



BDO MODERN SLAVERY STATEMENT

Financial Year Ending 30 June 2022



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OVERVIEW

At BDO, our values - One, Bold, Human, Strive and Heart – inform more than just our internal culture. They guide how we interact with our local communities across the country. We are strong believers in trust and the role it plays in fostering lasting relationships with our people, our clients and our suppliers.

The strong relationships we have built equip us with an operational focus that promotes and facilitates workspaces that are ethical in their treatment of all people, and which do not tolerate or endorse direct or indirect modern slavery practices.

This year, we have continued to develop our modern slavery risk management framework, as informed by due diligence undertakings in 2020 and 2021. This has seen the introduction of revised and expanded policy suites, amended contractual terms and improved data insights from our supplier due diligence platform.

Of particular note, was our enhanced and automated supplier due diligence platform, launched last year ahead of our 2021 Modern Slavery Statement. This platform has allowed us to undertake informed due diligence on our suppliers, drawing on global databases and industry insights, and providing us with an aggregated modern slavery risk score. This leap in technical acuity demonstrates a shift from reactive to proactive due diligence on our suppliers, ensuring we stay ahead of the curve in managing risks of modern slavery in our operations and supply chain.

Oversight of our approach to modern slavery risk is the responsibility of BDO's Risk Management Committee, on behalf of the Board, which in turn guides the evolution of our modern slavery risk management framework. We are proud that no instances of modern slavery were identified in our operations or supply chain in the 2022 reporting period, but this result does not weaken our commitment to pursuing further enhancements to our due diligence processes and risk framework.

Our approach to modern slavery is one of constant refinement and maturity, and to that end, BDO will commit to the following ahead of next year's 2023 Statement:

- Address the 'next step' actions described in this Statement, to keep maturing our modern slavery due diligence processes and risk management framework
- Further improve how we measure the effectiveness of our framework to drive continuous improvements.



TONY SCHIFFMANN
CHIEF EXECUTIVE
PARTNER

A handwritten signature in black ink, appearing to read 'Tony Schiffmann'.

OUR COMMITMENT

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, 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 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 its 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 maturity 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

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 Global and its network of independent firms. BDO Australia provides governance and administrative support to all 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, Sunshine Coast and Adelaide offices.



ENTITY

BDO Group Holdings Limited



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 2022, 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 our reporting entity and its controlled entities. This includes the Adelaide office, which merged with BDO Group Holdings Limited on 6 July 2021 and is now considered herein.

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:

