

IDEAS | PEOPLE | TRUST

31 October 2023

2023 Sustainability Report

BDO in Australia



We acknowledge the Traditional Owners of the lands that we work and live on.

Our offices are on the traditional lands of the Kurna people of the Adelaide Plains in Adelaide and McLaren Vale, the Turrbal and Jagera people in Brisbane, the Gimuy Walubara Yidinji people in Cairns, the Larrakia people in Darwin, the Darug people in Greater Western Sydney, the Palawa people in Hobart, the Wurundjeri and Boon Wurrung people of the Kulin nation in Melbourne, the Whadjuk Noongar people in Perth, the Kabi Kabi and Jinibara people on the Sunshine Coast, the Gadigal people of the Eora nation in Sydney, and the Gurambilbarra Wulgurukaba and Bindal people in Townsville.

We recognise the ongoing connection to Country and celebrate the stories, cultures and traditions of Aboriginal and Torres Strait Islander peoples of all nations, and pay our respects to Elders past and present.





Continuing our sustainability journey

A message from our Chief Executive Partner



At BDO, sustainability underpins the way we do business.

Globally, nationally and locally, we are committed to meeting the sustainability expectations of all our stakeholders – our clients, our people, our suppliers and our regulators. In doing so, we are also delivering on our why – people helping people achieve their dreams – and using sustainability to drive our approach to strategy, people experience and client service.

We want our people to feel proud to work at BDO and for our firm to be one that people want to work for. This is why we continue to proactively enhance our sustainability actions as set out in this report, engaging our people along the way, and demonstrate our commitment externally.

Personally, I am proud of our progress in this area during the year. As Chair of our Culture Council, I see first-hand the work we are doing every day to build a workplace culture that fosters and celebrates inclusion, diversity and equity. We are creating an environment that ensures our people feel safe to bring their unique selves to work every day, and we are celebrating their different perspectives and the value they bring to the firm, our clients and the community.

We believe there is a strong connection between our inclusive culture and the role our people perform as advisers of the future to their clients. This is why we continue to adapt our strategy to incorporate sustainability across our business, always keeping it front of mind in our stakeholder interactions and planning activities.

This approach allows us to work alongside our clients to help them navigate their own sustainability journey. Our people are committed to sustainability at BDO, and our sustainability experts have the technical knowledge to advise their clients in ways that are tailored to their business, industry and regulatory requirements.

In maintaining our full commitment to this holistic view of sustainability we are making a difference. I am proud of the contribution we are making to the advancement of society, the transparency of business and our profession, and the protection of the planet. Sustainability is, and will remain, a priority for BDO.



Building on strong foundations

A message from our National Sustainability Leaders



BDO’s dream is to inspire, educate and lead a growing movement for sustainable business practice in our markets and in our organisation.

We believe that we earn our licence to operate by contributing to a sustainable future for our people, the planet and the communities in which we live and run our businesses. The sustainability of our organisation, our profession and economic prosperity for all rests on our long-term resilience, which will only be possible if we create lasting value for all our stakeholders.

In October 2022, we proudly published BDO in Australia’s inaugural sustainability report. While we’ve been on a quiet sustainability journey for some time, we were pleased to bring together a culmination of that journey and share it with our people, our clients, and the broader community.

- In the process of developing our first sustainability report, we faced new challenges, some of which we hadn’t anticipated. We shone a spotlight on our business, showing BDO in a new light, and publishing information we’d never reported broadly before. It was a bold step, but one we knew we needed to take.
- In 2023, we have focused on refining processes. As we strive to progress our sustainability journey, we are ensuring that we have robust, consistent processes that allow us to better measure and openly report on metrics that are important to us and play an important role in our sustainability story.
- Through 2023, we’re proud to have:
- Finalised our 2022 carbon footprint which now serves as our baseline, and we also share our 2023 carbon emissions in this report
 - Furthered our commitment to diversity and inclusion through the establishment of our Culture Council which has the purpose of challenging our culture to create an environment where we can all be our best, no matter who or where we are
 - Increased our investment in developing the skills and knowledge of our people, including the introduction of a new interface to capture learning, and the development of dashboards to make it easier for our people to view and track their learning
 - Strengthened our commitment to quality through the development of our System of Quality Management.

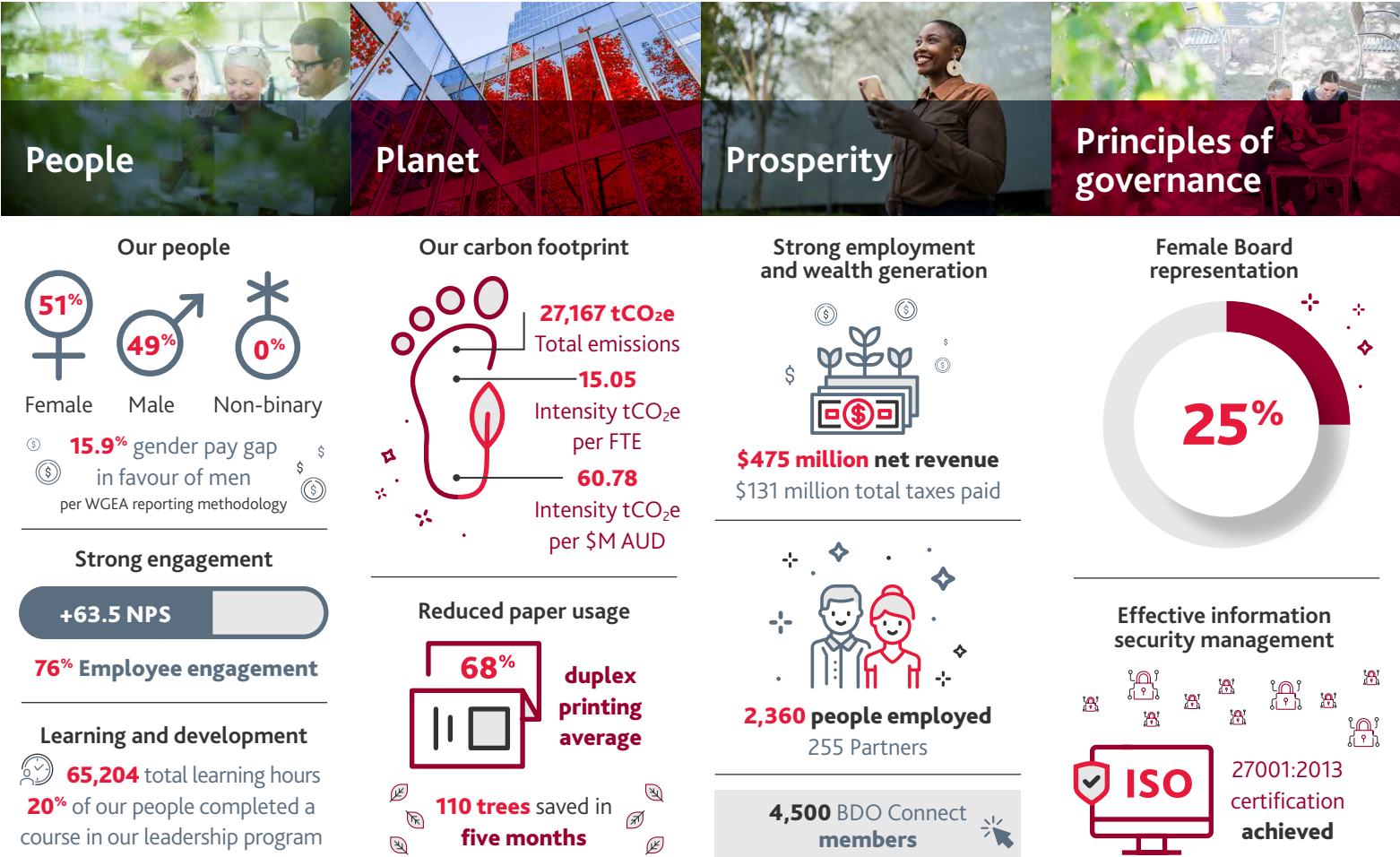
Once again, we know we have more to do on our sustainability journey. We are committed to building a more sustainable organisation, through investments in the well-being of our people, minimising our impact on the planet and working with local communities.



2023 at a glance

We view our sustainability activities under the pillars of people, planet, prosperity, and principles of governance. Based on the World Economic Forum’s International Business Council framework, this helps us to take a holistic view of the sustainability activities and opportunities within our business, and guide us in delivering an integrated approach to enable a sustainable future.

The figures here and throughout this report (unless stated otherwise) are based on the July to June financial year.

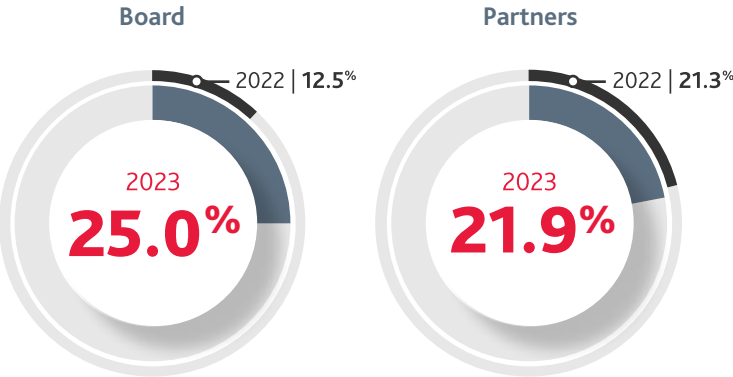


2022 to 2023 comparison

People

Diversity and inclusion

Female representation in leadership positions:

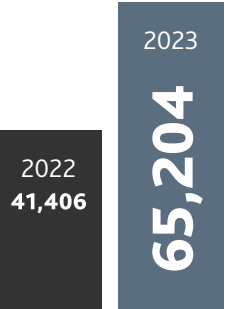


In 2022 we highlighted a need for greater female representation in senior positions and consideration of additional support for women on the path to these roles. We committed to taking action to address and attempt to reduce these barriers at BDO.

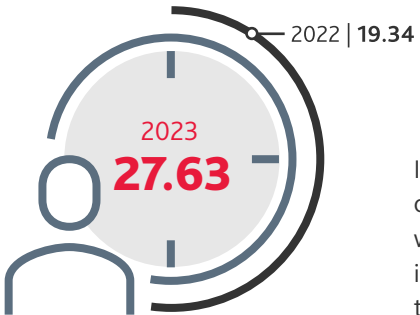
In 2023, we developed our first gender equality strategy with the objective of closing any gender pay gaps, ensuring all our people are fairly and equitably rewarded, having regard to our performance and feedback processes.

Skills for the future

Total learning hours



Average learning hours per employee



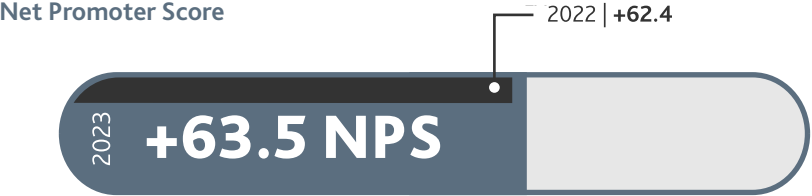
Total learning and development spend



In 2023, our people increased our overall volume of learning hours by 157 per cent over 2022. This is in part due to an increase in awareness of and improvement in the way we capture learning activities, an expanded breadth of learning activities available internally, and a general desire from our team members to develop capability and learn together, often in person.

Customer satisfaction

Net Promoter Score



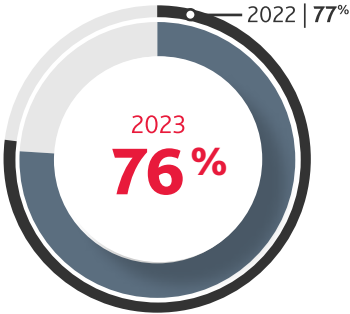
In 2023, our firm-wide Net Promoter Score (NPS) was +63.5, a slight increase from 2022 (+62.4).

On average, our clients score us 9.2/10 for understanding their business (increased from 8.3 in 2022) and 9.1/10 for ease of doing business (consistent with 2022).

Our clients also told us the number one reason we are easy to do business with is because we understand their needs and deliver what we promise. Clients appreciate the availability and responsiveness of our team members too.

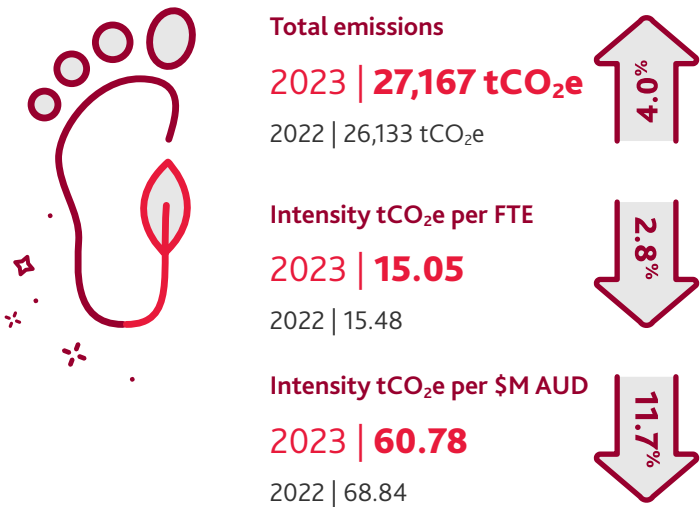
Employee engagement

Our overall score for engagement – which we see as the representation of our people's enthusiasm and connection with our firm – dropped by one percentage point to 76 per cent in 2023. Our three key measures also remained within one percentage point of our 2022 pulse survey result, showing our people continue to recommend BDO as a great place to work, are proud to work with us and have confidence in our leaders.



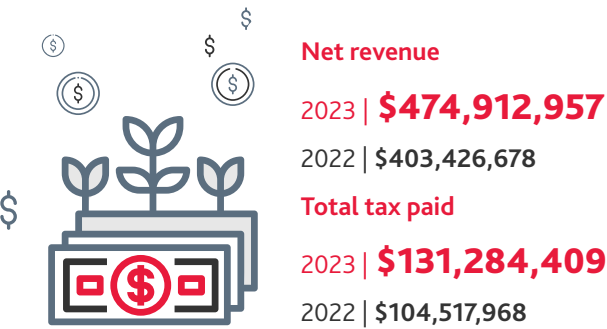
Planet

Carbon footprint

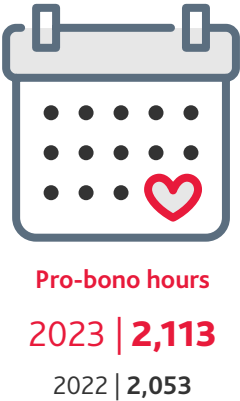


In this report, we're proud to be publishing our carbon footprint for the first time. Here, we include both our 2022 carbon footprint as our baseline, and our 2023 footprint.

Prosperity



2023 saw our largest increase in annual revenue and percentage growth in several years, with 17.7% growth year on year.



We experienced revenue growth across all service lines over 2023, with significant growth seen in our core service areas of Audit and Business Services, as well as our Advisory practice in areas such as Public Sector and Infrastructure Advisory. This growth can be attributed to our strong relationships with existing clients and referral network, and continued success in our internal partner promotions and lateral partner hires.

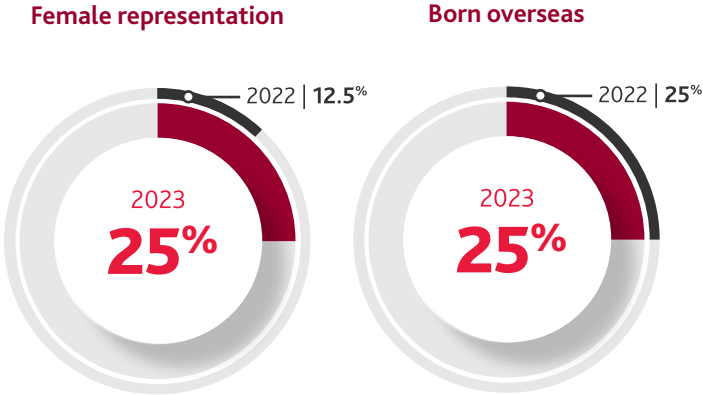
Through the process of reporting our pro- and low-bono commitments in 2022, we discovered differences in the recording processes used across our offices. In 2023, we worked to establish a more consistent and robust recording process. As with any change, it can take time to be fully realised. We expect our pro- and low-bono reporting to further mature in 2024.

Principles of governance

Board diversity

With the appointment of Leah Russell to the BDO Group Holdings Board, female representation has doubled to 25%, with a consistent 25% of Board members born overseas.

Our Board sub-committees include two female members, representing 12% of the committee membership roles.

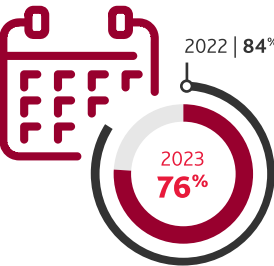


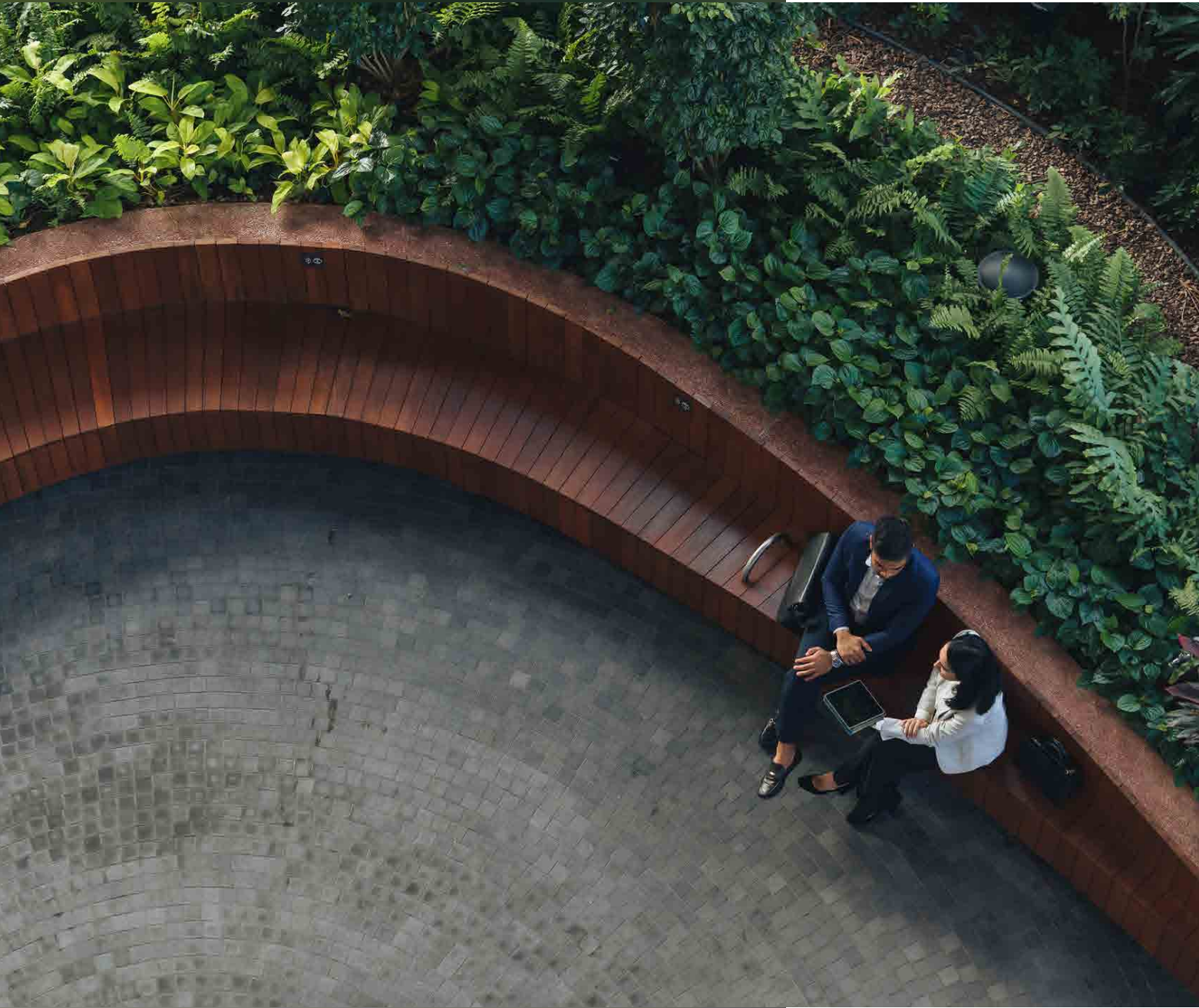
Payment times reporting
Invoices paid in 30 days

In 2023, our payment time to small businesses has extended based on the volume of invoices paid. Fewer payments were made within 20 days; with more in the 21-30 day & 31-60-day periods.

This shift is likely due to an increased time lag from the date invoices are received to the date invoices are entered into our expense management system.

Our payment times for 60+ days remains consistent with prior periods.





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Sustainability at BDO

Our dream is to inspire, educate and lead a growing movement for sustainable business practice in our markets and in our organisation. We are many people – with strong local relationships built across our offices in Australia, and over 111,000 colleagues in 164 countries around the world. Together, we are passionately committed to fresh, brave, innovative thinking enabling our clients to count on us to help them grow, to flourish, to transform.

In this section:

- [About BDO](#)
- [Who we are](#)
- [Sustainability at BDO](#)



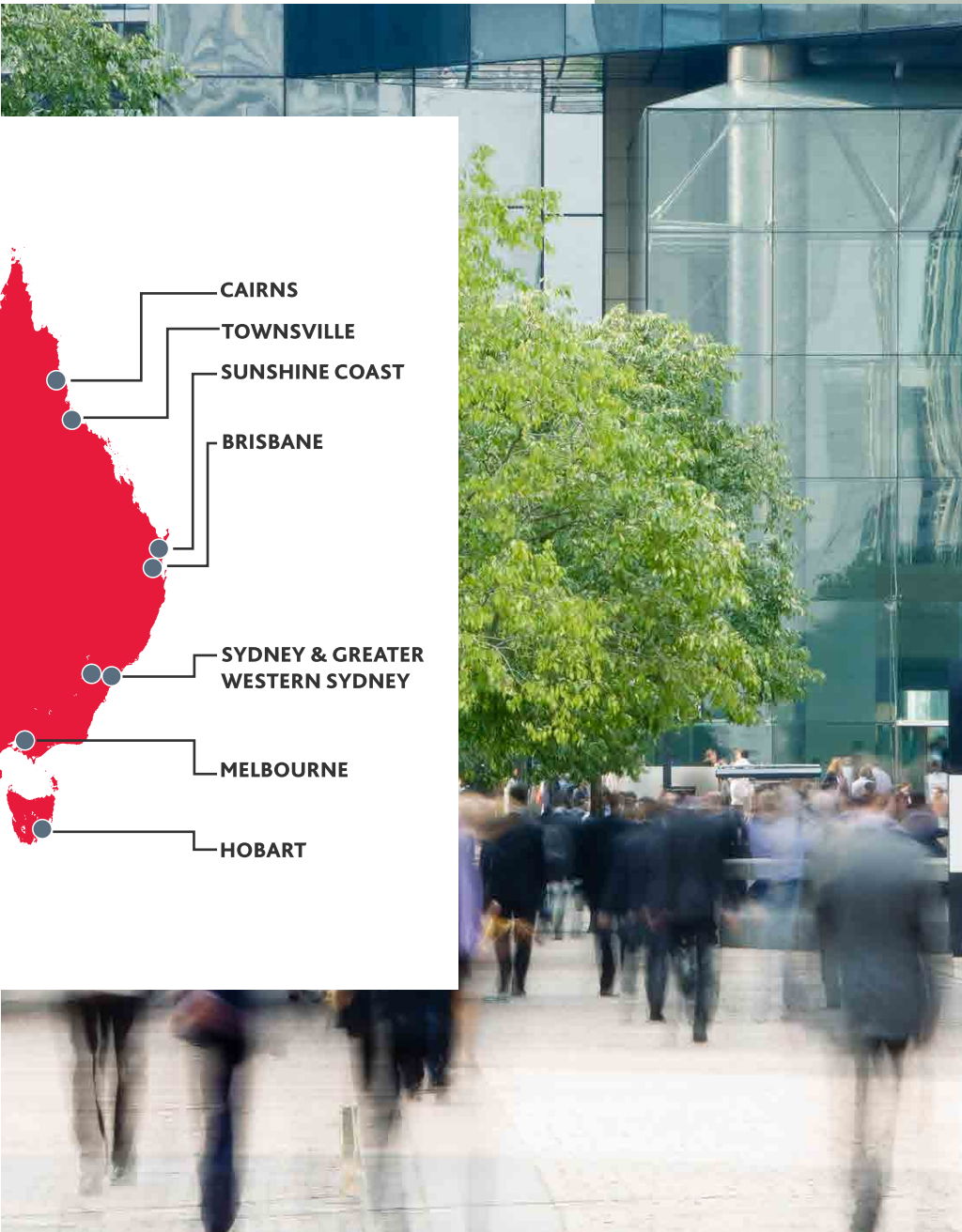
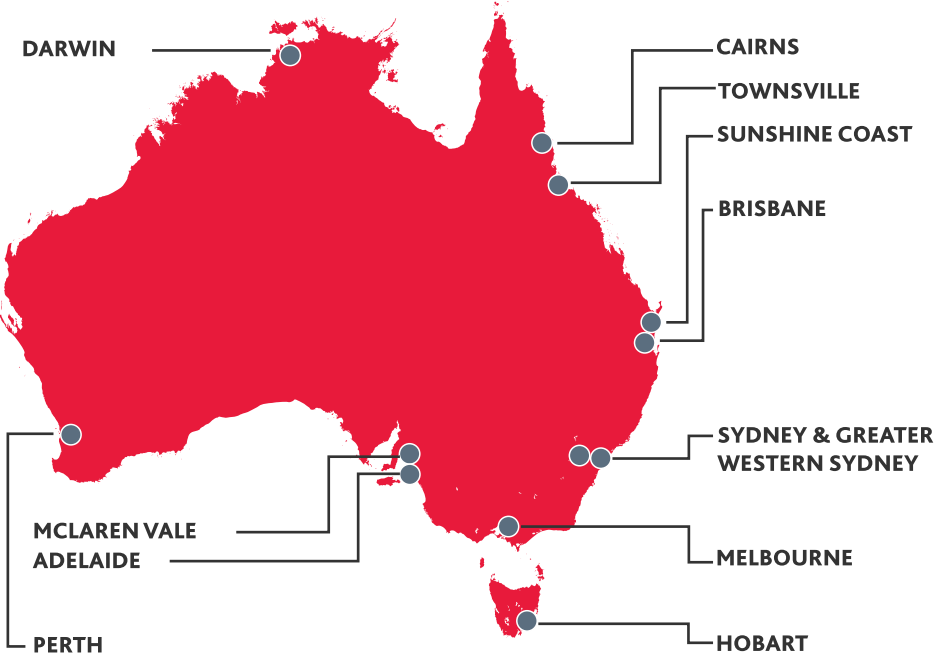
About BDO

BDO is a trusted adviser to clients seeking [Audit, Tax and Advisory services](#). We are guided by our values that are the foundation for what we deliver – IDEAS | PEOPLE | TRUST. This is about delivering ideas and advice that create value; through quality-driven people who are motivated by providing exceptional client service, and being trusted to get the job done. At BDO, our purpose is to help people achieve.

From a global beginning in 1963, BDO has five original member firms in the UK, Germany, the Netherlands, the USA and Canada. Today, BDO extends across 164 countries and territories with over 111,000 skilled partners and staff working across our 1,803 offices worldwide^.

