

IDEAS | PEOPLE | TRUST

BDO Modern Slavery Statement

Financial year ending 30 June 2024



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Overview

At BDO, we pride ourselves on building strong relationships with our people, our clients and our suppliers. This is reinforced by our organisational values – One, Bold, Human, Strive and Heart – which shape our internal culture and inform how we interact with local communities. We firmly believe that through fostering lasting relationships, we are better equipped to promote a workplace that is ethical and free of human rights abuses.

This is why BDO does not tolerate direct or indirect modern slavery practices of any kind and we expect our clients and suppliers to embrace the same values.

During the 2024 financial year, we continued to enhance our modern slavery risk management framework through appropriate review and maintenance of our existing policies, procedures and contractual terms. Specifically, we launched revised Whistleblowing and Anti-Bribery & Corruption policies. This ensured our continued compliance with applicable legislation while gaining the functionality to efficiently capture and assess matters that may concern breaches of human rights. These updates were widespread, extending beyond internal policies to both internal and external resources, website pages and contractual templates.

We also partnered with a third-party learning provider, through which we acquired several regulated courses to supplement our existing suite of learning. This covers Modern Slavery, Fraud Awareness, Complaints Handling, Privacy, Records Management, Anti-Bribery & Corruption, and Whistleblowing. Through the facilitation of legally compliant learning, we believe our people will be appropriately equipped to combat modern slavery-related risk.

In terms of our systems, we are making major strides towards implementation of a large-scale revitalisation project. This revitalisation, aptly named 'Project Elephant', is a multi-year initiative that started in 2023 and is designed to equip our people with the advanced systems they need to become future-ready advisers and deliver exceptional client service both internally and externally. Project Elephant ensures we have the right systems in place to boost efficiency and rigour of our onboarding processes and support our continued shift towards a proactive supplier due diligence process.

We are proud that no instances of modern slavery were identified in our operations or supply chain during the 2024 reporting period, but this result does not weaken our desire to enhance our due diligence processes and framework further.

We remain committed to continually improving our overarching modern slavery risk approach. For this reason, we have clear and transparent governance in place, with BDO's Risk Management Committee responsible for overseeing our approach, on behalf of the Board, which in turn guides the evolution of our modern slavery risk management framework.

Ahead of our 2024 Statement, BDO commits to:

- ▶ Address the 'next step' actions described in this Statement to ensure we actively prevent the occurrence of modern slavery and slavery-like behaviour
- ▶ Further improve the data insights about the effectiveness of our framework and apply these to drive continuous enhancements.

Tony Schiffmann
Chief Executive Partner
BDO Australia Limited

Our commitment

Reference to modern slavery in this statement is aligned with the principles set out in the Global Slavery Index 2023, 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, or abuse of power.

BDO values the development of trust-based relationships with our people, our clients, and our suppliers. It is firmly believed that by fostering transparent and cooperative relationships, we can facilitate positive business outcomes and promote ethical rigour in our practices, and in the practices of our clients and suppliers. 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 of modern slavery risk and the eradication of slavery and slavery-like practices.

BDO is committed to:

- ▶ Operating our business in accordance with the *Modern Slavery Act 2018* (Cth), including all emerging amendments to this legislation
- ▶ 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 refinement of our modern slavery due diligence process and the findings arising from this
- ▶ Enhancing our data insights to better measure the effectiveness of our existing modern slavery risk framework.



Our structure and operations

BDO Australia Limited* (ACN 050 110 275) is a company limited by guarantee that holds the licence to operate as BDO from BDO International Limited, a UK company limited by guarantee. The following firms are included as members of BDO Australia Limited:

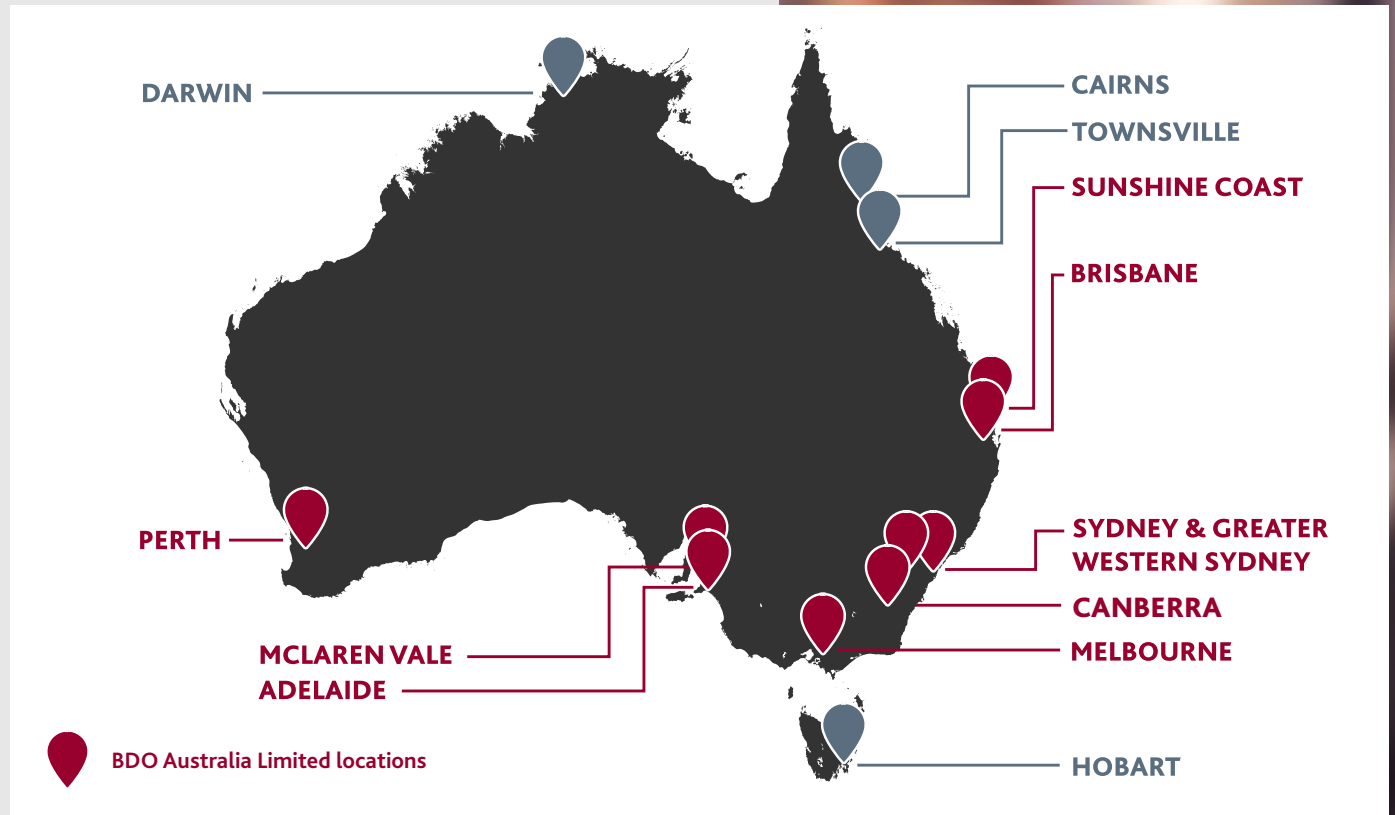
- ▶ BDO Australia Limited *
- ▶ BDO Darwin
- ▶ BDO Hobart
- ▶ BDO North Queensland.

