

**BDO MODERN SLAVERY
STATEMENT**

Financial Year Ending 30 June 2021

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OVERVIEW

Relationships underpin the way we work at BDO. How we support our people, advise our clients and engage with our suppliers is designed to deliver ideas and insights that create value. We achieve this by nurturing quality-driven people across our entire firm and providing them with an environment that fosters an inherent appreciation for community and acting as one – both integral parts of our core values.

At BDO, we are dedicated to treating all people with due respect and facilitating workspaces and relationships that are safe, ethical and transparent. We strive to not pursue relationships that facilitate, endorse or encourage modern slavery practices, whether directly or indirectly.

The 2020 financial year marked the start of our modern slavery due diligence journey. It was the first period in which BDO undertook mandatory reporting on modern slavery, in accordance with the Modern Slavery Act 2018 (Cth).

We are pleased to highlight the progress made in our modern slavery risk assessment process during the 2021 financial year, and the actions we have taken to further mature our response to modern slavery risk management in the 2021 Modern Slavery Statement (the Statement).

This includes, but is not limited to, an enhanced and automated supplier due diligence process supported by a third party, further enhancements to contractual terms with our suppliers and clients to further describe our modern slavery obligations and expectations, and a shift from a reactive to a more proactive approach to modern slavery risk management.

To govern our approach, BDO's Risk Management Committee assists the Board with objective oversight of the approach taken to address modern slavery risks within BDO, in accordance with the BDO Risk Management Framework.

Based on the due diligence undertaken on our people, clients, and suppliers, BDO is pleased to announce that no instances of modern slavery were identified in our operations or supply chain in the 2021 reporting period. Eliminating modern slavery risk in our environment and our dealings is our long-term goal, so to further mature our response in the 2022 financial year we will:

- ▶ Address the actions described herein as the next steps to support a fully proactive risk approach to modern slavery
- ▶ Aim to more effectively measure the effectiveness of actions taken to ensure continuous improvement.



TONY SCHIFFMANN
CHIEF EXECUTIVE
PARTNER

OUR COMMITMENT

BDO's core values of One, Bold, Human, Strive and Heart guide the direction of our operations and set the standard for our interactions within the community. We firmly believe that when people and our community come first, business success will follow. We strive to ensure that all people – including those in the broader community – are afforded human rights. All actions we take as a business are undertaken with the aim of improving our systems, processes and overall commitment to the management and eradication of modern slavery risk.

BDO is committed to:

- ▶ Operating its business in accordance with the Modern Slavery Act 2018 (Cth)
 - ▶ Ensuring our people understand modern slavery and the risk it presents to our operations
 - ▶ Providing our people with appropriate avenues for reporting potential instances of modern slavery within our operations, or the operations of our suppliers and/or clients
 - ▶ Mitigating modern slavery risk within our operations
 - ▶ Eliminating potential and/or actual modern slavery practices from our operations and supply chain
 - ▶ Utilising the due diligence completed to date to facilitate effective action plans and 'next steps' in the pursuit of modern slavery risk mitigation and elimination using a proactive approach
- ▶ Ensuring appropriate transparency with our people, clients, suppliers and stakeholders regarding the maturity of our modern slavery due diligence process and the findings arising from this
 - ▶ Enhancing our plan for measuring the effectiveness of our existing modern slavery risk framework.

Reference to modern slavery in this Statement is aligned with the principles set out in the Global Survey Index 2018, and carries the meaning given to it in the Criminal Code Act 1995 (Cth). Modern slavery captures several slavery and slavery-like practices under one common term, and includes, but is not limited to, instances of exploitation that a person cannot refuse or depart from because of threats, violence, coercion, deception and/or abuse of power.



OUR STRUCTURE AND OPERATIONS



OUR OPERATIONS

BDO operates in Australia as a network of independent member firms, all of which are members of BDO Australia Limited (BDO Australia). BDO Australia, in turn, forms part of BDO International and its network of independent firms. BDO Australia provides governance and administrative support to member firms on a national scale, but the BDO Australia entity (a company limited by guarantee) does not itself provide professional services to our clients. BDO Group Holdings Limited is the sole reporting entity for the broader BDO Australia group. This reporting entity captures the Brisbane (including Mount Gravatt), Sydney, Melbourne and Sunshine Coast offices.



OUR REPORTING ENTITIES

In accordance with the Modern Slavery Act 2018 (Cth), all entities with a consolidated revenue of more than \$100 million within a given financial period must submit a Modern Slavery Statement. As of 30 June 2021, and in connection with the continued integration of BDO's Australian entities, BDO Group Holdings Limited (BDO herein) is the sole reporting entity for the broader BDO Australia group.

The delivery of the Modern Slavery Statement is a collective effort, considering the collated data and corresponding analysis of all reporting entities and controlled entities. On 6 July 2021, our Adelaide office merged with BDO Group Holdings Limited. This increases the scope of data we will consider in the 2022 Modern Slavery Statement.

BDO provides professional services to a diverse range of clients, from corporate organisations and private businesses to entrepreneurs and individuals across a broad array of industries. Service lines within BDO are categorised as follows:



OUR GOVERNANCE

BDO is committed to employing corporate governance practices that support our compliance with applicable standards and legislative instruments, and also align with community expectations. In pursuit of this end, the BDO Board plays the principal role in the direction of corporate governance. Board responsibilities include governing, guiding and directing us towards the satisfaction of company objectives, in the interests of our employees, our shareholders and the community.