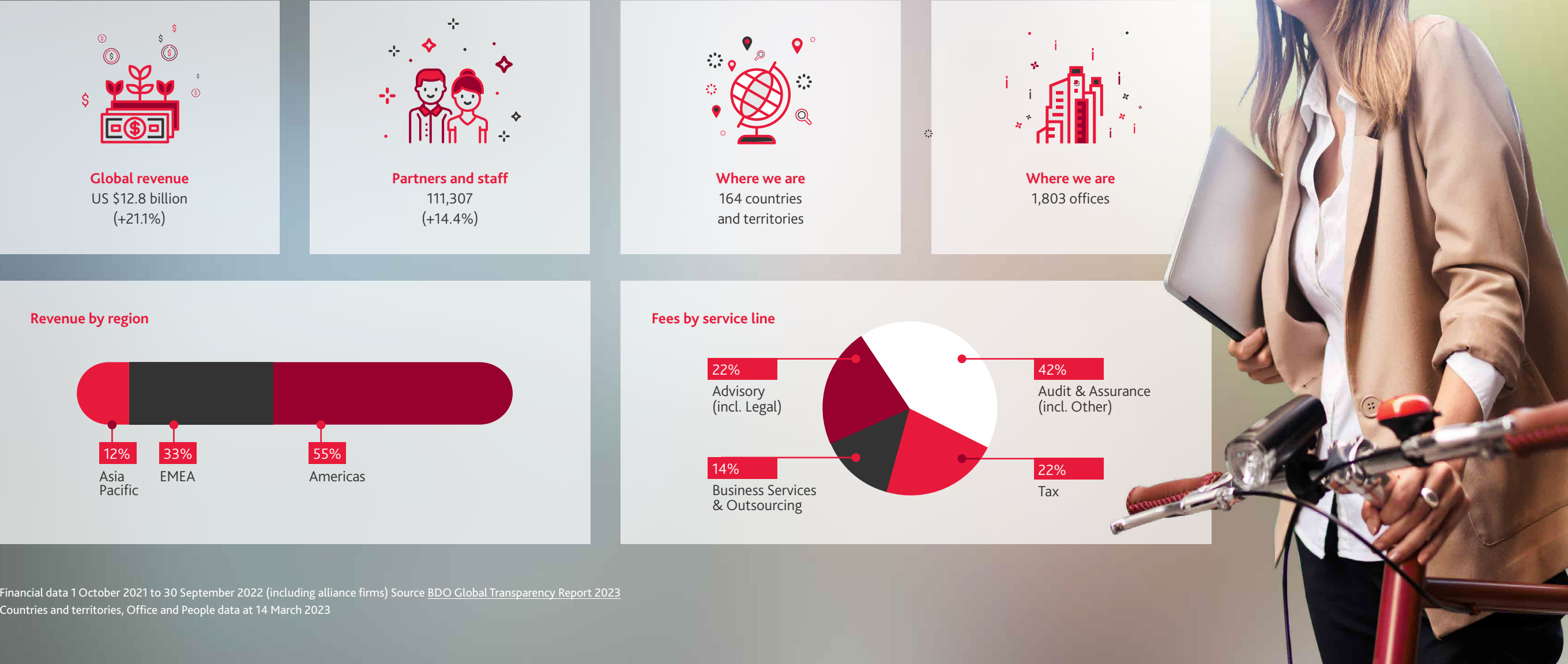
BDO in Australia was established as an association of firms in 1975. In Australia, we are one of the country’s largest associations of independently owned accounting practices with 12 offices across Adelaide, Brisbane, Cairns, Darwin, Greater Western Sydney, Hobart, McLaren Vale, Melbourne, Perth, Sydney, the Sunshine Coast and Townsville.

We’re working towards a strong future as a global organisation built on local relationships.



^30 September 2022

BDO at a glance: Global



BDO at a glance: Australia

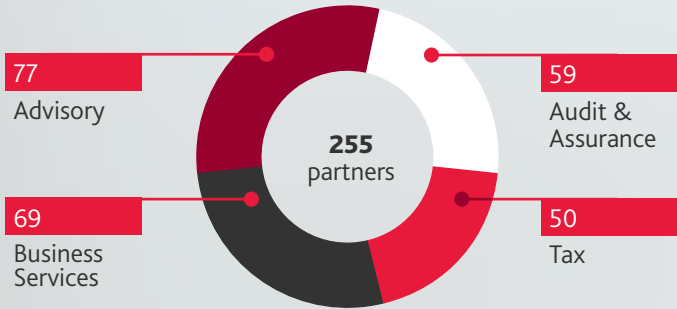
Underpinned by an unwavering commitment to quality, BDO continued to see strong demand for its services in FY23. Pivotal to servicing this increased demand was a strong talent pipeline and development of our leaders. In the 2023 sustainability reporting year, we made 22 partner promotions and welcomed 19 new partners as lateral hires.



Our culture sets us apart and is backed by our brand promise of **IDEAS | PEOPLE | TRUST.**



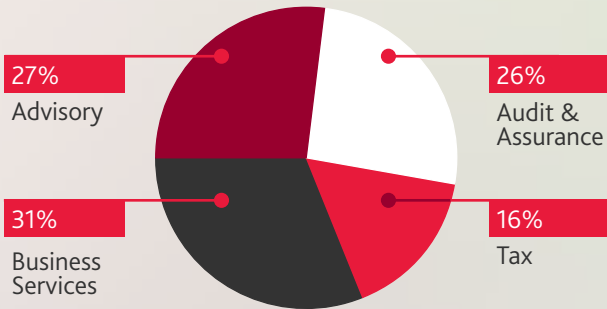
National partner tally (as of 30 June 2023)



Professional staff across service lines (as of 30 June 2023)



Fees by service line (12 months to 30 June 2023)



Who we are

Our purpose

For us, the real reward of being in business is helping people. We are people who help people by building trust.

Establishing trust is critical in delivering value and this is where all of our people fit in.

The IDEAS and perspectives our PEOPLE provide to our clients, creates the value that builds real TRUST.

IDEAS | PEOPLE | TRUST

The real value of working with BDO isn't about what we do – it's about why we do it and how we make people feel. We deliver ideas that create value, we're people who help people achieve their dreams, we're trusted to get the job done.

But it's what sits behind our brand that's the really exciting part – our values.

Our values

Our values are the character behind our brand. They are unique to BDO and provide a level of authenticity for our people and our clients alike. Our values are:



ONE

We work collaboratively towards a common purpose and shared goals.



BOLD

We embrace change and innovation to help our clients, our colleagues, and ourselves.



HUMAN

We are authentic in our interactions and communicate openly, honestly, and respectfully.



STRIVE

We deliver the best possible outcomes for our clients and take pride in our work built on quality and integrity.



HEART

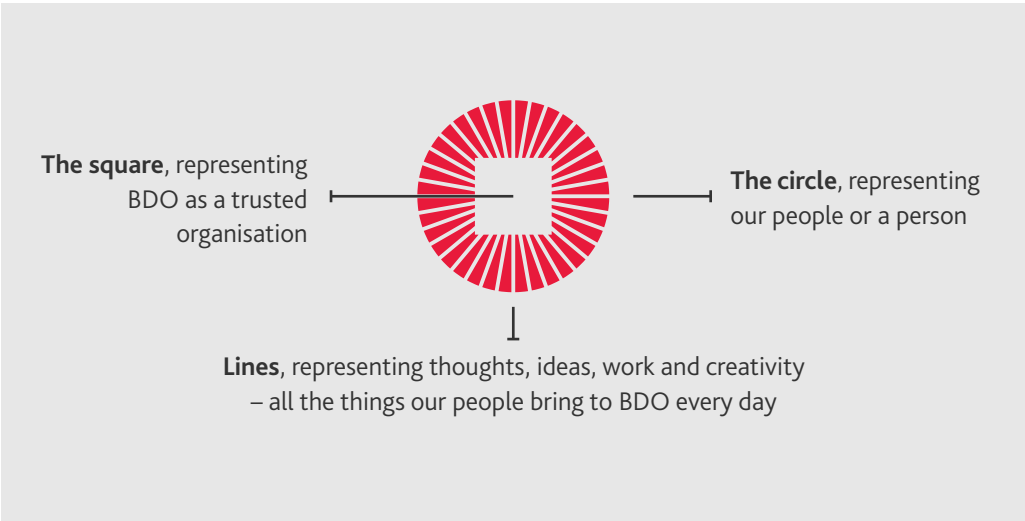
We care for each other, our clients, and communities – understanding that empathy makes us stronger.

Bringing us together

Instead of thinking about what sets us apart, we prefer to focus on what ties us together.

We developed five unique icons to visually represent our values, further aiding their communication and understanding. The icons were designed on the foundation of our brand and informed by our people's experiences at BDO.

Each of the value's icons are devised from three building blocks:



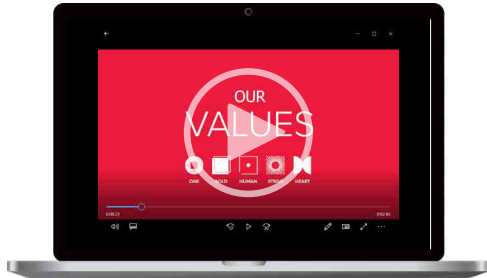
What we stand for

The link between our values and our brand allows us to be clear about who we are and what we stand for. It delivers a true point of difference.

We are many people, but together we are passionately committed to fresh, brave, innovative thinking enabling our clients to count on us to grow, to flourish, to transform.

We want our clients to feel we are an organisation that listens and cares, that delivers real value.

We want our people to feel proud to be part of BDO, to be a confident advocate for our brand, knowing that we are purpose-led, with our values shaping our character.



Sustainability at BDO

Why sustainability is important to us

Our dream is to inspire, educate and lead an unstoppable movement for sustainable business practice in our markets and in our organisation.

We aspire to create and foster long-term benefits by taking into consideration how we operate within this increasingly complex environment – recognising threats, mitigating risks and capitalising on development opportunities.

Our approach to sustainability is also underpinned by our WHY – People helping people achieve their dreams. This guides every action we take to ensure a more sustainable organisation so that the way we live our lives today does not negatively impact future generations.

We earn our licence to operate by contributing to a sustainable future for our people, the planet and the communities in which we live and work. The sustainability of our organisation, our profession and economic prosperity for all rests on our long-term resilience, which will only be possible if we create lasting value for all our stakeholders.

We aim to meet the sustainability expectations of all our stakeholders – our clients, our people, and our regulators – to protect our environment, our business and the interests of generations to come.

Sustainability governance

BDO in Australia participates in sustainability governance from a global and national perspective.

Global sustainability governance

We work with our BDO colleagues from around the world to implement and drive sustainability initiatives. BDO's global office has a dedicated sustainability team, which helps to drive momentum and create change within the organisation.

BDO in Australia has representation on the global Sustainability Steering Group, Net Zero programme, the Sustainability Movement and Sustainability Services workstreams.

Sustainability Steering Group

The global Sustainability Steering Group includes members who are leaders in our largest global firms and leaders of key global functions. This group is responsible for advising on our sustainability program strategy, setting the direction and budget, seeking alignment in our approach across the firms represented, and reports to the Global Board of BDO.

Net Zero programme

Our [global Net Zero programme](#) provides all BDO firms with a standardised global methodology and approach to support the implementation of a carbon baseline emissions calculation, net zero target setting and annual reporting process. This ensures the consistency and auditability of BDO's Greenhouse Gas (GHG) emissions, as well as the reduction targets that BDO will be reporting on as a global organisation.

In 2023, a group of 20 firms, including the BDO Global Office, worked to measure our carbon baseline for 2022, moving to develop a roadmap detailing a carbon emission mitigation strategy for our global organisation.

Sustainability Movement

In 2021, our global Sustainability Movement was launched. The Sustainability Movement is a global community that all BDO employees are encouraged to join. Here, we share ways to embrace sustainability practices as individuals, as BDO professionals, and as advisers to our clients.

The Sustainability Movement working group was established to foster global collaboration on sustainability matters, and drive initiatives. Working group members are typically representatives of our clients & markets teams; they met monthly in 2023.

Sustainability Services workstreams

Membership of our Sustainability Services workstreams comprises a range of sustainability services professionals from BDO firms, supported by BDO's Global Office. Split across nine core service areas, the members are responsible for building our service offering, globally. Services comprise: ESG Reporting, ESG Assurance, ESG Strategy, Climate Services, Global Value Chain, Human Capital, Learning & Development, Sustainable Finance and Sustainable Communities.



Local sustainability governance

The Sustainability Steering Committee reports to the Chief Executive Partner and the BDO Group Holdings Board.

This Steering Committee is responsible for developing a firm-wide sustainability culture for both our internal practices and reflecting our services to clients.

Led by two appointed national leaders, Aletta Boshoff and Sherif Andrawes, the Steering Committee has representation from different professional backgrounds, offices and service lines to ensure diversity of thought as we adapt our strategy and services to achieve a positive impact on our people, our clients, and our environment.

Supporting the Steering Committee in delivering our sustainability strategy are:

- The Sustainability Reporting Committee – focused on driving and reporting on the sustainability initiatives at BDO in Australia, and working with BDO firms and working groups globally on our commitment to net zero
- The Sustainability Services Committee – leads the delivery of our national, holistic sustainability service offering to meet the needs and demands of our clients.



National Sustainability Leaders



Aletta Boshoff
National Leader, Sustainability & ESG
National Leader, IFRS & Corporate Reporting
Partner, Advisory
Melbourne



Sherif Andrawes
National Leader, Sustainability & ESG
Global Leader, Natural Resources
Partner, Corporate Finance
Perth

Sustainability Steering Committee



Brett Spicer
Partner, Sustainability
Brisbane



Dylan Byrne
Partner, Business Services
Melbourne



Jane Couchman
Chief Strategy Officer
Brisbane



Janet Glasper
Chief Marketing Officer
Brisbane



Peter O'Sullivan
Chief People Officer
Brisbane

Sustainability Reporting Committee



Janet Daubney
Head of People & Culture
Sydney



Mark Nahlous
Chief Information Officer
Sydney



Melissa Ladner
Manager, Sustainability
Melbourne



Paul Clark
Director,
Corporate Services
Brisbane



Rudy Pieck
Office Managing Partner
Adelaide



Sarah Twidle
Project Manager
Brisbane



Willem Olivier
Head of National Risk
Brisbane

Our approach to this report



We delivered our first Sustainability Report for 2022, shaping our environmental, social and governance (ESG) baseline. This has helped us to share with our people and the market what sustainability means at BDO. It has helped us to understand both our strengths and our opportunities to do better in delivering a holistic and integrated approach to enable a sustainable future. It highlighted new areas for reporting, and where we needed more or different data to enable us to do this.

Following on from our first report, we have again used the framework from the white paper published by the World Economic Forum’s International Business Council (WEF IBC), [Measuring Stakeholder Capitalism – Towards Common Metrics and Consistent Reporting of Sustainable Value Creation](#), as a guiding principle. We have reviewed and reported on relevant activities from 2023 as they fall under the pillars of people, planet, prosperity and principles of governance – once again focusing on our people and putting them first.

In 2023, we focused on improving our processes and reportable data collection to better measure and inform our report. While a number of initiatives have been of importance to our business for some time now, many processes have not been established with sustainability reporting in mind. In fact, our 2022 report was the first time we had externally reported a number of metrics. By adding stronger data capture and reporting methodologies, we can more accurately measure and report on the impacts of our initiatives, and establish targets where appropriate.

You’ll find an overview of the WEF IBC core metrics with reference to our measurements in [Appendix I](#).



We continue to focus on sustainability, and bringing sustainable business decisions to the fore. We intend to meet more core and expanded metrics in the future.

Materiality assessment

Our Sustainability Report focuses on the sustainability risks, opportunities

and impacts that are most important to BDO. To determine these matters, we completed a materiality assessment in 2022 to identify and prioritise the ESG issues of importance to our stakeholders.

This included:

- Surveying our people
- Surveying clients
- Interviewing each member of the BDO Group Holdings Board.

Our objective was to identify what matters to our business performance in the medium and long term, and what matters most to our stakeholders and BDO. From this, we developed a matrix demonstrating the relative importance of sustainability matters to our stakeholders

and BDO. Importantly, this process showed us that over 70 per cent of clients surveyed, and over 96 per cent of our people surveyed believe sustainability should be a priority within our overall strategy.

We intend to re-establish the strategic priorities of our stakeholder groups by completing a materiality assessment every three years. As such, our next materiality assessment is due to be completed in 2025. We believe this cadence provides balance between having appropriate time to take action and make change based on the results, while having access to the current priorities of our stakeholders.

BDO also engages our stakeholders in a myriad of formal and informal ways on a regular basis. If we feel there is a significant shift in sentiment that could materially impact these results, we would re-consider this approach.

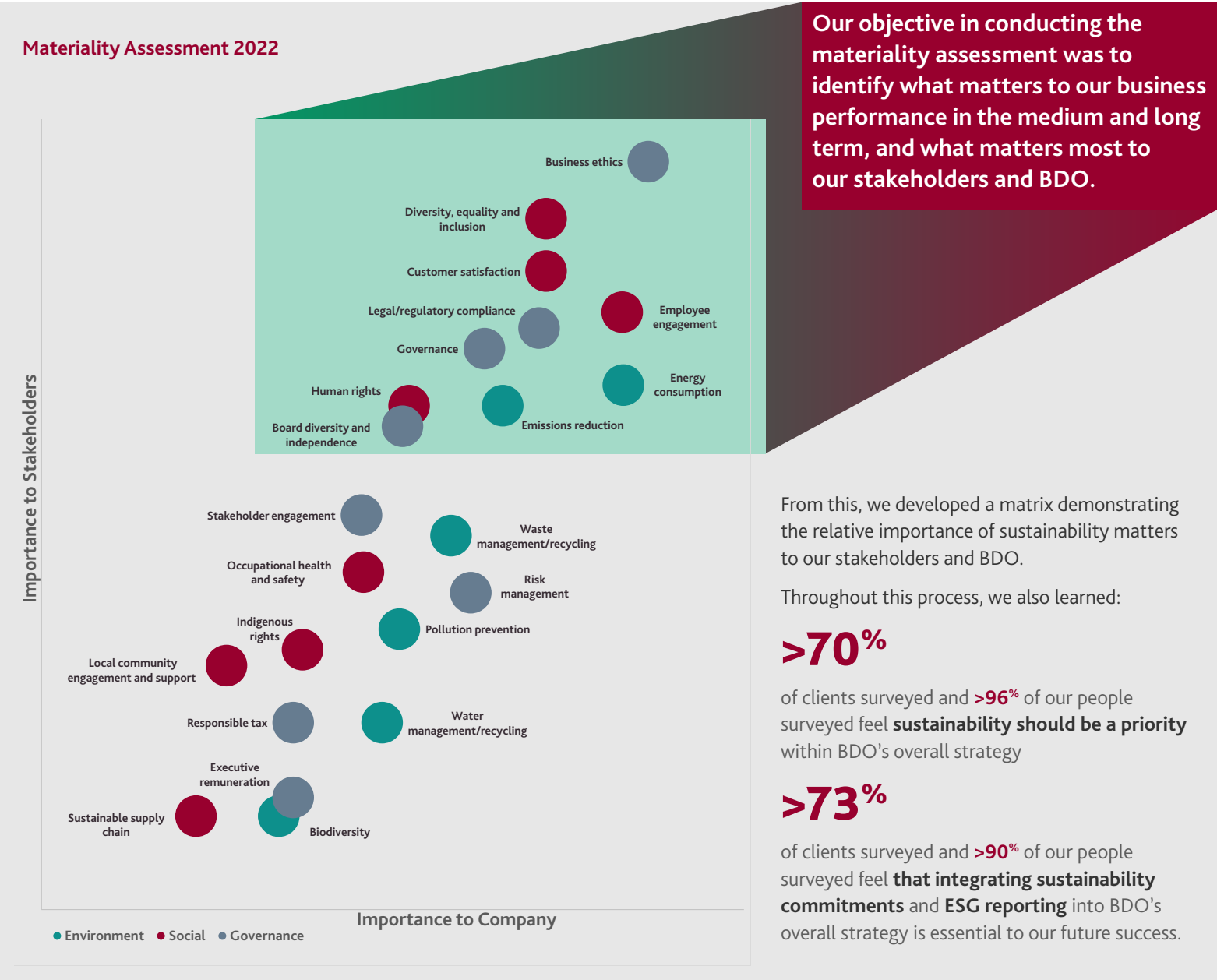
Our regular engagement includes government/regulators, communities, suppliers, industry (our peers), business partners, bankers, and the BDO Global Office. For example, we have:

- Direct account management programs with many of our clients, including regular face-to-face catch-ups and additional feedback programs



- Regular contact with our suppliers to ensure we have a reliable supply of the goods and services we need
- ‘BDO in the community’ programs where we meet regularly with our community partners to understand how we can assist with issues vital to them
- Industry forums with our peers to regularly share knowledge and discuss developments in our profession
- Formal channels to engage directly with the Government at all levels, and relevant agencies, on laws and regulations that impact our profession. Our leaders work to develop meaningful relationships with the Government, and we leverage our membership in industry forums to advocate for critical issues.

Our material topics



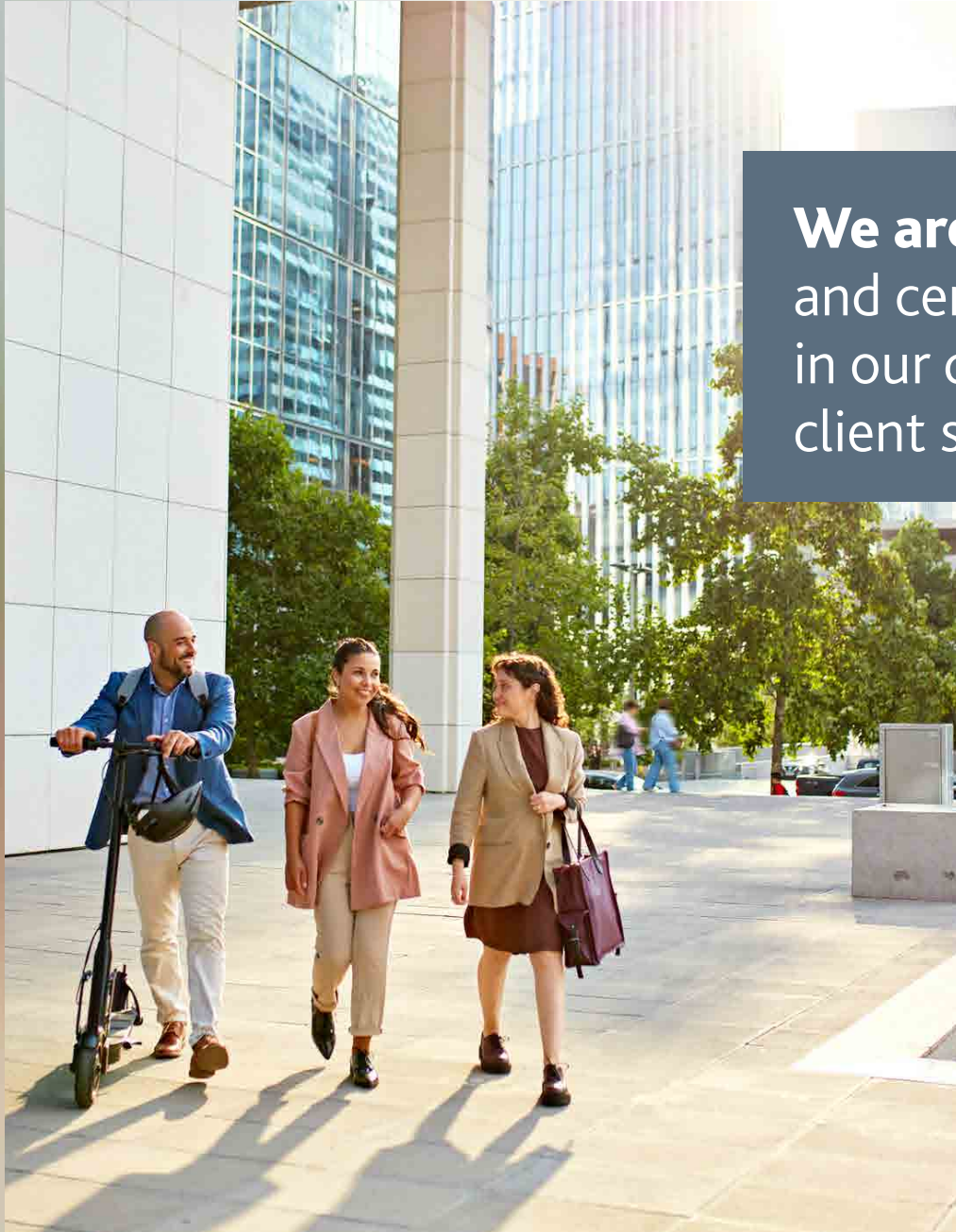
People

We value relationships. We are a global business, built on local relationships. Relationships are the cornerstone of who we are; they matter in the delivery of our work and interactions with clients, how we work and interact with each other, and our interactions with the community around us. To achieve our purpose of 'people helping people achieve their dreams', we need great people to be able to provide exceptional service to our clients, support each other and participate in our communities.

In this section:

- ▶ Our people
 - Employee engagement
 - Diversity, equity and inclusion
 - Flexible working
 - Health and well-being
 - Skills for the future
- ▶ Our clients
 - Client engagement
 - Client stories
 - Client listening program
 - Thought leadership and education





Our people

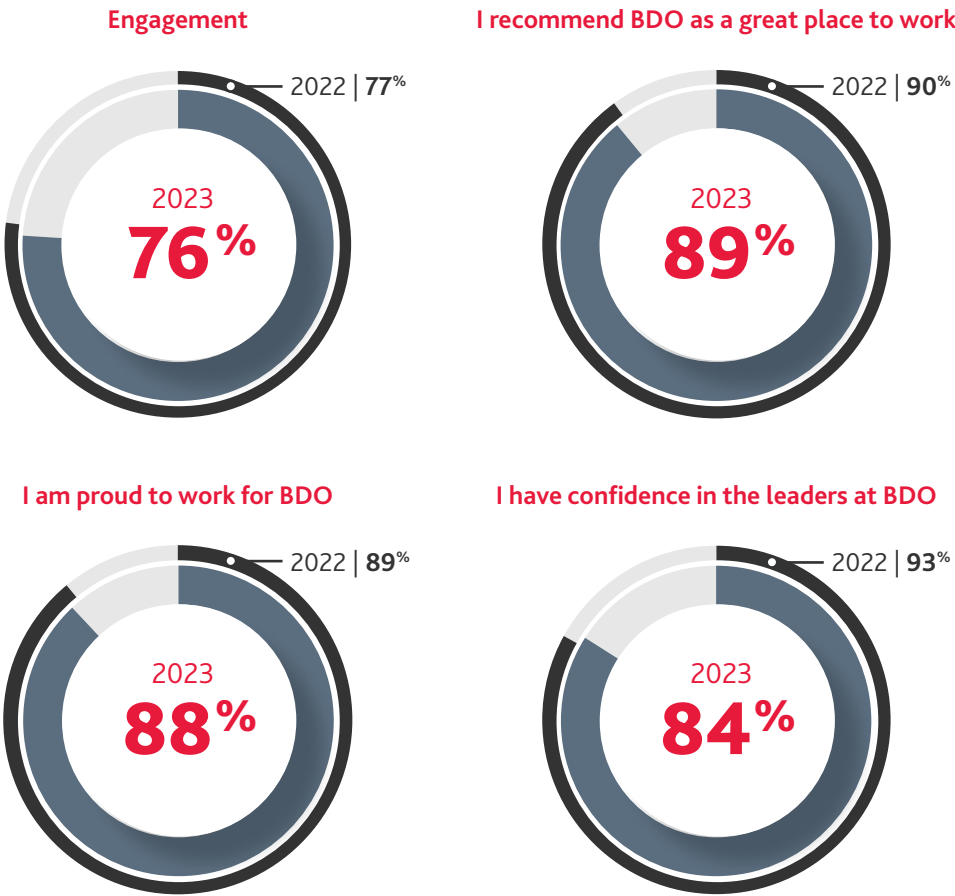
We are passionate about our people, and centring them as our number one priority in our quest to be the leader in exceptional client service.

Our people have exceptional skills and extensive experience across our specialised service offerings in advisory, audit and assurance, business services and tax. At the same time, our national Shared Services team members bring their remarkable skills to facilitate the internal services we need to deliver for our clients across our clients & markets, corporate services (including facilities, legal, project management and risk), finance, information technology, innovation, people & culture and strategy functions.

We are committed to achieving a more inclusive culture. We value the importance of creating a place where all our people feel like they belong, bringing their true selves to work every single day. Our Culture Council is charged with leading the evolution of our culture to ensure our people feel safe to bring their uniqueness to the table while being empowered to innovate and grow.

“As the Culture Council, we will intentionally and constantly challenge our culture to create an environment where we can all be our best, no matter who we are or where we are. That’s our promise.”

