 percent in the previous year to 21.1 percent (as of 31 December 2022).

Development of employee turnover



In response to this increasing turnover rate, BDO has taken measures to reduce the number of people leaving. These include improving onboarding support (welcome@BDO seminar), a workflow offering technical assistance to new joiners, the design and implementation of an introductory course for leadership employees, and a range of internal seminars.

## Diversity and inclusion

BDO supports an inclusive culture that reflects our corporate values. We promote equal opportunities, value diversity and foster a working and learning environment that respects the rights and dignity of all employees. To learn more about how BDO ensures a fair and open environment in which all our people can develop and thrive, visit our diversity and inclusion (D&I) website.

[➤ DIVERSITY AND INCLUSION \(D&I\)](#) 

The “WE” of BDO is of great importance to us. We inspire a sense of togetherness by cultivating an inclusive and diverse work environment where people interact with respect, and without prejudice. Only if everyone can discover their potential and contribute different views and experience will true value – and new ideas – emerge. The “WE” refers to the many aspects of our interactions with one another. Visit our website (WE at BDO) to find out what “WE” and diversity mean to our people. Their responses are as diverse as BDO itself.

[➤ WE AT BDO](#) 

BDO offers all employees the opportunity to get involved in diversity and inclusion (D&I) issues at the we@BDO group. Two groups deal specifically with equal opportunities, women's rights and LGBTI\* employees.

The main D&I tasks are:

- Create a non-discriminatory work environment and safeguard equal opportunities
- Leverage the potential of older and younger employees
- Enable a work-life balance and promote ways to manage work, leisure and family

### Protecting integrity

The BDO guidelines on the protection of our people's personal integrity sets out what we mean by personal integrity and defines various measures to be taken in the event of misconduct. Employees can choose to submit an internal report to the HR team, their direct superiors or General Counsel, or get in touch with the external whistleblowing office.

### Our partnerships to support diversity management



Swiss  
**LGBTI**  
Label

BDO is proud to have received the Swiss LGBTI label in 2022. The label recognises companies that are open and tolerant towards the LGBTI community.

[↗ SWISS LGBTI LABEL](#)

BDO is also a partner of Female Business Seminars and Advance – Gender Equality in Business. Both organisations pursue the goal of gender equality.



Advance is the leading business association for gender equality in Switzerland and has a network of over 140 Swiss companies committed to increasing the proportion of women in management positions.

[↗ ADVANCE](#)



Female Business Seminars continuously advocate for a gender-equitable corporate culture and economy and work with companies that have a genuine interest in increasing the number of women in their business.

[↗ FEMALE BUSINESS SEMINARS](#)

# Employee health

The working and performance culture at BDO places special demands on the mental and physical wellbeing of our employees and managers. Amid shifting values, employees also now have higher expectations of working conditions, development opportunities and work-life balance.

BDO supports mental and physical health in various ways, including through the following measures:

- Remote working
- Free external consulting at Movis
- Various regional offers for sports activities, such as yoga during lunch breaks
- A dedicated whistle-blower lawyer
- Well-equipped, ergonomic workstations, depending on the location
- Opportunities to request additional unpaid vacation days

As a result, BDO has a comparatively low rate of absenteeism due to accidents and illness as a percentage of target hours.

**2.8%**

Absence due to illness

**0.3%**

Absence due to accident

The number of accidents as a percentage of employees is 13.9 percent.

# Learning and career

Our people are the key to BDO's success – and their expertise and loyalty to BDO are a crucial factor in this. That is why at BDO we continuously invest in training and development for our people.

BDO places great emphasis on being an attractive employer. Targeted education and training programs, coupled with career planning, ensure the continuous availability of specialist, social, methodology and leadership skills. At BDO, we offer our people internal training opportunities at specialist conferences. We also invite them to attend internal seminars on a variety of topics such as leadership, working methods, retirement planning or work-life balance. The range on offer is designed to enable even seasoned BDO specialists to continue their development.

