



ESG IN ENERGY & NATURAL RESOURCES

Driving stakeholder value with ESG

Deep industry experience to help clients navigate challenges at home and abroad

ESG programs for energy and natural resources (E&NR)

In today's world, **environmental, social, and governance (ESG)** is a core pillar of value creation for businesses. Due to an evolving set of expectations from stakeholders, changes in current environmental regulation, and the pending implementation of integrated audit standards (financial and non-financial information) for publicly-traded companies, a holistic approach to ESG is no longer a discussion for E&NR entities—it's a necessity.

The environment and community engagement have long been table stakes for E&NR entities. A robust ESG initiative, however, will go further to encompass other ESG programs including greenhouse gas (GHG) emissions measurement and reduction strategies under the environmental (E), and equity, inclusion, and diversity imperatives under the social (S).

If energy and natural resources companies want to maintain access to capital markets and be positioned for long-term success, investing in an ESG program is essential.

ESG issues specific to E&NR

Every industry has different driving forces behind the development of ESG Programs. The following issues are material to the E&NR sector:

1. Access to capital:

Scrutiny from the public over greenhouse gas emissions makes it harder to obtain capital for E&NR firms. Capital is being allocated towards insurgent competitors in the sector and taking market share.

2. Business model disruption:

Weather events and wildfires are occurring more often, and with greater intensity, making climate change appear more imminent to people. As a result, E&NR firms are experiencing pressure to innovate their business model and reduce their environmental impact.

3. Enhanced community engagement:




Pressure is increasing on companies to reevaluate their role in local and global communities. For E&NR companies, most of the scrutiny focuses on environmental issues (i.e., water use, waste, air pollution, transparency, etc.). To successfully navigate this transition, it is vital to have a robust ESG program with enhanced community engagement to maintain the social license required to operate.

4. Regulatory compliance:

Upcoming ESG regulation will make it mandatory for E&NR companies to implement a sustainability strategy and report on progress through formal ESG-integrated reporting (as outlined above). While ESG reporting is currently voluntary, this will become a requirement by stock exchanges in the near future.

How BDO's sustainability services can help

Our ESG specialists and services can support you regardless of where you are in your sustainability journey.

Strategy 	Implement and optimize 			Measure 
<p>ESG strategy and program development (full and light).</p> <p>Climate change strategy and risk.</p>	<p>Technology innovation and transformation.</p>	<p>Technology enablement.</p> <p>Program implementation and management.</p> <p>ESG technology selection and system implementation.</p> <p>Process risks and controls implementation.</p> <p>GHG emission and carbon management.</p>	<p>Social performance measurement.</p> <p>Governance performance management.</p> <p>Supply chain risk and traceability management.</p> <p>Sustainable finance.</p> <p>M&A sustainable finance: M&A ESG due diligence, ESG investment portfolio, integration, and impact assessment.</p>	<p>ESG target setting.</p> <p>ESG reporting.</p> <p>ESG assurance.</p> <p>Third-party assurance.</p>



What our clients say

“Our investors have praised our ESG report, citing it as a valuable resource that provides insights into how ESG issues can be addressed. This praise is due to BDO’s ample industry knowledge, skill, and support throughout our ESG journey.”







– Jon Gilligan, COO, Liberty Gold

What our leading specialists say

“Investing in an ESG program is more important now than ever. Organizations operating in the energy and natural resources industry need to be aware of the increased pressure to measure and report on ESG metrics and demonstrate impact on issues that matter. Forming an effective, sustainable ESG strategy and leveraging technology to support your ESG journey will optimize growth and set your organization for long-term success.”

– Pierre Taillefer, National Sustainability & ESG Leader, BDO Canada

Benefits of investing in ESG programs for energy and natural resource companies:

-  Early integration of an ESG program strategically positions your organization for long-term success.
-  Brand reputation.
-  Access to capital.
-  Talent attraction and retention
-  Safe and sustainable operations.
-  Operational efficiency and innovation
-  Compliance
-  Partnership opportunities and community impact.

TO LEARN MORE, PLEASE CONTACT

Pierre Taillefer

National Sustainability &
ESG Leader
ptaillefer@bdo.ca

Amanda Tso

Operational Excellence Leader,
Advisory & National Valuations
Practice Leader
atso@bdo.ca

ABOUT BDO

BDO is a leading provider of professional services, delivering a range of assurance & accounting, tax, and advisory services. Complemented by continuously advancing technology expertise, ESG focus, and 100+ years of being connected to local communities, we’re proud to cultivate ongoing relationships with clients and employees across Canada and beyond.

Our people-first approach to our talent experience has earned us multiple awards, including a spot among [Canada’s Top 100 Employers for 2022](#).

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