

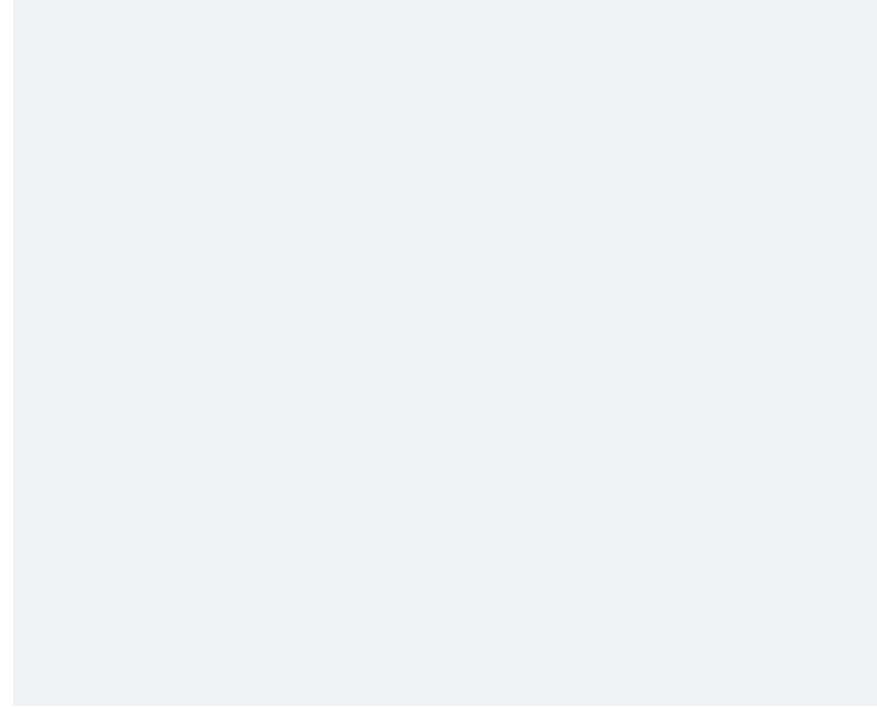
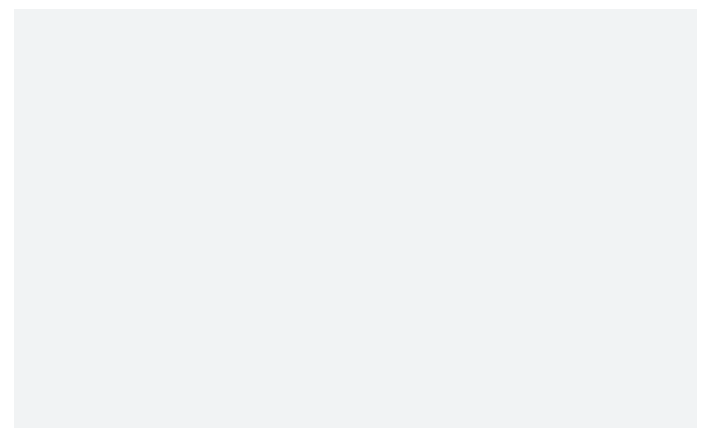
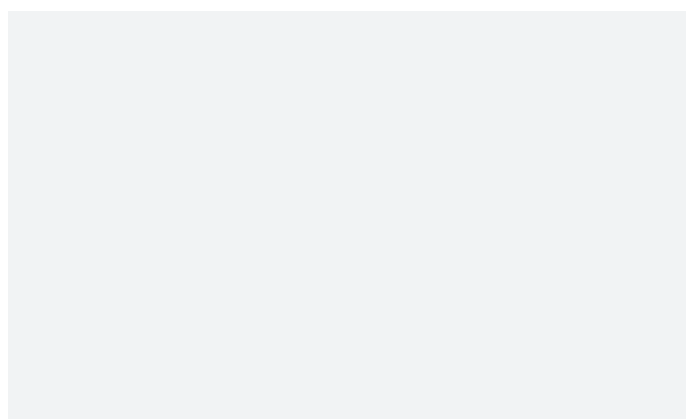