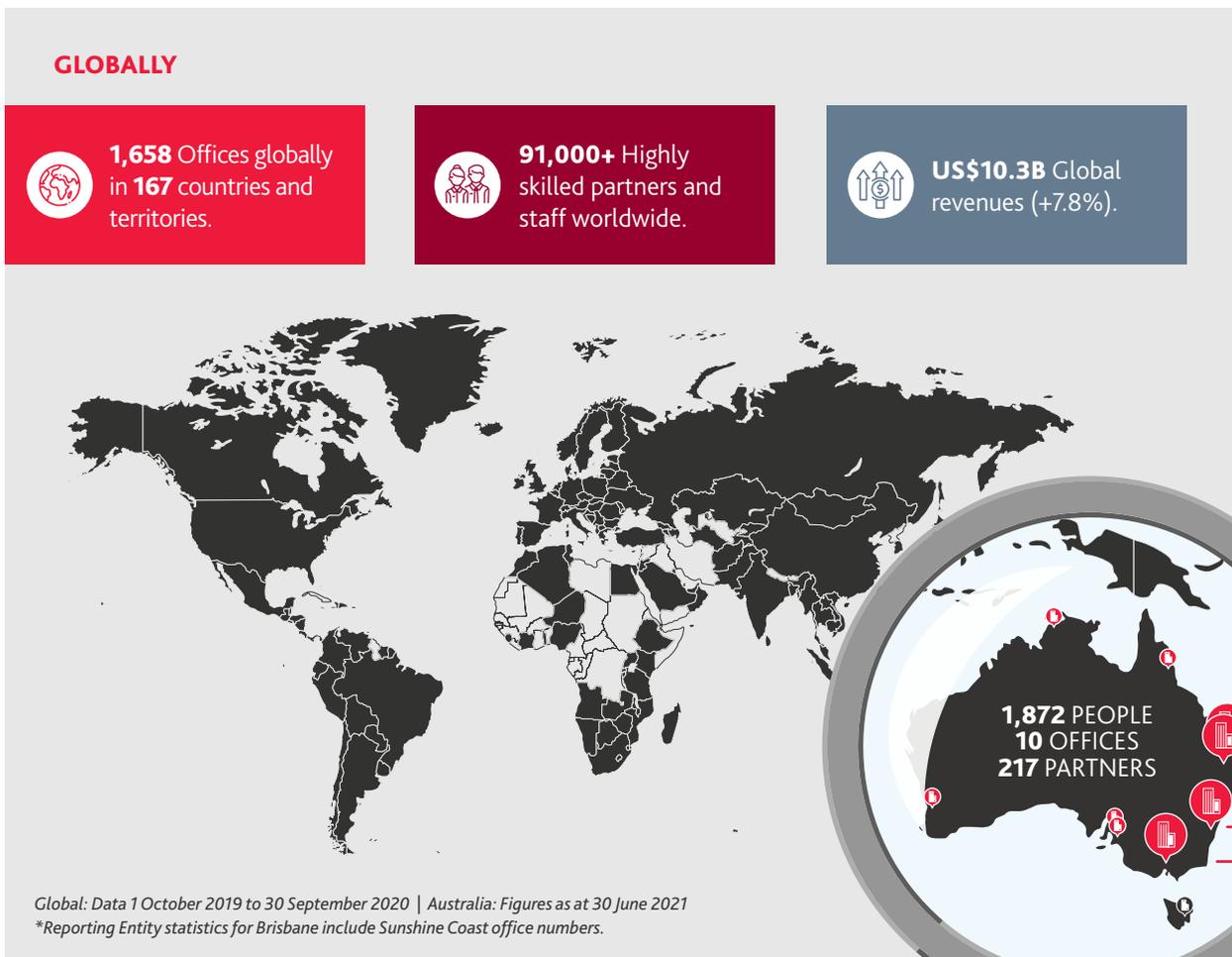
The Board is accountable for ensuring the appropriate management of modern slavery risk, by providing appropriate governance and direction to operational leadership. Operational leadership is represented by the Chief Executive Partner (CEP), as well as the Office Managing Partners (OMP) of each of BDO's offices. Each OMP is responsible for the facilitation of the respective location's operational and strategic risk management.

The National Risk & Ethics Management Group (NREMG) is tasked with supporting and actioning risk items on behalf of the Risk Management Committee (RMC). The RMC functions as a sub-committee of the Board. This committee provides direct oversight to the NREMG and over firm-wide risk, including modern slavery risk, on behalf of the Board. The RMC plays a key role in the review of the approach taken to address modern slavery risk by the Modern Slavery Task Group (Task Group). The Task Group comprises of representatives from the NREMG, client service lines, Legal, Finance, People & Culture and Clients & Markets teams, and aims to address modern slavery risk.



BDO AT A GLANCE

The diagram below sets out key statistics in relation to our operations and depicts how BDO Group Holdings Limited fits into the network both within Australia and globally:



BDO IN AUSTRALIA

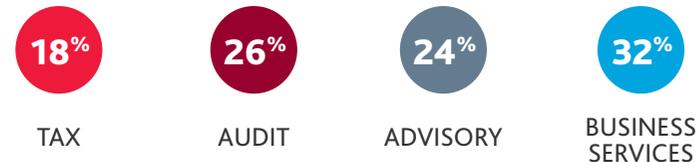
PARTNERS ACROSS SERVICE LINES



PROFESSIONAL STAFF ACROSS SERVICE LINES

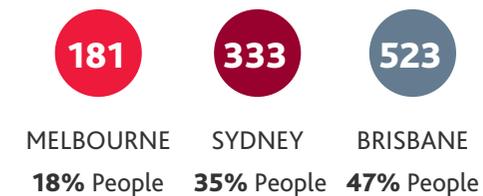


REVENUE BY SERVICE LINE



MODERN SLAVERY FY 2021 REPORTING ENTITIES

1,037 PEOPLE



153 PARTNERS



- SYDNEY
- MELBOURNE
- 4 OFFICES**

CLIENTS

In the 2021 financial year, BDO performed professional services for approximately 13,420 clients.

PEOPLE

The BDO workforce includes approximately 1,190 employees across client service lines and shared services support functions. Employees are based at office locations in Brisbane (including Mount Gravatt), Sydney, Melbourne and Sunshine Coast and may also be situated on-site at a client location.

SUPPLIERS

In the 2021 financial year, BDO contracted with approximately 854 suppliers. Upon consideration of the spend distribution of these suppliers the main spend categories were:



PROPERTY



MARKETING



IT AND
COMMUNICATIONS



INSURANCE



OPERATIONAL



PROFESSIONAL
SERVICES

Our suppliers provide BDO with the goods and services required to support the delivery of professional services to clients. The largest portion of supplier spend during the year involved property leases, IT and communications, insurance and operations:

- ▶ Property spend includes office leasing and car parking
- ▶ IT and communications spend includes the purchase of IT equipment and software, as well as the procurement of IT services
- ▶ Insurance spend includes coverage of all kinds, including professional indemnity insurance
- ▶ Operational spend includes subscriptions, professional membership fees, catering, hospitality and printing costs
- ▶ Marketing spend includes subscriptions to data insight services and platforms
- ▶ Professional Services spend includes the provision of project management services and legal services.

BDO MEMBER FIRMS

Other member firms within the BDO global network are part of our supply chain. However, for the purposes of the Modern Slavery Act 2018 (Cth), the relationship we have with these firms is different from those with third party external suppliers. Member firms are required to comply with the same ethical principles in place at BDO. For this reason, we have excluded BDO member firms from the definition of 'suppliers' in our Modern Slavery Statement.