These firms operate as an association of independent member firms. BDO Australia Limited is the largest member firm consisting of offices in Brisbane, Sunshine Coast, Canberra (from October 2024), Sydney, Greater Western Sydney, Melbourne, Adelaide, McLaren Vale and Perth. It provides services and support to the member firms in Darwin, Hobart and North Queensland.

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 2024, BDO Australia Limited (BDO herein) is the sole reporting entity for BDO in Australia.

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 December 2024 BDO Australia Limited changed its name to A.C.N. 050 110 275 Limited and BDO Group Holdings Limited changed its name to BDO Australia Limited.



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:



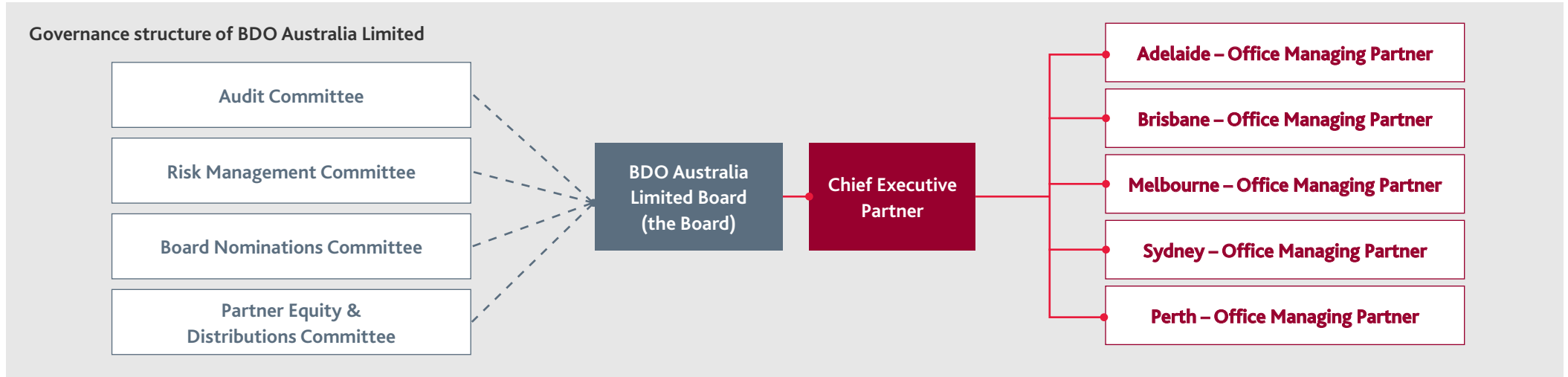
Advisory

Audit & Assurance

Business Services

Tax

Our governance



BDO is committed to employing corporate governance practices that support our compliance. BDO adheres to applicable standards and legislative instruments, while also aligning with community expectations. To achieve this end, the Board plays the principal role in the direction of corporate governance. The Board's responsibilities include governing, guiding, and directing the firm 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 (OMPs) of each of BDO's offices. Each OMP is responsible for the facilitation of their respective location's operational and strategic risk management.

The Risk Management Committee (RMC) operates as a sub-committee of the Board. The committee is not a decision-making body but provides recommendations to the Board for consideration and approval. The committee:

- ▶ Assists the Board by providing objective oversight of the firm's risk management framework to ensure all financial and non-financial risks are identified and well-managed
- ▶ Oversees and facilitates governance of risk management throughout the firm, including modern slavery risk
- ▶ Oversees senior management's management of risk, including risk strategy and risk management framework
- ▶ Promotes a culture of quality, risk awareness and consultation across the firm
- ▶ Ensures the firm complies with the BDO Global quality and risk frameworks.

The RMC plays a key role in reviewing the approach taken by the Modern Slavery Task Group (Task Group) to address modern slavery risk. The Task Group comprises of representatives from Quality Management, client service lines, Legal, Finance, People & Culture and Clients & Markets teams, and aims to address modern slavery risk.

BDO at a glance: Australia

In Australia

BDO was established as an association of firms in Australia in 1975. Today, we are one of Australia's largest accounting and advisory practices, with offices in New South Wales, Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia. From start-ups and family businesses to large complex organisations and government departments and agencies, our heritage is in helping organisations grow and transform. Our future will continue to build strong, successful relationships based on exceptional client service.

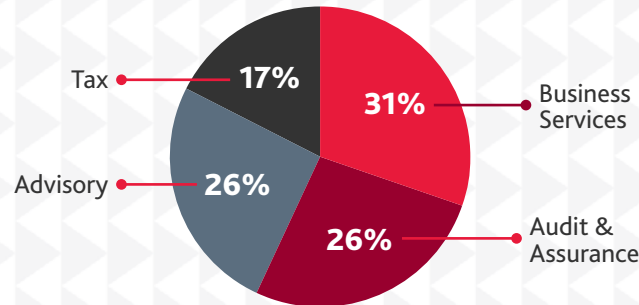


2,428
People

12
Offices
Figures as of 30 June 2024

276
Partners

Revenue by service line
(12 months to 30 June 2024)



Clients

In the 2024 financial year, BDO performed professional services for approximately

28,820

CLIENTS



Suppliers

In the 2024 financial year, BDO was actively contracted with approximately 1,290 suppliers. The main supplier spend categories were:

-  **Property**
-  **Operational**
-  **IT & Communications**
-  **Insurance**
-  **Professional Services**
-  **Travel**

Our suppliers provide us with the goods and services we need to support the delivery of professional services to our clients. BDO's supplier spend can be predominantly attributed to six core areas:

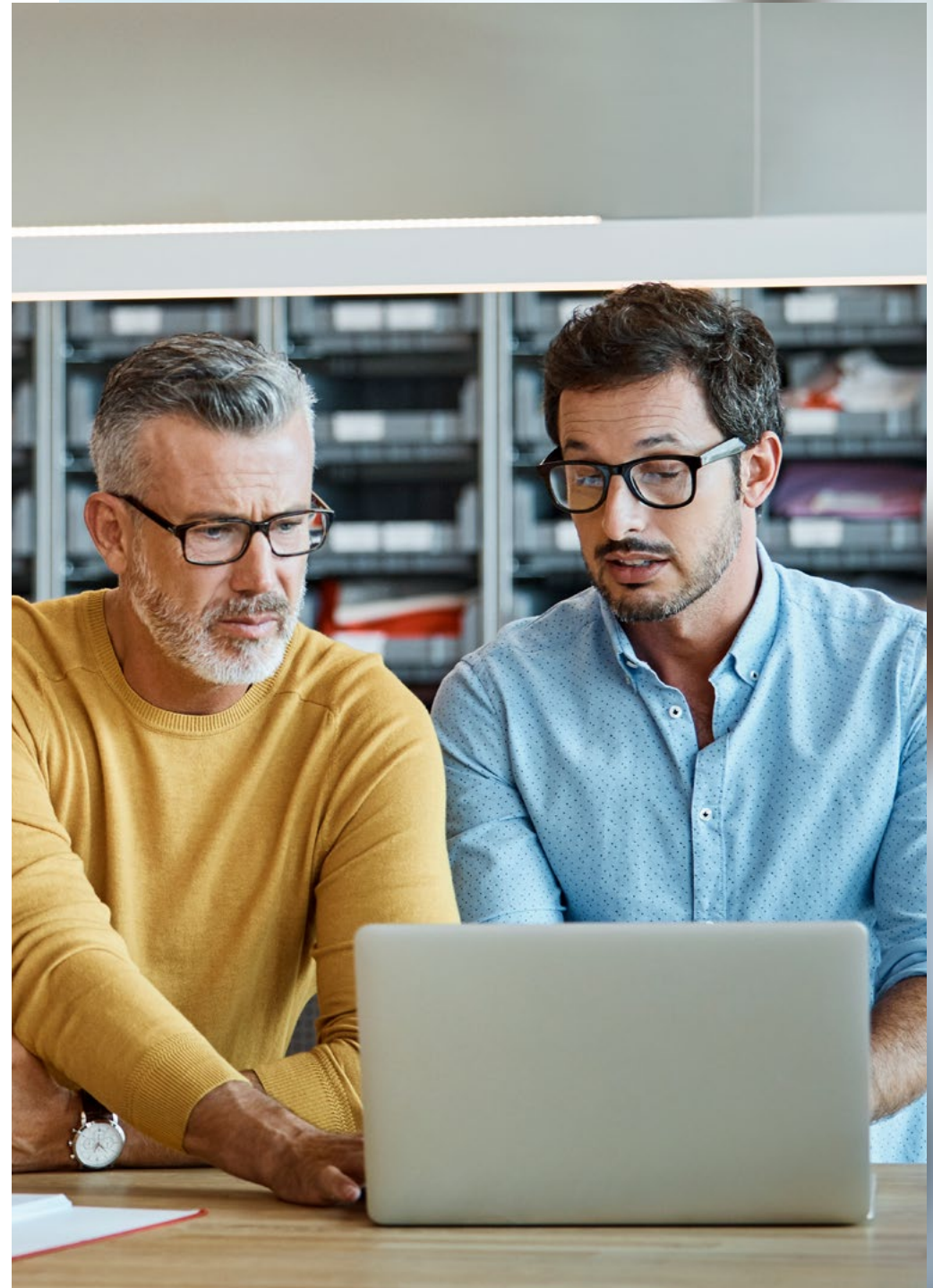
- ▶ **Property:** includes office leasing and car parking
- ▶ **Operational:** includes subscriptions, professional membership fees, catering, hospitality, and printing costs
- ▶ **IT & communications:** includes the purchase of IT equipment and software, as well as the procurement of IT services
- ▶ **Insurance:** includes coverage of all major forms of general, public, and professional insurance, including professional indemnity insurance
- ▶ **Professional services:** includes the provision of project management services and legal services
- ▶ **Travel:** includes booking services and accommodation.

BDO member firms

Other BDO member firms within the broader BDO global network also form part of BDO in Australia's supply chain. However, for the purposes of the *Modern Slavery Act 2018* (Cth), the relationship we have with these firms differ from those we have with external third-party suppliers. All BDO member firms, regardless of jurisdiction, are required to comply with the same ethical principles, as well as Global policies. For this reason, we have excluded BDO member firms from the definition of 'suppliers' in our Modern Slavery Statement as their risk profile is broadly consistent with ours.

Outsourced service providers

BDO engages with outsourced service providers to improve efficiencies and address resourcing requirements when providing services to our clients. We engaged with several onshore and offshore outsourced service providers (OSPs) in the 2024 financial year. These OSPs are assessed in line with the supplier due diligence processes outlined herein.



Modern slavery risk areas

BDO's modern slavery risk can be broadly classified into three distinct areas:

- ▶ Our suppliers
- ▶ Our clients
- ▶ Our people.

We attribute a risk level to each of these areas based on the perceived exposure likelihood each presents to the firm, guiding our response to modern slavery.

Highest risk

Our suppliers

BDO engages with a diverse array of suppliers, each of which is assessed based on risk factors that inform their risk profile. Certain suppliers may present a higher risk of modern slavery by virtue of the jurisdiction(s) and industry(s) in which they operate, the potential for vulnerability in their workforce and the state of their internal controls (policies, procedures, and systems). We are committed to identifying and understanding these risk factors, as well as any others that contribute to the overall risk profile of our suppliers. The consideration of these factors, by our third-party due diligence platform Ethixbase, allows us to better safeguard our supply chain from modern slavery.

Preliminary risk level

We have classified our suppliers – both those relied upon for internal purposes and those used to support delivery of our client services – as the parties who possess the highest risk level where modern slavery is concerned. This arises from the unique risk factors suppliers present.

Moderate risk

Our clients

We take great pride in building relationships with, and providing professional services to, an expansive client base. The volume of organisations and individuals BDO works with requires us to be aware that on occasion, BDO may be at risk of unwittingly entering into an arrangement with a client who does not genuinely share the same commitment to the prevention of modern slavery as us.

Preliminary risk level

BDO infrequently engages with entities that are primarily domiciled outside of Australia as outlined in our engagement and continuance procedures. However, we may engage with clients who have related entities and operations in higher risk jurisdictions, geographies, and/or industries. Rarely do we have clients that are primarily domiciled in high-risk regions. For this reason, we have classified the risk level of modern slavery in our client base as moderate.

Lowest risk

Our people

The knowledge, skills and integrity of our people are 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 level

By virtue of an extensive policy framework and a workforce made up of high-expertise professionals, primarily domiciled locally, we have classified the risk of modern slavery in relation to our people as low.