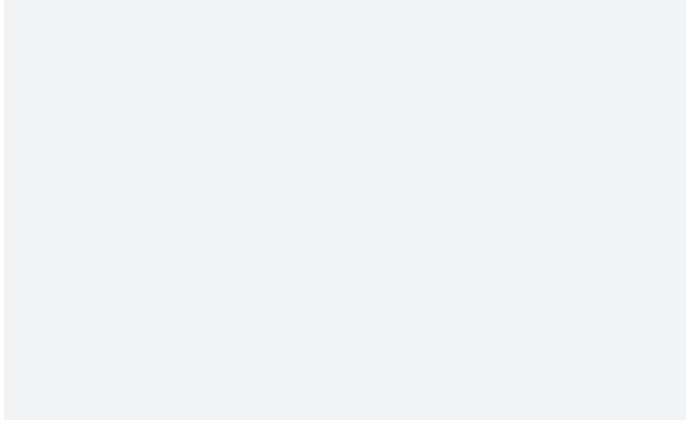
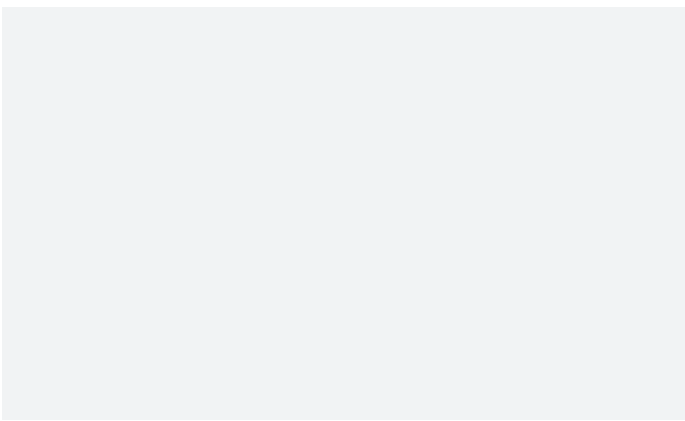
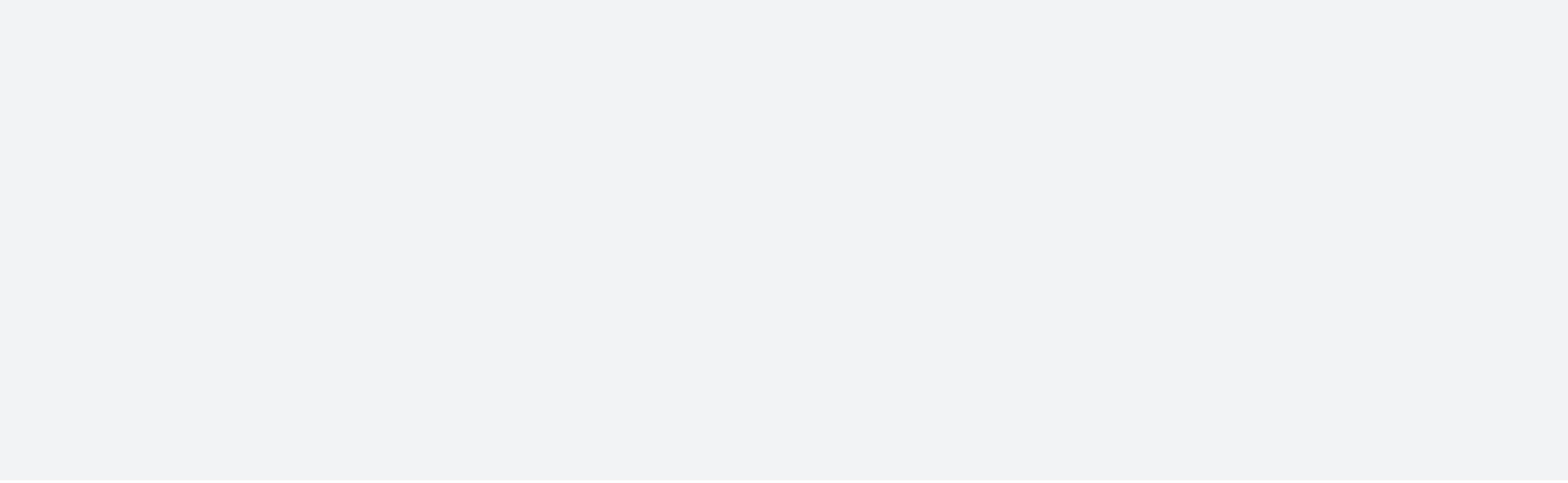
Audit Quality Report 2025-2026

Sustaining quality through transformation.



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A message to our stakeholders

Quality and ethics are fundamental to our firm and the public trust placed in our work. As business models, risks, and regulatory expectations evolve, sustaining audit quality requires transformation. At BDO Canada, we define audit quality as the consistent delivery of reliable audits that serve the public interest, underpinned by governance, independence, responsible innovation, and investment in our people. We continuously transform our approach to stay ahead of change, strengthen resilience, and sustain quality.

Innovation, including the responsible use of AI, is a key enabler in this transformation. We use a human-led, technology-enabled approach to audit that enhances execution and insight while reinforcing professional judgment.

The initiatives outlined in this report demonstrate how we are evolving our audit practice across governance, talent, methodology, and technology, while maintaining the discipline and independence that define audit quality.



Bruno Suppa
CEO

“Audit quality is the foundation of our public interest responsibility, which is why our objective is to consistently deliver high-quality audits that serve investors, regulators, and the broader capital markets. We are committed to fulfilling each engagement with independence, professional scrutiny, and a consistent adherence to our quality management system.

Through ongoing monitoring, a people-first investment, and a disciplined application of methodology and technology, we strengthen the reliability of our audits, as well as the trust placed in our firm.”



Jeanny Gu
Managing Partner, Assurance

“Quality is woven into the fabric of our business. It shapes how we lead, collaborate, and deliver for our clients every day. We are also committed to being at the forefront of AI, using it responsibly to enhance quality, deepen insight, and help position the profession as more innovative, relevant, and attractive to future talent.”



