



# SUSTAINABILITY 2022 REPORT

BDO USA, LLP

Reporting Year: Fiscal Year May 1, 2021 – April 30, 2022



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# ABOUT THIS REPORT

This report — *BDO's 2022 Sustainability Report* — was published in April 2023 and reflects activities and initiatives in our fiscal year (FY) 2022 (May 1, 2021 – April 30, 2022).

It has been prepared to reflect our alignment with the U.N. Global Compact, our commitment to the advancement of the U.N. Sustainable Development Goals (SDGs), and 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. 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, LLP ("BDO" or "BDO USA"). Some disclosures include data from BDO RISE Private Limited ("BDO RISE") operations in India that directly support and are within the operational control of BDO USA. Inclusion of BDO RISE data will be clearly labeled, and unless otherwise stated, all information contained in this report is exclusive to the U.S. operations of BDO.

At BDO, we are focused on delivering exceptional and sustainable outcomes for our people, our clients and our communities. Across the U.S., and in over 160 countries through our global organization, BDO professionals provide assurance, tax and advisory services for a diverse range of clients.

BDO is the brand name for the international BDO network and for each of the BDO Member Firms. BDO USA, LLP, a Delaware limited liability partnership, 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, LLP and BDO India, LLP.



# FISCAL YEAR 2022 HIGHLIGHTS

## BUSINESS



Achieved a decade of **consecutive year-over-year growth**



**Increased** overall revenue by **24.5%** from FY 2021

## SUSTAINABILITY



Launched a **Center of Excellence** dedicated to Sustainability & ESG



Further integrated sustainable practices into our operations



Engaged our stakeholders through a materiality assessment



Formalized an ESG Leadership Team to oversee sustainability strategies



Brought to market Sustainability & ESG service offerings

### Environmental



Completed a **full greenhouse gas inventory** including Scope 1, 2 and 3



Committed to **achieve net-zero emissions by 2050** and halve our emissions by 2030



Committed to the **Science Based Targets initiative\***

### Social



Signed the **United Nations Global Compact**



Reimagined and reaffirmed our commitment to **BDO Flex**, Our long-standing, dynamic workplace flexibility strategy



Hosted **200+ inclusion activities** and communication touchpoints with more than **10,500 participants**



Published our inaugural Diversity, Equity and Inclusion **(DEI) Transparency Report**



**Fed nearly 50,000** community members during BDO's semiannual Weeks of Service across the U.S.



Achieved an **89% participation** rate among BDO professionals in our annual employee Pulse survey



BDO professionals served in leadership roles for nearly **500** nonprofit organizations



Contributed nearly **\$2.5m** to **charitable and community** organizations



**600+** BDO professionals **volunteered** within their local communities for more than **3,000** community **service hours**

\* This commitment was made in February 2023.



# A MESSAGE FROM OUR CEO WAYNE BERSON

**Are we built to last?** It's a question I've asked myself and our leaders to consider over my past 10 years as CEO and one that has proven to be very useful — as it has challenged us to take the long view of our business and organize our strategy around what matters most: a clear set of core values and a purpose that informs and guides our decision-making.

BDO's purpose — **helping people thrive, every day** — is a broad mandate to serve our people, our clients and our communities. To fulfill our purpose, we are working to integrate sustainable business practices into our operations and strategies. We believe in doing so we will make BDO a more resilient organization, drive growth, foster innovation, and ultimately deliver stronger long-term financial performance. Moreover, it's the right thing to do for our stakeholders, society and the planet.

The needs of our planet and its people are changing rapidly, and we need to do more to build greater resilience into our operations, while stepping up as a force for good. That is why we've become even more intentional about our approach to sustainability and ESG, making it one of the five strategic imperatives of our firm. Over the past year, we have fortified this foundation and made significant new commitments and advances, from appointing a dedicated Sustainability Leader and ESG Leadership Team to drive our efforts, to becoming a signatory of the United Nations Global Compact. As a founding member of the Net Zero Financial Service Providers Alliance, we've also set an important target to achieve net-zero greenhouse gas emissions by 2050 or sooner.

We've put dedicated teams in place to identify opportunities to further align our business strategy and operations with our sustainability commitments — evaluating everything from how we manage the energy use in our offices to the ways we work with our suppliers.

These recent actions are important and build upon our long history of stewardship and sustainability. Early in my tenure, we chose to put culture and purpose at the center of everything we do. That has led to significant benefits for our people and clients. We developed an industry-leading workplace flexibility model that allows people to work in ways that best suit them, their teams and their clients. We continuously look to improve and evolve our diversity, equity and inclusion strategy, which has led to the implementation of numerous enhancements to make our culture more inclusive and responsive to the needs and aspirations of our people. In our communities, we are evolving BDO Counts, our firm's employee-driven volunteer program, into a more holistic social impact strategy.

This inaugural report marks a critical step in our sustainability journey. It not only presents the foundational work we have done to date, it also details our collaborative efforts to define what kind of organization we want to be in the future.

For BDO, sustainability will continue to be at the top of our strategic agenda. By investing in the strength of our culture, the resilience of our business, and the future of our society and our planet, we'll continue to serve our clients, care for our people, and help drive equity for all well into the future. We are building a business that lasts — a business that fulfills our firm's purpose of helping everyone thrive.



**WAYNE BERSON**  
Chief Executive Officer  
BDO USA, LLP

### Headquarters

Chicago



### Year Founded

1910



### Fiscal Year 2022 Revenue

\$2.49 billion



### Revenue Increase since 2021

24.5%



### Offices Nationwide

80+ U.S. Offices



### Partners

820



### Professionals

10,817



### Services



Advisory



Audit & Assurance



BDO Digital



BDO Wealth Advisors



Sustainability & ESG



Tax

### Industries



Consumer Services



Financial Services



Government Contracting



Healthcare & Life Sciences



Manufacturing



Natural Resources



Nonprofit & Education



Private Equity



Professional Services



Public Sector



Real Estate & Construction



Technology

## OVERVIEW / CORE PURPOSE & VALUES

### We do things differently at BDO.

Our firm's core purpose — **helping people thrive, every day** — is the motivation behind everything we do. It's not just something we say. It's part of our DNA. From how we work to how we show up for our people, our communities and our clients — we strive to embody this core purpose.

We lead with purpose because it's essential to creating a better world. We know that every decision we make has a direct impact on our stakeholders. It's why we act with intention.

We uphold our core purpose through our core values. These values are reflected in our actions and behaviors, the relationships we build, and the connections we make. Our values are embedded in our culture. They are realized through the inclusive, flexible and sustainable ways in which we operate. This also includes the roles we play within the communities we are honored to serve.

What we do matters. Why we do it, and how we do it matters. Which is precisely why leading with purpose is key to our long-term success.



#### 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.

BDO'S CORE VALUES





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# INVESTING IN A SUSTAINABLE FUTURE

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## A MESSAGE FROM OUR SUSTAINABILITY AND ESG LEADER

As I reflect on the past year, I can't help but marvel at the pace of change. With every passing month, companies are elevating their commitments to address environmental and societal issues — with more and more recognizing not only the significant impact these issues have on their businesses but also the impact their businesses have on the planet and its people. I'm encouraged by the steps governments and regulators are taking to increase transparency and accountability, and I'm inspired by the chorus of stakeholder voices calling for meaningful action — and the acknowledgement from business leaders that those voices matter.

And while we know our journey is still unfolding, I'm proud of the work we've done at BDO to advance our own sustainability efforts. We're holding ourselves to a higher standard, making new commitments, setting data-driven goals and taking action.

This year, we established our ESG Leadership Team to govern our firm sustainability efforts. We engaged with our stakeholders to better understand the issues that matter most to them. We completed a greenhouse gas emissions assessment to learn the impact our business activities have on the planet, and have committed to setting science-based reduction targets that will be submitted for validation by the Science Based Targets initiative. Cross-functional teams are working together to align our business operations with key sustainability priorities. And we're setting measurable goals that will help us demonstrate our progress and achievements.

As we advance our own sustainability efforts, we are also working with our clients to help advance theirs. We launched an ESG Center of Excellence, giving our clients and our people access to our professionals' deep technical knowledge of environmental, social and governance issues and solutions. From guiding clients on their own sustainability journeys to evaluating their supply chains for ESG-related impacts to improving efficiencies through more sustainable practices, and everything in between, we know that we're uniquely positioned to assist, and believe we have a responsibility to do so. Working together, we can change the definition of "business as usual" — increasing transparency, bettering society and protecting our planet.

I am pleased to share our first sustainability report, highlighting the work we have done and will continue to do to help our planet and its people thrive, every day.



**CHRISTOPHER TOWER**  
Sustainability & ESG Managing Partner



# OUR GOALS AND COMMITMENTS

In the near term, we are committed to:



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



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



**Implementing multiple strategies** to reduce the environmental impact of our business activities



**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



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



**Continuing to integrate sustainable practices** into our business strategy and operations



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



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



# OUR APPROACH

For us, sustainability isn't about checking boxes. It's about taking steps to continuously evolve our business to be more responsible and more resilient. It's about doing our part to make a positive impact and be a force for change — leading with purpose, holding ourselves accountable, and prioritizing long-term stability over short-term financial rewards.

Investing in the future through sustainable initiatives isn't just about **our** future. It's about the future of all our stakeholders. That is why we regularly evaluate where our purpose, values and priorities intersect with the economic, environmental and social issues that have the greatest meaning to our stakeholders and the greatest impact on our business.

“

*The sustainability shift is real — and it's moving fast. It's not just a moment, it's a movement — a meaningful shift in the way we all do business. A shift that mandates we recognize — and are accountable for — the impact our everyday decisions have not just on our own bottom lines, but on the world around us.*



**CARA MOORES**  
Sustainability & ESG Corporate  
Strategy Senior Director



## OUR APPROACH / STAKEHOLDER ENGAGEMENT

Strong, lasting relationships begin with a foundation of understanding and trust. Part of building that trust is actively engaging with and listening to our stakeholders. Through open communication, inclusive activities, and many other frequent touchpoints, we strive to ensure they feel seen, valued and heard.

### OUR STAKEHOLDERS

### HOW WE ENGAGE



#### Employees and Partners

Internal surveys, communications, intranet, portals, webinars, voicemails and memos, social media, ethics hotline and code of conduct, education and training, workplace policies



#### Prospective Employees

Career fairs, social media, internships, BDO.com, strategic relationships with industry organizations and colleges and universities, [DEI Transparency Report](#)



#### Clients

Relationship partners and engagement teams, responses to information requests, social media, newsletters, conferences and events, thought leadership, press releases, client listening and feedback programs



#### Suppliers

Requests for proposals and information, due diligence, ongoing supplier communication and management



#### Communities

Charitable giving and community engagement activities, volunteerism and nonprofit board service



#### Regulators

Professional associations, committee and board service, BDO.com, [Audit Quality Report](#), Audit Quality Advisory Committee

This list is not comprehensive. It serves to illustrate how BDO engages with stakeholders.

## OUR APPROACH / ASSESSING MATERIALITY

This year, to better understand the issues most important to our stakeholders, we conducted a third-party-assisted materiality assessment. Topics were identified as high value areas for our stakeholders based upon the significance of BDO's economic, environmental and social impacts and their substantive influence on the assessments and decisions of stakeholders.<sup>1</sup>

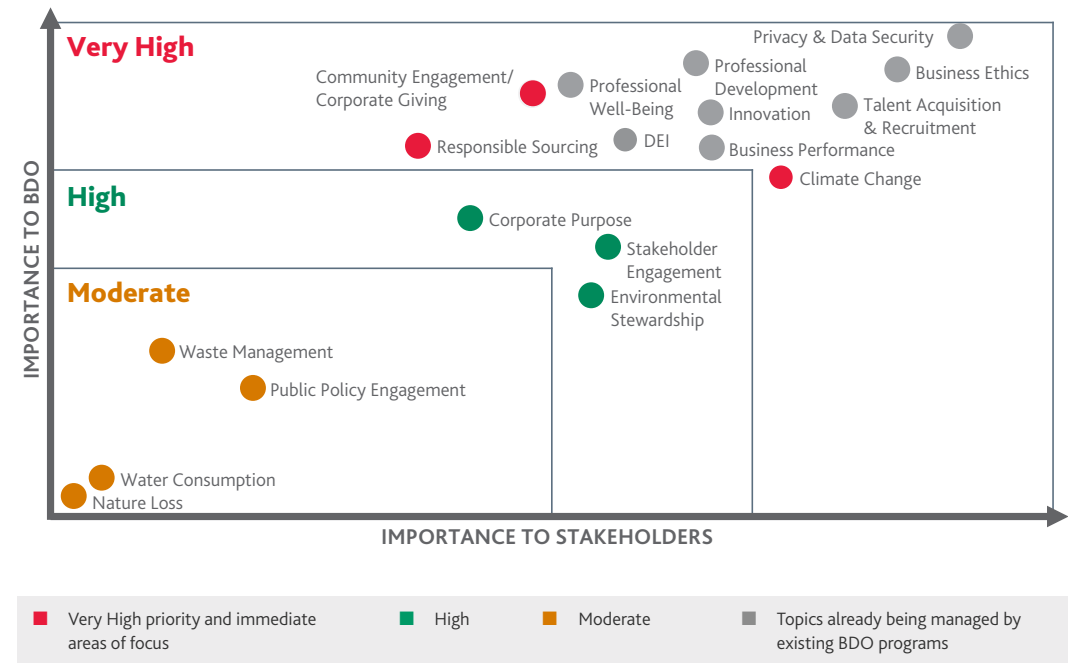
Based upon stakeholder importance, more than 20 significant topics and their relative rankings were determined through a combination of quantitative analysis and qualitative insights. The process included:

- ▶ A comprehensive evaluation of industry standards, frameworks and emerging trends
- ▶ Interviews with internal subject matter experts, members of BDO's Executive Team and Board of Directors, and leaders from each of the firm's core operational areas
- ▶ Research including benchmarking and analysis of our clients and industry peers
- ▶ A firmwide survey in which BDO professionals were asked to rank the relative importance of topics to the business, stakeholders and their personal beliefs
- ▶ An analysis of the findings, ranking of topics, approval by the firm's Executive Team, and integration of key priorities into our internal sustainability strategy

The results of the materiality assessment have served as the foundation for our sustainability strategy. Through the assessment process, climate change, responsible sourcing, and community engagement and corporate giving were identified as key areas of focus for the firm, and have been approved by BDO's Executive Team as strategic priorities.

The assessment also identified a number of other material topics that already align with well-established programs and existing internal focus areas. These areas — as illustrated in grey — will continue to be significant areas of focus for BDO.

### BDO MATERIALITY MATRIX





# U.N. SUSTAINABLE DEVELOPMENT GOALS

We acknowledge the impact our everyday decisions and actions have on the world around us — and we own our responsibility to do our part to preserve our planet and drive positive societal change.

As a signatory of the U.N. Global Compact, BDO supports the Sustainable Development Goals (SDGs). We have identified the SDGs and targets toward which we believe we can be most impactful, and have aligned our strategy and goals with those targets.



**SUSTAINABLE  
DEVELOPMENT GOALS**

**4 QUALITY  
EDUCATION**



**5 GENDER  
EQUALITY**



**8 DECENT WORK AND  
ECONOMIC GROWTH**



**9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE**



**10 REDUCED  
INEQUALITIES**



**12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION**



**13 CLIMATE  
ACTION**



**16 PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS**



# U.N. SUSTAINABLE DEVELOPMENT GOALS

## ALIGNED SDGS AND TARGETS

### 4 QUALITY EDUCATION



#### Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

- ▶ **Target 4.7.** By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development

### 5 GENDER EQUALITY



#### Achieve gender equality and empower all women and girls

- ▶ **Target 5.1.** End all forms of discrimination against all women and girls everywhere
- ▶ **Target 5.5.** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

### 8 DECENT WORK AND ECONOMIC GROWTH



#### Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- ▶ **Target 8.3.** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium sized enterprises, including through access to financial services
- ▶ **Target 8.4.** Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the Ten-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead
- ▶ **Target 8.5.** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
- ▶ **Target 8.8.** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

## U.N. SUSTAINABLE DEVELOPMENT GOALS

### ALIGNED SDGS AND TARGETS

#### 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



#### Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

- ▶ **Target 9.4.** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

#### 10 REDUCED INEQUALITIES



#### Reduce inequality within and among countries

- ▶ **Target 10.2.** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- ▶ **Target 10.4.** Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

#### 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



#### Ensure sustainable consumption and production patterns

- ▶ **Target 12.5.** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
- ▶ **Target 12.6.** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
- ▶ **Target 12.7.** Promote public procurement practices that are sustainable, in accordance with national policies and priorities
- ▶ **Target 12.8.** By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature



## U.N. SUSTAINABLE DEVELOPMENT GOALS

### ALIGNED SDGS AND TARGETS

#### 13 CLIMATE ACTION



#### Take urgent action to combat climate change and its impacts

- ▶ **Target 13.1.** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
- ▶ **Target 13.3.** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

#### 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



#### Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

- ▶ **Target 16.3.** Promote the rule of law at the national and international levels and ensure equal access to justice for all
- ▶ **Target 16.5.** Substantially reduce corruption and bribery in all their forms
- ▶ **Target 16.6.** Develop effective, accountable and transparent institutions at all levels
- ▶ **Target 16.7.** Ensure responsive, inclusive, participatory and representative decision-making at all levels
- ▶ **Target 16.8.** Promote and enforce non-discriminatory laws and policies for sustainable development

# ADVANCING SUSTAINABILITY IN THE MARKET / ESG CENTER OF EXCELLENCE

Our ESG Center of Excellence (the "Center") comprises a dedicated team of professionals with deep technical knowledge of sustainability and ESG. The Center drives both our internal firm strategy and provides strategic oversight of our client services and solutions. The professionals in the Center work collaboratively with our operational teams to advance sustainability internally — monitoring, measuring and reporting on BDO's own ESG progress. They also serve as resources for our professionals as they assist clients throughout their sustainability journeys, providing support and guidance on client engagements, training, research, best practices, strategy, evolving regulation and thought leadership.



