



IDEAS | PEOPLE | TRUST

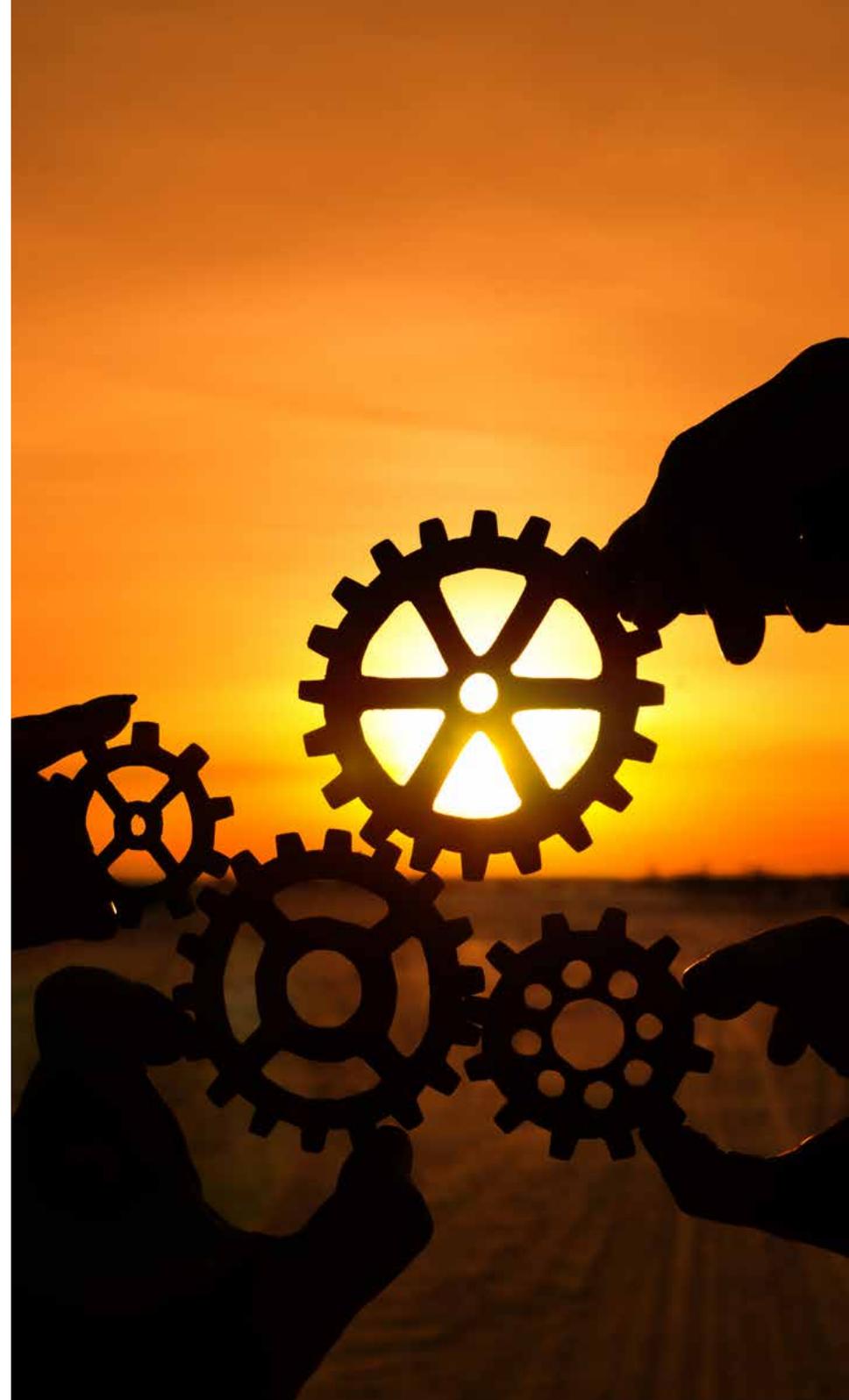
# MODERN SLAVERY STATEMENT

Financial Year Ending 30 June 2020



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## OVERVIEW

At BDO, respecting human rights is inherent in our business operations and is embedded in our [values](#), reflecting and shaping our behaviours and organisational culture. We aim to treat everyone fairly and create a workplace and operating environment that is safe, ethical and transparent. Aligning with our core values and beliefs, any action taken to date or planned in the future will enhance our ability to address the risk of modern slavery in our operations and supply chain.

Preventing modern slavery practices is a complex issue which has a global impact, and eliminating the potential for modern slavery practices in our operations and supply chain is key to our commitment. Our first statement reports on the steps BDO has taken in the financial year ending June 2020 (FYE 2020) to progress our journey and to assess and adequately mitigate the risk of modern slavery. It has also reinforced clear expectations for our people, clients and suppliers. We take responsibility to further develop and refine processes and systems with our suppliers, clients, workforce and external stakeholders to increase compliance and our understanding of modern slavery risks, and the role we can play to address them.

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

In the following statement, we have considered the areas in which BDO could potentially cause, contribute to, or be directly linked to modern slavery through our operations and supply chain. While we have not identified any instance of modern slavery practices, the three areas of the business that are most susceptible to modern slavery risk are our people, our clients and our supply chain.

We have commenced our journey with rigour, based on data collation, analysis, and due diligence. As we progress, we will continue to refine and further improve our approach and assessment to identify and respond to the risk of modern slavery practices within our organisation.



A handwritten signature in black ink, appearing to read 'Tony Schiffmann'. The signature is stylized and fluid.

Tony Schiffmann  
Chief Executive Partner

## OUR COMMITMENT

BDO's values of One, Bold, Human, Strive and Heart shape behaviour and inform every decision across all levels of the business. Our [values](#) are predicated on the belief that when people come first, business success will follow. We seek to treat everyone fairly and consistently, creating a workplace and business environment that is open, transparent and trusted. Any action taken to date or planned in the future to enhance our commitment to manage modern slavery will align with these core values and beliefs.

