



BDO Malta

ESG & Sustainability Advisory Services

Driving stakeholder value with ESG



Introduction

BDO Malta can guide you along your sustainability journey with a practical approach focused on value creation and material risk management.

Sustainability' presents a challenge due to its breadth and complexity. According to the Oxford English dictionary, the definition of Sustainability is 'the ability for something to be maintained at a certain rate or level' and /or 'avoidance of the depletion of natural resources in order to manage ecological balance'. Companies use this blanket term as essentially a catch-all phrase to mean 'do better'.

The vernacular, terminology and even the meaning of sustainability has changed over time. For business we have seen it evolve from 'corporate social responsibility' which generally refers to the practices and policies that a company adopts to promote positive impact, to ESG (Environmental, Social, Governance) which is a metric-based reporting process that promotes the ongoing process of assessing, monitoring and improvement.

The increasing importance of ESG and Sustainability

Right now, for most companies, there is a growing business imperative to address sustainability.

Material risks companies face are broadening and becoming more complex with the realities of climate change, global health pandemics and rising industrialisation. These mounting risks are seeing a global movement emerge driven by capital markets, governments, community and various stakeholders calling for transparency and accountability across ESG to better understand the impact of business and industry on the environment and our societies. To date, business have not fully accounted for the true cost of doing business, and as such those costs have at times been unduly passed on to others.

By rethinking our businesses through the sustainability lens, we have the opportunity to unlock value and create positive change. At BDO, we aim to inspire, educate and lead an unstoppable movement for sustainable business practices in our markets.

Sustainability Integration

Benefits of integrating sustainability into your business



Consolidates corporate image and reputation.



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



Improves access to credit and the ability to attract investment.



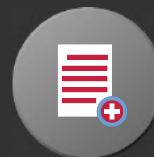
Systematically reports the link between strategy and financial performance, including impacts of ESG factors.



Identifies, monitors and manages non-financial risk effectively.



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



Activating sustainability in your business

Activation & continuous improvement

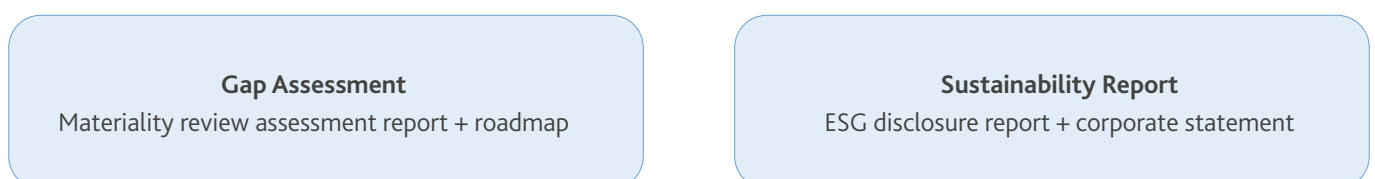
BDO's Activation Program helps organizations develop their ESG baseline which sets them on course to report, track, communicate, and improve on embedding sustainability across their organisation.

Clients are taken on the following journey to help them understand what sustainability means for their business, establish their ESG baseline, and systems and governance around how they can continue to manage and improve.

