



BDO USA, P.C.

2023 Sustainability Report

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2023 Highlights

Experienced our **11th** consecutive year of growth*

Increased revenue by **13%** from the prior year*

Changed from a partnership to a corporation and established one of the **largest Employee Stock Ownership Plans in the country**



Committed to the **Science Based Targets initiative**

Adopted formal policies around **environmental practices and human rights**



Reimagined our social impact initiative and identified **4 key cause areas**

Mobilized **14,073** employee volunteer hours

Donated **\$2.7M** to nonprofit organizations and communities



Launched BDO University Sustainability & ESG training curriculum offering **nearly 30 courses**

Achieved **88%** in Employee Engagement Index

Increased percentage of offices in environmentally certified buildings to **52%**



Offered **250+ inclusion activities** and touchpoints with **over 9,000 participants**

Hosted **22 recruiting events** at Historically Black Colleges and Universities (HBCUs) during the 2023-2024 academic year



We know that a commitment to sustainability must start at the top, but that's just the beginning of the journey.

*Metrics based upon financial data from fiscal year ending April 30, 2023

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What a difference a year makes. In last year's letter, I discussed the inception of BDO's sustainability program, and how it has become a strategic imperative to make our business more agile and resilient as we seek to elevate our work with our people, clients and communities.

This year, I'm proud to report we're continuing to build momentum, further advancing sustainability across our business. As this report details, professionals throughout our organization are working to integrate more sustainable, responsible practices into where and how we work – recognizing the impact our business decisions have on both the environment and society – and seeking ways to continuously improve and innovate. We have developed detailed plans that align our cultural and sustainability commitments and goals with the specific actions we are taking to achieve them.

As I reflect on the past year, let me take a moment to celebrate a few notable achievements. We've taken significant steps to strengthen our social impact strategy, growing our largely local, grassroots effort to a national community engagement program focused on responsible citizenship. I'm also proud to share that BDO has received a score of 100 in the Human Rights Campaign's Corporate Equality Index survey and been designated a 2023 Equality 100 Award: Leader in LGBTQ+ Workplace Inclusion.

We've also taken several important steps in support of our environmental and decarbonization goals. We are in the process of setting science-based targets and plan to submit our decarbonization strategy to the Science Based Targets initiative for validation within the year. We are in the process of implementing a responsible sourcing program that will help ensure we work with suppliers who are taking action to operate in an environmentally and socially responsible manner, while also helping us reduce our Scope 3 emissions.

We are also working on a responsible office strategy that integrates environmental considerations and practices into how we select and improve our offices, aiming to reduce our office-related emissions and help us achieve our larger decarbonization goals.

Of all our 2023 milestones, none was more significant than our decision to establish an Employee Stock Ownership Plan (ESOP). This transformational move is a testament to the purpose-driven, people-first culture we have been working toward for more than a decade. The ESOP helps make our operating model more sustainable as it allows us to maintain control of our vision while helping to fuel continued growth and investment. It enhances our ability to recruit and retain talent and delivers more equitable access to wealth creation for all our people.

The ESOP is transforming the firm's mindset around collective accountability and what a shared vision of success looks like for all our stakeholders. Our people have taken this ownership mindset to heart, committing to a culture that puts "we before me" in everything we do. As we detail in this report, this mindset is enhancing our sustainability efforts in very concrete ways.

From the ways we engage our people to the way we conduct our business, sustainability is at the heart of who we are. It enables us to authentically embody our core purpose of helping people thrive, every day. For us, nothing is more important to our success and the success of our stakeholders.



WAYNE BERSON
Chief Executive Officer
BDO USA, P.C.

INTRODUCTION / Who We Are

BY THE NUMBERS

Headquarters Chicago

Year Founded 1910

Fiscal Year 2023 Revenue \$2.82 billion

Revenue Increase Since 2022 13.3%

Offices Nationwide 77 U.S. Offices

Principals 860

Professionals 12,222*

Statistics as of April 30, 2023

*Number of professionals includes BDO RISE professionals

Services

- ▶ Advisory
- ▶ Audit & Assurance
- ▶ BDO Digital
- ▶ Sustainability & ESG
- ▶ Tax

Industries

- ▶ Consumer Services
- ▶ Financial Services
- ▶ Government Contracting
- ▶ Government & Public Sector
- ▶ Healthcare & Life Sciences
- ▶ Manufacturing
- ▶ Natural Resources
- ▶ Nonprofit & Education
- ▶ Private Equity
- ▶ Professional Services
- ▶ Real Estate & Construction
- ▶ Technology

BDO USA is a Proud ESOP Company

[Learn more](#) ▶



INTRODUCTION / **Who We Are**

CORE PURPOSE AND VALUES

Our core purpose is helping people thrive, every day. Everything we do is rooted in this purpose and supported by five core values that guide how we work with one another, how we serve our clients and how we engage with our communities. Together, our purpose and values form the foundation of our firm and have informed the way we do business for over a decade.



PEOPLE FIRST

We before me. Care. Earn trust and be trusting. Be respectful.



EMBRACE CHANGE

Move to improve. Be forward thinking. Lead the way. Grow and help others grow.



CHOOSE ACCOUNTABILITY

Do what you say you'll do. Take personal responsibility. Be humble. Mind the bottom line.



EXCEPTIONAL EVERY DAY IN EVERY WAY

Model excellence. Have integrity. Be a true professional. Everyone is a client.



EMPOWERMENT THROUGH KNOWLEDGE

Be curious. Listen intently. Be direct. Share what you know.

INTRODUCTION / Who We Are

WORKPLACE AWARDS

As part of efforts to empower our people, we listen to their feedback, evolving how we work together on an ongoing basis. This has led to national recognition, which we're honored to receive and view as a sign that being accountable to our people is the best way to create a truly rewarding environment.

We're also proud of accolades received at the local level, in the communities where our people live and work. Many of our offices have been named best places to work by local business and wellness-focused publications. Additionally, professionals throughout the firm and across the country have been recognized for their leadership, charitable involvement and commitment to the work they do.



RECOGNITION OF OUR PURPOSE AND VALUES IN ACTION

In 2023, we placed on two notable lists for the first time, both recognizing organizations that make their people feel included, respected and valued.

America's 100 Most Loved Workplaces, ranked by *Newsweek*, recognizes U.S. companies for outstanding employee sentiment and satisfaction. In addition to being ranked 59th overall, BDO was named in the "Most Values Driven" category, ranking seventh out of 10 companies for our values-based commitment to employees, demonstrated through competitive benefits, flexibility and professional development opportunities.

Human Rights Campaign Foundation's Corporate Equality Index is a national benchmarking tool on corporate policies, practices and benefits pertinent to LGBTQ+ employees. This year, we joined the ranks of businesses that met the criteria to earn a 100 percent rating and the designation as recipient of the Equality 100 Award: Leader in LGBTQ+ Workplace Inclusion. To earn a top rating, companies must establish and implement comprehensive policies, benefits and practices that ensure greater equity for LGBTQ+ workers and their families.

Additional 2023 national awards include:

- ▶ 100 Best Companies (for Working Parents), Seramount
- ▶ Top Companies for Executive Women, Seramount
- ▶ Best and Brightest Companies to Work For in the Nation, National Association for Business Resources
- ▶ Best and Brightest in Wellness, National Association for Business Resources
- ▶ 100 Best Internships, Vault
- ▶ Accounting 25 Firms, Vault
- ▶ Top Entry Level Employer, CollegeGrad.com
- ▶ Top Intern Employer, CollegeGrad.com

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BDO and our professionals are involved in a number of professional organizations, including, among others:

- ▶ AICPA ABV Credential Committee
- ▶ AICPA Associations Task Force
- ▶ AICPA Assurance Services Executive Committee
- ▶ AICPA Auditing Standards Board
- ▶ AICPA Circular 230 Revision Task Force
- ▶ AICPA Corporations & Shareholders Taxation Technical Resource Panel
- ▶ AICPA Council - Elected Members
- ▶ AICPA Depository Institutions Expert Panel
- ▶ AICPA Employee Benefit Plans Expert Panel
- ▶ AICPA Employee Benefits Tax Technical Resource Panel
- ▶ AICPA Enforcement Subcommittee
- ▶ AICPA Filing Flexibility Task Force
- ▶ AICPA Foreign Trust Form 3520 Penalties Task Force
- ▶ AICPA IFAC Convergence / Monitoring Task Force - Standing Task Force of the PEEC
- ▶ AICPA Investment Companies Expert Panel
- ▶ AICPA National Commission on Diversity and Inclusion
- ▶ AICPA National Peer Review Committee
- ▶ AICPA Past Presidents/ Chairmen of the Board
- ▶ AICPA Statements on Standards for Tax Services Revision Task Force
- ▶ AICPA Tax Compliance Kit Task Force
- ▶ AICPA Tax Methods and Periods Technical Resource Panel
- ▶ AICPA Tax Practice Management Committee
- ▶ AICPA Tax Practice Responsibilities Committee
- ▶ American Society of Adaptation Professionals
- ▶ Association of Corporate Citizenship Professionals
- ▶ CAQ Access to Audit Personnel Review Committee
- ▶ CAQ Advisory Council
- ▶ CAQ Anti-Fraud Working Group
- ▶ CAQ Assurance Business Leaders
- ▶ CAQ Audit Quality Indicators Task Force
- ▶ CAQ Auditors Reporting Model Task Force
- ▶ CAQ Broker-Dealer Task Force
- ▶ CAQ Communications Council
- ▶ CAQ Data Analytics Task Force
- ▶ CAQ Governing Board
- ▶ CAQ Professional Practice Executive Committee
- ▶ CAQ SEC Climate Rule Steering Committee
- ▶ CAQ SEC Regulations Auditor Reporting Task Force
- ▶ CAQ SEC Regulations Committee
- ▶ CAQ SEC Regulations International Practices Task Force
- ▶ CAQ Smaller Firm Task Force
- ▶ CAQ Talent Steering Committee
- ▶ CAQ Talent: Chief Diversity Officer Working Group
- ▶ Ethics & Compliance Initiative
- ▶ Global Reporting Initiative Community
- ▶ GreenBiz Trellis Network
- ▶ IFRS Sustainability Alliance
- ▶ Net Zero Financial Service Providers Alliance
- ▶ Science Based Targets initiative
- ▶ UNFCCC Race to Zero Campaign
- ▶ United Nations Global Compact
- ▶ We Mean Business Coalition

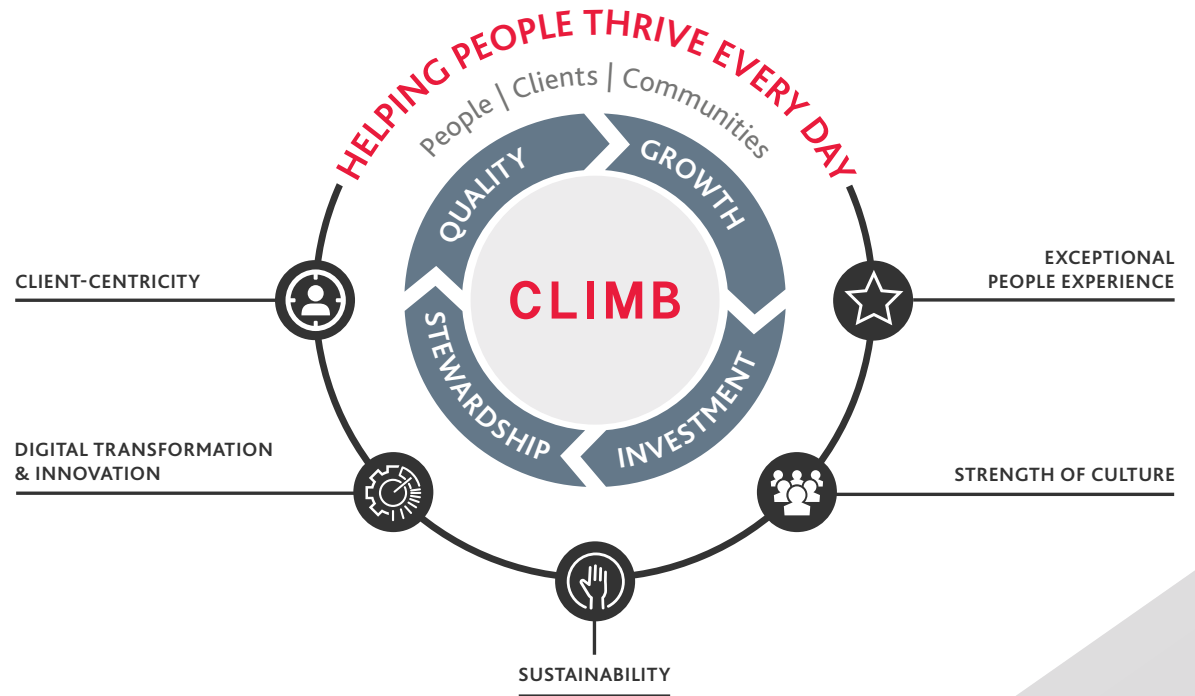
INTRODUCTION / Who We Are

CLIMB: OUR ROADMAP TO THE FUTURE

Sustainability is one of the five imperatives embedded within our strategic plan, called CLIMB. Anchored in our core purpose of helping people thrive every day, CLIMB helps drive the firm's success by fueling our growth, supporting our culture and keeping us focused on building a sustainable, resilient firm.

Since its inception over a decade ago, CLIMB has resulted in significant tangible and intangible benefits, including a better work environment; a more efficient, effective and successful business; and enhanced opportunities for our professionals and clients alike. A dynamic plan, CLIMB is evaluated and refreshed annually to adjust and prioritize based on changing market and business conditions.

Quality, growth, investment and stewardship drive BDO's CLIMB strategy and are anchored by five imperatives.



Sustainability continues to be one of the five foundational principles of the firm's long-term business strategy. It's evident in our core purpose and values, and in our commitment to making business decisions that not only benefit our firm but also the world around us.

KELLY JOHNSON

Chair of BDO USA's Board of Directors and Assurance Specialty Practice Leader

INTRODUCTION / **Who We Are**

BDO'S ESOP: A MAJOR MOMENT FOR THE FIRM, AND AN INNOVATIVE ADVANCEMENT FOR THE ACCOUNTING INDUSTRY

In 2023, BDO made one of the most significant changes in our 113-year history, becoming the first major accounting and advisory organization to [embrace an Employee Stock Ownership Plan \(ESOP\)](#). With more than 10,000 participating employees, BDO is now one of the largest ESOPs in the country.

We opted for this transformational shift after examining the evolution of the profession and the needs of our firm. Our leadership team recognized that a more innovative business model would create additional possibilities for the firm and our people. As the first major ESOP in our industry, we recognize that we are on the leading edge of something that is potentially game-changing for the profession. It is an opportunity that we welcome.

The ESOP reaffirms our long-standing commitment to our people and galvanizes the firm's sustainability and stewardship efforts. By giving our people a greater opportunity to share in the success of the business, we believe we will play a defining role in attracting new talent to the accounting industry and creating a more financially inclusive workplace — helping to unlock the full value of our organization.



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Conscious Business Leadership Academy: Leadership for a More Sustainable Future

As part of our commitment to advance sustainability in the market, BDO has hosted the Conscious Business Leadership Academy (CBLA) from 2021 to 2023. Established with Raj Sisodia, one of the founding members of the Conscious Capitalism movement, the program helps business leaders live their purpose and drive positive change.

Through CBLA training, participants leverage the principles of conscious capitalism to become better leaders, taking a fresh look at their own leadership approach and learning to create environments that foster growth while being more inclusive and sensitive to the needs of their employees.

Those who have completed the training say it has made them more thoughtful, strategic and empathetic leaders. It's also good for the organization. Businesses that are guided by a purpose beyond profit, and that seek to create value for all their stakeholders, are typically rewarded with greater customer and employee loyalty, which can ultimately lead to more sustainable value and greater profitability.



I feel like I was a good leader before. I feel like I'm a better leader now, and I know it has had a major impact on my company and my life.

CHRISTINE HECKART
Former CEO of Scalyr

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Sustainability and Corporate Governance



SUSTAINABILITY AND CORPORATE GOVERNANCE

The oversight and advancement of the firm's sustainability efforts are led by our Managing Principal of Sustainability & ESG who chairs the Sustainability & ESG Leadership Team and reports to a member of the BDO Executive Team. The Sustainability & ESG Leadership Team, comprised of senior leaders from across the firm, oversees the firm's sustainability strategies and routinely updates our Executive Team, Board of Directors, principals and employees on the progress of the firm's sustainability efforts.

SUSTAINABILITY & ESG CENTER OF EXCELLENCE

BDO's Sustainability & ESG Center of Excellence (COE) was created to drive the advancement of sustainability across our organization and support our clients in their own sustainability journeys. The COE is responsible for designing, executing and evolving sustainability strategies across the firm—both within BDO and working with our professionals in the market.

COE professionals work across the firm to develop and implement BDO's corporate sustainability initiatives and collaborate with our core business operations teams on integration and adoption. The team is also responsible for monitoring, measuring and reporting on our progress.

COE team members are subject matter experts on sustainability and ESG topics, keeping apprised of regulatory developments and reporting requirements, providing technical guidance and market research, and supporting the firm and our clients. The COE also works with our international network of more than 160 member firms to share learnings and best practices, and develop sustainability service offerings worldwide.

BDO Sustainability & ESG Center of Excellence



Corporate Sustainability Strategy and Governance



Market Insights and Thought Leadership



Technical Guidance



ESG Regulatory Compliance and Reporting



Benchmarking and Materiality Analysis



Education and Training



Sustainability Services and Solutions Development and Support

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Firm Names New Sustainability & ESG Leader

In 2023, Karen Baum, formerly Managing Partner of Sustainability Services and Solutions, assumed the role of Sustainability & ESG Managing Principal, overseeing BDO's sustainability efforts in the U.S., including the management of the Sustainability & ESG COE and Leadership Team. She also leads the Sustainability & ESG Services development for BDO's international network of member firms. Baum succeeds Christopher Tower, who retired in 2023.

“

The essence of sustainable business lies at the intersection of corporate profitability and responsible business practices – a partnership in possibilities enabling people and planet to flourish and grow. It doesn't change who you are as an organization; it inspires who you can become.

KAREN BAUM

Sustainability & ESG Managing Principal

SUSTAINABILITY AND CORPORATE GOVERNANCE

BOARD OF DIRECTORS

BDO's Board of Directors consists of 10 elected members and the chief executive officer. The Board has oversight of the firm's business strategy and direction, including targeted growth, strategic investments, business philosophy, budgets, compliance and ethics, risk management and other such business affairs. Board committees include Compliance and Ethics, Principals' Matters, Principals' Compensation, Financial Oversight, Governance and Management Review.