Auditors and fiduciaries are required by their respective professional associations to take part in ongoing training in order to maintain accreditation and keep their knowledge up to date. Much of this content is shared via e-learning tools or webinars.

Besides receiving financial support, Audit, Business Solutions and Tax & Legal employees who continue their education in our core competence areas are entitled to spend 270 working hours per year on continuing education.

**4.8%**

of revenue is reinvested  
into training and educating  
our people



“After four years at BDO, I moved internally from Advisory to General Counsel. This change of perspective also gave me an opportunity to develop on a personal level. I really appreciate being able to take on a new challenge without leaving the company.”

**Mario Marti, Attorney at Law, Office of the General Counsel**

# Employee engagement

Employee engagement measures an employee’s emotional attachment to the company. It shows how committed employees are – emotionally and in terms of intrinsic motivation – to implementing the company’s strategy and achieving its goals.

BDO generally conducts a people survey with all employees every two years, which is analysed anonymously and supported by Empiricon AG, Personnel and Market Research. The survey explores the following topics:

- Work content
- Working conditions
- Collaboration
- Leadership
- People development
- Information, communication
- Remuneration
- Client-centricity
- Attractiveness of BDO

Engagement is grouped into three areas: goal-oriented behaviour, job satisfaction and commitment:



In our most recent survey in 2021, the working atmosphere scored 82 out of 100 points – an above-average positive rating. This also shows that we have maintained a high level, having previously already reached a score above 80 in the 2017 survey.



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# Prosperity

# Annual report

BDO continues its positive business development of recent years. In 2022, the company generated revenues of CHF 257 million. This represents an increase of 4 percent on the prior year.

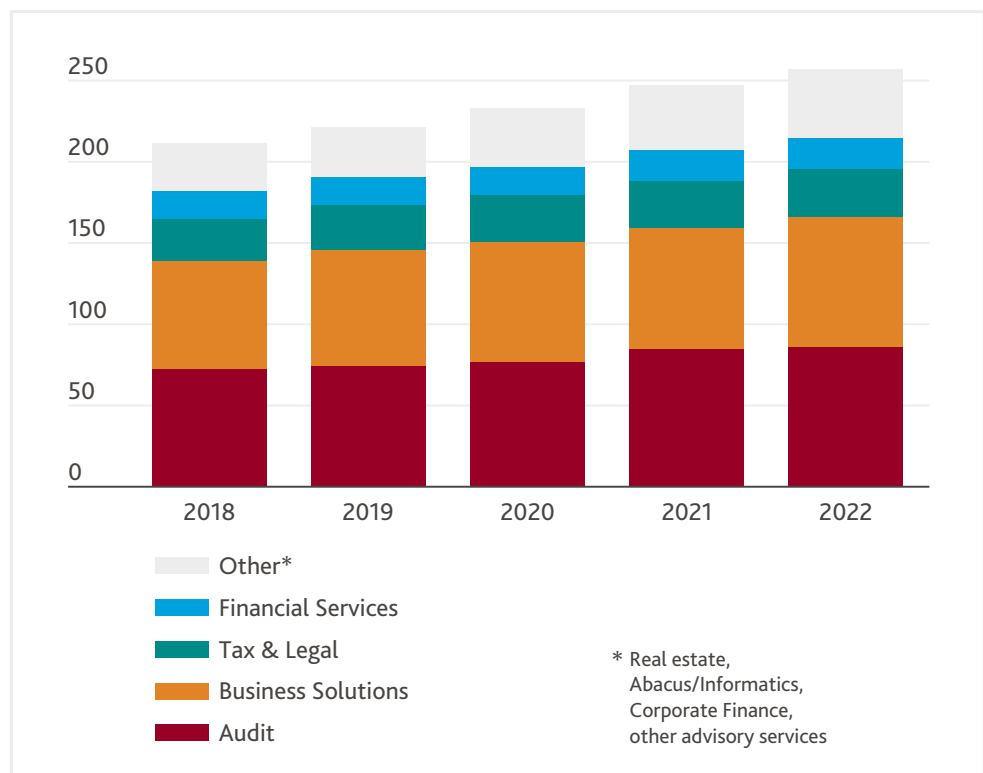
The year 2022 was dominated by uncertainty on many levels. Events such as cyber attacks, the war in Ukraine, energy scarcity and skills shortages have triggered new or growing business continuity challenges. In addition to crisis management, the business community was preoccupied with the extremely volatile legal situation. Enforcing the sanctions against Russia proved to be a complex task. In addition, several legal changes were adopted in 2022, such as the revision of company law, the new inheritance law and the revised Data Protection Act.