Employee engagement



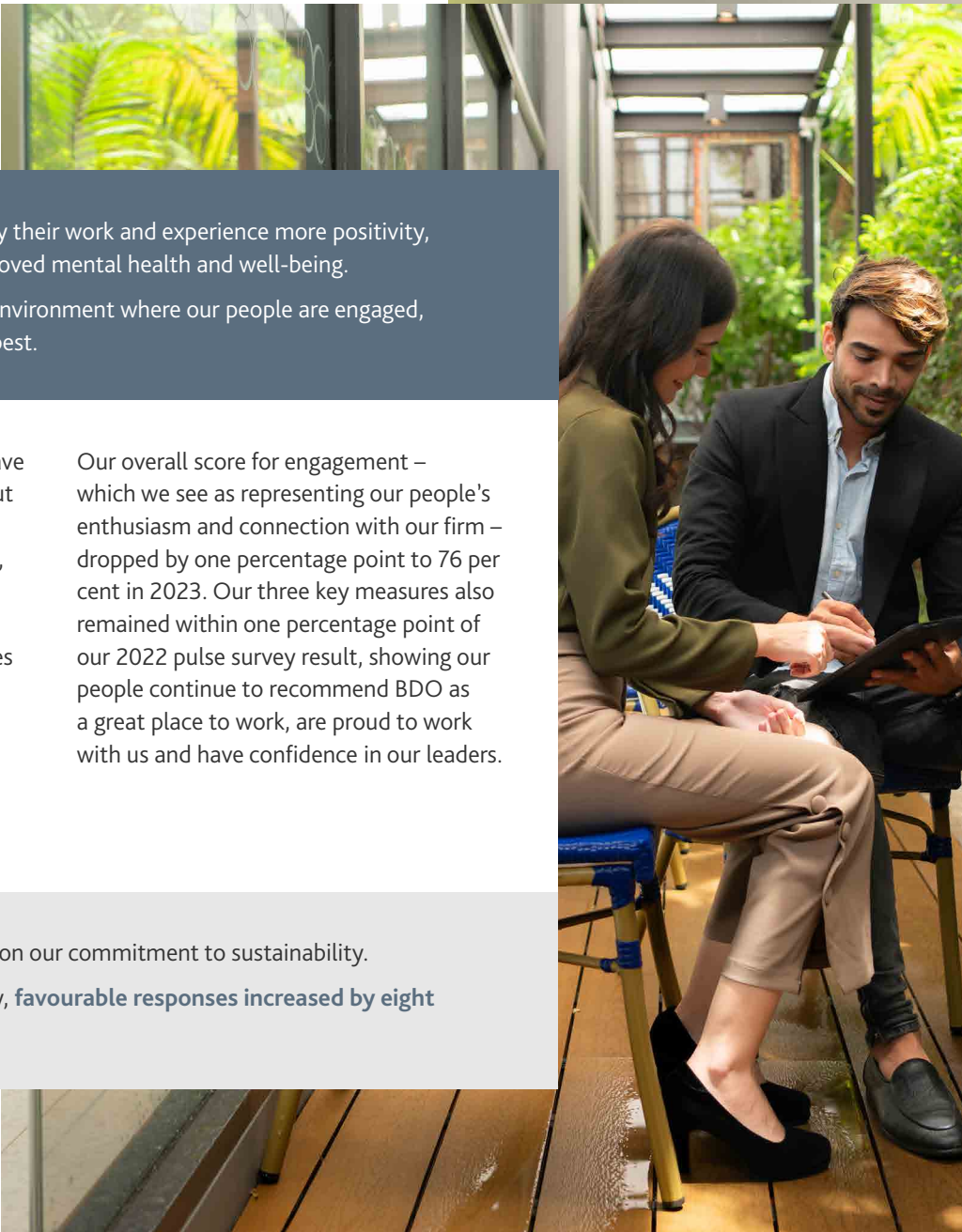
People who are engaged feel energised by their work and experience more positivity, happiness and fulfilment, as well as improved mental health and well-being. We believe it's important to provide an environment where our people are engaged, can be themselves and perform at their best.

It is also important that all our people have opportunities to share their insights about our firm and its culture. This feedback informs our current and future initiatives, and it is invaluable in helping us assess whether our firm culture reflects who we want to be as a firm and the opportunities we want to provide our people.

In April 2023, we engaged our people in our bi-annual engagement survey. In alternate years (like 2022), we complete a pulse survey.

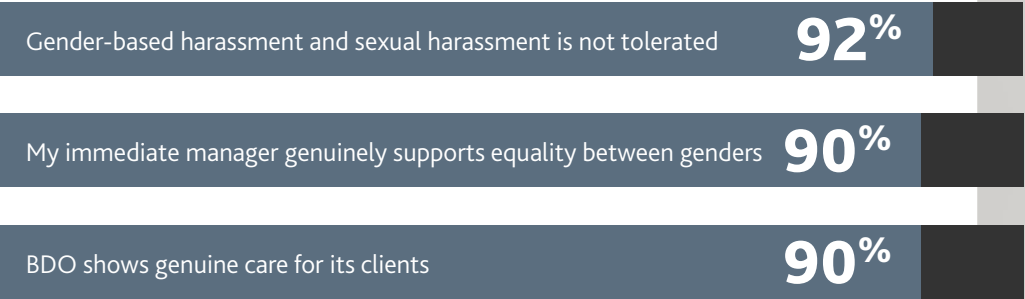
Our overall score for engagement – which we see as representing our people's enthusiasm and connection with our firm – dropped by one percentage point to 76 per cent in 2023. Our three key measures also remained within one percentage point of our 2022 pulse survey result, showing our people continue to recommend BDO as a great place to work, are proud to work with us and have confidence in our leaders.

We also asked our people for their views on our commitment to sustainability. Compared to responses in our last survey, **favourable responses increased by eight percentage points, to 73 per cent.**

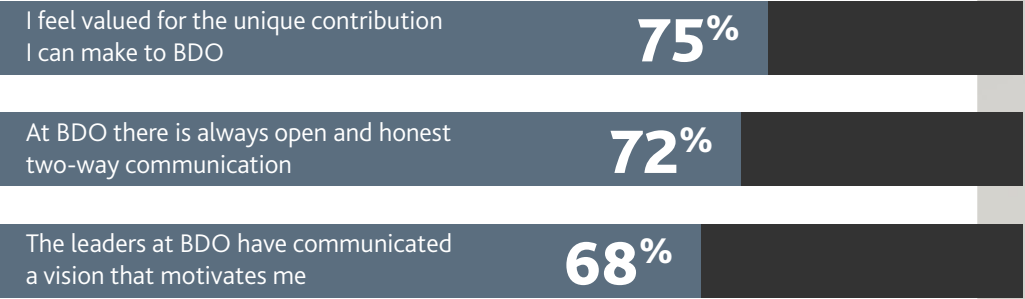


People Engagement Survey snapshot

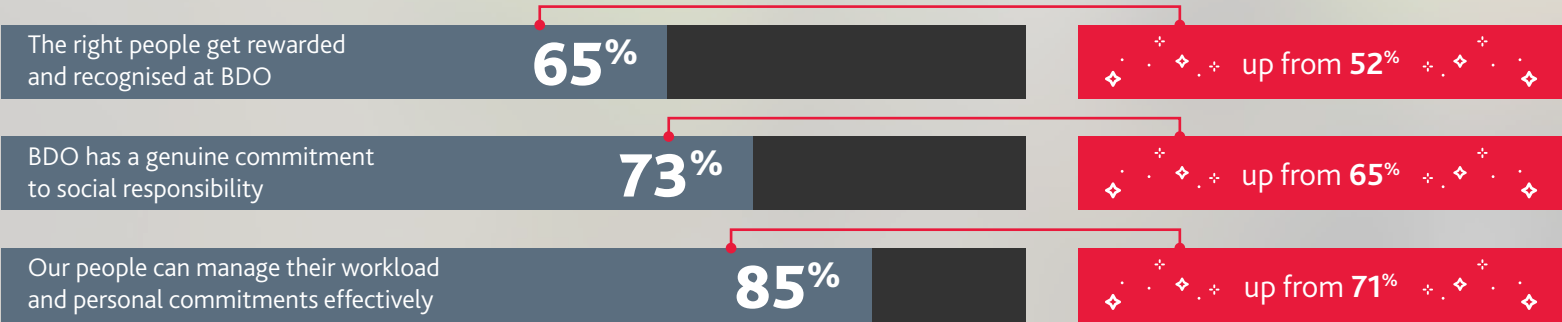
What our people say we're doing well



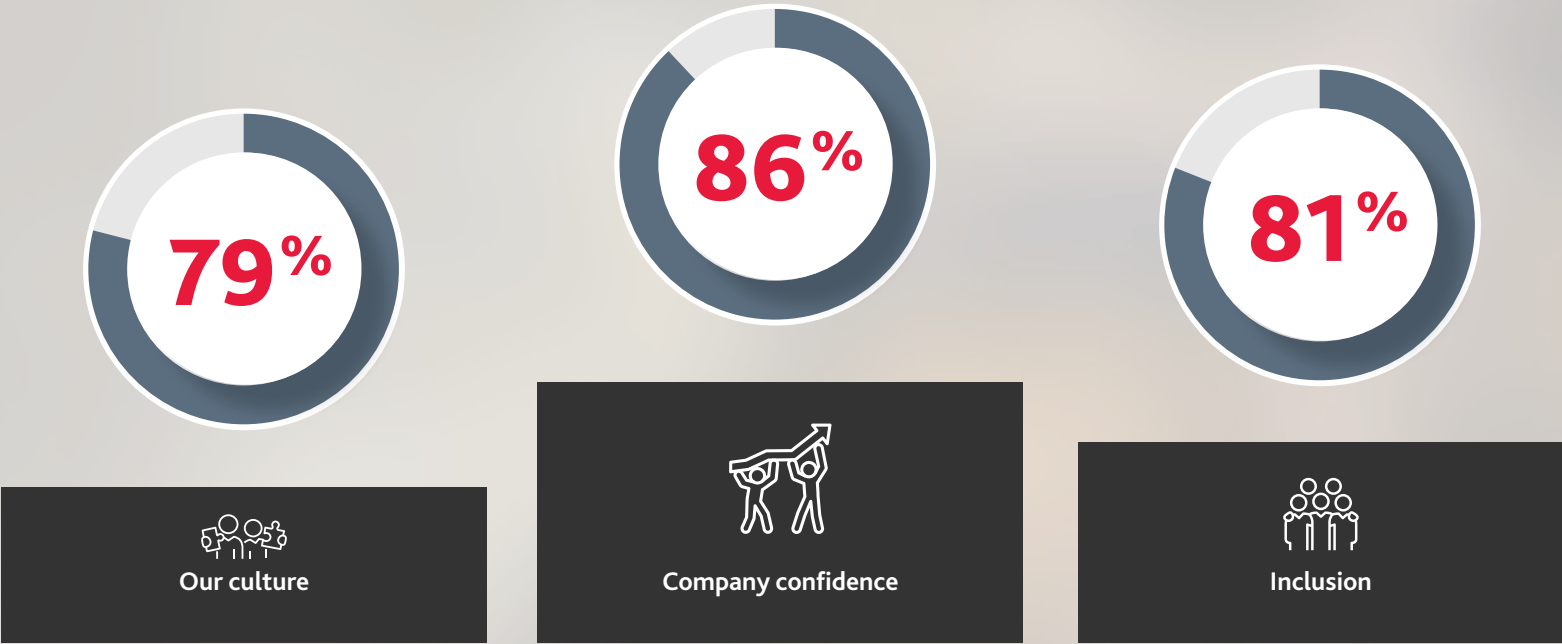
Recommended areas with most opportunity for positive change



Areas of significant positive shift since our 2021 annual survey



Top three factors rated favourably by our people:



Diversity, equity and inclusion

BDO in Australia is a Diversity Council Australia (DCA) member. The DCA is an independent not-for-profit leader in diversity, equity and inclusion research, education, and advocacy.

As corporate members of DCA, all our people have access to its extensive resources, and we participate in DCA's Inclusive Employer Index people survey every two years.

This will next be completed and reported in 2024.

Gender diversity reporting

Gender pay gap – Our commitment to equal pay and eliminating the gender pay gap

One of the key areas of priority in our gender equality strategy is to continue closing any gender pay gaps, ensuring all our people are fairly and equitably rewarded, having regard to our performance and feedback processes.

When we look at this across client-facing roles from our early career cohort to directors, following our most recent pay review, our overall annualised pay differential is 0.4 per cent in favour of women.

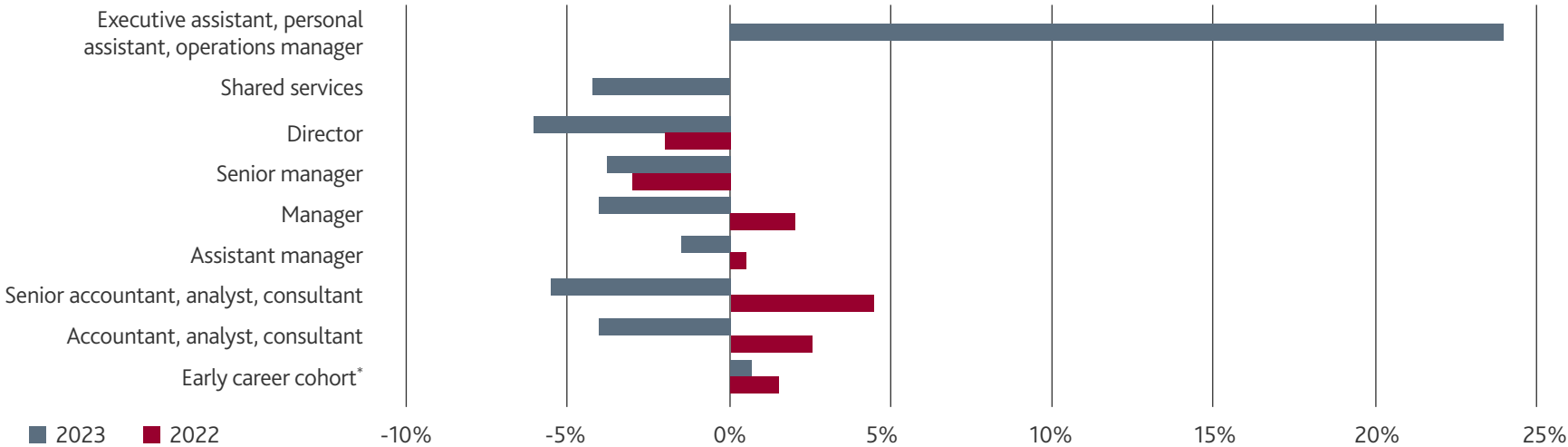
Looking at the whole firm, our organisation-wide gender pay gap for total remuneration on 31 March 2023, measured by the WGEA methodology, was 15.9 per cent in favour of men. By comparison, the most recently reported WGEA pay gap for legal and accounting services organisations is 16.0 per cent. This methodology looks at actual pay for all males and compares it to actual pay for all females, so it does not consider like roles or full-time equivalent pay.

While other organisations in our industry have similar pay gaps, we are committed to addressing, reducing, and in time eliminating our gender pay gap.

Our initial priority has been to tackle our overall gender pay gap, we acknowledge that there will be movements from year to year within different levels across the firm. In line with our gender equality strategy, the next stage of our journey will involve understanding and addressing the discrepancies and differences at the position level while continuing to ensure that the overall gender pay gap narrows.

The gender pay gap data includes fixed and variable elements of remuneration, allowances and superannuation. A positive number indicates that females in the category are paid higher than males, whereas a negative result means that males are paid higher than females.

Gender pay gap by category



*Gender pay gap – per WGEA report, for BDO Group Holdings for 12 months to 31 March 2023

Category	2022	2023
Early career cohort*	1.4%	0.6%
Accountant, analyst, consultant	2.2%	(4.1%)
Senior accountant, analyst, consultant	4.5%	(5.2%)
Assistant manager	(1.6%)	0.4%
Manager	2.1%	(4.0%)
Senior manager	(2.9%)	(3.7%)
Director	(1.8%)	(5.8%)
Shared services	Not reported	(4.2%)
Executive assistant, personal assistant, operations manager	Not reported	24.1%

*The 'early career cohort' includes undergraduate and graduate levels

Workplace gender reporting compliance

We participate in the mandatory reporting program to comply with the *Workplace Gender Equality Act 2012*. Our latest compliance was confirmed by the [Workplace Gender Equality Agency](#) (WGEA) for the 2022-23 reporting period, with a letter dated 15 August 2023.

Workplace gender reporting

Like most people, we believe that improving workplace gender equality is the right thing to do as well as being essential for our success. It will benefit us all. It secures an inclusive and safe environment for all our people regardless of gender, and it will strengthen our quality of thought, collaboration, and perspective, leading to even better solutions for our clients.

This is why, at BDO, there is zero tolerance of sexual harassment, gender-based harassment and discrimination, and bullying. Our People Engagement Survey this year highlighted that **90 per cent of respondents believe their “immediate manager genuinely supports equality between genders”**, and **92 per cent of respondents believe “gender-based harassment and sexual harassment is not tolerated”**. While these results are strong, they also demonstrate that we can do better. We call on our people to call out behaviour they find concerning, and we commit to addressing these situations through our bullying, sexual harassment, discrimination and victimisation policy.

As a further commitment to gender equality, we aim to achieve citation as a Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality (EOCGE). We have been working on the requirements for this citation in 2023, and believe it will be an exciting achievement for our firm if we are successful. We aspire to have BDO recognised for our commitment to workplace gender equality while taking responsibility for making further strides in the future.

Our gender equality strategies, priorities and progress

Gender inequality is not experienced in the same way by everyone. This is why we need a carefully thought-out gender equality strategy that considers how different dimensions of identity can intersect and influence individual experiences in various ways.

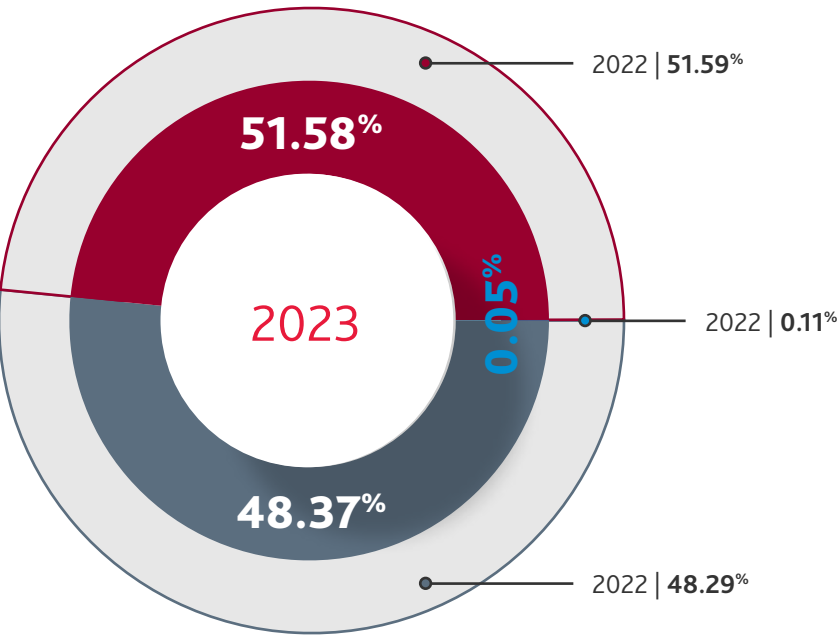
We are proud to have launched our first gender equality strategy. Our leaders have endorsed this, and we are now starting the rollout process.

Here's a snapshot:

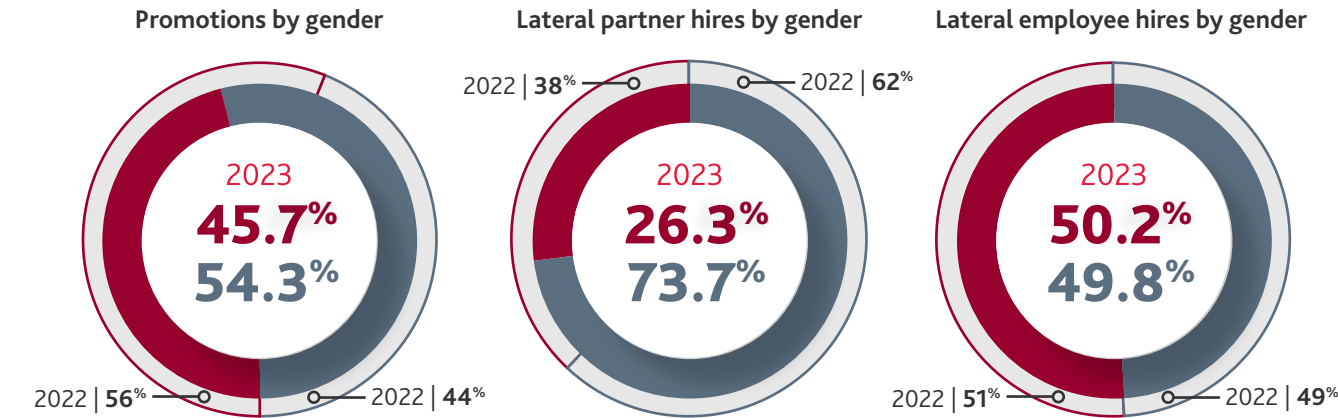
- Our strategic outcomes will focus on leadership accountability, inclusive culture, talent pipeline and capability development, and our working environment
- Key initiatives will include reviewing our policies, strategies and key governance roles through a gender lens, implementing an inclusive leadership development program, ensuring gender balance in our talent pipelines, and developing and rolling out a new Family Support Policy
- We will assess our success via various measures, such as People Engagement Survey results, female leadership representation and participation metrics and the uptake of new initiatives.



Our people by gender



Promotions and new hires by gender



*BDO Group Holdings

Our people by role and gender

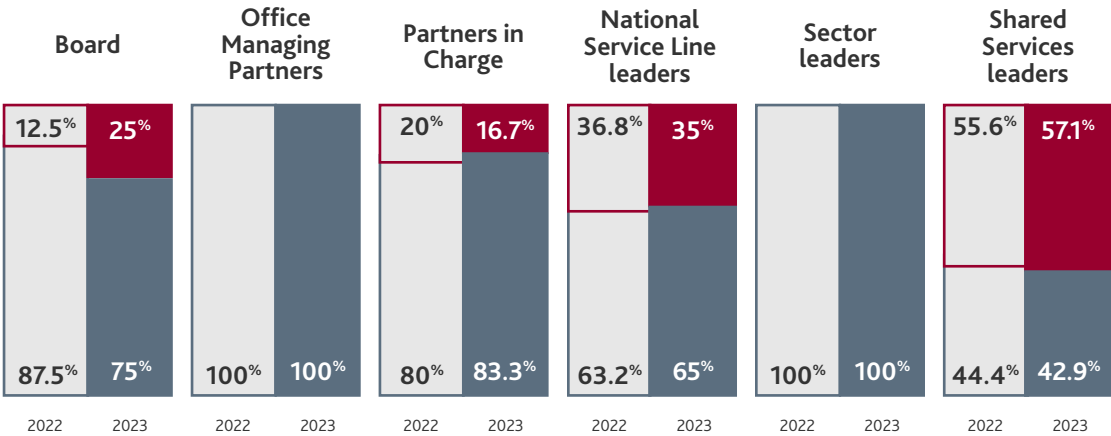
	2022	2023		2022	2023		2022	2023
Partners			Senior consultants, auditors			Undergraduates		
Female	21.3%	22.1%	Female	52.8%	52.1%	Female	45.2%	44.0%
Male	78.7%	77.9%	Male	47.2%	47.9%	Male	54.8%	56.0%
Directors			Consultants, auditors, accountants			Vacationers		
Female	40.7%	41.5%	Female	47.9%	42.7%	Female	34.9%	38.7%
Male	59.3%	58.5%	Male	51.7%	56.9%	Male	65.1%	61.3%
Senior managers			Non-binary	0.4%	0.4%	Shared services		
Female	50.8%	52.8%	Bookkeepers			Female	73.3%	74.9%
Male	49.2%	47.2%	Female	Not reported	85.7%	Male	26.2%	25.1%
Managers			Male	Not reported	14.3%	Non-binary	0.4%	0.0%
Female	56.7%	54.4%	Graduates			Non-shared services team support		
Male	43.3%	45.6%	Female	34.5%	42.6%	Female	92.6%	93.2%
Assistant managers			Male	65.5%	57.4%	Male	7.4%	6.8%
Female	60.3%	51.5%						
Male	39.7%	48.5%						

Female

Male

Non-binary

Our leaders by gender



Family support

We know that family plays an important role in people's lives, and the caring responsibilities that can come with it. We provide an attractive parental leave program to eligible employees, including:



Up to 18 weeks of leave at full pay



Coaching for new parents as they enter a new phase in their lives



A flexible approach to returning to work.

Our Parental Leave Policy allows our people to understand whether they're eligible for parental leave and how it is managed. This includes, but is not limited to, parental, adoption, foster and kinship leave. It also reflects our commitment to diversity and workplace flexibility. Providing this support assists our people in balancing their work and family responsibilities, enables career progression, and strengthens talent retention within our business.

Michael's story

"It was important for me to take parental leave as I wanted to prioritise my new family and be there for my partner and our first baby.

The availability of parental leave was critical to my ability to be present for the key first days and weeks, but the flexible work culture that we have at BDO was the backbone of my ability to be an actively involved father.

While it has, as expected, been an extremely challenging few months, due to the combination of parental leave and flexible work culture, I have been able to juggle work and home commitments, while feel like I am (mostly!) keeping up my end of the bargain for both."

– Michael Smith, Partner, Transfer Pricing, Melbourne



Parental leave taken by gender*						
	Paid		Unpaid		Total	
	2022	2023	2022	2023	2022	2023
Female	59.7%	53.6%	96.2%	86.5%	75.6%	65.1%
Male	40.3%	46.4%	3.8%	13.5%	24.4%	34.9%
Non-binary	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Average length of parental leave taken by gender*				
	Paid (weeks)		Unpaid (weeks)	
	2022	2023	2022	2023
Female	22.6	24.9	21.4	23.3
Male	2.2	2.6	1.6	1.9
Non-binary	0.0	0.0	0.0	0.0

*BDO Group Holdings

In 2023, we revised the methodology we use for calculating parental leave for the purpose of our Sustainability Report. To ensure consistency in our reporting, we have re-established our 2022 parental leave figures – which we have included here.

Inclusive culture

We are committed to achieving a more inclusive culture, one where all our people consistently feel like they belong and can bring their true selves to work every single day.

We know we have chosen the more challenging path – that of inclusion and not just pure diversity – but we see the value in doing so for our people, our clients and the community.

For us, an inclusive culture means we have a firm where everyone is valued for who they are, feels part of the team and is trusted to get their job done. A firm where different views, opinions and ideas are valued and respected, and where everyone feels like they belong because they have a voice that is genuinely heard. Our people will feel safe to bring their uniqueness to the table and know they can disagree and debate with others without consequence because they are empowered to innovate and grow.



Taking this approach aligns directly with our strategic priorities. It will:

- Strengthen our brand as an employer of choice
- Drive innovation by creating a collaborative environment for new ideas and solutions
- Deliver a standout experience for our people
- Enhance our clients' experience
- Secure our capability for the future
- Foster inclusive leadership.

With these priorities in mind, in late 2022, we established our Culture Council to intentionally and constantly challenge our culture to create an environment where we can all be our best, no matter who we are or where we are.

The Culture Council is responsible for guiding our inclusion journey, championing and role-modelling where we want to get to. Members are committed to the priorities set following our Gender Diversity Listening Program (find out more on page 31 of our [2022 Sustainability Report](#)), focused on ensuring our people realise their potential, fully living our values, encouraging a diverse team, and providing our people with the skills they need to be inclusive.

Our Culture Council comprises a mix of people – leaders and team members from across the firm who bring a range of different life and professional experiences, cultures, ages, and locations. In 2023, the Culture Council was represented by:



Ashleigh Woodley
Partner, Audit & IFRS Advisory
Perth



David Garvey
Office Managing Partner
Melbourne



Daniella Biagi
Partner, Business Services
Adelaide



Grant Saxon
Office Managing Partner
Sydney & Greater Western Sydney



Helen Argiris
Partner, Business Services
Board member
Sydney



James Massie-Taylor
Managing Partner
Perth



Jane Couchman
Chief Strategy Officer
Brisbane



Janet Daubney
Head of People & Culture
Sydney



Jenine Waters
Partner in Charge,
Consulting National Leader,
People Advisory
Sydney



Jill Holme
Head of People & Culture
Perth



Jo-Anne Sardi
Senior Manager,
Communications
Brisbane



Kerry Atkinson
Head of People & Culture
Brisbane



Leisa Rafter
Partner, Tax
Brisbane



Michelle Bennett
Partner, Tax
Melbourne



Peter O'Sullivan
Chief People Officer
Brisbane



Rudy Pieck
Office Managing Partner
Adelaide & McLaren Vale



Steven Sorbello
Office Managing Partner
Brisbane & Sunshine Coast



Tony Schiffmann
Chief Executive Partner
Brisbane

Inclusive culture program (continued)

The Culture Council has driven a range of key initiatives across the firm, starting with the development and clear articulation of our inclusive culture story and roadmap. Since then, the Culture Council has met regularly and consulted on the roadmap with people across the firm to learn more and refine the path for our journey. The focus now is on education, with the rollout of interactive workshops with our leaders to establish a consistent understanding of what it means to have inclusive actions and behaviours, encourage them to share their experiences and achieve complete commitment to our goals for the future.

Complimenting this process has been a proactive approach by the Culture Council to data gathering and analysis. We have been digging deeper into what our people tell us – through activities such as our People Engagement Survey, Diversity Council of Australia Inclusion@Work survey, WGEA accreditation process, analysis of market expectations, and articulating how we want to lead regarding inclusion.