## ADVANCING SUSTAINABILITY IN THE MARKET / SUSTAINABILITY SERVICES AND SOLUTIONS

The future of business is sustainable business. And we believe that just as we prioritize sustainability for ourselves, we must also help our clients do the same.

BDO continues to evolve our Sustainability & ESG services, creating solutions that meet clients wherever they are on their journey, taking steps to mitigate risk, bolster resilience, and create value. We believe that building business sustainably is not just the right thing to do. It is the smart thing to do.



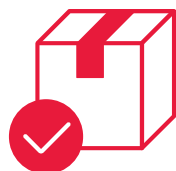
### ESG Strategy & Program Development

We help companies starting out on their ESG journey to develop practical, yet impactful ESG policies and programs. Services include industry benchmarking, materiality assessment, stakeholder engagement, strategic roadmap, program plan, framework selection, target-setting, ESG ratings improvement, SOX readiness and sustainability reporting.



### ESG Reporting & Assurance

ESG assurance helps companies improve reliability and accuracy of ESG data while complying with ESG attestation standards. We offer limited and reasonable assurance on ESG information. ESG assurance provides insights on controls and processes. We also provide assurance readiness assessments.



### Supply Chain Sustainability & Resilience

We provide end-to-end supply chain solutions helping companies identify and manage complex ESG risks and opportunities by mapping, vetting and onboarding suppliers, optimizing network design and improving procure to pay processes and systems. We also help address supplier diversity and ethical sourcing issues, as well as FCPA and international customs and trade compliance requirements.



### Tax Transparency & ESG Tax Strategy

Tax transparency is an important element of adopting sustainable tax practices. We help companies integrate ESG into overall tax strategy while helping them take advantage of credits and incentives for green investment and climate mitigation activities. For sellers and buyers of tax credits, we have also created a network for organizations to execute their tax credit monetization strategy.



## ADVANCING SUSTAINABILITY IN THE MARKET / SUSTAINABILITY SERVICES AND SOLUTIONS



### Climate Services

We analyze our clients' carbon footprints as well as the physical and transition risks associated with climate change and their impact on the organizations' business and operations. Services include GHG accounting, Scope 1, 2 and 3 measurement and reporting, climate vulnerability assessment, mitigation strategy and implementation, and TCFD compliance and reporting.



### Sustainable Finance & Investing

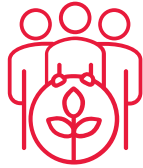
Access to and lower cost of capital can be achieved by adopting sustainability strategies and programs. Our climate mitigation and tax teams provide guidance on tax-advantaged "green" investing activities that lower the costs of climate risk mitigation strategies and improve ROI. In addition, our ESG due diligence services help investors determine the impact of ESG risks on their investment thesis, deal pricing and terms in M&A transactions.



### Human Capital Management

Recognizing that an organization's workforce is a key driver of operational performance and resilience, we help our clients address the social aspects of their human capital management practices. We help organizations develop and refine their human capital strategy and policies, including diversity, equity and inclusion (DEI), compensation and benefits, retention issues management and workplace benchmarking.

## ADVANCING SUSTAINABILITY IN THE MARKET / SUSTAINABILITY SERVICES AND SOLUTIONS



### Community Resilience

With a shared goal of improving safety, sustainability, and community stewardship, we help our clients achieve ESG regulatory compliance with new and evolving regulations such as CMS, CFR and FAR. We also help our clients navigate local policy decisions and strategic community investments based on sustainable financial and equity models.



### Sustainability & ESG Learning

We provide learning and development training and interactive workshops that build knowledge and fill capability gaps to promote strong sustainability strategies and execution. We also lead ESG training for boards and executive management as well as foundational ESG awareness training across the organization.



*As advisors to the middle market, we have a unique opportunity and responsibility to help our clients thrive by incorporating sustainability into their business models — resulting in not just better business, but in a better future for us all.*



**KAREN BAUM**  
Sustainability & ESG Services Managing Partner



## ADVANCING SUSTAINABILITY IN THE MARKET / CLIENT SERVICE SPOTLIGHT CASE STUDIES



### Designing a Long-Term ESG Strategy and Program

A public pharmaceutical company needed help communicating their ongoing ESG program more effectively to stakeholders, while further developing their long-term sustainability strategy.

BDO supported the company's short-term communication needs, then worked with their team to clearly define the company's sustainability priorities and objectives, and develop their ESG strategy. To accomplish this, BDO conducted a review and assessment of the company's sustainability activities, policies and procedures to inform and establish a formal, yet practical, ESG program.

Our ongoing work and communication with leadership fostered a deeper understanding among management of the company's strategic positioning and long-term objectives. This led to the design of an ESG governance model to effectively manage social and environmental risks, as well as identify opportunities for further integration of ESG into their business.



### Clarifying Sustainability Objectives

When a manufacturing company in a pivotal growth period needed to provide their lender with detailed information on their ESG strategy as a condition to obtain capital for an acquisition, BDO developed a customized approach to help the company establish and clearly communicate their ESG plan, policies and metrics.

By engaging with its leadership team and external stakeholders, BDO assisted the company in the completion of a materiality assessment to identify a set of key ESG priorities, and helped to develop an ESG policy and internal report to communicate efforts with the lender.

BDO's support helped clarify key objectives that demonstrated the company's ongoing commitment to environmental, social and governance elements. The support BDO provided was fundamental to further enhancing the company's relationships with its lender and other stakeholders.



## ADVANCING SUSTAINABILITY IN THE MARKET / CLIENT SERVICE SPOTLIGHT CASE STUDIES



### Supporting Community Resilience

A state department of local affairs sought to create a resiliency roadmap plan to combat the negative effects of the pandemic and increase resiliency in communities across the state.

BDO led the regional engagement of a coalition of stakeholders as they developed a pandemic recovery strategy. The BDO team helped to identify key action areas to support economic development, affordable housing, public land use and workforce development. Because the region's economy depends on tourism, stakeholders identified coordinated planning and use of public land as a priority.

BDO was instrumental in connecting these stakeholders to other local organizations and community members that will support continued sustainable tourism and land use efforts. BDO's engagement also helped foster strong relationships between counties in the region.



### Assessing Ethical Labor Practices

In the midst of a sale, an importer of cotton products was undergoing pre-M&A due diligence. Prior to close and as a term of the sale, the buyer required the target company to verify the origin of its raw materials and prove its supply chain did not use forced labor.

The importer engaged BDO to perform a forced labor assessment of its supply chain, including detailed supply chain mapping to establish a records-supported chain of custody and to investigate labor rights at every phase of production. BDO also worked with a law firm in China to conduct factory visits, interview workers and obtain other evidence that none of the 11 indicators of forced labor (published by the International Labour Organisation) were present.

The assessment provided evidence that the importer's supply chain did not use forced labor, enabling the transaction to close. At the time, BDO conducted the supply chain assessment in anticipation of the United States' adoption of the Uyghur Forced Labor Prevention Act, which bans the importation of goods made wholly or in part in China's Uyghur region — unless importers can provide evidence that goods or raw materials were not produced with forced labor or in connection with restricted entities.

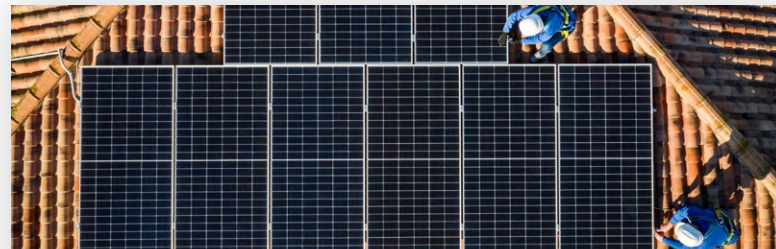
## ADVANCING SUSTAINABILITY IN THE MARKET / CLIENT SERVICE SPOTLIGHT CASE STUDIES



### Assuring Data For a Sustainability-Linked Bond

An infrastructure company sought to issue a sustainability-linked bond to expand recycling of the produced water they transport for their energy customers. To issue the bond, the company needed to provide recycling rates for the produced water it moves and to obtain third-party assurance for that information.

BDO provided assurance services on the unique non-financial data required to obtain the bond. The BDO team identified the appropriate material metrics and assessed the company's related systems, operations and analytics. BDO reviewed the company's internal controls and processes for tracking water under their control and the rates recycled. As a result of the attestation, the company was able to issue the bond needed to enhance sustainable water management.



### Furthering Renewable Energy Transition

A commercial real estate holding company was interested in installing solar panels on its multi-state property portfolio to reduce its carbon footprint and electricity costs. BDO performed due diligence and analysis for the company, identifying the project locations that would have the greatest impact on not only the reduction of purchased electricity emissions and cost, but also provide the greatest tax benefit.

These actions served as a strategic roadmap to the company in identifying high-yielding characteristics from an emissions and benefits perspective. BDO will also assist the company in quantifying and claiming the related benefits as investments are made. By considering tax implications at the outset of the project, the company was able to make progress against its energy transition goals while also recognizing maximum benefit, further integrating ESG into the company's tax strategy.

## ADVANCING SUSTAINABILITY IN THE MARKET / CONSCIOUS BUSINESS LEADERSHIP ACADEMY



Business leaders play a crucial role in developing sustainable operations, cultivating cultures that care about future generations, and delivering value to stakeholders. Accountability must start at the top of an organization. With this in mind, in 2021, BDO launched the Conscious Business Leadership Academy (CBLA), a five-month course designed by Raj Sisodia, Ph.D. and Dr. Neha Sangwan, M.D.

The CBLA offers CEOs and other C-suite executives the opportunity to elevate and maximize their leadership approach and company culture for the betterment of society. Using the principles of conscious capitalism, business leaders can begin making the shifts needed to drive sustainable value creation.

Members of BDO's Executive Team have participated in the CBLA, demonstrating the value and importance of embracing and leading through conscious leadership. Many of our clients and their stakeholders are looking for a new approach to corporate leadership, one that prioritizes inspiration through purpose and support with compassion and care. Through the CBLA program, private executive, health and strategic coaches help participants:

- ▶ Assess the company culture
- ▶ Learn from and connect with stakeholder groups
- ▶ Reevaluate the company's purpose and vision
- ▶ Create bridges during conflict, draw healthy boundaries and make clear agreements
- ▶ Bring purpose, culture and knowledge together to create value for all stakeholders

Since its inception nearly **90** C-level executives have participated, and upon completion of the program, rated it **4.8 of 5** stars.



*I loved the program! It was transformational — and I thought I was a conscious leader already. There's no single best part — every module is amazing. We were exposed to thought leaders and experts in a wide range of topics from corporate strategy to purpose and leadership and personal wellbeing. I highly recommend it. I am so grateful I invested the time. I credit it, in good measure, to creating a successful outcome for everyone. CEOs lucky enough to participate will be thankful for the gift.*

**CHRISTINE HECKART**  
CEO of Xapa

### What is Conscious Capitalism?

Conscious capitalism is a philosophy with a central premise that businesses should serve all significant stakeholders, including the environment. Raj Sisodia, one of the founding members of the Conscious Capitalism movement, is a co-leader of BDO's Conscious Business Leadership Academy.



## ADVANCING SUSTAINABILITY IN THE MARKET / MEMBERSHIP IN PROFESSIONAL ORGANIZATIONS

Our people actively participate in many professional organizations in various capacities, including but not limited to:

- ▶ Affordable Housing Association of CPAs (AHACPA)
- ▶ AICPA Center for Audit Quality Governing Board\*
- ▶ AICPA Tax Executive Committee\*
- ▶ AICPA Employee Benefit Plans Audit Quality Center Executive Committee\*
- ▶ AICPA Financial Reporting Executive Committee (FinREC)\*
- ▶ AICPA Governmental Audit Quality Center Executive Committee\*
- ▶ AICPA Peer Review Board\* and National Peer Review Committee
- ▶ AICPA Private Companies Practice Section (PCPS) Technical Issues Committee
- ▶ AICPA Professional Ethics Executive Committee (PEEC)\*
- ▶ AICPA Nominations Committee
- ▶ AICPA Assurance Services Executive Committee (ASEC)\*
- ▶ AICPA Auditing Standards Board\*
- ▶ AICPA Women's Initiative Executive Committee\*
- ▶ AICPA IRS Advocacy & Relations Committee
- ▶ CAQ Professional Practice Executive Committee
- ▶ CAQ SEC Regulations Committee
- ▶ CAQ Talent Steering Committee
- ▶ CAQ International Practice Task Force
- ▶ CAQ Audit Practice Task Force
- ▶ CAQ Sustainability Reporting Task Force
- ▶ CAQ Global Public Policy Committee (GPPC)
- ▶ FASB Small Business Advisory Committee (SBAC)
- ▶ Forum of Firms
- ▶ Global Auditors Investor Dialogue
- ▶ Global Reporting Initiative (GRI) Community
- ▶ IFRS Foundation Advisory Council
- ▶ IFRS Foundation Interpretations Committee
- ▶ IFRS Sustainability Alliance
- ▶ International Federation of Accountants (IFAC) Board of Directors
- ▶ National Association of Home Builders, Housing Credit Group, Steering Committee
- ▶ Net Zero Financial Services Providers Alliance (NZFSPA)

\* Represent Senior and Executive Committees of the AICPA.



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# ENVIRONMENTAL

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BDO is committed to acting as a steward of the environment and to the continued integration of sustainability into our business practices. We are holding ourselves accountable and have set goals to help us advance and measure progress against these commitments.



## GOALS AND COMMITMENTS



We set a goal to **achieve net-zero emissions by 2050** and halve our emissions by 2030.



We committed to **set near-term company-wide emission reductions** in line with climate science with the Science-based Targets initiative, and were recognized by Business Ambition for 1.5C and the We Mean Business Coalition.



We joined the Race to Zero campaign, pledging along with other leading organizations to **take rigorous and immediate action towards net zero**.



We pledged to **source 100% renewable energy by our fiscal year 2025**.



We committed to **the development of a responsible sourcing program** to help minimize environmental impacts within our supply chain.



We committed to **the implementation of a green leasing and construction strategy** by the end of fiscal year 2024 to integrate more sustainable practices around the selection, utilization and ongoing occupancy of our office locations.



We pledged to **further reduce our real estate footprint** to increase efficiencies and more closely align with our flexible work practices.



We pledged to continue to **eliminate or reduce waste in our operational activities** through strategic relationships with suppliers, developing proactive waste reduction strategies and increased employee education and engagement.



We committed to continued **minimization of water usage** in our buildings through the use of water efficient appliances and low flow bathroom fixtures.



## OUR APPROACH

Each of us has a role to play in protecting, preserving and renewing our planet's resources to ensure the way we live today does not compromise our planet tomorrow. That is why we have made climate action a critical priority — taking steps to more fully understand how our business activities impact the environment — and how best to minimize that impact.

---

Our work contributes to the following SDGs:

**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**13** CLIMATE  
ACTION



# CLIMATE AND ENERGY / ASSESSING OUR EMISSIONS FOOTPRINT

BDO is committed to reducing our negative impact on the environment and taking a data-driven approach to combat climate change.

In 2022, we conducted a comprehensive greenhouse gas accounting analysis of our Scope 1, 2 and 3 emissions. Data from across the organization was collected and analyzed, and emissions were calculated in accordance with the World Resources Institute's (WRI) GHG Protocol (GHGP).



The analysis determined that the firm's total emissions for fiscal year 2022 were **53,965 MT CO<sub>2</sub>e**.

## Total Emissions by Scope (MT CO<sub>2</sub>e)

MT CO <sub>2</sub> e		Overall Percentage
9	SCOPE 1	<1%
11,097	SCOPE 2	21%
42,859	SCOPE 3	79%

### What is Net Zero?

Put simply, net zero means balancing the amount of GHG emissions we add to the atmosphere with the amount we remove.

### Emission Scopes

GHG emissions are grouped into three categories or scopes.

### Scope 1 Emissions

Emissions that a company produces and controls directly.

### Scope 2 Emissions

Indirect emissions that are associated with the electricity or energy that a company buys to heat or cool its buildings.

### Scope 3 Emissions

All indirect emissions not included in Scope 2 that occur in the value chain of the reporting company, including both 'upstream' and 'downstream' emissions.