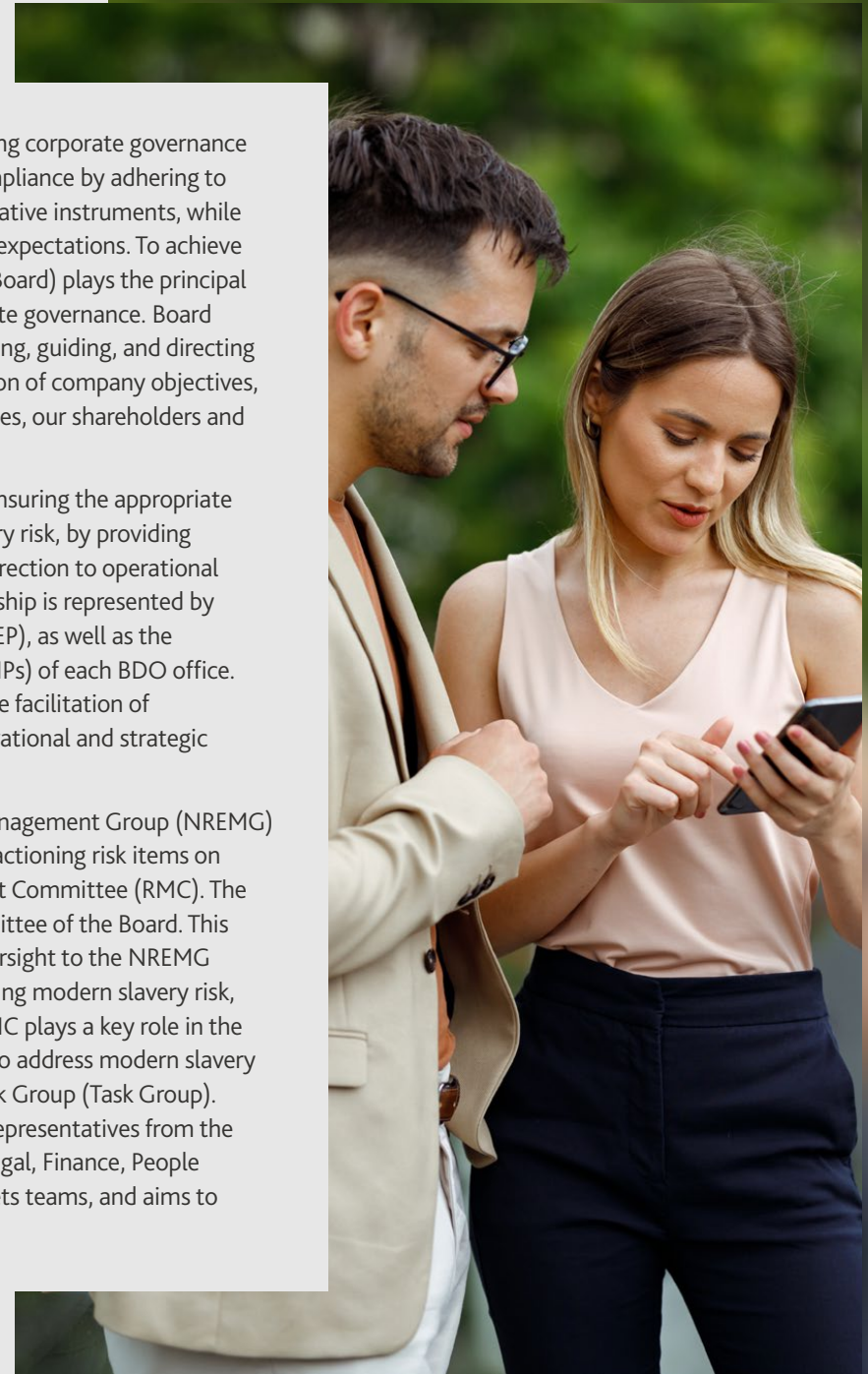


OUR GOVERNANCE

BDO is committed to employing corporate governance practices that support our compliance by adhering to applicable standards and legislative instruments, while also aligning with community expectations. To achieve this end, the BDO Board (the Board) plays the principal role in the direction of corporate governance. Board 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 BDO office. Each OMP is responsible for the facilitation of their respective location's operational and strategic risk management.

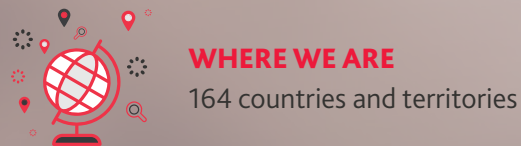
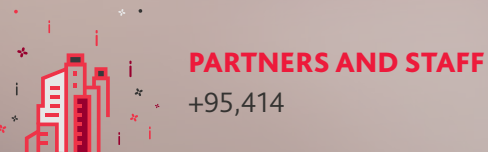
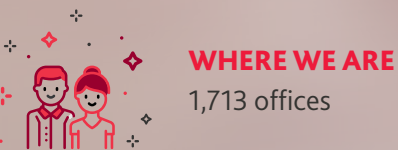
The National Risk & Ethics Management Group (NREMG) is tasked with supporting and actioning risk items on behalf of the Risk Management Committee (RMC). The RMC functions as a sub-committee of the Board. This committee provides direct oversight to the NREMG and over firm-wide risk, including modern slavery 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 GLOBAL STATISTICS



*Financial data 1 October 2020 to 30 September 2021 (including alliance firms) Source [BDO Global Transparency Report 2022](#)

*Countries and territories, Office and People data at 14 March 2022

BDO AUSTRALIA STATISTICS

BDO IN AUSTRALIA

The last financial year has seen BDO in Australia's strongest year of growth in over a decade, reflected in the large number of partner promotions and appointments during the period. This includes our 15 newest partners, promoted as of 1 July 2022, 17 lateral hire partners who joined during the financial year, and five internal partner promotions in January 2022.



BDO AUSTRALIA'S NATIONAL PARTNER TALLY

245 partners	Tax	44 partners	Business Services	70 partners
	Audit	57 partners	Advisory	74 partners

REVENUE BY SERVICE LINE (12 months to 30 June 2022)

Tax	18%	Business Services	31%
Audit	26%	Advisory	25%

PROFESSIONAL STAFF ACROSS SERVICE LINES (as of 1 July 2022)

242	Tax	536	Business Services
466	Audit	262	Shared Services
390	Advisory		

We have invested heavily to create a standout culture with our brand promise of **IDEAS | PEOPLE | TRUST.**



BDO IN AUSTRALIA
AVERAGE AUDIT STAFF TO PARTNER RATIO
8:1

BDO GROUP HOLDINGS (INTEGRATED FIRM) STATISTICS (Integrated Figures as of 1 July 2022)

OFFICE	PARTNERS	STAFF	TOTALS
Adelaide	16	176	1536
Brisbane	75	619	
Sydney	64	457	
Melbourne	44	259	
Sunshine Coast	2	25	

CLIENTS

In the 2022 financial year, BDO performed professional services for approximately 14,225 clients.

PEOPLE

The BDO workforce includes approximately 1,536 employees across client service lines and shared services support functions. Employees are based at office locations in Brisbane (including Mount Gravatt), Sydney, Melbourne, Sunshine Coast and Adelaide and may also be situated on-site at a client location.

SUPPLIERS

In the 2022 financial year, BDO was actively contracted with approximately 1,173 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 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, those being: property, IT & communications, insurance, operations, marketing, and professional services.