Moving ahead, we will continue to foster a culture that evolves as we grow and consider gender diversity in conjunction with the many other essential elements of diversity, equity and inclusion. We are committed to our inclusion journey, now and into the future.

Raising awareness through cultural and diversity celebrations

To bring greater education and awareness of the challenges, and benefits of diversity, equity and inclusion, we recognise and celebrate a range of events that are of importance to our people throughout the year.

These include:

- ◆ Diwali | Harmony Day
- ◆ International Day of People with Disability
- ◆ International Women's Day | Lunar New Year
- ◆ NAIDOC Week and National Reconciliation Week
- ◆ Pride Month | Ramadan | Rosh Hashanah
- ◆ Vesak Day | Wear it Purple Day.



First Nations' employment

BDO employs interns from the Woolyungah Indigenous Centre through the University of Wollongong. In 2023, we placed one Vacation role within the Sustainability team.





Human rights

We enact many formal policies to maintain human rights standards in our workplace. Alongside the diversity, equity and inclusion initiatives outlined above, and the flexibility, health, safety and wellbeing initiatives that follow in this report, we also have processes to demonstrate our modern slavery, First Nations procurement and supplier code of conduct practices.

Modern slavery

We operate in accordance with the *Modern Slavery Act 2018* (Cth) by avoiding relationships that either directly or indirectly facilitate, endorse, or encourage modern slavery practices.

Our Modern Slavery Statement references many of our policies which together form a framework to reduce modern slavery-related risk and support human rights. It examines our Recruitment and Selection, Whistleblowing, Bullying, Sexual Harassment, Discrimination and Victimisation, Work Health and Safety, Leave, TOIL and Grievance Resolution policies.

We further expand on our commitment to [mitigating modern slavery risks](#) in our operations, and link to our latest Modern Slavery Statement in Principles of Governance.

First Nations procurement

We actively encourage procurement from all suppliers that provide suitable goods and services, including Indigenous businesses. Find out more about our [First Nations' engagement](#) initiatives.

Equal opportunity in recruitment

Additionally, our recruitment screening and selection policy establishes a framework for the recruitment of professional, technical, and support team members, 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).

Supplier code of conduct

We are committed to the highest level of integrity and ethical conduct, whereby we are fair and honest in our relationships with clients and suppliers. We expect that each of our suppliers share this commitment. While we acknowledge that our suppliers operate independently from us, certain actions taken may impact BDO and our reputation. This commitment is guided by our core values and the need for ethically sound relationships with our suppliers.

Our Supplier Code of Conduct outlines the principles that govern our supplier arrangements, and all material suppliers to BDO are required to attest to this code. We expect suppliers to apply the same level of integrity and ethical conduct as BDO and its people. We ask our suppliers to be mindful of their responsibilities and to embed behaviours outlined in the code into their interactions with and services to BDO. We expect that suppliers promptly inform us of any potential or actual breaches of this code.

Read our [Supplier Code of Conduct](#).

We are also committed to acting responsibly within our own supply chain, particularly in relation to payments to small businesses. Our [Payment Times Reporting Scheme](#) data demonstrates that in 2023, we paid more than 75 per cent of our suppliers within 30 days of receiving an invoice.

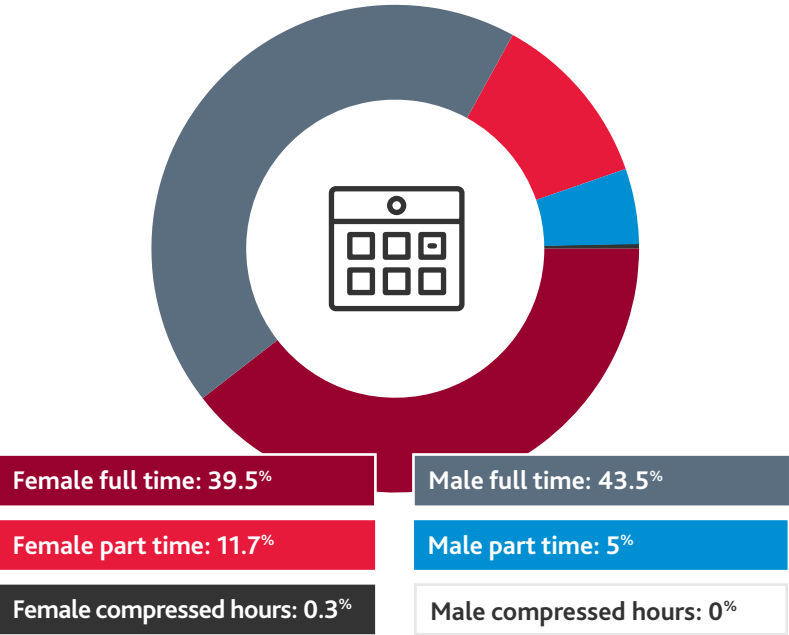
Flexible working

We recognise the importance of flexible working in supporting our people to achieve a healthy balanced lifestyle. Flexibility enables our people to perform at their best, spending time on the personal things that matter, whilst delivering an exceptional service to our clients.



Pleasingly, our [2023 engagement survey](#) found that **85 per cent** of our **people feel they can manage their workload and personal commitments effectively**, up from **71 per cent in 2021**.

Here we describe our people by their work type, showing the formal flexible work options that were in place in 2023.



Reflects our people who are employed on a permanent or fixed/maximum term contract and paid by BDO's payroll.

How we work at BDO continues to evolve in line with the ever-changing needs of our people and clients. Hybrid work is here to stay, providing our people with the flexibility to balance office-based and remote work, bearing in mind the needs of our clients and their colleagues. There has been significant investment in creating great spaces for our people to work in the future, with connection and collaboration front of mind.

We appreciate the changing workforce landscape and aim to provide our people with an inclusive working environment. This year, we introduced an International Remote Work Policy, allowing our team members to apply to work remotely in an approved overseas jurisdiction for a period of up to three months. Our policies support flexible working, and we have invested in technology to make this easier by allowing our people to securely access the BDO network and complete work anywhere, anytime.



Health and well-being

Well-being is fundamental to productivity and engagement at work, as well as the capacity to thrive in the personal sphere of life. We embrace a holistic view of well-being, focusing on purpose, health and relationships, to give our people the tools to succeed. We empower individuals to act on their well-being, focus on building team inclusivity and provide support more systemically to ensure that we create a working environment that supports and encourages well-being.

Workplace health and safety

We are committed to establishing and maintaining a safe and healthy workplace for our people and visitors.

It is both our responsibility and aim to minimise any risks that are present within our workplace. Our workplace health and safety management system is designed to ensure our people's safety at work, wherever their work location.

Our commitment is to:

- Provide our people with a safe and healthy working environment
- Respect the confidential nature of any disclosed medical or rehabilitation information
- Consult our people in the event of injury or illness to ensure a structured and safe return to work that will not disadvantage them
- Comply with all legislative obligations concerning Workplace Health and Safety regulations
- Review our internal policies and related procedures regularly to ensure we continue to meet legislative requirements and the needs of all parties.

We also continue to develop our approach to psychosocial risks, ensuring we both remain compliant and adapt to provide our people with relevant, current systems for this risk. [Find out more.](#)

Work-related injuries	2022	2023
Fatalities from work-related injuries	0	0
High-consequence work-related injuries	0	1
Reportable work-related injuries	0	0
Main types of work-related injuries	Falling/tripping on a regular journey to and from work	Aggravation of pre-existing injuries and illnesses, trips and incidents on regular journeys to and from work

Work health and safety committees

We improve and review our safety practices within the workplace with the support of our local office Work Health and Safety Committees.

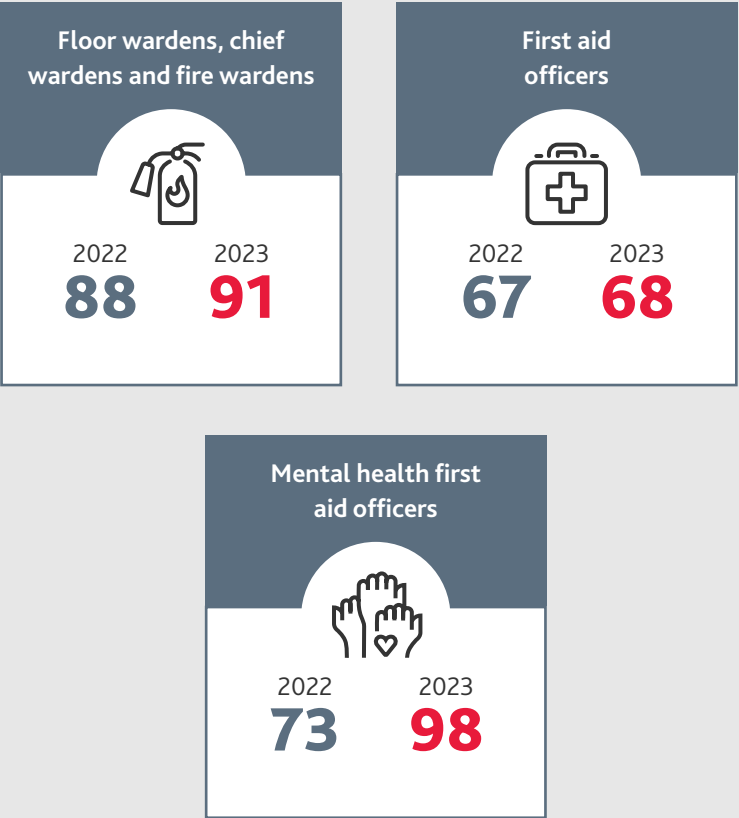
The functions of our Work Health and Safety Committees include:

- Facilitating cooperation between BDO and workers in instigating, developing and carrying out measures designed to ensure health and safety at work
- Assisting in developing standards, rules and procedures relating to health and safety.

Our Work Health and Safety Committees comprise:

- Safety Committee representatives from various parts of our business
- Emergency fire wardens
- First aid officers
- Mental health first aid officers.

Lists of our local fire wardens, first aid officers and mental health first aid officers are available to our people on our intranet, and displayed where we have physical well-being boards in our offices.



Family and domestic violence policy

Family and domestic violence leave

In February 2023, new laws were introduced providing an annual entitlement of ten days of paid family and domestic violence leave under the Fair Work National Employment Standards. This entitlement was already available to our people through our Family and Domestic Violence Policy; however, we made some minor changes to ensure the policy is aligned with how the entitlement accrues under the new laws. We communicated this to our people on the day the laws were introduced, and ensured the revised policy was immediately available.

Donating phones to help people experiencing domestic violence



In 2023, we committed to support DV Safe Phone – a not-for-profit organisation accepting donations of outdated mobile phones to be supplied to survivors of domestic violence. In addition to BDO phones being donated, our people in our Adelaide, Brisbane, Melbourne and Sydney offices can also choose to donate their personal phones when they get a replacement.

DV Safe Phone collects, repurposes, and gifts mobile phones to survivors through registered charities, safe houses, and authorities serving these vulnerable members of our community. Safe phones are provided as part of an individual's 'safe' or 'escape' plan, offering a lifeline to call for help when needed.

BWell

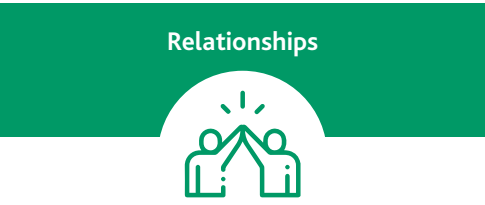


Our well-being framework encompasses the breadth of health and well-being, while our well-being program coordinates and drives national and local initiatives to give our people the tools to thrive in work and life.

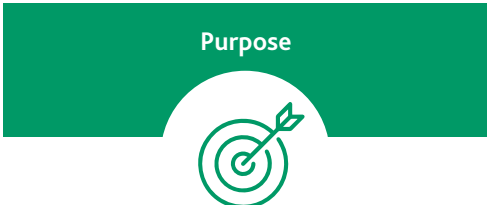
The framework consists of three core elements:



Our ability to manage our emotional wellbeing, physical health and thinking energy



Authentic and connected relationships with colleagues, loved ones and community



Our sense of 'why' and that our work and personal life holds meaning and purpose.



Our current initiatives that have impacts in mental health include:

Health

- New eLearning materials covering all aspects of physical and emotional health, in addition to cognitive balance and focused attention
- Mental health literacy initiatives, including annual R U OK? Day events and ongoing provision of resources
- Corporate sports sponsorship for self-managed teams to join local sporting events, e.g. touch football, netball, cricket
- Financial health initiatives, e.g. private wealth webinars
- National involvement in challenges, e.g. The Push Up Challenge (directly related to suicide prevention and stigma reduction) and the 10,000 Steps Challenge

RU OK? Day

On Tuesday 6 September 2022, we hosted a national, virtual event with Mitch Wallis from Heart on My Sleeve.

370 people dialled in live, with many more having watched (or re-watched) since.

In his presentation "Pretending is painful", Mitch shared his story courageously before giving tips and tools to assist us to also live authentically, connect more effectively and live a healthier and happier life.



- Local fun run involvement in each state, e.g. City2Surf, Bridge to Brisbane
- Access to health-promoting activities in the office, e.g. desk massages, supplied breakfast, fruit boxes
- Access to health-promoting benefits and discounts beyond the office, e.g. gym, health and fitness memberships, and health insurance.

Push Up Challenge

212 BDO people signed up and committed to complete **3,144 push-ups** across **23 days in June**, putting the spotlight on the tragic number of lives lost to suicide in Australia in 2021.

Total push ups: **314,478**.

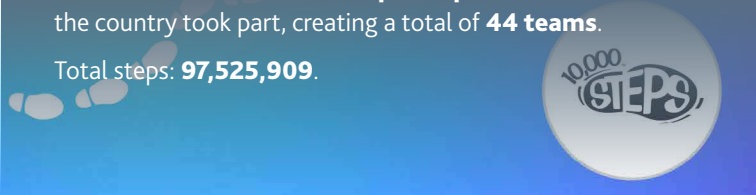
Funds raised: **\$14,675** for Lifeline Australia.



Steps Challenge

In November 2022, **362 BDO participants** across the country took part, creating a total of **44 teams**.

Total steps: **97,525,909**.



Relationships

- 'Coffee roulette' program which helps to boost connections and networks.

Purpose

- New eLearning materials to support our people to discover their values, purpose and strengths
- We introduced a 'Why? July' initiative with recommended resources (videos, podcasts, audio/books, articles) to support employees to uncover their personal and team purpose.

Current initiatives that have impacts in mental health (continued)

Systems, processes and resources

Our ongoing resources that continued in 2023 include:

- National BWell committee which includes representatives from each state
- Employee Assistance Program (EAP) provider for psychological support
- Accreditation training is funded by the firm, allowing our people to become internal Mental Health First Aid officers (MHFA)
- Access to registered and provisionally registered psychologists within the Learning & Development team as an internal source of knowledge on mental health at work
- Access to leadership and executive coaching for more experienced employees.

In 2023, we also introduced:

- A mental health escalation process driven by our People & Culture business partners to ensure at-risk employees are identified and supported, with appropriate processes followed in terms of privacy and confidentiality
- Partner access to the Partner Well-being Program, which an expert provider facilitates
- Weekly live virtual, guided meditation sessions
- The design and delivery of bespoke mental health and resilience workshops for specific teams.

Next steps: Mental health strategy

Since the introduction of ISO45003 in 2021, the Model Code of Practice: Managing psychosocial hazards at work in 2022 and the flow-on effect for state-based regulation across Australia, we are taking a more structured and systematic approach to identifying and managing psychosocial risks in the workplace.

To operationalise this, we are currently creating and implementing a mental health strategy, to ensure we care for ourselves, our teams, our clients and our communities.



Employee assistance program

Our Employee Assistance Program (EAP) plays an important part of our employee benefits program.

It provides our people and their immediate family members with access to free support from highly skilled and experienced specialists across various work, health, family, and life issues via a third-party provider. Assure provides all services independently and confidentially.

Access to the EAP can be via telephone, video, live chat or face-to-face, as well as online resources like webinars, tip sheets and self-assessments.

Services and features include:

- Confidential coaching and counselling providing short-term, practical assistance for any personal, family or work issue
- Professional support for mental health, well-being, nutrition and related health issues
- Guidance on financial matters and referrals for legal consultation
- Manager support
- Self-service through the well-being gateway app.

We promote this service to our people throughout the year, particularly at times where there may be increased vulnerability e.g. in the lead up to the Christmas season.



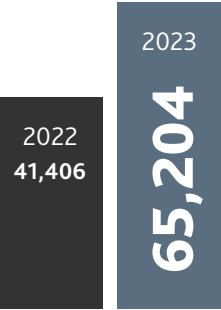
The achieved utilisation rate for 2023 is **9.07%** – up from **8.22%** in 2022.



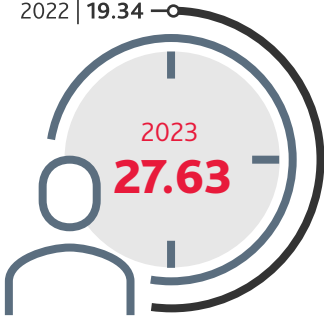
Skills for the future

Learning and development

Total learning hours^



Average learning hours per employee^



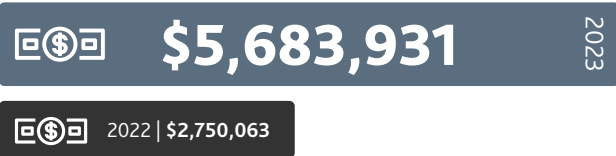
We have a dedicated Learning & Development team that supports our people's personal and professional growth by delivering initiatives aligned with our strategy. We provide a broad range of learning opportunities that incorporate structured learning, learning from others and on-the-job learning.

Our Learning & Development team delivers programs and resources to develop our people so they have the capabilities and expertise that enable us to be our best in our chosen markets.

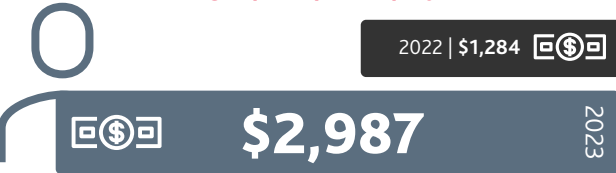
We achieve this through:

- Providing our partners and team members with the learning solutions they need to be exceptional in their internal and client activity (be it through workshops, coaching or process facilitation)
- Designing and delivering a range of core non-technical development programs
- Contributing to the selection and development of our talent pool through targeted development and psychometric profiling
- Helping to develop processes and skills to unlock learning opportunities in everyday work.

Total learning & development spend*



Average spend per employee*



*BDO Group Holdings
*BDO Australia

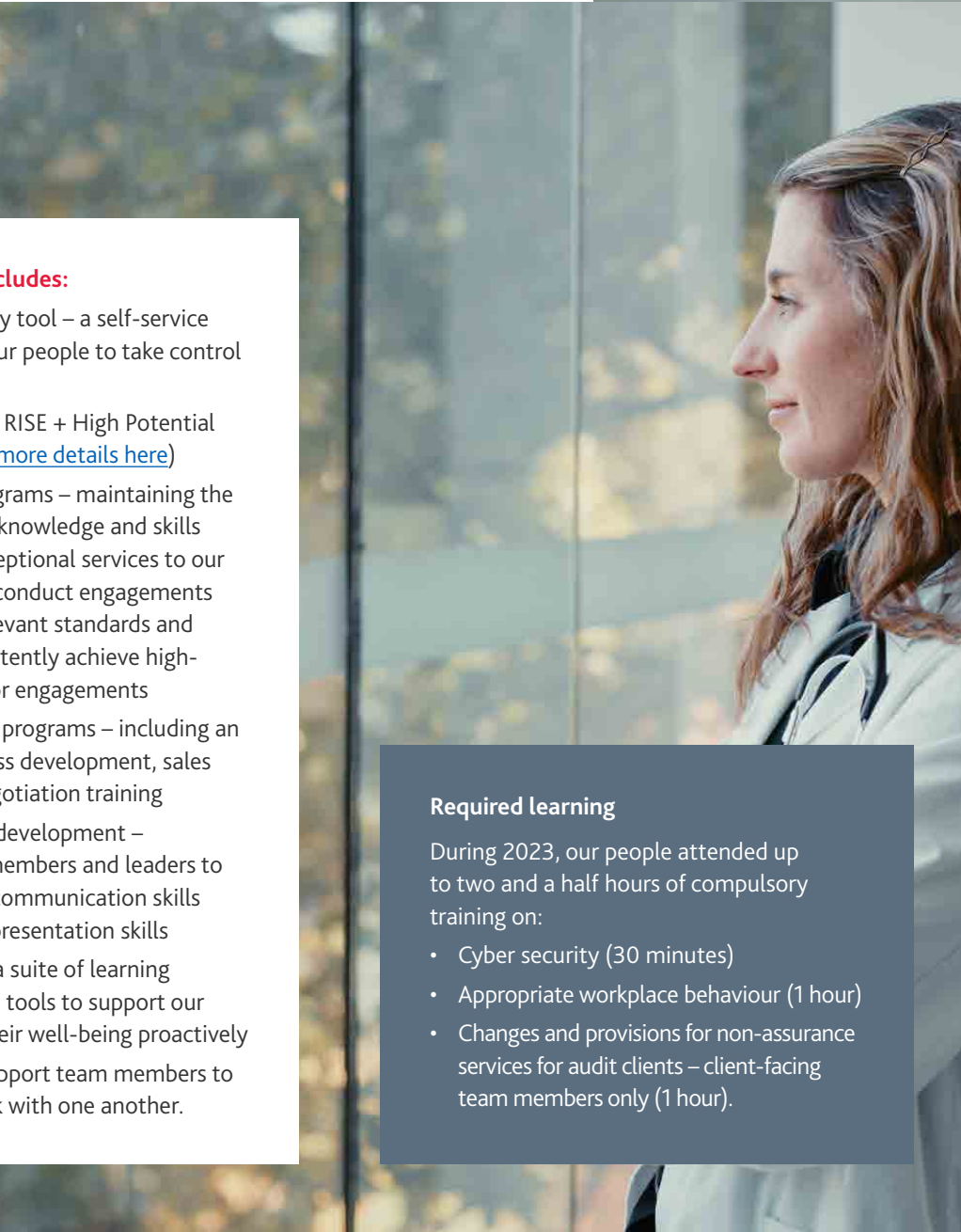
Our learning offering includes:

- BDO Learning Academy tool – a self-service platform that allows our people to take control of their learning
- Leadership programs – RISE + High Potential Development Centre ([more details here](#))
- Technical learning programs – maintaining the high level of technical knowledge and skills required to deliver exceptional services to our clients and ensure we conduct engagements in accordance with relevant standards and requirements to consistently achieve high-quality performance for engagements
- Business development programs – including an introduction to business development, sales conversations, and negotiation training
- Communication skills development – supporting our team members and leaders to further enhance their communication skills including writing and presentation skills
- [Well-being](#) – we have a suite of learning content, resources and tools to support our people to look after their well-being proactively
- Team workshops to support team members to learn how best to work with one another.

Required learning

During 2023, our people attended up to two and a half hours of compulsory training on:

- Cyber security (30 minutes)
- Appropriate workplace behaviour (1 hour)
- Changes and provisions for non-assurance services for audit clients – client-facing team members only (1 hour).



A significant increase in learning hours in 2023

In 2023, we saw a significant uplift in learning hours reported compared to 2022.

This can be attributed to several factors, including:

- Increased awareness of and improvement in the way we capture learning activities
- An expanded breadth of learning activities available internally, and
- A general desire from our team members to develop their capability and learning together, often in person.

We launched a new Learning Policy which outlined our collective commitment and responsibility for learning at BDO. We also developed a user-friendly interface to simplify capturing learning and developed dashboards that made it easier for our people to view and track their learning.

We saw a significant increase in demand to attend our Leadership programs in 2023.

Growth in the Learning & Development team has allowed us to produce and deliver additional learning to meet the further needs of the business, our leaders and our team members.

We launched the Advisers of the Future framework, which focuses on identifying the capabilities we need now and into the future to continue meeting the needs of our clients and people. The bespoke framework is supported by various learning options, including a suite of eLearning, curated external content and mentoring.

Learning hours by position

Position	Learning hours	
	2022	2023
Undergraduates, graduates, accountants, auditors and analysts	13,716	19,652
Seniors	9,238	11,826
Assistant managers, managers, senior managers	9,021	15,498
Directors	3,006	4,757
Partners	3,777	7,969
Shared services, administrators, personal assistants, executive assistants	2,648	5,502
Total	41,406	65,204

*BDO Australia

Note: The 2022 Learning hours by position have been restated here as a correction from our 2022 Sustainability Report.

Learning by service line

Advisory

Recognising that the need for skills across the team differs significantly by service area, the Advisory team takes a bespoke approach to learning. Some of the learning highlights from 2023 include:

Business Restructuring

Members of our Business Restructuring team attended several industry-specific conferences to ensure their continued professional development in insolvency and business restructuring.

These included:

- Insol Conference – The global event for the insolvency and restructuring profession
- Turnaround Management Association (TMA) conference
- Australian Restructuring and Turnaround Association (ARITA) National Conference.

Our people also attended workshops, seminars and training events held by other professionals in the industry, including ARITA, where our people attended both as participants, and our Partners also acted as workshop leaders at particular events.

We hosted internal technical learning sessions to ensure our people continue to receive ongoing professional development to stay at the forefront of the industry, and our whole Business Restructuring team was also trained in Mental Health First Aid.

Corporate Finance

Our Corporate Finance team members had a strong focus on learning and development in 2023, incorporating knowledge provided by industry bodies and professional associations, on the job training, lunch and learn sessions, leadership programs, our national Corporate Finance Conference, and BDO global training materials.

Topics of particular interest in 2023 included mergers and acquisitions, artificial intelligence and cyber security, the Federal budget and tax technical training more broadly, financial modelling and valuation analytics, and International Financial Reporting Standards (IFRS).

Our national Corporate Finance Conference, held on the Gold Coast in June, focused on being better together for our clients. It was attended by Corporate Finance Partners and team members (manager and above) from the majority of offices across BDO in Australia and New Zealand.

Where appropriate, our people also maintained their professional qualifications by ensuring they retained the appropriate level of continuing professional development (CPD) with the CFA Institute, Chartered Accountants, Corporate Finance Institute and CPA Australia.

Cyber Security

We’ve nurtured our team’s professional growth by bringing in an external trainer to guide cyber team members through Information Security Management Systems – ISO27001 Lead Auditor certification. This wasn’t merely a formality; it was a strategic investment that solidified and elevated our collective cyber security expertise. Adding to this journey, team members who attended the AusCERT Conference improved their cyber security capabilities. These enriching experiences, provided through expert-led workshops and sessions, armed them with actionable insights into emerging trends and best practices, better preparing them to tackle future challenges in their roles.

Digital and Technology Advisory

Our Digital and Technology Advisory teams in Melbourne and Sydney were all upskilled in PowerBI in 2023, allowing the team to consistently utilise dashboards, data analysis and visualisation of data in project delivery. We also use PowerBI to help clients develop management and operational reports to inform their key business decision making, and have delivered PowerBI training to two clients.

As we move into 2024, we want to engage our team in technical training that ensures our skills and knowledge remains at the forefront of our client delivery needs. Our next area of focus will be cyber security training.

Advisory (continued)

IFRS and Corporate Reporting

Members of the IFRS & Corporate Reporting team completed both formal and informal learning throughout the year to ensure their professional knowledge was kept up to date.

Our annual IFRS & Corporate Reporting conference took place over two and a half days and was attended by colleagues from across Australia and New Zealand. It covers topical training relevant to all team members including new accounting standards, new reporting frameworks like sustainability, current issues, and the application of standards.

Throughout the year, the team received training through BDO's global IFRS Advisory (semi-annual training), a weekly team training call, formal online courses prepared by BDO Global including TCFD training and GHG Protocol training (overview), external detailed GHG Protocol training, IFRS & Corporate Reporting webinars and ESG webinars.

Our leaders participated in meetings within the profession, including the CA ANZ research group meetings, ASIC liaison meetings, and BDO IFR Advisory meetings.

All members of the IFRS & Corporate Reporting team completed a significant amount of additional personal learning and research from BDO global publications*, Corporate Reporting Insights*, IFRS Interpretations Committee (IFRIC) updates, standards and discussion papers published by IFRS Foundation, Australian Accounting Standards Board (AASB) updates, publications and newsletters prepared by Chartered Accountants Australia & New Zealand, and more.

*Note: some of our team members were also involved in preparing and delivering these courses or publications.