# CLIMATE AND ENERGY / ASSESSING OUR EMISSIONS FOOTPRINT

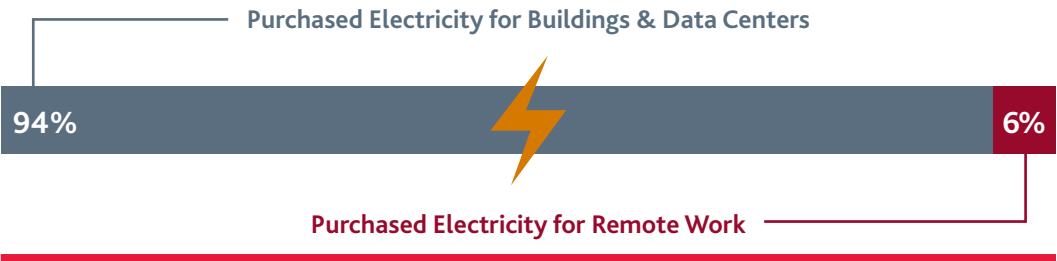
## HOW AND WHERE WE WORK



Approximately **21% of total emissions were due to purchased electricity** (Scope 2) in our leased office space. A negligible amount of Scope 1 emissions were due to the recharging of refrigerants in our buildings.

To quantify the purchased electricity emissions of our buildings (Scope 2) and remote work (Scope 3), we applied regional U.S. EPA and IEA emissions factors to utility data aligned with the WRI's GHGP and best practices.

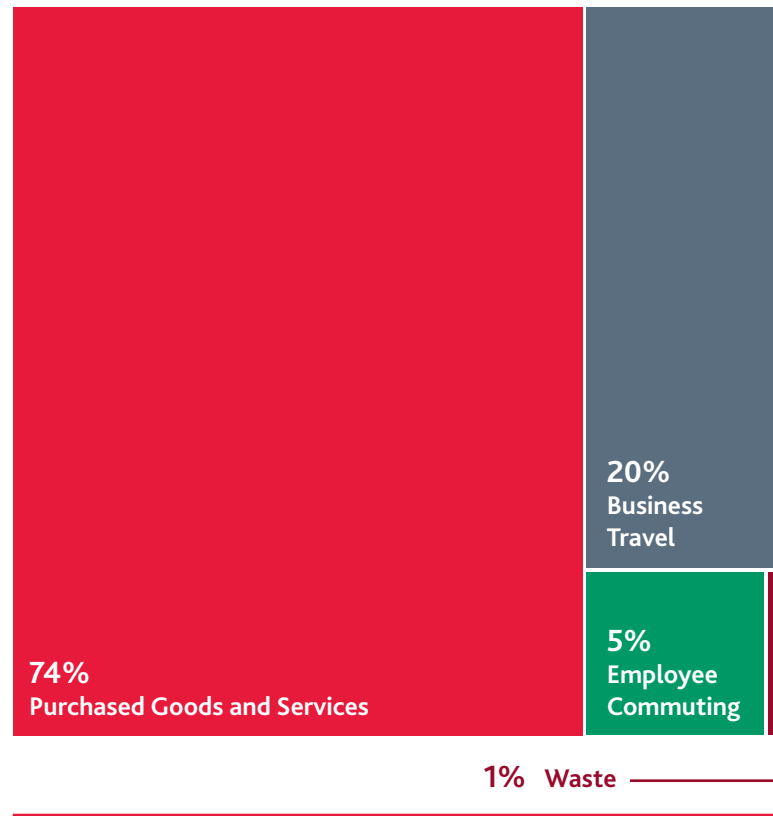
### Fiscal Year 2022 Percentage of Total Purchased Electricity (Scopes 2 and 3)





# CLIMATE AND ENERGY / ASSESSING OUR EMISSIONS FOOTPRINT

## Fiscal Year 2022 Scope 3 Emissions by GHGP Category



As part of our GHG analysis, we **conducted a full assessment of our Scope 3 emissions**. The majority of our fiscal year emissions (79%) can be attributed to indirect emissions associated with our supply chain. The analysis included four Scope 3 categories, which were determined to be most relevant and material to BDO's business. Categories included:

### Purchased Goods and Services

Extraction, production and transportation of goods and services purchased or acquired by BDO such as office supplies, computer hardware and software, and professional services.



### Business Travel

Transportation of professionals for business-related activities via methods not owned or operated by BDO including rail, vehicle and air travel.



### Employee Commuting

Transportation of professionals between their homes and offices via methods not owned or operated by BDO including vehicles and public transportation. This category also includes our emissions from remote work.



### Waste Generated in Operations

Disposal and treatment of waste generated in BDO's operations in facilities not owned or controlled by BDO.



## CLIMATE AND ENERGY / ACTIONS THAT DRIVE RESULTS

### MINIMIZING CLIMATE IMPACT

BDO has committed to achieve net zero by 2050, and we are currently developing our decarbonization strategy. We are working to set goals and identify opportunities to evolve our practices, policies and processes to minimize climate risk and align with a net zero future.

We have committed to the Science Based Targets initiative and are in the process of setting targets in alignment with the trajectory requirements for validation. Our detailed net zero targets will be shared and we expect to expand our report to align with Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2025.

We will achieve net zero through various carbon avoidance, reduction and mitigation actions, which focus on:

**Responsible Buildings:** We are developing a green leasing and construction strategy to integrate more sustainable practices around the selection, utilization and ongoing occupancy of our office locations, and are focused on efficient and optimal use of our space. We are evaluating our real estate footprint to determine where adjustments should occur and are working with our brokers, architects and building managers on environmental selection criteria and ongoing management of our office space, including energy mix, usage and management, waste elimination and reduction, and water management. We're also working with our building managers to implement a streamlined process for data capture, to improve the efficiency and accuracy of our building data in each of our 85 locations.



In fiscal year 2022, **11** of BDO's offices were in buildings that had achieved LEED certification.



BDO has committed to sourcing **100% renewable energy by our fiscal year 2025.**

**Responsible Sourcing:** BDO is developing a robust responsible sourcing program that will ultimately help us ensure a substantial majority of our suppliers have sustainability-focused values and commitments that align with ours, and that they are taking action to reduce their own environmental impact. This includes supplier environmental evaluation criteria, due diligence, minimum climate commitments and targets, a supplier code of conduct, and annual communication on alignment with our program. We will be working closely with our suppliers to communicate our expectations around climate action and ongoing monitoring and reporting.

**Responsible Travel:** While we know that business travel will always be part of the way that we operate, and that meeting with clients and colleagues is central to our ability to deliver on our commitment to excellence, there are many opportunities to rethink when and how we travel. BDO is evolving our travel policy to include environmental considerations, including frequency, necessity and method of travel. We're also working with our travel partners to evaluate sustainable travel and hospitality programs and provide our people with more information when booking their business travel to help them make more responsible decisions about when and how they travel.

## WATER AND WASTE /

### ELIMINATING AND REDUCING WASTE

In fiscal year 2022, BDO offices produced approximately 461 metric tons of waste likely destined for landfill, which represented 1% of our Scope 3 emissions. Better waste management, specifically increasing landfill diversion rates, is a challenge in our leased properties because we often do not control the waste management contracts or have significant influence over the regional recycling infrastructure. However, BDO is committed to implementing practices and seeking innovative solutions to continue to reduce waste in our operations. We are working to develop and implement policies and practices that reduce waste, eliminate single use plastics, and expand further upon programs that we already have in place.

#### Furniture Circularity

As our real estate footprint and office space designs evolve, our furniture needs change. In our ongoing efforts to minimize our operational waste to landfill, we work with our furniture decommissioning partner to rehome or recycle our office furniture after it has reached the end of its useful life at its current location. Whether through furniture resale, donation to community and non-profit organizations, or recycling programs, sustainability is always the primary goal. Our recent Oak Brook, Illinois office move resulted in 100% of unneeded furniture diverted from landfill.



#### Electronics Reuse and Recycling

BDO works with strategic suppliers to reuse or recycle our electronic assets that are no longer needed, or that are still in good working order but no longer meet our minimum standard for use. We participate in various buyback, refurbishment, e-recycling and donation programs. In November 2021, BDO donated more than 250 laptops and desktops to Northern Illinois University for student use. As we continue to seek methods to minimize our waste footprint and divert our waste to landfill, we will evolve and expand these programs.



#### Environmentally Responsible Behaviors

As part of our efforts to reduce waste and increase landfill diversion rates, we are working to educate our people on environmentally responsible behaviors, including responsible waste disposal practices, participation in office recycling and composting programs, and working with office teams to put policies into place that eliminate single-use plastics and source reusable, recyclable and compostable office supplies.



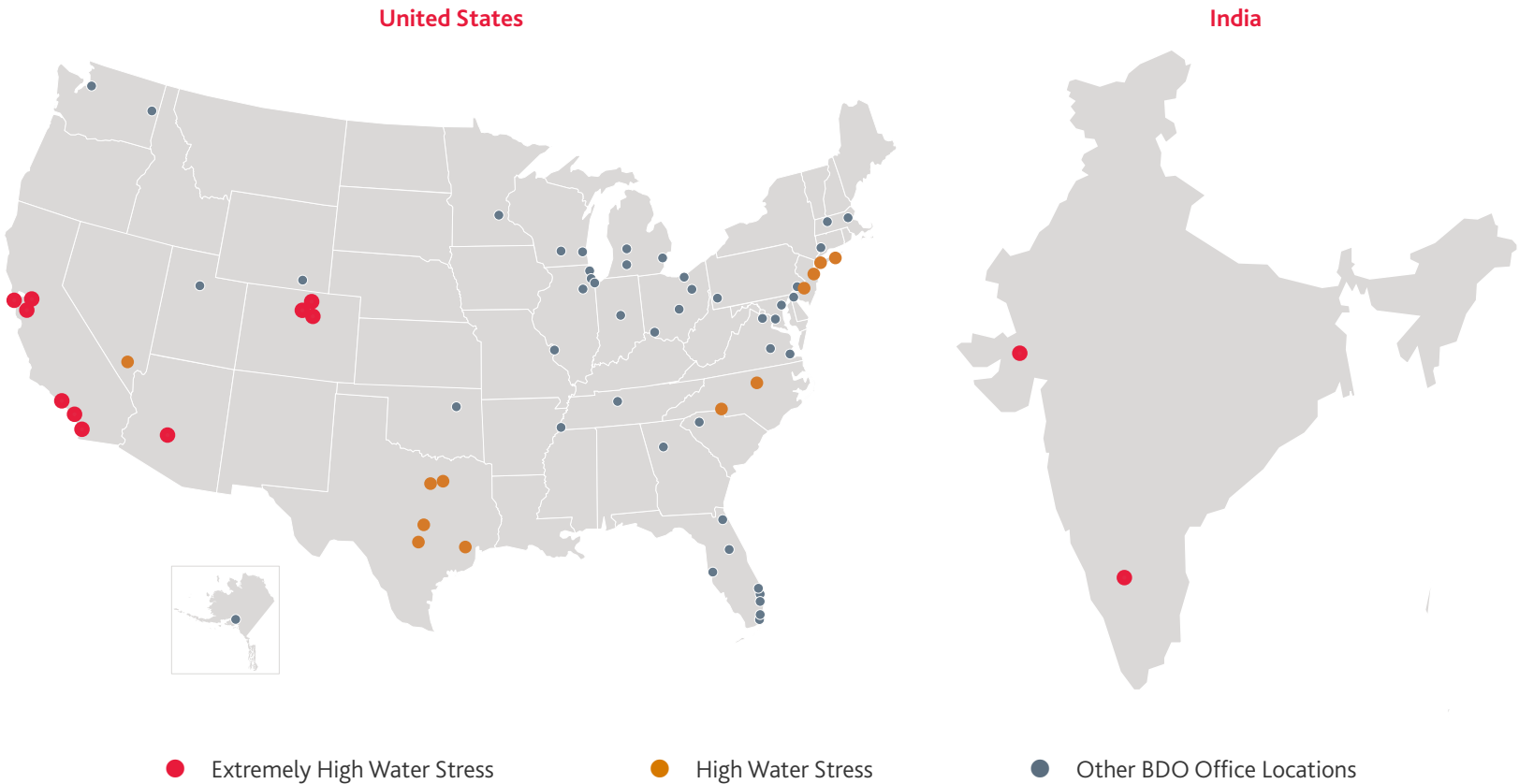


# WATER AND WASTE / WATER USE IN OUR OFFICES

Water scarcity affects many communities across the globe.

Of BDO's 85 office locations, nine are located in regions of extremely high water stress as defined by the World Resources Institute (WRI) Aqueduct Water Risk Atlas and an additional 12 offices are in regions designated as high water stress.

In fiscal year 2022, we estimate that BDO used approximately 11 million gallons of water. And while, as tenants, we do not have direct control over the sourcing of water in our office buildings, we recognize the critical importance of water conservation and have begun to take steps to further these efforts. Water management will be assessed as part of our green leasing and construction evaluation criteria, and we are working with our architects to integrate water efficient fixtures into our suites.



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# SOCIAL

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## GOALS AND COMMITMENTS



We **joined the U.N. Global Compact** as a signatory, pledging to conduct our business in alignment with its Ten Principles and to prioritize the advancement and achievement of the U.N. Sustainable Development Goals.



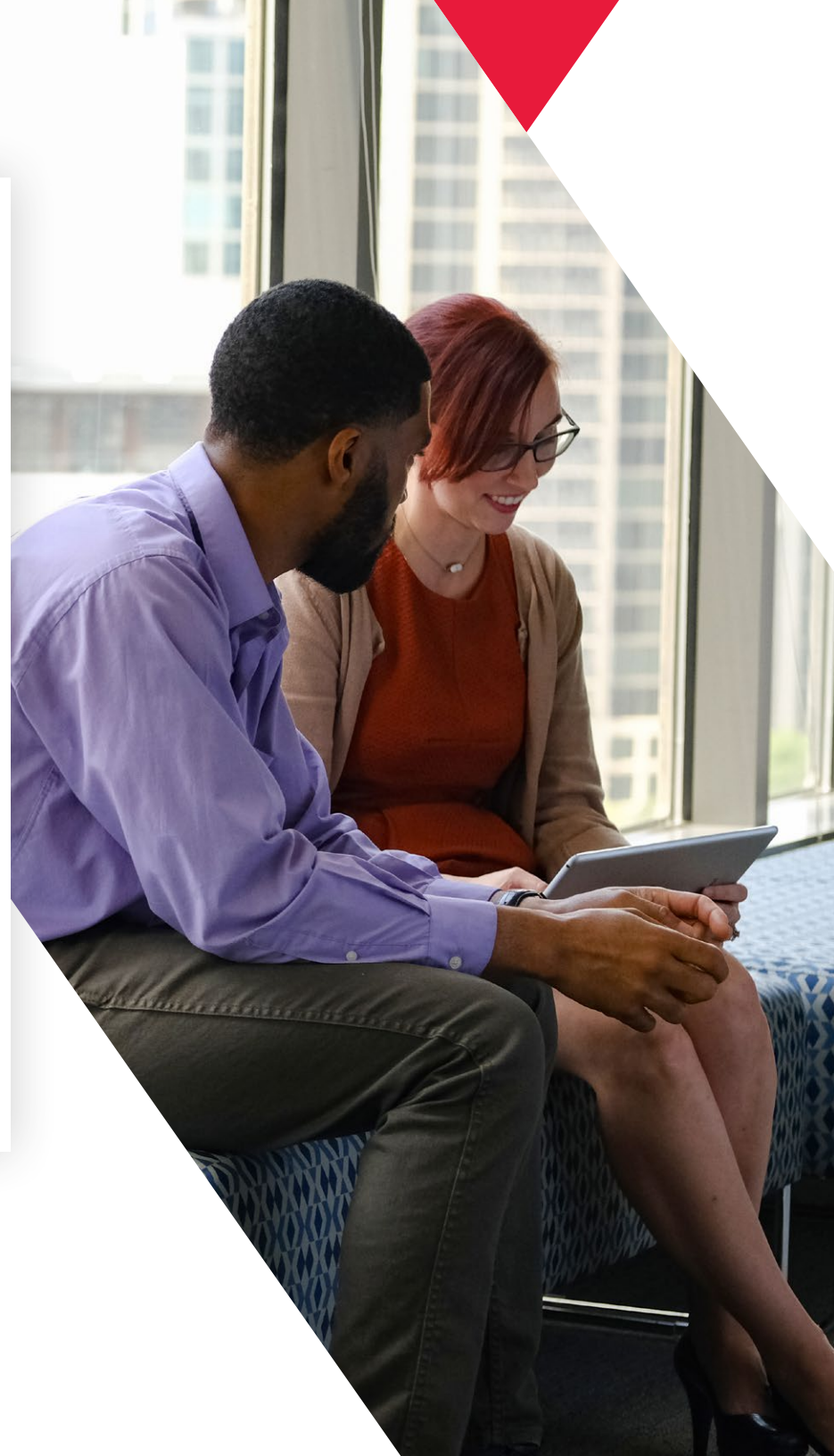
We **committed to the development of a responsible sourcing program** to help ensure we work with suppliers who are prioritizing diversity, operating ethically, and respecting and upholding human rights.