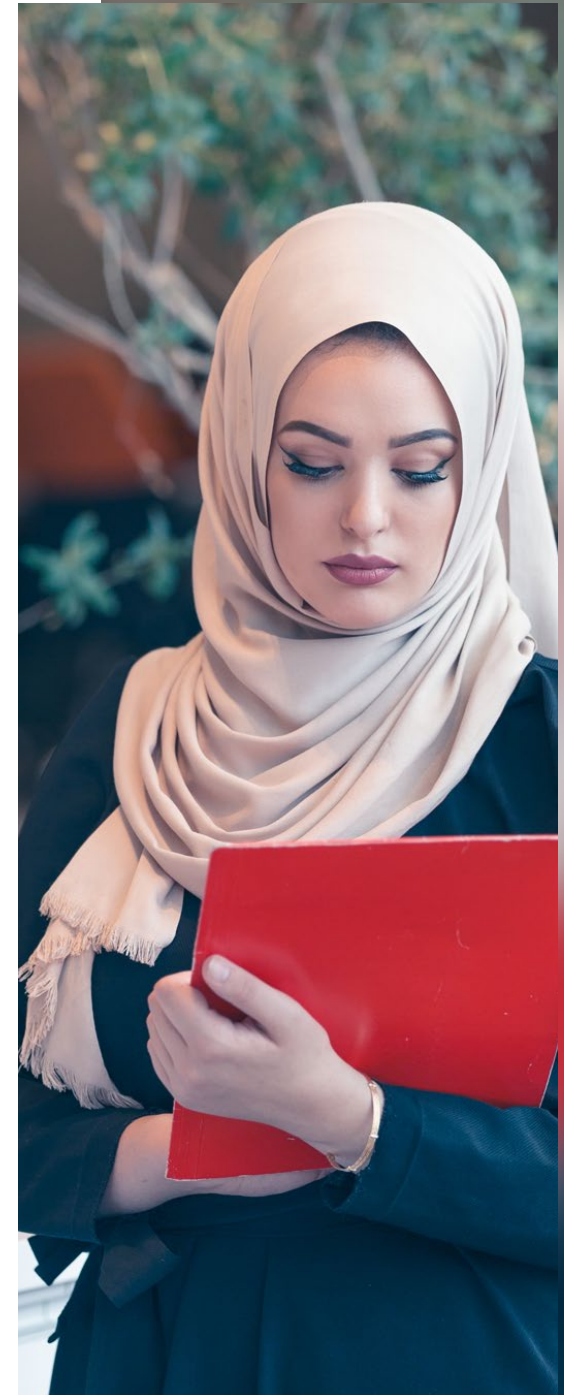
- Property spend includes office leasing and car parking
- IT & communications spend includes the purchase of IT equipment and software, as well as the procurement of IT services
- Insurance spend includes coverage of all major forms of general, public, and professional insurance, including professional 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 BDO member firms within the broader BDO global network also form part of BDO 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. 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 onshore and offshore outsourced service providers in the 2022 calendar year and assessed these entities through our supplier due diligence process.



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 inherent risk exposure each presents to the firm, guiding our response to modern slavery.

HIGHEST RISK

OUR SUPPLIERS

BDO engages with a diverse array of suppliers, with each assessed according to modern slavery risk factors that serve to inform a modern slavery 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 which 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 CONSIDERATIONS:

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 with the highest inherent risk of exposure to modern slavery.

MODERATE RISK

OUR CLIENTS

We take great pride in building relationships with, and providing professional services to, a diverse client base. The number of organisations 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 we do.

PRELIMINARY RISK CONSIDERATIONS:

BDO rarely engages with entities that are primarily domiciled outside of Australia (and in particular, high-risk regions), as outlined in our client engagement and continuance procedures. However, we may engage with clients who have related entities that operate in higher risk jurisdictions, geographies, and/or industries. 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 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 an extensive policy framework and a workforce comprising of high-expertise professionals, primarily domiciled locally, we have classified the risk of modern slavery in relation to our people as low.

