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WITH PURPOSE

Modern Slavery Act Statement

DECEMBER 2023



Modern Slavery Act Statement

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Registered office: 55 Baker Street, London, W1U 7EU
Registered number: OC305127
Independent auditors: PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, 1 Embankment Place, London, WC2N 6RH.



Our commitment

This statement constitutes the modern slavery and human trafficking statement of BDO LLP and its subsidiary undertaking BDO Services Limited (together “BDO”) for the financial year ended 30 June 2023.

BDO’s purpose is ‘Helping you succeed’, and one of our four Values is ‘Being responsible and acting with integrity’. As an accountancy and business advisory firm, we need to conduct our business to the highest possible ethical standards.

The Modern Slavery Act 2015 (‘the Act’) includes a duty on businesses to play their part in stopping modern slavery in global supply chains; a duty we see as important to help society succeed. Section 54 of the Act, ‘Transparency in Supply Chains’, requires us to publish on our website a statement of the steps taken during the financial year to ensure that slavery and human trafficking is not taking place in any of our supply chains or in any part of our own business.

Given the nature of our business activities and the categories of goods and services that we procure, we believe our inherent risk to be low with respect to modern slavery. Our supply chain is our primary area of modern slavery risk.

We operate a number of policies and procedures that describe our approach to the identification of modern slavery risks and the steps to be taken to prevent slavery and human trafficking in our business and supply chain. This statement summarises these, looking at both our supply chain management and our firm’s culture and governance.

Our key activity

Our governance structure is overseen by the Modern Slavery Governance Group. This group convenes regularly to discuss policy matters, procedures, and to track key performance indicators that validate adherence to our commitments.

Over the past year, we have undertaken several initiatives, including:

- ▶ **Mandatory Modern Slavery Awareness Training:** Delivery of compulsory annual modern slavery awareness training to all partners and employees. All new hires are required to complete this training within their first 30 days at BDO.
- ▶ **Monitoring and Assessment:** We monitor our key supplier performance indicators to assess our progress in implementing supply chain actions and to track our suppliers' adoption of our anti-slavery terms and conditions.

Our supply chain

Within our supply chain, we define 'suppliers' as those businesses that supply either goods or services (or both) to BDO. For the purposes of this statement, we do not include other members of the BDO International network of independent member firms as 'suppliers'. Using insights from our UK 2022/23 financial year spend data, we use approximately 2630 suppliers, with the majority of goods and services being provided by suppliers based in the UK, the EU, and the US. As part of our Code of Conduct, we seek to operate our business both lawfully and ethically, which includes working with suppliers that are aligned to the same values. We encourage and expect our suppliers to operate in accordance with applicable laws, respecting individuals' human rights, and to be mindful of the environmental and safety impacts of products and services. Our Supplier Code of Conduct sets out the standards expected of suppliers doing business with us and is publicly available on our website.

Key requirements of our Supplier Code of Conduct are for our suppliers:

- ▶ To have policies, systems and/or procedures in place to ensure the prevention of unethical business practices, including, but not limited to, human rights abuses, money laundering, fraud, bribery, corruption, and other improper payments, benefits, or gifts

- ▶ Not to use slave labour, child labour or forced labour, nor to engage in or support human trafficking.
- ▶ To ensure that working hours, wages, overtime pay and working conditions comply with all applicable laws, and
- ▶ To provide a clean, safe, and healthy working environment to protect the occupational safety of all employees. Our Supplier Code of Conduct is an important part of our procurement process. It is shared for acceptance and signature before a supplier can participate in a competitive market process for a material purchase. Where a competitive process does not take place, or the purchase is immaterial to BDO, agreement to the Supplier Code of Conduct or evidence of a commitment to similar requirements will usually be required as part of the supplier take on process.

In 2023 we launched a new procurement policy and made system and operational changes. This has enabled more extensive monitoring and reporting of compliance with our Modern Slavery Policy.

Supplier risk assessment & due diligence

We recognise our responsibility to identify and address potential or actual human rights impacts linked to the goods and services we purchase. We have no desire to establish or continue relationships with suppliers who are not themselves committed to prevent, ameliorate and/or address the risks of modern slavery.

Assessing the risk profile of the suppliers we work with is a critical part of our responsibility to mitigate potential breaches and is outlined in detail in BDO's Procurement Policy. Specifically:

1. **Risk Assessment and Due Diligence:** Suppliers undergo risk assessment as part of our due diligence process, utilising criteria from our risk triage matrix. Higher-risk cases involve suppliers completing more detailed and comprehensive due diligence questionnaires.

2. **Exception Response and Investigation:** Exception responses prompt further investigation and follow-up with suppliers to clarify and address concerns.
3. **Ongoing Monitoring:** In instances where new suppliers lack adequate historical evidence of anti-modern slavery measures, we reperform our risk assessment and due diligence periodically.