Directors serve staggered three-year terms and are selected by the Nominating Committee, comprising non-board member principals who have been selected by the Governance Committee. The Nominating Committee presents qualified candidates to the principals. There must be twice the number of candidates as open Board seats and principals vote on the candidates presented by the Nominating Committee based on relative salary. The candidates receiving the highest votes (provided that all candidates must receive at least 50% of the votes cast) will form the slate of directors presented to the shareholders. The ESOP Trustee votes the ESOP shares and the CEO, by proxy, votes the remaining shares in accordance with the vote of the principals. Elected Board members may serve two consecutive terms and are eligible for additional terms after a three-year cooling off period. The chief executive officer is nominated by the Board and ratified by the firm's shareholders every four years. The chairperson is elected by the Board on an annual basis.

EXECUTIVE MANAGEMENT

BDO's Executive Team comprises our chief executive officer and five senior management principals, appointed by the CEO and approved by the Board, to assist in the management of the firm. The Executive Team is responsible for the development of the firm's long-term strategy, business plans, budgets, oversight of business policies, and proper management of day-to-day affairs. They are also charged with fostering a culture that promotes ethical practices, encourages individual integrity and fulfills social responsibility.

SUSTAINABILITY AND CORPORATE GOVERNANCE



We are proud to establish this ESOP to invest in each other so everyone who contributes to our success has the opportunity to benefit from it.

WAYNE BERSON
Chief Executive Officer

ESOP TRUSTEE

In 2023, BDO changed its ownership structure from a partnership to a corporation and became the first large accounting and advisory organization to implement an ESOP. With more than 10,000 participating employees, BDO is among the largest ESOP-owned businesses in the country. BDO has appointed a Trustee Committee comprising internal individuals to serve as trustee of the ESOP and has engaged a third-party fiduciary consultant to represent the interests of ESOP participants and beneficiaries.

The Trustee Committee comprises three business line leaders, the chief people officer and the chief operating officer. The Trustee Committee with the support of the independent fiduciary consultant oversees the administrative functions of the ESOP, including the annual valuation, and act as a fiduciary on behalf of participants.

The ESOP – acting through the Trustee Committee with the support of the independent fiduciary consultant – is a shareholder in the firm. As such, while the Trustee Committee has full rights as a shareholder, it is not involved in the day-to-day operations of the firm. Management will update the ESOP trustee committee periodically on firm matters and consult with them on any significant transactions that involve shareholder action/involvement, including voting on the nominated slate for the Board of Directors.

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PROGRESS REPORT: GOALS & COMMITMENTS ONE YEAR LATER

In last year's inaugural report, we shared strategic sustainability goals and commitments. Since then, we've made considerable progress.

Setting data-driven, measurable goals and impactful targets, which we will share publicly and report on our progress

We published the firm's inaugural Sustainability Report, providing transparency into our efforts to date, and establishing a starting point upon which we are anchoring our strategies for advancement. We have embedded tracking and reporting capabilities into our existing systems to better quantify our progress and inform various strategies, and we are in the process of setting science-based emissions reduction targets.



Implementing multiple strategies to reduce the environmental impact of our business activities and continuing to integrate sustainable practices into our business strategy and operations

To effectively operationalize various environmental and social strategies across the firm, we have established working groups within each of our Core Business Services teams. BDO's sustainability team works closely with these working groups to collectively assess opportunities for operational change that will help us reduce our climate impact, including in our real estate, technology, travel and supply chain. [Learn More](#) ▶



PROGRESS REPORT: GOALS & COMMITMENTS ONE YEAR LATER

Achieving net zero by or before 2050 and halving our emissions by 2030

In 2022, we completed our first greenhouse gas (GHG) inventory and carbon footprint. We have identified our hot spots and are developing a decarbonization strategy – focusing our initial efforts in three key areas of impact. In 2023, we committed to the Science Based Targets initiative and BDO International, our global network of member firms, submitted its first Progress Report in connection with its commitment to Net Zero Financial Service Providers Alliance (NZFSPA). [Learn More ▶](#)



Developing a responsible sourcing program, putting systems in place to ensure the suppliers we work with share our environmental and social values and commitments

We are in the process of implementing our responsible sourcing program, which focuses on three key areas: supplier qualification, supplier monitoring and supplier engagement. [Learn More ▶](#)



Educating our people through the continued development of a robust sustainability and ESG learning strategy to better understand how ESG factors impact our business and that of our clients

Over the past year, we have developed and launched a series of sustainability and ESG trainings to help upskill our people on various related topics. From basic sustainability concepts to technical trainings, reporting requirements and industry-specific implications, our professionals have access to nearly 30 training courses across a multitude of sustainability and ESG topics. [Learn More ▶](#)



PROGRESS REPORT: GOALS & COMMITMENTS ONE YEAR LATER

Growing the significance of our community engagement efforts by bringing focus to our long-standing BDO Counts volunteerism program and formalizing a firmwide social impact strategy that aligns employee passions with BDO's purpose



In 2023, we launched our reimagined social impact strategy. The new strategy is centered around four key cause areas – causes that are important to our professionals, aligned with our values, and reflective of our history of giving. [Learn More](#) ▶

Focusing on candidate attraction, candidate selection, employee experience and success, and transparency to shape our DEI efforts today and guide our forward journey



From enhancing our focus on the recruitment and selection process to establishing forums for intentional connection to providing training and education opportunities, we've made progress within each of our four focus areas over the past year. [Learn More](#) ▶



We believe sustainable business goes beyond alignment with business strategy, but rather is central to business strategy: critical to our ability to minimize risk, enable growth and foster long-term resilience. The success of our efforts requires unwavering support from our leadership and a true understanding of the intersection between profitability and impact – the belief that our business decisions impact not just our bottom line, but our people, our planet and our communities.

CARA MOOSES

Senior Director, Sustainability & ESG Corporate Strategy

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STAKEHOLDER ENGAGEMENT AND MATERIALITY

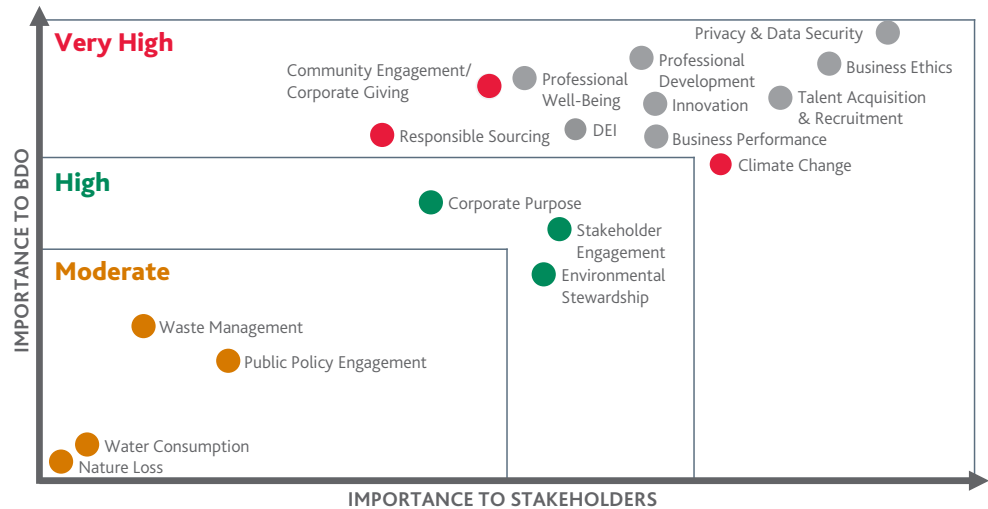
Engagement with our stakeholders continues to be foundational in guiding our sustainability efforts. Understanding evolving stakeholder priorities, and openly communicating our efforts to address those priorities, are central to maintaining the strong relationships we strive to foster across all stakeholder groups. [Through frequent touch points across a variety of channels](#), we seek to open lines of communication and demonstrate alignment between our collective values and the actions taken to maintain and advance that alignment.

In 2022, BDO conducted its first materiality assessment. Through a complex process including the comprehensive evaluation and analysis of industry standards, frameworks and emerging trends, benchmarking and analysis of our clients and industry peers, interviews with key stakeholders and a firmwide survey, we identified topics most material to our stakeholders.

Topics were determined based upon the significance of BDO's economic, environmental and social impacts and their substantive influence on the assessments and decisions of stakeholders. More than 20 significant topics and their relative rankings were identified through a combination of quantitative analysis and qualitative insights.

As we advance our sustainability strategy, the findings of our materiality assessment continue to serve as our foundation. To date, our focus has been centered around decarbonization, responsible sourcing, and reimagining our community engagement and corporate giving strategy – three areas identified as very high priorities. The assessment also identified several other highly material topics – illustrated in grey – that align with well-established programs and initiatives and that will continue to be significant areas of focus. We will revisit our material topics periodically to ensure our efforts remain aligned with our stakeholders' priorities.

BDO MATERIALITY MATRIX



■ Very High priority and immediate areas of focus ■ High ■ Moderate ■ Topics already being managed by existing BDO programs

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Sustainability & ESG Services and Solutions



SUSTAINABILITY & ESG SERVICES AND SOLUTIONS

ADVANCING SUSTAINABLE BUSINESS PRACTICES

As accountants and advisors to more than 35,000* companies, both public and private, of all sizes and across all industries, we recognize our role in assisting our clients as they advance their own sustainability goals and strive to meet the ever-evolving landscape of ESG reporting and compliance requirements.

Our Sustainability & ESG COE professionals work hand-in-hand with our client engagement teams to provide subject matter expertise around sustainability and ESG strategy, technical research, and regulatory and reporting requirements. Our COE team supports clients in navigating the rapidly evolving ESG landscape as the regulatory environment becomes more complex and market demands continue to shift. In addition, we work with our international network of member firms on the development and delivery of BDO global sustainability & ESG services and solutions.

From early stage – building new strategies and addressing material issues and stakeholder demands, to later stage – developing decarbonization strategies, addressing enterprise risk, protecting human rights in the supply chain, and integrating sustainability into transformation and resilience strategies, we meet our clients where they are in their sustainability journeys.

Leveraging our technical experience in assurance, tax and advisory, across a variety of industries, we apply a sustainability lens to business strategy and operations, helping clients:

- ▶ Navigate regulatory compliance across local, state, federal and international jurisdictions, including data capture, controls, reporting and assurance
- ▶ Integrate sustainability into organizational strategies holistically, throughout supply chains and ecosystems
- ▶ Build resiliency by managing risk and identifying new value innovation opportunities across products, services and operations
- ▶ Navigate tax credits, incentives and sustainable finance opportunities, while ensuring that tax and sustainability teams are working closely together to support business strategies



SUSTAINABILITY & ESG SERVICES AND SOLUTIONS



Sustainability Strategy & Programs

- ▶ Strategic roadmap, goals and targets
- ▶ Program development and assessment
- ▶ Peer benchmarking
- ▶ Materiality assessment
- ▶ Enterprise risk management including climate, AI, cybersecurity and privacy
- ▶ Data management and software selection
- ▶ ESG ratings improvement



ESG Reporting & Assurance

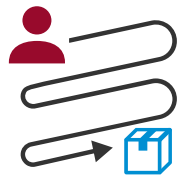
- ▶ Reporting standards and frameworks
- ▶ Regulatory monitoring and compliance
- ▶ GHG scope 1, 2 and 3 accounting
- ▶ Controls and governance
- ▶ Limited and reasonable assurance
- ▶ Sustainable financing compliance
- ▶ ESG assurance readiness
- ▶ SOX readiness



Tax Transparency & ESG Tax Strategy

- ▶ Total tax responsibility
- ▶ Tax transparency
- ▶ Green tax credits and incentives
- ▶ Sustainability specialty tax evaluation
- ▶ Integration of ESG into tax strategy
- ▶ Credit monetization strategy for buyers and sellers of tax credits

SUSTAINABILITY & ESG SERVICES AND SOLUTIONS



Supply Chain Resilience

- ▶ Responsible sourcing
- ▶ Supplier diversity
- ▶ Supplier due diligence
- ▶ Fair labor/human rights
- ▶ Analysis of procurement tools
- ▶ Onshoring strategies
- ▶ Global value chain evaluation
- ▶ Customs and trade compliance
- ▶ Foreign Corrupt Practices Act (FCPA)



Climate Strategy

- ▶ Emissions data and GHG footprint
- ▶ Net Zero goals and science-based targets
- ▶ Climate risk assessment
- ▶ Climate mitigation strategy
- ▶ Efficiency and cost reductions
- ▶ Energy audit
- ▶ Project implementation
- ▶ Project monetization
- ▶ Energy and environmental product advisory



Sustainable Finance & Investing

- ▶ Project finance and valuation
- ▶ Buy-side and sell-side due diligence
- ▶ Deal and capital facilitation
- ▶ Green finance
- ▶ Tax credits and monetization
- ▶ Grant identification and management
- ▶ Green bond compliance
- ▶ Impact investing assessment and strategy
- ▶ Environmental credit qualification and monetization strategy

SUSTAINABILITY & ESG SERVICES AND SOLUTIONS



Human Capital Management

- ▶ Workplace benchmarking and assessments
- ▶ Organizational transformational and change
- ▶ Diversity, equity, inclusion and belonging (DEIB)
- ▶ Human resources outsourcing and support
- ▶ Employee learning and development
- ▶ Compensation and benefit structure
- ▶ HR/HCM due diligence



Community Resilience

- ▶ State and local government climate adaptation
- ▶ Green economic development
- ▶ Nonprofit/grantmaker sustainability strategy
- ▶ Sustainability grants management
- ▶ Federal regulatory compliance (CMS, CFR, FAR, bioprocess engineering)
- ▶ Higher education and healthcare sustainable campus and services



Learning & Development

- ▶ Bespoke sustainability curriculum
- ▶ Interactive workshops
- ▶ Board and executive training
- ▶ Employee awareness
- ▶ Customized learning

SUSTAINABILITY & ESG SERVICES AND SOLUTIONS / **Spotlight on Sustainability & ESG Solutions**

CASE STUDY

Furthering the Renewable Energy Transition

An infrastructure developer sought a tax credit monetization strategy for a new renewable natural gas facility.

BDO advised the company on applicable funding available through tax credits from the Inflation Reduction Act of 2022 (IRA), federal legislation intended to catalyze U.S. investment in clean energy. We identified qualification requirements under the tiered Section 48 Energy Tax Credit as modified by the IRA to achieve a successful sale of transferable tax credits.

BDO's work provided the company with a strategic roadmap to help identify the workflows, documentation and other key stakeholders it needed to support its claimed IRA tax credits. To execute the credit monetization strategy, BDO assisted the company in facilitating the credit transfer with a buyer we helped to identify. This provided additional cash to the developer that it can redeploy into its development pipeline.

SUSTAINABILITY & ESG SERVICES AND SOLUTIONS / **Spotlight on Sustainability & ESG Solutions**

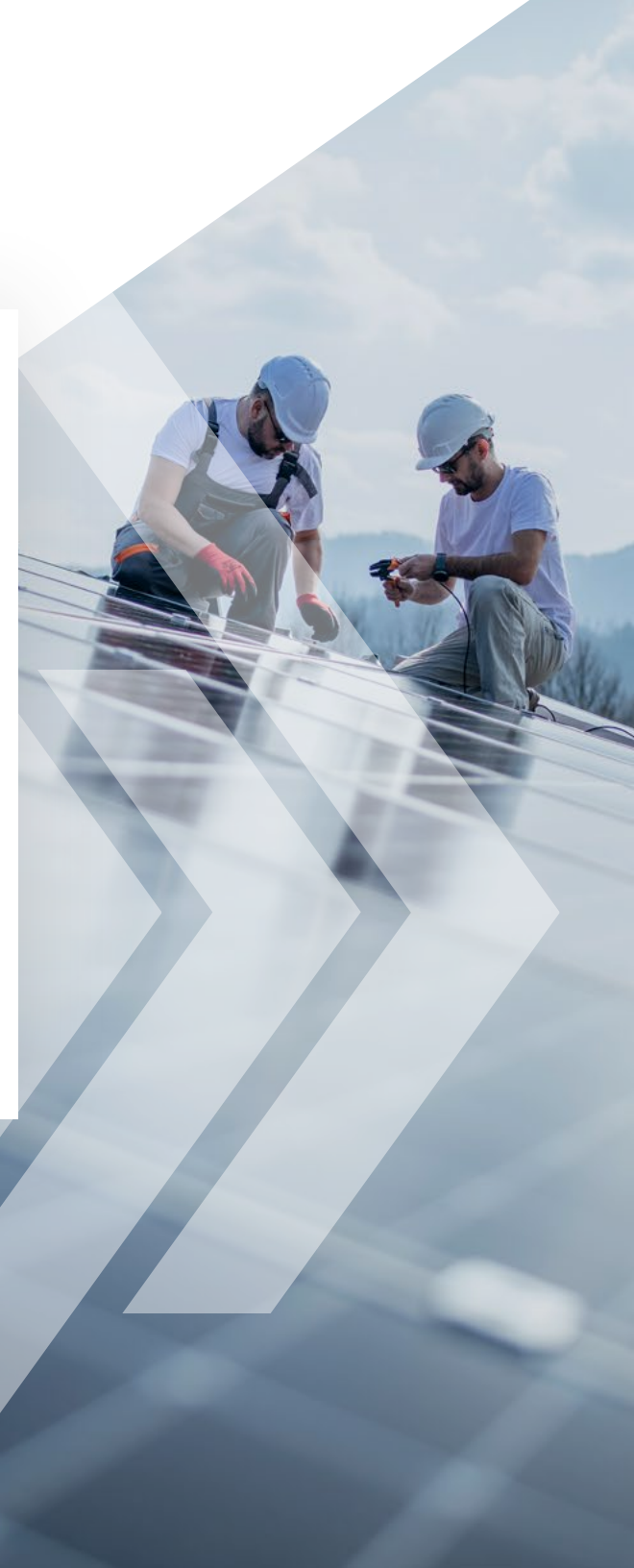
CASE STUDY

Providing Assurance on Greenhouse Gas Emissions, Human Capital

A solar energy company was required to provide its owner, a private equity firm, with limited assurance over ESG data that consisted of greenhouse gas emissions and human capital metrics. The company had not previously calculated or sought assurance over its greenhouse gas emissions data.

Our team worked closely with the company's management to provide input on areas of focus that helped enable a smooth first assurance engagement, including sharing resource materials on how to measure the company's Scope 1 and Scope 2 emissions. The company set organizational and operational boundaries and measured its Scope 1 and Scope 2 emissions, and the insights we provided enabled a high level of readiness for our team to provide assurance over the emissions.

BDO successfully reviewed and provided limited assurance over management's assertion on their greenhouse gas emissions and human capital reporting. This provided the company with the assurance needed to comply with its private equity firm's requirements.



SUSTAINABILITY & ESG SERVICES AND SOLUTIONS / Spotlight on Sustainability & ESG Solutions

CASE STUDY

Supporting Energy Transition Grants and Reporting for Nonprofits

A coalition of nonprofits, universities and local governments focused on helping communities diversify and transition their economies from a dependence on coal to opportunities in more environmentally friendly energy industries needed assistance fulfilling the monitoring, evaluation and reporting requirements under a federally administered program.