OUTSOURCED SERVICE PROVIDERS

BDO engages with outsourced service providers to improve efficiency and address resourcing requirements when providing services to our clients. BDO engaged with a number of onshore and offshore outsourced service providers in the 2021 financial year.

MODERN SLAVERY RISK AREAS

After careful consideration of our operations and supply chain, we have classified our modern slavery risk into three distinct areas: our suppliers, our clients and our people.

HIGHEST RISK

OUR SUPPLIERS

BDO engages suppliers both locally and globally. Certain suppliers may present a higher risk of modern slavery by virtue of the jurisdiction and industry in which they primarily operate, the potential for vulnerability in their workforce and the state of their internal controls (policies, procedures and systems). BDO is committed to understanding this, as well as any other contributing factors that may impact the risk exposure of our supply chain. Consideration of these factors, and quantification of this risk, is now facilitated by the Ethixbase platform.

PRELIMINARY RISK CONSIDERATIONS:

We believe our suppliers – both those relied upon for internal purposes and those used to support delivery of our client services – present the highest risk of modern slavery. This arises from the unique risk complexities which suppliers present including high risk jurisdictions, geographies and commodities, vulnerable workforce compositions and exploitive business models.

MODERATE RISK

OUR CLIENTS

We take great pride in providing professional services to an expansive and diverse client base. However, BDO may at times be at risk of unwittingly entering into an arrangement with a client who does not share the same commitment to preventing or abstaining from modern slavery practices.

PRELIMINARY RISK CONSIDERATIONS:

BDO employs client engagement and continuance procedures that require appropriate consideration and review of a client's risk profile. BDO infrequently engages with entities primarily domiciled outside of Australia (and in particular, high risk regions). From time-to-time BDO may engage with clients who have related entities and operations that operate in higher risk jurisdictions, geographies, and/or industries. For this reason, we have classified the risk of modern slavery in our client base as moderate.

LOWEST RISK

OUR PEOPLE

The knowledge, skills and integrity of our people is paramount to our continued success as a business. In assessing the risk of modern slavery within our direct workforce, we have considered our recruitment, retention, remuneration and employment practices, as well as the nature of our workforce generally.

PRELIMINARY RISK CONSIDERATIONS:

By virtue of our extensive internal policy framework, an inherently skilled workforce and the countries in which our people operate, we have classified the risk of modern slavery in relation to our people as low.

IMPACT OF COVID-19

BDO recognises the far-reaching impacts of the COVID-19 pandemic on people and businesses around the globe. In particular, COVID-19 has had a significant impact on the resourcing capabilities of some of our service lines in 2021. In response to this, our audit service line initiated a virtual secondment program that resulted in us engaging 13 virtual secondees from two countries. The secondees engaged were offered a structured induction and training program similar to that of a physical new hire to BDO and refined to suit a remote working environment.

OUR MODERN SLAVERY DUE DILIGENCE

OUR SUPPLIERS

ACTIONS TAKEN

- ▶ Implemented an automated and independent third party tool (EthiXbase platform) to assess the risk of modern slavery from suppliers.
- ▶ As part of completing the third party assessment, suppliers were required to attest to BDO's Supplier Code of Conduct, or to provide a commensurate level of comfort and assurance.
- ▶ Supplier due diligence procedures have been further enhanced to proactively assess suppliers prior to BDO engagement.

SUPPLIER DUE DILIGENCE APPROACH

Pre-due diligence phase

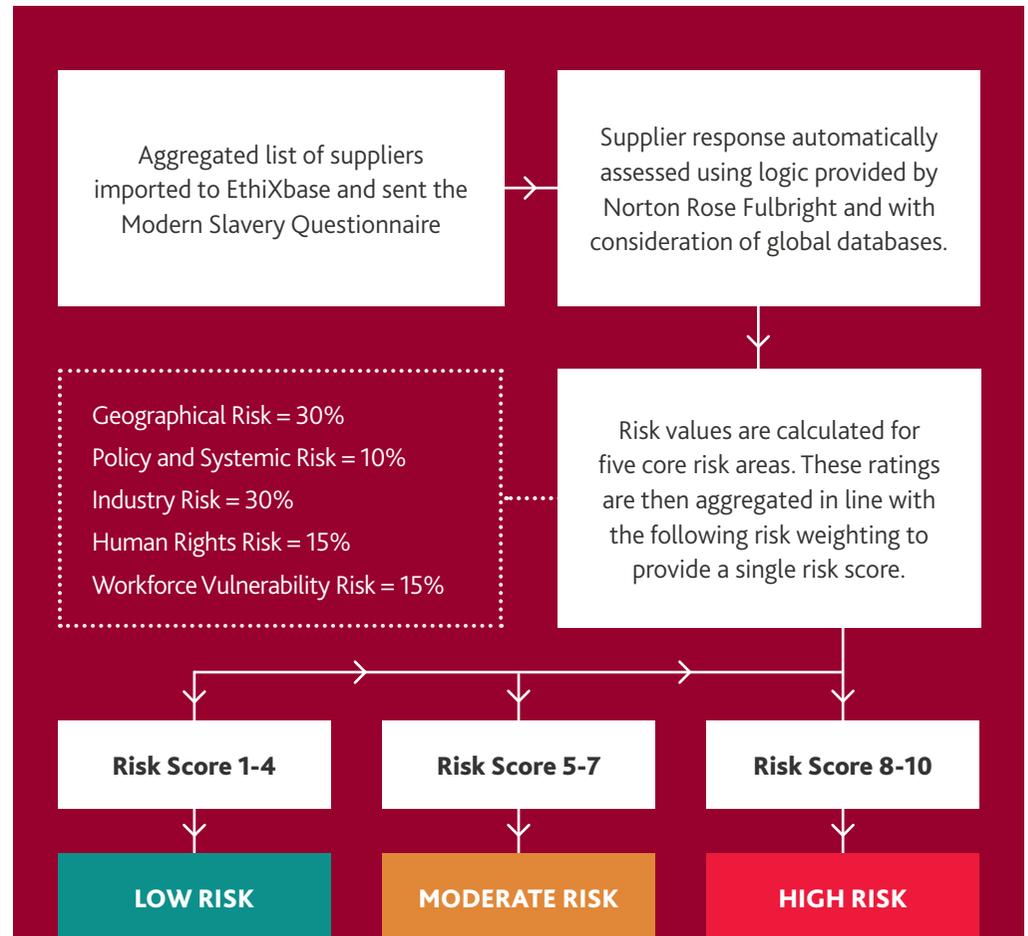
This phase involved:

- ▶ Collating all supplier data within the reporting period
- ▶ Filtering supplier data using a pre-defined monetary threshold, to identify those suppliers who pose an inherent risk to BDO based on total spend in the period
- ▶ Including any supplier that did not exceed the monetary threshold, but was primarily domiciled within a country deemed inherently high risk, in the aggregated list.