Jonathan Chasle
Head of Assurance Quality
and Professional Standards

“We are advancing a modern audit strategy that integrates technology, sector specialization, and disciplined oversight. This integrated approach leads to deeper, industry-specific insights, consistency, and the high level of audit quality our stakeholders expect.”

By the numbers

BDO Canada at a glance

465
Partners

\$982.7M
Revenue

79
Offices

4,498
Staff

Details current as of Dec. 31, 2025.

Survey: Insights from our audit professionals

Our firm-wide survey of audit professionals reflects their commitment to quality.



96%

believe BDO is committed to the consistent execution of quality engagements in serving our clients, investors, and/or capital markets.

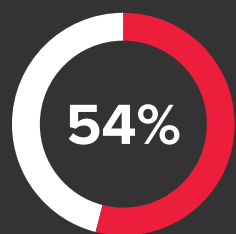
98%

believe they are personally responsible for the delivery of quality on an engagement.

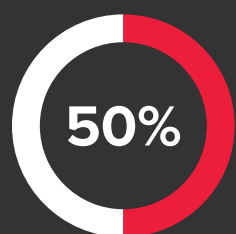
95%

believe that quality is valued at BDO.

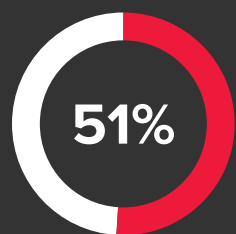
By the numbers: Representation of women within our Assurance practice



Assurance staff and partners who identify as women.



Women on the Executive Leadership Team.



Newly admitted Assurance partners who identify as women.



Note: Figures are based on voluntary self-identification data provided by our people.

12.1

Average years of service for manager level and above in our Assurance practice.

8.2

Average number of years of service within our Assurance practice.

1:8

Ratio of Audit partners to Assurance staff.

10%

Percentage of partners in our Assurance practice.

23%

Percentage of managers and senior managers in our Assurance practice.

18%

Assurance team members with 10+ years of tenure with BDO.

Governance and leadership



David Veld
Board Chair

“Ethics and integrity are embedded in our governance framework and firm strategy, enabled through independent oversight mechanisms, consistent tone at the top, and the deliberate development of our people.

By aligning leadership, accountability, and behaviour to clear ethical standards, we strengthen quality and deliver assurance that meets the standards of our firm and our clients.”

As new technologies and methodologies reshape how audits are performed, governance and leadership help ensure change is deliberate, risk-informed, and aligned with our strategy. Quality is not treated as an outcome of transformation, but as the standard against which it is measured. Our new AI working group is one example of governance in action, providing formal oversight as AI and agentic technologies mature.