We **joined the Human Rights Campaign's Business Coalition for the Equality Act**, supporting federal legislation to provide the same protections to LGBTQ+ people as are provided to other protected groups under federal law.



As part of our ongoing commitment to expand our inclusive benefits offerings and meet the needs of our increasingly diverse workforce, we **expanded healthcare coverage for our LGBTQ+ community and added additional mental health coverage and resources.**





## OUR APPROACH

Now, more than ever, the strength of our people-first culture is helping lead the way. Whether it's building stronger relationships with our professionals and clients, delivering an exceptional people experience for our stakeholders, or prioritizing strategic ESG commitments for the betterment of our communities, we're invested in helping people thrive, every day.

Our work contributes to the following SDGs:

**4** QUALITY  
EDUCATION



**5** GENDER  
EQUALITY



**8** DECENT WORK AND  
ECONOMIC GROWTH



**10** REDUCED  
INEQUALITIES



## OUR APPROACH / WORKPLACE AWARDS AND RANKINGS

We embrace culture as a business strategy. We are proud to have been honored with workplace awards in numerous categories, both locally and nationally, celebrating our ongoing commitment to cultivating environments where people and innovation thrive.

### 2022 National Awards

- ▶ National Best & Brightest Companies to Work For, *National Association for Business Resources*
- ▶ Top 75 Companies for Executive Women, Firmwide, *Seramount*
- ▶ Top Entry Level Employer, Firmwide, *CollegeGrad.com*
- ▶ 100 Best Companies for Working Parents, Firmwide, *Seramount*
- ▶ Best Company for Dads, Firmwide, *Seramount*

### 2022 Local Office Awards

- ▶ Columbus CEO Magazine Top Workplaces, Columbus Office, *The Columbus CEO Magazine*
- ▶ Best and Brightest Companies to Work For, Dallas/Fort Worth Office, *101 Best and Brightest*
- ▶ Best and Brightest Companies to Work For, Houston Office, *Houston Chronicle Top Workplaces*
- ▶ 101 Best and Brightest Companies to Work For, Grand Rapids, GRR BSC and Kalamazoo, *101 Best and Brightest*
- ▶ 101 Best and Brightest Companies to Work For, Atlanta, *101 Best and Brightest*
- ▶ The Star Tribune 2022 National Standard Top Workplace, Minneapolis, *The Star Tribune*
- ▶ 101 Best and Brightest Companies to Work For, Nashville, *101 Best and Brightest*

### 2021 National Awards

- ▶ Best Places to Work for Parents Working Remotely, *Fatherly/Scary Mommy*
- ▶ Fourth Best Firm to Work for Among All National Accounting Firms, *Vault Accounting 50*
- ▶ 50 Best Internships, *Vault.com*
- ▶ Top Entry Level Employer, *CollegeGrad.com*
- ▶ Nation's Best and Brightest in Wellness, Firmwide, *National Association for Business Resources*

### 2021 Local Office Awards

- ▶ Best and Brightest Companies to Work For, Detroit Office, *Best and Brightest Programs*
- ▶ Best Places to Work in San Diego, San Diego Office, *San Diego Business Journal*
- ▶ 101 Best and Brightest Companies to Work For, Atlanta, *101 Best and Brightest*
- ▶ Columbus CEO Magazine Top Workplaces, Columbus Office, *The Columbus CEO Magazine*
- ▶ 101 Best and Brightest Companies to Work For, Chicago Office, *101 Best and Brightest*
- ▶ 101 Best and Brightest Companies to Work For, BDO Digital, *101 Best and Brightest*
- ▶ Best and Brightest Companies to Work For, Houston Office, *Houston Chronicle Top Workplaces*
- ▶ Best and Brightest Companies to Work For, Dallas/Fort Worth Office, *101 Best and Brightest*
- ▶ The Cleveland Plain Dealer Top Workplaces, Cleveland Office, *The Cleveland Plain Dealer*
- ▶ Top Companies to Work for in Arizona, Phoenix Office, *AZCentral.com*
- ▶ 101 Best and Brightest Companies to Work For, Grand Rapids, GRR BSC and Kalamazoo Offices, *101 Best and Brightest*

## OUR PEOPLE

At BDO, putting people first is not only one of our core values, it is central to our mindset, decisions and actions, and how we fulfill our core purpose of helping people thrive, every day. We know we cannot help others thrive — our clients and others in our extended stakeholder ecosystem — if we do not first take care of our people.

We also believe it's our differences and varying perspectives that fuel our innovation, strengthen our culture and add value to our exceptional client experiences. With each person's insight, we help build more understanding and lasting relationships with one another, our clients and our communities.





## OUR PEOPLE / Q&A WITH CATHY MOY, CHIEF PEOPLE OFFICER

### How does BDO's people strategy align with and enhance its sustainability strategy?

I believe that a strong people and culture strategy is the foundation of an organization's sustainability strategy. All our work emanates from our core purpose, and that guides who we hire and how we direct our collective talents. To integrate sustainability into the fabric of our culture and our day-to-day operations, our professionals must truly embody BDO's core purpose of **helping people thrive, every day**.

### What makes BDO's culture different than other organizations?

We believe our efforts produce what we call culture equity – the tangible value and resulting resilience that comes from investing in your people and their well-being. It allows everyone in the firm to lean into a common foundation, building trusting relationships and knowing they can always rely on one another.

When we first began reimagining the pillars of our culture, our CEO, Wayne Berson, and I talked about creating something very special. If you have worked anywhere else and come to BDO, you can feel the difference. People genuinely care for one another here. We see it in our Pulse surveys all the time, and we're proud of it.

### Why does having a people-first culture matter when it comes to driving sustainable practices?

Sustainability is about caring for people and planet. Putting people first centers our sustainability strategy and helps us truly live our core purpose. It's not just the right thing to do; it's the smart thing. It builds trust and strengthens relationships by aligning personal interests and passion with the business. That translates into better results including higher employee engagement and retention rates, increased productivity, and a more innovative organization, better able to adapt to change.

### How do you see business cultures evolving in the future?

Employees are searching for an experience that resonates more deeply with their personal values and professional aspirations. They're asking businesses to be more human — and rightfully so. Our ability to remain open to diverse perspectives, responsive to changing workplace dynamics, and intentional in helping people achieve their professional aspirations will not only make us an employer of choice but also a business that can remain agile in an evolving world. We need creative and dedicated professionals who can help us solve some of the world's most pressing challenges, so we must create cultures that support them.



**CATHY MOY**  
Chief People Officer  
BDO USA, LLP

## OUR PEOPLE

To help understand how we can help our people thrive, we prioritize open communication around our workforce demographics. Transparency is a critical factor in creating better and more sustainable businesses. It is an important step toward identifying areas of opportunity so that we may continue to create an inclusive culture and diverse firm through effective recruitment, development, retention and advancement strategies.

### Fiscal Year 2022 Employees and Partners by Headcount

Regions	U.S.			BDO RISE (India)		
	Total	Male	Female	Total	Male	Female
Count	9,595	5,034	4,561	1,222	710	512
Rate	100%	52%	48%	100%	58%	42%

### Fiscal Year 2022 New Hires\*

The following data focuses on professionals that joined the firm during the fiscal year 2022 reporting period.

	TOTAL	GENDER		AGE GROUP		
		Male	Female	<30	30-50	>50
U.S.						
Count	3,107	1,669	1,438	1,502	1,301	304
Rate		54%	46%	48%	42%	10%
BDO RISE (India)						
Count	1,157	662	495	760	393	4
Rate		57%	43%	66%	34%	0%

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

\*Total number and rate of new employee hires during the reporting period, by age group, gender and region. For gender and age group, rate is determined as a percentage of the whole, by category.

## OUR PEOPLE

## Fiscal Year 2022 Voluntary Turnover

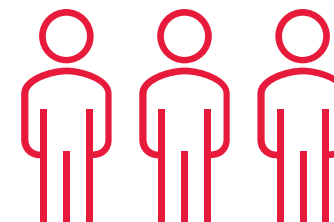
The following data focuses on voluntary turnover by region.

	TOTAL	AGE GROUP		
		<30	30-50	>50
<b>U.S.</b>				
Count	1,791	871	786	134
Rate*	19%	49%	44%	7%
<b>BDO RISE (India)</b>				
Count	180	134	45	1
Rate*	24%	74%	25%	1%

Fiscal Year 2022 Voluntary & Involuntary  
Turnover Rates (U.S. and BDO RISE)\*\*

**21%**  
Voluntary  
Turnover Rate

**1%**  
Involuntary  
Turnover Rate



## Fiscal Year 2022 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
67%	33%	83%	0%	8%	8%	0%	0%	0%	0%	0%	33%	67%

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

\* Total rate is based on percentage of average headcount for Fiscal Year 2022, by category. Age Group rates reflect the percentage of total turnover among the respective age group category at fiscal year end.

\*\* Turnover rates are calculated as a percentage of average headcount for Fiscal Year 2022.

\*\*\* As of April 30, 2022



## OUR PEOPLE

## Fiscal Year 2022 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
86%	14%	100%	0%	0%	0%	0%	0%	0%	0%	0%	14%	86%

## Fiscal Year 2022 Firm Demographic Data, U.S.\*

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	52%	48%	65%	0%	17%	9%	0%	6%	2%	1%	31%	51%	18%
Associate	46%	54%	59%	0%	18%	13%	0%	6%	3%	0%	66%	25%	8%
Senior Associate	49%	51%	57%	0%	21%	11%	0%	8%	2%	0%	45%	47%	9%
Manager	45%	55%	65%	0%	17%	9%	0%	7%	2%	1%	15%	71%	15%
Senior Manager	55%	45%	71%	0%	15%	7%	0%	3%	1%	1%	1%	75%	24%
Director/Mng. Dir./Sr. Dir.	62%	38%	79%	0%	12%	4%	0%	2%	1%	1%	0%	62%	38%
Partner/Principal	76%	24%	82%	0%	7%	7%	0%	1%	1%	2%	0%	54%	46%

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

\* As of April 30, 2022

## OUR PEOPLE

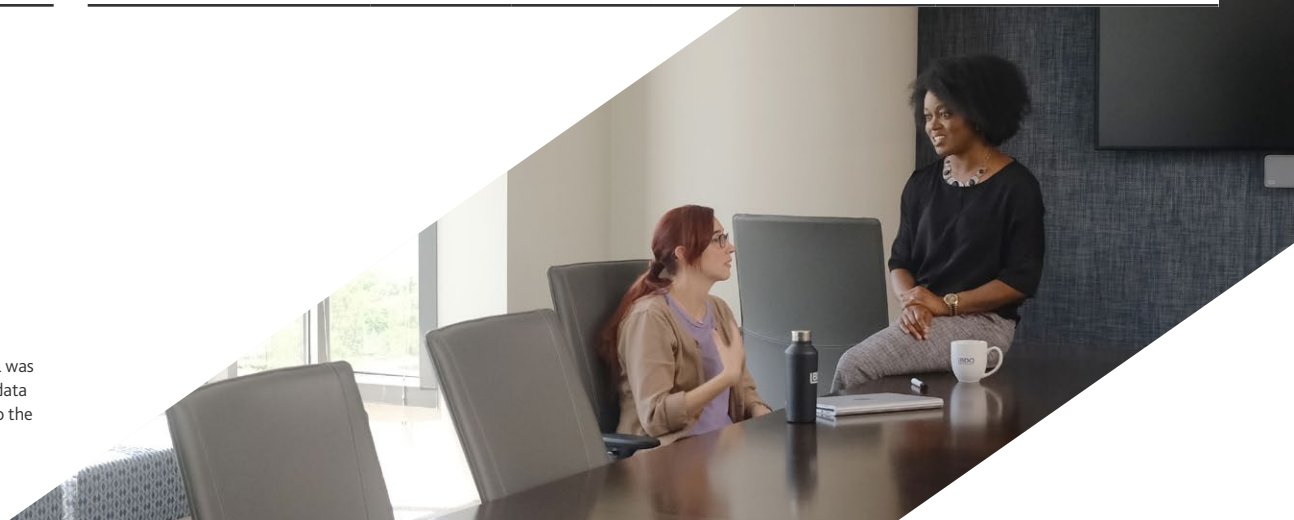
## Fiscal Year 2022 Promotions, U.S.

We aim to retain top talent and cultivate positive people experiences through individualized engagement, leadership training and empowerment through knowledge. The following data focuses on advancement within the firm by level for fiscal year 2022.

LEVEL	GENDER		RACE/ETHNICITY							
				American Indian or Alaska Native		Hispanic or Latinx	Native Hawaiian or other Pacific Islander	Black or African American	Two or More Races	Declined to Disclose
	Men	Women	White		Asian					
Overall	50%	50%	63%	0%	20%	10%	0%	4%	3%	1%
Associate	52%	48%	62%	0%	21%	9%	0%	5%	2%	0%
Senior Associate	51%	49%	58%	0%	24%	11%	0%	3%	3%	0%
Manager	45%	55%	65%	0%	18%	9%	0%	4%	2%	1%
Senior Manager	48%	52%	73%	0%	13%	8%	0%	3%	1%	2%
Director/Mng. Dir./Sr. Dir.	52%	48%	72%	0%	14%	7%	1%	3%	1%	3%
Partner/Principal	71%	29%	74%	0%	12%	9%	0%	1%	3%	1%

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

Level refers to the new position to which the individual was promoted. Data is based upon active selection. Some data categories may not add up to 100% due to rounding to the nearest whole percent.



## OUR PEOPLE / **TALENT**

Recruiting and retaining top talent is central to our business strategy and critical to our ability to provide the level of service and commitment to quality that our clients expect and deserve.

We've created an environment where our people can thrive in the day-to-day flexibility of our workplace, where adjusting how they work is not only possible but is encouraged to deliver the best outcomes. We encourage professionals to move and advance throughout the firm, so they can align their careers with their personal values and goals. Through community engagement, supporting organizations in all our locations, our professionals are a force for good in the world, and we pride ourselves on cultivating an organizational culture whose people are accountable for doing the right thing.

### RECRUITMENT

Positioning BDO as an employer of choice means understanding and putting into practice the best approach to helping people fulfill their career ambitions and explore their full potential as individuals. This includes making enduring connections, doing work that matters and feeling valued.

Our employee value proposition is a critical element in how we attract and retain people, and that value proposition is anchored in our purpose and culture. To recruit talent for positions at all levels of the firm, we use comprehensive strategies to help us create meaningful and intentional connections. From engaging with students at colleges and universities to networking with experienced professionals, we develop strong relationships during our recruitment efforts, throughout the BDO professional lifecycle and beyond.

### Spotlight: **PATHWAY TO SUCCESS PROGRAM**

BDO's Pathway to Success summer leadership program, now in its 15th year, gives college juniors and seniors a chance to network with a variety of BDO professionals, learn about the firm, experience its culture, and better understand career paths in public accounting and advisory.

In July 2021, BDO expanded the program to include students who are earlier in their college careers through the Pathway to Success Career Readiness Roadmap. The Readiness Roadmap program helps college freshmen and sophomores navigate decisions about majors, internships and career paths. Our campus recruiters thoughtfully match students with BDO professionals from across the firm so that students can explore the public accounting profession and potential career paths at BDO. Through Pathway to Success, BDO also fosters participation and connection from students who come from historically underrepresented communities in the accounting field.





## OUR PEOPLE / **TALENT**

### RETENTION

Cultivating a thriving workplace where people feel engaged and satisfied is a key driver of professional retention. From comprehensive onboarding, training programs to ongoing support, leadership development and advancement opportunities, demonstrating our interest in the growth and development of our people is an investment in our future.

Creating a sense of belonging is crucial to the success of our organization. It drives engagement and keeps our people excited about the work they do. This leads to more fulfilled and more advanced careers at BDO. Offering a wide range of opportunities for continuing education and ongoing discussions with leadership is another key component to BDO's retention approach. This includes our expanded library of comprehensive workshops and bootcamps, peer mentoring groups, and Inclusion and Affinity Groups, as well as other inclusive activities, discussions and trainings.

### ENGAGING OUR PEOPLE\*

BDO measures employee engagement through our annual PULSE survey. The survey, which provides key insight into various topics like firm strategy, benefits, inclusion, communication and professional development, helps our leaders understand how to best support our professionals. We're proud to say that our Fiscal Year 2022 results show strong alignment between the experiences of our professionals and our strategic initiatives.

**89%** of BDO professionals participated

**89%** reported a high degree of trust in firm leadership

**92%** reported feeling they belong at the firm and are a part of the BDO family and culture

**89%** reported that they witness BDO's core value of People First demonstrated by their colleagues

**95%** reported feeling they are provided equitable opportunities to advance their careers at BDO

\*As of December 2021

## OUR PEOPLE / **TALENT**

### ADVANCEMENT

We are continually assessing and identifying new and innovative ways to support our professionals through mentorship, coaching and upskilling programs so that we may continue to deliver exceptional client services through our exceptional workforce.

We develop leaders who lead with empathy, integrate innovation, embrace new technologies, and welcome diversity of thought and experiences across all teams — at all levels. We believe in fostering a culture where BDO professionals are challenged, can have safe and open discourse about new ideas, and feel valued for their contributions. Because we are dedicated to upholding a flexible work environment, each advancement journey is tailored to align with the unique personal and professional goals of every individual.