Due diligence assessment phase

In advance of the 2021 Modern Slavery Statement, an automated and independent modern slavery due diligence process for suppliers was launched using a third party vendor, EthiXbase. The aggregated supplier list was uploaded to the EthiXbase platform for additional due diligence.

The EthiXbase platform provides an intuitive and automated risk assessment of suppliers by applying a unique risk methodology, as set out in the diagram below. This methodology is facilitated through distribution of a modern slavery questionnaire, which draws on leading industry insights and global databases, and was created in conjunction with Norton Rose Fulbright.



Where a supplier is a reporting entity under the Modern Slavery Act 2018 (Cth), or has foregone completion of the modern slavery questionnaire in favour of self-evidence through the Ethixbase platform, the National Risk & Ethics team will undertake an independent assessment. This involves consideration of the content of the supplier's Modern Slavery Statement, which is provided as part of this process, to determine the risk of modern slavery in relation to the supplier.

Risk assessment phase

Based on the risk rating provided by the Ethixbase platform, the following methodology is applied:

SUPPLIER'S RISK RATING	METHODOLOGY APPLIED
LOW	No further action is taken and the supplier is subject to ongoing monitoring for any changes that may impact the risk rating.
MODERATE	BDO gains an understanding of the factors that have contributed to the moderate risk rating, and considers the extent of further actions that may be required in response to those factors.
HIGH	<p>BDO facilitates a discussion with the supplier to agree on actions (where relevant) in order to address the risk. BDO will evaluate feedback from the supplier in relation to addressing those actions. Actions may include:</p> <ul style="list-style-type: none"> ▶ The regular and appropriate release of a Modern Slavery Statement, where the supplier is legally required to comply with relevant legislation ▶ The implementation of appropriate policies or procedures addressing Modern Slavery related risks ▶ Where we are unable to come to an amicable resolution with the supplier to reduce their modern slavery risk profile, BDO will terminate the relationship with the supplier as soon as possible, after any contractual obligations have been met.

Supplier due diligence findings:

The Ethixbase platform was utilised to assess suppliers during the reporting period.

Overall, due diligence identified the largest portion of supplier spend was across:

▶ Property leases

Spend can be predominantly attributed to two key suppliers, who make up approximately 96 per cent of all spend of this kind. Both of these suppliers are subject to the Modern Slavery Act and have published Modern Slavery Statements

▶ IT and communications

Spend can be predominantly attributed to two key suppliers, who make up the largest share of all spend of this kind. Both of these suppliers are subject to the Modern Slavery Act and have published Modern Slavery Statements

▶ Insurance

Spend can be predominantly attributed to two key suppliers, who make up approximately 95 per cent of all spend of this kind. The average risk score of these two suppliers, as derived by the due diligence process, is 2.5 and therefore modern slavery risk exposure is considered low

▶ Operations

Spend can be predominantly attributed to three key suppliers, who make up approximately 90 per cent of all spend of this kind. The average risk score of these three suppliers, as derived by the due diligence process, is approximately 4.3 and therefore modern slavery risk exposure is considered low.





POLICIES AND PROCEDURES RELATED TO OUR SUPPLIERS

Supplier Code of Conduct

Our Supplier Code of Conduct outlines BDO's expectations in relation to its suppliers. Suppliers must at all times display a commitment to the principles of integrity, confidentiality, objectivity, professional competence and professional behaviour when conducting business.

In particular, this Code makes reference to BDO's stance on human rights and more specifically modern slavery. BDO expects all suppliers to ensure alignment with international standards for human rights and applicable modern slavery laws. Furthermore, where any supplier becomes aware of any circumstances that may indicate contravention of applicable modern slavery laws or regulations, they are required to notify BDO as soon as practicably possible.

Evaluation of supplier proposals policy

This policy describes mandatory requirements for the procurement of goods and services where the total commitment of a new procurement contract is considered material in accordance with a pre-defined threshold.

Before accepting a proposal from a supplier that is subject to the outlined assessment criteria, an assessment of the supplier's compliance with the Modern Slavery Act 2018 (Cth) – as well as other relevant modern slavery factors - forms part of the approval process. This assessment follows the modern slavery risk methodology described above, as facilitated by the Ethixbase platform.

Supplier due diligence summary

BDO identifies that modern slavery risk is greatest in relation to our suppliers, so we remain committed to doing business only with those suppliers who share similar values and apply similar ethical practices as our firm. In pursuit of this, we have further developed our supplier due diligence processes to ensure modern slavery risk is suitably mitigated. By broadening our due diligence scope, implementing an automated modern slavery risk assessment platform, distributing a Supplier Code of Conduct and moving towards a proactive assessment of our suppliers prior to onboarding, our modern slavery risk management framework has matured significantly. To date, no instances of modern slavery have been discovered in our supply chain.

Outsourced service provider due diligence

The due diligence undertaken in connection with our outsourced service providers included an assessment of whether any outsourced service provider arrangements were considered a material business activity.

Furthermore, due diligence undertaken on outsourced service providers was also similar to the approach taken for suppliers generally. The analysis of data, and filtering of the outsourced service provider risk matrix, was performed with special consideration of potential modern slavery risks, where those providers operate in regions where there is a higher risk of workers being utilised in slavery-like conditions. The risk assessment process acknowledged the nature of the services provided by outsourced service providers to BDO is largely comprised of administration support, bookkeeping and tax services.

OUR CLIENTS

ACTIONS TAKEN

- ▶ Our Terms of Trade have been amended to include specific reference to modern slavery.
- ▶ Our revised client acceptance and continuance policy and procedures have been updated with an enhanced focus on modern slavery risk, with the aim to introduce them to the business in 2022.

CLIENT DUE DILIGENCE

Due diligence was undertaken on our clients to ascertain where modern slavery risk may exist within their business operations. In particular, a focus was placed on the industries and countries in which our key clients operate.

CLIENT DUE DILIGENCE FINDINGS

Ultimately, it was determined:

- ▶ The financial services, government and public sector, and technology media and telecommunications sectors generated the largest share of revenue for BDO in the 2021 financial year. These sectors accounted for approximately 18 per cent of all revenue in the period.
- ▶ In considering the risk profile of these key sectors, it was determined the majority of the BDO clients that make up these sectors are primarily domiciled in Australia.