JOURNEY



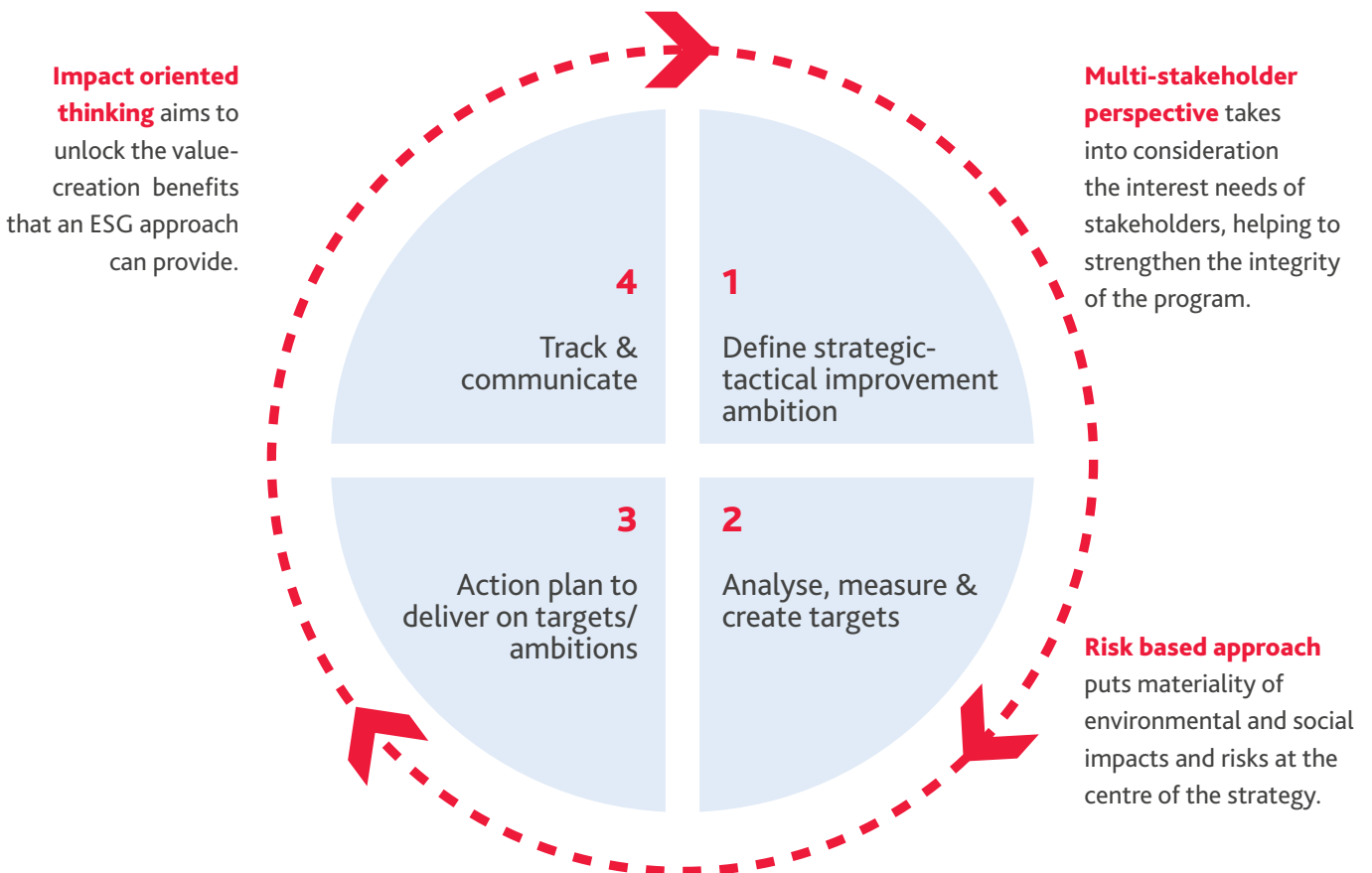
DELIVERABLES



Continuous Improvement

BDO Malta supports organisations define their ESG strategy, including tactical actions, implementation plans, measuring & monitoring, communicating and reviewing.

BDO Malta guides and advises around the opportunities and value creation, systems and governance to continuously improve and embed sustainability within the business. As a global firm, BDO ensures clients have access to up-to-date industry best practices and information to make informed decisions.



BDO's Sustainability Management Program provides in-house support for organisations as they navigate the integration process.

Integration

Integration of ESG into Core Functions

Leadership

Strategic oversight and support of integration of ESG factors across core business operations, ongoing governance. ESG-linked remuneration.

Legal & compliance

Management of risk/liability around ESG, internal controls, regulatory compliance (i.e. employment law and correct disclosures around material risks).

Information technology

Current data governance policies, onsite vs cloud storage, accessibility, data privacy, IT waste, CO2.

Diversity, equity, inclusion

Existing DEI initiatives, strategy and recruiting efforts, representation data, monitoring and reporting.

Human resources

Evaluate ESG-related employee benefits / wellbeing, workplace policies, key workforce data.

Facilities

Assessment of real estate portfolio: lease terms, energy use/type, water management.