Migration Services

Our Migration Services team is dedicated to nurturing the growth and expertise of our immigration lawyers and support team through a comprehensive array of learning and development opportunities. Central to our commitment is the BDO Migration Services Learning Academy, a cornerstone of our knowledge enrichment program both internally and as an offering to clients. In addition, we foster a culture of continuous learning through weekly team meetings, providing a platform for ad hoc discussions and information sharing. During our monthly 'Lunch and Learn' sessions, external facilitators provide an opportunity to delve into technical issues and legal updates, keeping our team abreast of the latest legal changes and challenges in Australia and internationally.

Attendance at key events, such as the Law Council of Australia Annual Immigration Law Conference and other CPD programs, ensures our position at the forefront of Australian Immigration law.

Equally vital was our team members' continued dedication to technical proficiency, and training on digital platforms and systems to deliver seamless service to our clients. We take pride in our open-door policy, offering ongoing mentoring and coaching, legal supervision for junior lawyers, and one-to-one meetings to address individual needs. Our comprehensive approach extends to skills enhancement in both soft and technical skills. Through these multifaceted initiatives, we empowered the team to deliver exceptional service while continually advancing their professional capabilities.

Risk Advisory Services

In 2023, our Risk Advisory Services (RAS) team focused on learning and development that primarily supported increasing knowledge in work processes and systems, career progression and specific client development. There was also participation in BDO's National leadership programs: Reach, Ignite, Shine, Elevate; webinars, various internal training sessions and attendance at the RAS Leadership Conference.

Specific initiatives by the team included monthly national RAS Lunch & Learn sessions focused on core and specialist areas within the practice. These sessions provided opportunities for each team to present and share knowledge, keeping the whole team up to date with industry trends, emerging risks, new technology and best practices in their field.

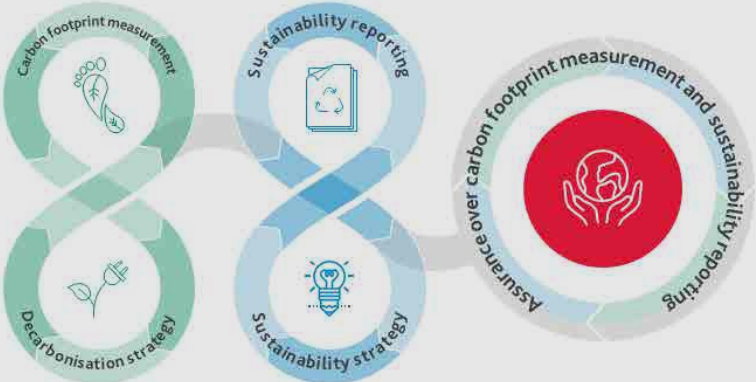
Sustainability Services

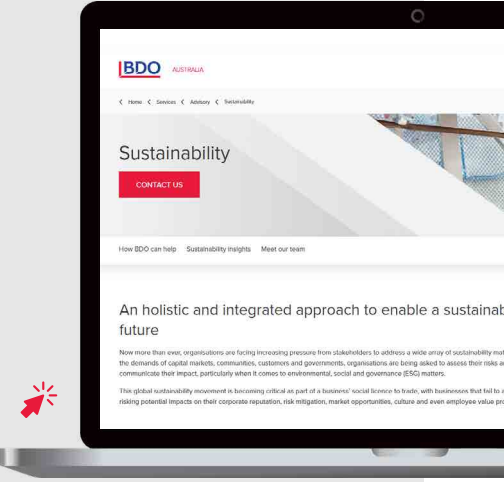
Our Sustainability Services team is fast growing and investing a significant amount of time to stay on top of all the latest developments. Sustainability has been changing rapidly over the last few years, especially with the issue of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures in June 2023*, as well the publication of two consultation papers by the Australian Government in relation to the mandatory reporting of sustainability information by Australian entities in December 2022 and June 2023.

Our team members maintain their professional knowledge throughout the year through our monthly sustainability webinars, and materials published by BDO Global, including eLearning modules and regular sustainability publications (for example, the GHG Protocol, quarterly Sustainability Reporting updates, and ad hoc bulletins on topical issues).

Our sustainability services

The Sustainability Services team provide the following core services.





[Find out more](#)

Audit & Assurance

The Audit Technical Curriculum prescribes the learning requirements for our people at all levels. In line with our learning policy, we identify learning that is required to be completed on a timely basis and have a monitoring process in place to ensure completion and reporting to the Audit Company Board on a regular basis.

When our people join the firm as graduates, they start the Audit Skills program which provides the foundations of the BDO audit approach, supplementing their ongoing professional studies. With six levels of Audit Skills, the program provides our people with the tools and practical knowledge needed over the early stages of their career in audit.

In terms of the ongoing professional development of our people, our curriculum is updated regularly, based on current issues and developments in the profession.

This includes, but is not limited to:

- Ethics and independence
- The BDO Audit Approach
- Changes to our digital audit suite of tools
- Financial reporting, including climate-related matters and sustainability
- Areas of audit focus identified through our quality management processes, BDO global and audit regulators.

Ongoing technical learning is delivered by various means, depending on the topic and the required participants. This can take the form of audit quality briefing sessions via virtual live events, classroom workshops or online modules. On-the-job coaching and learning continue to complement the suite of programs from both a technical and non-technical perspective.

Business Services

In 2023, we saw an increase in learning hours over 2022 thanks to the implementation of a new Learning Reporting System which has enabled us to track learning activity more accurately, as well an increase in the training courses delivered to our people.

Our Business Services people provide a combination of tax compliance, accounting outsourcing, and business advisory services to clients, so they must be trained to deliver exceptional client experiences of a high technical quality through well-developed advisory capabilities. To achieve this, our people benefit from tax technical training provided by our National Tax Technical Leaders, and the opportunity to develop advisory capabilities through our Advisers of the Future Framework.

Developed through consultation with clients, our Advisers of the Future Framework (launched in August 2022) enables our people to build their underlying abilities in communication, exploration of ideas, leadership, facilitation of change, and working professionally. In 2023, our people invested 438 hours in developing their advisory skills for the future, through self-service eLearning modules, podcasts, webinars, or peer mentoring workshops. As a result, we are already seeing an improvement in the number and efficiency of advisory projects offered to Business Services clients and the emergence of a feedback culture that supports our people's development.

Tax

Our national tax technical leaders provide a significant schedule of technical learning to enable partners and team members to create, retain and refresh their knowledge of taxation issues and laws, and provide accurate and relevant taxation services to our clients. This includes:

- Introductory courses for new graduates
- Develop courses for intermediate team members
- Specialised training for partners and managers, and
- Regular update training for people at all levels to review and consider recent changes to the law via Courts, Tax Office pronouncements and legislative changes.

Highlights from 2023 included:

- Increased staffing levels
- A return to pre-covid face-to-face sessions
- An increase in both invitees and attendees at our technical conference, and
- The introduction of new training and initiatives.

Our training program is a critical component of our people offering, while also ensuring we satisfy the requirements of the regulatory authorities.



Leadership programs

BDO leadership programs

Our leadership development programs are designed to support our leaders as they grow and progress through their careers at BDO. The programs broaden and build essential leadership capabilities, developing self-awareness, emotional intelligence, effective communication, coaching and feedback, developing client relationships, and building a business network.

The five programs, and their 2023 participant numbers, are as follows:



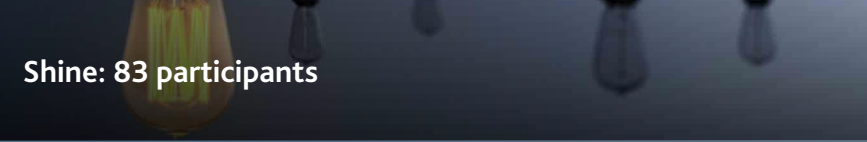
Reach: 195 participants

This program is best suited to people who have recently increased their stakeholder management capacity, are new to managing people, or require a refresh of the basics of managing people and themselves.



Ignite: 126 participants

A program for people with team members directly reporting to them, or who find themselves in a team with increased responsibility to drive performance, influence team culture, and role model new ways of working.



Shine: 83 participants

Designed for the more experienced manager with years of experience in developing individuals and teams to achieve performance, the program shifts the focus to leadership impact. By growing the capacity to have intentional interactions with clients, peers and direct reports, leaders will embrace the concept of becoming known by their leadership brand.



Elevate: 24 participants

This program is for experienced leaders and aspiring partners who are ready to embark on a deeper development journey. The program supports the navigation of increased complexity and ambiguity in the work and personal environment. This is for leaders with a keen appetite for growth and those looking to shape their future as a leader at BDO.

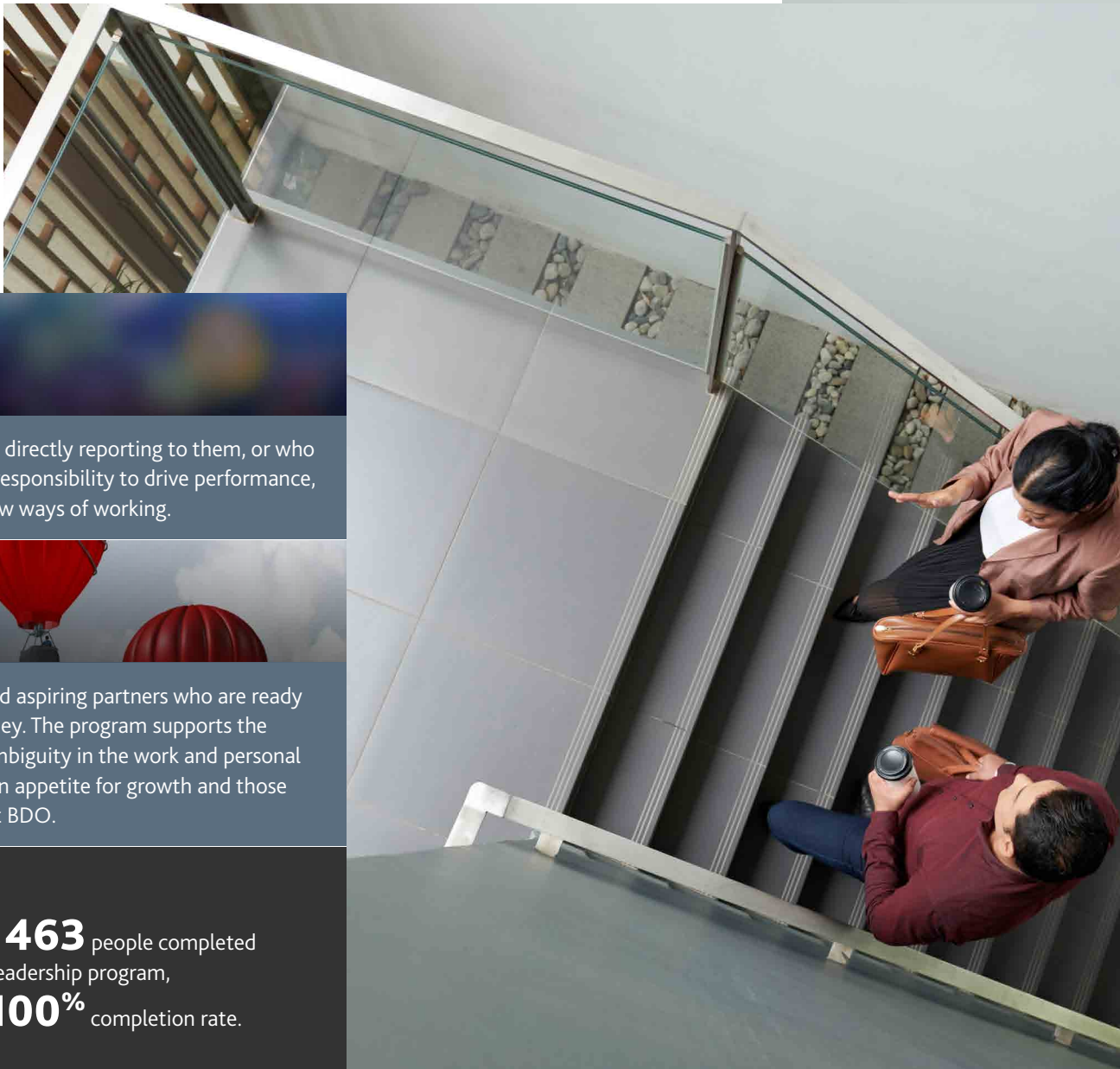


High potential development centre: 35 participants

For directors and specialists seeking to progress their careers at BDO. This program supports attendees to identify strengths to be leveraged and areas to be developed in working towards their career aspiration.



In 2023, **463** people completed a BDO leadership program, with a **100%** completion rate.



BDO-Harvard Global Executive Leadership Program

In May 2023, 53 of BDO's leaders from 15 countries joined the second BDO Harvard Global Executive Leadership Program. The five-day residential program has been designed to deliver the latest and best academic thinking, relevant to professional service firms and their leaders, in the context of our global vision and strategy.

Learning objectives of this program include:

- A transformative learning experience, with opportunities to build self-awareness and a growth mindset through the study of other leaders and reflection
- Strong networking opportunities to create a global cohort of aligned leaders who collaborate, build trust, share practices and knowledge, and foster strategic opportunities for each other and for BDO
- A clear, collective, realistic aspiration and willingness to play a role in taking BDO to the next level.

Representing BDO in Australia in 2023 was:

- Andres Reith, Partner in Charge, Business Services – Sydney
- David Garvey, Office Managing Partner – Melbourne
- James Massie-Taylor, Office Managing Partner – Perth
- Kim Colyer, Partner, Audit – Brisbane
- Matt Laming, National Leader, Business Services – Adelaide.



"It was easily one of the best learning experiences I have been involved in with great content, amazing lecturers and even better conversation in exploring the case studies. It was a once in a lifetime experience which I enjoyed sharing with my colleagues."

– Matt Laming, Partner, Business Services, Adelaide

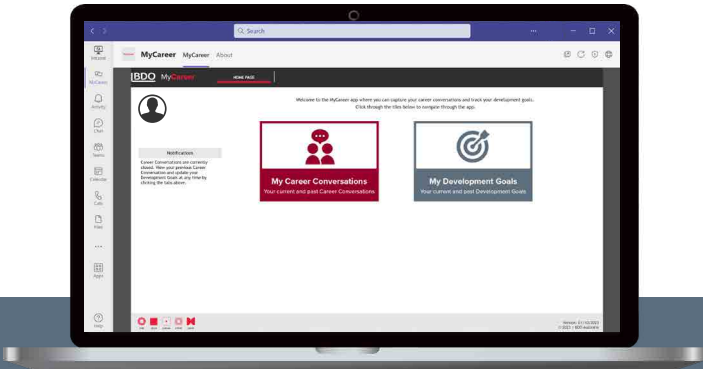
Featured project – MyCareer

Our newly launched MyCareer app provides a central place for our people to review, track and maintain their professional development goals. A collaborative project driven by our people experience and innovation teams, we are building a solution to:

- Provide a consolidated career development process, with enhanced career conversations
- Simplify the process of recording development goals
- Deliver a performance data dashboard
- Introduce a feedback app.

With a phased approach to roll out, in phase one we delivered:

- A new career conversation form
- Development goals platform
- A light version of the performance dashboard.



Project outcomes in 2023

Training informed our employees and managers of the new resource and uplifted capability. It was attended by 43 per cent of our people. After the launch of MyCareer and the first round of career conversations in April 2023, we found:



Over **1,551 people** accessed the new MyCareer app



The percentage of complete career conversations in April/May **went up by 107%** in comparison to the previous review cycle



70% of our people completed their career conversation form in MyCareer

What's next?

Exciting initiatives we have in the pipeline include:

- Addressing feedback from our people's experiences to develop the system further
- Performance dashboard development
- Introducing a feedback app
- Further development and support for our people managers to help uplift capability and the quality of career conversations.



Our clients

Our client promise is built on a very simple foundation: **exceptional client service.**

From start-ups and family businesses to large complex organisations, we work as an extension of our clients' teams. We believe the foundations of great teams are respect, mutual understanding and commitment to each other, and so our principles of doing business focus on:

- Understanding our clients' needs
- Delivering exceptional service, and
- Providing the expected results.

Client engagement

Exceptional client service is at the heart of our service delivery.
We believe there are five pillars that underpin exceptional client service:

Client needs	Communication	Commitment	People	Value
				
Anticipating client needs, building close relationships, listening and being forthright in our views helps to ensure we can deliver the best outcome for our clients. Along with relevant ideas and valuable insights, we aim to balance the immediate needs with long-term ambitions.	We value being clear, open and prompt in our communication, so our clients always know who to talk to. We avoid unnecessary jargon, and aim to deliver tailored, constructive and workable solutions.	We deliver what we promise, every day, for every client. We always seek their feedback – and act on it – and we make a point of demonstrating our reliability and integrity to earn trust.	We believe in providing the right environment for our people and the right people for our clients. Our culture encourages all levels of people to interact with clients and we make sure we provide teams that are the best fit for their needs.	We create value through fresh thinking, valuable insights, and practical, commercially valuable advice our clients can trust. We try to gain a deep understanding of what value means to them.



Client stories

We pride ourselves on our relationship-driven culture which, combined with our global and local resources and responsiveness, underpins how we work at BDO. Read some of [our clients' stories](#).

AEIOU foundation

The AEIOU Foundation is a Not-For-Profit (NFP) with a simple goal: To provide early intervention that enables children with autism to live their best lives.



Edwards Group

As existing clients of our Tourist Park team, Edwards Group turned to BDO to find a solution which allowed them access to comprehensive insights and metrics from a single, digital platform. We found that Parki, our business intelligence tool fit the bill.





Dr David Sharp Plastic Surgery and The Sharp Clinic

A holistic and integrative plastic surgery and cosmetic medicine practice, with clinics located in Brisbane and Ipswich. The clinic not only assists patients to achieve their desired outcomes but follows them along their journey, offering a unique point of difference in terms of focus, patient support and aftercare.



Fonz Moto

Fonz Moto's story started 12 years ago. CEO Michelle Nazzari was on a motorcycle trip around Colombia when she thought of making electric motorbikes and scooters. She had a vision of seeing "everybody on electric vehicles" as a sustainable solution for transport in Australia.

Client listening program

Our client listening program provides a structured approach to measuring and improving client satisfaction, loyalty, and advocacy.



Recognising that each client's expectations are likely to differ – and even differ along their journeys with us – we have listening points at critical stages to help us understand where we are doing a great job and where we could be doing better.

In 2023, our firm-wide Net Promoter Score (NPS) was **+63.5**, a slight increase from 2022.

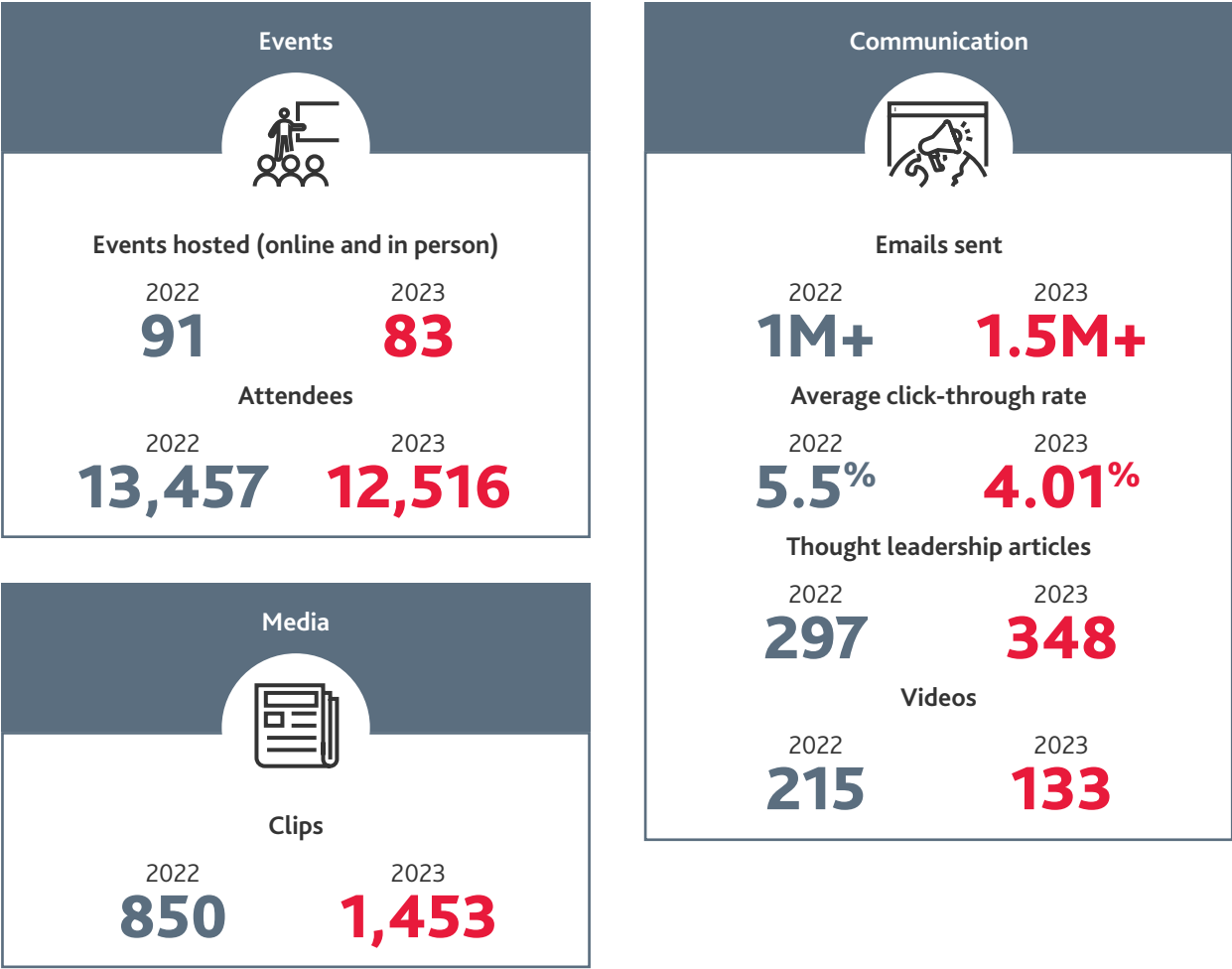
Our clients score us an average of **9.2/10** for **understanding their business** (increased from 8.3 in 2022) and **9.1/10** for **ease of doing business with us** (consistent with 2022).

Our clients also told us that we are easy to do business with because we understand their needs and deliver what we promise. Clients also appreciate the availability and responsiveness of our team members.

Our client listening programs allow us to provide internal education and sharing of insights, acknowledge and act on feedback, and continue to engage all parts of the business to improve the experience we provide to our clients.

Thought leadership and education

Education is an essential component of the exceptional client service that we strive to deliver.



Our national leaders and teams of experts are at the forefront of the issues and complexities facing the markets they work within. We share our expertise, analysis and research through regular thought leadership articles, reports, publications and events.

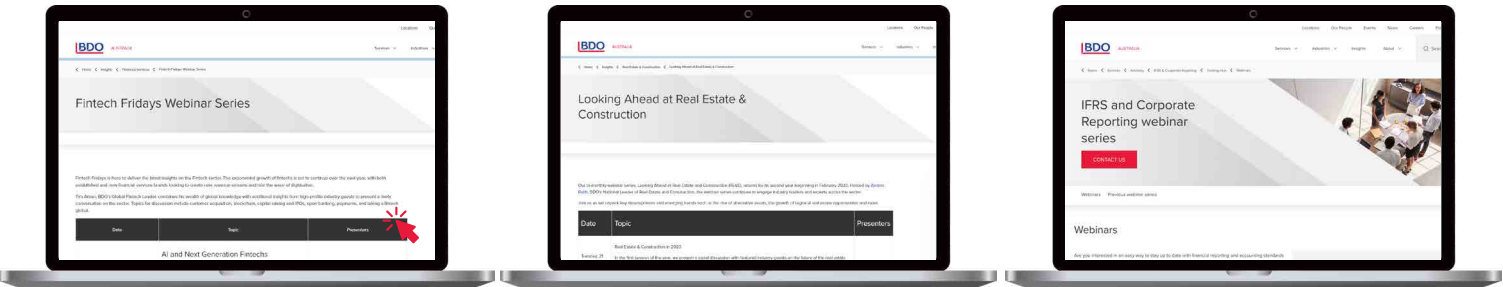
Our regular email publications include:

- **BDO Insights** provides a monthly wrap-up of key insights from BDO in Australia
- **Sustainability News** is a new initiative in 2023, providing a regular wrap-up of the latest sustainability and ESG insights from BDO
- **Corporate Reporting Insights** shares the latest information and regulatory or legislative changes in financial and sustainability reporting
- **Quarterly Tax Update, Transfer Pricing** and ad hoc **Tax Technical Updates**, as well as practical resources like our **Year-End Tax Planner** and the **Tax Facts Data** card
- **Super News** supports self-managed super fund managers to stay on top of the latest knowledge for their industry
- **Explorer Quarterly Cash Updates** for the Natural Resources sector
- **BDO Connect** content helps small to medium accounting, legal and other boutique advisers to maintain professional knowledge as they build a sustainable future
- **Annual Federal and State Budget** commentary
- **Ad hoc service** and industry-specific news or reports.

Featured campaigns

Webinar series

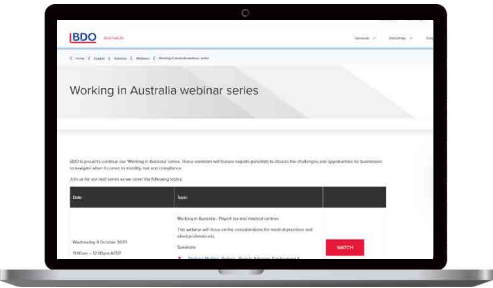
Webinars have become a mainstay of our client education program. We host ad hoc events on topical issues and regular series to share ongoing knowledge or experiences within sectors or service lines. Some of our key webinar series include:



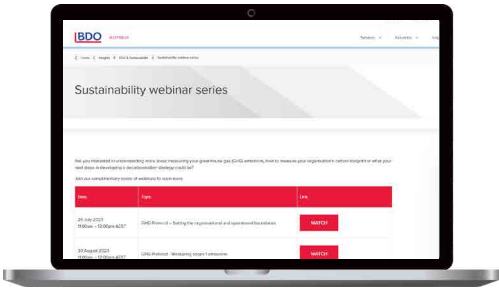
Fintech Fridays – Delivers the latest insights on the Fintech sector, with insights from BDO experts and high-profile industry guests to present a lively conversation on the sector.

Looking Ahead at Real Estate & Construction – Bi-monthly events to unpack critical developments and emerging trends with industry leaders and experts across the sector.

IFRS & Corporate Reporting – An easy way to stay up to date with financial reporting and accounting standards that impact businesses each month.



Working in Australia – Discusses the challenges and opportunities for businesses to navigate when it comes to risk and compliance.



Sustainability – Monthly webinars aimed at breaking down the complexity of sustainability into digestible pieces to help our clients get on top of the fundamentals and start driving change in their organisation.

Client listening program drives curated education

In the lead-up to the end of the financial year, we hosted a series of webinars purposefully curated to meet the needs of our clients. Earlier in the year, we asked our clients to share the most significant opportunities and challenges they expect their organisation to face in the coming year. The top three areas of focus were:

- **Planning for and responding to economic and financial market factors**
- **Achieving growth, including managing cashflow and liquidity**
- **Workforce and talent management.**

In response, we developed a webinar series hosted by our experts in these key areas, and collated a suite of resources to help clients plan for 2024.



Federal Budget

Each year, on Federal Budget night, we bring together a team of experts to analyse the Budget papers and to prepare and deliver a detailed report about what it means for Australian businesses, organisations and individuals.

We help our clients achieve their goals by educating them about which budget measures are most relevant to them.

In the lead-up, our experts share their predictions of anticipated issues and measures. On the night, we publish a detailed report that includes commentary on the Budget from our tax team and expert analysis based on the expected impacts on specialist industry and practice areas.

Following the 2023 Federal Budget, we:

- **Emailed** the report to over **29,000 clients and subscribers** by the following morning
- **Registered 1,655 people** for our webinar, with a **42% attendance rate**
- **Hosted** in-person events in some locations.

Read our [Federal Budget 2023 Report](#).

Planet

At BDO, we believe we all have a role to play in protecting, preserving and renewing our resources so that the way we live our lives today does not negatively impact future generations. The fight against climate change is a priority for BDO. To guide us as we play our part in leading positive change, we have committed to achieving net zero greenhouse gas emissions by 2050 or sooner, in alignment with the Paris Agreement. We are proud to publish our 2022 carbon footprint baseline, and subsequent 2023 carbon footprint.

In this section:

- ▶ Our global commitment
- ▶ Our carbon footprint
- ▶ Waste and impact



Our global commitment

BDO is leading by example. As a member of the [Net Zero Financial Service Providers Alliance](#) (NZFSPA), the BDO global network has committed to achieving net zero greenhouse gas emissions by 2050 or sooner, in alignment with the Paris Agreement. This endorses the ambition to limit the global temperature increase to 1.5°C above pre-industrial levels.