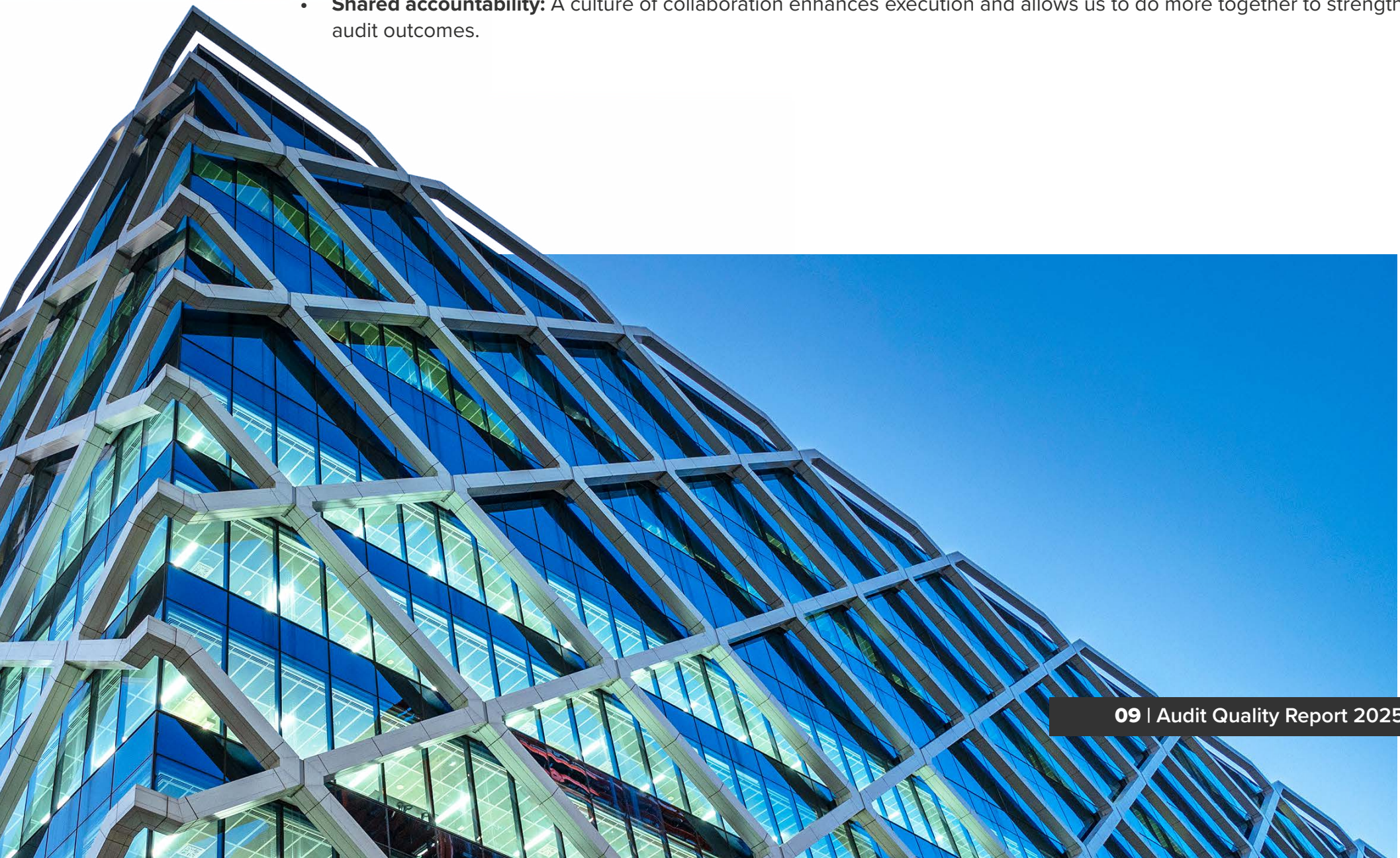


Embedding quality in our strategy

Quality is part of our firm strategy, supporting our commitment to efficient, accurate, and value-driven service. Governance, independence, and oversight are reflected in the structures, processes, and technical abilities within our service lines and industries.

Audit quality is also embedded in these core areas of our strategy:

- **Client acceptance:** A focus on quality clients, supported by a rigorous client and engagement acceptance process.
- **Technology and innovation:** Ongoing investment in advanced technologies to enhance risk assessment, strengthen testing, and provide deeper, more timely insights into client-specific risks and assertions.
- **Client focus:** Our Assurance practice prioritizes industry specialization to better understand our clients' operations and deliver tailored audits.
- **Shared accountability:** A culture of collaboration enhances execution and allows us to do more together to strengthen audit outcomes.





Tone at the top and a culture of quality

Ethics and integrity are reinforced through tone at the top, structured communication channels, and established reporting mechanisms such as our whistleblower hotline. Tone at the top flows down to our partners, people leaders, and all staff, each of whom makes a personal commitment to quality.

These leadership and communication mechanisms reinforce behavioural expectations, model integrity, and foster an environment where people feel comfortable escalating concerns early.

Our leadership-driven culture of quality continues to shape how we innovate, driving the integration of technology into our audit methodology and reinforcing our commitment to being technology-enabled.

Board oversight

The BDO Board provides independent oversight of firm strategy, governance, risk management, and leadership accountability. Independent board members strengthen governance and contribute valuable external perspective. Each year, the board assesses its collective capabilities through a formal skills matrix to ensure alignment with the firm's evolving risk profile, including regulatory developments, technological change, and industry focus.

The Governance & Risk Committee, a subcommittee of the board, oversees regulatory compliance and monitors quality performance through structured risk reporting. Our Risk Management and Assurance Leadership team maintain structured, formal engagement with the Governance & Risk Committee, providing timely updates and enabling open dialogue.

AI working group

In 2025, the board established an AI working group to strengthen governance as artificial intelligence and agentic technologies became more embedded across the firm and began to transform how we execute, oversee, and enhance audit quality. As a formal working group of the board, its mandate is to provide oversight over the responsible use of AI in internal operations and client engagements, ensuring alignment with the firm's strategic priorities, risk management framework, and quality standards.

BDO Global

The global BDO network is governed by the Global Board, the Council, and the Executive of BDO International Limited. BDO Canada LLP is a member firm of BDO International Limited and sits as a member of the Global Board.

The Head of Global Audit Quality is tasked with strengthening consistency across the network on all matters related to audit quality and ensuring that quality is a strategic decision for all BDO firms across the world.