OUR MODERN SLAVERY DUE DILIGENCE

OUR SUPPLIERS

ACTIONS TAKEN

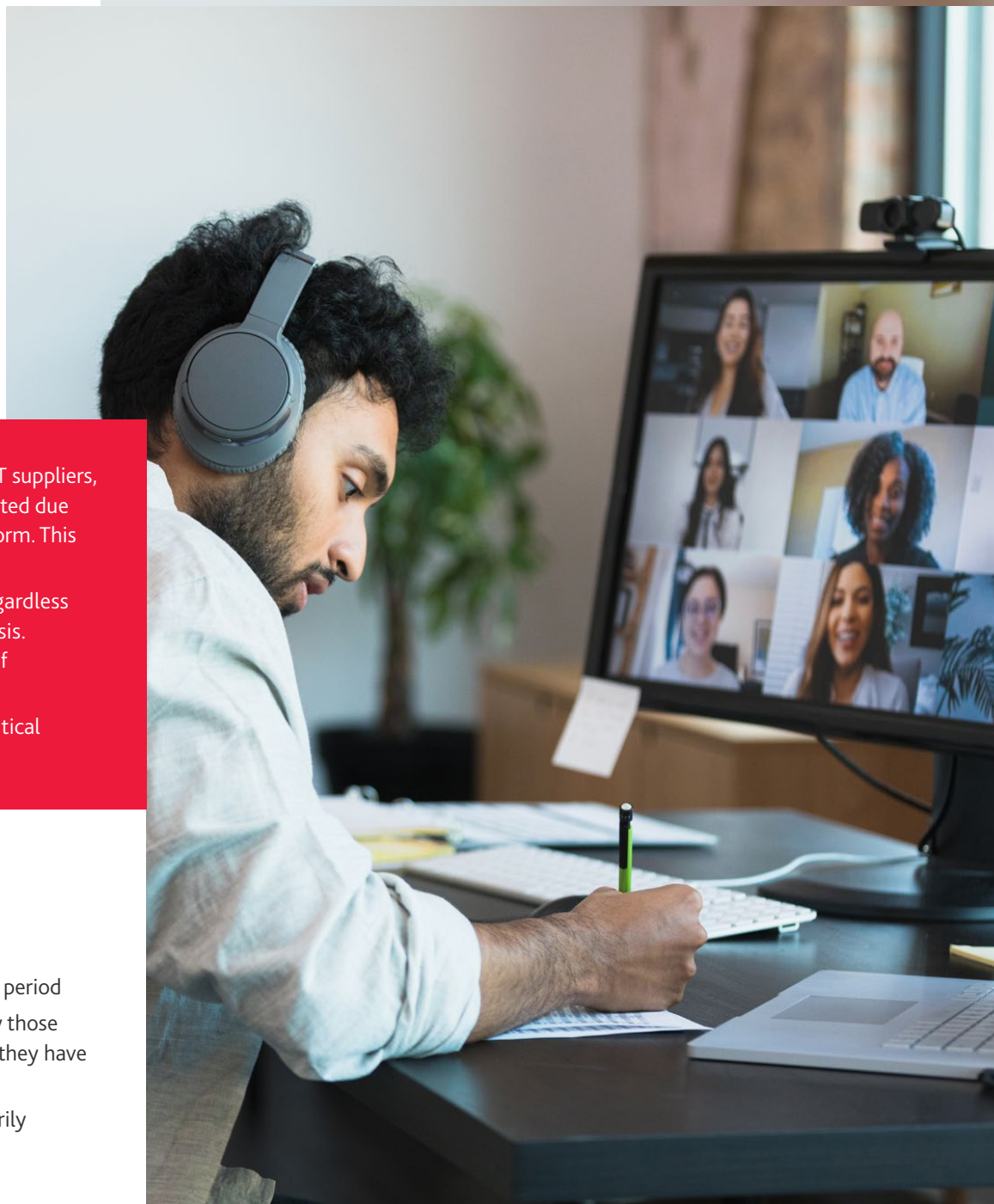
- In line with the Privacy Impact Assessments (PIA) undertaken on all prospective IT suppliers, BDO has now introduced processes to facilitate pre-emptive modern slavery-related due diligence checks before engaging with these vendors through the EthiXbase platform. This reflects our ongoing commitment towards proactive risk assessment
- BDO continues to undertake enhanced due diligence on all current suppliers regardless of industry, where they satisfy a pre-due diligence assessment, on a biennial basis. This reflects our commitment to continued risk assessment and management of existing suppliers
- Updates to the EthiXbase platform, specifically in relation to the evolving geopolitical climate. In line with this, our list of high-risk jurisdictions has evolved.

SUPPLIER DUE DILIGENCE

Pre-due diligence phase

This phase involved:

- Collating all supplier data from our integrated firms within the 2021-22 reporting period
- Filtering supplier data against a pre-defined monetary spend threshold to identify those suppliers who may pose an inherent risk to BDO, due to the level of involvement they have in our supply chain and operations
- 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.