Modern slavery due diligence

Our suppliers

Action taken

- ▶ BDO continues to undertake expanded due diligence on all current suppliers regardless of industry, where they satisfy a pre-due diligence assessment, on a biennial basis. This indicates our commitment to continued risk assessment and management of existing suppliers
- ▶ BDO continues to undertake proactive due diligence on all prospective suppliers onboarded by People & Culture (P&C)
- ▶ BDO has committed to upgrading its systems on a large scale as part of Project Elephant. Project Elephant is a multi-year initiative that started in 2023. It is designed

to equip our people with the advanced systems they need to become future-ready advisers and deliver exceptional client service both internally and externally. Key IT platforms to be implemented:

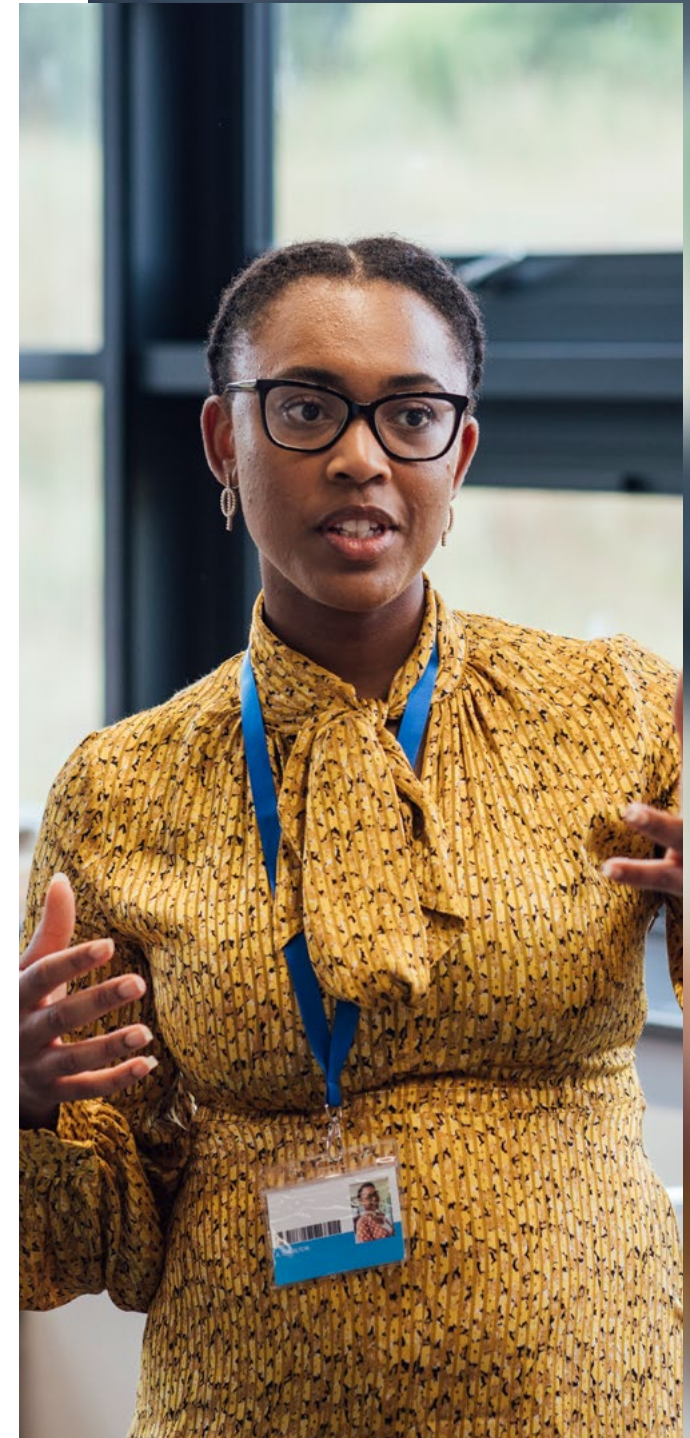
- Human Resources Information System (HRIS)
- Finance
- Customer Relationship Management (CRM), including client onboarding functions
- Practice Management
- Document Management.

Supplier due diligence

Pre-due diligence phase

This phase involved:

- ▶ Collating all supplier data within the 2023-24 reporting period
- ▶ Filtering supplier data against a pre-defined monetary spend threshold to identify suppliers who may pose an inherent risk to BDO, due to the level of involvement they have in our supply chain and operations. Our threshold for the 2024 financial year was reduced to capture more suppliers, in line with our continued commitment to improving the scope of our due diligence
- ▶ 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.

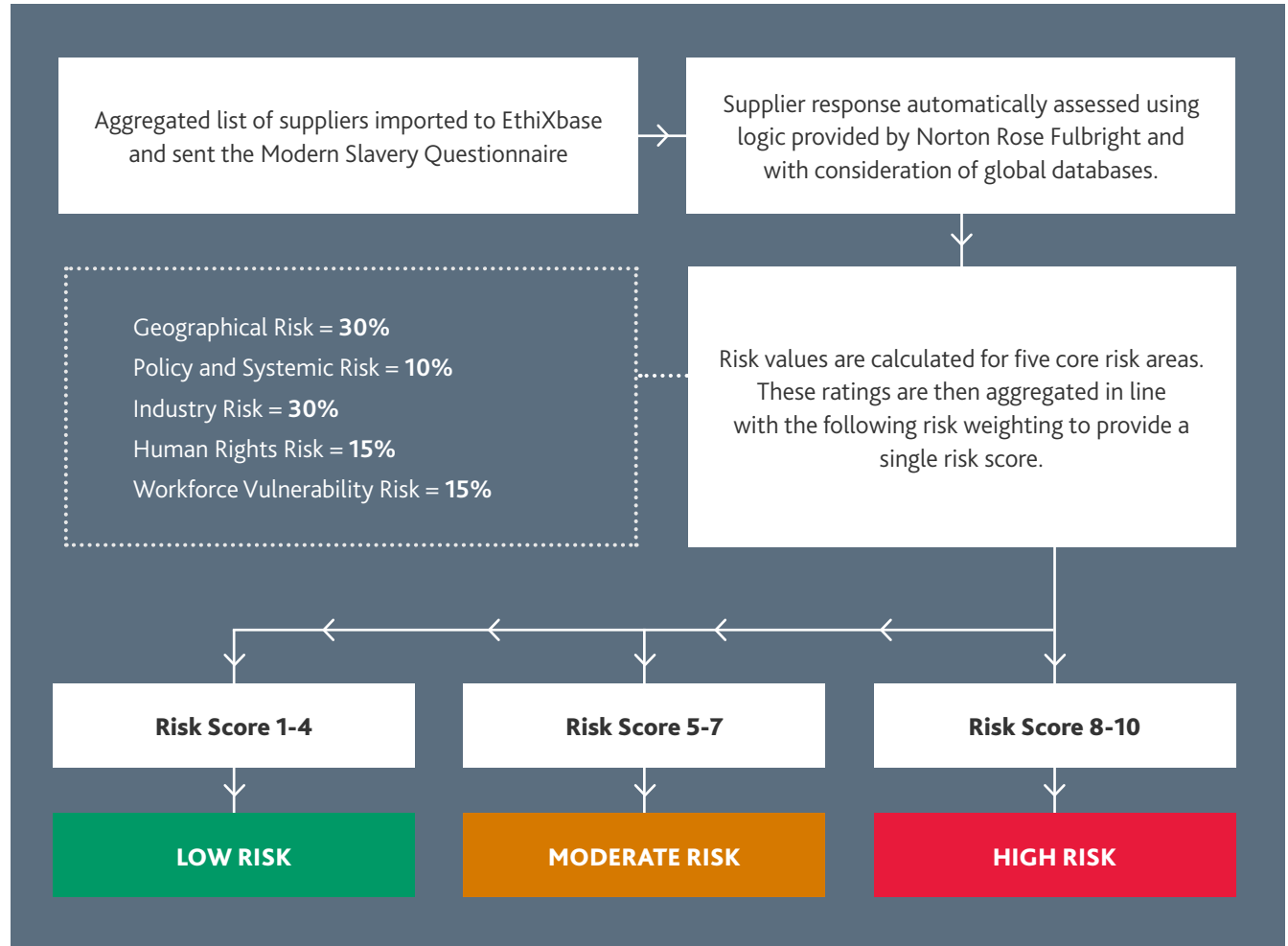


Due diligence phase

BDO uses a modern slavery due diligence platform provided by the third-party vendor Ethixbase. This platform facilitates an automated and independent due diligence mechanism for those BDO suppliers that are escalated to this phase after completion of pre due diligence.