As part of an ongoing multi-year engagement, BDO is helping the coalition monitor, quantify and report quarterly on the performance and impact results of its workforce and economic development programs. Our team is tracking green energy job creation, new sustainability-focused businesses, solar technicians trained, and acres of former mine lands redeveloped into green manufacturing facilities.

The performance, compliance and reporting services we provide support the coalition as it creates energy transition-focused jobs and remediates environmentally contaminated sites. In addition to positive economic and social impacts, the coalition's projects are benefiting the environment by advancing industries that include renewable energy, carbon sequestration and electric vehicle transportation.

SUSTAINABILITY & ESG SERVICES AND SOLUTIONS / **Spotlight on Sustainability & ESG Solutions**

CASE STUDY

Formalizing a Sustainability Program and Preparing for the CSRD

A global apparel company sought to establish a more structured sustainability program. The retailer needed help developing a program that addressed environmental, social and governance topics in accordance with leading practices and aligned with the most widely recognized sustainability and ESG frameworks.

The retailer engaged BDO to assist with its sustainability program development. We conducted an ESG readiness assessment to evaluate the retailer's existing programs and identify areas of risk and gaps to be addressed through establishing a formal program. Our findings provided the basis of our recommendations for a formal sustainability program to be integrated into the retailer's operations.

During the engagement, the European Union's Corporate Sustainability Reporting Directive (CSRD) came into force, under which the retailer will be required to comply. In addition to the sustainability plan, our work helped create a foundation for the retailer's compliance with the CSRD regulation.

2023 Highlights

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ENVIRONMENTAL STEWARDSHIP

Achieving net-zero emissions by 2050 is a critical priority for our firm, as is meeting our near-term goals for emissions reduction and renewable energy use.

Over the past two years, we have taken steps to better understand how our business impacts the environment and what actions we can take that will enable us to operate more sustainably. We have engaged with teams across the firm to identify opportunities to reduce emissions to meet both our near-term and long-term goals.

Our strategy prioritizes three key areas of impact: where we work, how we buy, and how we travel – and we are actively working to implement initiatives across the firm that will help us make meaningful progress toward net zero.

ENVIRONMENTAL GOALS AND COMMITMENTS



Achieve net-zero emissions by 2050 and halve our emissions by 2030



Set science-based targets for validation by the Science Based Targets initiative



Source 100% renewable energy by the end of 2025



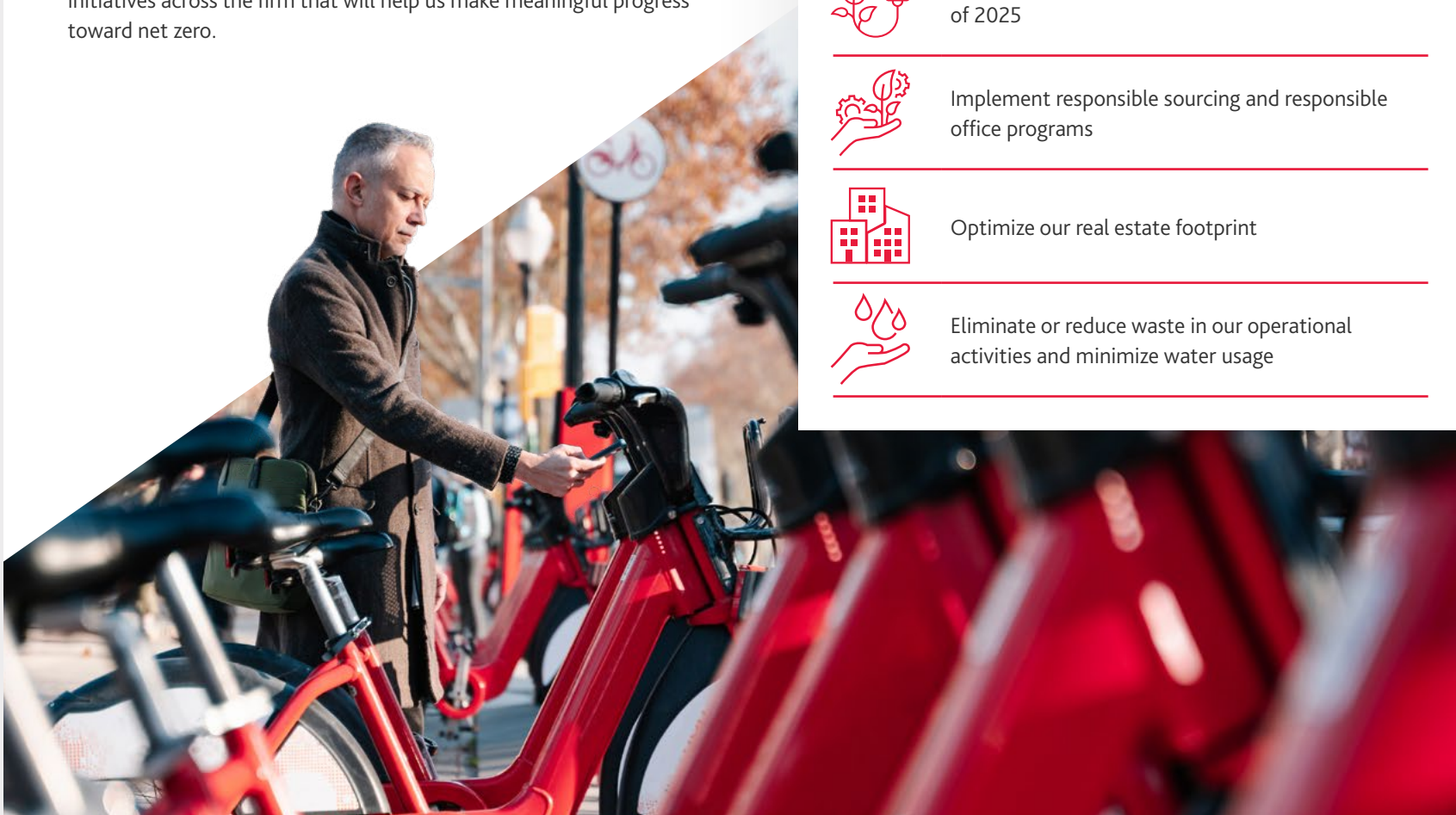
Implement responsible sourcing and responsible office programs



Optimize our real estate footprint



Eliminate or reduce waste in our operational activities and minimize water usage



ENVIRONMENTAL STEWARDSHIP / **Climate**

2023 EMISSIONS FOOTPRINT

We conduct an annual analysis of our Scopes 1, 2 and 3 GHG emissions, which includes emissions from both BDO USA and BDO RISE operations. Our fiscal year 2023 emissions, which are more representative of our typical business activity and reflect a period of high growth, rose significantly in comparison to fiscal year 2022 levels, which still reflected various pandemic-related impacts. [Read more about contributing factors and year-over-year observations.](#)

GHG Emissions MT CO₂e

Emissions Category	Fiscal Year 2022	Fiscal Year 2023
Total GHG Emissions (Scopes 1, 2 and 3)¹	53,965	93,128
Scope 1		
Natural Gas	-	739
Refrigerants	9	139
Total Scope 1²	9	878
Scope 2		
Purchased Electricity	11,097	8,495
Purchased Steam	-	1
Total Scope 2³	11,097	8,496
Scope 3		
Purchased Goods and Services	31,790	53,299
Fuel and Energy-Related Activities (FERA)	-	4,517
Waste	264	188
Business Travel	8,613	23,329
Employee Commuting	1,548	1,643
Work From Home	644	778
Total Scope 3⁴	42,859	83,754

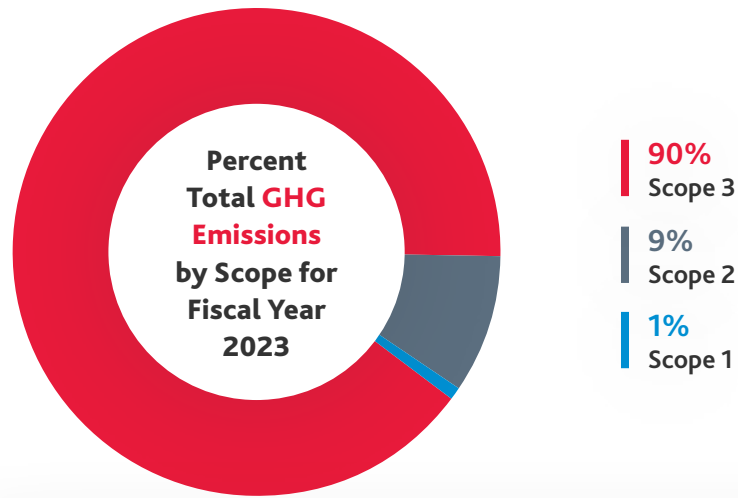
1 We calculate our GHG emissions using the operational control consolidation approach, in accordance with the Greenhouse Gas Protocol.

2 Scope 1 consists of emissions that a company produces and controls directly. BDO's fiscal year 2023 Scope 1 emissions were generated by on-site combustion of natural gas and recharging of refrigerants used in our leased office space. Our fiscal year 2022 Scope 1 inventory did not include emissions from the combustion of natural gas.

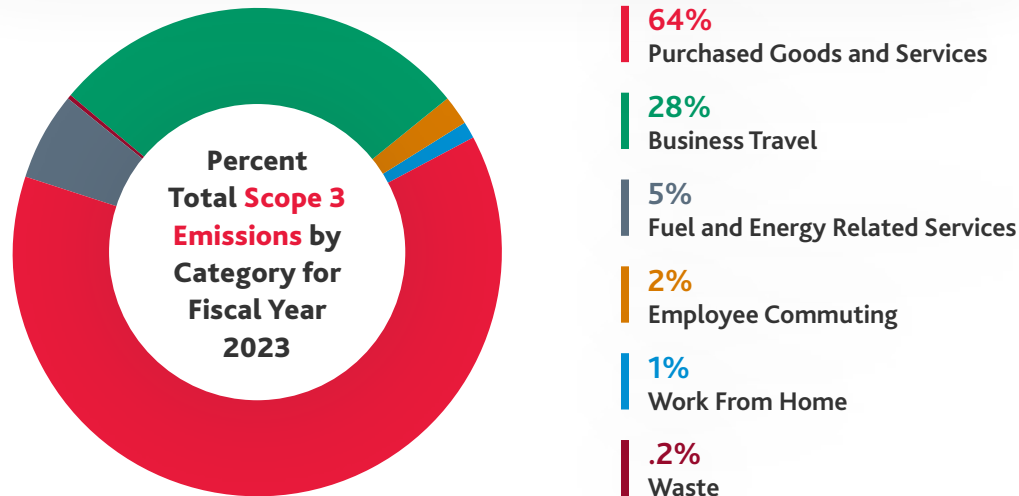
3 Scope 2 consists of indirect emissions that are associated with the electricity or energy that a company buys to heat or cool its buildings. BDO's fiscal year 2023 Scope 2 emissions were generated by purchased electricity and steam and were calculated using the location-based method. Our fiscal year 2022 Scope 2 inventory did not include emissions from purchased steam.

4 Scope 3 consists of all indirect emissions not included in Scope 2 that occur in the value chain of the reporting company, including both 'upstream' and 'downstream' emissions. BDO's fiscal year 2023 Scope 3 emissions were generated by our purchased goods and services, FERA, the waste we produced in our buildings, our business travel, employee commuting, and purchased electricity used by our employees to work from home. Our fiscal year 2022 Scope 3 inventory did not include emissions from FERA.

ENVIRONMENTAL STEWARDSHIP / Climate



Scope 3 emissions, which represent emissions in our value chain that are not directly under our control, make up the majority of our total GHG emissions inventory – **90%** during fiscal year 2023.



Methodology

Our GHG emissions are calculated in accordance with the Greenhouse Gas Protocol, a joint initiative of the World Resources Institute and the World Business Council for Sustainable Development.

We used emission factors referenced by the U.S. Environmental Protection Agency (EPA) to calculate emissions from most of the sources in our inventory. Emissions factors from the EPA and Central Electric Authority of India were used to calculate Scope 2 emissions from purchased electricity in BDO USA and BDO RISE offices, and Scope 3 emissions from purchased electricity attributed to employees working from home.

Our GHG emissions inventory uses global warming potential rates from the Fifth Assessment Report of the Intergovernmental Panel on Climate Change.

Our data collection attempted to obtain information on the GHGs covered by the United Nations Framework Convention on Climate Change — carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

In cases where we were unable to obtain activity data for each source, we estimated emissions using available information.

*Some data categories may not add up to 100% due to rounding to the nearest whole percent.

ENVIRONMENTAL STEWARDSHIP / **Climate**

YEAR-OVER-YEAR OBSERVATIONS

During fiscal year 2023, total firmwide GHG emissions were 93,128 MT CO₂e (carbon dioxide equivalent), 73% higher than our total fiscal year 2022 GHG emissions.

The increase was attributable to several factors, most notably an increase in spend on purchased goods and services and an increase in business travel from fiscal year 2022 levels, the latter of which was heavily impacted by travel restrictions due to the global pandemic and has returned to a level more reflective of our typical business activity.

Additionally, the firm experienced a high level of growth during fiscal year 2023, with increases in both revenue and headcount of approximately 13% from the previous year. Our emissions increase reflects the activity required to support this growth.

Emissions from on-site combustion of natural gas and recharging of refrigerants in our leased office space totaled 878 MT CO₂e, up from 9 MT CO₂e the previous year. This increase is due to an adjustment in methodology to include natural gas in our calculations for the fiscal year 2023 reporting period.

Scope 2 emissions decreased 23% compared to the previous year, down to 8,496 MT CO₂e. We attribute this change in part to more successful engagement with building owners and managers to obtain reported data, as well as the relocation of some offices from higher emitting buildings to more energy efficient buildings, resulting in a slight reduction.

Emissions from purchased goods and services totaled 53,299 MT CO₂e, up 68% compared to fiscal year 2022. Because we use the spend-based method to calculate emissions in this category, any increase in spend will result in an increase in emissions.

Emissions from business travel during the same period last year totaled 23,329 MT CO₂e – nearly triple the total from the previous year – as we transitioned back to more on-site client work, in-person meetings and events following the global pandemic.

Employee commuting-related emissions increased during the reporting period, up 6% compared to the previous year, while emissions associated with employee work-from-home-related electricity use also increased during fiscal year 2023 – up 21% compared to fiscal year 2022 due to a 10% increase in inputs (detailed on pg. 38) and an 11% increase in related emission factors.* We attribute these changes to increased headcount, along with some variability among survey respondents.

Additionally, emissions from waste decreased 29% year-over-year.

Achieving our emissions reduction goals is a critical priority and our decarbonization plan will enable us to meaningfully address these increases and continue our journey to net zero.

[Learn more about the actions we're taking.](#)

* To determine work from home kWh, we calculated average work from home days for each office location using employee remote work surveys and other data sources. We assumed each employee worked for eight hours for each remote workday and consumed 100 watts of electricity per hour.



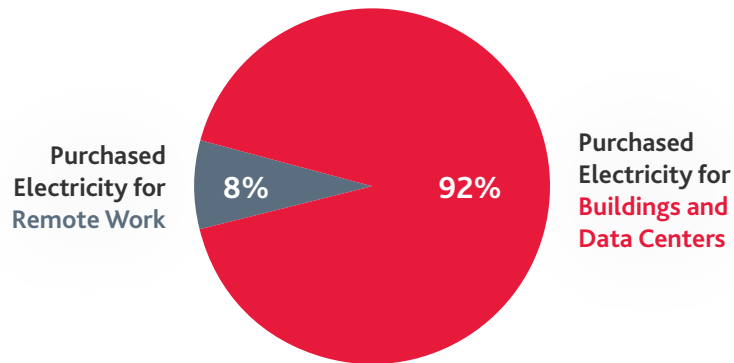
ENVIRONMENTAL STEWARDSHIP / **Climate**

Energy

The vast majority of the energy we consume comes from purchased electricity.

During fiscal year 2023, purchased electricity in our leased offices totaled 19,669,492 kilowatt-hours (kWh), or 70,810 gigajoules (GJ), down 26% from 2022. Purchased electricity attributed to working from home was 1,775,574 kWh, or 6,392 GJ, during fiscal year 2023, up 10% compared to the previous year.

**Fiscal Year 2023 Percent Purchased Electricity
Use by Source**



ENVIRONMENTAL STEWARDSHIP / **Actions We're Taking: Our Path to Net Zero**

We have committed to achieve net zero by 2050, which put simply, means balancing the amount of GHG emissions we add to the atmosphere with the amount we remove.

Over the past few years, we have been working with our operational teams to identify opportunities to evolve our business practices to reduce emissions through various carbon avoidance, reduction and mitigation actions. We are currently developing a decarbonization strategy, which will focus on our three largest areas of emissions – supply chain, business travel and real estate. By engaging with our supply chain, traveling more efficiently and optimizing our offices, we can minimize the environmental impact of our business activities and advance toward our near-term emissions reduction goal of 50% by 2030, and net zero by 2050.

CLIMATE: OUR COMMITMENTS AND PROGRESS TOWARD SCIENCE-BASED TARGETS

In 2023, BDO committed to the Science Based Targets initiative (SBTi) Net-Zero Standard and joined the United Nations' climate-focused campaign Race to Zero. We are setting science-based targets for both our 2030 and 2050 emissions reduction goals. Targets will cover our Scopes 1, 2 and 3 emissions and will align with methods required to limit global temperature increase to 1.5 degrees Celsius above pre-industrial levels.

We expect to submit our full decarbonization strategy to SBTi for validation in 2024, and we will publish our targets upon validation. This work will also prepare us to report in alignment with the IFRS® Sustainability Disclosure Standard for climate-related disclosures (IFRS S2).



ENVIRONMENTAL STEWARDSHIP / **Actions We're Taking: Our Path to Net Zero**

RESPONSIBLE BUSINESS IS GOOD BUSINESS

We are implementing programs that will help us reduce emissions across our three largest areas of impact.

Responsible Sourcing

Implementing sustainable procurement practices is critical to our ability to drive sustainable change. We are working to develop a responsible sourcing program to formalize governance around ethical and responsible procurement practices, and advancing decarbonization efforts across our supply chain. The program includes supplier qualification, supply chain monitoring, and supplier performance and education plans on both environmental and social criteria.

Among other initiatives, our program will establish pre-screening due diligence and ongoing monitoring of in-scope suppliers to assess and evaluate human rights and environmental risks, policies and practices. Additionally, suppliers will be asked to annually acknowledge BDO's Supplier Code of Conduct, which communicates our expectations and requirements of suppliers and aligns with our own [Sustainability Code of Ethics and Corporate Responsibility](#).

We are conducting analysis and implementing systems that will help us obtain more detailed data on the emissions impact at the product and service level, and we will engage with critical suppliers on emissions reduction strategies.