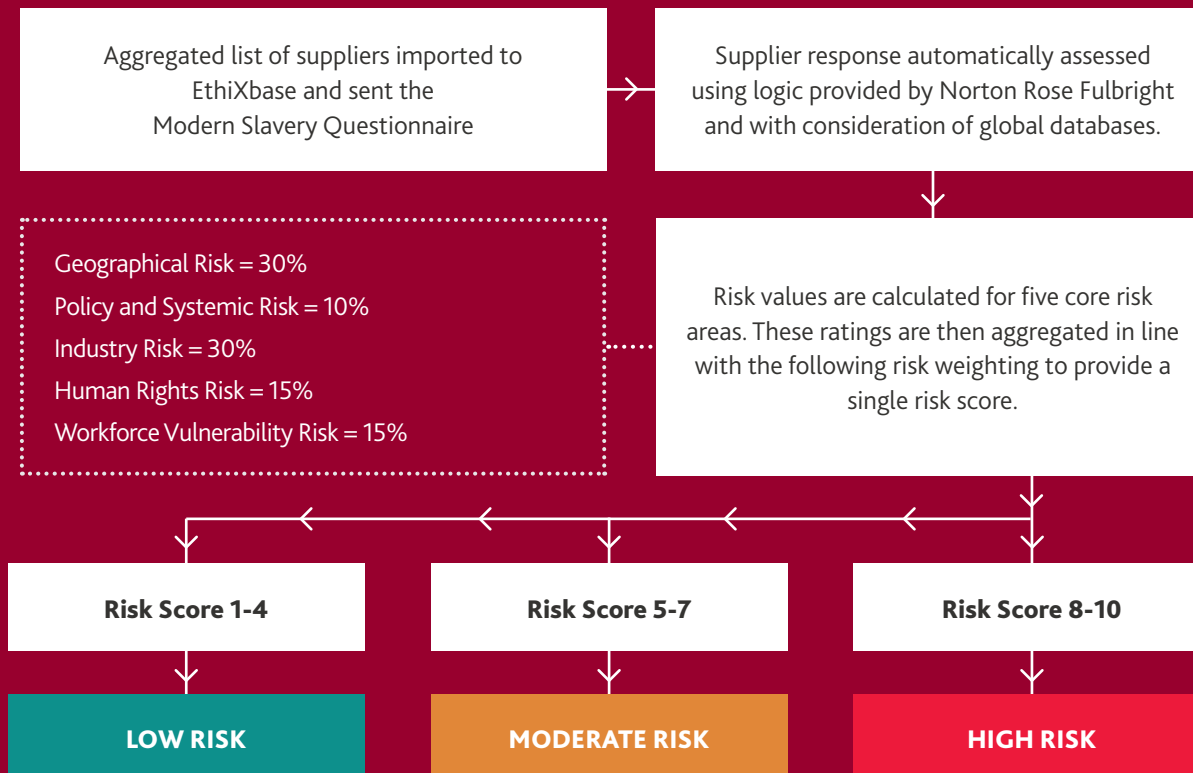
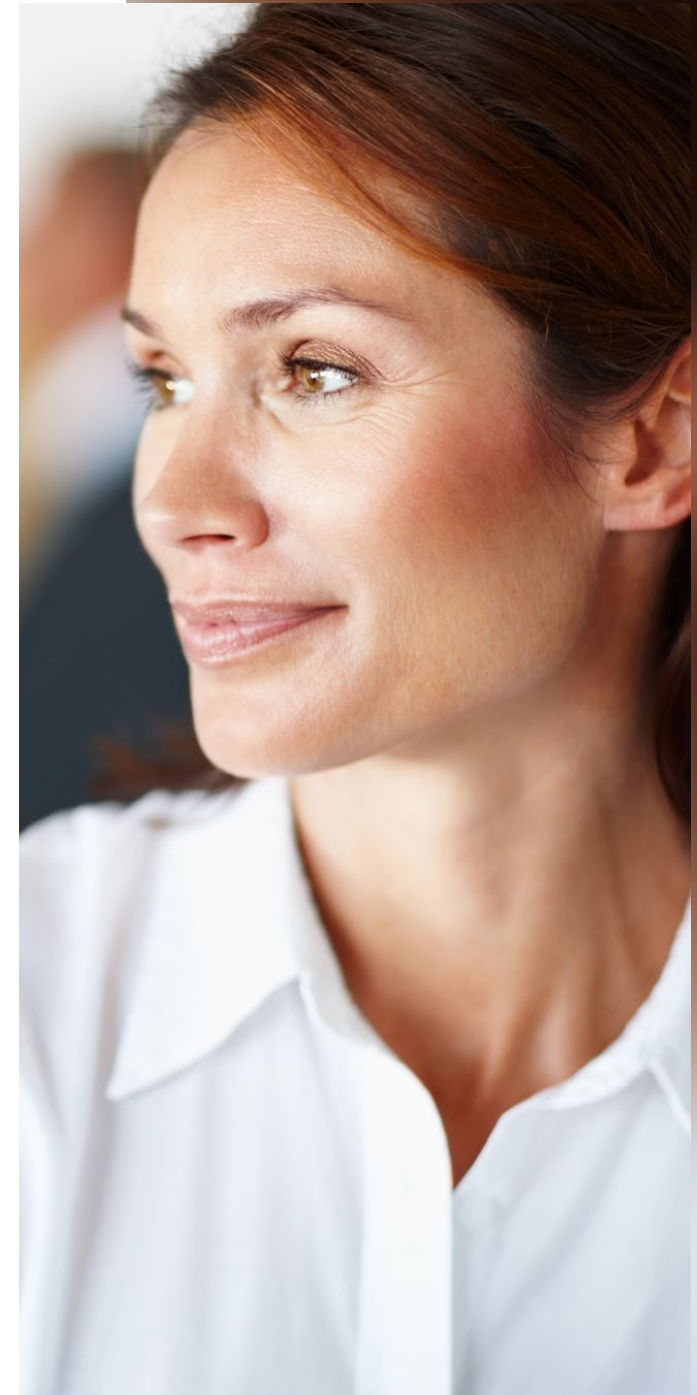


Due diligence assessment phase

In the previous reporting period, BDO implemented a modern slavery due diligence platform using a third-party vendor, EthiXbase. This platform facilitated an automated and independent due diligence mechanism for those BDO suppliers that are escalated to this phase after the pre-due diligence phase.

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 through distribution of a modern slavery questionnaire which draws on leading industry insights and global databases and was created in collaboration with Norton Rose Fulbright. In comparison to previous years, a focus was placed on improved supplier engagement with the questionnaire, encouraging a mutual commitment to modern slavery risk management through strong relationships.

Since the 2020-21 reporting period, the EthiXbase platform has seen ongoing development and improvement to ensure the platform remains 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, BDO's National Risk and Ethics team (NRE) 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.