POLICIES AND PROCEDURES RELATED TO OUR CLIENTS

Client acceptance and continuance policies

Our client acceptance and continuance policies and procedures help facilitate a comprehensive understanding of the risk profile of all new clients.

This understanding is also reconfirmed prior to continuing an existing client relationship, and before accepting additional engagements. These policies and procedures guide our people through the following important considerations in relation to modern slavery risk factors:

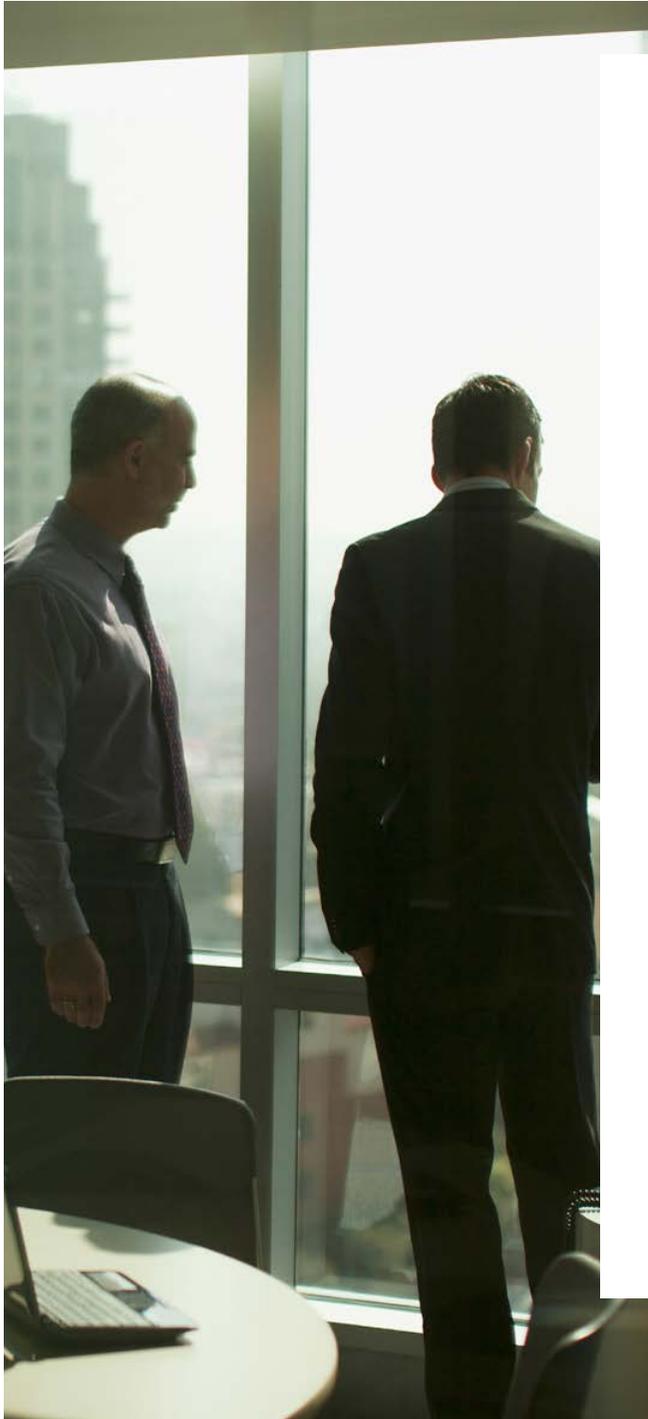
- ▶ Have we assessed the industry in which the client operates?
- ▶ Have we considered the jurisdictions in which the client operates?
- ▶ Are we satisfied with the integrity of the client?
- ▶ Are there any other matters that indicate association with the client could impact the firm's professional reputation, including modern slavery risks?

Terms of trade

BDO's Terms of Trade were updated in 2021 and specifically describe BDO's expectations surrounding modern slavery. Reciprocal commitment in relation to the following items seeks to ensure appropriate management of BDO being exposed to modern slavery risk by association with our clients:

- ▶ Mutual commitment to compliance with all modern slavery laws
- ▶ Undertaking reasonable steps to ensure there is no modern slavery in either party's supply chain, or elsewhere in its business operations
- ▶ Notification to the other party, should either party contravene modern slavery laws
- ▶ Implementation of due diligence procedures (including policies, procedures, investigations and systems as deemed necessary) in relation to each party's own suppliers and subcontractors, to ensure there is no modern slavery in the supply chain or business operations of the party.





Compliance monitoring program

Our compliance monitoring program allows us to monitor our client service lines and offices in relation to compliance with national risk management policies and procedures. This program enhances the robustness of our quality controls and facilitates a proactive and tailored approach to managing quality and remediating any deficiencies that might become evident. Each engagement partner's compliance with the client and engagement acceptance and continuance procedures is assessed as part of this program.

Internal inspection program

BDO's significant client service lines conduct an annual review of engagement files on a rotational basis in accordance with applicable external and professional quality standards, as well as BDO global quality standards. As part of this Internal Inspection Program (IIP), client acceptance and continuance procedures are reviewed to determine whether any reasonably foreseeable and material modern slavery risk factors or practices have been identified and assessed. Each service line issues the results of their IIP to the NREMG, RMC, National Service Line Leader, OMP's and Board. The report describes the results of the review and includes a grading awarded to engagement partners.

Firm expansion

BDO continues to grow its operations, including by way of mergers and acquisitions and the recruitment of additional consulting skills and expertise. BDO's global policies and procedures assess the suitability of external firms we merge with, in addition to assessing the suitability of incoming partners and clients.

Partners and clients must undergo appropriate due diligence to mitigate the risk of BDO engaging in a relationship that does not align with our firm's values. These processes primarily focus on addressing conflicts or independence issues, and rely upon client and engagement acceptance procedures that are conducted prior to client acceptance.

Other BDO firms

All BDO firms within the global network must adhere to principles and guidelines described in the BDO International Risk Management Manual, which also describes the BDO Code of Conduct. The policies and procedures of every firm, regardless of its size, nature of services or maturity of business operations, must adhere to the BDO Code of Conduct, which incorporates the fundamental principles in the International Ethics Standards Board for Accountants (IESBA) Code of Ethics. This includes local laws, professional standards and other requirements of their local jurisdiction, such as local labour laws to prevent exploitation and abuse of workers.