Responsible Travel

Historically, business travel has been a significant part of our business – critical to our ability to provide exceptional client service, attend team meetings and professional trainings, and participate in industry events. However, the global pandemic, by necessity, required us to rethink the way we've always done things. We've taken what we learned during the that time and are applying it to evolve how and where we work, and how we evaluate essential travel.

We know that managing our business travel-related emissions will be a component of our plans to reduce our GHG emissions, and we are focusing on ways to travel smarter and travel less – while balancing the need for and value of in-person interaction.

As we work to align our decarbonization efforts to achieve our near- and long-term emissions reduction goals, we will update our firm travel policy and practices to help us minimize our travel-related emissions.

We are currently working with our travel and hospitality suppliers to obtain better, more consistent, and more frequent data and reporting related to our travel and meeting activities. During 2024, we plan to roll out an enhancement to our travel booking management system that will make emissions data available to employees when they book their trips, providing them with transparency around the impact their travel choices make, and the opportunity to travel more responsibly.



ENVIRONMENTAL STEWARDSHIP / **Actions We're Taking: Our Path to Net Zero**

Responsible Offices

We are currently developing a responsible office program to assist with the decarbonization of our leased office space. Among other initiatives, the program will include environmentally-focused criteria during building selection and establish construction criteria based on green standards for suite fit-outs and retrofits. We are also engaging with building managers to expand participation in building sustainability initiatives, such as landfill diversion programs for recycling or composting.

Last year, we began conversations with our real estate brokers to integrate sustainability criteria into our building site selection processes as we assess new office locations and evaluate lease renewals. These criteria enable us to consider environmental certifications, energy management systems, suite-specific electric metering, on-site renewable energy, air quality management and waste diversion programs, among others.

We currently occupy offices in 40 buildings that have achieved LEED or ENERGY STAR environmental certifications. As leases come up for renewal or we expand into new markets, our goal is to – where available and feasible – only enter into new leases in buildings that meet our minimum sustainability criteria, among other considerations. Beyond that, we have assessed our building occupancy levels and are committed to optimizing our real estate footprint to better align with our hybrid and flex work environment.

We also continue to engage with our building managers to obtain more accurate and frequent data on energy use, waste and water impacts of our office space.

CLIMATE STRATEGY AND RESILIENCE PLANNING

As part of our crisis management and business continuity programs, we have established a framework for responding to disruptions in our business operations, including those that may occur due to extreme weather events resulting from climate change. We have plans that help us protect our people and our processes, and have developed recovery strategies that enable us to mitigate risk and minimize impact.

In 2024, we will be undertaking a climate risk assessment and scenario planning analysis to identify transition and physical risks most impactful to BDO. This work will enable us to consider additional climate risk and mitigation strategies in our enterprise risk management efforts and will allow us to expand our reporting to align with IFRS Sustainability Disclosure Standards in future reporting years.

ENVIRONMENTAL STEWARDSHIP / Waste and Water

WASTE ELIMINATION AND REDUCTION

To understand the waste generated in our offices, we survey our building managers annually to assess the waste to landfill and diversion rates for each location and use estimates for those locations where we are unable to obtain data.*

During fiscal year 2023, BDO offices produced approximately 327 metric tons of waste likely destined for landfill, down 29% year-over-year. Emissions generated by this waste comprised only 0.2% of our total Scope 3 emissions. View full Scope 3 Emissions breakdown [here](#).

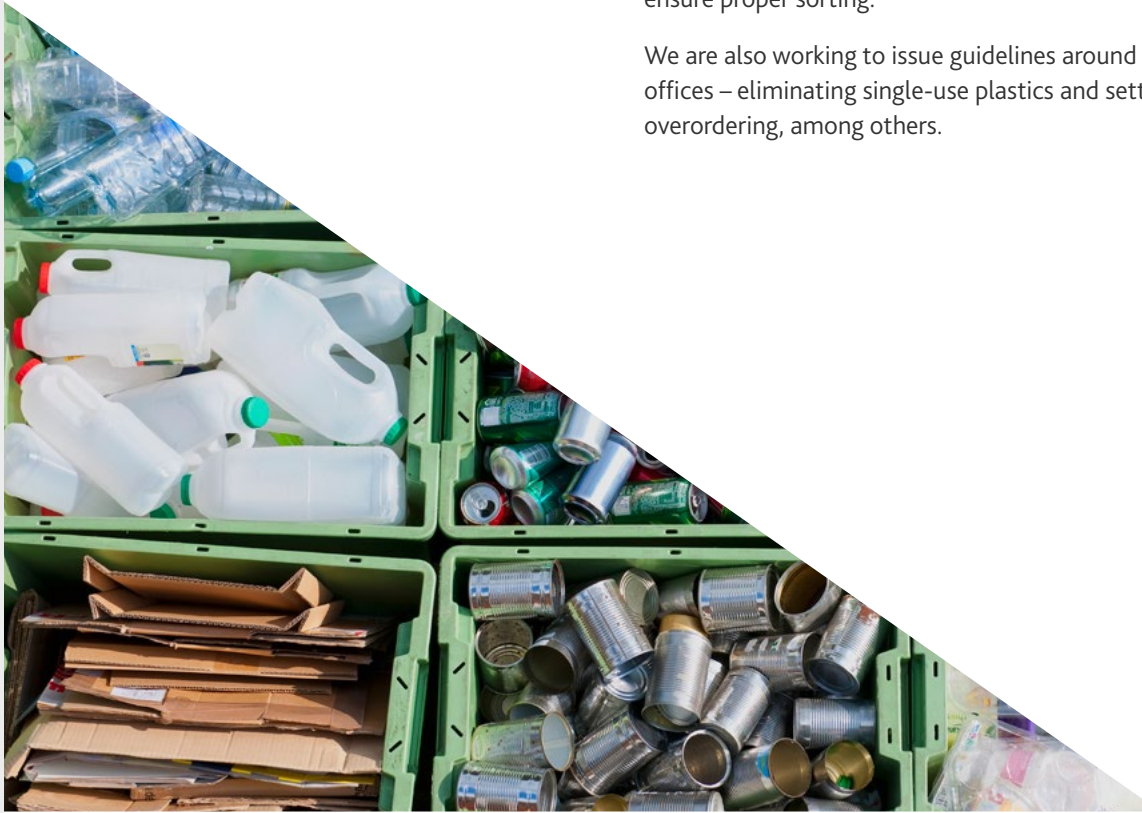
Actions We're Taking

As tenants, we do not control the waste management programs in the buildings we occupy, which limits our ability to improve the treatment and disposal of waste in our offices. However, we remain committed to minimizing waste in our operations through a variety of methods.

We are working with our buildings to ensure participation in landfill diversion programs, where available, and will be engaging with building management to try to influence sorting practices and obtain better data on diversion rates.

We also recognize that much of our office waste can be minimized through employee engagement and education strategies, providing our people with the tools and information necessary to make more responsible decisions around waste disposal. As part of our responsible office program, we are working with our architects to explore best practices for fit-outs and retrofits to foster more sustainable behaviors, including centralized waste receptacles and clear labeling of receptacles to ensure proper sorting.

We are also working to issue guidelines around the procurement of supplies within our local offices – eliminating single-use plastics and setting standards around supply type, quantities, and overordering, among others.



* Our waste-related emissions methodology does not currently include any furniture or electronics destined for landfill. We are working to expand our methodology to include this information in future reporting years.

ENVIRONMENTAL STEWARDSHIP / Waste and Water

Beyond our building-related waste, we have implemented robust programs to eliminate or reduce waste related to the decommissioning of offices and electronic assets. We are working with our suppliers to obtain better data so that we can incorporate furniture and e-waste into our waste emissions footprint in future reporting.

Furniture Circularity

We work with our furniture decommissioning vendor, Eco Tekk, to rehome, recycle, resell or donate our office furniture after it has reached the end of its useful life at its current location. Their program supports our mission to divert as much furniture waste as possible from landfill. In addition to responsible disposal practices, Eco Tekk also works to match our supply of decommissioned office furniture with nonprofit and community organizations in need.

Electronics Reuse and Recycling

In an effort to minimize our electronic waste, we work with suppliers to resell, reuse or recycle as many of our electronic assets as possible at the time they are taken out of service.



During fiscal year 2023, we diverted 12,032 pounds of e-waste from landfill across various types of electronic assets.

This resulted in 5.12 MT CO₂e of avoided GHG emissions and 75.92 MMBtu of energy savings – equivalent to conserving 24 households' annual energy consumption. Nearly 99% of electronic assets diverted from landfill were recycled.

We also participated in an electronic buyback program with our laptop supplier. As we replaced outdated or damaged machines, we sold back approximately 760 laptops, which were then either resold, destroyed, recycled, or otherwise disposed of in accordance with applicable laws and regulations.

Spotlight On Circularity

In 2023, BDO consolidated multiple New York City offices into a single office location, which resulted in the decommissioning of a significant amount of furniture. To divert that furniture from landfill, we worked with Eco Tekk to rehome, recycle or donate the majority of the 78 truckloads worth of assets.



Of the approximately 195 tons of furniture decommissioned, we diverted approximately 179 tons — or 92% — from landfill.

As part of that effort, Eco Tekk matched BDO with a behavioral health nonprofit in need of furniture at their clinic locations. Through this relationship we donated approximately 28 tons of furniture for their use. The remaining truckloads diverted from landfill were either redeployed, sold or sent to scrap.

ENVIRONMENTAL STEWARDSHIP / **Waste and Water**

MINIMIZING WATER USE

In fiscal year 2023, we estimate that we used approximately 48 megaliters of water across our office locations, up 17% from the previous year total of 41 megaliters.

Actions We're Taking

As tenants, we do not have direct control over the water management programs in our office buildings. However, we have standardized the installation of low-flow fixtures in our office suites in locations with in-suite kitchens and restrooms, and we will be engaging with our building owners to understand the water reduction measures in place at each building. We are evaluating what other actions we can take to reduce our water impact, establishing specific criteria for the selection of water efficient appliances and plumbing in our suites.



Helping People Thrive

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HELPING PEOPLE THRIVE

Our core purpose – Helping People Thrive Every Day – is something everyone in our organization works to embody. Each of our programs, policies and initiatives, and more importantly our behaviors, is chosen to support an environment where all our people can not only be – but thrive – as their authentic selves.

We believe that when people feel valued and fulfilled, they will pay it forward, expanding our culture of thriving. Through our work, we support the growth of our clients. Through our mentorship and career development, we invest in the development of our colleagues. Through our inclusion activities, we work to foster a sense of belonging for all. Through our social impact efforts, we come together to serve as stewards for the communities in which we live and work. Finally, through our ESOP, we all contribute to – and receive the benefits of – the success of our organization.

This level of commitment, ownership and accountability fuels our long-term progress and contributes to the overall sustainability of the firm.



BDO Charlotte Women's Inclusion Group

HELPING PEOPLE THRIVE / People

To understand the unique needs, interests and goals of over 12,000 professionals, open communication and transparency is a priority.

A key factor in continuing to cultivate a diverse, inclusive and welcoming culture is providing transparency into workforce demographics. By understanding the demographic makeup, and gaining insights into hiring and turnover data, effective recruitment, development, retention and advancement strategies are able to be created. Data below is for BDO USA unless otherwise specified.

Employees by Headcount - Count

Year	BDO USA (U.S.)			BDO RISE (India)		
	Total	Men	Women	Total	Men	Women
FY22	9,595	5,034	4,561	1,222	710	512
FY23	10,249	5,305	4,944	1,973	1,110	863

Employees by Headcount - Rate

Year	BDO USA (U.S.)			BDO RISE (India)		
	Total	Men	Women	Total	Men	Women
FY22	100%	52%	48%	100%	58%	42%
FY23	100%	52%	48%	100%	56%	44%

FY22 data is as of April 30, 2022.

FY23 data is as of April 30, 2023.

Some data categories may not add up to 100% due to rounding to the nearest whole percent. Rates for gender, race/ethnicity and age group are determined as a percentage of the whole, by category.

HELPING PEOPLE THRIVE / **People****New Hires - Count**

	TOTAL	GENDER		AGE GROUP		
		Men	Women	<30	30-50	>50
BDO USA (U.S.)						
FY22	3,107	1,669	1,438	1,502	1,301	304
FY23	4,332	2,232	2,100	2,655	1,424	253
BDO RISE (India)						
FY22	1,157	662	495	760	393	4
FY23	919	512	407	608	311	0

New Hires - Rate

	TOTAL	GENDER		AGE GROUP		
		Men	Women	<30	30-50	>50
BDO USA (U.S.)						
FY22	100%	54%	46%	48%	42%	10%
FY23	100%	52%	48%	61%	33%	6%
BDO RISE (India)						
FY22	100%	57%	43%	66%	34%	0%
FY23	100%	56%	44%	66%	34%	0%

FY22 data reflects cumulative new hires during the period May 1, 2021 through April 30, 2022.

FY23 data reflects cumulative new hires during the period May 1, 2022 through April 30, 2023.

Some data categories may not add up to 100% due to rounding to the nearest whole percent. Rates for gender, race/ethnicity and age group are determined as a percentage of the whole, by category.

HELPING PEOPLE THRIVE / People

Voluntary Turnover - Count

	TOTAL	GENDER		AGE GROUP		
		Men	Women	<30	30-50	>50
BDO USA (U.S.)						
FY22	1,791	–	–	871	786	134
FY23	1,756	960	796	642	908	206
BDO RISE (India)						
FY22	180	–	–	134	45	1
FY23	352	216	136	207	144	1

Voluntary Turnover - Rate

	TOTAL	GENDER		AGE GROUP		
		Men	Women	<30	30-50	>50
BDO USA (U.S.)						
FY22	23%	26%	24%	34%	22%	14%
FY23	17%	18%	16%	19%	17%	13%
BDO RISE (India)						
FY22	24%	32%	24%	19%	20%	16%
FY23	28%	32%	24%	23%	40%	0%

Voluntary and Involuntary
Turnover Rates - BDO USA and
BDO RISE Combined

	FY22	FY23
Voluntary	21%	18%
Involuntary	1%	4%

FY22 turnover by gender was not reported in our 2022 Sustainability Report. Due to system limitations, we are unable to replicate the same population that was the basis of our FY22 total turnover headcounts. As a result, FY22 turnover by gender headcounts have been omitted from this report.

Rates are based on percentage of average headcount for the fiscal year, by category.

Some data categories may not add up to 100% due to rounding to the nearest whole percent.

HELPING PEOPLE THRIVE / People

Board of Directors Demographic Data

	GENDER		RACE/ETHNICITY								AGE GROUP		
	Men	Women	White	American Indian or Alaska Native	Asian	Hispanic or Latinx	Native Hawaiian or other Pacific Islander	Black or African American	Two or More Races	Declined to Disclose	<30	30-50	>50
FY22	67%	33%	83%	0%	8%	8%	0%	0%	0%	0%	0%	33%	67%
FY23	58%	42%	75%	0%	8%	8%	0%	8%	0%	0%	0%	42%	58%

Executive Team Demographic Data

	GENDER		RACE/ETHNICITY								AGE GROUP		
	Men	Women	White	American Indian or Alaska Native	Asian	Hispanic or Latinx	Native Hawaiian or other Pacific Islander	Black or African American	Two or More Races	Declined to Disclose	<30	30-50	>50
FY22	86%	14%	100%	0%	0%	0%	0%	0%	0%	0%	0%	14%	86%
FY23	86%	14%	86%	0%	0%	14%	0%	0%	0%	0%	0%	29%	71%

FY22 data is as of April 30, 2022.

FY23 data is as of April 30, 2023.

Some data categories may not add up to 100% due to rounding to the nearest whole percent. Rates for gender, race/ethnicity and age group are determined as a percentage of the whole, by category.

HELPING PEOPLE THRIVE / People

Firm Demographic Data

LEVEL	GENDER		RACE/ETHNICITY							AGE GROUP			
	Men	Women	White	American Indian or Alaska Native	Asian	Hispanic or Latinx	Native Hawaiian or other Pacific Islander	Black or African American	Two or More Races	Declined to Disclose	<30	30-50	>50
Overall													
FY22	52%	48%	65%	0%	17%	9%	0%	6%	2%	1%	31%	51%	18%
FY23	52%	48%	68%	0%	18%	5%	0%	6%	2%	1%	36%	50%	14%
Associate													
FY22	46%	54%	59%	0%	18%	13%	0%	6%	3%	0%	66%	25%	8%
FY23	46%	54%	62%	0%	21%	7%	0%	7%	4%	0%	71%	23%	7%
Senior Associate													
FY22	49%	51%	57%	0%	21%	11%	0%	8%	2%	0%	45%	47%	9%
FY23	48%	52%	59%	0%	23%	6%	0%	9%	3%	0%	52%	42%	6%



FY22 data is as of April 30, 2022.

FY23 data is as of April 30, 2023.

Some data categories may not add up to 100% due to rounding to the nearest whole percent. Rates for gender, race/ethnicity and age group are determined as a percentage of the whole, by category.

HELPING PEOPLE THRIVE / People

Firm Demographic Data

LEVEL	GENDER		RACE/ETHNICITY								AGE GROUP		
	Men	Women	White	American Indian or Alaska Native	Asian	Hispanic or Latinx	Native Hawaiian or other Pacific Islander	Black or African American	Two or More Races	Declined to Disclose	<30	30-50	>50
Manager													
FY22	45%	55%	65%	0%	17%	9%	0%	7%	2%	1%	15%	71%	15%
FY23	45%	55%	67%	0%	18%	5%	0%	7%	2%	1%	22%	66%	12%
Senior Manager													
FY22	55%	45%	71%	0%	15%	7%	0%	3%	1%	1%	1%	75%	24%
FY23	55%	45%	74%	0%	16%	4%	0%	3%	1%	1%	3%	77%	20%
Director/Managing Director/Senior Director													
FY22	62%	38%	79%	0%	12%	4%	0%	2%	1%	1%	0%	62%	38%
FY23	62%	38%	80%	0%	13%	2%	0%	3%	1%	1%	0%	68%	32%
Principal													
FY22	76%	24%	82%	0%	7%	7%	0%	1%	1%	2%	0%	54%	46%
FY23	76%	24%	84%	0%	8%	4%	0%	1%	1%	2%	0%	63%	37%

FY22 data is as of April 30, 2022.

FY23 data is as of April 30, 2023.

Some data categories may not add up to 100% due to rounding to the nearest whole percent. Rates for gender, race/ethnicity and age group are determined as a percentage of the whole, by category.

HELPING PEOPLE THRIVE / People

New Hire Demographic Data

LEVEL	GENDER		RACE/ETHNICITY								AGE GROUP		
	Men	Women	White	American Indian or Alaska Native	Asian	Hispanic or Latinx	Native Hawaiian or other Pacific Islander	Black or African American	Two or More Races	Declined to Disclose	<30	30-50	>50
Overall													
FY22	54%	46%	68%	0%	17%	5%	0%	6%	2%	1%	48%	42%	10%
FY23	52%	48%	61%	0%	24%	5%	0%	8%	3%	0%	61%	33%	6%
Associate													
FY22	46%	54%	62%	0%	20%	7%	0%	7%	3%	2%	64%	27%	9%
FY23	49%	51%	60%	0%	24%	5%	0%	8%	4%	0%	77%	21%	2%
Senior Associate													
FY22	49%	51%	60%	0%	21%	6%	0%	9%	3%	1%	46%	47%	7%
FY23	49%	51%	47%	0%	32%	6%	0%	13%	2%	0%	40%	55%	5%



FY22 data is as of April 30, 2022.