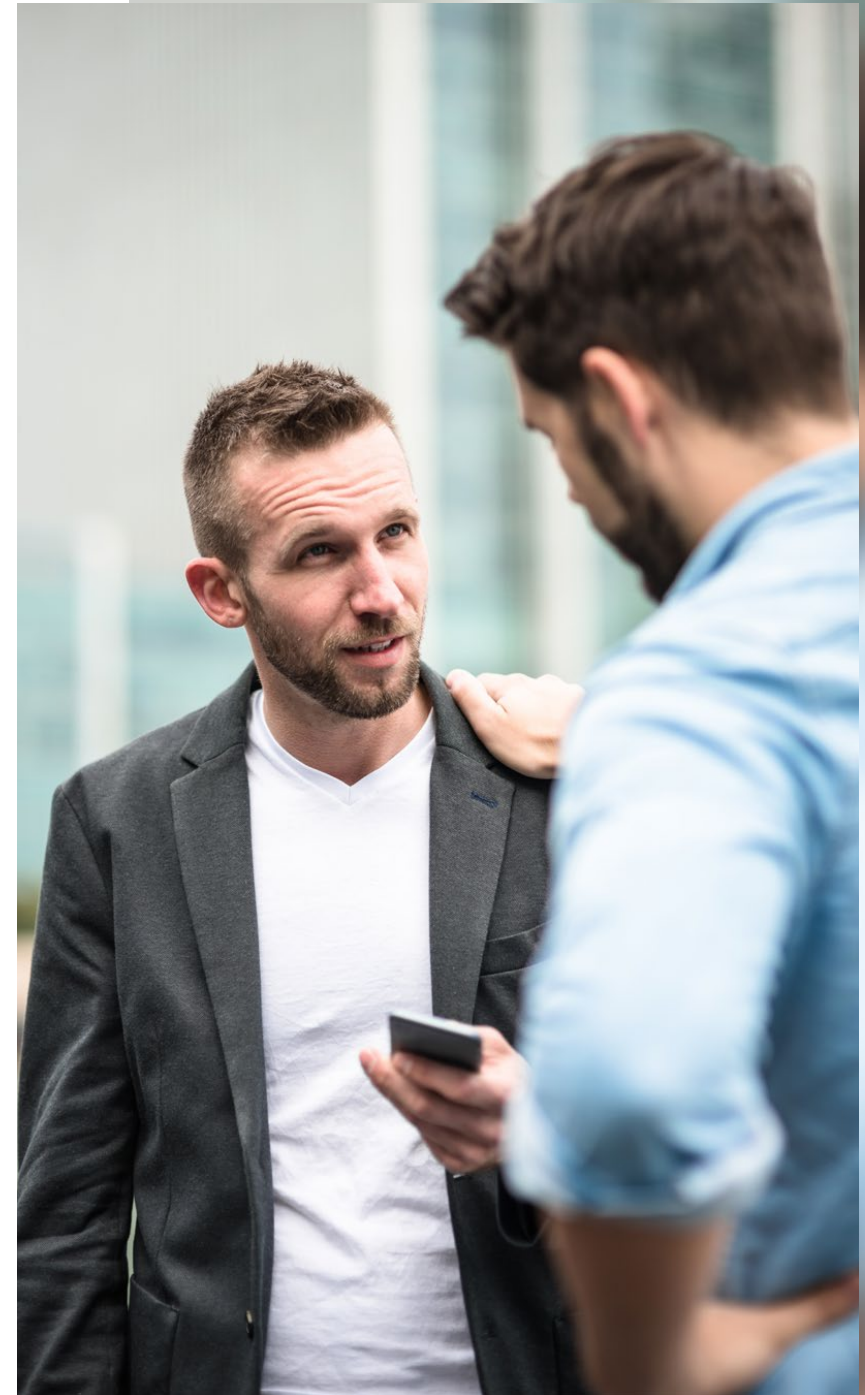
Proactive due diligence phase

In conjunction with existing BDO processes in relation to the onboarding of suppliers, we have implemented processes to facilitate proactive modern slavery-related due diligence on all prospective IT suppliers. Where a BDO team is looking to acquire services from a new IT vendor, they are required to complete a Privacy Impact Assessment (PIA) to enable BDO to assess the risk this vendor may have on our existing systems. At this time, the IT team will engage the NRE team to facilitate modern slavery-related due diligence.

Risk assessment phase

Based on the risk ratings 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 BDO's expectations in relation to our suppliers. Suppliers must always display a commitment to the principles of integrity, confidentiality, objectivity, professional competence, and professional behaviour when conducting business.

This Code makes reference to BDO's stance on human rights and, more specifically, modern slavery. BDO expects 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.

Supplier due diligence summary

BDO recognises 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.

By ensuring increased engagement with our due diligence processes year-on-year, we have further broadened the scope of our ongoing assessment of existing suppliers. In comparison to last year's statement, supplier engagement in our modern slavery due diligence platform, Ethixbase, has risen significantly (43 per cent to 68 per cent). However, there is still room for improvement as we look to pursue further involvement in the platform from all suppliers who are onboarded.

BDO has also implemented a proactive form of due diligence, whereby all prospective IT suppliers are subject to modern slavery-related due diligence in conjunction with other onboarding processes.

Our third-party platform Ethixbase has also matured, ensuring that the data we rely upon for internal risk calculations is accurate and considers the current geopolitical climate.

These improvements demonstrate the continued evolution of our modern slavery risk management framework as we seek to add further rigour to the processes which inform how we interact with our suppliers. To date, no instances of modern slavery have been discovered in our supply chain.

Outsourced service provider due diligence

Our outsourced service providers are subject to the same due diligence process as our other suppliers. This ensures that modern slavery-related risk is identified and does not go unaddressed. BDO's outsourced service providers predominantly assist with administrative support, bookkeeping and tax services.



OUR CLIENTS

ACTIONS TAKEN

- We have developed a revised National Complaints Framework, which includes policies and a new system to allow for effective and compliant avenues of complaint by clients in the next reporting period.