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#### **GROW at BDO**

BDO's philosophy on performance management 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, sharing of performance feedback and one-on-one meetings. Goals are dynamic and can be updated throughout the year as needs or roles evolve. To add additional value and insight, others beyond the immediate career advisor are asked to provide input regarding an individual's performance and career 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, and 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.



## OUR PEOPLE / **TALENT**

### Strategic One-on-One Program

BDO's strategic one-on-one program provides a framework that helps facilitate strategic career development and underscores our senior professionals' responsibility to lead. Through this program, BDO is reinforcing our commitment to our people, providing tools for our leaders and professional development support to advisees through regular, transparent and strategic conversations.

To help our leaders engage in these conversations, we have shared suggestions on how to structure one-on-one meetings and align with the firm's five strategic focus areas. We've also provided guidance around how to use the firm-supported coaching model to enable professional success. We regularly seek feedback from program participants in pursuit of continuous improvement. According to a 2022 survey of participants:

#### FISCAL YEAR 2022 BY THE NUMBERS

**96%** of BDO partners were aware of the program

**80%** of BDO Partners have regularly scheduled strategic one-on-ones with their direct reports

**90%** of those participating in strategic one-on-one meetings believe they are effective

### Inaugural Executive Team Advisory Council

BDO is committed to progress and change, and we believe the best way to facilitate this change is by actively seeking and incorporating diverse ideas and perspectives into our business.

Last year, building on the many ways we currently capture input — and recognizing how important the voices of our people are to our success — our Executive Team created an Executive Team Advisory Council. The Council comprises 14 emerging leaders who have been asked to provide insights on key topics and business challenges critical to the firm's development. To ensure a variety of viewpoints, Council members range from associates to senior managers from around the firm.

Council members have a direct connection to the Executive Team during the course of their 18-month term. Together they engage in constructive dialogue and collaborate to recommend impactful solutions and outcomes.



## OUR PEOPLE / **TALENT**

### EMPOWERMENT THROUGH EDUCATION

We offer robust and flexible learning opportunities that include level and role-based curricula through our continuous learning model, BDO's framework for learning and development.

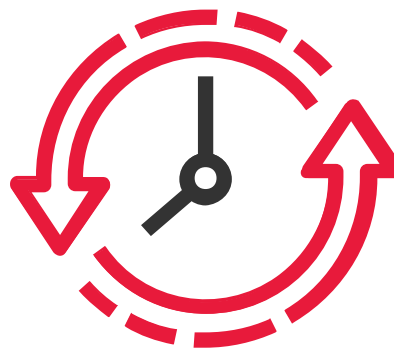
Our blended learning opportunities include in-person, self-paced, on-demand and on-the-job sessions, as well as educational guidance on policies and procedures and access to specialized technical knowledge.

Key skill areas emphasized in our learning and development curriculum are in alignment with our core competencies and the needs of our professionals to fulfill their industry-focused and service line roles.

Our approach enables our people to enhance, develop and refresh their knowledge and skills to meet our clients' needs and the ever-changing demands of the market, as well as new legal requirements.

Our skills-based curriculum includes communication, building and maintaining relationships, leading teams, developing others, strategic thinking, emotional intelligence, professional presence, decision making, change management and innovation, among others.

#### FISCAL YEAR 2022 BY THE NUMBERS



**480,000+** Total number of hours trained

**45** Average hours of training per **male professional**

**44** Average hours of training per **female professional**

**57** Average hours of training per **Partner**

**43** Average hours of training per **non-Partner**

The term "professional" includes both BDO Partners and employees.

#### What is CPE?

CPE is Continuing Professional Education. Both the AICPA (American Institute of Certified Public Accountants) and NASBA (National Association of State Boards of Accountancy) require CPE so accountants can maintain their professional competencies. CPE credit under AICPA and NASBA must be a formal, structured program of learning to maintain or increase a professional's competence.

In accordance with AICPA and Public Company Accounting Oversight Board (PCAOB) guidelines, BDO requires that all client service professionals complete 120 hours of 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 be Accounting and Auditing credits.

## OUR PEOPLE / **TALENT**

### PEER NETWORKING AND MENTORING

At BDO, we offer both formal and informal mentorship opportunities, understanding that preferences, styles and comfort levels vary and that just as much value is derived from formal programs as organic relationships.

Above all, we believe intentional connections greatly enhance the experience and overall success of our people.

Our mentoring circles and networking groups are just two examples of programs that play critical roles in driving those connections. From traditional mentoring to peer-to-peer and reverse mentoring, when done right, these relationships can be a catalyst for advancement and leadership development.

### STRATEGIC RELATIONSHIP COACHING PROGRAM

In fall 2021, the firm launched its Strategic Relationship Coaching Program, which helps foster a culture that values connection and strategic relationships. In its first year, nearly 100 BDO Partners and senior directors completed the program, through which external coaches provide mentoring and skill-building activities that help strengthen participants' ability to connect and advance relationships with colleagues, clients and market influencers.

#### FISCAL YEAR 2022 BY THE NUMBERS



**2,608**

Total number of  
participants



**19**

Total number  
of sessions



**11**

Number of peer  
mentoring circles

## OUR PEOPLE / **TALENT**

### GLOBAL EXPERIENCES

Our secondment programs further strengthen our cultural awareness, giving our professionals new perspectives and experiences, broadening their approaches, and expanding their understanding of how to deliver exceptional services to our wide base of clients. Through exposure to different ways of working, we generate new and innovative ideas across BDO, sharing best practices and helping expand relationships.

BDO's secondment program offers our professionals the opportunity to gain work experience across the nation and around the globe. National placements provide our people the opportunity to explore different practice areas in other BDO offices in the U.S., while temporary international assignments give our professionals the opportunity to work in and contribute to one of 164 different member firms within our global organization.

“

*A few years ago, I told one of my partners at BDO Zambia that I was interested in working at another BDO firm. A few months later, a professional from BDO USA contacted me about an opportunity in New York. Here, I get to apply my knowledge of IFRS standards in my engagements with both private and public companies. Just seeing how different countries handle processes has made me a better accountant. My time here was supposed to last 23 months. Adjusting was a bit hard at first, but then I started making friends – and met my wife! Once I realized I wanted to make a life here, I talked with the partners and began the process of becoming a permanent BDO USA professional. I'm excited to put down roots here.*



**MASIMBA ZENGENI**  
Experienced Audit Manager  
New York, NY



## OUR PEOPLE / HUMAN RIGHTS

BDO is committed to protecting and upholding human rights.

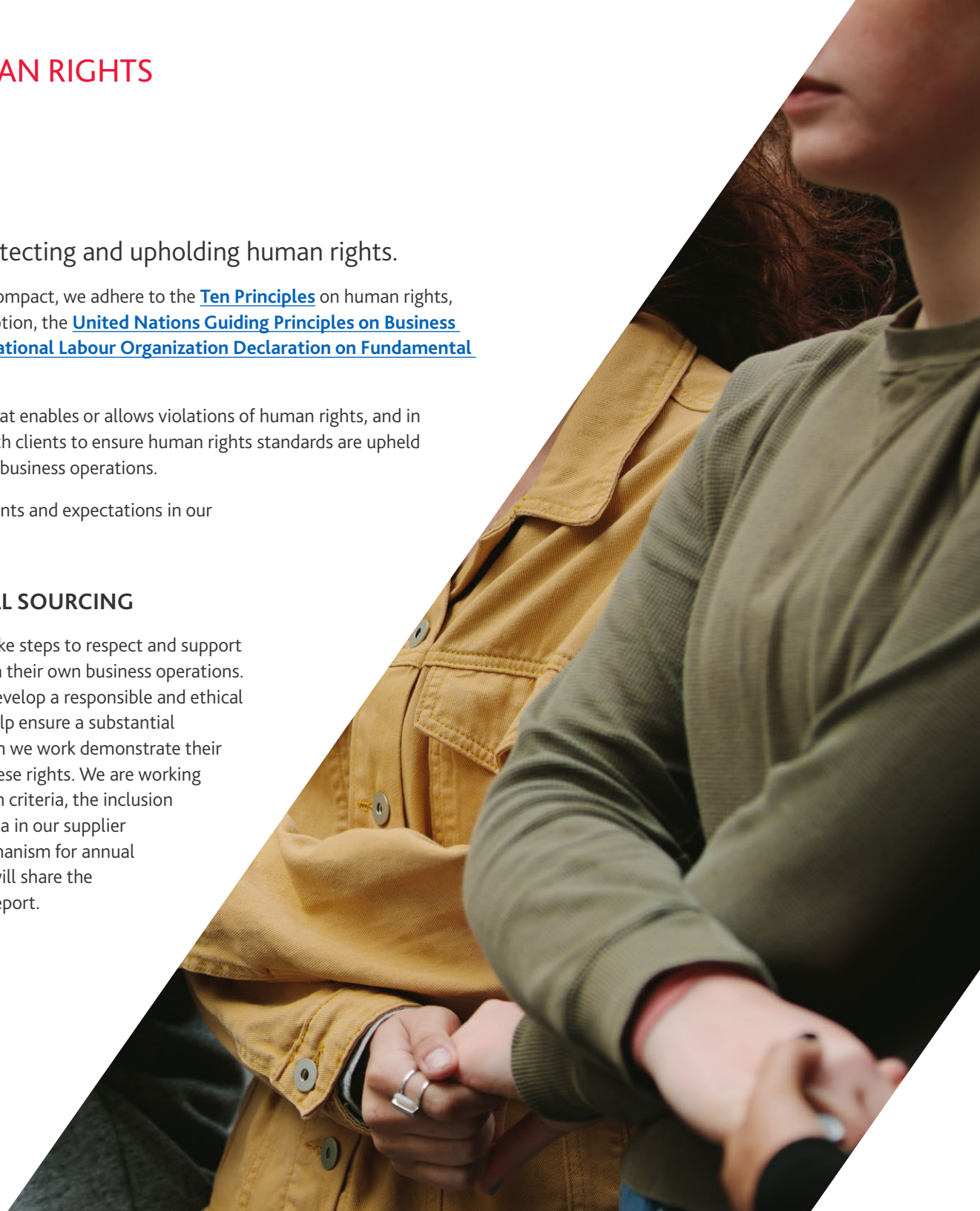
As a signatory to the U.N. Global Compact, we adhere to the [Ten Principles](#) on human rights, labor, environment, and anti-corruption, the [United Nations Guiding Principles on Business and Human Rights](#) and the [International Labour Organization Declaration on Fundamental Principles and Rights at Work](#).

Additionally, we will not do work that enables or allows violations of human rights, and in many cases are actively working with clients to ensure human rights standards are upheld throughout their supply chains and business operations.

We have articulated our commitments and expectations in our [Human Rights Statement](#).

### RESPONSIBLE AND ETHICAL SOURCING

We expect that our suppliers will take steps to respect and support human rights and prohibit abuses in their own business operations. To further this effort, our work to develop a responsible and ethical sourcing program will ultimately help ensure a substantial majority of the suppliers with whom we work demonstrate their own commitments to upholding these rights. We are working to put into place supplier evaluation criteria, the inclusion of human rights and diversity criteria in our supplier due diligence processes, and a mechanism for annual reporting and/or certification. We will share the details of this program in a future report.



## OUR PEOPLE / DIVERSITY, EQUITY AND INCLUSION

With more than 10,000 professionals serving clients with a variety of needs across industries, diversity is at the foundation of everything we do. We know and appreciate that each day of work is different, that each of our clients has different goals and aspirations, and that each of our professionals brings a range of skills, perspectives and experiences.

Our collective success is also deeply dependent on equity and inclusion. To us, creating an equitable and inclusive culture requires meeting people where they are and embracing that we all may need something different to thrive.

We know that a range of voices and perspectives leads to better business, faster innovation, smarter risk-taking, deeper resilience, increased ability to transform challenges into opportunities and more. The steps we take on our DEI journey are certain to evolve, but they will always be inspired by our commitment to meeting people where they are in their personal journeys and informed by what we learn by genuinely listening to one another. We look forward to continuing to learn along the way, knowing that our work will never truly be done.

### FISCAL YEAR 2022 PROGRESS HIGHLIGHTS



Expanded recruiting efforts at **Historically Black Colleges and Universities (HBCUs)** to **six schools**



Expanded engagement efforts with National Association of Black Accountants (NABA), Association of Latino Professionals for America (ALPFA) and Ascend Diversity Organizations from point-in-time conferences to year-round efforts



Established a dedicated recruiting team, including professionals specifically **focused on recruitment within underrepresented groups**

### Spotlight On: BERNIE PIETERS, CHIEF DIVERSITY, EQUITY AND INCLUSION OFFICER



As the firm's first Chief Diversity, Equity and Inclusion Officer, Bernie Pieters is leading a renewed effort to build an inclusive and equitable organization.

To Bernie, DEI is a moral imperative and critical business requirement that is essential to the long-term resilience of the firm. It's also critical to the success of our ESG strategy, as it fortifies all three components of ESG. A more diverse organization is more attuned to environmental and social imperatives, and a diverse, inclusive leadership team will manage governance accordingly.

Bernie knows this will be a journey with no shortcuts. *"The road to true inclusion is a process of listening and learning that starts with personal connection,"* she says. *"By working together, our capacity to make a difference for one another and create change in our world has no limits."*

### OUR INAUGURAL DEI TRANSPARENCY REPORT

In April 2022, BDO published its first [Diversity, Equity and Inclusion \(DEI\) Transparency Report](#). Publishing this report holds us accountable to make decisions that strengthen our culture, power our people and drive positive change.



## OUR PEOPLE / DIVERSITY, EQUITY AND INCLUSION

### RECRUITING DIVERSE TALENT

It's important that all candidates can see themselves represented at BDO. It's also important our recruitment teams see the value varied backgrounds and perspectives bring to BDO.

We've created new DEI recruiting roles that improve our ability to identify and engage with diverse talent. This includes recruitment professionals focused on attracting Black, Hispanic/Latinx and Pan-Asian candidates. We are also seeking to ensure that candidates can meet with a diverse group of interviewers when considering our firm. We are also intentionally reviewing and updating all job postings to ensure all qualified candidates are encouraged to apply.

### Strengthening Our Talent Pipeline

BDO works with 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. We participate at both the professional and student-chapter levels. Our engagement spans national and regional conference participation, professional development events, and career fairs. Working with these organizations allows the firm to build relationships and recruit from a diverse talent pool while providing an opportunity for our professionals to connect in meaningful ways with students at on-campus recruiting events. By attending trainings and events, facilitating professional and student level workshops, and serving in leadership roles within these organizations, our professionals gain valuable insights for their own careers.

### FISCAL YEAR 2022 CONVENTION RECRUITING



**38**

Candidates Interviewed



**63%**

Offers Extended



**58%**

Offers Accepted

## OUR PEOPLE / DIVERSITY, EQUITY AND INCLUSION

### Historically Black Colleges and Universities

Our engagement with HBCUs helps us raise awareness of the accounting profession, as well as build a more diverse talent pipeline for our organization. Our on-campus recruiting teams are dedicated to fostering relationships with Black students and sharing insight and transparency about a career in professional services. Our expanded efforts also include mock interviews for students, career fairs and presentations. These events provide an opportunity for students to experience real-world career interactions while BDO professionals offer guidance and insight throughout the process. Building intentional connections for long-term career relationships that broaden our talent pool is essential to creating a more inclusive industry.

Our amplified activity at HBCUs is only one component of our overall recruitment strategy; we are focused on expanding our ability to recruit more diverse talent and other candidates of color at HBCUs and different higher education institutes across the nation.

### FISCAL YEAR 2022 ACTIVITIES



**18** Recruiting  
Events

#### Types of Recruiting Events:

- ▶ Guest Teaching in Accounting Classes
- ▶ Professional Development
- ▶ Career Fairs
- ▶ Presentations
- ▶ Networking Events

#### Some of the HBCUs we have cultivated relationships with include:

- ▶ Florida A&M University
- ▶ North Carolina A&T University
- ▶ Prairie View A&M University
- ▶ Howard University
- ▶ South Carolina State University
- ▶ Texas Southern University



## OUR PEOPLE / DIVERSITY, EQUITY AND INCLUSION

### We're About Success

Last year, five BDO professionals participated in Howard University's "We're About Success" program, an annual event sponsored by Howard's School of Business Center for Accounting Education (CAE). Bringing together guest speakers from top accounting firms, the event focuses on professional development, networking and CPA exam support.

The CAE is a nationwide organization based at Howard University offering educational programs and resource support for Black accounting professionals at all levels. From accounting students to senior leaders, the CAE's purpose is to attract and retain diverse talent to the accounting industry through research, training, outreach and scholarships. We are proud to support this initiative through involvement in its events, as well as serving on its advisory board.

### A Bold Ambition

We know the best way to build a diverse workforce is to build a diverse pipeline of talent. Together with the Center for Audit Quality (CAQ) we are committed to advocating for people of color and advancing diversity of thought within the industry.