### BDO IS COMMITTED TO:

- ▶ Ensure the risk of modern slavery practices within BDO's business operations is understood and addressed in accordance with internationally recognised principles and the Modern Slavery Act 2018 (Act)
- ▶ Eliminate the potential for modern slavery practices in our operations and supply chain
- ▶ Utilise the due diligence that has been conducted to date, to create an action plan and set out next steps for BDO to achieve its goals to address the risk of modern slavery in our operations and supply chain
- ▶ Ensure transparency with our employees, clients, suppliers and stakeholders regarding the progress to date, along with our commitment and intent
- ▶ Develop a plan to measure the effectiveness of the approach taken to address the risks associated with modern slavery.

BDO is satisfied with the progress that has been made to date, in identifying and addressing potential shortcomings in our approach and responding to the risk of modern slavery in our operations and supply chain before the release of our FYE 2020 Modern Slavery Statement (Statement). We remain committed to continued improvement to our approach and response to the risks associated with modern slavery.

BDO's reference to modern slavery throughout this Statement follows the principles set out in the Global Survey Index 2018. Modern slavery is an umbrella term used to refer to situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception and or abuse of power.



ONE



BOLD



HUMAN



STRIVE



HEART

Values, by their very nature, exist and manifest across all areas of an organisation.

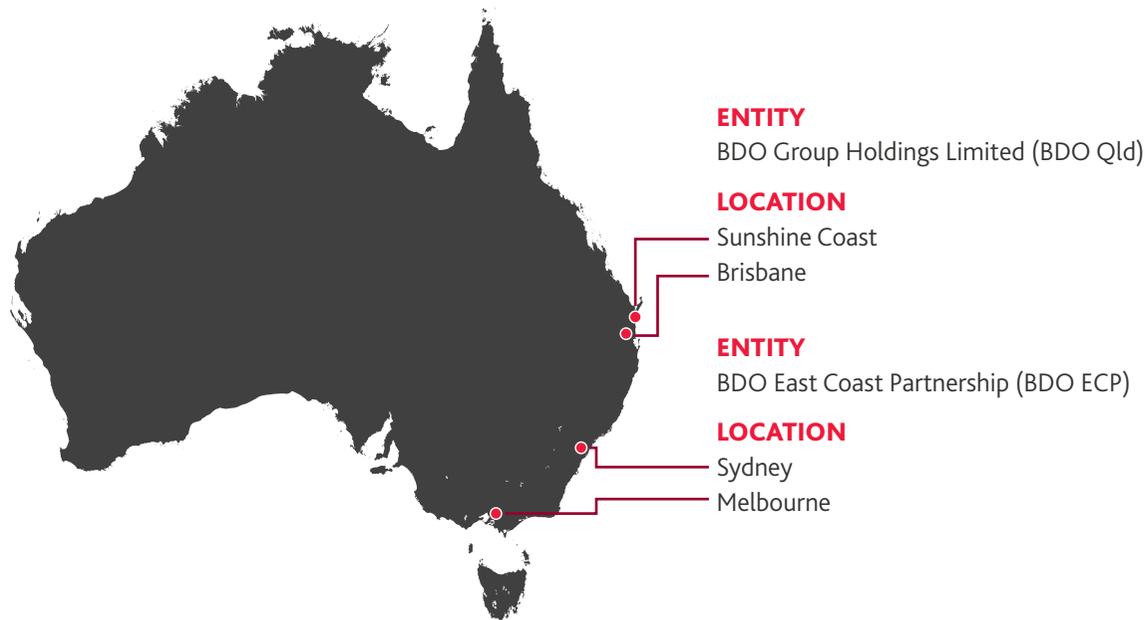
Our values are expressed as a set of five values which operate as a system, together shaping behaviours and organisational culture across BDO.

## OUR STRUCTURE AND OPERATIONS

This statement has been prepared in accordance with the Australian Modern Slavery Act 2018 which came into effect on 1 January 2019. A Modern Slavery Statement must be submitted within six months after the end of the reporting entity's financial year. The reporting period is the entity's first full financial year that commences after 1 January 2019. Due to COVID-19, the submission date for reporting entities with a 30 June 2020 year end was extended to 31 March 2021. In compliance with the Act, as at 30 June 2020, the following entities in the BDO Australia network were considered reporting entities:

As part of our modern slavery assessment, we have collated data and performed analysis across all reporting entities and their controlled entities, as the controlled entities are also considered reporting entities for purposes of this statement.

Effective as at 1 August 2020, BDO Qld and BDO ECP merged their business operations. Prior to completion of the integration transaction, we undertook a consistent and streamlined approach across both reporting entities in assessing and addressing modern slavery risk. The contents of this statement therefore represent a collective response to the requirements of the Act. For the purposes of this Statement, BDO Qld and BDO ECP are collectively referred to as BDO.



**MODERN  
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**GOVERNANCE**

BDO is committed to leading corporate governance practices which comply with the standards, legislative obligations and community expectations of a modern professional services firm.

The Board is the principal governance and oversight body within BDO. Board responsibilities are to govern, guide, and direct BDO towards the effective achievement of BDO's role and objectives in the interests of our employees, our shareholders and our community. As such, the Board is accountable for ensuring that BDO appropriately manages modern slavery risk.

Operational leadership is represented by a Chief Executive Partner (CEP) and Office Managing Partners (OMP) based in Brisbane, Sydney and Melbourne. Each location's OMP oversees the implementation of the firm's operational and strategic plans.

BDO has recently restructured its risk management governance model across the Brisbane, Sydney and Melbourne offices. The Risk Management Committee functions as a sub-committee of the Board and provides executive-level oversight and management of enterprise-wide risks on behalf of the Board. Accordingly, the RMC has reviewed and contributed to the approach taken by the firm's Modern Slavery Task Group (Task Group) to assess and address the risk of modern slavery practices within BDO's operations.