FY23 data is as of April 30, 2023.

Some data categories may not add up to 100% due to rounding to the nearest whole percent. Rates for gender, race/ethnicity and age group are determined as a percentage of the whole, by category.

HELPING PEOPLE THRIVE / People

New Hire Demographic Data

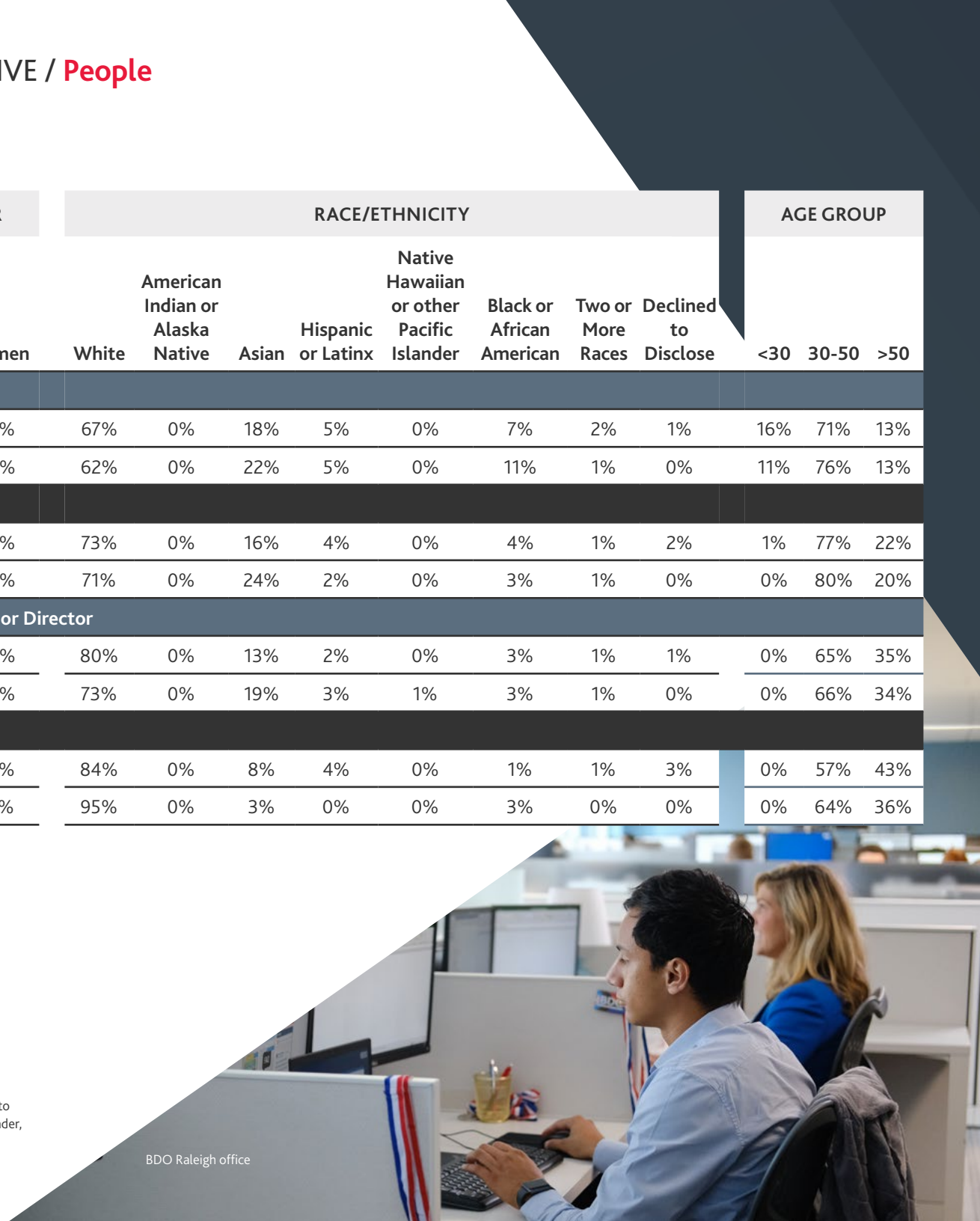
LEVEL	GENDER		RACE/ETHNICITY								AGE GROUP		
	Men	Women	White	American Indian or Alaska Native	Asian	Hispanic or Latinx	Native Hawaiian or other Pacific Islander	Black or African American	Two or More Races	Declined to Disclose	<30	30-50	>50
Manager													
FY22	45%	55%	67%	0%	18%	5%	0%	7%	2%	1%	16%	71%	13%
FY23	51%	49%	62%	0%	22%	5%	0%	11%	1%	0%	11%	76%	13%
Senior Manager													
FY22	55%	45%	73%	0%	16%	4%	0%	4%	1%	2%	1%	77%	22%
FY23	54%	46%	71%	0%	24%	2%	0%	3%	1%	0%	0%	80%	20%
Director/Managing Director/Senior Director													
FY22	62%	38%	80%	0%	13%	2%	0%	3%	1%	1%	0%	65%	35%
FY23	61%	39%	73%	0%	19%	3%	1%	3%	1%	0%	0%	66%	34%
Principal													
FY22	76%	24%	84%	0%	8%	4%	0%	1%	1%	3%	0%	57%	43%
FY23	84%	16%	95%	0%	3%	0%	0%	3%	0%	0%	0%	64%	36%

FY22 data is as of April 30, 2022.

FY23 data is as of April 30, 2023.

Some data categories may not add up to 100% due to rounding to the nearest whole percent. Rates for gender, race/ethnicity and age group are determined as a percentage of the whole, by category.

BDO Raleigh office



HELPING PEOPLE THRIVE / People

Promotion Demographic Data

LEVEL	GENDER		RACE/ETHNICITY								AGE GROUP		
	Men	Women	White	American Indian or Alaska Native	Asian	Hispanic or Latinx	Native Hawaiian or other Pacific Islander	Black or African American	Two or More Races	Declined to Disclose	<30	30-50	>50
Overall													
FY22	50%	50%	63%	0%	20%	10%	0%	4%	3%	1%	51%	46%	3%
FY23	52%	48%	67%	0%	21%	5%	0%	4%	3%	1%	52%	45%	4%
Associate													
FY22	52%	48%	62%	0%	21%	9%	0%	5%	2%	0%	84%	15%	1%
FY23	52%	48%	67%	1%	20%	6%	0%	3%	4%	0%	83%	16%	1%
Senior Associate													
FY22	51%	49%	58%	0%	24%	11%	0%	3%	3%	0%	72%	27%	1%
FY23	52%	48%	64%	0%	22%	6%	0%	4%	3%	0%	69%	29%	2%



BDO New York office

FY22 data is as of April 30, 2022.

FY23 data is as of April 30, 2023.

Some data categories may not add up to 100% due to rounding to the nearest whole percent. Rates for gender, race/ethnicity and age group are determined as a percentage of the whole, by category.

Promotion Demographic Data

LEVEL	GENDER		RACE/ETHNICITY								AGE GROUP		
	Men	Women	White	American Indian or Alaska Native	Asian	Hispanic or Latinx	Native Hawaiian or other Pacific Islander	Black or African American	Two or More Races	Declined to Disclose	<30	30-50	>50
Manager													
FY22	45%	55%	65%	0%	18%	9%	0%	4%	2%	1%	28%	68%	4%
FY23	46%	54%	66%	0%	23%	5%	0%	5%	2%	0%	32%	64%	4%
Senior Manager													
FY22	48%	52%	73%	0%	13%	8%	0%	3%	1%	2%	4%	88%	8%
FY23	58%	42%	67%	0%	18%	6%	0%	4%	2%	2%	4%	89%	7%
Director/Managing Director/Senior Director													
FY22	52%	48%	72%	0%	14%	7%	1%	3%	1%	3%	1%	91%	8%
FY23	58%	42%	77%	0%	15%	2%	0%	1%	3%	3%	0%	90%	10%
Principal													
FY22	71%	29%	74%	0%	12%	9%	0%	1%	3%	1%	0%	90%	10%
FY23	70%	30%	77%	0%	12%	2%	0%	4%	3%	3%	0%	86%	15%

FY22 data is as of April 30, 2022.

FY23 data is as of April 30, 2023.

Some data categories may not add up to 100% due to rounding to the nearest whole percent. Rates for gender, race/ethnicity and age group are determined as a percentage of the whole, by category.

HELPING PEOPLE THRIVE / People

THE POWER OF PULSE

To enhance the experiences of our people, we must first understand their experiences. Areas such as leadership, trust and belonging have a significant impact on employee experience and engagement but can also be challenging to measure. In 2016, BDO introduced our firmwide Pulse survey to take a customized approach to collecting feedback from our professionals on these topics, among others.

Anonymous data from the survey is analyzed through a number of filters, giving leaders deep insight into their teams. We've found that insights from the annual survey can improve – even transform – the work experience for our professionals.

In 2023, findings were provided to nearly 250 unique groups around the firm, with each team leader receiving actionable insights based on the data collected. Results include important satisfaction measures from how change is communicated to how schedules are managed, as well as awareness into engagement levels, trust in leadership and overall fulfillment. Leaders can use this information to create tailored action plans to adjust their approach and program delivery, which in turn can improve employee satisfaction levels reflected in feedback metrics in future years.

Pulse results and corresponding action plans are shared, allowing professionals to see how their input leads to positive change in their offices and on their teams. When professionals see this happening year after year, they become more invested in the survey and the participation rate climbs. In fact, participation has steadily grown every year since 2016. It now stands at 90%.



Our people complete the survey each year because they know they will hear directly from their leaders on results and action plans. Ultimately, this transparency does far more than boost the participation rate. It is helping to create a dynamic in which an annual survey becomes a catalyst for positive change. This contributes to a stronger sense of belonging – something that everyone wants and needs. That, I believe, is the true power of Pulse.

CATHY MOY
Chief People Officer

What Our People Had to Say

96% feel they are provided equitable opportunities to advance their careers at BDO

93% feel like they belong at BDO

92% have a high degree of trust in firm leadership

91% witness BDO's core value of People First demonstrated by their colleagues



The Engagement Index: 88%

Introduced in 2023, the engagement index seeks to comprehensively measure employee engagement through various lenses – firmwide, by practice area and by geography. The index is composed of weighted scores across four areas of the survey: leadership, work-life, communication, and career development.

HELPING PEOPLE THRIVE / Talent

Our success is dependent upon our people and our ability to help them thrive, both in and out of work.

Our approach is to cultivate a conscious and caring corporate culture that puts people at the center of everything we do. We're committed to delivering on this promise through all stages of an individual's journey with BDO.

Through our recruitment efforts, we are focused on finding skilled and innovative professionals who are passionate about the work they do. Once they are here, we must give them a reason to stay. We strive to provide opportunities for growth, advancement and engagement tailored to each person's needs, interests and career goals so that everyone feels a sense of belonging and pride to be a part of our firm.

When our people feel valued and fulfilled, they also do their best work. We foster an open and collaborative environment where ideas can be shared freely and teams can work together to determine how to best meet their firm and client responsibilities. This contributes to building stronger teams and delivering exceptional client service.

Establishing an [ESOP](#) further enhanced the firm's talent strategy. Through the ESOP, eligible employees now have a beneficial ownership stake in BDO. This retirement vehicle not only helps our professionals plan for their future financial well-being, it also encourages a mindset of collective ownership, trust and collaboration to support the firm's long-term growth and success. We believe an ESOP is a transformational move to attract and retain talent who are invested in the firm, in their colleagues and in their clients.



Today's professionals have many options in choosing where to start and build their careers. BDO has long been distinguished by a culture which puts people first with a commitment to thriving together. The ESOP is innovative in our profession and supports our goal to be an employer of choice.

CATHY MOY
Chief People Officer

HELPING PEOPLE THRIVE / Talent

RECRUITMENT

Creating a sense of belonging and pride starts well before an individual's first day of work. Candidates at all levels must be able to see themselves at the organization they are considering, so we work hard to create meaningful and authentic early connections with prospective colleagues. For candidates, it's a chance to meet possible colleagues and gauge whether the organization is a fit. For the firm, it's a time to demonstrate the benefits of a career at BDO and put our conscious and caring culture on full display.

Through our campus recruiting initiatives, we connect directly with candidates at their schools or through student organizations, helping to showcase the benefits of a career in accounting and shed light on what they can expect as they enter the workforce. In recent years, we've also collaborated across the larger accounting industry to help inspire underrepresented students as early as high school to consider accounting as a career path, with the goal of expanding the talent pipeline and increasing diversity within the industry.

Additionally, we engage with experienced candidates through a variety of channels, working to find professionals with the right skillsets to join our teams and identifying leaders who embody our core purpose and values.

Attracting top talent to BDO assures that we can best serve our clients and contributes to the long-term success and sustainability of the firm.

In 2023, we had a 25% increase in offers extended to candidates interviewed through NABA, ALPFA and Ascend, with a 70% acceptance rate.

Active Engagement With Diversity-Focused Organizations

A major part of our recruitment strategy is our involvement with organizations such as the National Association of Black Accountants (NABA), Association of Latino Professionals for America (ALPFA) and Ascend – the largest Pan-Asian business professional membership organization in North America. Throughout the year, we engage with these organizations by sponsoring and attending national and local events designed for both students and experienced professionals, where we engage with attendees through on-site networking and interviews. This allows us to recruit from a diverse talent pool while also providing our people with opportunities for professional education and development.



HELPING PEOPLE THRIVE / Talent

Pathway to Success

Our Pathway to Success leadership program is designed to help college students as they navigate decisions around their choice of major and internship, and provide guidance as they explore a variety of career options. It is also an investment in the accounting profession, helping to foster interest in the field and expand the pipeline of talent. For over a decade, the program has helped students explore the professional services industry and career paths at BDO, while getting to know our people in the process.

In fiscal year 2023, we increased opportunities for intentional connection through an ongoing mentorship program offered exclusively to attendees. Interested individuals were paired with a BDO client service professional for monthly or quarterly meetings over a six-month period following the program, where students benefited from career advice and guidance from a seasoned professional in their field. As a result, BDO maintained a deeper connection with students as they began to consider post-graduation employment.

Now in its second year, mentorship program enrollment has increased by 55%, with 97% of participants saying that they found the mentorship rewarding and they would recommend the program to a friend.

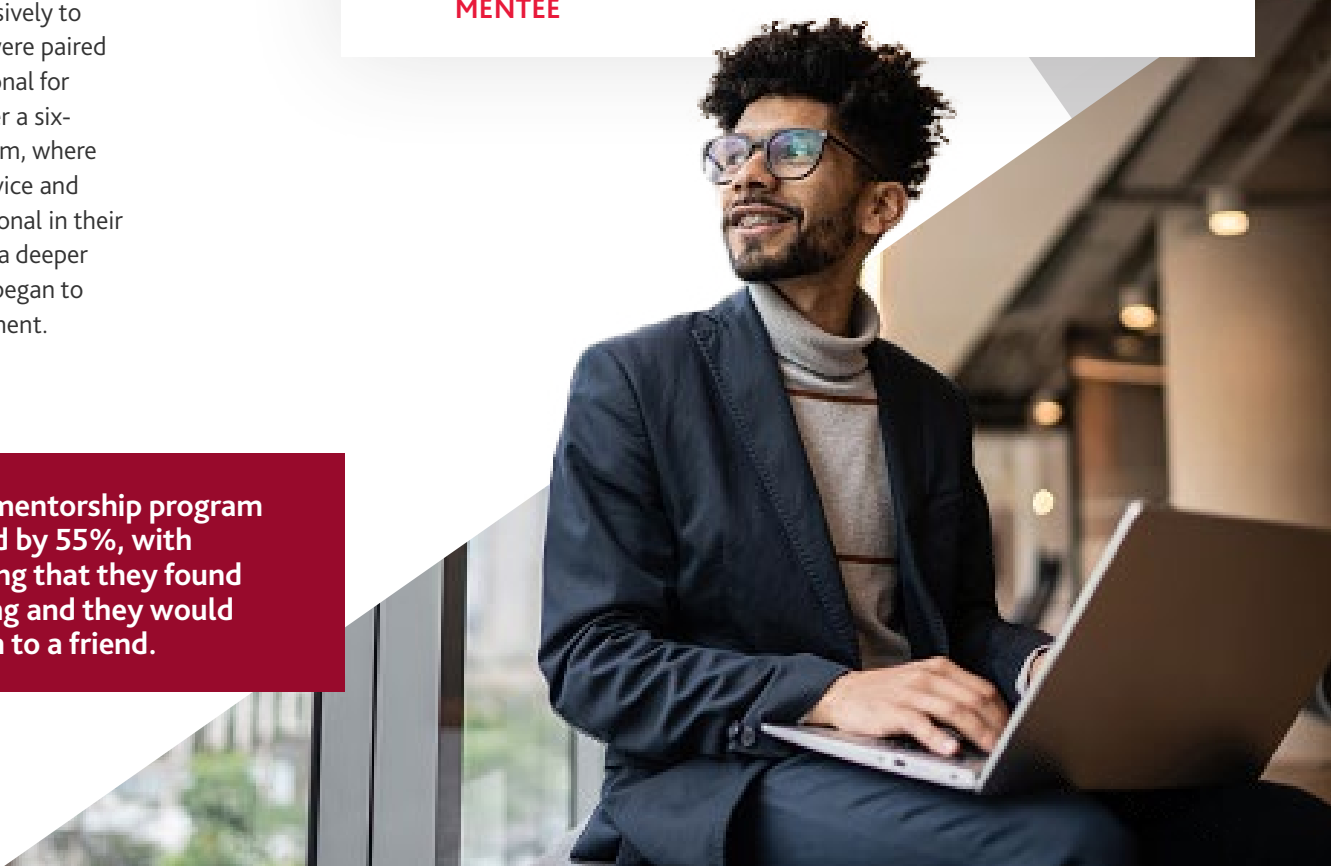


My mentor provided invaluable support during moments when the academic load felt overwhelming. She not only offered guidance on handling lectures and understanding various teaching styles but also motivated me to consider applying for the master's program. Her encouragement made a significant difference during challenging times.

MENTEE

Being able to learn and take advice from someone already in the workforce was very helpful as I continue to learn about the field and prepare for my future.

MENTEE



HELPING PEOPLE THRIVE / Talent

RETENTION

Inspiring our people to build long-term careers at BDO is a priority, and in doing so, retention plays an important role in the overall sustainability of our business. We invest in a culture that helps our people thrive by providing comprehensive benefits, fostering an inclusive workplace and creating tailored education and advancement opportunities for all.