Through the CAQ, BDO and seven other CAQ Governing Board firms have joined forces to support a multi-year education initiative, Bold Ambition, and accompanying campaign, Accounting+, that seek to inform and educate Black and Hispanic/Latinx students on the opportunities within the accounting profession. Through the initiative, we are actively engaging with high school and college students on the benefits of a career in accounting, including paths to entrepreneurship and to helping build vibrant local communities.



## OUR PEOPLE / INTENTIONAL ABOUT INCLUSION

### FISCAL YEAR 2022 INCLUSION GROUPS BY THE NUMBERS



**200+ inclusion office activities** and  
communication touchpoints with over  
**10,500 participants**



**96%** said the activity helped them **focus on thriving at work**



**90%** understood how they can **contribute to a culture of inclusion**



**88% support candid conversations** about  
diversity, equity and inclusion



**88% strengthened relationships**  
with BDO colleagues

As reported through internal employee and participant feedback surveys.

### INCLUSION GROUPS

Our [Inclusion Groups](#) help bring all voices to the table, so they are seen, valued and heard. They are forums for professionals to share or learn more about different interests, diversity topics and ways to get involved in the firm and in our communities. All groups are open to all BDO Professionals.

Started as a grassroots effort, each Inclusion Group is now championed by BDO partners who are passionate about DEI and dedicated to advocating for their peers. Inclusion Group leaders have a direct line of contact to BDO's leadership team, ensuring ideas and feedback from these forums are heard and addressed.

### INCLUSIVE LEARNING OPPORTUNITIES

Creating an inclusive, equitable and diverse workforce means providing learning opportunities that are culturally mindful.

In our self-studies, we take care to represent various identities, ethnicities and backgrounds in our materials, we employ inclusive language, and we work on continuously improving the overall experience.

In our live trainings, we work to vary the ways in which learners can interact with the content. We design activities that help those who like to speak up, those who prefer to participate silently, and everyone in between to feel that their learning experience is our priority and that we value their agency and identity as learners. We have delivered mandatory cultural sensitivity and competency trainings with the help of experts in those fields, and we perform additional research when we design courses to ensure that we authentically represent the diversity of our workplace.

## OUR PEOPLE / INTENTIONAL ABOUT INCLUSION

### DISABILITY INCLUSION

BDO is committed to ensuring digital accessibility for people with disabilities. We are continually improving the user experience for everyone and applying the relevant accessibility standards. In 2019, BDO launched a digital accessibility program to improve accessibility on BDO.com, and across our social media platforms, webinar and online learning platforms, email, and creative media including video.

We aim to align with Americans with Disabilities Act (ADA) recommendations and comply with all applicable standards, including the World Wide Web Consortium's Web Content Accessibility Guidelines 2.0 up to Level AA (WCAG 2.0 AA). BDO is currently partially conformant with WCAG 2.0 level AA and through our ongoing accessibility efforts, we are making measurable progress to be fully conformant.

In fiscal year 2022 we added alternative text to icons and images on BDO.com, as well as added technical code to make the site more accessible for screen readers in compliance with WCAG. Most recently, we incorporated accessibility best practices into the development of our new website, which launched in December 2022.

Across our print and digital media, we modified our color palette to create more contrast and increase the readability of our content and updated our design aesthetic to create more universally accessible components and resources for our teams to leverage.

As part of our continued efforts to make all learning accessible, beginning in 2022 we added closed captions or transcripts for all self-directed learning, and are retroactively adding captions and transcripts to courses developed prior to 2022 as they are updated. We also added alternative text for imagery, keyboard functionality, and focus order — which makes our content accessible for those who use screen reader software — and we are actively working with platform providers to add closed captioning to all virtual webinars. Additionally, our learning and development team has a Certified Professional in Accessibility Core Competencies (CPACC) from the International Association of Accessibility Professionals, of which there are fewer than 4,000 professionals with this credential worldwide.



*Blindness is constantly about problem solving. I design software at BDO and I am legally blind. All of the problem solving ability translates into the user interface because you have to be very observant of the information you are presenting to the user.*



**GEORGE MARRIOTT**

Audit Data Analytics & Emerging Methods Experienced Manager

## OUR PEOPLE / INTENTIONAL ABOUT INCLUSION

### Spotlight: OUR PEOPLE IN ACTION

Dedicated to being an engaging, inclusive, people-first firm, we know putting words into action is the best way to live our purpose and serve our communities.



**Dallas Women's Inclusion Network** hosted a skills night with Our Friends Place, a nonprofit and transitional living center helping young women break generational cycles of abuse, neglect, poverty and homelessness. BDO professionals shared advice on budgeting, work-life balance and finding confidence.



**Columbus** professionals hosted a virtual conversation with Assistant Dean and Chief Diversity Officer at The Ohio State University–Fischer College of Business on challenges and practical solutions for recruiting and retaining a diverse workforce.



**Bay Area Pride Alliance** sponsored a virtual auction to raise money for the San Francisco LGBT Center, a nonprofit providing hot meals, mental health support and job-hunting assistance, for the LGBTQ+ community.



**Chicago Black Professionals Network** teamed up with the Chicago Youth Center, a nonprofit that supports youth in underserved communities, to help restore their nationally recognized student garden. BDO professionals rehabilitated the garden and paths to ensure the grounds were pristine for returning students.



## OUR PEOPLE / **HELPING OUR PEOPLE THRIVE**

We believe that helping people thrive begins with doing our part to ensure they have access to the resources they need to care for themselves and their families. We have woven that purpose and promise into the fabric of BDO, and it serves as our guide when building out a culture that fosters and supports the wellbeing of all of our people.

We are proud to invest in our professionals with a comprehensive, competitive rewards system. We provide support, resources, programs and benefits offerings that give our people the choice and flexibility to select options that best meet their needs no matter what stage of career or life. All full-time and part-time professionals who work an average of 24 hours per week are eligible to enroll in our benefit plans.

### **TOTAL REWARDS**

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.



## OUR PEOPLE / HELPING OUR PEOPLE THRIVE

### MENTAL HEALTH AND WELL-BEING

The health and well-being of our people has always been central to our strategy for helping people thrive. The past few years have underscored the importance of prioritizing mental health and wellness, as many have faced pandemic-related challenges and have seen the lines between professional and personal life become increasingly blurred.

To create a culture that works for all our professionals, we must provide our people with the right tools to help them invest in their personal well-being.

To fully support our people, we offer a variety of mental health and wellness resources. To provide counseling and support to care for depression, anxiety, attention-deficit/hyperactivity disorder, addiction and other mental health disorders, we provide access to confidential online counseling, 24/7 online therapy, emotional support helplines and virtual behavioral health visits. Our people also have access to a neuroscience-based mental health and brain performance solution designed to improve overall mental health, brain capacity and performance through self-awareness and effectiveness monitoring.

With a focus on overall well-being, BDO L.I.F.E. (Lifestyle Improvement For Everyone) is a resource for wellness activities, healthy recipes, periodic firm-wide wellness competitions and a way to contact local Wellness Ambassadors.

### DAYS TO RECHARGE AND REFLECT

In 2020, with so many stressors impacting so many lives, we felt it important to create an enterprise-wide day to pause operations and take time to disconnect. We have chosen to implement BDO's Day to Recharge and Reflect each year since.

On this day, our professionals can do whatever is most purposeful and important to them. While some spend time with loved ones, others volunteer or take time to learn more about and connect with issues that matter to them. What is most important is that everyone is provided a space to recharge and reflect.

### ANNUAL YEAR-END FIRM CLOSURE

As one way to express their gratitude to our professionals for their dedication and commitment, BDO leadership instituted an annual year-end closure over the winter holidays. During this time, the firm closes for five days to enable our people to spend time with loved ones, travel or recharge prior to our busiest time of year.

### FINANCIAL WELL-BEING

To help our people achieve financial independence and prepare for the future, we offer a 401(k) retirement plan with a matching contribution program to all employees and Partners, along with investment planning tools to achieve retirement savings goals.

We also offer additional access to financial and legal services including tax, will and estate planning, credit monitoring and identity theft protection, and loan refinancing.

## OUR PEOPLE / HELPING OUR PEOPLE THRIVE

### FAMILY SUPPORT PROGRAMS

We believe that by investing in our people — and their families — we help enable them to thrive both at home and at work.

#### Parental Leave

BDO offers up to nine weeks of paid parental leave for professionals to bond with or care for a newly born, adopted or foster care child.

#### FISCAL YEAR 2022 BY THE NUMBERS



#### Miscarriage Bereavement

In the unfortunate event of a pregnancy loss, all regular full-time and part-time professionals are granted bereavement leave of up to five days.

#### Family Planning

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

#### Parental Support

Through Milk Stork, a breast milk delivery service, our business traveling moms have access to no-fuss, refrigerated, express shipping or easy toting of breast milk home to baby.

#### Backup Dependent Care

We offer back-up child and adult/elder care as an affordable, dependable solution for situations when our professionals need temporary care and don't have time to arrange it themselves. Care is available through high-quality centers or screened in-home caregivers for children, adults and elders. BDO professionals are provided up to 10 uses per year with the majority of the cost covered by the firm and professionals paying a small co-pay.

## OUR PEOPLE / HELPING OUR PEOPLE THRIVE

### A FLEXIBLE APPROACH TO WORK

BDO has long recognized that flexibility is one of several critical elements to build and cultivate a people-first culture. Our flexible workplace strategy, BDO Flex, has been in place for over a decade and is foundational to how we operate — and how our professionals deliver exceptional service. Because we believe business is human, we understand everyone has unique needs, responsibilities and interests that require a flexible approach to work.

At BDO, we trust our people to bring their best selves to work, no matter when, where or how that work is done — and they do. Our flexible workplace puts the decision-making power into the hands of our people and teams. It is a strategy that prioritizes the outcomes of our work and helps support work+life fit for our professionals. BDO Flex has always been, and will continue to be, flexible work with intention and a strategic approach to supporting BDO's core purpose.

### PAY EQUITY

BDO pay practices are essential in 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 is committed to achieving fair and equitable pay for all our professionals. To assist in meeting this objective, we review our pay practices and decisions 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, and we will continue to review our pay practices and decisions on a regular basis. Compensation for BDO Partners and Principals is governed by the Partners' Compensation Committee within the Board of Directors.



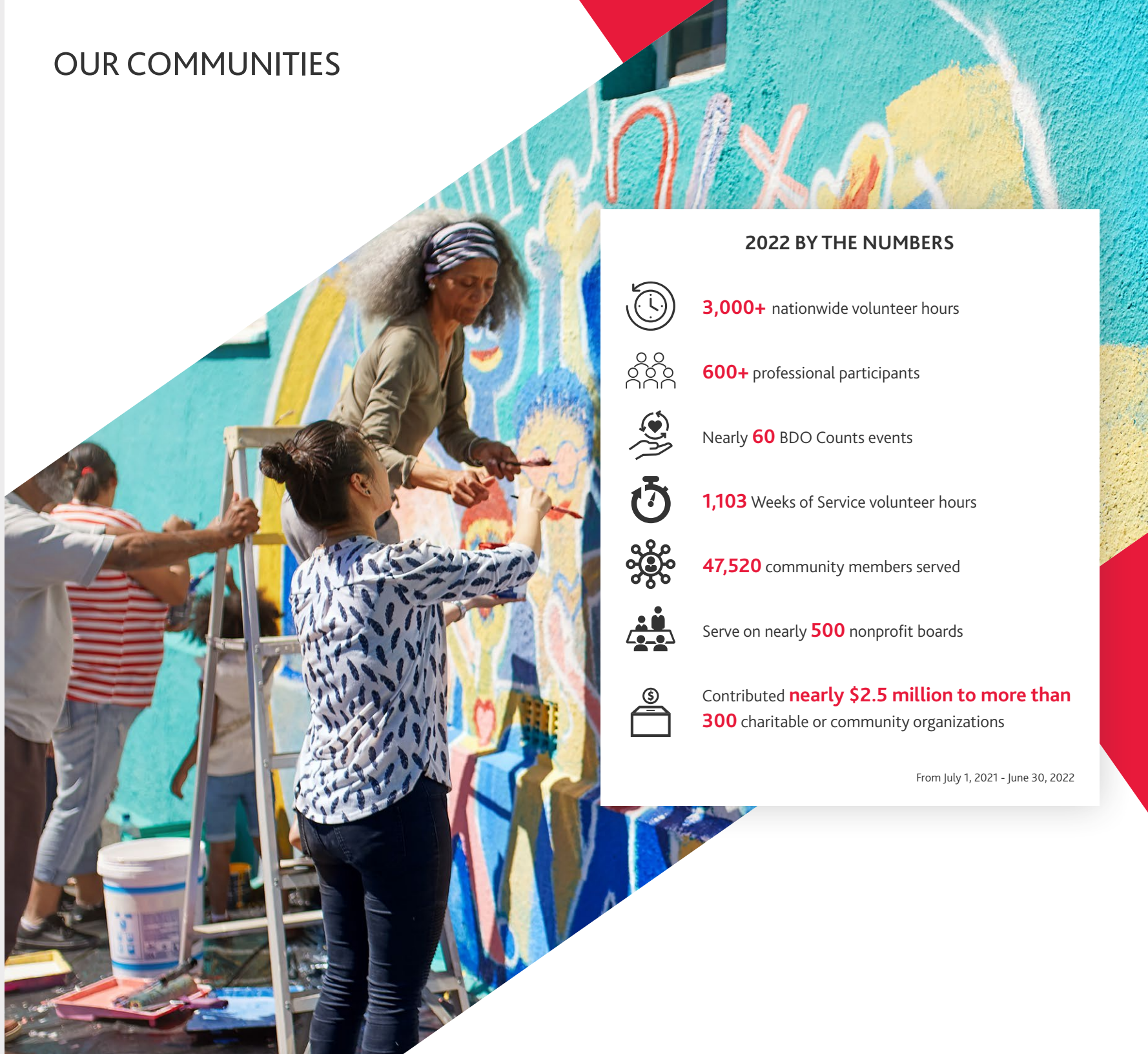
*BDO Flex allows me to reach my goals faster. Flexing my schedule allows me to take two classes towards my master's degree instead of one. As long as I communicate with my team, everyone supports me.*



**CAROLINE  
MANSOUR**  
Audit  
Associate



# OUR COMMUNITIES



## 2022 BY THE NUMBERS



**3,000+** nationwide volunteer hours



**600+** professional participants



Nearly **60** BDO Counts events



**1,103** Weeks of Service volunteer hours



**47,520** community members served



Serve on nearly **500** nonprofit boards



Contributed **nearly \$2.5 million to more than 300** charitable or community organizations

From July 1, 2021 - June 30, 2022

## OUR COMMUNITIES /

### SOCIAL IMPACT AND RESPONSIBLE CITIZENSHIP

We believe our success is inseparable from the success of the communities where we live, work and play. Engaging in our communities not only helps us fulfill our purpose as a firm, it also fuels the human spirit, helping each of us fulfil our individual purpose in the world.

We are committed to a vision of corporate citizenship with shared responsibility for community well-being, a position we've proudly held for many years. Our people play an essential part in delivering on this vision and our commitment to positive social impact.

Social impact is a defined strategic priority for our firm; and we are further developing our purpose-driven social impact strategy with new and enhanced programs building upon our long-standing corporate social responsibility program, BDO Counts. This national umbrella for corporate volunteerism helps us create a collective difference and positive impact across the communities we are privileged to serve.

A mixture of both national and local initiatives, the program empowers our professionals to actively participate in strengthening our communities by contributing their time, talent and resources. While volunteer efforts occur throughout the year, we dedicate a semi-annual Week of Service (WOS) nationwide to volunteer and raise funds for various causes. Last year, we supported **more than 300** charitable and community organizations across numerous cause areas, including health, education and literacy, children and youth, and arts and culture, just to name a few, with contributions totaling nearly **\$2.5 million**.

We also recognize volunteerism across the firm through our Good Deeds Awards program which was established in 2010 when we surpassed our goal to conduct 100 Good Deeds in honor of the firm's Centennial. Through the program, BDO professionals and teams submit their volunteerism activities or "good deeds." Winners are selected from a list of finalists with a firmwide vote, and winning cause areas receive a contribution award.

To inform the evolution of our social impact strategy, a cross functional social impact core team has been focused on strategy development and planning including:



- ▶ Engaging with stakeholders across the firm through a social impact listening tour
- ▶ Conducting a firmwide survey to identify cause areas important to BDO and our professionals
- ▶ Assessing current BDO Counts giving and volunteerism activities
- ▶ Defining focused cause areas aligned to material priorities of stakeholders and U.N. SDGs
- ▶ Developing go-forward plan and strategy inclusive of new and expanded programs



## OUR COMMUNITIES /

### SUPPORTING OUR BDO UKRAINE COLLEAGUES

At the onset of the conflict, our priority was the safety of our people and their families living and working in Ukraine — a situation which required urgent support. BDO's global leadership immediately set up a virtual Response Centre in Bratislava, Slovakia, as well as a special fund to coordinate financial support for BDO professionals and their families who were directly impacted by the emerging humanitarian crisis.

Our U.S. professionals answered the call for help. In addition to firm and individual contributions to the fund, our people volunteered for shifts to enable 24/7 coverage of the Response Centre and provide support for their colleagues in Ukraine.