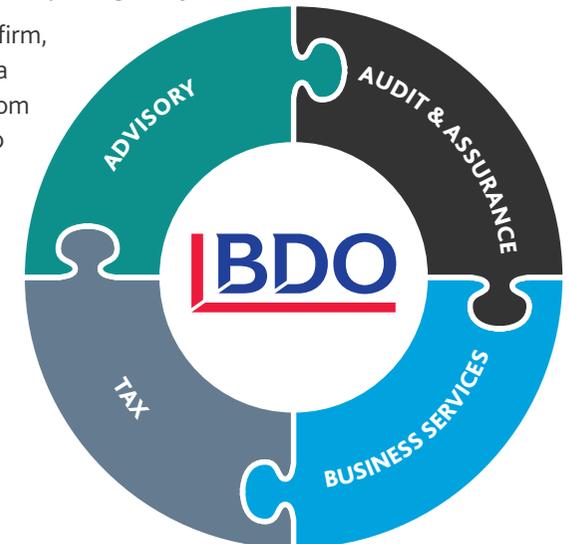
A cross functional Task Group comprising representatives from Risk & Ethics, Client Service lines, Legal, Finance, People & Culture and Clients & Markets across BDO was established under the direction of the RMC. The Task Group has to date focused on three key areas in which BDO is most susceptible to modern slavery risk - people, clients, supply chain.

**OPERATIONS**

BDO operates in Australia as a network of independent member firms, all of which are members of BDO Australia Limited. BDO Australia Limited is an Australian company limited by guarantee, is a member of BDO International, and forms part of the International BDO network of independent firms. BDO Australia Limited provides national support and strategy for BDO in Australia but does not provide professional services to clients.

In FYE 2020, BDO Qld and BDO ECP operated as independent legal entities as part of the BDO Australia network and client engagements were conducted in the name of each respective reporting entity.

As a professional services firm, BDO provides services to a diverse range of clients, from corporate organisations to private businesses, entrepreneurs and individuals across a broad array of industry sectors. The service lines within BDO are categorised as follows:



# BDO AT A GLANCE

The diagram below sets out key statistics in relation to our operations and depicts how BDO Qld and BDO ECP fit into the network both within Australia and globally:

## BDO GLOBALLY

**1,658** OFFICES GLOBALLY IN **167** COUNTRIES AND TERRITORIES



**91,054+** HIGHLY SKILLED PARTNERS AND STAFF WORLDWIDE

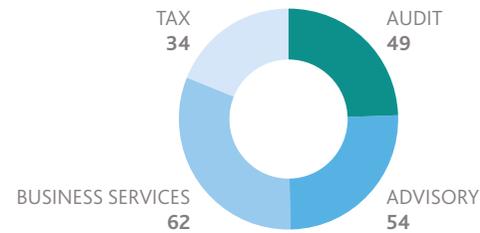


**US\$10.3B** GLOBAL REVENUES

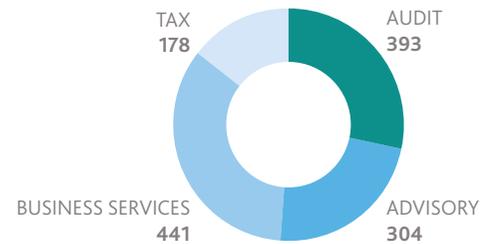


## BDO IN AUSTRALIA

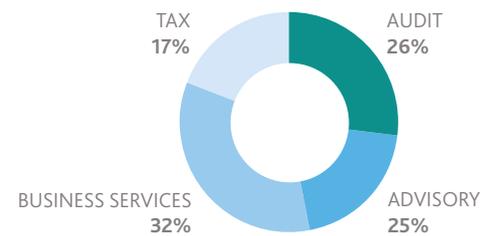
PARTNERS ACROSS SERVICE LINES



PROFESSIONAL STAFF ACROSS SERVICE LINES

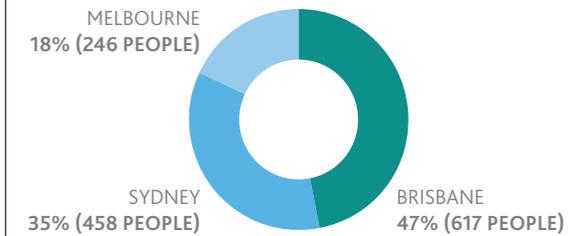


REVENUE BY SERVICE LINE



## MODERN SLAVERY FYE 2020 REPORTING ENTITIES

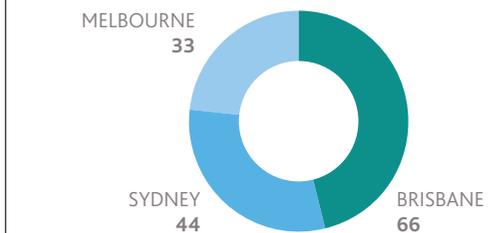
**1,321** PEOPLE



**3** OFFICES



**143** PARTNERS



Figures taken at 30 June 2020, this includes our national teams and support staff.

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

**CLIENTS**

BDO performed professional services for approximately 11,628 clients in FYE 2020, the breakdown of clients per reporting entity was as follows:

REPORTING ENTITY	NUMBER OF CLIENTS
BDO QLD	6,605
BDO ECP	5,023

**PEOPLE**

Our workforce comprised of 1,321 employees across the service lines and shared services functions. Employees are based at office locations in Brisbane, Sunshine Coast, Sydney or Melbourne and may also be located on-site at a client location. The breakdown of employees per reporting entity is as follows:

REPORTING ENTITY	NUMBER OF STAFF
BDO QLD	617
BDO ECP	704

**SUPPLY CHAIN**

BDO contracted with approximately 1,140 suppliers in FYE 2020. Our major categories of suppliers are as follows:



These suppliers provide goods and services required to support the delivery of professional services to our clients. The largest proportion of spend across BDO relates to property leases, operations, IT and technology:

- ▶ Property spend includes office leasing and car parking
- ▶ Operational spend includes subscriptions, professional membership fees, catering, hospitality and printing costs
- ▶ IT & Technology spend includes the purchase of IT equipment and software, as well as the procurement of IT services.

**Outsourced service providers**

BDO engages with outsourced service providers to improve efficiency and address resourcing requirements when providing certain routine services to our clients. BDO engaged with certain onshore and offshore outsourced service providers in FYE 2020.