We offer a variety of professional development programs to promote growth for individuals at every stage of their professional journey — from job-specific trainings to courses that hone their technical knowledge to a fulsome experiential leadership development curriculum.

Additionally, every individual in our organization deserves to be seen and heard, so we create forums for open and honest discussion and feedback. Whether through peer mentoring circles, candid discussions around important topics, town hall meetings, or direct lines of communication to BDO's leaders, we recognize and value the ideas and innovative thinking that are shared through conversation.

Creating Channels for Meaningful Dialogue With Leaders

Our leaders believe it is crucial to directly engage in regular conversation with people across the organization to gain diverse insights and perspectives. Our Executive Team Advisory Council (ETAC) — composed of individuals across a variety of levels, practice areas and geographies — helps shape the firm's future by meeting with the Executive Team on a regular basis to address key topics and business challenges through constructive dialogue.

In April 2022, 14 individuals were selected through a comprehensive application process to serve an 18-month term on the council. Since then, the ETAC and the Executive Team have met quarterly for in-person sessions, working collaboratively to identify key priorities and develop potential solutions. The ETAC has also served as a champion for the importance of effective career advising and strategic conversations, and to help amplify the voices of their peers. In fact, their feedback led to the development of our "Conversations: Helping People Thrive" program.



My biggest takeaway from this experience has been the importance of the group dynamic. No large-scale issue can be solved by one person or one group. It takes a large amount of collaboration from individuals of all different backgrounds and demographics, to truly reach and form an actionable solution for items and issues that are pervasive to the company. This is why the ETAC is so important. We have members at every level, from every geographic location. We vary in age, experience, tenure and many other demographic characteristics and that is why our advice and contribution is so important and sought after. We represent the perspective of the broader employee base of the company.

DILLON BETTS

Experienced Assurance Senior and Executive Team Advisory Council Member

HELPING PEOPLE THRIVE / Talent

ADVANCEMENT

A core component of helping our people thrive is making sure that they have a clear understanding of what it takes to grow their career at BDO and the resources to help them achieve their professional goals. Our performance management program includes defined guidance on achieving specific career milestones, while also emphasizing one-to-one connection between managers and their advisees to help support each individual's unique goals and ambitions.

We are also intentional about creating opportunities for connection outside of the performance management process, including mentorship. Individual preferences, styles and comfort levels vary when it comes to professional development. Value can be derived both in formal programs and organic relationships. In addition to our structured performance process, we offer formal mentorship programs and encourage informal mentorship meet-ups.

GROW

BDO's performance management philosophy centers around fostering a culture of regular one-on-one conversations about development, career progression and performance. The review process includes a self-evaluation, career advisor review, GROW (Goals, Results, Opportunities & Well-being) meetings and candid and constructive feedback to support high performance. Goals are dynamic and can be updated throughout the year as needs or roles evolve. To add additional value and insight, stakeholders beyond the immediate career advisor are asked to provide input regarding an individual's performance and development. GROW meetings occur at least once a year and are guided by the firm's competency model. They provide career advisors the opportunity to discuss the advisee's goals, competency development and overall performance contributions to the practice, department and/or firm. They provide advisees with a standard framework for career development and clarity around career progression and feedback. The purpose of these discussions is to provide each individual a path forward to further develop their career.

Exceptional and Engaged Leaders Program

At specific milestones within their careers, BDO professionals will have the opportunity to take part in one of our premiere programs to better prepare them for each successive leadership role they achieve. Leaders are either placed in these milestone programs upon promotion or specially nominated for participation by firm leadership based on proficiency level and career development goals. Comprising both in-person and virtual sessions spanning the course of a year, each program emphasizes one overarching leadership theme that is foundational to a professional's success at their specific stage of their leadership journey. Additionally, participants experience coaching, career advising discussions and tools to help them practically refine and apply the skills they learn.

Conversations: Helping People Thrive

In 2023, BDO introduced "Conversations: Helping People Thrive," a program for career advisors and advisees to better support ongoing goal-focused feedback and development discussions – and illuminate a path for personal and professional growth for all. The program provides career advisors with new and enhanced tools, resources and materials to leverage, including training videos, live and virtual trainings, self-study courses, and more, all of which were designed to help strengthen the level of support for advisees.

HELPING PEOPLE THRIVE / Talent

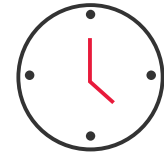
EMPOWERMENT THROUGH EDUCATION

Learning and development is integral to our firm and ensures that our people are given opportunities to enhance their technical and leadership skills, while subsequently contributing to the growth of our firm. We offer robust and flexible trainings that include level and role-based curricula through our continuous learning model. This approach enables our people to continuously develop, refresh and enhance their knowledge and skills to support their own personal growth and meet our clients' needs, the changing demand of the market and new legal requirements.

Our learning opportunities include a wide variety of training topics delivered via live face-to-face sessions, webcasts and self-study courses. Through BDOU, our professionals also have access to a catalog of online self-directed and live virtual learning courses. Key skill areas emphasized in our learning and development curriculum are aligned with our core competencies and the needs of our professionals to fulfill their industry-focused and service line roles. Additionally, throughout 2023, our assurance practice professionals participated in a reimagined Audit Quality Learning Journey program designed to elevate quality across our audits. The program launched with a unique structure and design, consisting of in-person trainings, workshops, on-the-job learning and virtual on-demand courses.

In accordance with AICPA and PCAOB guidelines, BDO requires that all client service professionals complete 120 hours of Continuing Professional Education (CPE) over a three-year rolling period and a minimum of 20 credit hours annually.

For BDO Assurance professionals, a minimum of eight of these hours per year and 48 of these hours over a three-year rolling period must qualify for Accounting and Auditing credit. BDO also provides mandatory trainings to our professionals on various compliance-related topics.



Fiscal Year 2023 by the Numbers

560,000+

Total Numbers of Hours Trained

47 Average Hours of Training
Per Male Professional

44 Average Hours of Training
Per Female Professional

77 Average Hours of Training
Per Principal

43 Average Hours of Training
Per Non-Principal

The average hours of training per principal rose in fiscal year 2023 due to the introduction of new audit quality trainings and an expanded CPE curriculum at our annual Principal Meeting.

HELPING PEOPLE THRIVE / Talent

Promoting Inclusivity Through Education

One way that we seek to foster greater inclusion among our people is by offering learning opportunities. Building on our long-standing unconscious bias training, we recently expanded our course offerings to include new self-study sessions focused on building relationships across different cultures and recognizing and responding to subtle acts of exclusion in the workplace.

Expanding Our Collective Sustainability Knowledge

Part of our commitment to sustainability as an organization is providing education to our people — on both the firm's policies and practices as well as the broader sustainability landscape. Over the past year, we have made great strides in the development of a BDOU Sustainability & ESG Training Series. From basic sustainability concepts to technical trainings, reporting requirements and industry-specific implications, our professionals have access to nearly 30 training courses across a multitude of sustainability and ESG topics.

In addition to our internal curriculum, we augment our sustainability learning opportunities with courses offered through our affiliation with various organizations, including the U.N. Global Compact, IFRS Sustainability Alliance and GRI Community, among others, through which our people have a host of trainings and academies available to help educate them on related topics.



HELPING PEOPLE THRIVE / Talent

GLOBAL EXPERIENCES

Through our secondment program, our professionals gain new perspectives and skillsets while working in different BDO offices across the country and around the world. We believe that exposure to different ways of working helps our people generate new and innovative ideas and strengthen cultural awareness and meaningful, collaborative relationships.

Our U.S.-based placements allow our professionals to explore different practice areas and geographies, while temporary international assignments give them the opportunity to work in and contribute to one of the more than 160 member firms within our global organization. No matter the location, all secondment participants can step outside of their comfort zone, seek out new challenges and expand their understanding of how to deliver exceptional service to our clients.



HELPING PEOPLE THRIVE / Diversity, Equity and Inclusion

At BDO, our goal is that everyone who interacts with the firm – from our people to our clients to new recruits – feels valued while being their true and authentic selves. Our DEI strategy and programs are designed with this in mind. From working to develop a diverse pipeline of entry level professionals, to enhancing our focus on the recruitment and selection process to establishing forums for intentional connection to providing training and education opportunities, we continuously seek to foster an accepting and inclusive environment. Ultimately, the most powerful metric we have for gauging the strength of our efforts is whether our people feel they belong at our firm.

Belonging is a challenge to quantify, however, because it is felt rather than seen. Our annual Pulse survey is one of the most important steps we take to understand how our people feel. Each year we ask our 12,000+ professionals for feedback on a range of topics, including belonging.



In fiscal year 2023, 93% of professionals reported that they felt they belong at BDO.

While we're proud of this number, we know that creating a true sense of belonging is an ongoing process, and we must continue to make it a priority.



The inclusive world we envision is not just an aspiration; it's a possibility that's ours to bring to life. It requires our commitment to fostering a culture of intentional connection, mutual respect and true understanding. When we unite in this purpose, I am certain, our potential to impact each other's lives and to create change in our world knows no limits.

BERNADETTE PIETERS

Chief Diversity, Equity and Inclusion Officer



HELPING PEOPLE THRIVE / Diversity, Equity and Inclusion

OUR PROGRESS

We gauge our DEI progress in forward steps taken with intention and the impact on our people and organization. Over the past two years, we focused our efforts on candidate attraction, candidate selection, transparency, and employee experience and success. We're proud of the progress we've made, and each of the milestones described has further enabled our people to thrive as their authentic selves at the firm.

Candidate Attraction

Seeking out more diverse candidates with an emphasis on meeting them where they are in their education and career path

- ▶ Hosted 22 events at Historically Black Colleges and Universities (HBCUs) during the 2023-2024 academic year, a 15% increase from the prior year
- ▶ Presented at and attended the Professional Accounting Career Exploration Program at North Carolina A&T University and NABA Accounting Career Awareness Program at Howard University and University of Houston, two programs geared towards introducing high school students to the accounting industry
- ▶ Furthered our relationship with Howard University by hiring its Chief Accounting Chair for a summer 2022 faculty externship with BDO's Data Analytics Group
- ▶ Participated in the Accounting Scholars Development Program (ASDP) through Howard University's Center for Accounting Education to promote the transition of students to a four-year college
- ▶ Hosted our Pathway to Success Career Readiness Roadmap program, collaborating with our Multicultural Alliance, to recruit traditionally underrepresented students into the program and the profession
 - In 2022, we launched a mentorship program that connects attendees to BDO professionals, and in 2023 we saw a 55% increase in student participation
- ▶ Continued our involvement with NABA, ALPFA and Ascend
 - In 2023, we had a 25% increase in offers extended to candidates interviewed through these associations, with a 70% acceptance rate
 - Engaged in seven speaking opportunities with these organizations in 2023
 - Increased number of recruiting events participated in by 139% since 2021
- ▶ Collaborated with Yello/WayUp, the number one diversity, equity and inclusion recruiting platform, reaching 264 minority serving institutions
 - Through the online application system, 70% of applicants were diverse by gender and/or race/ethnicity
- ▶ Continued our involvement with the Center for Audit Quality's [Bold Ambition](#) and [Accounting+](#) initiatives, aimed to increase awareness of the profession among Black and Hispanic students
- ▶ Sponsored a student to attend the AICPA's Accounting Scholars Leadership Workshop, designed for ethnically diverse students to broaden awareness of the profession



HELPING PEOPLE THRIVE / Diversity, Equity and Inclusion

Candidate Selection



Breaking down potential barriers within the selection process

- ▶ Enhanced diversity on our recruiting team, helping us make more meaningful connections with underrepresented candidates
 - Approximately 81% of our recruiters are female or people of color, up from 22% in 2022
- ▶ Hired 33 professionals through our Yello/WayUp DEI efforts

Transparency



Continuously sharing our DEI strategies, progress and workforce demographics with our people as well as the public

- ▶ Launched a refreshed internal DEI portal for BDO professionals in 2022, containing resources and information on how to get involved in the firm's inclusion efforts
- ▶ Published over 50 internal articles on our DEI efforts in 2023
- ▶ Expanded the categories of employee representation data published in our 2022 Sustainability Report



BDO Chicago
Pride Alliance

HELPING PEOPLE THRIVE / Diversity, Equity and Inclusion



Employee Experience and Success

Further enhancing a positive and equitable employee experience

- ▶ Released [Blank Canvas](#), a video exploration of how we design the future we want for our firm through intentional connection, mutual respect and true understanding
- ▶ In 2023, our Chief DEI Officer visited the BDO RISE India office, hosting discussions focusing on women, being your authentic self and belonging
- ▶ Expanded representation on BDO's Board of Directors; following our latest election, 64% of BDO's elected Board members are women or people of color
- ▶ Created a new unconscious bias training called "Subtle Acts of Exclusion" to extend prior unconscious bias training efforts
- ▶ Launched a self-study session exploring cross-cultural relationships
- ▶ Sponsored professionals to attend the ALPFA, NABA and Ascend conventions as well as Howard University's We're About Success program
- ▶ Hosted firmwide celebrations around cultural holidays, including a letter writing campaign featuring our professionals reflecting on important moments and individuals in their lives
- ▶ Offered more than 250 inclusion office activities and communication touchpoints with over 9,000 participants in fiscal year 2023
- ▶ Held BDO's third national inclusion summit bringing together inclusion leaders to discuss vision and strategy to inform planning
- ▶ Joined the Human Rights Campaign's [Business Coalition for Equality Act](#) in 2022
- ▶ Recognized by a variety of publications and organizations for our DEI efforts, including:
 - Human Rights Campaign: Received a score of 100 in their 2023-2024 Corporate Equality Index and earned the Equality 100 Award: Leader in LGBTQ+ Workplace Inclusion designation
 - Seramount: Named a Top Company for Executive Women and one of their 100 Best Companies, a list focused on organizations that support working parents

HELPING PEOPLE THRIVE / Diversity, Equity and Inclusion

HARNESSING THE POWER OF INCLUSION

BDO's inclusion groups, which link local gatherings and activities with firmwide programs, help create a powerful sense of community. Each group is championed by BDO leaders who are passionate about DEI and dedicated to advocating for their peers. At the firmwide level, national inclusion leaders work with our DEI team to recognize cultural holidays, plan educational programming and find meaningful ways to engage with the broader BDO community. Additionally, our local inclusion leaders work within their offices to spread awareness, plan social and volunteer events, and create community among individuals with shared experiences and interests.

Last fall, the firm introduced [Blank Canvas](#) which featured our Chief DEI Officer in a series of discussions about celebrating differences, overcoming challenges and how we can move the needle one conversation at a time. To continue this dialogue we expanded this concept to local offices. The event series, "Blank Canvas: Limitless Connections," is organized locally and provides a forum for our professionals across the firm to hear from – and be heard by – our Chief DEI Officer and other colleagues.



Inclusion Groups Impact

In fiscal year 2023, BDO offered more than 250 inclusion activities and touchpoints with over 9,000 participants.

Among participants of the program:

93% believe inclusion events help strengthen relationships with their colleagues

92% understand how they can contribute to a culture of inclusion

88% said that inclusion activities helped them focus on thriving at work and home

BDO professionals in conversation during Blank Canvas video

HELPING PEOPLE THRIVE / Diversity, Equity and Inclusion

PAY EQUITY

Pay practices are essential to promoting a diverse and inclusive culture, and we are committed to paying all professionals equitably. At BDO, our focus when determining compensation is to model and reward behavior that is consistent with the firm's strategy and core values. To that end, we instill a pay-for-performance culture that rewards individual performance and contribution to our firm's business objectives. As part of this culture, we rely on objective criteria in setting compensation, including factors such as skills, experience, competency proficiency, performance, job responsibilities, firm contribution, and geographic and market considerations.

Our leadership remains committed to achieving fair and equitable pay for all our professionals. To assist in meeting this objective, we review our pay practices on a regular basis, including an annual review of compensation decisions by multiple levels of leadership. We also use up-to-date benchmarking data in the industries and geographic markets in which we operate to stay competitive as well as equitable. We believe our compensation practices reflect the value that we see in all our professionals. Compensation for BDO Principals is governed by the Principals' Compensation Committee within the Board of Directors.

DISABILITY INCLUSION

BDO is committed to helping our people thrive by providing reasonable accommodations to individuals with disabilities, ensuring our people can perform essential job functions. We strive to create an accessible and inclusive workplace, offering support such as modified schedules or locations, special furniture, assistive technology, and other necessary adjustments.

Over the past year, BDO has continued our commitment to ensuring digital accessibility for people with disabilities. Our dedicated team of accessibility champions oversee our ongoing efforts and meet regularly to discuss best practices and updates on our accessibility programs.

During fiscal year 2023, we rebuilt our website, incorporating accessibility best practices to ensure meaningful, relevant and personalized experiences for all visitors. We also modified our brand colors across print and digital media to comply with accessibility standards while maintaining the integrity of our original color palette.

We have worked to make our digital learning and development resources more accessible, including the learning modules in BDOU. This included adding closed captioning and making sure BDOU content was compatible with screen readers. We have also added live caption capabilities to our webcast platform. Additionally, we are focused on ensuring we are using inclusive language within our courses.

More details can be found in our [Accessibility Statement](#).



HELPING PEOPLE THRIVE / **Benefits and Well-Being**

We are committed to supporting our people through all stages of their professional – and personal – lives.

We offer a comprehensive rewards system focused on matching our professionals with resources to help them and their families thrive. We provide support, tools, programs and benefits that give our people the choice and flexibility to select options that best meet their needs.

Our Total Rewards program includes a holistic array of benefits that align with our commitment as a people-first firm and continuously evolve to meet the changing needs of our professionals. In addition to the traditional benefits offerings of medical, dental and vision care, we are committed to supporting our employees in all facets of their personal and professional lives — from health and wellness, to financial savvy, to family support programs and so much more.

All full-time and part-time professionals who work an average of 24 hours per week are eligible to enroll in our benefit plans.



HELPING PEOPLE THRIVE / **Benefits and Well-Being**

GET TO KNOW OUR BENEFITS

Wellness

To care for depression, anxiety, attention-deficit/hyperactivity disorder, addiction and other mental health challenges, we provide access to 24/7 confidential support and counseling, including in-person and virtual behavioral visits. Our people also have access to a neuroscience-based mental health and brain performance program and resources through our BDO L.I.F.E. (Lifestyle Improvements for Everyone) program.

Time Off

In addition to our standard PTO, we provide an annual Day to Recharge and Reflect for our professionals to spend doing what is most important to them and their personal well-being. Our annual year-end closure during the winter holidays also enables our people to spend time with loved ones, travel or recharge prior to our busiest time of year.

Financial Well-Being

We offer a 401(k) retirement plan with a matching contribution program to all employees, along with investment planning tools to achieve retirement savings goals and access to financial and legal services.

Through our [ESOP](#), a qualified retirement plan established as a trust, current and future employees receive beneficial ownership in the company over time. Through the allocation of company stock, participating BDO USA professionals have access to a retirement plan that requires no out-of-pocket contribution, helping them plan for their future financial well-being.