**95** BDO volunteers worldwide

**58** Volunteers from BDO USA

**200** Professionals at the  
BDO Ukraine Firm

**48** BDO colleagues and their  
families relocated, totaling  
approximately 145 people





# GOVERNANCE

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## OUR APPROACH

Our commitment to the principles of ethical business conduct and corporate responsibility is an essential element of our professional responsibility, business strategy and the long-term resilience of the firm.

We simply believe responsible business is good business.

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Our work contributes to the following SDGs:

**8** DECENT WORK AND  
ECONOMIC GROWTH



**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**16** PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



## CORPORATE & ESG GOVERNANCE

Our core purpose and values guide us in everything we do and help to establish a set of standards embodied by our work, our relationships and our professionals. Our governance structure and ethics and compliance program are rooted in these values and serve as the foundation for our strategic business decisions.

### BOARD OF DIRECTORS

BDO's Board of Directors consists of 10 elected members, one member designated by contract, and the chief executive officer who are responsible for the oversight of the partnership, including approval of the firm's business strategy and direction, including targeted growth, strategic investments, business philosophy, people and budgets, oversight of the partnership's compliance and ethics program, risk management and other such business affairs. Members are elected by a majority vote of the variable share partners, serve staggered three-year terms and are selected by a Nominating Committee, comprising partners who have been selected by the Governance Committee of the board. Elected 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 variable share partners every four years. The chairperson of the Board is elected by the board on an annual basis.

### EXECUTIVE MANAGEMENT

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



*When I came to BDO in 2012, a commitment to sustainability was already evident. From our core purpose and values, to our CLIMB strategy, the foundational principles of sustainable business practices have long been embedded into the fabric of our firm. And it makes our culture tangible. You can feel it. Today, the advancement of ESG is viewed as both a mitigator of risk and an opportunity to drive growth. And as we continue to embed ESG and sustainability into the way we do business, it will serve us well to think more broadly, understanding how our commitment to helping people thrive can help the world thrive as well.*



**KELLY JOHNSON**  
Board Chair, BDO USA, LLP

# CORPORATE AND ESG GOVERNANCE

## SUSTAINABILITY AND ESG GOVERNANCE

BDO's commitment to promoting the integration of sustainability into all areas of our business is evident at the highest levels of leadership. Through CLIMB, the firm's internal business strategy, our Executive Team has identified sustainability and ESG as one of the top five key strategic initiatives that align with the firm's long-term strategy.

Last year, firm leaders appointed a member of BDO's Executive Team to serve as our first-ever Managing Partner of Sustainability & ESG and put into place an ESG Leadership Team comprising senior leaders across the firm who are responsible for the direction, governance and advancement of the firm's sustainability and ESG strategy and goals.

The ESG Leadership Team routinely updates the Executive Team and Board of Directors on the progress of the firm's sustainability strategy and apprises BDO partners and employees regularly through various internal communications channels and meetings. The firm's ESG Center of Excellence is responsible for monitoring, measuring and reporting on our ESG progress, and regularly reporting that progress to the ESG Leadership Team and to BDO partners and employees through the publishing and distribution of BDO Knows Sustainability and ESG newsletters, a regular cadence of intranet news articles, and presentations on bi-monthly partner calls and the annual partner conference.

Our [Sustainability Code of Ethics and Corporate Responsibility](#) serves to communicate the commitments we've made to prioritize ethical and sustainable business practices and the expectations we have of our people to act responsibly and ethically in their business dealings. This code, which is supported by our full Code of Ethics and Business Conduct, is governed by our General Counsel, Compliance Office and our ESG Center of Excellence.

## DATA PRIVACY AND SECURITY

Ensuring the protection, security, confidentiality, availability and integrity of client, firm and personnel data is of the utmost importance.

BDO has adopted a security program to manage and control information security risks and our Information Security Management System maintains an ISO/IEC 27001 certification.

Additionally, we have adopted security policies and procedures that include administrative, technical and physical safeguards, which are updated and revised as necessary to accommodate changing regulatory requirements, industry standards, business conditions, and an ever-changing technology and threat landscape. Compliance is mandatory for all management, partners, employees, independent contractors, vendors and customers.

In addition to these policies, procedures and technical controls, we also know that our people should be prepared to detect possible cyber and privacy risks. For that reason, we provide mandatory annual security awareness and regular privacy awareness training to all personnel supporting client accounts with supplemental training as governed by our Code of Ethics and Business Conduct.

# ETHICS

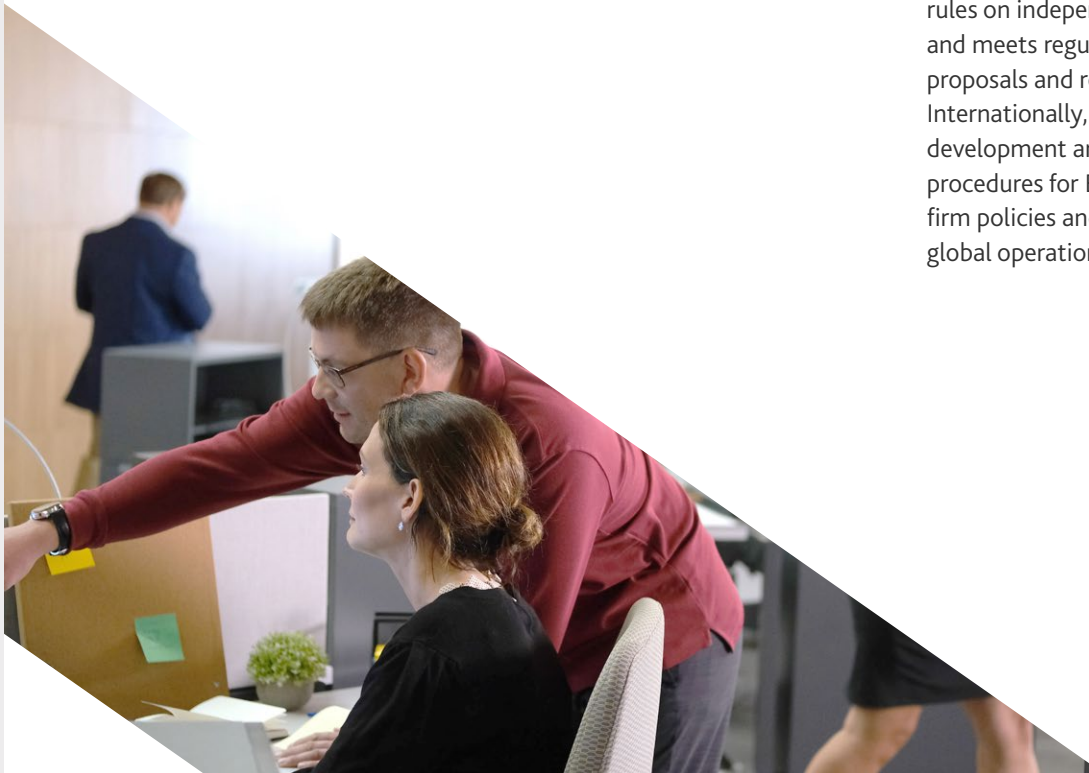
## PROFESSIONAL INTEGRITY

Integrity, objectivity, independence, and adherence to professional standards permeate all aspects of how we do business. We are dedicated to maintaining the quality of our professional services and to resisting competitive and other pressures to compromise our principles and standards, even if doing so means losing a client. 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), as well as other independence and ethics standard-setters and BDO's related internal processes and policies.

## INDEPENDENCE

Auditor independence remains fundamental to the integrity of our profession. Our dedicated team of more than 40 independence professionals works to ensure both firm and individual compliance with those standards. We monitor and maintain our professional independence through various internal controls 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. Additionally, we require the reporting and monitoring of our professionals' personal investments through an online investment tracking system to ensure independence of our clients.

Our firm continues to closely monitor emerging issues and proposed rules on independence impacting our firm and our professionals and meets regularly with the SEC and AICPA to consult on issues, proposals and requested feedback impacting public and private audits. Internationally, BDO's independence professionals participate in the development and implementation of global independence policies and procedures for BDO's global organization, as well as enhancing our own firm policies and practices related to our U.S.-based clients who have global operations.





# ETHICS

## QUALITY MANAGEMENT

For us, quality is central to all we do. It's reflected in our values and our commitments to provide exceptional service to our clients, and to be accountable for our work. To support our commitment to quality, each of our business lines have quality management controls, processes and standards in place, along with teams responsible for ensuring that the services we provide meet the rigorous expectations we have for ourselves, the requirements of professional standards (including the IAASB's, AICPA's and PCAOB's quality management standards), and the excellent level of quality that our clients deserve.

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### Audit Quality

In 2021, BDO undertook an audit quality assessment to review our current Assurance practice structure and further evolve it to improve quality outcomes at the engagement level. We implemented a new leadership model and extended accountability structure to align identified leadership priorities with audit quality actions and implement an objective governance structure focused on delivering high quality audits in order to protect investors and other stakeholders and further the public interest. We dedicated an experienced senior partner to focus on driving effective implementation of our strategic actions and a former PCAOB Associate Chief Auditor to serve as Audit Quality and Quality Management Leader. More information on our commitment to audit quality and compliance with professional standards can be found in our annual [Audit Quality Report](#).

### Audit Quality Advisory Council

The newly established Audit Quality Advisory Council (AQAC), which began meeting in January 2022, is a standing advisory council that provides opinions and suggestions to BDO's CEO and its Board of Directors regarding Assurance quality management and the Assurance Services practice. The AQAC is chaired by a member of our Board and includes the Assurance Services Leader, the Professional Practice and Audit Leader, an additional Board member and an external, independent member.

The AQAC is designed to enhance the level of board engagement and provide input in the assessment of our quality functions, inspections and other functional areas.

### Center for Audit Quality

As a governing board member, we work closely with and contribute to 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. The CAQ promotes high-quality performance by U.S. public company auditors; convenes capital market stakeholders to advance the discussion of critical issues affecting audit quality, U.S. public company reporting, and investor trust in the capital markets; and using independence research and analyses, champions policies and standards that bolster and support the effectiveness and responsiveness of U.S. public company auditor firm and audits to dynamic market conditions.

# ETHICS

## ETHICAL BUSINESS PRACTICES

BDO is dedicated to upholding the highest standards of ethics and compliance in accordance with both internal policies and external laws and regulations. All of our employees and partners are expected to uphold BDO's Core Values, and conduct themselves to the highest degree of ethical, legal and professional conduct. Our Chief Compliance Officer reports to the Board of Directors, and our Compliance and Ethics Office fosters a corporate culture in which the top priority is always to do the right thing.

Our compliance program includes, but is not limited to, developing and maintaining firm policies, overseeing internal investigations, performing periodic risk assessments, monitoring internal compliance practices and administering annual compliance training.

### Code of Ethics and Business Conduct

BDO maintains a robust Code of Ethics and Business Conduct policy manual that is required reading for all BDO employees and partners at the time of hire and annually thereafter. Every BDO employee is responsible for consistently following the Code of Ethics and Business Conduct and choosing the right course of action if faced with an ethical workplace dilemma.

Our Code governs the actions and working relationships of BDO's partners 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.

Compliance with our Code is a condition of employment and partnership with BDO, and failure to adhere to its provisions may result in disciplinary action, including termination.

### Mandatory Compliance Training

Our current compliance policies require our people to complete mandatory firm trainings on a periodic basis, to both communicate the expectations of BDO firm leadership and the responsibilities of our professionals, and to ensure we provide the information needed for our people to successfully adhere to our policies and procedures.

Mandatory training topics include but are not limited to:

- ▶ Code of Ethics and Business Conduct
- ▶ Annual Acknowledgement
- ▶ Workplace Harassment
- ▶ Privacy and Security
- ▶ Cybersecurity Awareness Training
- ▶ Anti-Corruption Training
- ▶ Independence
- ▶ Legal Aspects of Being a Supervisor
- ▶ Certain other training, as determined by firm leadership

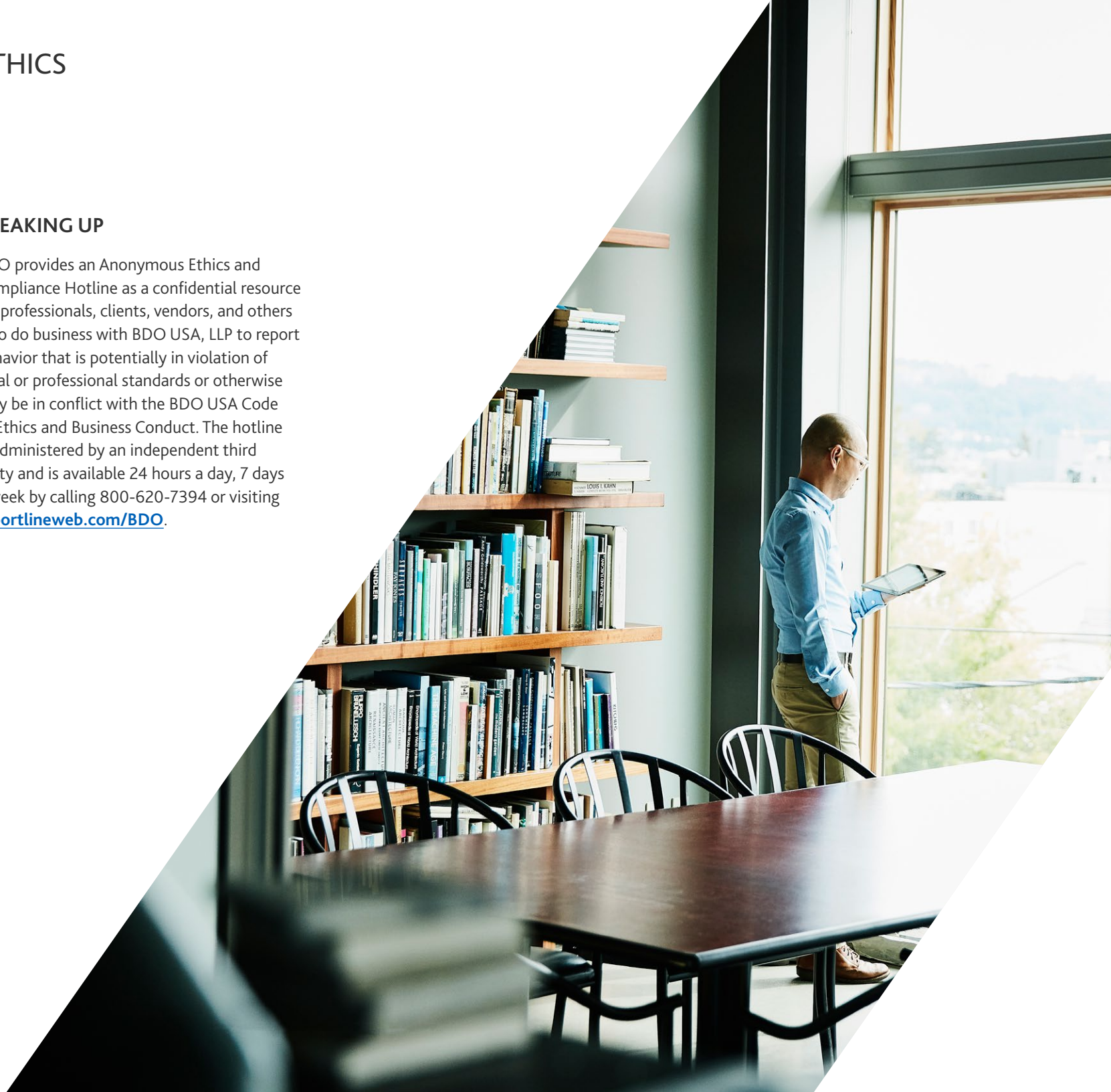
### Ethical Sourcing

We are deeply committed to fostering diversity and inclusivity and upholding human rights, and expect our suppliers to establish a similarly strong commitment. We are developing a sourcing program that will help us ultimately ensure a significant majority of our suppliers have sustainability-focused values and commitments that align with ours, and who are taking action to ensure their business practices are ethical, responsible and do not violate human rights. This includes supplier evaluation criteria, due diligence, a supplier code of conduct and annual communication on alignment with our program. We will be working closely with our suppliers to communicate our expectations and ongoing monitoring and reporting.

## ETHICS

### SPEAKING UP

BDO provides an Anonymous Ethics and Compliance Hotline as a confidential resource for professionals, clients, vendors, and others who do business with BDO USA, LLP 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 administered by an independent third party and is available 24 hours a day, 7 days a week by calling 800-620-7394 or visiting [reportlineweb.com/BDO](https://reportlineweb.com/BDO).