## MODERN SLAVERY RISK AREAS

### RISK APPROACH AND METHODOLOGY

We considered the areas in which BDO could potentially cause, contribute to, or be directly linked to modern slavery through our operations and supply chain. The three areas of the business that are most susceptible to modern slavery risk are our people, our clients and our supply chain.



#### PEOPLE

The knowledge, skills and integrity of staff are BDO's most important asset. We have considered our recruitment, retention, remuneration and employment practices and the nature of our workforce as indicators to assess the risk of modern slavery within our workforce.



#### CLIENTS

Our core business involves providing professional services to our clients. BDO faces the risk of entering into an arrangement with a client who may be implicated in modern slavery practices. BDO could also through association be linked to modern slavery within the client environment through the provision of professional services.



#### SUPPLY CHAIN

BDO engages with suppliers and outsourced service providers (collectively vendors) locally and globally. Certain products and services may have a higher risk of modern slavery because of the way they are produced, provided or used. BDO is committed to understanding the risk of modern slavery that may be prevalent amongst our vendors to ensure we consider the risk and reputational impact of doing business with a vendor.

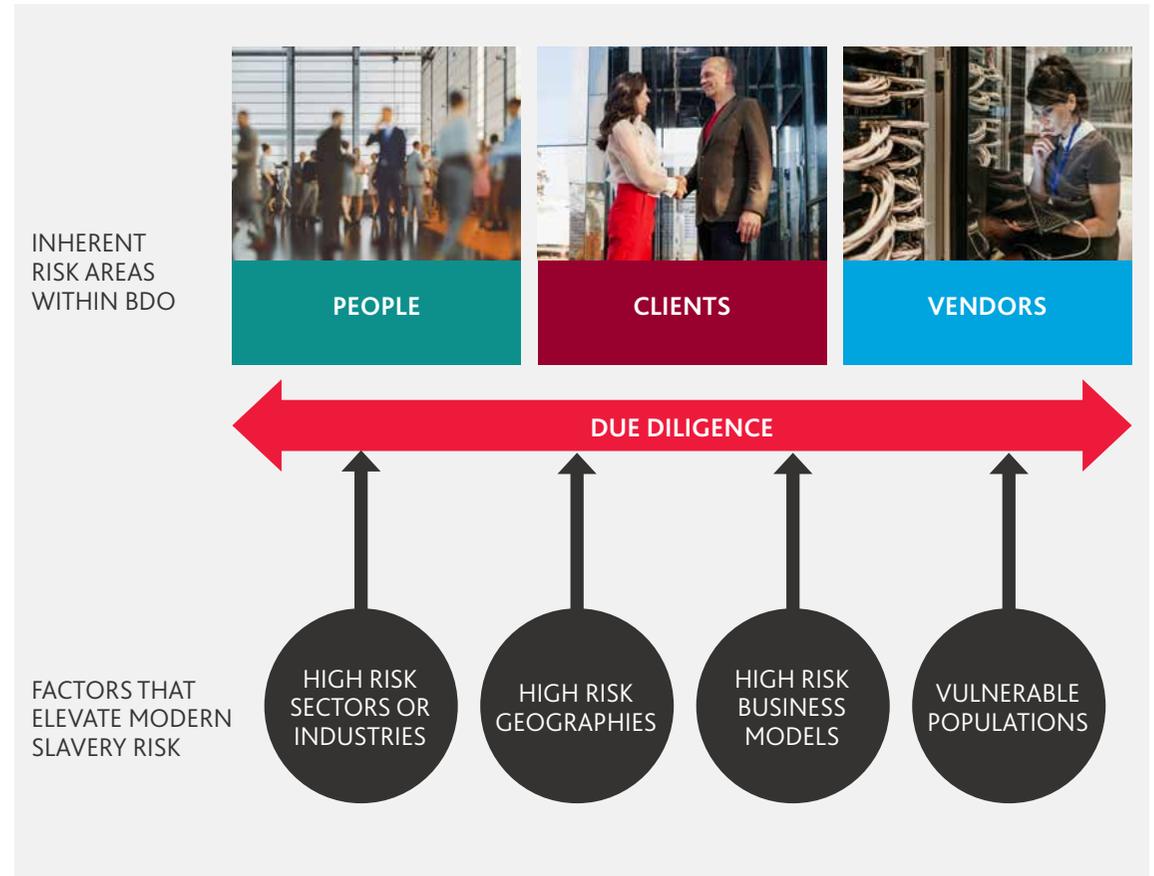
# MODERN SLAVERY STATEMENT

The modern slavery risk factors that have been included in our assessment and elevate the risk of potential modern slavery across the three areas (people, clients and supply chain) are:

- ▶ High risk sectors or industries
- ▶ High risk countries and geographic locations
- ▶ High risk business models (as an example, labour hire or outsourcing arrangements)
- ▶ Vulnerable groups (as an example, migrant workers).

The Global Slavery Index 2018 and United Nations Guiding Principles on Business and Human Rights are external research sources used to inform our approach.

Our risk-based approach to modern slavery involved assessing each area to understand where modern slavery risk factors exist or where there is a reasonably foreseeable risk of modern slavery practices. This assessment was used to formulate a risk rating across the three areas as either low, moderate or high risk, and inform the allocation of resources and effort for the purposes of our due diligence.



**MODERN  
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**PRELIMINARY DUE DILIGENCE FINDINGS ACROSS THE AREAS:**

**People**

As a professional services firm, we are of the view that the risk of modern slavery in relation to our people is low, due to the level of skills and expertise of our resources and the countries within which our workforce operates.

**Clients**

BDO's risk of modern slavery in relation to clients has been categorised as a moderate risk. Although BDO rarely engages with entities that are primarily domiciled outside of Australia in high risk regions, certain BDO clients may have related entities and operations that are domiciled outside of Australia and that operate in inherently high risk geographies. Some BDO clients operate in high risk industries. Policies and procedures in relation to client and engagement acceptance and continuance include a requirement that our engagement teams consider the risks associated with any client or engagement of the firm.