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

Since the 2020-21 reporting period – when BDO first launched Ethixbase - the platform has seen development and revision to various systemic components to ensure it is constantly improving and remaining up to date in an increasingly volatile geopolitical climate. Ethixbase consistently considers the ever-evolving state of high-risk jurisdictions around the globe in its risk assessment methodology.



Where a supplier is a reporting entity under the *Modern Slavery Act 2018* (Cth) but has foregone completion of the modern slavery questionnaire in favour of self-evidence through the EthiXbase platform, we will undertake an independent assessment. This involves consideration of the content of the supplier's modern slavery statement, provided as part of this process, to determine the risk of modern slavery in relation to the supplier. Risk considerations include, but are not limited to:

- ▶ Systems, policies, and processes in place
- ▶ Commitments made
- ▶ History of modern slavery and modern slavery-related risk
- ▶ Industry in which the supplier operates
- ▶ Where the supplier is primarily domiciled (jurisdictional risk)
- ▶ Where the supplier's own suppliers are primarily domiciled
- ▶ The findings of the supplier's modern slavery due diligence.

Proactive due diligence phase

In conjunction with the existing due diligence processes, we continue to progressively implement proactive modern slavery-related due diligence. It is hoped that through gradual implementation, we can reach an end-state whereby all suppliers – regardless of applicable thresholds – are assessed through EthiXbase at the time of onboarding. In the 2023-24 financial year, proactive due diligence was undertaken on all prospective P&C suppliers. Where the P&C team is looking to take on a new contractor, they must undertake the relevant modern slavery-related due diligence processes facilitated through the EthiXbase platform.

We are currently creating a revised onboarding process for IT suppliers, which will further support our continued shift towards proactive due diligence. This will likely come into effect in the 2025 financial year. Additionally, as we advance with the implementation of new systems under Project Elephant, this will create further opportunities for improved due diligence during the onboarding process.

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 reviews 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 necessary) 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 ▶ In the event that 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.

Policies and procedures related to our suppliers

Supplier Code of Conduct

Our [Supplier Code of Conduct](#) outlines our expectations of suppliers. Suppliers must always demonstrate a commitment to the principles of integrity, confidentiality, objectivity, professional competence, and professional behaviour when conducting business.

This Code makes reference to our stance on human rights and more specifically, modern slavery. We expect all suppliers to align 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.

Contractor Due Diligence Policy and Procedure

This policy facilitates a due diligence process that supports the appropriate consideration of the risks associated with engaging third-party contractors and outsourced service providers. This process is completed in conjunction with several other organisational controls – such as our modern slavery-related

due diligence process - and will be considered through the 'Contractor Approval Form'.

This policy and its associated form and register are currently a work in progress and planned for release in the 2025 financial year.

Supplier due diligence summary

We continue to acknowledge that modern slavery-related risk is greatest in relation to our suppliers. As such, we remain committed to doing business only with those suppliers who share similar values and apply similar ethical rigour to their modern slavery risk management framework. In pursuit of this, we have further developed our supplier due diligence processes to ensure modern slavery risk is suitably mitigated.

In the 2024 financial year, we undertook a large-scale transformation of our systems. This created a range of opportunities for improvement in the supplier due diligence space. For example, by improving our finance system, we will see improved data insights, allowing us to understand our suppliers to a greater extent. Furthermore, by refreshing our onboarding capabilities, we have opened the door for us to continue our shift to more proactive forms of due diligence.

Additionally, progress was made on a Contractor Due Diligence Policy and Procedure, which aims to refresh the due diligence process for contractors (including outsourced service providers). Once established, all contractors will be proactively assessed at the time of onboarding, and then either approved or declined based on predetermined risk factors (e.g. modern slavery and privacy impact assessment, among others). This will be automated through a Contractor Due Diligence Form and fed into a register of approved and trusted contractors.

These improvements display the continued evolution of our modern slavery risk management framework as we seek to add rigour to the processes that inform how we interact with our

suppliers. To date, no instances of modern slavery have been discovered in our supply chain. We firmly believe that through the development of our processes, alongside the relationships we have built with our suppliers, we can maintain a supply chain that is free of modern slavery.

Outsourced service provider due diligence

Our outsourced service providers undergo the same due diligence processes. This ensures that modern slavery-related risk is identified and addressed. Our outsourced service providers predominantly assist with administrative support, bookkeeping and tax services.



Our clients

Action taken

- ▶ We used the revised National Complaints Framework, launched in 2023, to support our mandatory reporting actions to the Australian Financial Complaints Authority (AFCA) in line with applicable regulations (February and August 2024). BDO received no reportable complaints during the relevant period and will continue to monitor our newly established channels for regulated complaints and modern slavery-related complaints
- ▶ We launched our updated Whistleblowing Policy to ensure continued compliance with applicable regulations, and streamline the investigation process through efficient role delegation
- ▶ We created an Anti-Money Laundering (AML) position paper in connection with the introduction of the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill
- ▶ A core component of Project Elephant is the implementation of a new CRM and Document Management system. This is expected to improve data insights in relation to our clients, as well as the rigour of our onboarding and continuance processes.

Client due diligence

Due diligence is undertaken on our clients prior to onboarding and on a regular basis thereafter. This allows us to ascertain the level of modern slavery-related risk that may exist within their business operations. Focus was placed on the industries and countries in which our key clients operate.

Client due diligence findings

It was determined:

- ▶ The financial services, manufacturing & wholesale, international business, technology, media & telecommunications, and government & public sectors generated the largest share of revenue for BDO in the 2024 financial year
- ▶ Considering the risk profile of these key sectors, we determined that the majority of our clients in these sectors are primarily domiciled in Australia.

Policies and procedures related to our people

We mitigate the risk associated with engaging with clients across a diverse range of industries through the application of extensive policies and procedures and due diligence processes. This framework, in turn, gives us great confidence in the people with whom we do business and displays a mutual commitment to minimise risks of all kinds, including modern slavery-related risk.