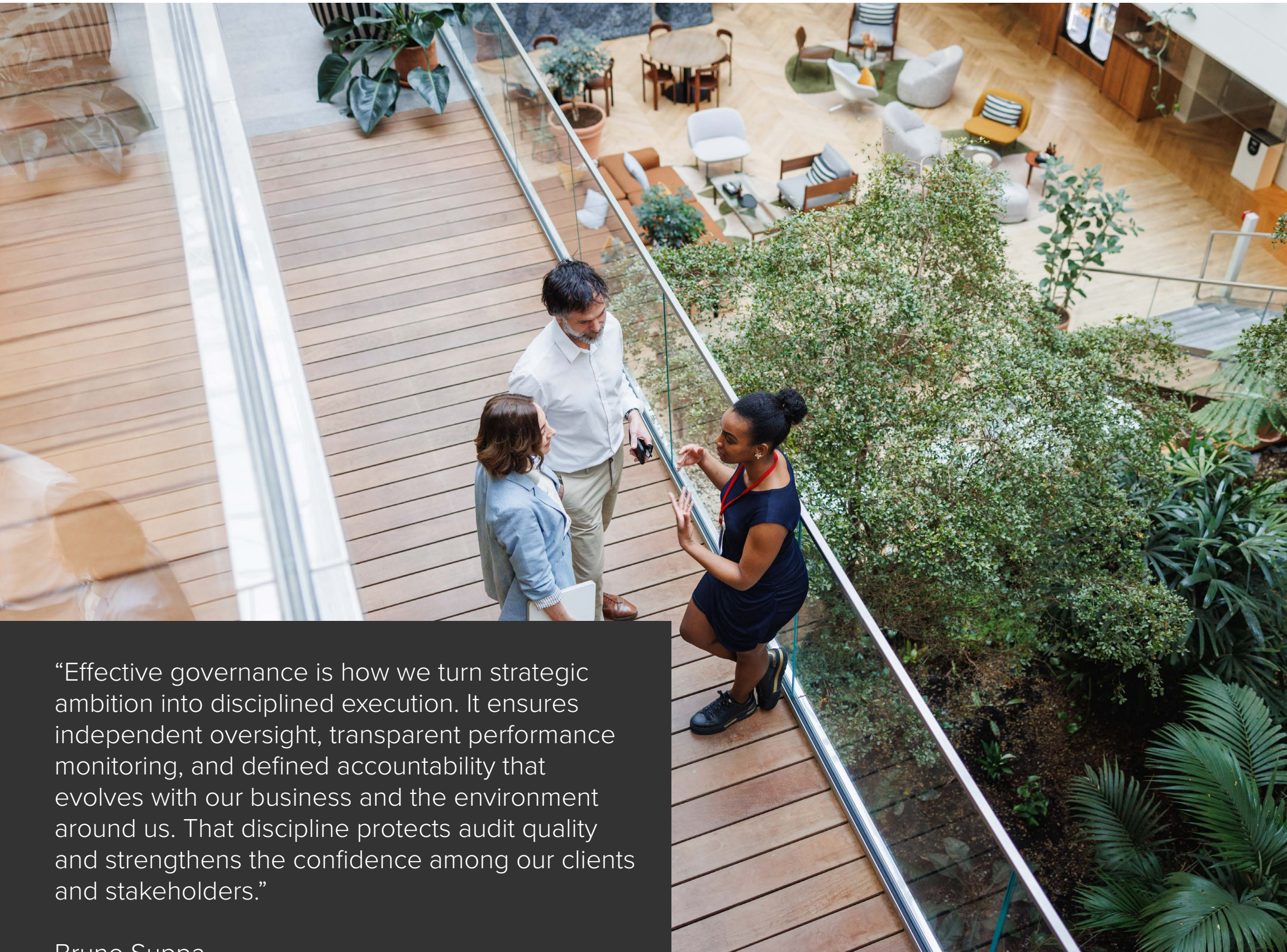
BDO Global's Audit Quality Committee connects member firms to advance network-wide initiatives that strengthen assurance practices, facilitate the sharing of information and best practices, and enhance collaboration on multi-jurisdictional engagements. Jonathan Chasle, BDO Canada's Head of Assurance Quality and Professional Standards, serves as a member of the committee, contributing to these efforts. He works closely with the Head of Global Audit Quality, with regular touchpoints to align on priorities, share leading practices, and ensure appropriate global support for BDO Canada.

BDO in Canada

Established in Winnipeg more than a century ago, BDO has grown across Canada and around the world. As technology advances and regulations change, we adapt in step to ensure our governance and operations remain aligned and effective.

We bring care and commitment to every engagement and client relationship. Our priority is understanding what matters most to our clients—their challenges, their ambitions, their 'more'—and working alongside them to provide practical, technically sound, and forward-looking solutions.

Bruno Suppa is the CEO of BDO Canada. Under his leadership, BDO translates strategy into action to drive progress, capture opportunity, and deliver measurable results. He continues to evolve the firm to nurture trust with our clients and meet their changing needs across every sector.



“Effective governance is how we turn strategic ambition into disciplined execution. It ensures independent oversight, transparent performance monitoring, and defined accountability that evolves with our business and the environment around us. That discipline protects audit quality and strengthens the confidence among our clients and stakeholders.”