**Vendors**

We consider BDO's procurement of products and services, both for internal consumption and on-selling to clients, to carry the highest foreseeable risk of modern slavery. The following complexities explain why vendors are inherently a higher risk and the primary focus of our due diligence:

- ▶ The geographical locations within which these vendors operate
- ▶ The composition of their workforce
- ▶ The business models that are used in their operations.

INHERENT RISK AREA	LOW RISK	MODERATE RISK	HIGH RISK
PEOPLE	●		
CLIENTS		●	
VENDORS			●

**IMPACT OF THE PANDEMIC**

The coronavirus (COVID-19) global pandemic has and is still presenting significant challenges to the global economy. COVID-19 impacted our business, people, clients and supply chain in FYE 2020 and continues to have an impact:

- ▶ As a result of the pandemic the demand for certain categories of spend within BDO which include stationery, cleaning and travel-related expenses has decreased
- ▶ The timing of certain planned actions to assess and address modern slavery was delayed due to the pandemic
- ▶ As part of our compliance monitoring and Internal Inspection Programme procedures, we have increased the level of scrutiny applied to client on-boarding, to gain further assurance that clients which BDO would ordinarily not do business with are not accepted without appropriate risk assessment
- ▶ Challenges as a result of the pandemic may impact the ability of a business to provide security to its workforce. Assessing the likelihood of vulnerable workforces within our supply chain was a key area of focus and continues to be so.

# OUR ACTIONS

## VENDORS

### Supplier due diligence

Our due diligence approach to assess the risk of modern slavery practices within our supply chain comprises three steps:

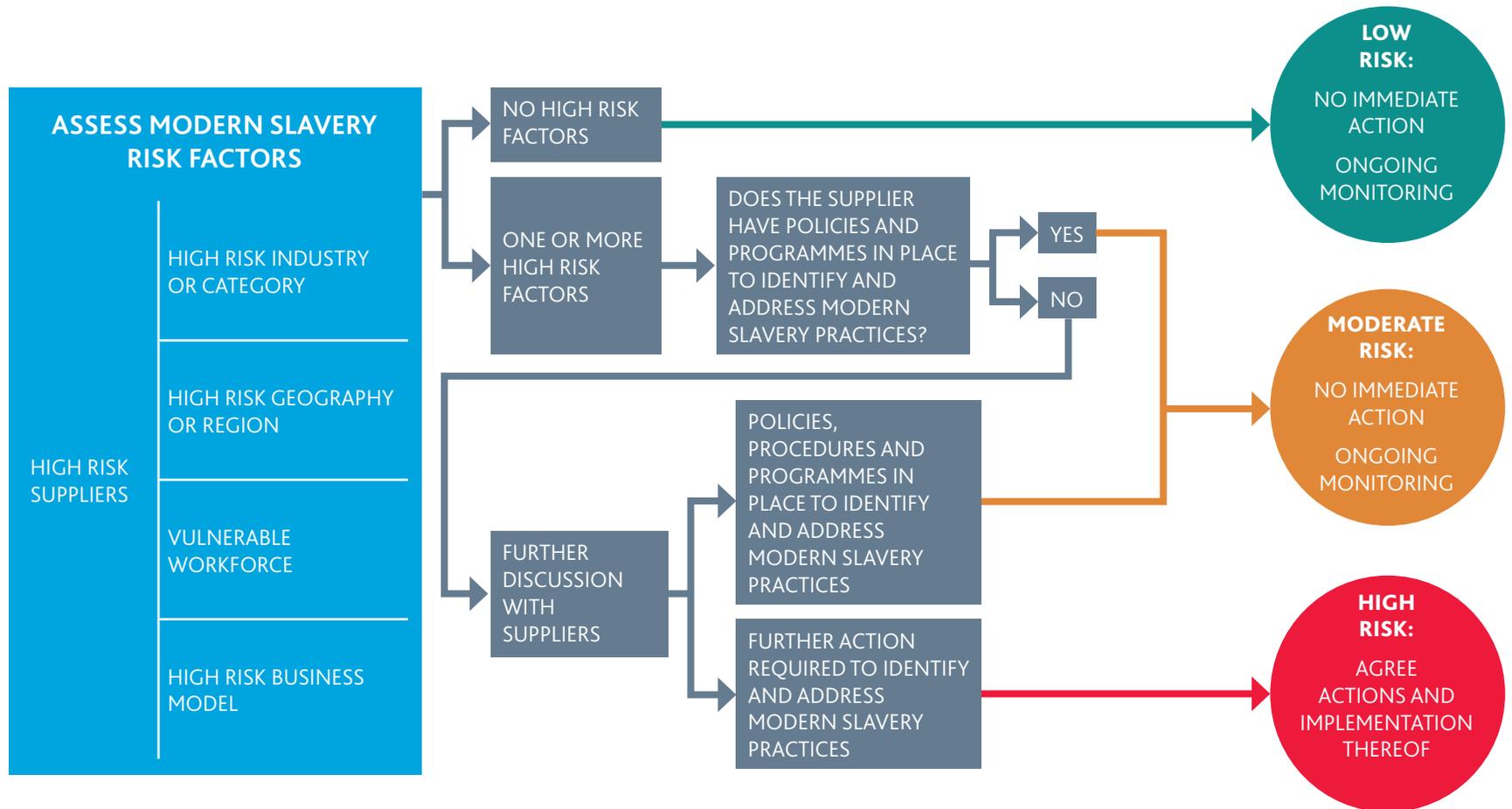
Step 1 – Analysis of supplier risk profile	Step 2 – Request for supplementary information from suppliers who were considered to be higher risk and analysis of their responses	Step 3 – Risk ratings applied to higher risk suppliers supplemented by further information and written assurances from those suppliers where necessary
<ul style="list-style-type: none"> <li>▶ Collated and categorised supplier data for BDO to inform a supplier risk matrix</li> <li>▶ The supplier risk matrix was filtered to include:                             <ul style="list-style-type: none"> <li>- Suppliers where the spend was considered material and in excess of a pre-defined threshold value were prioritised (high risk suppliers).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Reviewed the Modern Slavery Statements of high risk suppliers</li> <li>▶ Forwarded a Modern Slavery Supplier Questionnaire to high risk suppliers where further information was required for the purposes of the assessment.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Based on the information contained within the high risk supplier's Modern Slavery Statement or responses to our Modern Slavery Supplier Questionnaire, we further assessed the risk of modern slavery, for the purposes of rating suppliers using the approach outlined in the 'Risk Methodology'</li> <li>▶ If, based on the information made available, the adequacy of the supplier's response required further clarification, BDO then engaged in further discussions with the supplier.</li> </ul>



