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# BDO LLP'S UK MODERN SLAVERY ACT STATEMENT

RESPONSIBLE GROWTH, ROOTED IN QUALITY

DECEMBER 2022



# BDO LLP'S UK MODERN SLAVERY ACT STATEMENT

## OUR COMMITMENT

This statement constitutes the modern slavery and human trafficking statement of BDO LLP and its subsidiary undertaking, BDO Services Limited, for the financial year ended 1 July 2022.

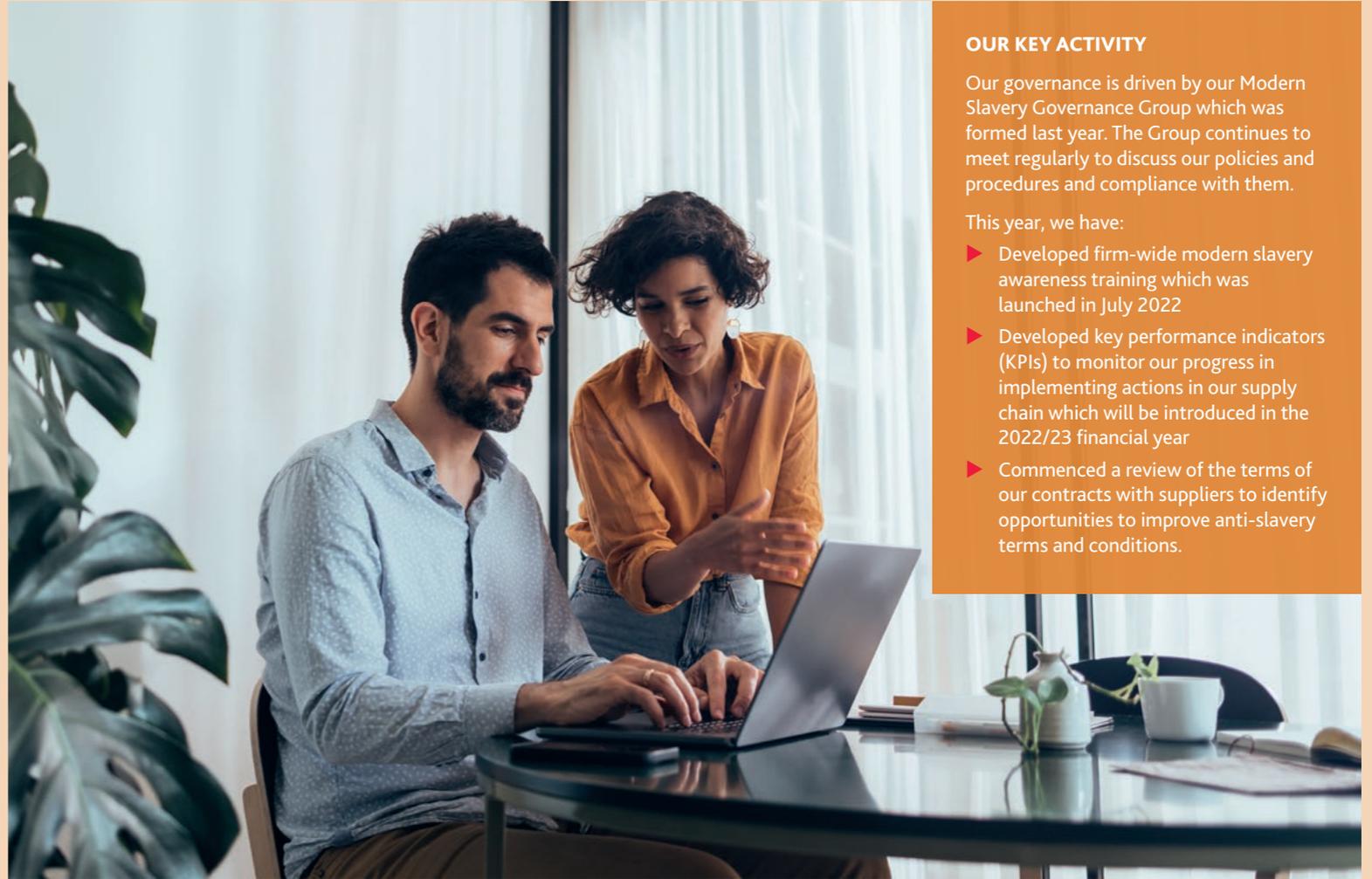


BDO's purpose is 'Helping you succeed'. As an accountancy and business advisory firm, we need to conduct our business to the highest possible ethical standards. As part of our commitment to helping people, business and society succeed, we will not tolerate any form of human rights abuse, including modern slavery or human trafficking, in our business or supply chain.