Our Procurement Policy and due diligence process will be reviewed again in 2024 to ensure that we obtain an appropriate level of visibility of our suppliers' anti-slavery practices.

The Procurement Policy is accessible by all Partners, employees, and contractors via our intranet.



Our governance

Our governance is driven by our Modern Slavery Governance Group which meets regularly to discuss our policies and procedures and compliance with them. It is chaired by our Chief Operating Officer.



During the 2022/23 financial year, the group focused on:

- ▶ Enhancing firm-wide modern slavery awareness
- ▶ Integrating key performance indicators and questions into updated procurement policies and supplier due diligence reviews
- ▶ Monitoring suppliers' adoption of our new Supplier Code of Conduct and procurement policies in line with our modern slavery commitment
- ▶ Aligning with the firm's ESG strategy, where modern slavery plays a significant role in the social agenda.

In the 2023/2024 financial year, the group's focus will be on:

- ▶ Ensuring inclusion of the BDO Modern Slavery terms in new and strategic suppliers' contracts where possible, which necessitates suppliers to take reasonable steps to comply with the Act
- ▶ Launching a new due diligence process with ongoing monitoring of suppliers' adoption of our BDO Modern Slavery terms and Supplier Code of Conduct
- ▶ Driving our commitment to adopting sustainable and socially responsible procurement practices, including those designed to prevent modern slavery.

BDO has been a signatory to the United Nations Global Compact ("the UN pact") since September 2018. This means that we prepare an annual report for review by the United Nations Global Compact, outlining the progress we have made in the preceding 12-month period.

Signing up to the UN pact, and reporting transparently each year, signals our support for adopting sustainable and socially responsible policies, including those relevant to modern slavery.

Our culture

As an accountancy and business advisory firm, we have professional obligations to maintain the highest standards of professional conduct and ethical behaviour.



All partners and employees are required to abide by the ICAEW (Institute of Chartered Accountants in England and Wales) Code of Ethics, which requires the firm and our people to act in accordance with five fundamental principles:

- ▶ Integrity
- ▶ Objectivity
- ▶ Professional competence and due care
- ▶ Confidentiality
- ▶ Professional behaviour.

A firm's culture is made of beliefs and behaviours. To promote positive, responsible behaviours, we seek to foster a Unifying Culture, in which people are encouraged to be themselves, are inspired and challenged, work together and be successful in our ambition to deliver high quality in all they do.

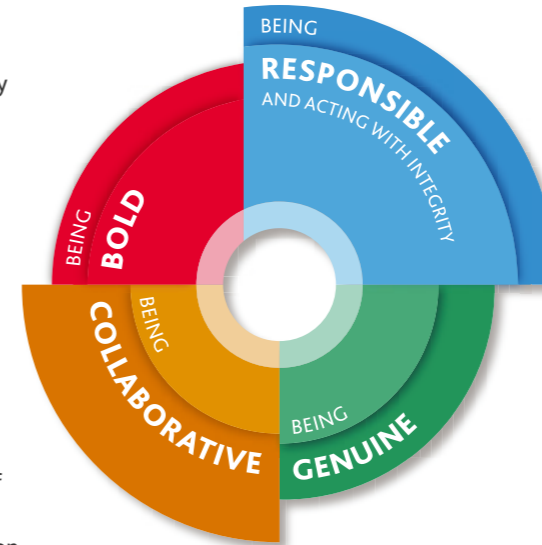
We are guided by our Values which are:

- ▶ Being responsible and acting with integrity
- ▶ Being genuine
- ▶ Being collaborative
- ▶ Being bold.

Our Values work interdependently and are built on three fundamental principles:

- ▶ Our Values ensure that as a regulated business we act with integrity, we do what is right and they guide everything that we do
- ▶ Our Values start with each of us as an individual. We live the Values, we lead by example, and it is our fundamental way of 'being'
- ▶ Our Values help us all to be the best version of ourselves and encourage an environment that is inclusive and open.

Our Values nurture and protect our culture, one that is ethical, empowering, collaborative, inclusive and ambitious. Together with our professional Code of Conduct, they guide us in our day-to-day interactions and decision making with each other, our clients and society.



Our Code of Conduct is a framework to help us do the right thing. It is an expression of our shared values and the way we do business, which helps us to work openly, honestly and ethically.

With relevance to the Modern Slavery Act, the Code of Conduct includes the following principles:

- ▶ We act with integrity. We are open, honest and fair
- ▶ We reject unethical or illegal business practices
- ▶ We conduct ourselves professionally and always strive to protect and enhance our brand and reputation
- ▶ We are accountable for our actions.

Our culture contd.

Training

To reflect our commitment to managing the risks of modern slavery across our business, we developed compulsory e-learning for all our people which was launched in July 2022 and repeated in 2023. This is an integral part of our induction process and will be regularly refreshed.