BDO was able to operate successfully and reinforce its market position despite the tough environment. The company succeeded in increasing its revenues from CHF 247.1 million to CHF 257 million. This sustainable growth is due, among other things, to the company's clear strategic focus and its efficient organisational structure.

ANNUAL REPORT 2022



Revenue by area  
(CHF million)





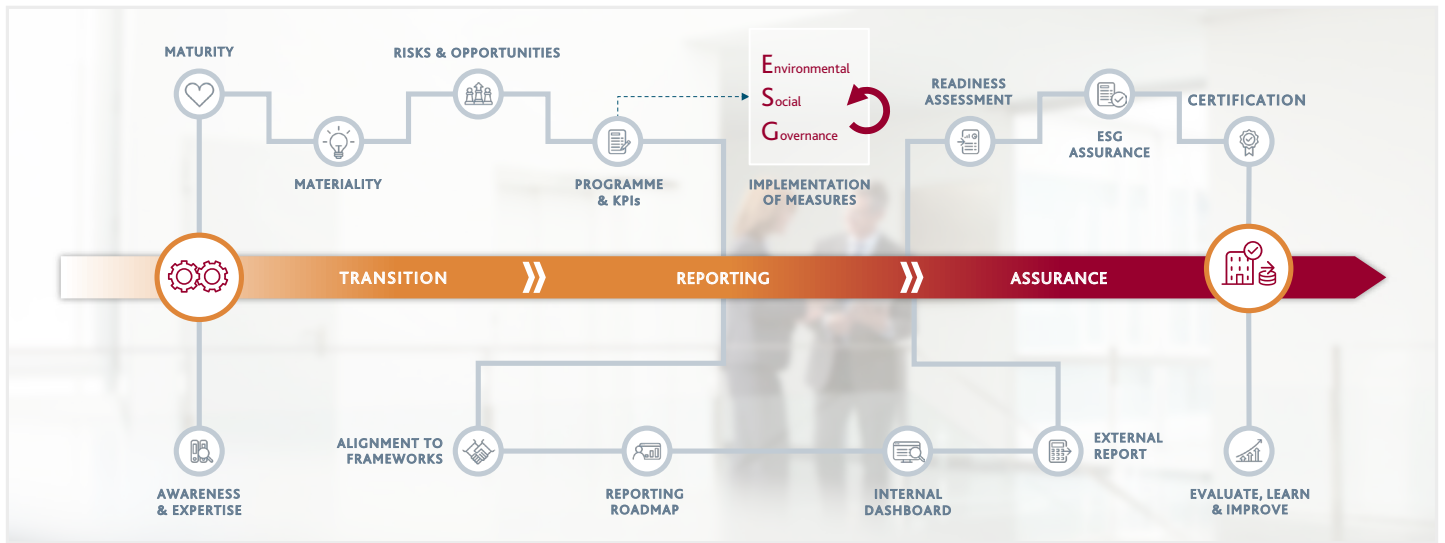
# Our Sustainability Services

As an audit and advisory firm, we are aware that BDO can make a significant contribution to the sustainable development of society and the economy through our core areas of expertise and specialisation in various areas of sustainability. At the same time, we observe growing demand for services on sustainability issues. For these reasons, we place great emphasis on expanding BDO's Sustainability Services.