The Modern Slavery Act 2015 ("the Act") signalled a new drive in the fight against slavery. It 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 BDO LLP to publish on its 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, we believe our inherent risk to be low with respect to modern slavery based on the categories of goods and services that we procure. Our supply chain is our primary area of risk for possible modern slavery incidents.

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



## OUR KEY ACTIVITY

Our governance is driven by our Modern Slavery Governance Group which was formed last year. The Group continues to meet regularly to discuss our policies and procedures and compliance with them.

This year, we have:

- ▶ Developed firm-wide modern slavery awareness training which was launched in July 2022
- ▶ Developed key performance indicators (KPIs) to monitor our progress in implementing actions in our supply chain which will be introduced in the 2022/23 financial year
- ▶ Commenced a review of the terms of our contracts with suppliers to identify opportunities to improve anti-slavery terms and conditions.

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## 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 BDO global member firms as 'suppliers', as they are also required to comply with the ethical principles set by BDO globally.

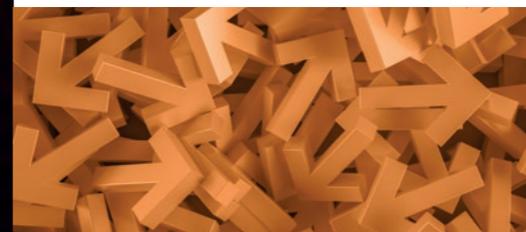
Using insights from our UK 2021/22 financial year spend data, we use approximately 1,800 suppliers, with the majority of goods and services being provided by suppliers based in the UK, the EU and the US.

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 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 BDO's 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 are in compliance 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 in relation to a material purchase. Where a competitive process does not take place, or the purchase is immaterial to BDO, confirmed agreement or signature of the Supplier Code of Conduct or evidence of a commitment to similar requirements will usually be required as part of the wider contracting process.



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## 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. We risk-assess suppliers as part of the due diligence process based on several criteria in our risk triage matrix. Where there is a higher risk of modern slavery, they are asked to complete a more comprehensive supplier due diligence questionnaire
2. Any exception responses are followed up with the supplier and investigated further
3. In cases where new suppliers fail to provide adequate historical evidence of appropriate procedures to prevent modern slavery and human trafficking in their supply chains, we may engage them whilst continuing to monitor them on an ongoing basis.

Our Procurement Policy is reviewed and relaunched from time to time and is accessible by all partners and staff via our intranet.



## OUR GOVERNANCE

Our governance is driven by our Modern Slavery Governance Group which was formed last year. The Group continues to meet regularly to discuss our policies and procedures and compliance with them. It is chaired by our Chief Operating Officer; membership includes representatives from our Operations Board, Quality and Risk Management, Procurement and Communications teams. In our 2021/22 financial year, the group focused on:

- ▶ Raising firm-wide awareness of modern slavery practices
- ▶ Monitoring suppliers' policies and procedures to prevent modern slavery
- ▶ Linking into the firm's ESG strategy, in which modern slavery is an important 'S' agenda.

In the next financial year, the group is focused on:

- ▶ Delivering on the target to have all new and strategic suppliers' contracts to include our new BDO Modern Slavery Clause or commitment which requires suppliers to take reasonable steps to ensure compliance with the Act and provide a statement confirming the steps and actions taken to do so
- ▶ Including the monitoring of, or provision of supplier assurance in relation to, compliance with the Act in our supplier due diligence process
- ▶ Ensuring that our planned activity in relation to compliance with the Act aligns to our wider ESG strategy.



BDO is a signatory to the United Nations Global Compact ("the UN pact") and has been 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.

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## 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 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.

Ultimately 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 as a whole.

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 strive at all times to protect and enhance our brand and reputation
- ▶ We are accountable for our actions.



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## TRAINING

To reflect our commitment to managing the risks of modern slavery across our business, we developed e-learning for all our people which was launched in July 2022. It is mandatory for all our people to complete this training. 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.

Over the past year, BDO has also introduced 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. This gives BDO the right to review their policies, identify issues and also terminate agreements if those issues are not addressed.

## SPEAKING UP

We encourage all our people, clients or 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)

This financial year, we will be launching a new set of KPIs that will both support progress against our Modern Slavery Act commitments and help inform the effectiveness of our modern slavery and human rights activity. This may evolve over time; the focus of our KPIs is:

- ▶ Launching and adopting firm-wide modern slavery training
- ▶ Having all new and strategic suppliers' contracts to 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

FOR MORE INFORMATION:

**ANDY BUTTERWORTH**  
PARTNER, NATIONAL HEAD  
OF TAX / CHIEF OPERATING  
OFFICER

+44 (0) 207 893 2591  
andy.butterworth@bdo.co.uk

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