Meetings & travel

Assessment of travel activities and Scope 3 emissions, review of travel policies & required travel, review of meeting & event vendor ESG commitments.

Finance

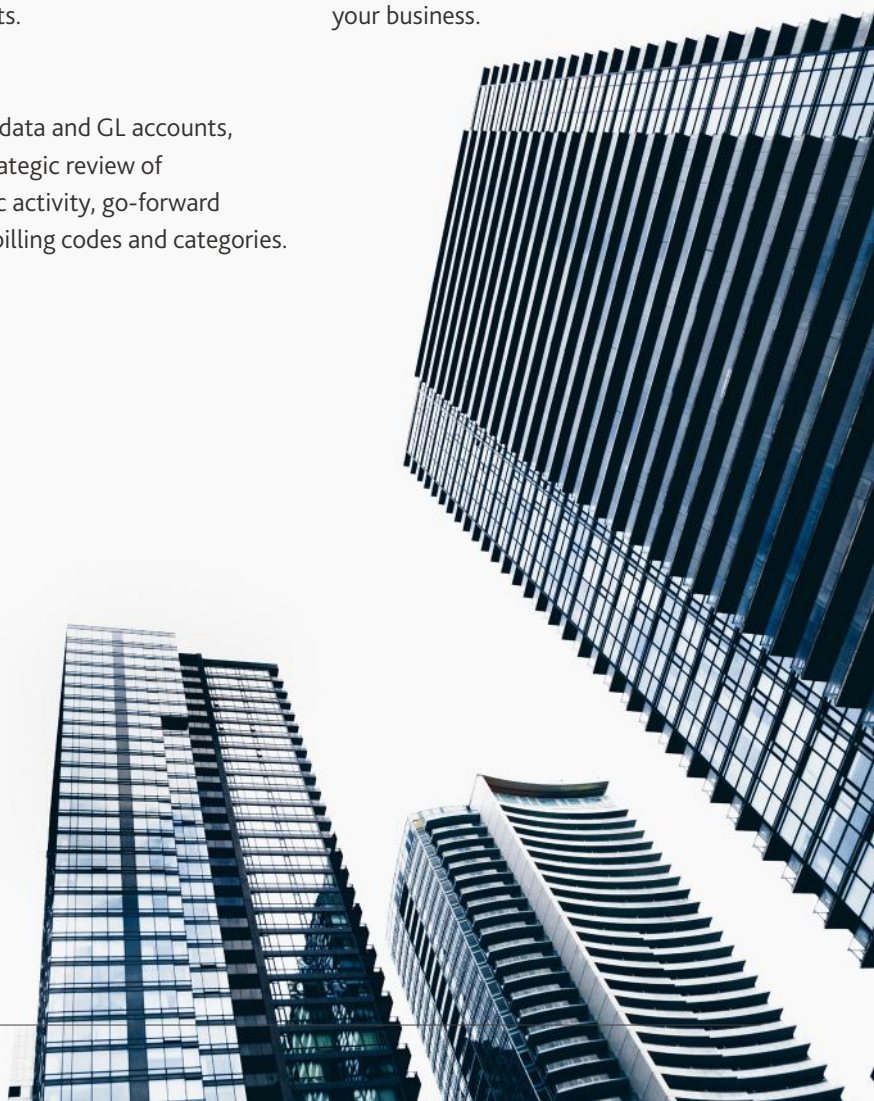
Audit of key data and GL accounts, including strategic review of philanthropic activity, go-forward strategy on billing codes and categories.

Procurement

Full review of supplier sustainability commitments, ESG supplier due diligence / criteria.

Marketing & communications

Own the narrative around your ESG/ sustainability journey - communicate on progress, impact and evolution of ESG integration into your business.



Strategic and integrated approach

At BDO we support our clients towards a strategic path of reporting, communication, dialogue and positioning among their stakeholders and market.

Materiality analysis is the foundational activity for the start of reporting. It consists of identifying the primary impacts of economic, environmental and social elements, summarized in a Materiality Matrix. This methodological analysis helps to determine the broader dimensions of the organization, defining its strategic role with respect to the sector and the challenges within a national and international context.

Stakeholder engagement is an activity carried out with the purpose of updating the Materiality Analysis. BDO would propose a strategic engagement program with key stakeholders to ensure communication and alignment of program objectives.