Parental Leave

In 2023, we enhanced our parental leave benefits by increasing our paid leave period to 12 weeks. Additionally, individuals now qualify for leave on day one of their employment with BDO.

Family Planning

We offer our professionals up to \$25,000 lifetime reimbursement from BDO for eligible expenses incurred while adopting a child under the age of 18 or undergoing reproductive treatment.

Parental and Childcare Support

Through Milk Stork, a breast milk delivery service, our traveling moms have access to no-fuss, refrigerated, express shipping or easy toting of breast milk home to baby. We also offer back-up child, adult/elder and pet care as an affordable, dependable solution for situations when our professionals need temporary care and don't have time to arrange it themselves.



Fiscal Year 2023 Parental Leave Participants by the Numbers

360

Total 2023 participants

49%

Male participants (175)

51%

Female participants (185)

HELPING PEOPLE THRIVE / Benefits and Well-Being

FLEXIBILITY

At BDO, we believe that flexibility isn't just a perk – it's a necessity. For over a decade, flex has been an integral part of our culture and a benefit that is available to all within the firm. While everyone has unique needs and interests, the benefits of flexibility are universal. Being able to strike a fit between personal and professional priorities is key to the success of our people, and ultimately enables our collective success as a firm.

Our approach to flexibility gives our people the power to collaborate with their teams to decide how they work based on their firm and client responsibilities, prioritizing outcomes of their work versus where or when it is performed. It is also a strategy rooted in trust. We trust our people to bring their best selves to work every day – and they do.



What Our People Have to Say About BDO Flex



You decide what's best for you, communicate it to the team to make sure it works, and just get it done.

KARINA ESPINOLA

DEI Senior Manager

People don't always have to work together from 8 am to 5 pm. We trust that they are going to do the right thing at the right time.

KEVIN PATTERSON

Assurance Market Leader

It's not just thriving in the workplace, it's being able to thrive in all aspects of life.

NICOLE BATTLE

Assurance Principal

HELPING PEOPLE THRIVE / Social Impact

We believe that our success is tied to the success of the communities in which we work and live. We are committed to a vision of corporate citizenship in which we share responsibility for community well-being. Our people contribute to this vision through firm-organized volunteer activities as well as their own commitments supporting causes they are passionate about, as volunteers, donors and leaders of nonprofit and community organizations.



Fiscal Year 2023 by the Numbers

14,073

Nationwide
volunteer hours

1,718

BDO
volunteers

65

BDO Counts
volunteer events

4,280

Week of Service
volunteer hours

700+

nonprofit boards
served on by
BDO professionals

\$2.7M

Dollars contributed
to **464** charitable
or community
organizations



BDO in Detroit at a BDO Counts event



BDO in Cleveland at a BDO Counts event

HELPING PEOPLE THRIVE / Social Impact

A NEW ERA OF COMMUNITY STEWARDSHIP

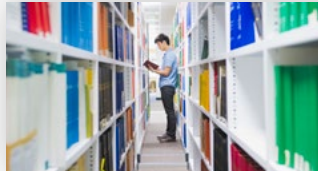
The past year has seen an evolution of our social impact program, focused on understanding the perspectives of our people, assessing current programming and activities, and developing new and expanded programs to maximize impact. We also introduced a giving platform that enables our people to more easily donate or find volunteer opportunities, as well as improves the accuracy of tracking volunteerism and giving firmwide, allowing us greater insight into our efforts and impact.

Our new social impact strategy aligns our peoples' passion with our core purpose. Building on our long-standing employee-driven volunteer program, BDO Counts, four cause areas chosen by our people were introduced:



Children & Youth

We enhance youth well-being through supporting organizations that improve children's academic, social and emotional well-being.



Education & Literacy

We drive equal educational and economic opportunities by supporting organizations helping people advance academically and professionally.



Human Rights

We create thriving, inclusive communities by supporting organizations improving food security, housing, economic opportunity and belonging.



Environment

We accelerate environmental sustainability through support of environmental champions and innovators committed to helping the planet thrive.

Our network of BDO Counts coordinators serve as local community engagement champions, helping to scale our programs by planning volunteer events and other charitable opportunities within the cause areas. Additionally, as our program evolves, the firm will engage in strategic relationships with nonprofits that support one or more cause areas.

The cause areas enable us to focus our time, talents and resources and give more intentionally to increase our impact. To celebrate our social impact launch and the firm's conversion to an ESOP, BDO made initial contributions to nonprofit organizations within each of our cause areas.

- ▶ **Children and Youth** – Boys & Girls Clubs of America, supporting character and leadership programs for young people
- ▶ **Education & Literacy** – AICPA Foundation Diversity Fund, supporting five scholarships awarded to underrepresented accounting students
- ▶ **Human Rights** – Feeding America, providing 250,000 meals to those in need
- ▶ **Environment** – One Tree Planted, supporting urban forestry and planting over 10,000 trees across the U.S.

HELPING PEOPLE THRIVE / Social Impact

COMING TOGETHER TO SERVE OUR COMMUNITIES

Week of Service

To celebrate the launch of our evolved social impact strategy, BDO counts coordinators planned more than 100 service events supporting our four cause areas. During the events, over 2,000 professionals donated more than 8,500 hours of their time to their local communities.*

Thrive Day

In 2023, BDO RISE professionals participated in Thrive Day – a day dedicated to getting out of the office and into their communities to serve causes they are passionate about. Over 400 professionals from four offices contributed more than 1,800 hours to volunteering in areas impacting a variety of causes, including rural development, environment restoration and childhood education.



BDO professionals in San Jose help clean up the Oakland Zoo



BDO professionals in Stamford volunteer at the Connecticut Children's Hospital



BDO professionals in Anchorage volunteer at the Junior Achievement of Alaska organization

*Our social impact strategy launch and associated service events took place in the second half of 2023 and are not included in our FY23 volunteerism data.

HELPING PEOPLE THRIVE / Social Impact

BDO professionals in Philadelphia volunteer at the Cradles to Crayons organization

“

At BDO, it's not just about work; it's also about giving back and making a meaningful difference, together, through our commitment to our local communities. As a BDO Counts coordinator, I'm proud to be part of something greater by helping people thrive and fostering a sense of community.

ASHLEY TESTA
Government and Public Sector Director



“

Our people are truly the heart and soul of our program. They play a crucial role in fulfilling our commitment to positive social change by coming together and contributing their time and talents. Their engagement is key to further enhancing our social impact strategy.

CHAD GABRIEL
Social Impact Senior Director

BDO professionals in Austin volunteer at Sunshine Camp

HELPING PEOPLE THRIVE / Social Impact

EMPLOYEE GIVING PROGRAMS DESIGNED TO MAXIMIZE IMPACT

Matching Gifts and Dollars for Doers

As part of our new social impact strategy, we've launched two new employee giving programs that amplify the generosity and impact of our people, supporting causes and organizations that are most important to them.

Through our Matching Gifts program, professionals can apply for a dollar-to-dollar match of their personal charitable contribution to a nonprofit organization of their choosing. Additionally, those who donate their personal time through volunteering can earn Dollars for Doers credits, which can be converted into a donation by BDO to any eligible nonprofit organization.

The Art of Giving

The Art of Giving was created in 2022 as a firmwide opportunity to give back while celebrating BDO artists, artisans and crafters. Through this initiative, BDO professionals from across the country donate their work to an internal online marketplace through which their colleagues can bid on and purchase their work – the proceeds of which help support organizations that help young people thrive through art. Over the past two years the firm and our professionals contributed over \$40,000 to two organizations: Arts on the Block, a Maryland-based nonprofit that empowers artistic youth while introducing and guiding them towards creative-centric career paths, and projectart, a New York-based nonprofit with the goal of creating opportunity through art.



Helping nonprofits thrive is a major part of my professional and personal life. I'm proud that BDO acknowledges the value in supporting organizations through both dollars contributed and volunteerism through board service. The Dollars for Doers and Matching Gifts programs bring BDO's social impact commitment to life, demonstrating true care for our communities and inspiring our people to pay it forward.

HILDA POLANCO

Industry Specialty Services Market Managing Principal,
Nonprofit & Grantmaker Advisory



In recognition of Giving Tuesday, we increased matches of individual contributions to organizations chosen by our people. In one day, \$119,000 was donated to 200 nonprofits.

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ETHICAL BUSINESS PRACTICES

Our commitment to ethical business practices is evident across all levels of the firm — in our relationships with our clients and with one another, and in the work on which we pride ourselves.

All of our employees and principals are expected to uphold the highest standards of ethics and compliance in accordance with both internal policies and external laws and regulations, and to conduct themselves with the highest degree of integrity.

HUMAN RIGHTS

BDO is committed to conducting our business in a manner that seeks to protect and uphold human rights both in our own business operations and in our relationships with our stakeholders. We are actively working to ensure ethical practices in our supply chain and are committed to upholding the Ten Principles of the U.N. Global Compact. Learn more in our [Human Rights Statement](#).

Responsible and Ethical Sourcing

Our commitment to ethical business practices also extends to the organizations with which we choose to do business. As a critical component of our responsible sourcing program, we have established minimum criteria and are working to implement a supplier due diligence process that enables us to better evaluate, assess and monitor the organizations with which we work to ensure they are committed to doing business in an ethical and responsible manner.



ETHICAL BUSINESS PRACTICES / Compliance & Ethics

Our Compliance & Ethics Office, overseen by our Chief Compliance Officer, is responsible for developing and maintaining firm policies, ensuring the performance of internal investigations and periodic risk assessments, monitoring internal compliance practices, and administering annual compliance training. We provide a number of resources to our people to ensure they are unwavering in their ability to meet these expectations.

Resources

Code of Ethics and Business Conduct

Our Code of Ethics and Business Conduct governs the actions and working relationships of BDO's principals and employees with current and potential clients, fellow employees, competitors, government and regulatory agencies, the public, the media and anyone else with whom BDO has or may have contact. All employees and principals are required to read and acknowledge their understanding and compliance with our Code, both at the time of hire and annually thereafter. Every BDO employee is responsible for upholding the Code and making choices that align with the Code in their own business dealings. Compliance with the Code is a condition of employment with BDO, and failure to adhere to its provisions may result in disciplinary action, including termination.

Mandatory Compliance Training



100% of our workforce completed business ethics training in fiscal year 2023.

To provide the information necessary for our people to successfully understand and adhere to our policies and procedures, and to communicate our leadership team's expectations, our people are required to complete mandatory firm trainings on a periodic basis.

Mandatory training topics include but are not limited to:

- ▶ Compliance, Conduct and Ethics
- ▶ Workplace Harassment
- ▶ Privacy and Security
- ▶ Cybersecurity Awareness
- ▶ Anti-Corruption
- ▶ Independence
- ▶ Legal Aspects of Being a Supervisor
- ▶ Disrupting Unconscious Bias and Subtle Acts of Exclusion

Compliance & Ethics Portal

Our internal Compliance & Ethics portal serves as a centralized repository of materials, policies, trainings and information, giving our people the tools they need to conduct business in compliance with firm policies and professional standards.

Anonymous Ethics & Compliance Hotline

Providing a safe space to speak up is critical to our ability to maintain our commitment to ethical business practices. BDO provides a 24/7, third-party administered, anonymous Ethics & Compliance Hotline as a confidential resource for our professionals and those who do business with BDO to report behavior that is potentially in violation of legal or professional standards or otherwise may be in conflict with the BDO USA Code of Ethics and Business Conduct. The hotline is available by calling 800-620-7394 or visiting reportlineweb.com/BDO.

ETHICAL BUSINESS PRACTICES

DATA PRIVACY AND SECURITY

Our comprehensive information security program, which maintains an ISO/IEC 27001 certification, is designed to manage and control security risks through robust policies and procedures designed to ensure the protection, security, confidentiality, availability, and integrity of client, firm and personnel data. These policies and procedures are updated and revised as needed to accommodate an ever-changing technology and threat landscape.

PROFESSIONAL INTEGRITY

Integrity and adherence to professional standards are central to who we are as a firm. We go to great lengths to foster a culture that prioritizes doing the right thing over all else. Beyond this, we are committed to complying with the independence and ethical requirements, where applicable, of the American Institute of Certified Public Accountants (AICPA), the U.S. Securities and Exchange Commission (SEC), Public Company Accounting Oversight Board (PCAOB), International Ethics Standards Board for Accountants (IESBA), U.S. Government Accountability Office (GAO) and U.S. Department of Labor (DOL), along with BDO's internal policies and procedures.

INDEPENDENCE

Independence is the cornerstone of the accounting profession. We maintain our professional independence through robust quality control procedures and processes, including independence conflict checks, independence education and training, annual independence confirmations and audits of our professionals, and required consultations with firm practices to ensure we do not engage in service offerings that compromise our independence. Our dedicated team of professionals closely monitors independence rules, develops and implements policies and procedures designed to ensure our professionals' compliance, and also meets periodically with the SEC, PCAOB and AICPA to consult on issues, proposals and provide feedback impacting both public and private audits.



ETHICAL BUSINESS PRACTICES / **Quality Management**

Our commitment to quality is reflected in our values and our promise to provide exceptional service to our clients. Each of our business lines has quality management controls, processes, and standards in place, along with teams responsible for ensuring we meet the rigorous quality expectations we have for ourselves along with the requirements of professional standards.

Audit Quality

We are steadfast in our commitment to audit quality.

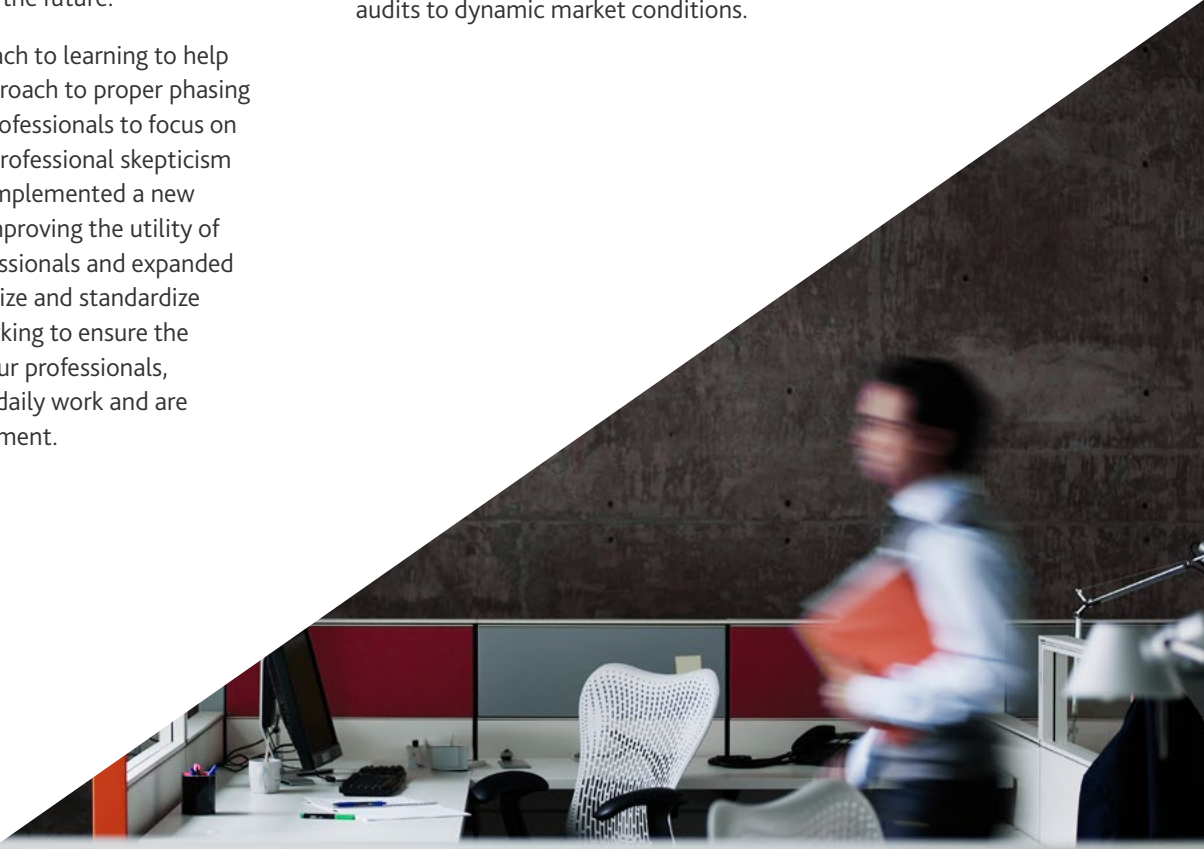
As auditors, we recognize the important role we play in protecting investors and other stakeholders, which contributes to strengthening the integrity of the capital markets. That is why we've prioritized a continuous improvement mentality to enhancing the quality of our audits. Since 2022, we have taken significant and transformative actions that, together with our previous efforts, will drive the consistent and sustainable delivery of high-quality audits into the future.

For example, we deployed a reimagined approach to learning to help upskill our professionals and enhanced our approach to proper phasing of the audit to ensure adequate time for our professionals to focus on the most critical aspects – with the degree of professional skepticism necessary to perform high quality audits. We implemented a new methodology enablement group focused on improving the utility of the audit tools and guidance used by our professionals and expanded our digital audit suite. We continue to nationalize and standardize our Assurance practice. In doing so, we are working to ensure the investments made are not only embraced by our professionals, but embedded in our processes, decisions and daily work and are part of our monitoring for continuous improvement.

[Learn more about our audit quality journey.](#)

Center for Audit Quality

As a governing board member, BDO is actively involved in the Center for Audit Quality (CAQ), a nonpartisan public policy organization serving as the voice of U.S. public company auditors and matters related to the audits of public companies. Several BDO professionals serve on [CAQ committees and task forces](#), assisting the CAQ in its work to promote high quality performance among public company audit firms, advance discussions around critical issues, and bolster and support the effectiveness and responsiveness of U.S. public company audit firms and audits to dynamic market conditions.



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ABOUT THIS REPORT

This report — *BDO's 2023 Sustainability Report* — was published in July 2024 and reflects financial, people and emissions data from our fiscal year 2023 (May 1, 2022 – April 30, 2023). In 2023, BDO changed our fiscal year reporting period to align with a January to December calendar year. Going forward, we will report our emissions data on a calendar year basis to align with our new financial reporting period. A supplemental report containing 2023 emissions data for the calendar year 2023 financial reporting period is forthcoming.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) 2021 Universal Standards and the Sustainability Accounting Standards Board (SASB) 2018 standard for the Professional & Commercial Services industry. It also serves to communicate the contributions of our corporate actions toward the advancement of the U.N. Sustainable Development Goals. In addition to the narrative discussion of disclosures found throughout the report, SASB and GRI indices can be found at the end of this report.