**MODERN  
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The information included as part of the supplier's Modern Slavery Statement or its response to BDO's Modern Slavery Supplier Questionnaire was further assessed using the Modern Slavery Risk Methodology outlined below:



## MODERN SLAVERY STATEMENT



The supplier due diligence highlighted that the largest percentage of spend across property leases, operations and IT & technology is attributed to six suppliers:

- ▶ The largest percentage of property lease spend is with a single supplier who is subject to the Act and has published a Modern Slavery Statement
- ▶ The largest operational spend is with two suppliers; both suppliers are subject to the Act and have published a Modern Slavery Statement
- ▶ Large volumes of IT & technology spend relate to three suppliers which are subject to the Act and have published a Modern Slavery Statement.

### SUPPLIER POLICY AND PROCEDURES

The BDO Board recently reviewed and updated BDO's 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 assessment criteria as described in the Evaluation of Supplier Proposals Policy, an assessment of the supplier's compliance with modern slavery forms part of the approval process using a pre-defined Modern Slavery Supplier Checklist. An assessment of the supplier is required to take place following the modern slavery risk methodology described above.

### SUPPLIER DUE DILIGENCE SUMMARY

BDO seeks to only do business with suppliers that apply similar values and ethical practices as our firm, including those related to human rights and modern slavery. We have gained further insight and assurance into our suppliers by using the modern slavery risk approach and methodology set out above. We will continue to enhance our approach and methodologies by further developing and refining these tools and approaches in the FYE 2021 reporting period.

### OUTSOURCED SERVICE PROVIDER DUE DILIGENCE

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

## MODERN SLAVERY STATEMENT



### NEXT STEPS FOR VENDORS

The due diligence process has provided us with insight into the next steps that can be taken to further improve our approach and assessment of modern slavery practices in relation to suppliers, and ensure that clear expectations are set out for our people when engaging suppliers and assessing their conduct:

- ▶ Any new suppliers where minimum spend exceeds the pre-defined monetary threshold, regardless of category, will be subject to a risk assessment, which includes completion of our Modern Slavery Supplier Checklist.
- ▶ New suppliers that meet the pre-defined threshold requirements will be required to confirm their acceptance of the BDO Supplier Code of Conduct. The Supplier Code of Conduct will include modern slavery related expectations which incorporate the UN Global Compact's ten principles, which include an undertaking by the supplier to:
  - Adopt a fair, safe and ethical approach to business
  - Take reasonable steps to identify, assess and address risks of modern slavery practices in the operations and supply chains used in the provision of goods and/or services
  - Abide by legislation and best practice in relation to modern slavery
  - Inform BDO and take action to address or remove any modern slavery issues that arise in the performance of the supplier contract.
- ▶ The outcome of the modern slavery risk assessment for each supplier will be incorporated into the overall evaluation of the supplier.
- ▶ We will further supplement the above by considering due diligence for suppliers below the current monetary threshold if the supplier is linked to a high risk industry or category, is located in a high risk country or geography, or where the workforce may potentially be vulnerable.
- ▶ Ongoing communication to ensure there is full awareness by those responsible for engaging with suppliers, to ensure that revised procedures are fully understood and applied in order to appropriately assess the risk of modern slavery prior to on-boarding a supplier.

## MODERN SLAVERY STATEMENT



### CLIENTS

#### Client due diligence

We identified where modern slavery issues may arise within a client's business operations by focusing on high risk industries and countries:

- ▶ The financial & insurance services industry and professional, scientific and technical services industry generated the largest share of revenue for BDO in FYE 2020
- ▶ More than 90% of the entities that BDO engaged with in FYE 2020 are primarily domiciled within Australia.

Our client due diligence in relation to modern slavery risk is supported by our pre-existing client acceptance and continuance procedures.

#### Client policies and procedures

#### Client engagement acceptance and continuance

Client acceptance and continuance decisions are made with care in accordance with written client acceptance and continuance policies and procedures. These policies and procedures help to ensure that we obtain a comprehensive understanding of all new clients. We reconfirm this understanding prior to continuing our relationship

with our clients before accepting any additional engagements. These policies and procedures guide our staff through the following important considerations in relation to modern slavery risk factors:

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

#### Compliance Monitoring Programme

Our compliance monitoring programme involves monitoring the compliance of service lines and offices with national risk management policies and procedures. This programme enhances the robustness of our quality control and facilitates a proactive and tailored approach to managing quality and remediating deficiencies. As part of this programme each engagement partner's compliance with the client and engagement acceptance and continuance procedures is assessed.

#### Internal Inspection Programme

BDO's significant service lines conduct an annual review of engagement files on a rotation basis in accordance with relevant external and professional quality standards and BDO global quality standards. As part of this Internal Inspection Programme (IIP), client acceptance and continuance procedures are reviewed to determine, amongst other considerations, whether any foreseeable high risk modern slavery factors or practices have been identified and assessed. Each service line issues the results of their IIP to their Service Line Leadership Committees and the Board. The report details the results of the review and includes the grading for engagement partners reviewed.

#### Firm expansion

BDO continues to grow its operations by way of mergers and acquisitions and the recruitment of new partners to the practice. BDO's global policies and procedures set out minimum requirements to ensure that incoming clients undergo appropriate due diligence to mitigate the risk of BDO taking on a client 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 completed when the client is accepted.