Recruitment

We aim to use only specified, reputable employment agencies to source our partners and employees. Our policies include ensuring that all candidates produce original documentation indicating that they have the right to work in the UK prior to commencing employment. We include an Equality, Diversity and Inclusion (ED&I) condition in our standard contract terms that obliges our recruitment partners on our preferred supplier list to have appropriate ED&I policies and procedures.

Speaking up

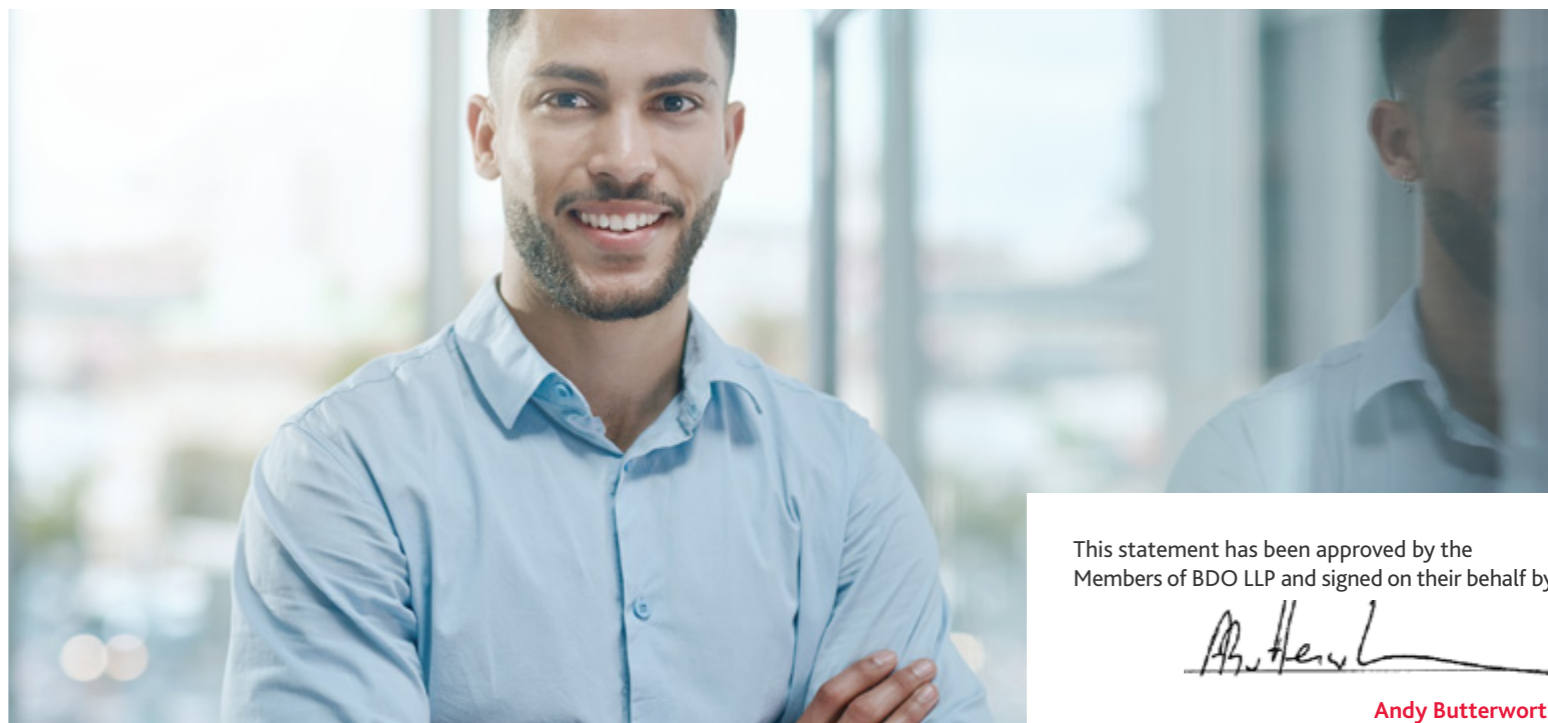
We encourage all our people, clients, audited entities, and other third parties to report any concerns related to the direct activities, or the supply chains of, BDO. Our Whistleblowing policy and procedure is designed to make it easy for individuals to make disclosures, without fear of retaliation. Anyone who has concerns can follow our confidential reporting process.

Goals and key performance indicators (KPIs)

We are monitoring our KPIs which track our progress against our Modern Slavery Act commitments and help inform the effectiveness of our modern slavery and human rights activity.

This financial year, our KPIs focus on:

- ▶ Firm-wide Modern Slavery Training: completion of comprehensive modern slavery training by all of our people.
- ▶ Incorporating Modern Slavery Act Provisions: Ensuring all contracts with new and strategic suppliers include appropriate Modern Slavery Act provisions.



This statement has been approved by the
Members of BDO LLP and signed on their behalf by:

Andy Butterworth
Designated Member

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