"Integrated thinking" aims to look at a business holistically to find value-creation opportunities using a combination of financial and non-financial methods. BDO accompanies the organization in a journey of value creation including a short, medium, and long-term horizon. Using internationally recognized frameworks, BDO promotes ESG reporting processes that allow the periodic publication of non-financial report (besides the annual financial report), or integrated financial report - namely a single annual document containing both financial and non-financial information in accordance with industry standards.

Role of the sustainable development goals - The SDGs encourage businesses to make sustainable development a central part of their business strategy to ensure organisations meet the needs of the present without compromising the needs of generations to come.

BDO Sustainability Services

BDO Malta brings significant expertise in providing technology solutions and support to gaming companies

BDO's breadth of experience is reflected in our global footprint across 167 countries and our 100,000 strong workforce. We have the ability to mobilise niche and specialised skills from across our network to deliver. This is particularly useful given the breadth and nature of sustainability. In Malta, our services encompass the following, as we utilise our network and partners to help deliver a collaborative and co-innovation approach to solving new-age issues and problems.

Strategy & Industry Intelligence

- ▶ ESG strategy
- ▶ Stakeholder engagement & materiality assessment
- ▶ Gap assessment & peer benchmarking
- ▶ ESG policy frameworks & management systems
- ▶ Independent Industry Overviews

Disclosure & Communications

- ▶ Sustainability / ESG Reporting
- ▶ Tech-based reporting solutions – data collection and metrics management

Education & Development

- ▶ ESG training and education
- ▶ Sustainability Management Program

Implementation & Continuous Improvement

- ▶ Pathways to Net Zero
- ▶ Circular Economy
- ▶ Social indicators

Principals of Governance

- ▶ ESG governance system
- ▶ Business ethics & transparency – Whistleblower Protection Services
- ▶ Cybersecurity
- ▶ Responsible tax
- ▶ ESG risks & opportunities management
- ▶ ESG due diligence
- ▶ Audits & assurance
- ▶ Sustainability reporting – Third-party Assurance

Why BDO is the Right Partner

Our Unique Value Proposition

More than just risk mitigation

We work alongside our clients to understand, identify, quantify and support reporting on climate change, greater talent diversity, more transparent supply chains and other important sustainability issues. Where others focus on sustainability risk, we see opportunities to enhance clients' reputation, improve their data quality, optimise existing processes and open new markets rewarding any sustainability investments.

Practical approach to addressing our clients' unique needs

No two businesses are the same, and neither is their readiness, desire and ability to embrace sustainability. We take a practical approach to working with clients no matter where they are on their sustainability journey, including reporting maturity, available resources, data and reporting processes.

Systems-based approach to sustainability

We take a systems-based approach to unearthing sustainability opportunities and solving challenges. By looking for connections between key issues, goals and ambitions and deployment of limited, competing resources, we strive to improve the organisation's sustainability infrastructure and processes – to support more efficient and leading to more informed decision-making.

We are trusted to advise on corporate reporting developments

BDO is a trusted partner providing high quality audit, tax and business advisory services. By integrating our financial reporting teams with our corporate sustainability practitioners, we are in a strong position to advise clients how to navigate the fast-moving sustainability space. We approach our clients' sustainability journey in an integrated way – by deploying cross functional and globally experienced teams to connect any issues and deliver strategic value to our clients.



Our approach

We employ a collaborative, pragmatic approach working alongside our clients, according to their needs and maturity level.

Our client experiences

Our BDO team has completed ESG Strategy projects in multiple industries, that have prepared us for any client environment.

Our global network

Accessing the expertise in our global network, we will find the right people with the right skills for the job, able to gather data and provide a business intelligence and forward-looking approach.

Our culture and values

Our values of honesty, integrity, quality, respect and accountability are integral to our everyday operations and enhance our clients' experiences.

Our diverse backgrounds

BDO is proud to provide an inclusive working environment that values and respects everyone. We recognise, respect and celebrate the valuable differences among us.

FOR MORE INFORMATION:

BDO MALTA

Triq it-Torri Msida
MSD 1824
Malta

Tel: +356 2342 4000

info@bdo.com.mt

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