[Our global net zero programme](#) provides all BDO firms with a standardised global methodology and approach that supports implementation through the carbon baseline emissions calculation, net zero target setting and annual reporting steps. This ensures the consistency of BDO's Greenhouse Gas (GHG) emissions calculation and the reduction targets that BDO will be reporting on as a global organisation.

Sustainability is a journey and there will always be more work to be done. We continue to adapt our strategy, our service offering and the way we work to meet the sustainability expectations of all our stakeholders, and to protect our environment, our business and the interests of generations to come.



Our carbon footprint

On our journey to net zero, BDO in Australia committed to quantifying baseline carbon emissions in 2022. We are pleased to report that our baseline emissions have been calculated and we have subsequently calculated our carbon footprint for 2023.

Our carbon footprint is in line with the [World Resource Institute's \(WRI\)](#) internationally recognised reporting standards:

- Greenhouse Gas (GHG) Protocol – A Corporate Accounting and Reporting Standard (2015 revised edition)
- GHG Protocol: Scope 2 Guidance (amendment to GHG Protocol) (2015)
- GHG Protocol Corporate Value Chain (Scope 3) Accounting (2011)
- GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (version 1.0).

Reporting period

The reporting period BDO in Australia has chosen to adopt is our financial year (July to June). We selected 2022 to begin our emissions measurement journey.

Organisational boundary

BDO in Australia has elected to apply the operational control approach to determining the organisational boundary for our carbon footprint. While we are part of a global network of firms, this network is operated in substance by individual member firms across the globe with legal independence.

The carbon footprint presented in this report includes the group of BDO firms within the operational control of the member firms BDO Group Holdings Ltd and BDO Perth.

Operational boundary

To derive our operational boundary, a review of operating activities has been performed with all activities being classified into emissions categories. An appropriate methodology has then been considered for each category.



Scope 1 emissions are direct emissions that occur on site, or from assets that are owned or controlled by the business. These consist of four categories:

- Mobile combustion
- Stationary combustion
- Physical or chemical processing
- Fugitive emissions.

BDO in Australia's core business across all companies that operate within the organisational boundary is the provision of professional services. There are no business activities requiring mobile combustion, stationary combustion nor physical or chemical processing.

All references to our Scope 1 emissions pertain to fugitive emissions. We occupy office spaces across Australia, some of which are serviced by commercial air conditioning units, and therefore contain relatively high charges of known greenhouse gases (GHG) that have a high Global Warming Potential (GWP). BDO therefore deems that maintenance of these units and the allocation of top up charges based on floor space occupied within each building, to be material to our carbon footprint.



Scope 2 emissions are indirect carbon emissions, relating to the purchase of energy or heat that has been generated by a third party.

BDO uses grid electricity at each office location for cooling and heating. Consumption has been quantified for the reporting period as it is deemed to be material to our carbon footprint.



Scope 3 emissions are indirect emissions from business activities that occur from sources that aren't controlled by BDO in Australia. There are 15 independent categories relating to upstream and downstream activities into which Scope 3 emissions can be categorised.

Carbon footprint

		2022		2023		Year-on-year
GHG emission	Note	Emissions	% Total	Emissions	% Total	% Movement
Scope 1						
Category subtotal		10	0.0%	0	0.0%	(100%)
Refrigerants	B	10	0.0%	0	0.0%	(100%)
Scope 2						
Category subtotal		801	3.1%	868	3.2%	8.3%
Purchased electricity	C	801	3.1%	868	3.2%	8.3%
Scope 3						
Category subtotal		25,321	96.9%	26,299	96.8%	3.9%
Purchased goods and services	D	22,186	84.9%	21,716	79.9%	(2.1%)
Capital goods	E	869	3.3%	268	1.0%	(69.1%)
Energy-related activities	F	114	0.4%	123	0.5%	7.7%
Waste generated in operations	G	33	0.1%	33	0.1%	(0.8%)
Business travel	H	1,009	3.9%	3,008	11.1%	198.3%
Employee commuting	I	1,058	4.0%	1,115	4.1%	5.3%
Upstream leased assets	J	15	0.1%	0	0.0%	(100%)
Downstream leased assets	K	37	0.1%	36	0.1%	(3.5%)
Total emissions		26,133		27,167		4.0%
Emissions intensity						
Average FTE*		1,689		1,806		6.9%
Intensity tCO ₂ e per FTE		15.48		15.05		(2.8%)
Total revenue (\$M AUD)		379.6		447.0		17.8%
Intensity tCO ₂ e per \$M AUD		68.84		60.78		(11.7%)

*FTE = number of 'full-time equivalent' employees

Notes to the carbon footprint

A. Methodology, key estimates and assumptions

The following best practice reporting principles govern our calculations, as laid out by the GHG Protocol:

**Relevance**

Ensure the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs of users – both internal and external to the company.

**Accuracy**

Ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported information.

**Completeness**

Account for and report on all GHG emission sources and activities within the chosen inventory boundary. Disclose and justify any specific exclusions.

**Transparency**

Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used.

**Consistency**

Use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series.

Emissions are all stated in tonnes of Carbon Dioxide equivalent units (tCO₂e).

Where possible, primary data has been used to derive the emissions estimates across categories reported, discussed in detail below. Where primary data isn't available or accessible, BDO has used spend based methodology to derive emissions for the relevant category.

For those categories pertaining to energy consumption for which BDO has primary consumption data, emissions factors have been sourced from the National Greenhouse Accounts.

B. Refrigerants

Refrigerants are used in commercial air conditioning units. Our major offices across Australia are located in commercial buildings that are serviced by such units. As such, we are in contact with suppliers to obtain maintenance information.

In addition to commercial units, there are also retail air conditioning units in smaller BDO offices, as well as fridges in kitchens. As a number of these are built into the office fit out across our locations, it isn't practical for these units to be removed, reviewed and re-installed for the purpose of obtaining product specifications. In addition to limited access and therefore limited information, the number of these units is relatively small. For this reason, non-commercial units have been deemed immaterial to the BDO in Australia carbon footprint. This assessment will be reviewed annually.

BDO reports nil emissions from refrigerants as there have been no top ups to any units during the 2023 reporting period.

C. Purchased electricity

Carbon emissions calculated in this report are based on actual kWh consumption at each office location in use during the reporting period.

All our offices are located in Australian towns and cities that are serviced by metropolitan electricity grids. BDO in Australia does not currently have arrangements in place with energy suppliers requiring the provision of energy from renewable sources, nor are offices within buildings fitted with solar panels. For this reason, BDO deems it appropriate that the state-based emissions factors published annually by the Department of Climate Change, Energy, the Environment and Water are the most appropriate emissions factors applicable to energy usage.

D. Purchased goods and services

Emissions associated with services provided by data centres is calculated using kWh as advised by the provider and state-based emissions factors.

Payments for all other goods and services purchased during the year, and not separately accounted for in other categories, are classified and emissions factors applied using spend based methodology.

E. Capital goods

Most capital purchases by volume relate to computer equipment for our people. We have counted the number of units purchased for common items. The remainder of capital purchases have been separated into a general category.

F. Energy-related activities

BDO recognises the emissions that occur during distribution of energy from the point of generation, to BDO as the end user. These emissions are applicable to Scope 2 kWh consumption.

G. Waste generated in operations

Emissions generated due to the disposal of waste are calculated using kilograms of general and recycled waste provided by building management for each office where available and an emissions factor for the respective types of waste. Where building management data is not available an estimate of waste is calculated using the capacity of bins and collection information.

H. Business travel

BDO in Australia is made up of a network of firms in constant collaboration to service global clients. Our people regularly travel to work with each other, and our clients, and we view this as a critical component of our success.

Data has been captured by our travel partners to record distance travelled in flight (kilometers), as well as hotel stays captured in number of nights.

Other information captured and used to calculate total emissions from business travel, includes actual mileage claimed by staff and employee reimbursements for travel which has been separated from other general purchased goods and services.

I. Employee commuting

This Scope 3 category is comprised of emissions from employee travel to their respective office as well as emissions related to hours worked from home.

To obtain the information required, a staff survey was performed in 2022, and responses extrapolated where a 100 per cent response rate wasn't received. The distance travelled to the office has been used to derive emissions from commuters, applying emissions for an average car per kilometer travelled.

Household energy consumption for our people working from home has been estimated based on the number of days reported to be worked, in the same employee survey mentioned above. It is assumed that approximately 75 per cent of household energy consumption is from grid electricity and the remainder from natural gas, with nationally reported emissions factors (the sum of direct and indirect), used to derive total indirect carbon emissions from these sources.

With thousands of employees located across Australia, it's not practical to conduct a survey annually. It was therefore assumed that commuter and work-from-home trends in 2023 were consistent with the prior period. As we have seen growth across our Australian business, BDO has reviewed growth in headcount in each state year on year and applied the growth rate to consumption associated with each location for these two categories. Current year emissions factors have then been applied to the adjusted consumption figures.

J. Leased assets

Leases pertain only to office spaces being let or sublet. Energy usage in actively tenanted spaces has been included in our carbon footprint as Scope 2 emissions.

Spaces that have been sublet are recorded in our carbon footprint as downstream leases. Actual energy consumption has been obtained in kWh to derive emissions from upstream and downstream leases.

Our path forward

As a professional services firm, we recognise that most of our emissions come from our value chain (Scope 3 emissions) – this is expected to continue to be our largest emissions source. We are continuing to collect Scope 3 data for material categories such as business travel, purchased goods and services (including capital goods), employee commuting, and remote work emissions. We predominantly used the spend-based method as our estimation methodology for calculating Scope 3 emissions that apply to BDO in Australia. We intend to continue working with the suppliers in our value chain to gather material information to improve the accuracy of our Scope 1, Scope 2, and Scope 3 emissions data for our future sustainability reports.

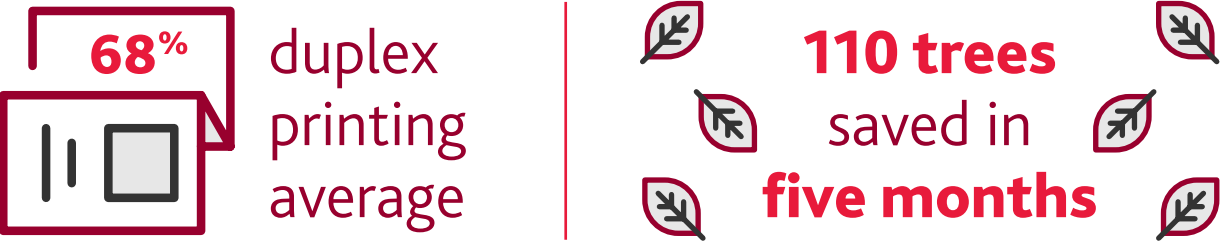
Waste and impact

Reducing our paper usage

In May 2022 we began obtaining Print Intelligence reports for the printers used across our major offices. Among other things, this showed us the amount of simplex and duplex printing occurring. We recognised the environmental benefits of duplex printing, so we started comparing the duplex printing percentages in each office. The Sydney office was the clear outlier, and upon further investigation, we found that although the printers had been setup to default to duplex printing, if a team member changed their default to simplex, it was retained, and everything printed single sided by default from that point on. To address this, we created a policy to re-apply the duplex default print setting daily. This still allows people to print simplex when they need to, but it resets the default to duplex. We've since seen an improvement in the percentage of duplex printing.

Since February 2023, we began calculating the numbers of trees we are saving each month based on the average number of reams of paper that can be created from a single tree – 16.67 reams. During the five months to the end of the financial year, based on this calculation, we saved 110 trees through our use of duplex printing.

Over this time:



*BDO Group Holdings and BDO Perth

Reducing our printing devices

To further support our desire to reduce paper usage, in 2023 we also reduced the number of printing devices available in our Melbourne office from six multi-function devices, down to four. We will look to reduce printing devices at more of our offices, particularly in conjunction with our planned office moves.

Facilities initiatives

Disposal coffee cup recycling

Our Sydney office, in conjunction with Dexus Property Group, has engaged with Simply Cups Australia to help separate coffee cups from other waste streams. We encourage our people to utilise the Disposal Coffee Cup collection station on the ground level.

Single use cutlery and crockery

We have removed plastic single-use plates and cutlery, using standard crockery or bamboo and BioCane products when needed. Our Melbourne office has moved away from catering companies that serve food in disposable containers with a preference for those with serving platters that are washed and collected the next day.

Sorted waste bins

We work with our local building managers to implement a range of bins to enable our people to sort their waste so it can be diverted to the most appropriate facility. While the options are different in each location, they include general waste, paper, recycling, organic waste, glass, plastics, aluminium and metals. We also have signage to help our people to understand what each bin is intended for.

Toner recycling

We utilise local printer cartridge recycling programs to turn old cartridges into new products and divert waste from landfill.



eWaste

Some of our offices offer eWaste and battery recycling which can be utilised by our people for personal use, as well as the disposal of batteries and electronic waste from our office.



Security bins

We provide security bins to dispose of confidential information, which is then shredded and recycled.



Socially conscious stationery

Our Perth office now procures biodegradable, recyclable and plastic free wrapper copy paper and recycled highlighters to reduce plastic waste.





Future move to premium, sustainable facilities

In April 2023, we announced our signing of podium signage rights of new Sydney office development, Parkline Place.

The 39-storey tower occupies the corner of Pitt and Park Streets and is due for completion next year. It sits above Sydney Metro Pitt Street Station and incorporates hospitality and retail. Excitingly, the tower will be powered by 100 per cent renewable energy, and will be net zero in operational emissions.

Our Sydney team is expected to move in 2025.

[Find out more.](#)

Recycling for a cause

'Direct Collect' provides a bin collection service to homes and offices in South Australia to support the collection of 10c refundable bottles, cans and containers, allowing the collectors the choice to deposit or donate the proceeds.

Our team in Adelaide recently engaged Direct Connect to implement two bins in the office. We selected Backpacks 4 SA Kids as our charity, with 100 per cent of our collection refund being donated.



Prosperity

We are working to build a more sustainable organisation with a positive impact. Through the development of our people and our growing service offering, we contribute to both our local and national economies. In line with our value of Heart, we believe it's important to play a role in the communities we live and work in, and we're proud of our contributions of pro- and low-bono services, volunteering, raising awareness and funds, as well as the professional support and network we provide for our BDO Connect members. Our focus on innovation helps us to strive for advancement, with collaboration at the heart of new ways of working, improved product and service delivery, and enhanced people experiences.

In this section:

- ▶ Employment and wealth generation
- ▶ Community engagement
- ▶ Innovation
- ▶ BDO Connect



Employment and wealth generation



Net revenue

2023 | **\$474,912,957**
2022 | \$403,426,678

Total tax paid

2023 | **\$131,284,409**
2022 | \$104,517,968

Growth year-on-year

2023 | **17.7%**

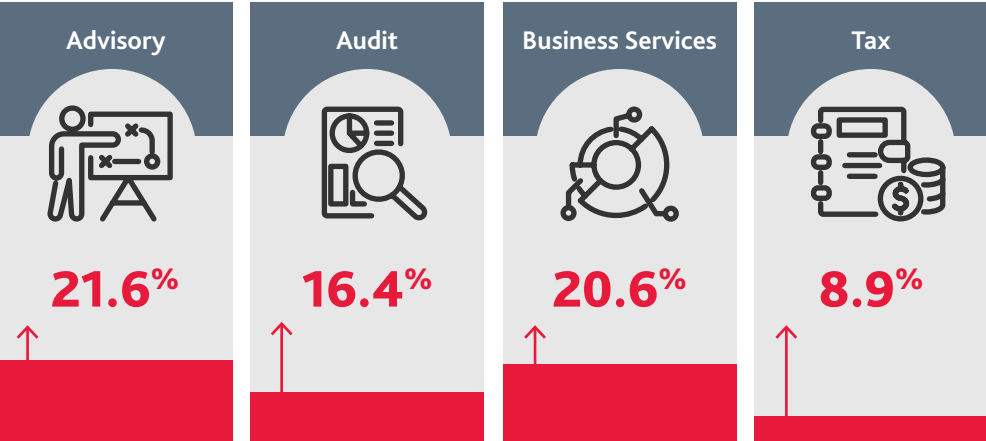
2022 | 15.5%

2023 saw our largest increase in annual revenue and percentage growth in several years.

We recorded revenue of \$474,912,957 for the financial year ending 30 June 2023, representing a 17.7 per cent growth year on year. The total tax paid in 2023 was \$131,284,409. This includes pay as you go (PAYG) tax instalments, PAYG withholding from employee pay, goods & services tax, payroll tax and fringe benefits tax.

We experienced revenue growth across all service lines during 2023, with significant increases in our core service areas of Audit and Business Services, as well as our Advisory practice in areas such as Public Sector and Infrastructure Advisory. This growth can be attributed to strong relationships with our existing clients and referral network, and the continued success of our internal partner promotions and lateral partner hires.

Revenue growth by service line:



Bolstering our leadership capabilities

Breaking the 250-partner milestone

In January 2023, in line with our bi-annual new partner hires and promotions announcement, we were pleased to share that we had exceeded the [250-partner milestone](#). By the end of June 2023, there had been 22 promotions and 18 lateral hires during the financial year. This increase reflects the continued, strong demand for our services and contributes to the overall growth of the firm.



Appointing a new Chief Operating Officer

Given our growth in recent years, 2023 was the right time to establish a new executive role, with Cara Wennerbom promoted to the new role of [Chief Operating Officer](#) (COO). With more than 17 years of experience at BDO, including seven as Chief Financial Officer, Cara will steer change management initiatives across the firm while leading our operational strategy and implementation.



Community engagement

Giving back to the community is an important part of who we are at BDO, reflecting our purpose to be people helping people achieve their dreams.

Aligned with our values, our community engagement programs empower our people to make a positive and enduring difference in our communities. These programs include financial support (including contributions from our people and the firm), raising awareness of important causes, and investing our people's expertise and time in organisations through volunteering, pro- and low-bono work and not-for-profit board positions.

Guiding principles of community engagement

We aim to play our part in building strong, sustainable communities together, based on the following guiding principles:



Diversity

Supporting programs that accept and respect individual differences and uniqueness.



Opportunity

Supporting opportunities for individuals and our communities to achieve equality, comfort and happiness.



Innovation

Supporting programs that offer something new, improved, or original to create value and enhance the lives of those in need.



Sustainability

Supporting programs that have the ability or capacity to maintain or sustain themselves and/or others.

Causes close to our hearts

In 2023, we collectively donated **\$271,063** – comprised of both fundraising efforts by our people **(\$185,443)** and BDO contributions **(\$85,620)**.

The organisations we supported through our national workplace giving and local community care programs include:

- [AEIOU Foundation](#)
- [Australian Childhood Foundation](#)
- [Big Group Hug](#)
- [Black Dog Institute](#)
- [Brainwave](#)
- [Breast Cancer Network Australia](#)
- [Cancer Council Victoria](#)
- [DV Safe Phone](#)
- [Fight MND](#)
- [Foodbank SA](#)
- [Greenbrook Association](#)
- [Groundswell Foundation](#)
- [HoMie](#)
- [Interplast](#)
- [Lifeline Australia](#)
- [Micah Projects](#)
- [The Male Hug](#)
- [Movember Foundation](#)
- [QUT Learning Potential Fund](#)
- [QUT Prostate Cancer Research](#)
- [ReachOut](#)
- [Red Cross](#)
- [Red Cross Lifeblood](#)
- [Save the Children](#)
- [Sporting Wheelies](#)
- [St Vincent de Paul](#)
- [The Royal Brisbane and Women's Hospital Foundation](#)
- [The Royal Children's Hospital Good Friday Appeal](#)
- [Yalari](#)
- [Youngcare.](#)

Pro-bono and volunteer hours

	2022	2023
Fundraising and donations*	Not reported	\$271,063
Volunteer hours^	311	302
Pro- and low-bono hours^	2,053	2,113
Equivalent value of pro-bono work^	Over \$657,000	Over \$563,000
Blood donations^	183	152

*BDO Group Holdings only;
^BDO Group Holdings and BDO Perth

Community Care

Consistent with our values, we encourage our people to be active and caring members of our communities. We provide up to one day of paid Community Care, or volunteering, leave to participate in a BDO-promoted and supported community care event per year.

In 2023, **66 of our people applied for volunteer leave**, providing a total of **302 hours of voluntary support to not-for-profit organisations** in our communities.

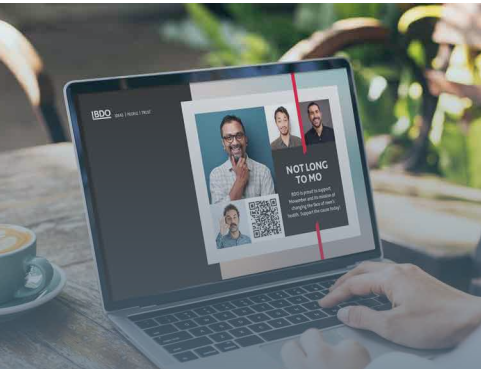


Featured events

November

During November 2022, over 50 BDO mo-growers and supporters around the country grew magnificent mo's, held events, and raised funds and awareness to change the face of men's health.

We are thrilled to have raised **\$18,351** – well beyond our \$10,000 target.





BDO teams comprised of **50+** participants

BDO ranked **8 out of 273** teams in the National Banking & Finance Challenge



Packing fruit and hampers with Foodbank SA

The team in Adelaide organised two volunteering days with our client, Foodbank SA.

Two teams of ten visited Foodbank's warehouses for four-hour shifts, during which they had the opportunity to pack food hampers and sort fruit pallets. These items were provided to families in need, school breakfast programs, and Foodbank's Food Hubs around South Australia and the Northern Territory.



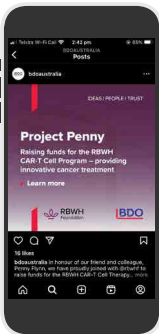


Volunteering with Foodbank

"Foodbank South & Central Australia thrives on the dedication and contribution of our volunteer teams. With more than 135,000 South Australians relying on our services every month, Foodbank has over four hundred volunteers donating their time throughout the state to ensure we can meet this demand."

[Find out more](#)

Project Penny



In April 2023, BDO committed to raising **\$100,000** over two financial years for the Royal Brisbane and Women's Hospital (RBWH) CAR-T Cell Program in honour of our wonderful friend and colleague, Penny Flynn.

CAR-T Cell therapy is a new generation cancer treatment that modifies a patient's own immune cells (T cells) to treat cancer. T cells are extracted from the patient's body, genetically reprogrammed to recognise and destroy cancer cells, then infused into the patient's bloodstream. This process requires the manufacture of a dedicated CAR-T cell product for each patient. T cells are currently genetically modified in the US before being returned to Australia as CAR-T cells.

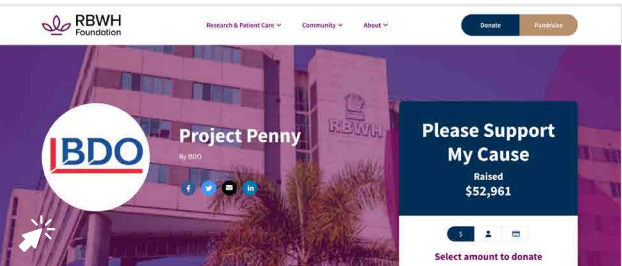
BDO is matching donations to Project Penny (up to a total of **\$50,000**) to help advance the manufacture of CAR-T cells in Queensland using leading edge technology, bypassing the long and costly process of seeking large volumes of cells from overseas.

This means:

- Clinical trials can happen closer to home, without delay
- More research can be conducted to find answers faster
- More patients can receive the treatment they need.

No other treatment like this exists to help patients like Penny, who sadly succumbed to acute lymphoblastic leukaemia (or ALL). CAR-T cell therapy for ALL patients is just the start. It can also help people with myeloma, and research into other cancers – including breast and prostate cancers – is ongoing, bringing hope to patients and their families who have exhausted other treatment options.

As the largest cancer centre in Queensland – and the only one in Australia manufacturing CAR-T cells onsite – RBWH is well placed as a global cancer research leader and innovator. The RBWH Cancer Care Service has been named one of the top 100 cancer care centres in the world, and is one of only three Australian centres on the list ([Newsweek 2022](#)).



About Penny Flynn

When 61-year-old Penny went to the doctor in 2018 about a persistent dry cough, little did she realise the gruelling journey ahead.

The former BDO Client Relations Executive Director was soon diagnosed with acute lymphoblastic leukaemia (ALL), a cancer that affects the blood and bone marrow. Although more common and mostly curable in children, the outlook for adults with ALL is far less positive.

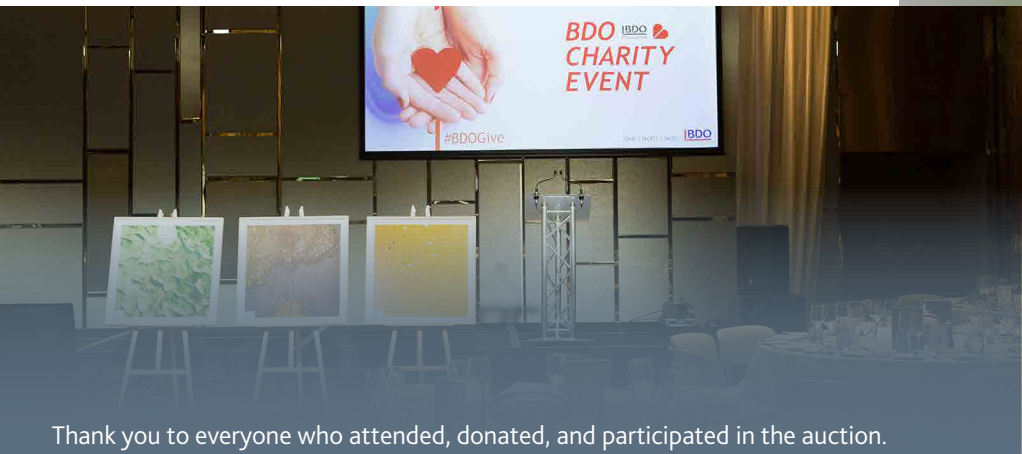
After several rounds of chemotherapy and bone marrow treatment at RBWH, Penny's only remaining option was CAR-T cell therapy. Sadly, Penny's fight ended on Friday 11 December 2020 before treatment was possible.

Penny's legacy continues today, with our mission to bring hope to other cancer patients – and provide innovative treatment when no other option is left.

BDO Foundation Gala

The BDO Foundation held its annual Charity Gala at Crown Sydney on Saturday 18 March 2023. For the second year in a row, we raised over **\$63,000** for our two chosen beneficiaries – [Lifeline Australia](#) and [Groundswell Foundation](#).

The energy in the room was electric, with more than **200 guests** attending, including clients, partners, and staff. The event was enjoyed by all, and it was great to see our guests dressed up, out on the dance floor, and having some fun – all while supporting two great charities that provide mental health support to Australians in need. There was a strong sense of community; with our value of *Heart* in action.



Thank you to everyone who attended, donated, and participated in the auction.

Vinnies CEO Sleepout

The annual St Vincent de Paul (Vinnies) CEO Sleepout raises funds to tackle homelessness in Australia. All funds raised go toward providing essential services including emergency accommodation, food, and medical care for those experiencing homelessness.

On 22 June 2023, Grant Saxon, Loucas Mylonas, Jake Knight, and Oliver Straker slept rough for a night, raising **\$22,271** collectively. We are proud of these leaders in Brisbane and Sydney for continuing the tradition of participating in the Sleepout and supporting this fantastic cause.

BDO in Brisbane was also proud to be [Vinnies' Queensland Dollar Match Day Partner](#), matching donations made on 14 June 2023 up to a total of **\$20,000**, playing our part in the **\$137,000** raised on the day.



Grant Saxon



Oliver Straker, Jake Knight, Loucas Mylonas

"It was a great experience, and we met a lot of humble people. I didn't realise how drastically worse homelessness has gotten over the last few years. We heard from families living in sheds and tents on friends' properties – these stories really put things into perspective."

– Oliver Straker, Wealth Adviser, Brisbane



Breast Cancer Network Australia and Breast Cancer Research Foundation

In May 2023, we hosted an annual Pink Bun Party to support Breast Cancer Network Australia (BCNA). The funds we raised will help BCNA continue to provide free services and resources to the 20,741 people expected to be diagnosed this year, as well as their families and supporters. This year's campaign highlighted the importance of support from family, friends, colleagues, and communities.

BDO raised **\$2,000** in total for this vital cause.

Save the Children – Cubbies program

Cubbies Fitzroy is an adventure playground located next to the Atherton Gardens in Fitzroy. It is a vibrant community space that provides a safe and supportive environment for local children and their families. The play space has been developed largely by volunteers based on a sustainability model and provides a valuable outlet to children who would otherwise have limited opportunities for a safe playing environment.