Client due diligence summary

Due diligence in this period was undertaken manually on a per engagement basis to conceptualise the nature of the modern slavery risk associated with our client-base, with a particular focus on the nature of the industry in which the client operates. It was determined that the majority of our key clients who operate within the financial services, government and public sector, and technology and media and telecommunications sectors, were primarily domiciled in Australia (a low-risk jurisdiction).

Additional considerations, through our stringent client onboarding mechanisms, in conjunction with our suite of policies and procedures, complement this due diligence. New developments, such as amendments to our standard terms of trade, further illustrate how our modern slavery risk management framework continues to mature.

PEOPLE

ACTIONS TAKEN

- ▶ Developed specific training on modern slavery.
- ▶ Encouraged our people to 'speak up' if they are subject to, or become aware of, incidents of modern slavery through the BDO Whistleblowing Policy and internal communications.

PEOPLE DUE DILIGENCE

BDO's People & Culture (P&C) team seeks to ensure that we not only have the right people to deliver high quality services to our clients, but also that our employees enjoy a desirable working environment. This sets a cultural tone that encourages BDO's core value of 'ONE' and ensures we consider the interests and wellbeing of our clients and the community.

BDO's stringent recruitment and employment practices reflect this cultural underpinning, and as a result it is firmly believed the risk of BDO actively participating in or contributing to modern slavery through our people is low. A number of items were considered through the due diligence process, including but not limited to our:

- ▶ Standard conditions of employment
- ▶ Remuneration scheme (including benefits)
- ▶ Recruitment process
- ▶ Transfers and secondments
- ▶ Performance management framework
- ▶ People management framework
- ▶ Policies, procedures and programs.

PEOPLE DUE DILIGENCE FINDINGS

Through the due diligence process, the following core findings were made, and contextualise BDO's people risk profile:

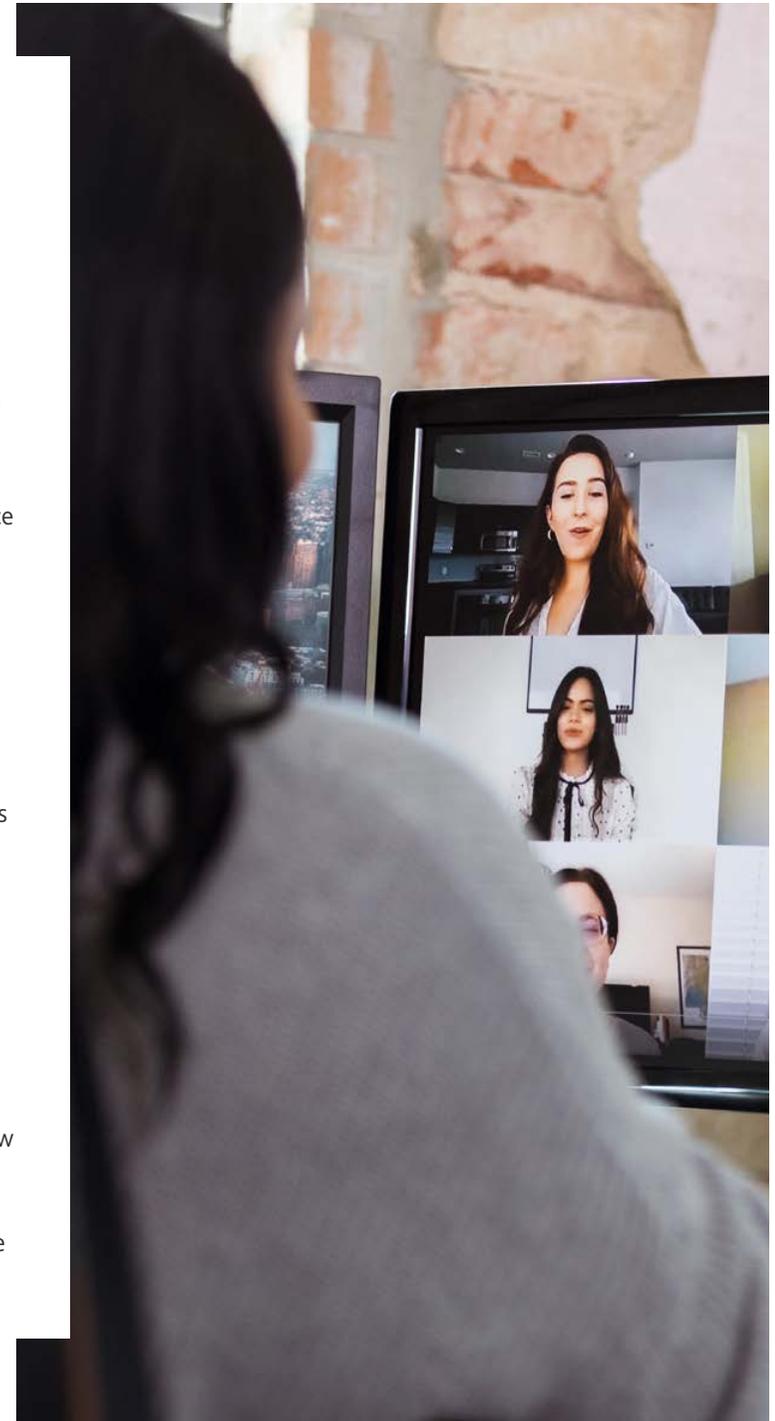
- ▶ Approximately 90 per cent of BDO's workforce is comprised of permanent employees
- ▶ One per cent of BDO's workforce is seconded from other international BDO firms, noting no secondees are from BDO firms operating in high risk modern slavery jurisdictions
- ▶ On average, only 5 per cent of the total BDO workforce holds a work visa with the remaining employees holding permanent residency or are Australian citizens
- ▶ More than 80 per cent of the BDO workforce holds professional qualifications.

POLICIES AND PROCEDURES RELATED TO OUR PEOPLE

BDO has an extensive policy framework covering the risks associated with our people. This in turn gives us great confidence in the quality of our people, who are well-educated and professionally trained, and reinforces the belief our people pose little risk of modern slavery.

Recruitment and selection policy

We are committed to ensuring our recruitment screening and selection process provides equal opportunity for applicants. The recruitment and selection procedures follow a set process whereby standard contracts of employment are issued to successful applicants, and contracts of employment comply with the relevant requirements of the Fair Work Act 2009 (Cth).





BDO remuneration and review guide

The BDO remuneration and review guide is available to all staff and provides an overview of BDO's remuneration review process, which seeks to recognise and reward fully and fairly the contributions of each of our people toward the delivery of their team's and the firm's objectives. Our remuneration strategy reflects individual and firm performance, job responsibilities, individual contribution and prevailing market conditions.