Bruno Suppa
CEO

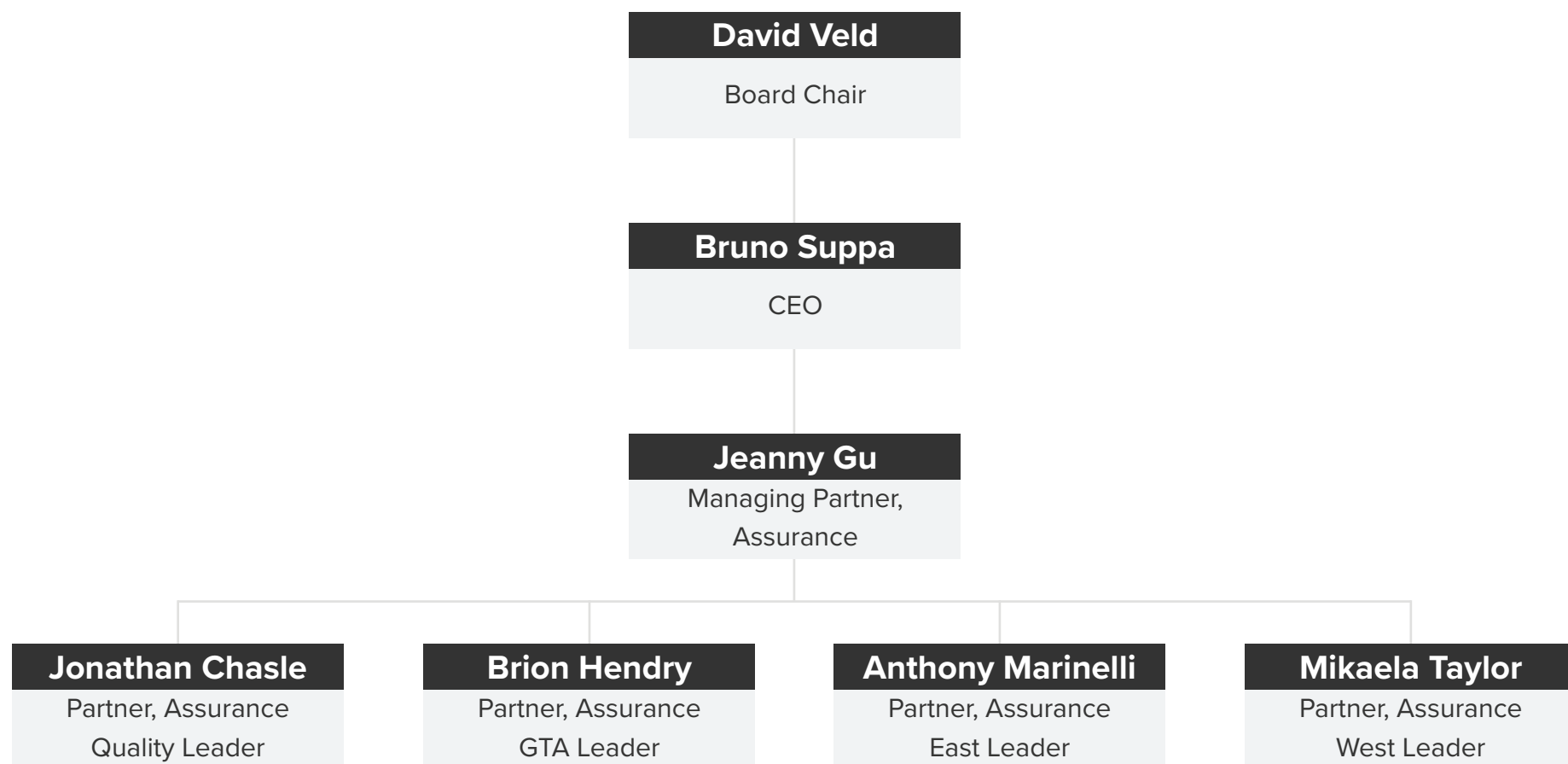
Audit leadership

Our leadership team remains committed to assurance quality and continuous enhancement.

Jeanny Gu is the Managing Partner of the Assurance Service Line for BDO Canada and a member of the Executive Leadership Team. Under her leadership, she drives the Assurance practice forward through managing operations, delivering quality service to clients, and collaborating with the Managing Partners to ensure strategic alignment.

Jonathan Chasle is the Head of Assurance Quality and Professional Standards and a member of the Assurance Senior Leadership Team at BDO Canada, with more than 17 years providing assurance, accounting, and consulting services to private and public companies across diverse industries. In his role, he leads the operations of the firm's system of quality management and the National Office, providing technical support on accounting and assurance standards matters.

Our Assurance leadership team



Talent and culture



Kerri Plexman
Managing Partner,
Talent & Culture

“Quality is a collective effort grounded in collaboration and shared accountability. We are intentional about fostering a culture of psychological safety where our people are encouraged to speak up, challenge assumptions, and raise concerns openly.

We also invest meaningfully in strengthening their technical and leadership capabilities so they can effectively play their part in upholding and advancing audit quality.”

The strength of our audit practice is rooted in our culture. By transforming how we support and develop our people—through initiatives like a deeper focus on accessibility, national collaboration, inclusive leadership, and modernized learning and development programs—we reinforce that audit quality remains fundamentally human, even as the profession advances.

Our workplace awards

We are proud to showcase the latest awards that recognize our continued dedication to fostering a culture of innovation, empowerment, and belonging.



Diversity, equity, inclusion, and accessibility

Our diversity, equity, inclusion, and accessibility (DEIA) strategy is centred on building a workplace where every individual is respected, included, and supported in contributing their authentic perspective. DEIA is linked to stronger retention and, in the context of our Assurance teams, enhanced audit quality. We advance DEIA through targeted programs and firm-wide events representing our core diversity pillars: women, Indigenous Peoples, persons with disabilities, racialized groups, and Pride at BDO.

Some of the ways we continued to strengthen DEIA include:

Advancing accessibility in our strategy

In 2025, we formally integrated accessibility as a core component of our Talent & Culture strategy. This reflects our commitment to an environment where every BDO professional can contribute fully and authentically.