CLIENT DUE DILIGENCE

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

Client due diligence findings

It was determined that:

- The financial services, government & public sector, and manufacturing & wholesale sectors generated the largest share of revenue for BDO in the 2022 financial year. These sectors accounted for approximately 33.8 per cent of all revenue in the period
- In considering the risk profile of these key sectors, it was determined that 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 (and templates)

BDO's Client Acceptance and Continuance Policies 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 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 are consistently updated to ensure confidence in our relationships with our clients. This document incorporates our expectations surrounding modern slavery. This includes, but is not limited to, the below reciprocal commitments:

- 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-facing 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, OMPs and the 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 Global's 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 entering into a relationship that does not align with our firm's values. These processes primarily focus on addressing potential conflicts or independence risks 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 & public sector, and manufacturing & wholesale 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 creation of a National Complaints Framework and amendments to our standard Terms of Trade, further illustrate how our modern slavery risk management framework continues to mature.



OUR PEOPLE

ACTIONS TAKEN

- Developed specific training on modern slavery
- Increased rigour of our people and culture policy framework by updating existing policies and implementing additional policies.

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

BDO's 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
- People management framework
- Policies, procedures and programs.

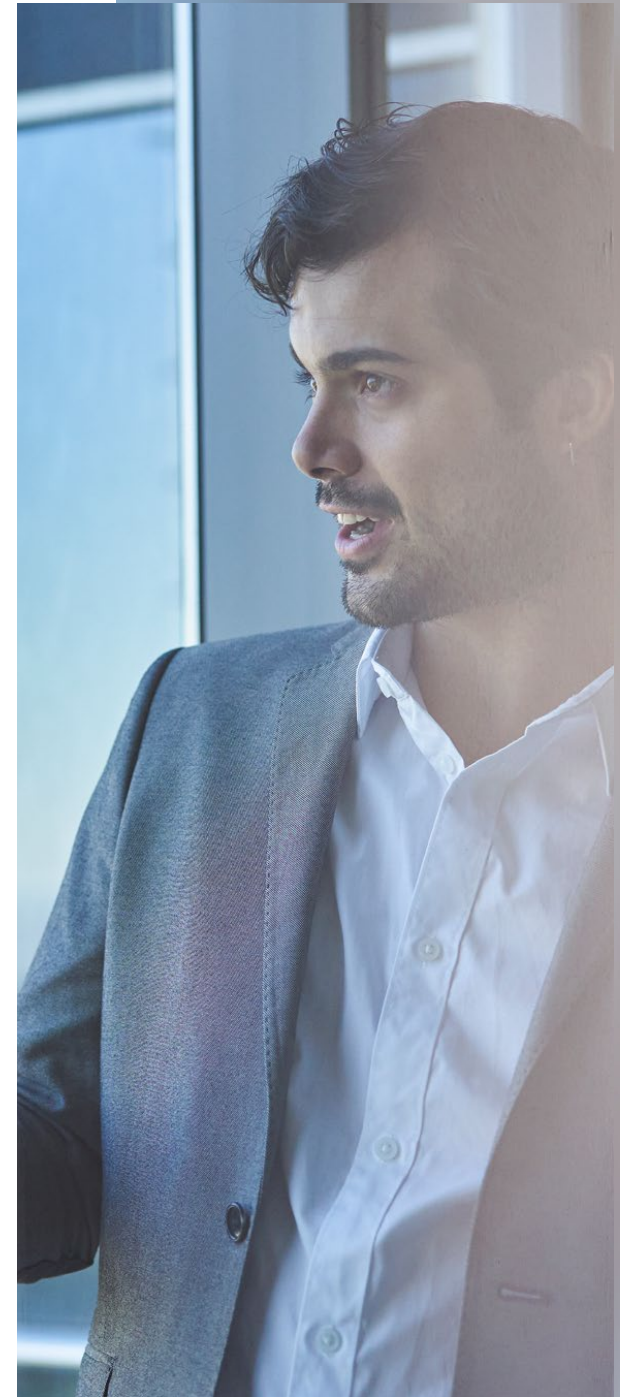
People due diligence findings

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

- Approximately 92 per cent of BDO's workforce is comprised of permanent employees
- Approximately 8 per cent of BDO's workforce are under fixed term contract arrangements. All contracts are in line with regulatory requirements and industry standards for worker rights
- BDO recognises the far-reaching impacts of the COVID-19 pandemic on people and businesses around the globe. COVID-19 has had a significant impact on the resourcing capabilities of some of our service lines in 2022. In response to this, approximately one 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 BDO Global
- Only approximately 5 per cent of the total BDO workforce holds a work visa, or otherwise some other kind 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

BDO has an extensive policy and procedure framework designed to mitigate all forms of risk associated with employing, managing and retaining a diverse network of people. This framework in turn 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.



Recruitment and Selection Policy

Our recruitment screening and selection policy establishes a framework for the acquisition of professional, technical, and support staff, whilst 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).

Since the 2020-21 Modern Slavery Statement, the Recruitment and Selection Policy has been updated to ensure that it continues to be fit for purpose, adding further rigour to our Modern Slavery Risk Framework. Revisions to this policy include further clarification surrounding visa entitlement checks, applicant worker rights and reference checks.

Whistleblowing Policy

In line with our values, BDO encourages employees to speak up if they see actions or behaviour that may not comply with applicable legal and regulatory requirements. This policy enhances the protections in place for those reporting any perceived concerns in relation to illegal, unethical, or inappropriate behaviour and describes how BDO ensures those who speak up are fairly treated and protected. This policy makes specific reference to instances of modern slavery.

Bullying, Sexual Harassment, Discrimination 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.