Code of Conduct

BDO's Code of Conduct is aligned to the firm's values. Irrespective of the role we play in a relationship, we are required to demonstrate our respect for the dignity and worth of every person and maintain a work environment that seeks out and values the insight, experience, intelligence, contribution and participation of all employees.

Whistleblowing policy

In line with our values, we encourage employees to speak up if they see actions or behaviour that may not comply with applicable standards or legal and regulatory requirements. The policy enhances the protections in place for those reporting any concerns in relation to illegal, unethical or inappropriate behaviour and describes how BDO ensures those who speak up are fairly treated and protected. As part of our due diligence process, we have updated our whistleblowing policy to include references to modern slavery where appropriate.

Bullying, discrimination, harassment, sexual harassment and victimisation policy

BDO does not tolerate or condone any form of bullying, harassment, sexual harassment, discrimination or victimisation (including unlawful behaviour) under any circumstance. Should employees be subject to, or become aware of any discrimination or victimisation that results in modern slavery practices, a complaint can be made under this policy.

People due diligence summary

BDO employs well-educated and professionally trained individuals, as evidenced through the due diligence findings above, and sees this area as the least likely to produce modern slavery risk. This is further reinforced by a policy and procedure framework that facilitates and attracts the right people, and motivates, retains and develops our people in a way that promotes a workplace free of modern slavery risk. Our people-orientated policy suites remain in constant development to ensure this culture is further nurtured, and our modern slavery risk framework continues to mature.

One of the ways this culture is instilled is by ensuring effective reporting mechanisms are available to partners, staff and external stakeholders to report suspected modern slavery issues without being victimised. No reports of modern slavery or modern slavery related risk were received in relation to our people through our whistleblowing avenues during the reporting period.

OUR NEXT STEPS FOR MODERN SLAVERY DUE DILIGENCE

Next steps for our suppliers

The 2020 Statement identified a number of opportunities to further enhance our processes and controls in relation to modern slavery-related risk management. Although a number of enhancements have been implemented since the 2020 Statement was published, BDO is committed to further enhancements in advance of the 2022 Statement. These include:

- ▶ The scope of our due diligence will be further extended. Additional due diligence will be undertaken on suppliers using the EthiXbase platform, regardless of spend or jurisdictional risk, where they operate within a high risk industry or where their workforce is potentially vulnerable
- ▶ Due diligence undertaken through the EthiXbase platform will be extended to our outsourced service providers
- ▶ Effectiveness of the procedures put in place to proactively monitor suppliers will be monitored
- ▶ Ongoing communications will be provided to key staff to ensure awareness and clarity around modern slavery related considerations and responsibilities.

Next steps for our clients

We plan to specifically focus on improving the consistency of the due diligence undertaken on clients. Next steps include:

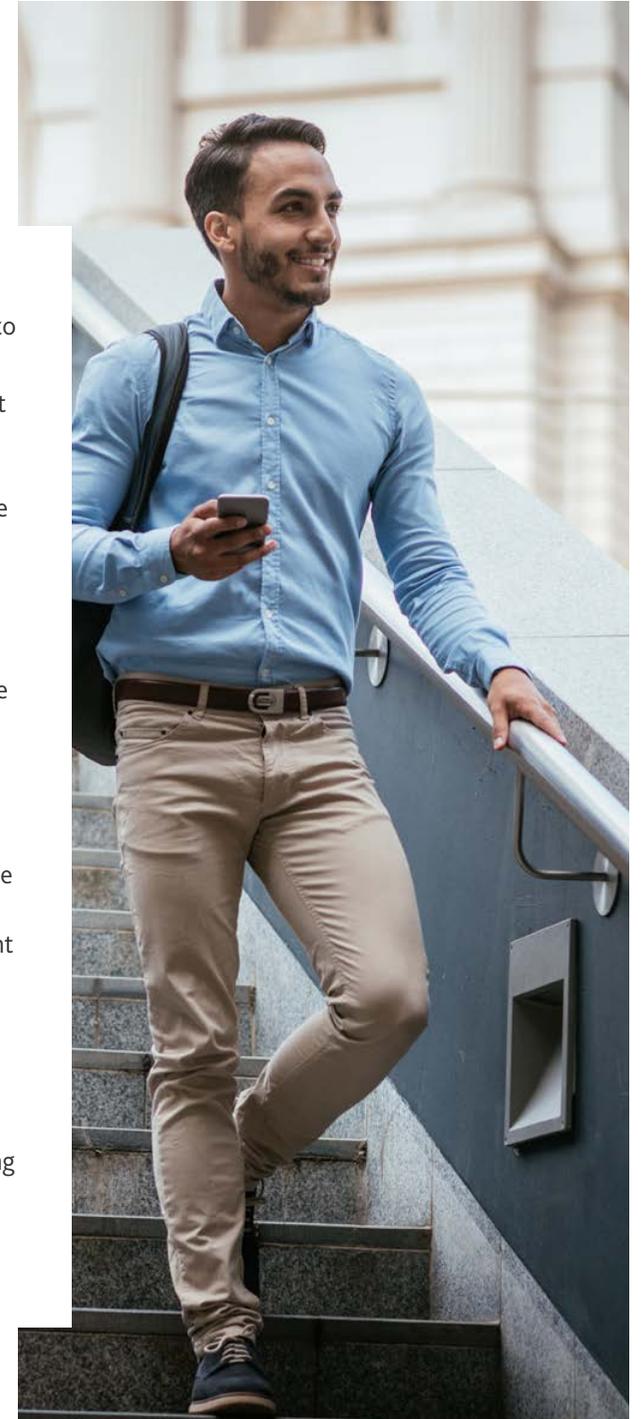
- ▶ During client acceptance, an indicative modern slavery risk rating will be assigned to onboarded clients. In accordance with this, statistics in relation to our clients and their particular circumstances – where these circumstances have an impact on modern slavery risk – will be evaluated

- ▶ Updated client acceptance and continuance policies and procedures to include guidance that enhances our ability to assess modern slavery risks
- ▶ Partners and staff will receive training on the revised client acceptance and continuance policies and procedures, to improve awareness in relation to the risks associated with modern slavery and the reasons for the introduction of the Modern Slavery Act 2018 (Cth)
- ▶ Further enhancements to the firm expansion policy, which prescribes how risks associated with future merger and acquisition transactions are to be managed, will incorporate the requirement for modern slavery risks to be assessed as part of the transaction due diligence process.