Client acceptance and continuance policies and procedures

Our client acceptance and continuance policies and procedures 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 questions 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 we satisfied that the client is compliant with relevant laws and regulations?
- ▶ Are there any other matters that indicate association with the client could impact the firm's professional reputation, including modern slavery risks?

Complaints policies

We maintain an extensive National Complaints Framework, which includes internal and [external policies](#), a complaints form, a centralised complaints register, a complaints guide and accompanying content landing pages.

This framework ensures our compliance with regulatory requirements, including but not limited to ASIC RG 271, where a complaint concerns services provided in line with a BDO Australian Financial Services Licence (AFSL) or Australian Credit Licence (ACL). By establishing a revised register with automated notification in relation to reportable timeframes and improved data insights for mandatory reporting, we are equipped to identify and address instances of modern slavery that may be reported through this channel. This framework helps reduce modern slavery risk for our clients, people and suppliers.

As of the date of this report, BDO has not received a regulated complaint or any complaint regarding modern slavery-related conduct. This has been reported as such to the AFCA as part of our mandatory reporting obligations in February and August 2024.

Whistleblowing Policy

In the 2024 financial year, we launched an updated Whistleblowing Policy to not only ensure continued compliance with relevant regulations but also ensure the continued rigour and efficiency of our processes. This policy outlines established protections for eligible disclosures, relevant investigative timeframes and other rights including remedies. We encourage all our people, clients and suppliers to speak up and utilise our formal [whistleblowing channels](#) where they notice behaviour that may be deemed reportable conduct (i.e. slavery and slavery-like behaviour).

Anti-Money Laundering Policy and Procedure

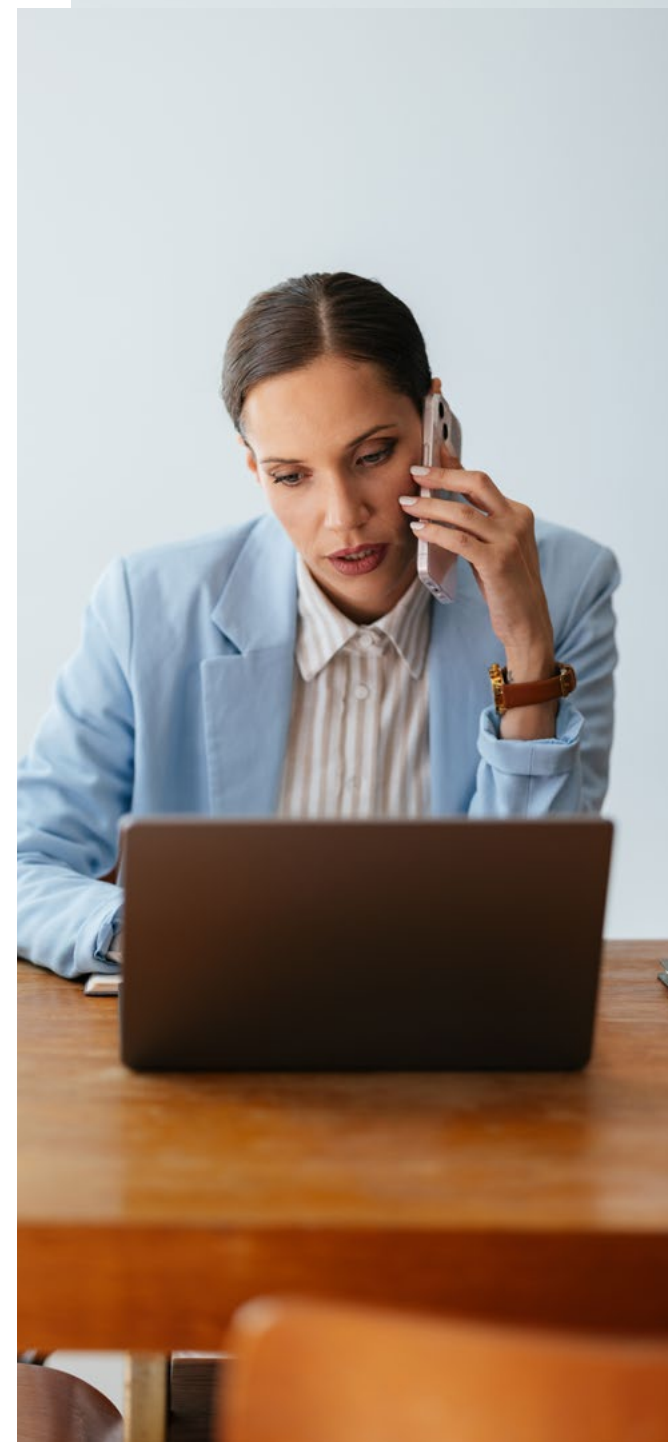
In line with the launch of the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill, we will release a formal policy and systems to support our compliance by the implementation date of 1 July 2026. By better understanding our clients and how client monies are utilised in connection with our business, we can add further rigour to our due diligence processes. By implementing these measures, we will be able to identify improper use of funds, including where that improper use is in connection with slavery-like activity.

Terms of Trade

BDO's Terms of Trade (TOT), which are executed by the majority of our clients and are contractually binding, are consistently updated to ensure confidence in our client relationships. This document speaks to our expectations surrounding modern slavery, including but not limited to the below reciprocal commitments:

- ▶ 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 each party's 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.

Where we are requested to contract under terms set by our clients, we ensure the expectations around modern slavery are consistent with those set out in our own terms of trade.



Monitoring program

Engagement Inspection Program (EIP)	<p>The EIP is focused on assessing the quality of completed engagements performed by the firm and assists in determining whether engagement partners have managed and achieved quality on their engagements by:</p> <ul style="list-style-type: none"> ▶ Fulfilling their responsibilities in accordance with professional standards, applicable legal and regulatory requirements and BDO policies, and conducting engagements in accordance with such standards, requirements and policies ▶ Issuing engagement reports/deliverables that were appropriate in the circumstances.
Ongoing compliance monitoring	<p>For certain areas where compliance with policies and procedures is integral to achieving quality outcomes, testing is performed on a regular basis to determine the level of compliance. This currently includes monitoring compliance for key steps in the acceptance and continuance processes.</p>

Both of these monitoring programs evaluate client acceptance and continuance procedures to determine whether any reasonably foreseeable and material modern slavery risk factors or practices have been identified and assessed.

Reporting on the outcomes of the monitoring programs is provided to engagement partners, service line leaders and ultimately to the RMC and the Board. The report describes the results of the reviews and any remedial actions required. No matters relating to modern slavery were identified in the most recent monitoring cycle.

Firm expansion

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

Partners and clients must undergo appropriate due diligence to mitigate the risk of us 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 the BDO Global policy framework. Every firm's policies and procedures, regardless of its size, nature of services or maturity of business operations, must adhere to 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 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, manufacturing & wholesale, technology, media & telecommunications, and government & public sectors, were primarily domiciled in Australia (a low-risk jurisdiction).