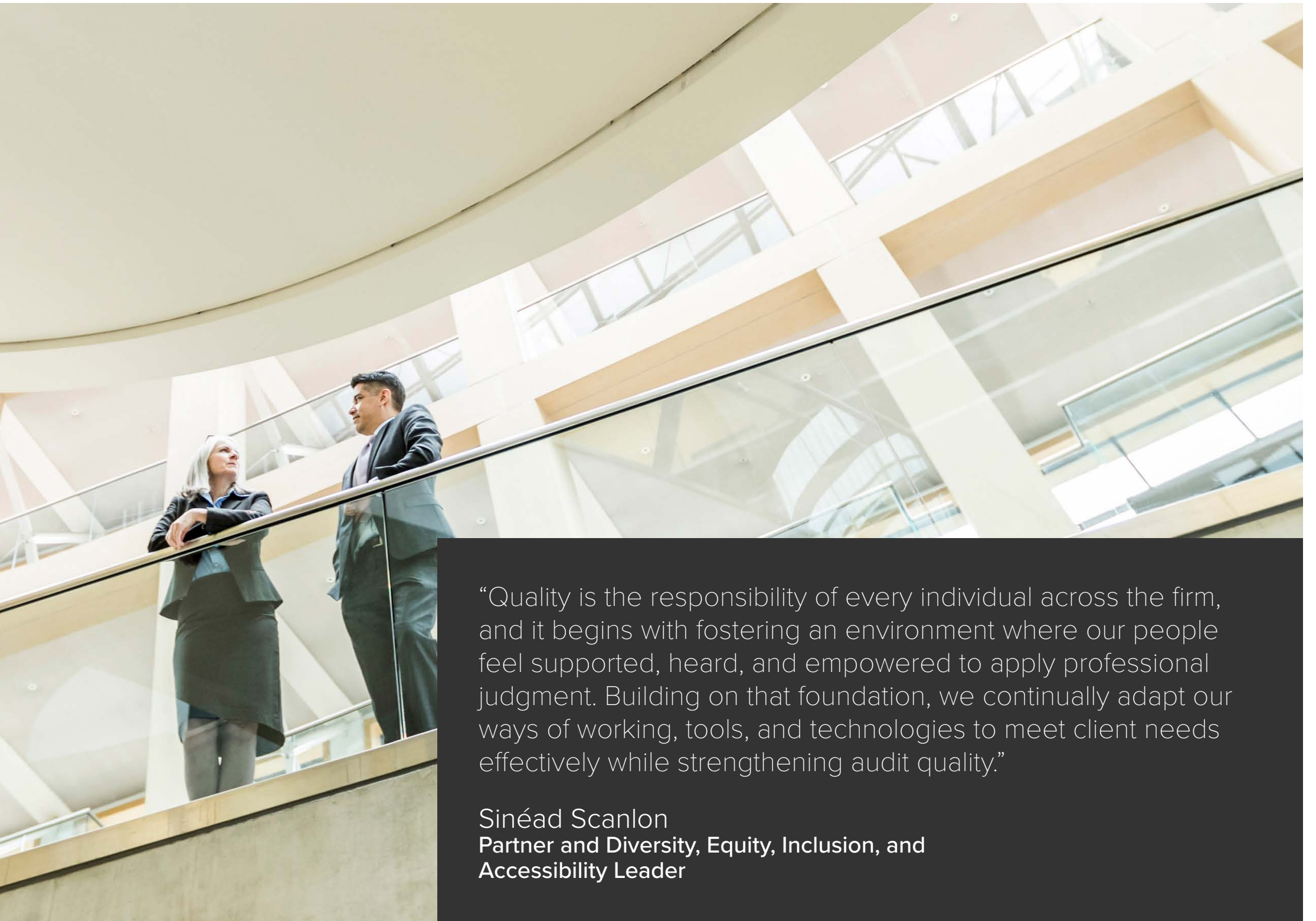
Accessible ways of working support clearer communication, more streamlined documentation, and higher-quality audits by enabling information to flow effectively between engagement teams and clients.

Our multi-year **Accessibility Plan** ensures that inclusive and accessible practices are embedded in our policies, processes, and client-facing materials.

A collaborative environment where we do more, together

We promote collaboration and the sharing of skills as a collective responsibility. Within Assurance, this commitment is reflected in our national resourcing model, which mobilizes talent from across Canada to strengthen engagement quality.

Diversity in expertise—reflecting nuances in regulatory frameworks, geographies, and industries—enables our audit professionals to deliver broad insight and perspective. Our leaders are supported through inclusive leadership training to ensure all voices are heard throughout the audit process.



“Quality is the responsibility of every individual across the firm, and it begins with fostering an environment where our people feel supported, heard, and empowered to apply professional judgment. Building on that foundation, we continually adapt our ways of working, tools, and technologies to meet client needs effectively while strengthening audit quality.”

Sinéad Scanlon
Partner and Diversity, Equity, Inclusion, and
Accessibility Leader

Learning and development

“Our investments in learning and development prepare our people for the future of audit. Clear expectations, structured support, and targeted learning initiatives build the technical competence and professional judgment required to deliver on audit quality. As we serve increasingly sophisticated clients, strengthened technical leadership and industry-aligned training prepare our people to meet the rapidly evolving demands of audit.”