Next steps for our people

The due diligence undertaken on our people in the 2021 Modern Slavery Statement provided us with confidence in the policy framework that supports our people. By maintaining a policy suite that encourages employment practices consistent with best practice standards, we ensure the mitigation of people-orientated modern slavery risk. Despite this, ahead of the 2022 Modern Slavery Statement, we are looking to further mature our modern slavery risk management framework by:

- ▶ Continuing to monitor our formal whistleblowing reporting mechanisms, to understand whether there has been an increase in the number of modern slavery incidents reported as a result of increased awareness and training.





ASSESSING THE EFFECTIVENESS OF OUR MODERN SLAVERY RISK MANAGEMENT FRAMEWORK

As we continue to lay the groundwork for an increasingly robust modern slavery risk management framework, the data insights we collate through supplier and client due diligence improves. This, in turn, paves the way for a more effective assessment of our framework.

In addition to the insights generated from the automated supplier due diligence procedures, our monitoring procedures ahead of the 2022 statement will drive actions to assess and further improve the effectiveness of our approach.

We are committed to communicating transparently regarding the risk of modern slavery in our operations and supply chain. Clients, vendors and other stakeholders who approach us directly for information in relation to our Modern Slavery Statements outside of what is disclosed in this Modern Slavery Statement will be directed to [BDO's Director of National Risk and Ethics](#) for further information.

APPROVALS AND SIGNATURE

This statement was approved by the Board of the applicable reporting entity, BDO Group Holdings Limited, on 20 December 2021.

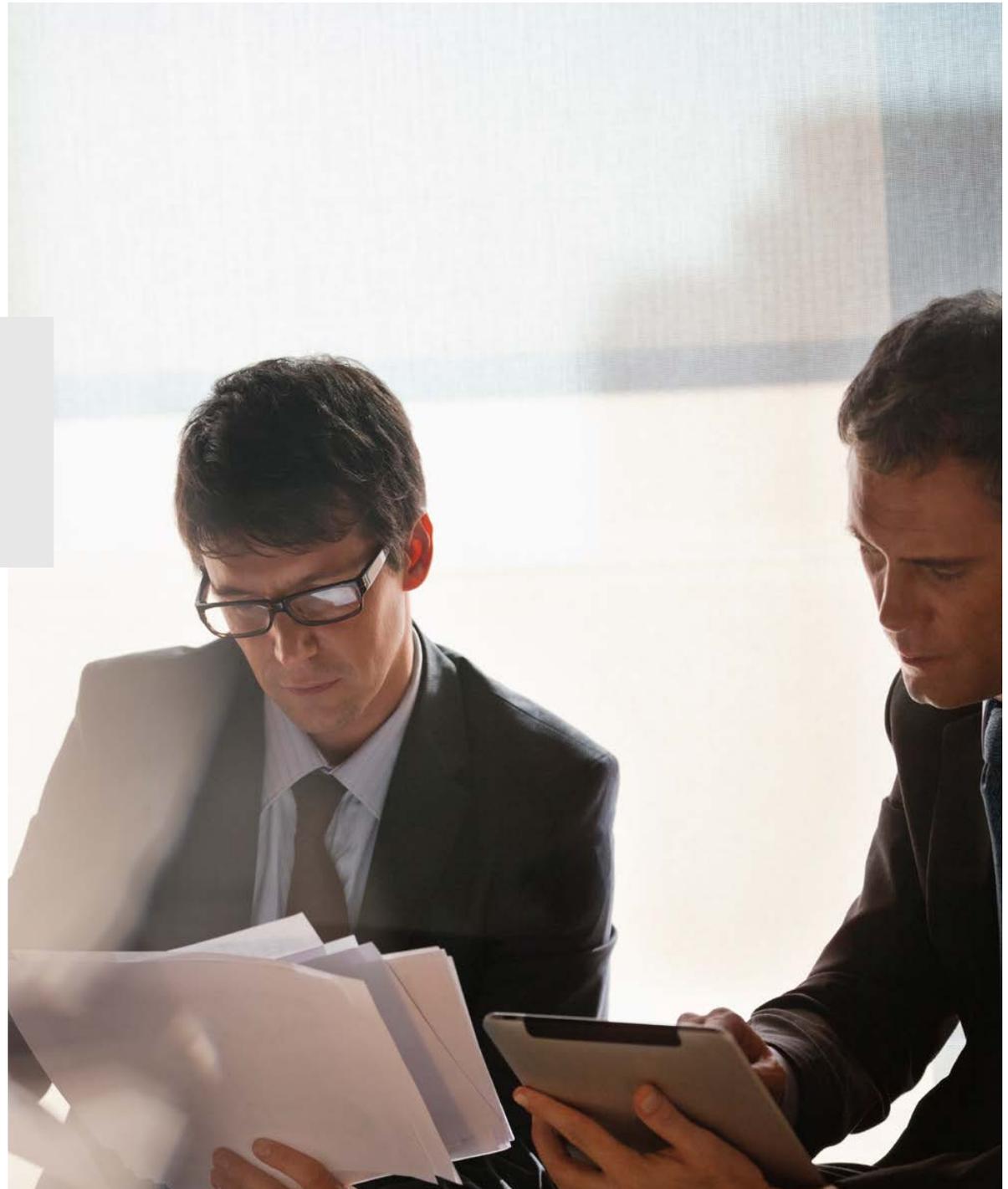


DAVID FAGAN

Chairman of the Board:
BDO Group Holdings Limited

20 December 2021

A stylized, handwritten signature in black ink, consisting of several fluid, connected strokes.



APPENDIX

ITEM 1

MODERN SLAVERY ACT REQUIREMENT	BDO MODERN SLAVERY STATEMENT
Identify the reporting entity.	<u>OUR STRUCTURE AND OPERATIONS</u>
Describe the structure, operations and supply chains of the reporting entity.	<u>OUR STRUCTURE AND OPERATIONS</u>
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.	<u>MODERN SLAVERY RISK AREAS</u>
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to address those risks, including due diligence and remediation processes.	<u>OUR MODERN SLAVERY DUE DILIGENCE - SUPPLIERS</u>
Describe how the reporting entity assess the effectiveness of such actions.	<u>ASSESSING THE EFFECTIVENESS OF OUR MODERN SLAVERY RISK MANAGEMENT FRAMEWORK</u>
Describe the process of consultation with any entities that the reporting entity owns or controls.	<u>OUR STRUCTURE AND OPERATIONS</u>
Provide any other information that the reporting entity or the entity giving the statement considers relevant.	<u>OUR COMMITMENT</u> 





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