Work Health and Safety Policy

BDO is committed to providing and maintaining a safe and healthy working environment for all firm personnel, as well as any member of the public who may be visiting a BDO premises. In line with this, BDO has released a revised Work Health and Safety Policy to ensure that industrial relations standards satisfy industry expectations.

Leave Policy

We are in full support of a workforce who are encouraged to spend time with their family. 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.

TOIL Policy

BDO recognises the hard work of its employees and is aware that 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.

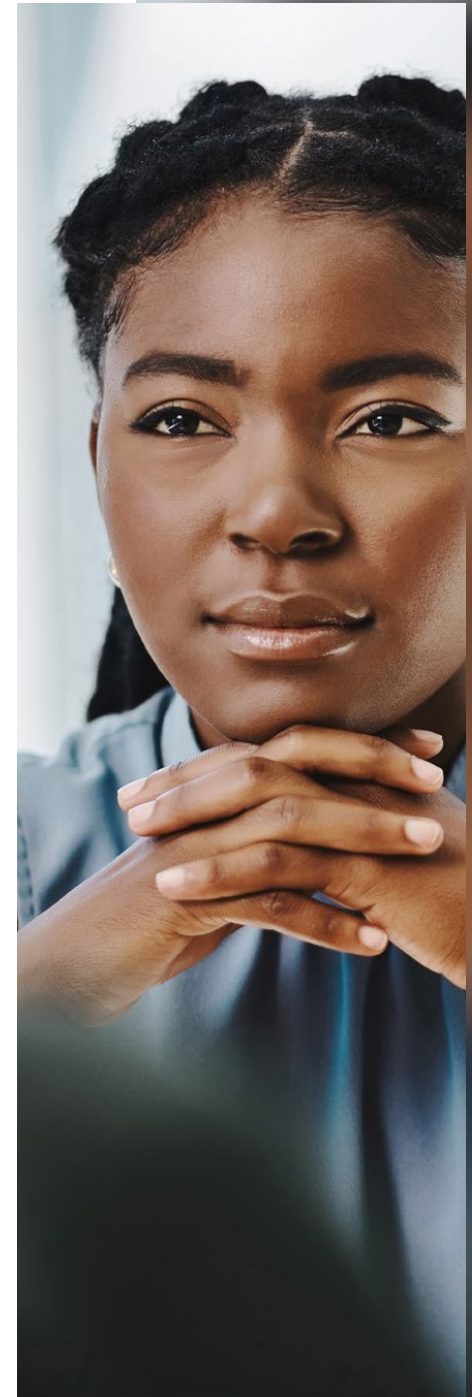
Grievance Resolution Policy

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

People due diligence summary

BDO employs well-educated and professionally trained individuals. As such, 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 remain in constant development to ensure this culture is further nurtured, and our modern slavery risk framework continues to mature. This is evidenced by various updates to key policies, as outlined above.

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

Our 2021 statement identified a number of opportunities to further enhance our processes and controls in relation to modern slavery-related risk management. Although several enhancements have been implemented ahead of the 2022 statement, BDO is committed to further enhancements in advance of the 2023 statement. These include:

- Expanding the scope of our pre-due diligence to ensure more of our suppliers undergo due diligence through our modern slavery due diligence platform
- Undertaking our proactive due diligence procedures, by pre-emptively assessing all prospective IT suppliers at the time of onboarding
- Providing ongoing communications 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:

- Further updating our client acceptance and continuance procedures with guidance that enhances our ability to assess modern slavery risks. Included in this guidance will be a list of countries and industries which are indicative of a higher inherent risk of modern slavery. The guidance will include further considerations for our engagement teams to assess if the entity is flagged as having a higher inherent risk of modern slavery.

- Implementing 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
- Monitoring all complaints received by the enhanced National Complaints Framework, in order to capture and consider any complaints which may concern or allude to modern slavery or slavery-like practices in our operations.

Next steps for our people

The due diligence we have undertaken on our people in both the 2021 and 2022 Modern Slavery Statements has 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. Ahead of the 2023 Modern Slavery Statement, we are looking to further mature our modern slavery risk management framework by:

- Reviewing and updating our policies and procedures, to supplement our modern slavery risk management framework, where appropriate
- Continuing to monitor our formal whistleblowing reporting mechanisms, to understand whether there has been an increase in the number of modern slavery incidents reported subsequent to increased awareness and training.



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 further rigour to this framework, we can continue to 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, in order to better evaluate the effectiveness of our existing framework. In 2023, we will endeavour to improve the quality and breadth of these data insights. 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 in relation to our Modern Slavery Statements outside of what is disclosed in this Modern Slavery Statement will be directed to BDO's [Head of Risk & Ethics](#) for further information.



APPROVALS AND SIGNATURE

This statement was approved by the Board of the applicable reporting entity, BDO Group Holdings Limited, on 21 December 2022.



DAVID FAGAN

Chairman of the Board:
BDO Group Holdings Limited

21 December 2022

A stylized, handwritten signature in black ink, consisting of two main loops.



APPENDIX

ITEM 1

MODERN SLAVERY ACT REQUIREMENT	BDO MODERN SLAVERY STATEMENT
Identify the reporting entity.	OUR STRUCTURE AND OPERATIONS
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.	OUR MODERN SLAVERY DUE DILIGENCE - SUPPLIERS
Describe how the reporting entity assess 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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