Additional considerations, through our client onboarding mechanisms, and our suite of policies and procedures, complement this due diligence. New developments, such as the development of an Anti-Money Laundering policy and system and the implementation of a new CRM and onboarding process, highlight that our modern slavery risk management framework is constantly evolving. It is believed that through this combination of efforts, the rigour of our due diligence and framework is sufficient to mitigate client-related modern slavery risk.

Our people

Action taken

- ▶ We launched our updated Anti-Bribery & Corruption Policy to ensure it aligned with the BDO Global anti-bribery & corruption Policy. Updates include a formal escalation process to BDO Global should we identify an anti-bribery & corruption incident. Further updates are planned in connection with the Attorney-General's guidance on adequate procedures to prevent the commission of foreign bribery.
- ▶ We reviewed and updated several P&C-orientated policies.
- ▶ A core component of Project Elephant is the implementation of a new HRIS, which is expected to improve data insights about our people and the rigour of our onboarding processes.
- ▶ We partnered with a third-party learning provider, through which we acquired several regulated courses to supplement our existing suite of learning. These cover Modern Slavery, Fraud Awareness, Complaints Handling (RG271), Privacy, Records Management, Anti-Bribery & Corruption, and Whistleblowing.

People due diligence

Our People & Culture 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 safe working environment free of any undue duress. This sets a cultural tone that speaks to BDO's core value of 'One' and encourages relationships built on mutual trust.

Our stringent recruitment and employment practices reflect this cultural underpinning, and as a result, it has been determined that the risk of BDO actively participating in or contributing to modern slavery through our people is low. Considerations addressed through the due diligence process included, but were not limited to:

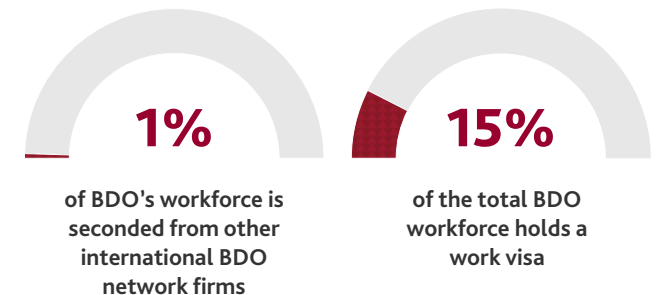
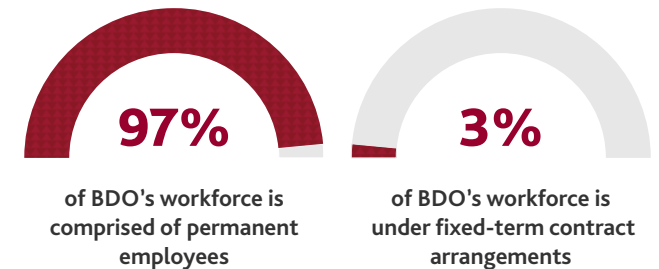
- ▶ Standard conditions of employment
- ▶ Remuneration scheme (including benefits)
- ▶ Recruitment process
- ▶ Transfers and secondments
- ▶ Performance management framework
- ▶ Talent management framework
- ▶ Policies, procedures and programs
- ▶ People due diligence findings.

People due diligence findings

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

- ▶ Approximately 97 per cent of BDO's workforce is comprised of permanent employees
- ▶ Approximately 3 per cent of BDO's workforce is under fixed-term contract arrangements. All contracts are in line with regulatory requirements and industry standards for worker rights
- ▶ Approximately 1 per cent of BDO's workforce is seconded from other international BDO network firms to buffer our workforce. All BDO network firms comply with the standards promoted by the BDO Global Office

- ▶ Approximately 15 per cent of the total BDO workforce holds a work visa, or otherwise some other type of temporary residency, with the remaining staff holding Australian permanent residency or citizenship
- ▶ The vast majority of BDO's workforce are highly skilled professionals who hold tertiary qualifications in line with their field of expertise.



Policies and procedures related to our people

We have extensive policies and procedures designed to mitigate all forms of risk associated with employing, managing and retaining a diverse network of people. This framework gives us great confidence in the quality of our people, who are well-educated and professionally trained and reinforces the belief that our people pose minimal modern slavery-related risk. All BDO firm personnel must comply with this policy framework, as outlined in their employment contract.

Talent Acquisition Policy

Our Talent Acquisition Policy establishes a framework for the acquisition of all staff while ensuring equal opportunity for all applicants. The recruitment and selection procedures follow a set process whereby standard contracts of employment are issued to successful applicants, in line with the relevant requirements outlined in the *Fair Work Act 2009* (Cth).

This policy was updated in 2023 and included increased clarity around the removal of bias and discrimination from recruitment decisions.

Bullying, Sexual Harassment, Discrimination Policy

We do 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, a complaint can be made under this policy. Any slavery-like behaviour or treatment may also be reported via this avenue.

The policy was updated in 2023 and included minor adjustments to the structure, as well as the removal of the resolution process (this has now been fully accounted for in the Grievance Policy).

Work Health and Safety Policy

We are committed to providing and maintaining a safe and healthy working environment for all firm personnel and any member of the public who may be visiting a BDO location. In line with this, we released a revised Work Health and Safety Policy in 2023 to ensure industrial relations standards satisfy industry expectations.

The updates included minor additions to policy objectives and policy requirements for field-based work and psychosocial hazards.

Leave Policy

We fully support a workforce that is encouraged to spend time with their family, and generally outside of the office. Leave entitlements in line with industry standards are extended to all permanent full-time and permanent part-time employees. Casual and contract employees may also be eligible to receive leave entitlements.

The policy was updated in 2024 and included the addition of Reservist Leave and other minor changes arising from external review.



Family Support Policy

We recognise the importance of retaining people and are dedicated to providing a flexible working environment that helps our people balance their work, family responsibilities, carer responsibilities and enables career progression.

A new policy was released in 2023 to provide clarity around support mechanisms (i.e. leave) in certain scenarios (i.e. parental leave, caring responsibilities, IVF). We take a gender-neutral approach to the designation of the primary and secondary carer roles and BDO exceeds the requirements outlined in the *Fair Work Act 2009* (Cth) providing additional leave and support to permanent employees.

Time off in Lieu Policy

We recognise the hard work of our people and are aware there are occasions when deadlines must be met and working extra chargeable hours is necessary. The firm acknowledges this dedication of employees by providing Time off in Lieu (TOIL) for eligible staff, as well as providing informal flexibility and support for their wellbeing.

Remuneration Policy

This policy was released in 2023 and outlines our remuneration principles, and how these principles align with our overarching remuneration strategy. We are committed to supporting the attraction, retention, recognition and reward of our people through remuneration and other benefits. We consider all applicable awards when assessing remuneration bands, in conjunction with industry insights, ongoing recruitment and candidate feedback and other macroeconomic considerations. Remuneration practices are based on fairness and gender pay equity, ensuring gender bias and other biases do not occur during the review process.