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Wayne Berson

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# INDICES

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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	2022 RESPONSE
Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	SASB - SV-PS-230a.1	<a href="#">Ethics, pg. 72-75</a> <a href="#">Data Security &amp; Privacy, pg. 71</a>
	Description of policies and practices relating to collection, usage, and retention of customer information	Discussion and Analysis	n/a	SASB - SV-PS-230a.2	<a href="#">Data Privacy &amp; Security, pg. 71</a> <a href="#">BDO Privacy Policy</a> <a href="#">BDO Client Privacy Policy</a>
	(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.
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	<a href="#">Our People, pg. 43-44</a>
	(1) Voluntary and (2) involuntary turnover rate for employees	Quantitative	Rate	SASB - SV-PS-330a.2	<a href="#">Our People, pg. 43</a>

## SASB INDEX

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2022 RESPONSE
<b>Workforce Diversity &amp; Engagement</b>	Employee engagement as a percentage	Quantitative	Percentage (%)	SASB - SV-PS-330a.3	<a href="#">Engaging Our People, pg. 47</a>
<b>Professional Integrity</b>	Description of approach to ensuring professional integrity	Discussion and Analysis	n/a	SASB - SV-PS-510a.1	<a href="#">Ethics, pg. 72-75</a>
		Quantitative	Reporting Currency	SASB - SV-PS-510a.2	Except as a matter of public record, BDO does not disclose this information.
<b>Activity Metrics</b>	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract				<a href="#">Our People, pg. 42</a>  BDO demographic information is calculated using headcount. Information herein excludes temporary, contract workers and interns.
	Employee hours worked, percentage billable				BDO does not disclose this information.

# GLOBAL REPORTING INITIATIVE (GRI) INDEX

**Statement of use:** BDO USA, LLP has reported in accordance with the GRI Standards for the period May 1, 2021 through April 30, 2022.

**GRI 1 used:** GRI 1: Foundation 2021

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

CATEGORY	DISCLOSURE	2022 RESPONSE
General Disclosures	2-1 Organizational details	BDO USA, LLP BDO Chicago National Office 330 North Wabash Avenue Suite 3200 Chicago, IL 60611
	2-2 Entities included in the organization's sustainability reporting	This report includes operations within the United States as part of BDO USA, LLP. Some disclosures include data from BDO RISE operations in India that directly support and are within the operational control of BDO USA, LLP. Inclusion of BDO RISE data will be clearly labeled.  <a href="#">About this Report, pg. 3</a>
	2-3 Reporting period, frequency and contact point	This report aligns with BDO's 2022 fiscal year: May 1, 2021 – April 30, 2022. BDO plans to report on an annual basis.  <a href="#">Contacts, pg. 92</a>
	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	<a href="#">About this Report, pg. 3</a> <a href="#">BDO by the Numbers, pg. 6</a>  <a href="#">BDO Alliance USA</a> 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. BDO did not experience any significant organizational changes during FY22.

## GRI INDEX

CATEGORY	DISCLOSURE	2022 RESPONSE
General Disclosures	2-7 Employees	<a href="#">BDO by the Numbers, pg. 6</a> <a href="#">Our People, pg. 42</a> 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	<a href="#">Corporate Governance, pg. 70</a> <a href="#">Our People, pg. 43</a>
	2-10 Nomination and selection of the highest governance body	<a href="#">Corporate Governance, pg. 70</a>
	2-11 Chair of the highest governance body	<a href="#">Corporate Governance, pg. 70</a> The chairman of the Board is a partner in the firm and the current Chair serves as National Practice Leader, Business Services and Outsourcing. 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	<a href="#">Corporate Governance, pg. 70</a> <a href="#">Sustainability &amp; ESG Governance, pg. 71</a>
	2-13 Delegation of responsibility for managing impacts	<a href="#">Corporate Governance, pg. 70</a> <a href="#">Sustainability &amp; ESG Governance, pg. 71</a>
	2-14 Role of the highest governance body in sustainability reporting	<a href="#">Corporate Governance, pg. 70</a> <a href="#">Sustainability &amp; ESG Governance, pg. 71</a>
	2-15 Conflicts of interest	The Sustainability Code of Ethics and Corporate Responsibility is supported by our full Code of Ethics and Business Conduct, is governed by our General Counsel, Compliance Office and our ESG Center of Excellence. <a href="#">BDO's Sustainability Code of Ethics and Corporate Responsibility, pg. 3</a> <a href="#">Compliance &amp; Ethics</a>
	2-16 Communication of critical concerns	This information is confidential and is not disclosed publicly.



# GRI INDEX

CATEGORY	DISCLOSURE	2022 RESPONSE
General Disclosures	2-17 Collective knowledge of the highest governance body	<a href="#">Corporate Governance, pg. 70</a> <a href="#">Sustainability &amp; ESG Governance, pg. 71</a>
	2-18 Evaluation of the performance of the highest governance body	This information is confidential and is not disclosed publicly.
	2-19 Remuneration policies	<a href="#">Pay Equity, pg. 64</a>
	2-20 Process to determine remuneration	BDO's remuneration policies adhere 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 partners and 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 href="#">A Message from Our CEO Wayne Berson, pg. 5</a>
	2-23 Policy commitments	<a href="#">About This Report, pg. 3</a> <a href="#">Investing In A Sustainable Future, pgs. 8-11</a> <a href="#">Human Rights, pg. 53</a> <a href="#">Sustainability &amp; ESG Governance, pg. 71</a> <a href="#">Ethics, pgs. 72-75</a> <a href="#">BDO's Sustainability Code of Ethics and Corporate Responsibility</a> <a href="#">Compliance &amp; Ethics</a>

# GRI INDEX

CATEGORY	DISCLOSURE	2022 RESPONSE
General Disclosures	2-24 Embedding policy commitments	<a href="#">About This Report, pg. 3</a> <a href="#">Investing In A Sustainable Future, pgs. 8-11</a> <a href="#">Human Rights, pg. 53</a> <a href="#">Sustainability &amp; ESG Governance, pg. 71</a> <a href="#">Ethics, pgs. 72-75</a> <a href="#">BDO's Sustainability Code of Ethics and Corporate Responsibility Compliance &amp; Ethics</a>
	2-25 Processes to remediate negative impacts	<a href="#">Investing In A Sustainable Future, pgs. 8-11</a> <a href="#">Human Rights, pg. 53</a> <a href="#">Sustainability &amp; ESG Governance, pg. 71</a> <a href="#">Ethics, pgs. 72-75</a> <a href="#">BDO's Sustainability Code of Ethics and Corporate Responsibility</a>
	2-26 Mechanisms for seeking advice and raising concerns	<a href="#">Ethics, pgs. 72-75</a> <a href="#">BDO's Sustainability Code of Ethics and Corporate Responsibility</a> <a href="#">Compliance &amp; Ethics</a>
	2-27 Compliance with laws and regulations	Except as a matter of public record, BDO does not disclose this information.
	2-28 Membership associations	<a href="#">Membership In Professional Organizations, pg. 26</a>
	2-29 Approach to stakeholder engagement	<a href="#">Stakeholder Engagement, pg. 12</a>
	2-30 Collective bargaining agreements	This disclosure is not applicable as no collective bargaining agreements are in place among our operations.

## GRI INDEX

CATEGORY	DISCLOSURE	2022 RESPONSE
Material Topics	3-1 Process to determine material topics	BDO collaborated with a third-party consultant to conduct a formal materiality assessment in FY2022. <a href="#">Assessing Materiality, pg. 13</a>
	3-2 List of material topics	<a href="#">Assessing Materiality, pg. 13</a>
Economic Performance	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Fiscal Year 2022 Highlights, pg. 4</a> <a href="#">BDO By the Numbers, pg. 6</a>
	201-1 Direct economic value generated and distributed	<a href="#">BDO FY22 Year End Release</a> <a href="#">Fiscal Year 2022 Highlights, pg. 4</a> <a href="#">BDO By the Numbers, pg. 6</a>
		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	<a href="#">Investing In A Sustainability Future, pgs. 8-11</a> Information to meet full disclosure is unavailable at this time. We expect to expand our report to align with Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2025.
	201-3 Defined benefit plan obligations and other retirement plans	<a href="#">Total Rewards, pgs. 61-64</a> Additional benefit information is confidential and is not disclosed publicly.
Indirect Economic Impact	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Our Communities, pgs. 65-67</a> <a href="#">Fiscal Year 2022 Highlights, pg. 4</a>
	203-1 Infrastructure investments and services supported	<a href="#">Our Communities, pgs. 65-67</a> <a href="#">Sustainability Services and Solutions, pgs. 19-24</a> <a href="#">Fiscal Year 2022 Highlights, pg. 4</a>
	203-2 Significant indirect economic impacts	<a href="#">Fiscal Year 2022 Highlights, pg. 4</a>

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CATEGORY	DISCLOSURE	2022 RESPONSE
Procurement Practices	3-3 Management of material topics	<a href="#">Actions That Drive Results, pg. 33</a>
		<a href="#">Human Rights, pg. 53</a>
		<a href="#">Ethical Sourcing, pg. 74</a>
Anti-Corruption	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a>
		<a href="#">Ethics, pgs. 72-75</a>
		<a href="#">BDO's Sustainability Code of Ethics and Corporate Responsibility Compliance &amp; Ethics</a>
	205-1 Operations assessed for risks related to corruption	<a href="#">Ethics, pgs. 72-75</a>
		<a href="#">BDO's Sustainability Code of Ethics and Corporate Responsibility Compliance &amp; Ethics</a>
	205-2 Communication and training about anti-corruption policies and procedures	<a href="#">Ethics, pgs. 74-75</a> Annual Mandatory Compliance Training
	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	<a href="#">Assessing Materiality, pg. 13</a>
		<a href="#">Ethics, pgs. 72-75</a>
		<a href="#">BDO's Sustainability Code of Ethics and Corporate Responsibility Compliance &amp; Ethics</a>
	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.



## GRI INDEX

CATEGORY	DISCLOSURE	2022 RESPONSE
Tax	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a>  BDO views tax management and approach as a component of firm Business Performance, which is ranked as a high priority topic in the firm's materiality assessment.
	207-1 Approach to tax	BDO USA pays taxes in accordance with applicable Federal, state and local laws. The firm's Federal, state and local returns are reviewed by designated parties with the requisite technical expertise to ensure compliance with applicable regulations.  BDO does not currently share publicly all data requested in this disclosure or certain disclosures are not applicable to our entity structure.
	207-2 Tax governance, control, and risk management	As a partnership, most income taxes are passed through to BDO USA Partners. BDO has controls and processes in place to obtain representations from each individual Partner that they have timely filed required tax returns, paid all taxes reported on those returns, that the returns were true, complete and correct, and that positions taken in individual Partner reporting of income, gains, deductions and credits for Federal, state and local income tax purposes are consistent with the tax reporting of such items by the firm. BDO does not currently share publicly all data requested in this disclosure or certain disclosures are not applicable to our entity structure.
	207-3 Stakeholder engagement and management of concerns related to tax	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Stakeholder Engagement, pg. 12</a>  BDO does not currently share publicly all data requested in this disclosure or certain disclosures are not applicable to our entity structure.
	207-4 Country-by-country reporting	BDO does not currently share publicly all data requested in this disclosure or certain disclosures are not applicable to our entity structure.
Energy	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Climate and Energy, pgs. 28-33</a>
	302-1 Energy consumption within the organization	Purchased electricity accounted for 25,148,690 kWh in the U.S., not including remote work. Using a conversion rate of 1 kWh = 0.0036 GJ, estimated energy use across all BDO USA facilities in FY22 was 90,535 GJ.
	302-4 Reduction of energy consumption	BDO determined its energy consumption baseline during FY22. Currently, no energy reduction data is available but will be disclosed in future reporting years.

# GRI INDEX

CATEGORY	DISCLOSURE	2022 RESPONSE
Water and effluents	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Water and Waste, pgs. 34-35</a>
	303-1 Interactions with water as a shared resource	<a href="#">Water and Waste, pg. 35</a>
	303-3 Water withdrawal	<a href="#">Water and Waste, pg. 35</a> In fiscal year 2022, BDO used approximately 11 million gallons of water. This is approximately 41.6 megaliters.
Biodiversity	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Climate and Energy, pgs. 28-33</a>
		As we undergo a climate risk assessment, we will be exploring nature loss as an area of material risk, the results of which we will share in a future report.
Emissions	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Climate and Energy, pgs. 28-33</a>
	305-1 Direct (Scope 1) GHG emissions	<a href="#">Climate and Energy, pg. 30</a>
	305-2 Energy indirect (Scope 2) GHG emissions	<a href="#">Climate and Energy, pg. 30</a>
	305-3 Other indirect (Scope 3) GHG emissions	<a href="#">Climate and Energy, pg. 30</a>
	305-5 Reduction of GHG emissions	<a href="#">Climate and Energy, pgs. 28-33</a> BDO completed its GHG baseline in FY22. Data for this disclosure is currently not available but is expected to be included as a disclosure in future reporting years.

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CATEGORY	DISCLOSURE	2022 RESPONSE
Waste	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Water and Waste, pg. 34</a>
	306-1 Waste generation and significant waste-related impacts	<a href="#">Water and Waste, pg. 34</a>
	306-2 Management of significant waste-related impacts	<a href="#">Water and Waste, pg. 34</a>
	306-3 Waste generated	<a href="#">Water and Waste, pg. 34</a>
Supplier Environmental Assessment	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Actions That Drive Results, pg. 33</a>
	308-1 New suppliers that were screened using environmental criteria	This information is unavailable, but is expected to be included as a disclosure in future reporting years.
	308-2 Negative environmental impacts in the supply chain and actions taken	This information is unavailable, but is expected to be included as a disclosure in future reporting years.
Employment	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Our People, pgs. 40-41</a> <a href="#">Total Rewards, pg. 61</a>
	401-1 New employee hires and employee turnover	<a href="#">Our People, pgs. 42-43</a>

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CATEGORY	DISCLOSURE	2022 RESPONSE
Employment	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. <a href="#">Total Rewards, pg. 61</a> <a href="#">A Flexible Approach to Work, pg. 64</a> <a href="#">BDO Careers</a>
	401-3 Parental leave	<a href="#">Family Support Programs, pg. 63</a> BDO does not currently disclose return to work rates publicly.
Training & Education	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Empowerment Through Education, pg. 50</a>
	404-1 Average hours of training per year per employee	<a href="#">Empowerment Through Education, pg. 50</a> The term professionals is inclusive of both Partners and non-Partners.
	404-2 Programs for upgrading employee skills and transition assistance programs	<a href="#">Empowerment Through Education, pgs. 50-52</a> <a href="#">Advancement, pgs. 48-49</a>
	404-3 Percentage of employees receiving regular performance and career development reviews	<a href="#">Advancement, pgs. 48-49</a>
Diversity & Equal Opportunity	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Diversity, Equity and Inclusion, pgs. 54-60</a>
	405-1 Diversity of governance bodies and employees	<a href="#">Our People, pg. 44</a>
	405-2 Ratio of basic salary and remuneration of women to men	<a href="#">Pay Equity, pg. 64</a> BDO does not currently share publicly all data requested in this disclosure.



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CATEGORY	DISCLOSURE	2022 RESPONSE
Non-Discrimination	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Ethics, pgs. 72-75</a> <a href="#">BDO's Sustainability Code of Ethics and Corporate Responsibility Compliance &amp; Ethics</a>
	406-1 Incidents of discrimination and corrective actions taken	This information is confidential and is not disclosed publicly.
Security Practices	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Data Privacy &amp; Security, pg. 71</a> <a href="#">BDO Privacy Policy</a> <a href="#">BDO Client Privacy Policy</a>
Local Communities	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Our Communities, pgs. 65-67</a>
	413-1 Operations with local community engagement, impact assessments, and development programs	<a href="#">Stakeholder Engagement, pg. 12</a> <a href="#">Our Communities, pgs. 65-67</a> <a href="#">Community Resiliency, pg. 21, pg. 23</a>
	413-2 Operations with significant actual and potential negative impacts on local communities	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Our Communities, pgs. 65-67</a> <a href="#">Community Resiliency, pg. 21, pg. 23</a>
Supplier Social Assessment	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Human Rights, pg. 53</a> <a href="#">Ethical Sourcing, pg. 74</a>
	414-1 New suppliers that were screened using social criteria	This information is unavailable, but is expected to be included as a disclosure in future reporting years.
	414-2 Negative social impacts in the supply chain and actions taken	This information is unavailable, but is expected to be included as a disclosure in future reporting years.

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CATEGORY	DISCLOSURE	2022 RESPONSE
Public Policy	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Ethics, pgs. 72-75</a> <a href="#">Membership Organizations, pg. 26</a>
	415-1 Political contributions	The firm does not provide financial or in-kind political contributions. Any political contributions made by partners and/or employees of BDO are strictly personal.
Customer Privacy	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Data Privacy &amp; Security, pg. 71</a> <a href="#">BDO Privacy Policy</a> <a href="#">BDO Client Privacy Policy</a>
	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	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">BDO Innovation</a>
Corporate Purpose	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Core Purpose, pg. 7</a> <a href="#">A Message From Our CEO Wayne Berson, pg. 5</a> <a href="#">BDO About Us</a>
Stakeholder Engagement	3-3 Management of material topics	<a href="#">Assessing Materiality, pg. 13</a> <a href="#">Stakeholder Engagement, pg. 12</a>

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At BDO, our purpose is helping people thrive, every day. Together, we are focused on delivering exceptional and sustainable outcomes — for our people, our clients and our communities. Across the U.S., and in over 160 countries through our global organization, BDO professionals provide assurance, tax and advisory services for a diverse range of clients.

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