## MODERN SLAVERY STATEMENT



### Other BDO Member Firms

BDO member firms are required to adhere to the BDO International Risk Management Manual which sets out the BDO Code of Conduct. The policies and procedures of every member firm, regardless of size, nature of service or maturity of the firm, 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

Understanding the integrity of a client is essential prior to BDO engaging or continuing to perform work for the client. BDO's established client on-boarding procedures include the requirement that an assessment be completed to evaluate the risk of any modern slavery factors or practices being associated with that client.

The next steps detailed describe a number of actions that will be performed to further enhance our client assessment by outlining clear expectations regarding modern slavery in our client engagements.

Furthermore, we will enhance our approach to client acceptance and continuance to include an assessment of the client's workforce, supplemented by further refinement of questions in relation to high risk industries, geographies and business models.

### NEXT STEPS FOR CLIENTS

The client due diligence process has highlighted that there are a number of existing projects underway which we can review to further enhance our commitment to addressing modern slavery risks associated with our clients:

- ▶ Updates to our client acceptance and continuance policies and procedures to include guidance which enhances the ability to assess modern slavery risks associated with a client and the integrity of the client in a more comprehensive manner
- ▶ Partners and staff will receive training on the revised client acceptance and continuance policies and procedures; this training will create further awareness about the risks associated with modern slavery and the reasons for the introduction of modern slavery legislation
- ▶ The scope and identification of focus areas within the Internal Inspection Programme is reviewed on at least an annual basis as part of continuous improvement processes. As part of future IIP briefings, increased awareness will ensure reviewers appropriately consider whether any indicators of modern slavery risk have been adequately considered as part of client on-boarding and continuance procedures
- ▶ Further enhancements to the BDO 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
- ▶ Future updates to our standard Terms of Trade will include a requirement for the client to inform BDO of any known instances of modern slavery in their organisation and supply chain. Furthermore, the client may be asked to provide BDO with information, if requested, which sets out how they have assessed and addressed the risk of modern slavery practices within their operations and supply chains.

## MODERN SLAVERY STATEMENT

### PEOPLE

#### People due diligence

Our People & Culture team (P&C team) supports the firm to ensure we have the right people for our clients and the right environment for our people. More specifically, the P&C team is responsible for the enabling framework that allows our partners and staff to build and participate in a positive, high-performance culture that attracts the right people, and motivates, retains and develops our people to meet the needs of our firm's clients.

Considering the nature of our workforce and our employment practices, we have assessed the risk of BDO causing or contributing to modern slavery through our employees as low. To inform this assessment and as part of our due diligence we have considered our standard conditions of employment, remuneration and benefits, recruitment, transfers and secondments, performance management, people engagement and mental health policies, procedures and programmes.

- ▶ Approximately 90% of BDO's workforce comprises of permanent employees
- ▶ 1% of BDO's workforce is seconded from other international BDO firms. None of the secondees are from BDO firms operating within high risk modern slavery jurisdictions
- ▶ On average, 5% of the total BDO workforce hold a work visa; all others have either permanent residency or are Australian citizens
- ▶ More than 80% of the BDO workforce hold professional qualifications.

#### Recruitment and selection policy

BDO performs extensive pre-screening on our employees, partners and contractors which include reference checks, right to work checks, criminal history checks and, where applicable, education and professional qualification checks. These checks supplement our interview process.

BDO is committed to ensuring that our recruitment screening and selection process provides equal opportunity for applicants. Policy requirements mandate that applicants are shortlisted, interviewed and hired based solely on their ability to meet the inherent requirements of the position, avoiding any unlawful discrimination or bias. The recruitment and selection procedures follow a set process whereby standard contracts of employment are issued to successful applicants, and contracts of employment comply with the relevant requirements of the Fair Work Act 2009.

#### BDO remuneration and review guide

BDO strives to create a work environment that motivates and enables our people to perform to the best of their abilities and develop as professionals. The BDO remuneration and review guide is available to all staff and provides an overview of BDO's remuneration review process, which seeks to recognise and reward fully and fairly the contributions of each of our people toward the delivery of their team's and the firm's objectives. Our remuneration strategy reflects individual and firm performance, job responsibilities, individual contribution and prevailing market conditions.

## MODERN SLAVERY STATEMENT

### Code of Conduct

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

### Whistleblowing Policy

In line with our values, we encourage employees to speak up if they should happen to see actions or behaviour that may not comply with applicable standards or legal and regulatory requirements. The policy enhances the protections in place for those reporting any concerns in relation to illegal, unethical or inappropriate behaviour and describes how BDO ensures that those who speak up are fairly treated and protected.

As part of our due diligence process, we have updated the Whistleblowing Policy to include references to modern slavery where appropriate.

### Bullying, Discrimination, Harassment, Sexual Harassment and Victimisation Policy

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

The policy outlines how any complaint will be handled. Principles described in the policy require that any complaint and subsequent investigation process (where required) be undertaken in a sensitive, fair, timely and confidential manner.

If allegations are substantiated and determined to be a breach of this policy (or a related policy), the firm may take disciplinary action, up to and including termination of employment.

### People due diligence summary

The policies and procedures in place within BDO assist partners and staff to build and participate in a positive, high-performance culture that attracts the right people, and motivates, retains and develops our people.

One of the ways that this culture is instilled is by ensuring that 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 were received during the reporting period.

### NEXT STEPS FOR PEOPLE

Our due diligence provided us with the reassurance that we have adequate policies and procedures to ensure our employment practices are consistent with best practice. However, there is more to be done in educating employees about modern slavery. This includes areas of the business that are more likely to be exposed to modern slavery risk, and the policies and procedures available to them to assess modern slavery risk and report concerns.

- ▶ As an action, we will assess the merit of including specific training on modern slavery in the Induction Program for new employees
- ▶ We will continue to encourage firm personnel to 'speak up' if they are subject to or become aware of incidents of modern slavery. Also, we will monitor our formal reporting mechanisms to understand whether there has been an increase in the number of modern slavery incidents reported as a result of increased awareness and training.

## ONGOING ASSESSMENT OF MODERN SLAVERY RISK

The foundational work leading into our first reporting period provides a base whereby we can leverage the data collation, analysis and due diligence performed to date, and actions taken, to pave the way for enhanced monitoring and reporting in FYE 2021. The bulk of our efforts and resources have focused on assessment of our suppliers, with further actions planned to enhance our approach to assessing suppliers in FYE 2021.