A team from BDO in Melbourne volunteered at the Cubbies site in November 2022, providing general cleaning and tidying inside centre, as well as tending to the garden spaces with mowing, weeding, and gardening. We also contributed to other ad hoc activities like pumping up footballs, organising craft materials, and putting together furniture.



Pro- and low-bono contributions

In 2023, we provided **2,113 hours of pro-bono and low-bono services** to organisations within our community. This represents an equivalent value of **\$563,586 in free or discounted professional services** to selected not-for-profit organisations in our community.

These figures do not include any voluntary not-for-profit directorship contributions, which are calculated separately and shared further.

Through the process of reporting our pro- and low-bono commitments in 2022, we discovered differences in the recording processes used across our offices. In 2023, we established a more consistent and robust recording process. As with any change, it can take time to be fully realised. We expect our pro- and low-bono reporting to further mature in 2024.

Not-for-profit directorships

BDO employees who seek to take on external appointments – which include not-for-profit directorships – are required to receive approval from our Risk and Ethics team and the relevant Office Managing Partner (or delegate). This process has been established to ensure BDO and our employees avoid conflicts of interest and maintain independence, as well as mitigating the enterprise risks associated with taking on such a role.

We introduced a new system to streamline the process for our people to apply for approval for an external appointment in February 2022, and in 2023 we approved 23 new not-for-profit directorships.

Overall, more than 100 of our people were involved across 150 organisations, giving approximately 6,000 hours of time to director roles at not-for-profit organisations in 2023.

Director spotlight at Yalari

Since April 2021, Chris Balalovski, a Business Services Partner in our Sydney office, has served on the Board of Directors for not-for-profit organisation, Yalari. Yalari provides quality secondary education scholarships to Indigenous children from regional and remote communities at leading Australian boarding schools. Yalari believes that education is the key to generational change and a brighter future for Indigenous Australians and for our nation. It currently has over 240 students on scholarships as well as an alumni group of over 440 people studying at universities, working, or undertaking further training.

"I hope to contribute to Yalari's overall governance by understanding, testing, and endorsing the activities of its management. I also hope my role will allow me to achieve certain personal goals, including bettering my understanding of the circumstances and objectives of Indigenous Australia and its location in a multicultural society." – Chris Balalovski

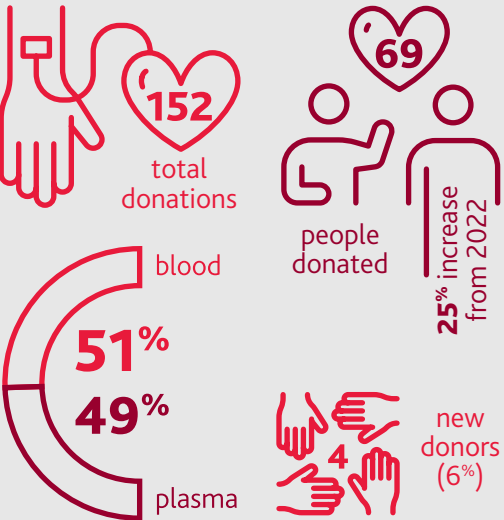
[Find out more about Yalari.](#)



Supporting Australian Red Cross Lifeblood

We support the life-saving process of donating blood. We do this by providing our people with two hours of paid leave for each time they make a blood or plasma donation.

In 2023, our people made a total of **152 donations, saving 456 lives** across Australia.



First Nations' engagement

Our approach to First Nations' engagement to date has been incremental. We know we have the opportunity to do more in the years ahead.

The ongoing and new initiatives we supported in 2023 include:

- Celebrating NAIDOC Week and encouraging our people to consider their engagement with Indigenous communities and issues. In 2023, we also took the opportunity to purchase from and showcase Indigenous suppliers for this celebration.
- Continuing our long-time support of [Yalari](#), a not-for-profit organisation that offers education scholarships for Indigenous children from regional, rural and remote communities. We supported Yalari's annual fundraising dinner in Brisbane, while Sydney Partner Chris Balalovski serves on its Board of Directors.

BDO in North Queensland continues upon their reconciliation journey after completing their foundational 'Reflect' Reconciliation Action Plan (RAP). The RAP working group is chaired by Todd Kelly, Office Managing Partner with representation from senior leaders across the firm and has First Nations representation and engagement with Senior Accountant and Lawyer Nareeta Davis and distinguished Gimuy Walubara Yidinji Elder, Henrietta Marrie AM.

With a commitment to cultivating opportunities for people and businesses in North Queensland through empowerment, knowledge and relationships, the team works with several First Nations groups in the community including the [Aspire to Be Deadly](#) hockey program for First Nations girls and has recently run a number of career conversations and bespoke business and financial education workshops.



Innovation

In an era when environmental and social sustainability are paramount, we are focused on ensuring our strategies not only fit the present but also ensure a resilient future. We understand that fostering sustainability requires a comprehensive and multi-faceted approach deeply rooted in innovation. This commitment to sustainability and innovation has led us to embrace a distinctive approach: the Dual Innovation Strategy. This strategy is important in our efforts to create a brighter, more sustainable future.

Innovation Council

The Innovation Council guides our innovation initiatives and ensures we take advantage of strategic growth opportunities across functions, services, and locations to help us transform the way we deliver services to our clients.



The Innovation Council was established in partnership with senior leaders across our organisation to drive our strategic objective of leading through innovation. The Council understands we must commit, invest and align our efforts to ensure we can bring ideas to life. We have established a dedicated fund to ensure approved projects have the right tools, resources and processes available to transform the way we work and increase the value we add.

Innovation framework

Our innovation framework provides a roadmap to guide the flow of ideas.

From initial insight to realisation, the framework provides direction on how to tap into ideas, evaluate strengths and weaknesses, make informed decisions and build strategies that turn ideas into value-generating opportunities for the business.



Our dual innovation approach

Our Dual Innovation Strategy embodies a twofold commitment:

- Driving innovation in our own operations to enhance sustainability
- Fostering innovation across the wider business ecosystem to catalyse sustainability efforts of our clients and partners, and in the communities we serve.

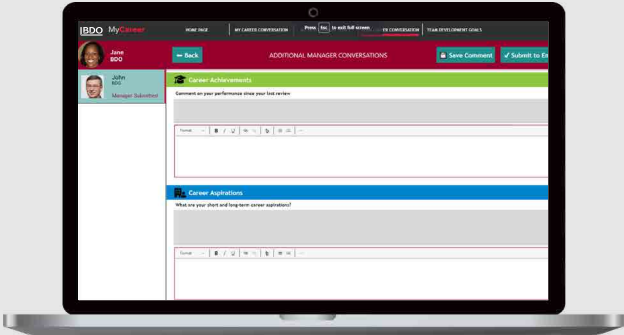
We are dedicated to cultivating a dynamic and forward-thinking organisation that embraces innovation as a fundamental driver of sustainable growth and positive change. Through championing collaboration, fostering innovation awareness, and educating and empowering our people with the skills and tools to bring their ideas to life, we look to pioneer breakthrough solutions, enhance customer experiences and contribute to a sustainable future.

As we grow and evolve, we are also leveraging the innovation in our business to support the growth and innovation of our clients' businesses. With a dedicated internal innovation and digital transformation team working collaboratively with our external innovation and product delivery team, we are striving to create the solutions of the future.

Featured projects

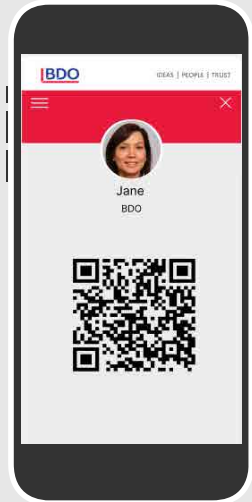
MyCareer app

The MyCareer app provides a central place for employees and their direct reports to review, track and maintain their professional development goals. In addition to this, the app offers a secure and confidential space where employees can access feedback and comments from previous performance reviews. The development of [MyCareer](#) was integral in facilitating our new 'career conversations' performance review process, implemented by our people & culture team.



*Note: the MyCareer app is accessible by BDO Group Holdings and BDO Perth

Digital business cards



Printed business cards provide challenges in the current business environment. Production can be slow and printed cards are not able to be updated to reflect people changes circumstances, such as changes to title or role, contact details or office address. This often creates unnecessary waste.

We have developed digital business cards to provide a more innovative way to share business contact details and reduce paper waste.

The digital cards are activated via a QR code. After scanning, the recipient can view a digital version of the BDO employee's business card, including their photo. Contact information will be automatically saved to the recipient's address book.

'Virtual buddy' – QUT Capstone student challenge

Our Capstone Program offers Queensland University of Technology's Bachelor of Information Technology Students the opportunity to gain real-world experience through an industry project. This year, students were challenged to develop a Microsoft Teams AI chat bot that can assist new starters at BDO, or a 'Virtual Buddy'. Employees can then ask the bot questions such as "where can I upload my timesheet?" to assist them in navigating our systems and processes. This collaboration allows us to challenge the brightest young minds to contribute to innovative new ways of working and accessing information.



8 students

7 month project

Project Management Day of Service

The Project Management Day of Service (PMDoS) is an annual, one-day event in Brisbane where experienced project managers offer their expertise pro-bono to local charities and not-for-profit organisations. On the day, participating BDO consultants collaborate with the organisations to address critical issues or explore opportunities, which may involve defining clear outcomes, scoping projects, conducting stakeholder analysis, risk assessments, or other project management tasks. This important initiative allows us to contribute to problem solving and innovation in our wider community.



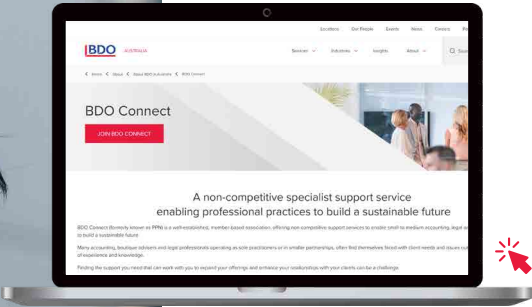
Unique NFPs/charities supported in 2023



Tables – Two NFPs had two tables each



BDO Connect



BDO Connect is a well-established, member-based program offering non-competitive support services to empower professionals in small to medium accounting, legal and boutique advisory firms to forge a sustainable and prosperous future. Nationally, we have approximately **4,500 BDO Connect members**.

BDO Connect benefits our members through:

Personalised service

Prioritised and bespoke advice anytime on complex requests, practice management concerns, or when members don't have the resources or required expertise.

Exclusive access



Membership opens doors to events, webinars, and networking opportunities, providing a chance for connection with like-minded peers and experts, fostering collaboration.

Expertise and knowledge

Regular, knowledge-filled updates with expert advice and research via our monthly 'Three Minutes with Mark' videos and other timely updates.

Risk mitigation

Members can reduce their risk by not taking on work they can't or shouldn't be doing by outsourcing these activities to BDO.

There is no joining fee or annual subscription – just a non-competitive, trusted partner who can team up with these professionals as needed.

BDO Connect member events



BDO Connect Forum 2022

Attended by approximately 250 members across events held in Melbourne, Sydney and Perth. With a theme of 'Together Toward Tomorrow', the forum offered the latest technical and practice management training for members, networking time with some of the best in the industry, and a collection of esteemed thought leaders – all designed to prepare members for the challenges of tomorrow and beyond.



Air and share boardroom lunch series

Regularly scheduled sessions in Melbourne allowing participants – often corporate executives and decision-makers – to explore diverse topics of professional interest, and foster knowledge exchange, within a collaborative and intimate environment.

Tax updates

Provided quarterly to our national membership and monthly in the Adelaide office for local members.

Webinars

Various and relevant topics.

Social events

Golf days and charity events.



Principles of governance

BDO is committed to employing corporate governance practices that support our compliance with applicable standards and legislative instruments, while also aligning with community expectations. Our Board has responsibility for influencing and establishing the tone for our corporate governance, with their responsibilities including governing, guiding and directing us towards satisfying company objectives, in the interests of our people, our shareholders and the community.

In this section:

- ▶ Governance structure of BDO in Australia
- ▶ Business ethics, legal and regulatory compliance
- ▶ Risk management
- ▶ System of quality management



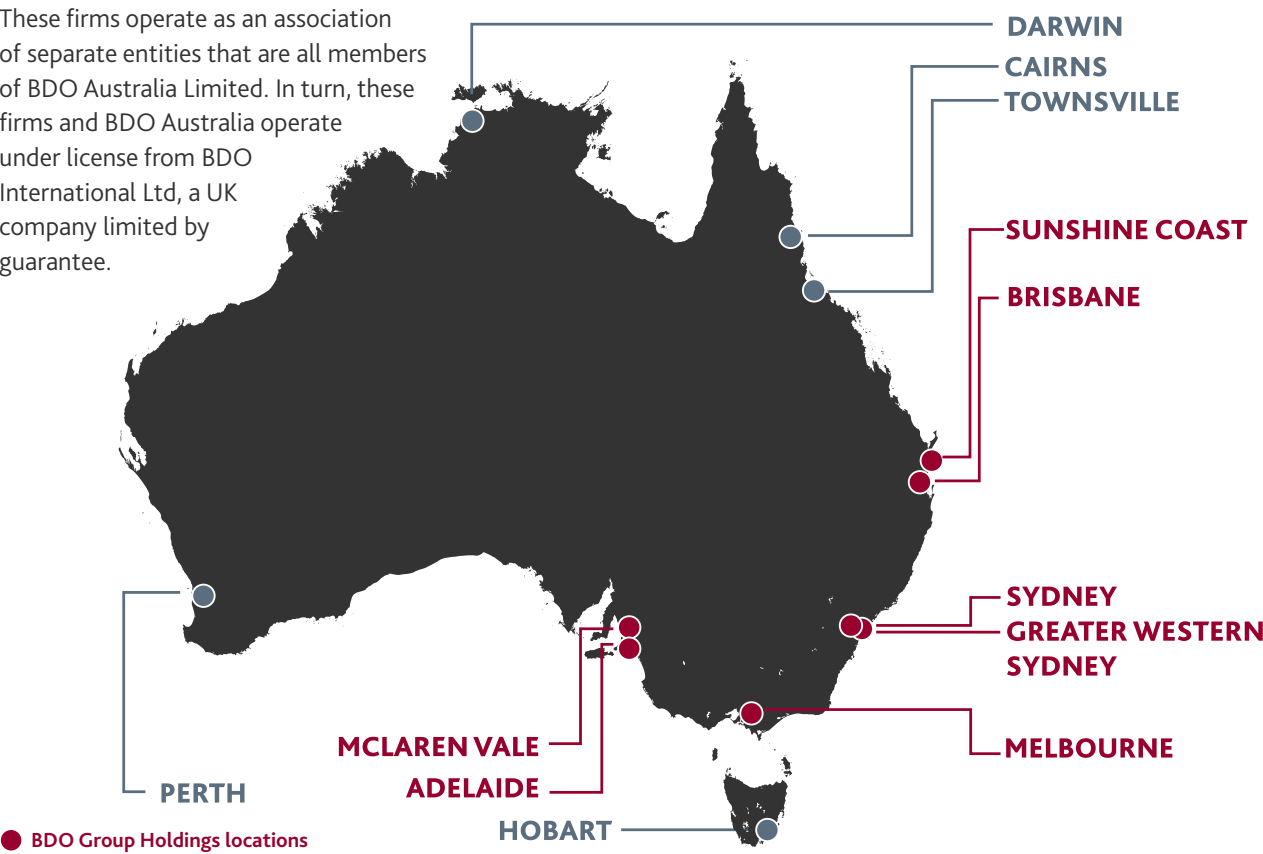
Governance structure of BDO in Australia

BDO Australia Limited (ACN 050 110 275) is a company limited by guarantee.

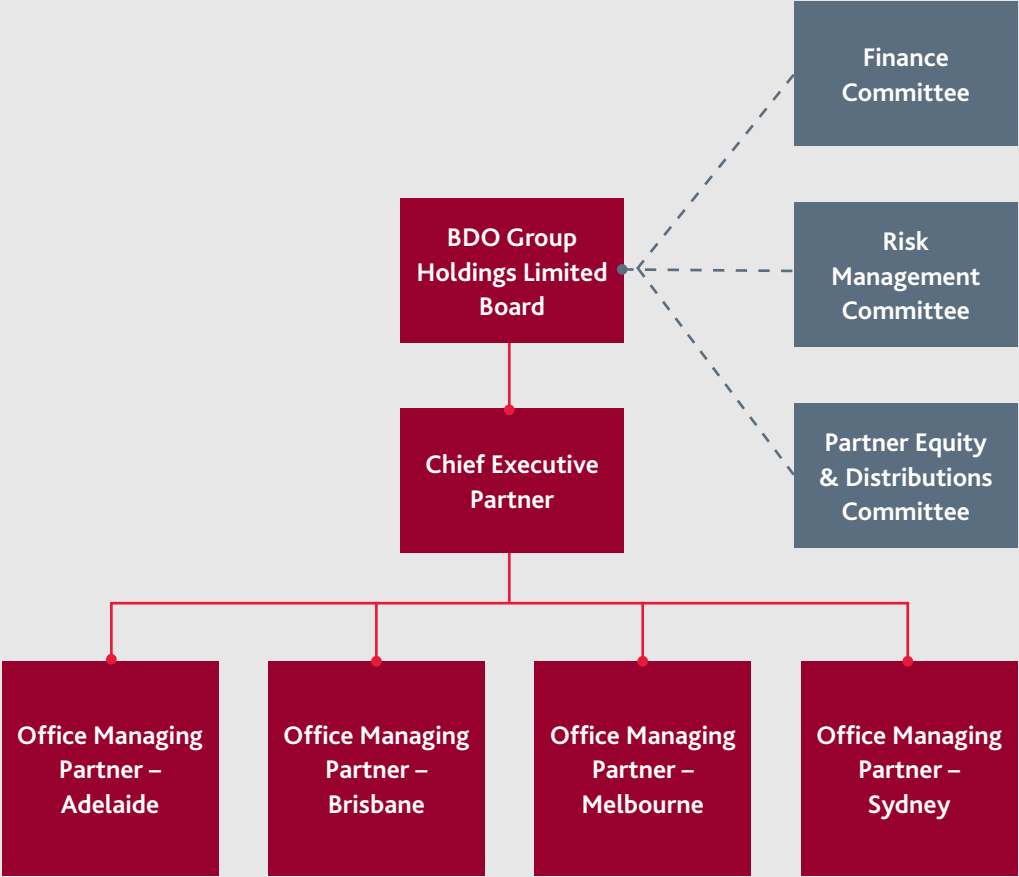
Our governance structure remained consistent from 2022, with the following firms included as members of BDO Australia Limited:

- BDO Group Holdings Limited
- BDO Darwin
- BDO North Queensland
- BDO Hobart
- BDO Perth.

These firms operate as an association of separate entities that are all members of BDO Australia Limited. In turn, these firms and BDO Australia operate under license from BDO International Ltd, a UK company limited by guarantee.



Governance structure of BDO Group Holdings Limited



BDO Group Holdings Limited Board and leadership structure

Leading the BDO Group Holdings Limited Board (Board) is David Fagan as an independent Chair. The Board also comprises of members elected from the partner group, with representation from all office locations and service lines. The Board is governed by the firm's Constitution, Board Charter and Shareholders' Agreement, and supported by three sub-committees – Finance Committee, Risk Management Committee, and Partner Equity & Distributions Committee.

Board diversity and independence

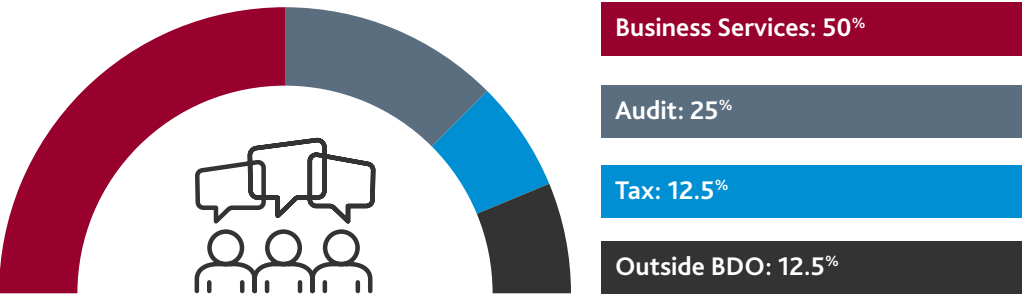
David Fagan is the Chair and an independent Director of the BDO Group Holdings Board.

With the promotion of Leah Russell to the BDO Group Holdings Board, **female representation has risen to 25%, and 25% of Board members were born overseas.**

Tony Schiffmann, our Chief Executive Partner, is accountable to the Board. He leads a team of Office Managing Partners, who in turn lead the firms locally. In each state, a Partner in Charge is appointed to lead each service line, and report to the local Office Managing Partner. To ensure a consistent, collaborative approach, National Leaders are appointed for specific sectors and service lines.

The Board subcommittees include another two female members, **representing 12% of the committee membership roles.** We are actively working to increase the diversity in our leadership roles.

Our Board members are from:



BDO Group Holdings Board members



David Fagan
Chair
(Independent)



Craig Jenkins
Audit
Brisbane



Helen Argiris
Business Services
Sydney



Kishen Vijayadass
Business Services
Adelaide



Leah Russell
Audit
Sydney



Mark Molesworth
Corporate Tax
Brisbane



Mark Pizzacalla
Business Services
Melbourne



Tony Young
Business Services
Brisbane



David Fagan
Chair of the Board
LLB, LLM, GAICD David was appointed as Chair of the BDO Group Holdings Limited Board in August 2020.

David was a commercial lawyer for over 40 years. He held a variety of leadership positions at Clayton Utz, culminating in the role of Chief Executive Partner for nine years. In this role, David had responsibility and accountability for leadership and transformation, strategy, finance, stakeholder engagement, and governance, including risk management. During David's tenure as Chief Executive Partner, Clayton Utz entrenched itself as a first class, top tier commercial law firm.

David also chaired the Medibank Privatisation Committee which operated during 2014 in preparation for the privatisation process. David is a former director and Chair of the Audit Committee of The Global Foundation, a former director of Grocon Funds Management Group, the Hilco Group, UBS Grocon Real Estate Investment Management Australia Pty Limited and PayGroup Limited (ASX:PYG), and a former member of the advisory board of Chase Corporate Advisory.

David was appointed director of Medibank Private in March 2014 and is Chair of the Risk Management Committee and a member of the Audit Committee and Nomination Committee. David is also a member of the ASIC Corporate Governance Consultative Panel.

Leadership and Board sub-committees

Chief Executive Partner



Tony Schiffman
BDO in Australia

Office Managing Partners



Rudy Pieck
Adelaide & McLaren Vale



Todd Kelly
Cairns & Townsville



David Palmer
Hobart



James Massie-Taylor
Perth



Steven Sorbello
Brisbane, Mount Gravatt & Sunshine Coast



Mal Sciacca
Darwin



David Garvey
Melbourne



Grant Saxon
Sydney & Greater Western Sydney

Board sub-committees

Finance Committee

The Finance Committee is responsible to the Board to oversee the financial affairs of the Group, and review and make recommendations to the Board about the financial affairs and policies of the firm. The committee is conscious of its obligations and accountability to shareholders as well as other regulatory and professional bodies.

The Board appoints the Chair and members of this committee, which includes:

- The Chair of the Committee
- Two Board Directors
- One representative from each office (total six).

The Chief Financial Officer and Financial Controller attend by invitation, while the Chief Executive Partner, Office Managing Partners and the Chief Operating Officer are invited guests at all committee meetings.

The Finance Committee currently consists of the following members:



Grant Pyne
Chair

- George Yatzis
- Ian Hooper
- James Mooney
- Mark Molesworth
- Tim Mann.

Risk Management Committee

The Risk Management Committee is not a decision-making committee. Instead, it provides recommendations for the Board's consideration and approval, with the responsibility to:

- Provide objective oversight of the Risk Management Framework of the firm and its controlled entities to ensure all financial and non-financial risks are clearly identified and well managed. The National Risk & Ethics Management Group and the Information and Technology Management Group support the work of the Risk Management Committee
- Oversee and facilitate governance of risk management throughout the firm
- Oversee the management of risk including risk strategy and risk management framework
- Promote a culture of quality risk awareness and consultation
- Ensure compliance with the [BDO Global Quality and Risk Frameworks](#).

The Risk Management Committee consists of:

- Two Board members
- Chair of National Risk & Ethics Management Group
- Head of National Risk
- Director, Corporate Services
- A Partner who is suitably qualified, as recognised by the Board.

The Risk Management Committee Chair is appointed by the Board, and the Committee's composition is expected to reflect the firm's Inclusion & Diversity strategy, representing the diverse partnership group including geographic coverage.

The Chief Information Officer, Chief People Officer, and Chief Marketing Officer attend by invitation and are expected to participate in specific projects where the Risk Management Committee requires input from national Shared Services teams. The Board Chair, Directors, the Chief Executive Partner and the Chief Operating Officer have a standing invitation to attend any Risk Management Committee meetings.

The Risk Management Committee currently consists of the following members:



Craig Jenkins
Chair

- David Fagan
- Kathy Robertson
- Paul Clark
- Timothy Kendall
- Willem Olivier.

Partner Equity & Distributions Committee

In accordance with the Shareholders Agreement, the Board must appoint a Partner Distributions & Equity Committee with the responsibility to review and consider partner distributions and equity changes as recommended by the Chief Executive Partner, with input from the Office Managing Partners. Following consideration, the Partner Equity & Distributions Committee presents its recommended changes to the Board.

The Board is responsible for approving members of the Partner Equity & Distributions Committee, based on a recommendation by the Chief Executive Partner in consultation with the Chair of the Board. The Partner Equity & Distributions Committee comprises:

- At least one Board member. A Board member will always chair the Committee. Where there is more than one Board member on the Partner Equity & Distributions Committee, the Board will elect the Chair
- A minimum of four partners who are not Board members, with each being a nominee from each local office (and generally not part of the local leadership team).

The Partner Equity & Distributions Committee currently consists of the following members:



Tony Young
Chair

- Brian Greenacre
- Paul Gosnold
- Leisa Rafter
- Rod Naismith.

Corporate governance principles and recommendations

Although BDO is not a publicly listed entity, BDO’s governance model aligns with best practice principles and procedures as described in the ASX Corporate Governance Principles & Recommendations (4th Edition).

The ASX governance model identifies eight core principles that should be considered by an organisation when assessing the effectiveness of the Board and its management structure with respect to governance-related matters.

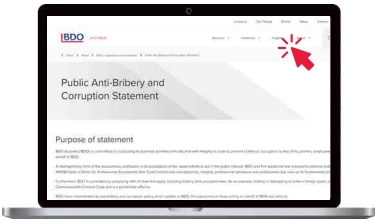


Business ethics, legal and regulatory compliance

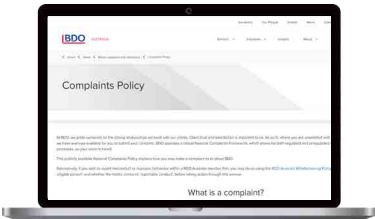
Exceptional client service requires our unwavering commitment to integrity, responsibility and accountability. BDO in Australia is dedicated to upholding the highest standards of ethics through compliance with prevailing laws and regulations, including our internal policies. Compliance and ethics are not viewed as a stand-alone activity, and achieving compliance means all components of the business contribute to doing business the right way.

Our people are required to uphold the BDO core values and conduct themselves in accordance with the highest degree of ethical and professional conduct. Our Risk Management Committee (with representation across the business) promotes and fosters a culture where our people are obligated to consider and assess the risks associated with their daily activities.

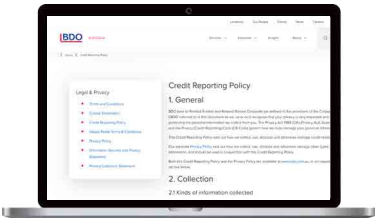
The following are our key ethics, regulatory and compliance policies that can be found on our website:



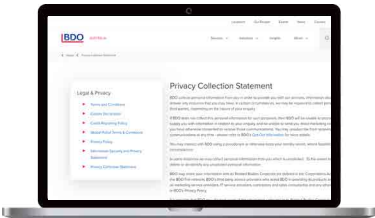
Anti-bribery and corruption policy



Complaints policy



Credit reporting policy



Privacy collection statement



We expand on the following in the coming pages:

- Independence policies and procedures
- Whistleblowing policy
- Privacy policy
- Data breach management policy
- Information security and privacy statement
- Modern Slavery Statement
- Payment times reporting scheme data.

Independence policies and procedures

Our commitment

BDO is committed to continually maintaining and enhancing safeguards to ensure we maintain the highest standards of confidentiality in relation to all our client engagements.

We will not waiver from our focus on quality and will constantly strive to review, monitor and enhance our approach as the operating environment and our profession continue to evolve.