This report includes operations within the United States as part of BDO USA, P.C. ("BDO" or "BDO USA"). Some disclosures include data from BDO RISE Private Limited ("BDO RISE"), a majority-owned subsidiary of BDO USA. Inclusion of BDO RISE data is clearly labeled, and unless otherwise stated, all information contained in this report is exclusive to the U.S. operations of BDO.

Our purpose is helping people thrive, every day. Together, we are focused on delivering exceptional and sustainable outcomes and value for our people, our clients and our communities. BDO is proud to be an ESOP company, reflecting a culture that puts people first. BDO professionals provide assurance, tax and advisory services for a diverse range of clients across the U.S. and in over 160 countries through our global organization.

BDO is the brand name for the BDO network and for each of the BDO Member Firms. BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO RISE is a private limited company incorporated under Indian law as a joint venture between BDO USA, P.C. and BDO India.



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Sustainability Accounting Standards Board (SASB) Index

The following table outlines our SASB disclosure responses to the Professional & Commercial Services standard, with references to where this information can be found in our Sustainability Report or in other publicly available information.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2023 RESPONSE
Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	SASB - SV-PS-230a.1	Compliance & Ethics, pg. 82 Data Privacy and Security, pg. 83
	Description of policies and practices relating to collection, usage, and retention of customer information	Discussion and Analysis	n/a	SASB - SV-PS-230a.2	Data Privacy and Security, pg. 83 BDO Privacy Policy BDO Client Privacy Policy
	(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	Quantitative	Number, Percentage (%)	SASB - SV-PS-230a.3	Except as a matter of public record, BDO does not disclose this information.



SASB Index

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2023 RESPONSE
Workforce Diversity & Engagement	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	Quantitative	Percentage (%)	SASB - SV-PS-330a.1	People, pg. 52
	(1) Voluntary and (2) involuntary turnover rate for employees	Quantitative	Rate	SASB - SV-PS-330a.2	People, pg. 49
	Employee engagement as a percentage	Quantitative	Percentage (%)	SASB - SV-PS-330a.3	The Power of PULSE, pg. 57
Professional Integrity	Description of approach to ensuring professional integrity	Discussion and Analysis	n/a	SASB - SV-PS-510a.1	Compliance & Ethics, pg. 82
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Quantitative	Reporting Currency	SASB - SV-PS-510a.2	Except as a matter of public record, BDO does not disclose this information.
Activity Metrics	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract				People, pg. 47
	Employee hours worked, percentage billable				BDO does not disclose this information.

SASB Standard: Professional & Commercial Services - Industry Standard Version 2018-10

Global Reporting Initiative (GRI) Index

Statement of use: BDO USA P.C. has reported in accordance with the GRI Standards for the period May 1, 2022 through April 30, 2023.

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sector Standard(s): Applicable Sector Standard(s) Not Yet Available from GRI.

CATEGORY	DISCLOSURE	2023 RESPONSE
General Disclosures	2-1 Organizational details	BDO USA, P.C. BDO Chicago National Office 330 North Wabash Avenue Suite 3200 Chicago, IL 60611
	2-2 Entities included in the organization's sustainability reporting	About this Report, pg. 86
	2-3 Reporting period, frequency and contact point	About this Report, pg. 86 Contacts, pg. 104
	2-4 Restatements of information	No restatements.
	2-5 External assurance	BDO is not seeking external assurance of this report at this time.
	2-6 Activities, value chain and other business relationships	About this Report, pg. 86 BDO by the Numbers, pg. 6 BDO Alliance USA is BDO USA's network of more than 800 independent Alliance firms. BDO Alliance USA provides BDO clients additional depth and breadth locally, regionally or within a specific area of focus. To member firms, the Alliance offers the resources and collaborative opportunities of BDO without any loss of autonomy. ESOP Trustee, pg. 17

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CATEGORY	DISCLOSURE	2023 RESPONSE
General Disclosures	2-7 Employees	BDO by the Numbers, pg. 6 People, pg. 47 BDO demographic information is calculated using headcount. Information herein excludes temporary, contract workers and interns.
	2-8 Workers who are not employees	This information is confidential and is not disclosed publicly.
	2-9 Governance structure and composition	Sustainability and Corporate Governance, pg. 16 People, pg. 47
	2-10 Nomination and selection of the highest governance body	Sustainability and Corporate Governance, pg. 16
	2-11 Chair of the highest governance body	Sustainability and Corporate Governance, pg. 16 The Chairperson of the Board is a principal in the firm and the current Chair serves as Assurance Specialty Practice Leader. The firm has internal controls in place to ensure conflicts of interest are prevented, and if they should occur, are mitigated appropriately.
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability and Corporate Governance, pg. 16
	2-13 Delegation of responsibility for managing impacts	Sustainability and Corporate Governance, pg. 16
	2-14 Role of the highest governance body in sustainability reporting	Sustainability and Corporate Governance, pg. 16
	2-15 Conflicts of interest	BDO's Sustainability Code of Ethics and Corporate Responsibility is supported by our full Code of Ethics and Business Conduct, maintained by our General Counsel, Compliance Office and our Sustainability & ESG Center of Excellence. BDO's Sustainability Code of Ethics and Corporate Responsibility Compliance & Ethics
	2-16 Communication of critical concerns	This information is confidential and is not disclosed publicly.

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CATEGORY	DISCLOSURE	2023 RESPONSE
General Disclosures	2-17 Collective knowledge of the highest governance body	Sustainability and Corporate Governance, pg. 16
	2-18 Evaluation of the performance of the highest governance body	This information is confidential and is not disclosed publicly.
	2-19 Remuneration policies	Pay Equity, pg. 71
	2-20 Process to determine remuneration	BDO's remuneration policies align with to our Pay Equity Statement and our compensation policies outlined in BDO's Workplace Guide. The BDO Board of Directors is responsible for the oversight of the remuneration of principals. From time to time, BDO engages with lawyers and consultants to conduct third-party pay equity studies.
	2-21 Annual total compensation ratio	This information is confidential and is not disclosed publicly.
	2-22 Statement on sustainable development strategy	A Message from Our CEO Wayne Berson, pg. 5
	2-23 Policy commitments	About this Report, pg. 86 Human Rights, pg. 81 Sustainability and Corporate Governance, pg. 16 Compliance & Ethics, pg. 82 BDO's Sustainability Code of Ethics and Corporate Responsibility Compliance & Ethics Environmental Statement

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CATEGORY	DISCLOSURE	2023 RESPONSE
General Disclosures	2-24 Embedding policy commitments	About this Report, pg. 86
		Human Rights, pg. 81
		Sustainability and Corporate Governance, pg. 16
		Compliance & Ethics, pg. 82
		BDO's Sustainability Code of Ethics and Corporate Responsibility Compliance & Ethics
	2-25 Processes to remediate negative impacts	Sustainability and Corporate Governance, pg. 14
		Compliance & Ethics, pg. 82
		BDO's Sustainability Code of Ethics and Corporate Responsibility
	2-26 Mechanisms for seeking advice and raising concerns	Compliance & Ethics, pg. 82
		Anonymous Ethics & Compliance Hotline
		BDO's Sustainability Code of Ethics and Corporate Responsibility
	2-27 Compliance with laws and regulations	Except as a matter of public record, BDO does not disclose this information.
	2-28 Membership associations	Membership in Professional Organizations, pg. 9
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Materiality
	2-30 Collective bargaining agreements	This disclosure is not applicable as no collective bargaining agreements are in place among our operations.
Material Topics	3-1 Process to determine material topics	BDO collaborated with a third-party consultant to conduct a formal materiality assessment in fiscal year 2022.
		Stakeholder Engagement and Materiality, pg. 23
	3-2 List of material topics	Stakeholder Engagement and Materiality, pg. 23

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CATEGORY	DISCLOSURE	2023 RESPONSE
Economic Performance	3-3 Management of material topics	Stakeholder Engagement and Materiality 2023 Highlights, pg. 3 By the Numbers, pg. 6
	201-1 Direct economic value generated and distributed	BDO FY23 Year End Release 2023 Highlights, pg. 3 By the Numbers, pg. 6 BDO does not currently share publicly all data requested in this disclosure.
	201-2 Financial implications and other risks and opportunities due to climate change	Information to meet this disclosure is unavailable at this time. We expect to expand our report to align with the IFRS® Sustainability Disclosure Standard for climate-related disclosures (IFRS S2) in 2025.
	201-3 Defined benefit plan obligations and other retirement plans	Benefits and Well-Being, pg. 73 Additional benefit information is confidential and is not disclosed publicly.
Indirect Economic Impact	3-3 Management of material topics	Stakeholder Engagement and Materiality Social Impact, pg. 76-78 2023 Highlights, pg. 3
	203-1 Infrastructure investments and services supported	Social Impact, pg. 76-78 Sustainability Services and Solutions, pg. 25-32 2023 Highlights, pg. 3
	203-2 Significant indirect economic impacts	2023 Highlights, pg. 3
Procurement Practices	3-3 Management of material topics	Responsible Sourcing, pg. 40 Human Rights, pg. 81 Compliance & Ethics, pg. 82

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CATEGORY	DISCLOSURE	2023 RESPONSE
Anti-Corruption	3-3 Management of material topics	Stakeholder Engagement and Materiality Compliance & Ethics, pg. 82 BDO's Sustainability Code of Ethics and Corporate Responsibility
	205-1 Operations assessed for risks related to corruption	Compliance & Ethics, pg. 82 BDO's Sustainability Code of Ethics and Corporate Responsibility Compliance & Ethics Except as a matter of public record, BDO does not disclose this information.
	205-2 Communication and training about anti-corruption policies and procedures	Compliance & Ethics, pg. 82 Mandatory Compliance Training, pg. 82
	205-3 Confirmed incidents of corruption and actions taken	Except as a matter of public record, BDO does not disclose this information.
Anti-Competitive Behavior	3-3 Management of material topics	Stakeholder Engagement and Materiality Compliance & Ethics, pg. 83 BDO's Sustainability Code of Ethics and Corporate Responsibility Compliance & Ethics
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Except as a matter of public record, BDO does not disclose this information.

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CATEGORY	DISCLOSURE	2023 RESPONSE
Tax	3-3 Management of material topics	BDO views tax management and approach as a component of the firm's Business Performance, which is ranked as a high priority topic in the firm's materiality assessment. Stakeholder Engagement and Materiality
	207-1 Approach to tax	BDO USA pays taxes in accordance with applicable Federal, state and local laws. As noted in About This Report , BDO underwent a legal entity change in during 2023. The impact of this change on our tax approach will be appropriately addressed in our next report.
	207-2 Tax governance, control, and risk management	BDO does not currently share publicly all data requested in this disclosure.
	207-3 Stakeholder engagement and management of concerns related to tax	BDO views tax management and approach as a component of the firm's Business Performance, which is ranked as a high priority topic in the firm's materiality assessment. Stakeholder Engagement and Materiality
	207-4 Country-by-country reporting	BDO does not currently share publicly all data requested in this disclosure.
Energy	3-3 Management of material topics	Stakeholder Engagement and Materiality Energy, pg. 38 Actions We're Taking: Our Path to Net Zero, pg. 39 Our Commitments and Progress Toward Science-Based Targets, pg. 39 Responsible Offices, pg. 41
	302-1 Energy consumption within the organization	Energy, pg. 38 To calculate purchased energy, we used utility data obtained through building surveys and estimates in cases where data was not available. We used a conversion rate of 1 kWh = 0.0036 gigajoule (GJ) to calculate purchased electricity in our buildings and electricity used for work from home. BDO leases all of its office space; therefore visibility into total fuel consumption from non-renewable versus renewable sources is based on information provided by building management. BDO will continue to engage with building management to obtain more information on these sources and enhance the data gathering processes. BDO does not sell energy and therefore does not disclose this portion of the disclosure as it is not applicable.
	302-4 Reduction of energy consumption	Energy, pg. 38

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CATEGORY	DISCLOSURE	2023 RESPONSE
Water and effluents	3-3 Management of material topics	Stakeholder Engagement and Materiality Minimizing Water Use, pg. 44
	303-1 Interactions with water as a shared resource	Minimizing Water Use, pg. 44 Methodology, pg. 36 BDO leases all of its office space; therefore visibility into tenant-specific water usage is limited. Given BDO's operations are not considered to be water intensive, BDO does not currently have water-related goals and targets.
	303-3 Water withdrawal	Minimizing Water Use, pg. 44 Methodology, pg. 36 BDO offices are located primarily in areas serviced by municipal water sources and distribution of water to tenant occupied spaces is the responsibility of building management, therefore BDO has limited visibility into the breakdown of water by source.
Biodiversity	3-3 Management of material topics	Stakeholder Engagement and Materiality As we assess our climate risk, we will be exploring nature loss as an area of material risk and determine what additional action may be necessary to mitigate those risks.
Emissions	3-3 Management of material topics	Stakeholder Engagement and Materiality 2023 Emissions Footprint, pg. 35 Percent Total Scope 3 Emissions by Category for Fiscal Year 2023, pg. 36 Climate Strategy and Resilience Planning, pg. 41
	305-1 Direct (Scope 1) GHG emissions	2023 Emissions Footprint, pg. 35 Methodology, pg. 36 About this Report, pg. 86 BDO does not track Biogenic CO ₂ emissions.

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CATEGORY	DISCLOSURE	2023 RESPONSE
Emissions	305-2 Energy indirect (Scope 2) GHG emissions	2023 Emissions Footprint, pg. 35
		Methodology, pg. 36
		About this Report, pg. 86
		Energy, pg. 38
		BDO currently uses the location-based method to calculate our Scope 2 emissions.
305-3 Other indirect (Scope 3) GHG emissions		2023 Emissions Footprint, pg. 35
		Methodology, pg. 36
		Percent Total Scope 3 Emissions by Category for Fiscal Year 2023, pg. 36
		About this Report, pg. 86
305-5 Reduction of GHG emissions		Energy, pg. 38
		BDO does not track Biogenic CO2 emissions.
Waste	3-3 Management of material topics	2023 Emissions Footprint, pg. 35
		Year-Over-Year Observations, pg. 37
		Methodology, pg. 36
		Energy, pg. 38
306-1 Waste generation and significant waste-related impacts	306-2 Management of significant waste-related impacts	Stakeholder Engagement and Materiality
		Waste Elimination and Reduction, pg. 42
		Waste Elimination and Reduction, pg. 42
		Waste Elimination and Reduction, pg. 42
306-3 Waste generated		Waste Elimination and Reduction, pg. 42
		BDO leases all of its office space; therefore visibility into waste generated is reliant on information provided by building management. BDO will continue to engage with building management to obtain more information on waste composition and enhance data gathering processes.

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CATEGORY	DISCLOSURE	2023 RESPONSE
Supplier Environmental Assessment	3-3 Management of material topics	Stakeholder Engagement and Materiality Responsible Sourcing, pg. 40
	308-1 New suppliers that were screened using environmental criteria	This information is unavailable, but is expected to be included in future reports. Responsible Sourcing, pg. 40
	308-2 Negative environmental impacts in the supply chain and actions taken	This information is unavailable, but is expected to be included in future reports. Responsible Sourcing, pg. 40
Employment	3-3 Management of material topics	Stakeholder Engagement and Materiality Helping People Thrive, pg. 46 Benefits and Well-Being, pg. 73-75
	401-1 New employee hires and employee turnover	Helping People Thrive, pg. 46
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	All full-time and part-time employees who work an average of 24 hours a week are eligible to enroll in benefit plans, for themselves and eligible dependents, including domestic partners. Benefits and Well-Being, pg. 73-75 BDO Career Website
	401-3 Parental leave	Benefits and Well-Being, pg. 73-75 BDO does not currently disclose return to work rates publicly.

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CATEGORY	DISCLOSURE	2023 RESPONSE
Training & Education	3-3 Management of material topics	Stakeholder Engagement and Materiality Empowerment Through Education, pg. 63
	404-1 Average hours of training per year per employee	Empowerment Through Education, pg. 63 The term professionals is inclusive of both principals and non-principals.
	404-2 Programs for upgrading employee skills and transition assistance programs	Empowerment Through Education, pg. 63 Talent, pg. 65-66
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent, pg. 62
Diversity & Equal Opportunity	3-3 Management of material topics	Stakeholder Engagement and Materiality Diversity, Equity and Inclusion, pg. 66-70
	405-1 Diversity of governance bodies and employees	Helping People Thrive, Demographic Data, pg. 51
	405-2 Ratio of basic salary and remuneration of women to men	Pay Equity, pg. 71 BDO does not currently share publicly all data requested in this disclosure.
Non-Discrimination	3-3 Management of material topics	Stakeholder Engagement and Materiality Compliance & Ethics, pg. 82 BDO's Sustainability Code of Ethics and Corporate Responsibility Compliance & Ethics
	406-1 Incidents of discrimination and corrective actions taken	This information is confidential and is not disclosed publicly.

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CATEGORY	DISCLOSURE	2023 RESPONSE
Security Practices	3-3 Management of material topics	Stakeholder Engagement and Materiality
		Data Privacy and Security, pg. 83
		BDO Privacy Policy BDO Client Privacy Policy
Local Communities	3-3 Management of material topics	Stakeholder Engagement and Materiality
		Social Impact, pg. 76
		413-1 Operations with local community engagement, impact assessments, and development programs
Environmental Stewardship	413-2 Operations with significant actual and potential negative impacts on local communities	Stakeholder Engagement and Materiality
		Social Impact, pg. 77-79
		Climate, pg. 39 Waste and Water, pg. 43-44
Supplier Social Assessment	3-3 Management of material topics	Stakeholder Engagement and Materiality
		Human Rights, pg. 81 Compliance & Ethics, pg. 82
		414-1 New suppliers that were screened using social criteria
Indices	414-2 Negative social impacts in the supply chain and actions taken	This information is unavailable, but it is expected to be included as a disclosure in future reporting years. Responsible Sourcing, pg. 40
		This information is unavailable, but it is expected to be included as a disclosure in future reporting years. Responsible Sourcing, pg. 40

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CATEGORY	DISCLOSURE	2023 RESPONSE
Public Policy	3-3 Management of material topics	Stakeholder Engagement and Materiality Human Rights, pg. 81 Membership Organizations, pg. 9
	415-1 Political contributions	The firm does not provide financial or in-kind political contributions. Any political contributions made by principals and/or employees of BDO are strictly personal.
Customer Privacy	3-3 Management of material topics	Stakeholder Engagement and Materiality Data Privacy and Security, pg. 83 BDO Privacy Policy BDO Client Privacy Policy
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Except as a matter of public record, BDO does not disclose this information.

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ADDITIONAL MATERIAL ISSUES

CATEGORY	DISCLOSURE	2022 RESPONSE
Innovation	3-3 Management of material topics	Stakeholder Engagement and Materiality BDO Innovation
Corporate Purpose	3-3 Management of material topics	Stakeholder Engagement and Materiality Core Purpose and Values, pg. 7 A Message from Our CEO Wayne Berson, pg. 5 BDO - About Us
Stakeholder Engagement	3-3 Management of material topics	Stakeholder Engagement and Materiality

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