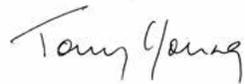
Our approach to measuring the effectiveness of how we assess and manage modern slavery-related issues continues to evolve. Currently we monitor compliance with our policies and procedures through our monitoring programmes.

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



## APPROVAL AND SIGNATURE

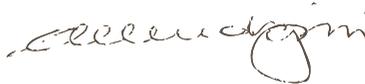
This statement was approved by the boards of each of the two reporting entities covered by this statement. The board of BDO Group Holdings approved this statement on 31 March 2021. The board of BDO East Coast Partnership approved this statement on 31 March 2021.



**Tony Young**

Chairman of the Board: BDO  
Group Holdings

31 March 2021



**Helen Argiris**

Chairman of the Board: BDO East  
Coast Partnership

31 March 2021



## APPENDIX 1

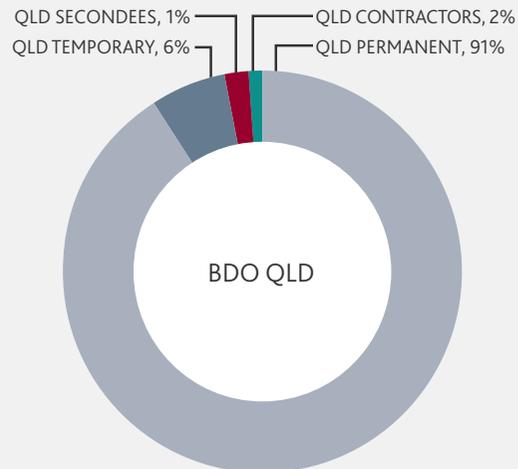
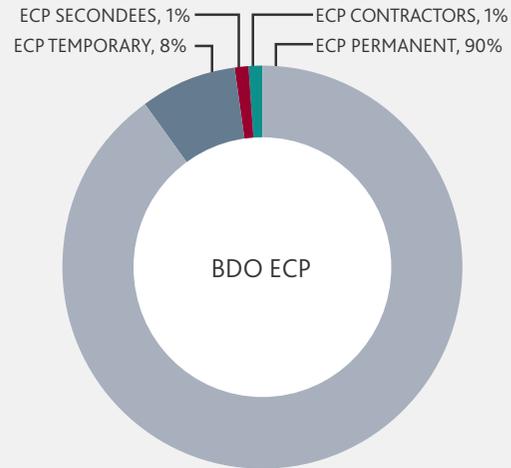
The table below outlines the mandatory modern slavery criteria (as set out in the Modern Slavery Act) and references the page within the BDO Modern Slavery Statement which addresses the requirements:

<b>MODERN SLAVERY ACT REQUIREMENT</b>	<b>BDO MODERN SLAVERY STATEMENT</b>
Identify the reporting entity	<a href="#">Our structure and operations</a>
Describe the structure, operations and supply chains of the reporting entity	<a href="#">Our structure and operations</a>
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	<a href="#">Modern slavery risk areas</a>
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	<a href="#">Our actions</a>
Describe how the reporting entity assess the effectiveness of such actions	<a href="#">Ongoing assessment of modern slavery risk</a>
Describe the process of consultation with any entities that the reporting entity owns or controls	<a href="#">Our structure and operations</a>
Provide any other information that the reporting entity or the entity giving the statement considers relevant	<a href="#">Our commitment</a>

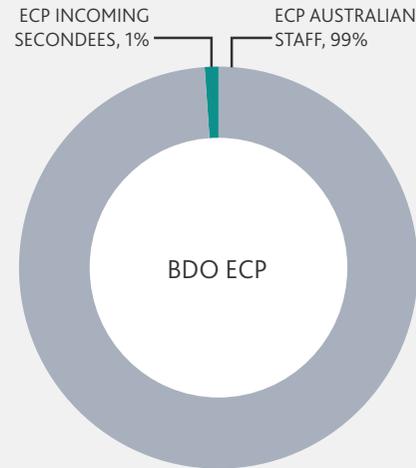


## APPENDIX 2

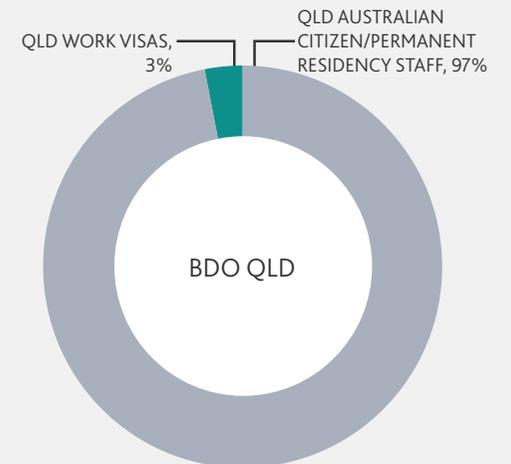
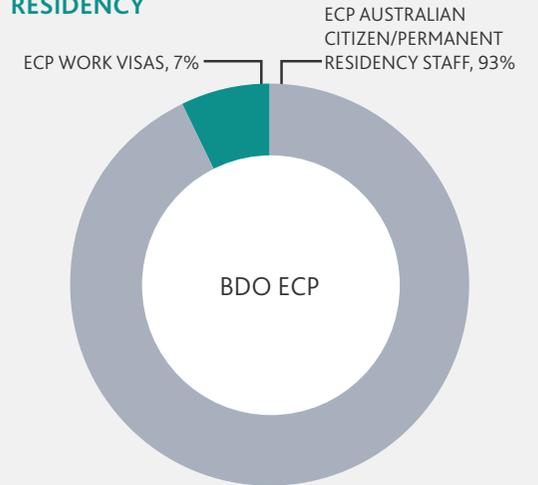
COMPOSITION OF STAFF



STAFF COMPOSITION



STAFF COMPOSITION - WORK VISA VS AUSTRALIAN VS CITIZEN & PERMANENT RESIDENCY





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