At BDO, all of our people must comply with all relevant ethical standards and requirements. This includes managing of conflicts of interest, the need to treat the information our clients share with us with the care and security it deserves and the prevention of the use of confidential information for personal gain.

We maintain robust policies that govern our independence and ensure we remain free from conflicts of interest, so no commercial concerns impede our ability to deliver professional and impartial advice.

Managing conflicts of interest

Independence of the Firm, partners, and our people, including managing any perceived conflicts of interest and threats to auditor independence, is administered through our comprehensive set of internal policies. The systems and respective procedures we have in place ensure compliance

with laws, professional standards, and regulations. This includes the relevant independence principles and requirements as set out within the *Corporations Act 2001* (Cth) (Corporations Act) and APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (herein 'the Code'), Code of Professional Conduct issued by the Tax Practitioners Board (TPB) and the Australian Restructuring Insolvency and Turnaround Association (ARITA) Code of Professional Practice.

Our procedures include:

- A Conflict and Independence Checking (CIC) system. The system facilitates the resolution of any matters which are identified following a search across our network client base, or as reported by firm personnel in response to checks processed
- Maintenance of personal registers detailing financial interests, external appointments, gifts and any other business or personal relationships required to be declared under our Independence and conflicts of Interest policy
- Independence declarations on commencing employment with BDO, and annually thereafter. During this process, our people confirm they have complied with our policies around

financial, business, employment, and personal relationships, and declare any such relationships

- Bedding information gathered via our independence declaration process into our conflict checking processes to ensure the timely identification and management of any potential conflicts of interest
- Engagement team independence declarations, prior to commencement of any professional service.

To ensure a comprehensive approach, our central independence system is supported by client and engagement acceptance procedures across all service lines. These procedures play a pivotal role in our ability to deliver a professional and quality service.

We continue to take all necessary steps to ensure we maintain our independence and manage any potential conflict of interest throughout the engagement, and act effectively to mitigate any potential conflicts of interest, should they occur.

Protecting confidential information

BDO has a national policy that governs procedures to maintain the confidentiality, safe custody, integrity, accessibility, and retrievability of engagement documentation, including client and third-party confidential information. Our employment contracts

require all our people to agree not to divulge any confidential information, and ensure we comply with our statutory, regulatory and contractual obligations.

We continue to build on existing processes within the Firm, which includes regular communication and training to remind our people of the fundamental principle of confidentiality embedded in the Code of Ethics for Professional Accountants (including Independence Standards) (the Code) as set by the Australian Professional and Ethical Standards Board (APESB).

There are processes in place across BDO to ensure all terms included in non-disclosure agreements the Firm enters into, are understood by all engagement team members operating under such an agreement including the need to safeguard and restrict access to confidential information.

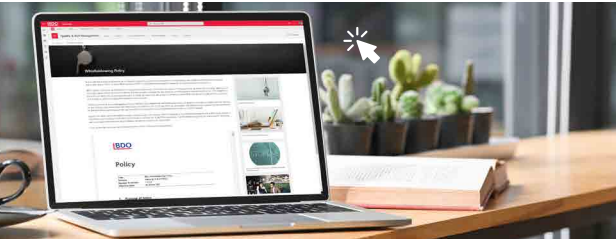
Importantly, our people are encouraged and empowered to call out any behaviour that is contrary to our values and quality focus. Our Whistleblowing Policy and process are available to everyone for this purpose.

Whistleblowing policy

- Our Whistleblowing Policy is available to all 'eligible persons', which includes:
- All BDO team members (including partners, officers, temporary or full-time employees, secondees) and their dependents and relatives (including dependents of a staff member's spouse)
 - Any former BDO team member and their dependents and relatives (including dependents of a former staff member's spouse)
 - An individual or BDO team member who provides services or goods to BDO, their employees and their relatives or dependents (including dependants of such individual's spouse). For example, this may include BDO's contractors, suppliers, consultants, and business partners
 - An employee of an entity, where that employee makes a disclosure to BDO as the appointed auditor of that entity, or a member of the audit engagement team.

If an eligible person becomes aware of misconduct or improper behaviour within any BDO in Australia member firm and wishes to seek further guidance in order to report such behaviour, they can access the BDO in Australia Whistleblowing Policy.

During 2023, there was one disclosure which was subject to formal investigation under our [whistleblowing policy](#).



Privacy policy

- We are committed to protecting the privacy of personal information obtained through its operations as a professional services firm. BDO is bound by the *Privacy Act 1988* (Cth) (Privacy Act), including the Australian Privacy Principles (APPs), and any relevant privacy code registered under the Privacy Act.
- The purpose of our [privacy policy](#) is to generally inform people of how:
- We collect personal information and personal data, and when
 - We use and disclose personal information and personal data
 - We keep personal information and personal data secure, accurate and up to date
 - An individual can access and correct their personal information and personal data, and
 - We will facilitate or resolve a privacy complaint.
- We did not receive any privacy complaints in 2023.

Data breach management policy

- Our Data Breach Management Policy outlines the policy and procedure to follow when we:
- Suffer, or suspect that we may have suffered, a personal information data breach, and/or
 - Are notified that a service provider holding or processing personal information on our behalf has suffered a personal information data breach.



Information security and privacy statement

BDO has an active digital security program in place governed by:

- ISO/IEC 27001:2013 standard for Information Security Management Systems (ISMS)
- BDO Global's Information Security Policy which is closely aligned to ISO 27001
- Our security-related policies and procedures, maintained in accordance with ISO 27001:2013
- Regular information security audit and assurance assessment across IT services, infrastructure and office locations
- Digital security which is incorporated as an integral component of our risk management programs.

Privacy

Where necessary to enable us to conduct our business, clients may provide us with information relating to an identified or identifiable individual ('personal data'). We will take appropriate technical and organisational measures designed to protect against misuse and accidental loss or disclosure, and from unauthorised

or unlawful processing, destruction or alteration of personal data, and will comply with applicable laws in the event of a personal data breach.

Information security

Confidentiality

All employees are requested to sign a confidentiality agreement and are subject to background and police checks before commencing employment to maintain the confidentiality of any sensitive client information they may have access to when carrying out their duties.

Roles and responsibilities

BDO's Board and Executive Leadership Team own information security as defined by our Information Security Policy.

Information security reporting is provided to the Risk Management Committee, IT Governance Committee, and Board regularly.

Information security responsibilities are assigned in accordance with our Information Security Roles and Responsibilities Plan.

Policy framework

Security-related policies and standards are maintained and reviewed in accordance with the review cycle or any significant change to our environment.

Incident management

We have established an Incident Response Plan, supported by Incident Response Procedure and Playbooks that describe processes (and escalation procedures) during an incident.

Incident response artefacts are reviewed and updated annually. More frequent reviews and updates may be conducted if there are material changes to our environment or should improvement opportunities be discovered during incident response exercises.

A nominated officer is responsible for reporting security-related incidents and any relevant information security developments.

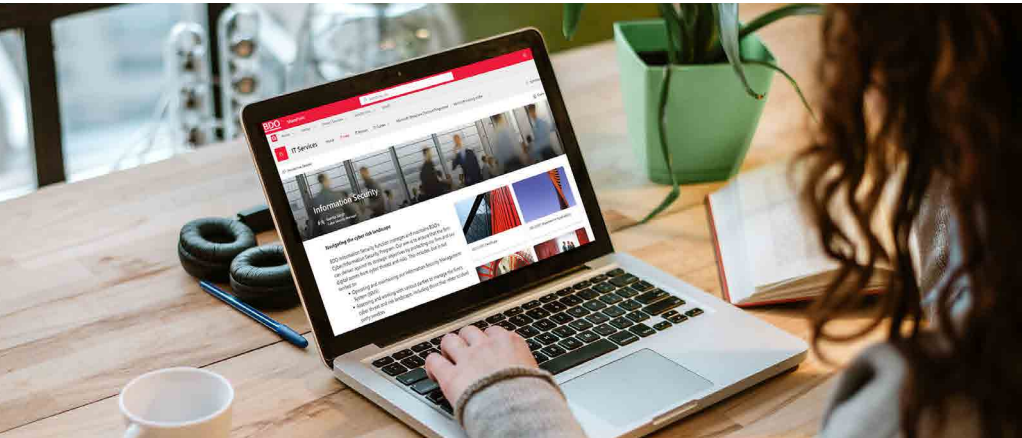
Testing control effectiveness

We conduct regular audit and assurance activities to ensure continuous improvement of our security controls and security posture. Audit and assurance activities are reported to the Board, IT Governance Committee, and the Risk Management Committee.

Audit, assurance and assessment activities are conducted by appropriately skilled personnel in alignment with our ISMS Assurance Plan.

Global cybersecurity support

Our Microsoft Global Enterprise Agreement enables us to partner directly with Microsoft, with particular support in cybersecurity. We gain access to threat intelligence, the Microsoft security systems and platforms and the ability to work directly with Microsoft when security threats and issues arise, ensuring we're able to deliver the appropriate response.



Improving our security posture in 2023

ISO 27001 Certification

BDO Group Holdings and BDO Perth achieved the globally recognised ISO 27001:2013 certification after a rigorous audit process, across a number of our offices. ISO 27001 aims at enforcing effective information security management. It is a framework that enforces a systematic approach for organisations to identify, manage, and reduce the severity of threats to our information assets. Information security has never been more important to businesses, particularly considering the recent cyber security incidents impacting various companies that could be considered household names, showing no one is immune. Information security has been and will continue to be a core focus area for BDO.

Modern Slavery Statement

At BDO, [our values](#) 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.

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 maturity of our modern slavery due diligence process and the findings arising from this
- Enhancing our plan for measuring the effectiveness of our existing modern slavery risk framework.

In 2023, we had no matters of modern slavery reported, and no instances of modern slavery resulting in the termination of relationships with a supplier or a client identified during the period.

The actions taken to further mature our response to modern slavery risk management in our 2022 Modern Slavery Statement include, but are not limited to:

- The implementation of proactive modern slavery related due diligence on all prospective IT suppliers
- Expanded due diligence on all current suppliers regardless of industry where they satisfy a pre-due diligence assessment
- The development of an enhanced national complaints framework which includes policies and a new system.

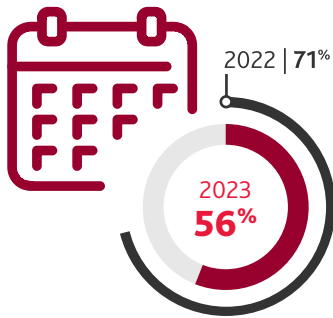
Our [2022 Modern Slavery Statement](#) addresses the mandatory criteria outlined in the *Modern Slavery Act 2018* (Cth). Should you require further information outside of what is disclosed in our Modern Slavery Statement, please contact the Director of National Risk and Ethics.

Our [Modern Slavery Statement](#) is due annually, within six months of the end of the financial year. Read our most recent Modern Slavery Statement.

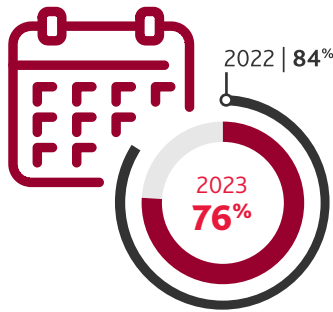


Payment times reporting

Invoices paid to small companies within 20 days



Invoices paid to small companies within 30 days



*Data represents reporting period from January to June in corresponding year, and is based on volume of invoices paid.

The Payment Times Reporting Scheme (PTRS) requires large businesses and government enterprises to report their small business payment terms and times to a regulator. The scheme is designed to increase transparency, helping small businesses and the public decide who to do business with.

We are required to report our payment practices under this scheme.

Full details can be found on the [Australian Government's Payment Times Reports Register Dashboard](#).

Summary based on volume of invoices paid

In 2023, our payment time to small businesses has extended based on the volume of invoices paid. Less payments were made within 20 days; with more in the 21-30 day and 31–60-day periods.

This shift is likely due to an increased time lag from the date invoices are received to the date invoices are entered into our expense management system.

Our payment times for 60+ days remains consistent with prior periods.

By dollar value paid

The percentage of total dollar value of invoices paid can vary from period to period due to timing and value of supplier invoices.

% by volume of invoices paid

Category	2022		2023		Year-on-year change
	Dec 21	Jun 22	Dec 22	Jun 23	Jun reporting periods
< 20 days	70.9%	71.1%	72.3%	56.1%	(15.0%)
21-30 days	11.3%	12.8%	13.5%	19.8%	7.0%
31-60 days	10.1%	10.0%	9.1%	16.6%	6.6%
61-90 days	3.0%	2.4%	2.2%	3.1%	0.7%
91-120 days	2.5%	1.3%	1.1%	1.7%	0.4%
> 120 days	2.1%	2.3%	1.9%	2.8%	0.5%

% by \$ value of invoices paid

Category	2022		2023		Year-on-year change
	Dec 21	Jun 22	Dec 22	Jun 23	Jun reporting periods
< 20 days	80.4%	75.3%	81.3%	54.4%	(20.9%)
21-30 days	10.7%	16.0%	8.9%	15.6%	(0.4%)
31-60 days	6.6%	6.3%	6.8%	16.1%	9.8%
61-90 days	1.1%	1.3%	1.5%	3.5%	2.2%
91-120 days	0.4%	0.2%	0.5%	0.7%	0.5%
> 120 days	0.8%	1.0%	1.1%	9.8%	8.8%

Note, these results are a consolidated view of BDO Group Holdings' payment times reporting for the appropriate periods. Under the scheme, reporting is done on a (reporting) entity level.

Risk management

The firm's objective for risk management is to:

- Provide a structured basis for strategic planning and decision making
- Assist the firm to achieve its strategic objectives while also meeting its public interest obligations
- Enhance the firm's governance and corporate management processes
- Encourage and commit decision-makers to identify sound business opportunities that will benefit the firm without exposing it to unacceptable levels of risk
- Provide a practical, useable framework for our people to identify and assess risks inherent in the decisions they take
- Safeguard the firm's assets – tangible and intangible, present and future
- Facilitate business continuity
- Protect the firm from unacceptable costs or losses associated with its strategies and operations
- Enable the firm to effectively discharge its statutory, legislative, and corporate management responsibilities, including the delivery of quality and ethical professional services
- Protect the reputation and credibility of the firm.

Risk management framework

Our Risk Management Framework has been developed based on the following industry recognised best practice standards:

- **APES 325** – Risk Management for Firms, issued by the Accounting Professional and Ethical Standards Board. This sets the standards for members in public practice to establish and maintain a Risk Management Framework in their firms that supports the provision of quality and ethical professional services
- **ISO 31000** – Risk Management provides internationally recognised principles and generic guidelines for managing risks which can be applied to any organisation regardless of size, activity, or sector
- **ASQM1** – Quality Management for Firms that perform audits or reviews of financial statements, or other assurance or related services engagements
- **APES 320** – Quality Management for Firms that provide non-assurance services.

Our Risk Management Framework sets out the broad methodology and governance framework used by the firm to manage its risks, and to develop and apply associated policies and procedures for designing, implementing, monitoring, reviewing, and continually improving how those risks are managed. The framework supports the development and application of:

- A systematic approach for the identification and management of risks
- Consistent risk assessment criteria
- Planned risk treatment strategies that are commercially appropriate and capable of reducing risk to an acceptable level
- Monitoring and review protocols that serve to ensure that risk exposure remains within acceptable levels.

Risk register

The firm's risk register is designed to:

- List all risks identified as important to the firm
- Describe current controls applied to each of those risks
- Facilitate analysis of all important risks and apply risk ratings (likelihood and impact) after the application of existing controls
- Enable the adequacy of existing controls to be assessed based on risk ratings

- Compare risk appetite ratings against each risk rating assessment and, where not aligned, determine the need to either remove, update, or develop new mitigation controls to meet the level of risk as described in the firm's Risk Appetite Statement
- Identify and allocate responsibility for any necessary changes to existing controls to the appropriate person or team.

Risk identification

The Risk Management Committee is tasked with identifying organisational risks, rating those risks in terms of likelihood and consequence, comparing those ratings against agreed risk tolerance levels ('risk appetite'), and reviewing the adequacy of controls currently in place.

Risks may be identified by:

- Assessing the firm's strategy against current and emerging market conditions
- Assessing and monitoring legislative or regulatory changes and their effect on the firm or individual service lines
- Considering each of the risk categories included in our Risk Management Framework. Risk controls may be assessed by reviewing existing local and national policies and procedures for mitigation effects.

Risk Analysis and Rating Risks are analysed in terms of consequence and likelihood and by considering all credible scenarios. The likelihood and consequence of each risk are combined to determine a risk rating. The assessment of risks based on likelihood and consequence, and the risk rating derived from those assessments, may be conducted before or after the implementation of risk controls as a way of assessing the adequacy of risk mitigation controls.

A further review of control effectiveness, whether following a reportable event or as part of a periodic risk register review, provides the means to determine if risks are being appropriately mitigated.

Risk mitigation and treatment

Each risk and its risk rating are evaluated against the firm's Risk Appetite Statement. Any risk with a risk rating assessed as being equivalent to the Risk Appetite Rating will not require additional mitigation plans, but will still be monitored for change on an ongoing basis as part of the formal review process.

For risks with a risk rating that does not align with the risk appetite rating, the adequacy of the risk rating or the appropriateness of the risk appetite rating should be further considered. Further risk mitigation plans may need to be developed, existing controls revised for adequacy, or alternatively, the risk appetite rating may need to be reconsidered.

Risk monitoring and review

The Risk Register is periodically reviewed and updated:

- At least annually by the Risk Management Committee
- When there are material changes to key legislation and regulations
- When there are any major changes to the firm and its operations, including significant mergers and acquisitions; and

- Where any significant negative findings are identified through monitoring conducted by internal or external bodies.
- Ultimate responsibility for the periodic review or maintenance of the Risk Management Framework resides with the Board through the Risk Management Committee (as a sub-committee of the Board).

Communication, consultation, and reporting

Effective information and communication flows are essential for our risk management framework to operate effectively. Reporting flows should enable the Board to monitor the effectiveness of risk systems and controls and to oversee management's performance in managing risk.

- Bi-annual reports to the Board and Risk Management Committee include:
- A Risk Heat Map with a risk rating assigned to each key risk
 - A summary report of any material risk or notifiable events that have occurred since the previous report and actions taken or proposed
 - A status report on the progress of any changes applied to mitigation controls
 - The current risk registers.

System of Quality Management

Our System of Quality Management (SOQM) is designed to enable quality outcomes when delivering professional services across all engagements.

During the year we completed the initial implementation of our SOQM by the due date of 15 December 2022. Our SOQM provides the foundation on which we build and maintain a culture of quality across our entire firm. It enables the behaviours and actions of our partners and staff to achieve quality on a consistent basis.

Complying with the requirements of the relevant professional standards, our SOQM is designed around the quality objectives in the eight components, all of which operate in an iterative and integrated manner.

The objectives were then used to identify and organise the risks we need to manage. Our risks were then assessed to provide a basis for the design and implementation of responses. Every risk identified required at least one response.

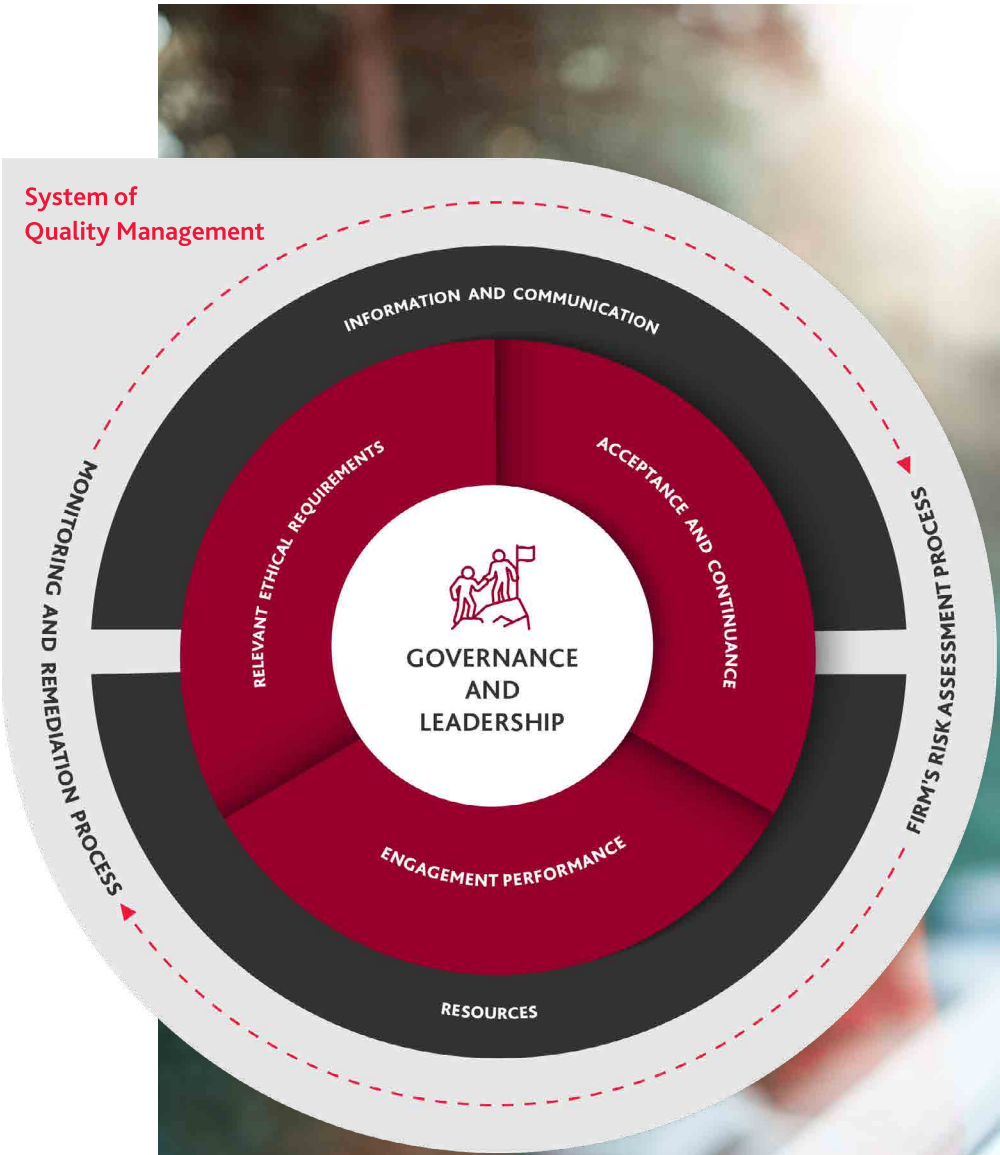
Our SOQM includes 48 quality objectives, 124 risks and 155 responses.

Now, we undertake monitoring to ensure both the responses to the risks and the monitoring process itself are effective. Monitoring procedures are performed on all responses. The nature and frequency of monitoring varies because it depends on the nature and level of the assessed risk.

From the monitoring activities, findings may be identified, which are evaluated to determine if they individually, or in combination with other findings, relate to deficiencies in our SOQM.

Where there is a deficiency, we identify the root cause and determine the remedial action required. We then evaluate the severity and pervasiveness of the deficiency as part of our annual evaluation of the SOQM. We are currently in the process of completing and reporting our first annual evaluation of our SOQM ahead of the required date of 15 December 2023.

Further information on our SOQM specifically focused on our Audit & Assurance service line can be found in our [2023 Transparency Report](#).



Quality management governance and leadership

At the core of our SOQM is governance and leadership and a key objective of this is to have an organisational structure and assignment of roles, responsibilities and authority that is appropriate to enable the design, implementation, and operation of our SOQM.

With responsibility for ensuring BDO in Australia's compliance with BDO's Global Quality and Risk Frameworks and the relevant standards, the Risk Management Committee has oversight of our SOQM.



The Chief Executive Partner has ultimate responsibility for the SOQM and is supported by the Quality Management Leader, the Ethics and Independence Leader, and the Monitoring and Remediation Leader. Collectively, the quality management leaders are supported by the Quality Management Function, which consists of experienced professionals in risk and quality matters including ethics and independence.

In addition to these roles, quality responsibilities are an integral part of the role descriptions of the following:

- Office Managing Partners who are responsible for strategy execution and achieving quality outcomes in conjunction with their executive team, including the Partners in Charge of the individual service lines
- Service Line Leaders who report to the Chief Executive Partner. They lead their respective service line committee and are responsible for the execution of the service line strategy, including achieving quality outcomes
- Service Line Quality Leaders who are responsible for the operational responsibility of the SOQM in their service line and have a dual reporting line to both the Service Line Leader and the Quality Management Leader.

This structure ensures:

- A separation of the operational responsibilities for quality and business responsibilities for a service line
- Direct lines of communication between the Quality Management Leaders and the Chief Executive Partner on all matters relating to quality.



Embedding a culture of quality

At BDO, we understand the importance of having a culture of quality embedded into our day-to-day actions and behaviours.

For this reason, we conducted our inaugural firm-wide Quality Culture Survey in 2023 to gain a benchmark of our current performance. The results of the survey have provided valuable insights into how we can continually enhance our people experience and adjust how we do things for even better outcomes.

Importantly, **98 per cent of our respondents agreed or strongly agreed that BDO is committed to the consistent execution of quality engagements in serving our clients, investors and capital markets.** This puts us in an extremely strong position to continue our growth trajectory and collectively overcome the challenges that the profession will continue to face in the years ahead.

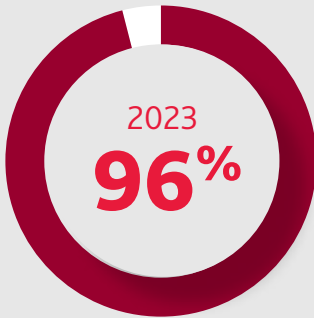
We take all this feedback seriously and intend to use it to drive ongoing progress across the firm.



of respondents agree that the leaders of our firm demonstrate a commitment to performing high quality work through their actions.

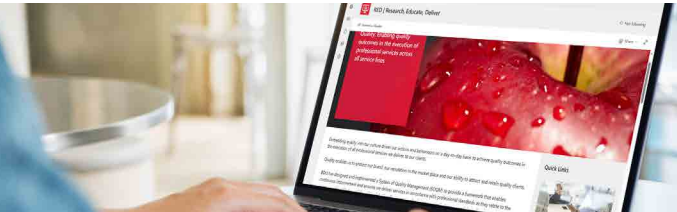


of respondents agree that the team leaders communicate expectations and the importance of quality work.



of respondents agree that quality is valued at BDO.

"The fact that we are increasing the profile of Quality on RED and through communications and surveys such as this one, demonstrates how quality is valued at BDO."



During the year we relaunched the quality resources internally, which are prominently available from the home menu of our intranet. The pages include a focus on embedding quality into the day-to-day actions and behaviours by providing information on the quality responsibilities for each role within the delivery of an engagement and for all the governance roles.

Appendix – WEF IBC core metrics

Theme	WEF IBC core metric	Location within this report
Planet		
Climate change	Greenhouse gas (GHG) emissions	Page 46: 'Our carbon footprint'
	TCFD Implementation	
Nature loss	Land use and ecological sensitivity	N.A.
Freshwater availability	Water consumption and withdrawal in water-stressed areas	N.A.
People		
Dignity and equality	Diversity and inclusion	Page 22: 'Diversity, equity and inclusion'
	Pay equality	Page 22: 'Diversity, equity and inclusion'
	Wage level	Page 22: 'Diversity, equity and inclusion'
	Risk for incidents of child, forced or compulsory labour	Page 28: 'Human Rights'
Health and well-being	Health and safety	Page 30: 'Health and well-being'
Skills for the future	Training provided	Page 34: 'Skills for the future'

Theme	WEF IBC core metric	Location within this report
Prosperity		
Employment and wealth generation	Absolute number and rate of employment	Page 12: 'BDO at a glance: Australia'
	Economic contribution	Page 53: 'Employment and wealth generation'
	Financial investment contribution	Page 54: 'Community engagement' and Page 61: 'BDO Connect'
Innovation of better products and services	Total R&D expenses (\$)	Page 59: 'Innovation'
Community and social vitality	Total tax paid	Page 53: 'Employment and wealth generation'
Principles of governance		
Governing purpose	Setting purpose	Page 64: 'Governance structure of BDO in Australia'
Quality of governing body	Governance body composition	Page 65: 'Board diversity and independence'
Stakeholder engagement	Material issues impacting stakeholders	Page 16: 'Our approach to this report'
Ethical behaviour	Anti-corruption	Page 68: 'Business ethics, legal and regulatory compliance'
	Protected ethics advice and reporting mechanisms	Page 68: 'Business ethics, legal and regulatory compliance'
Risk and opportunity oversight	Integrating risk and opportunity into business process	Page 74: 'Risk management'



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