BDO offers a portfolio of sustainability services across five topic areas to help companies operate in a more sustainable and responsible manner:

Sustainability Services





The path to sustainability reporting

Our services are designed to support companies along the entire road to sustainability. The aim is to prepare our clients for the future and to show them how they can contribute to a liveable environment and just society.

Our clients represent a very broad range of industries, segments and organisational forms: we support public interest entities, large corporations, financial institutions, SMEs, start-ups, public administrations and municipalities.

### ESG strategy

BDO supports clients in practising a holistic approach to sustainability management. Benchmark analyses deliver valuable insights into existing best practices, while the focus in the subsequent phase of change is on achieving a shared understanding of sustainability. It is essential to reaffirm management commitment and ensure that the organisation has reached the necessary level of maturity to develop and implement a sustainability strategy. Conducting a materiality analysis helps highlight the areas of action that are most important to organisations from the perspective of internal and external stakeholders. The economic, environmental and social impacts of business activities are also analysed. By applying a materiality matrix, opportunities and risks are identified and priorities are set in order to address the issues effectively and consistently. Finally, targets, KPIs and measures need to be defined and recorded in the sustainability strategy.

## ESG reporting

Reporting focuses in particular on compliance with national and international regulations. By aligning reporting with an established sustainability standard or framework, valuable implementation guidance can be obtained, which can then be integrated into the annual report or published as a stand-alone report.

## Audit

As part of our readiness assessments, we carry out an audit dry run of the sustainability report and make recommendations to bring reporting in line with the chosen regulations and standards.

While it will be mandatory from 1 January 2024 to have an auditor confirm compliance with the Swiss due diligence requirements in relation to conflict minerals and metals, voluntarily seeking independent assurance on other sustainability reporting also enhances an organisation's credibility and reputation. In addition, it will reveal any internal process deficiencies or control weaknesses and effectively prevent accusations of "greenwashing".

## Sustainable finance

BDO supports financial market participants in their function of redirecting capital, which is central in driving sustainability. This includes advising clients on the implementation – or post-implementation review – of sustainable finance self-regulation and sustainable finance industry standards.

We also advise players in the financial sector on their sustainability positioning. Clients can benefit from our expertise and get assurance when developing or introducing sustainable finance-compliant services. In addition, we advise on topics relating to compliance, risk management and control systems. Our support in ensuring the correct disclosure to clients and other stakeholders is also central. In offering these services, we make a decisive contribution to improving the transparency and reliability of data for our clients.

## Smart and Sustainable Cities

BDO helps municipalities to formulate their sustainability goals, e.g. in relation to protecting the environment and conserving resources. We also use our expertise in the areas of governance, organisation and public finance to support the implementation of more agile administrative structures or the development of conversion projects. In addition, BDO advises clients on regulatory and financial issues as well as on the development of intelligent infrastructure.

[➤ SUSTAINABILITY SERVICES](#)



## BDO Ltd

BDO Ltd is one of the leading audit, business services and advisory firms in Switzerland. We offer services in our core areas of expertise: audit, financial services, business services and outsourcing, tax and legal advisory, and management consulting. With 35 offices in Switzerland, our firm's network offers the most extensive coverage in the industry. For BDO's people – around 1,600 professionals – close links and expertise are the key to successful and lasting relationships with our clients. Our first fully digital office enables SMEs to also automate simple and standardised processes. BDO Ltd audits and advises industrial and service sector companies, including SMEs, listed companies, public authorities and non-profit organisations.

For clients with an international focus, BDO draws on a global organisation spanning more than 160 countries. BDO Ltd has its head office in Zurich and is an independent, legally separate Swiss firm belonging to the international BDO network, whose head office is in Brussels (Belgium).

## About this report

This sustainability report was prepared for the 2022 financial year and discloses BDO Ltd's understanding of sustainability for the first time.

BDO Ltd is not subject to the requirements of Swiss law to disclose non-financial statements in the financial year 2022. No external assurance has been provided on this report.

## Impressum

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