Flexible Working Arrangements Policy

This policy was released in September 2023 and is designed to provide all our people with an appropriate level of autonomy and flexibility to accommodate their personal priorities and encourage a healthy and positive mindset. It provides guidance and information on the different types of flexible work options available at BDO. This helps identify what will work best for our people and their roles, and how they can thrive as productive and flexible workers. All people at BDO are eligible to apply for a flexible working arrangement.

The policy was further updated in August 2024 to add a clause in relation to contacting colleagues outside of ordinary hours of work, to ensure the policy's compliance with new legislation covering the 'right to disconnect'.

Grievance Resolution Policy

The Grievance Resolution Policy reinforces our commitment to a healthy, safe and positive work environment. As such, we provide appropriate mechanisms for our people to report grievances in a sensitive, prompt, and fair manner.

The policy was updated in 2023 to broaden the scope of the Grievance Resolution Policy to cover complaints relating to bullying, harassment and discrimination.

Family and Domestic Violence Policy

The policy outlines our commitment to supporting our people who are experiencing family and domestic violence, and details how we provide a work environment that promotes their safety and provides the flexibility to support them. This policy was reviewed in 2023.



Permanent Residency Financial Support Policy

The policy provides guidelines relating to Australian Permanent Residency (PR) Visa support and ensures both the employee's situation and other factors are considered such as firm performance, individual performance, market conditions and tenure. Those who would like BDO to provide financial support for their application for an Australian Permanent Residency Visa (PR) via the Employer Nomination Scheme (subclass 186) are required to complete a Permanent Residency Support Application Form.

This policy was updated in 2024 to include reference to fringe benefits tax and other minor changes following external review.

International Remote Work Policy

The policy, launched in 2023, is designed to confirm the terms and conditions of BDO's support for international remote working. It describes who can work remotely, when remote work may be supported, and the process that must be followed to ensure safe and effective remote work arrangements.

A formal review of this policy occurred in 2024 and updates predominantly revolved around clarification of tax, workplace health & safety, and insurance considerations.

Domestic Internal Transfer and Secondment Policy

The policy supports the movement of employees across BDO, recognising that such movements:

- ▶ Enable people to be deployed in a way that best matches our internal capabilities
- ▶ Provide our people with opportunities for personal and career growth and development
- ▶ Strengthen our firm by broadening our people's skills, knowledge, experience and networks
- ▶ Assist in knowledge and skills transfer
- ▶ Enhance networks and relationships within the firm.

The policy was updated in 2023.

Performance and Misconduct Policy

The policy outlines our approach to managing situations where an employee is not performing or has been found to have engaged in misconduct and provides guidance for how partners/managers and People & Culture team members handle these issues. We aim to address issues of unsatisfactory performance and misconduct in a manner that is:

- ▶ Objective
- ▶ Fair to all parties
- ▶ In line with the firm's values
- ▶ In accordance with principles of natural justice and all relevant legal requirements.

The policy was updated in 2024.

Anti-Bribery and Corruption Policy

We are committed to conducting our business activities ethically and with integrity to prevent bribery or corruption by any of our partners, our people or any other party acting on behalf of BDO. The policy sets out the responsibilities and procedures to minimise the risk of bribery or corruption occurring and provides guidance on how to recognise, deal with and report instances of bribery and corruption. The updated version of the policy was released in 2023 to ensure its alignment with the BDO Global Anti-Bribery & Corruption Policy, including a formal escalation process to BDO Global should we identify an anti-bribery and corruption incident.

People due diligence summary

We employ well-educated and professionally trained individuals. We see 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, motivates high performance, and retains and develops our people in a way that promotes a workplace free of modern slavery risk. Our people-orientated suite of policies remains in constant development to ensure this culture is further nurtured, and our modern slavery risk framework continues to mature.

One way this culture is instilled is by ensuring effective reporting mechanisms are available to partners, our people, 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

We are committed to continuous improvement, including:

- ▶ Continuing to increase the scope of our expanded due diligence to ensure more of our suppliers undergo rigorous assessment. In line with this, we reduced the threshold applied during pre-due diligence this year to capture more suppliers, however, we are still committed to improvement in this space
- ▶ Developing and implementing additional proactive due diligence procedures allowing us to pre-emptively assess more prospective suppliers at the time of onboarding. In line with this, we are also creating a revised onboarding process for IT suppliers
- ▶ Improving systems to support interactions with our suppliers, our clients and our people
- ▶ Providing ongoing communication to our people to ensure awareness and clarity around modern slavery-related considerations and responsibilities.

Next steps for our clients

We are focused on continuously improving the quality of due diligence on our clients. This includes:

- ▶ Enhance guidance in client acceptance and continuance procedures to assess modern slavery risk
- ▶ Implementing new systems to support our interactions with our clients. A core component of Project Elephant is the implementation of a new CRM including client onboarding and document management system to improve data insights about our clients
- ▶ Developing an Anti-Money Laundering and Counter-Terrorism Financing framework that will align us with the new Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill.

Next steps for our people

We are committed to continuous improvement, including:

- ▶ Making any updates required in our annual review of policies and procedures, to supplement our modern slavery risk management framework, where applicable
- ▶ Progressively releasing new learning modules.



Assessing the effectiveness of our modern slavery risk management framework

At BDO, we are committed to the continuous improvement of our modern slavery risk management framework. By adding rigour to this framework, we can mitigate modern slavery-related risk where it concerns our suppliers, our clients and our people. We collate data insights from our various due diligence undertakings to better conceptualise the effectiveness of our existing framework. In 2025, we endeavour to improve the quality and breadth of these data insights through a range of initiatives detailed above. In turn, this data will promote further rigour in our framework and identify points of focus leading into the future.

BDO will always communicate transparently regarding the risk of modern slavery in our operations and supply chain. Clients, vendors and other stakeholders who approach us directly for information about our Modern Slavery Statements, outside of what is disclosed in this Modern Slavery Statement, will be directed to BDO's [Quality Management team](#) for further information.



Approval and signature

This statement was approved by the Board of the applicable reporting entity, BDO Australia Limited (Formerly BDO Group Holdings Limited), on 19 December 2024.



David Fagan

Chairman of the Board:
BDO Australia Limited

19 December 2024

A handwritten signature in black ink, consisting of a stylized, cursive 'D' followed by a series of loops and a final flourish.



Regulatory compliance

Modern Slavery Act requirement	BDO Modern Slavery statement
Identify the reporting entity.	Our governance
Describe the structure, operations and supply chains of the reporting entity.	Our structure and operations
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.	Modern slavery risk areas
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.	Modern slavery due diligence
Describe how the reporting entity assesses the effectiveness of such actions.	Assessing the effectiveness of our modern slavery risk management framework
Describe the process of consultation with any entities that the reporting entity owns or controls.	Our structure and operations
Provide any other information that the reporting entity or the entity giving the statement considers relevant.	Our commitment



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