Anthony Marinelli
Partner, Assurance East Leader

How we support our people

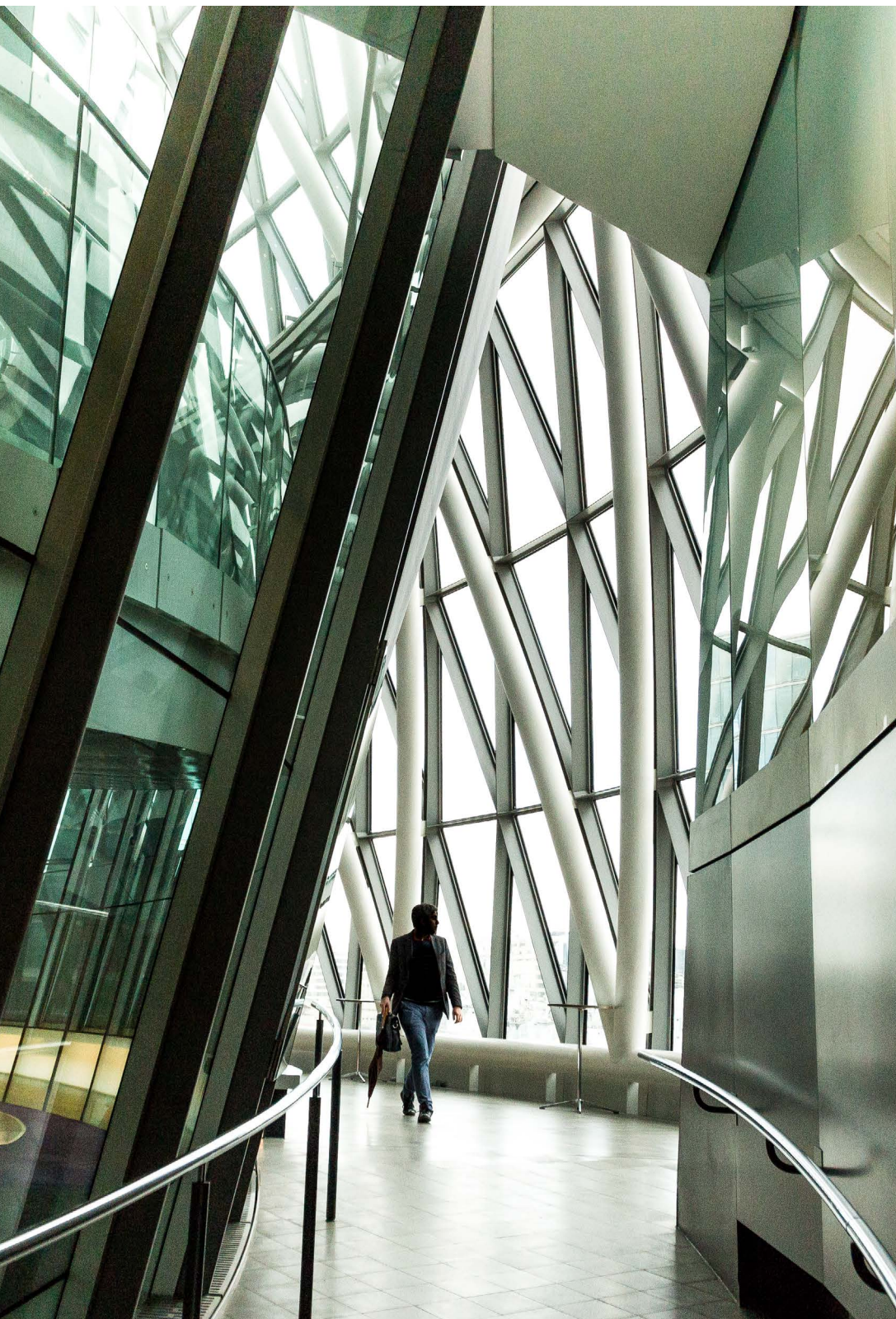
As the audit landscape grows more sophisticated, so must the ways we support, develop, and empower our professionals. We invest heavily in Learning & Development (L&D) programs and shared experiences that strengthen the personal and professional capabilities of our people.

We continued evolving our learning ecosystem in the following ways:

Elevated methods of learning

Under the leadership and guidance of our Chief Learning & Development Officer, we advanced our approach to training by embracing innovative, research-backed methods that make development more accessible, focused, and easier to integrate into the flow of work.

In 2025, we launched microlearning videos, a library of short videos with practical examples that staff can access at any time to reinforce their knowledge of specific sections of an audit file. Our practitioners also have access to mock files that illustrate clear examples of strong file documentation and execution, prioritizing concise, practical guidance over extended theoretical sessions. These formats reflect how our professionals learn and consume information today.



Role competencies and talent development

Setting structured role expectations was a priority throughout 2025. These expectations provide clarity around responsibilities, performance standards, and professional behaviours. Targeted training and learning opportunities reinforce this framework, translating expectations into consistent practice and building depth of experience across the firm.

Assurance conference

Our annual Assurance conference brought together more than 500 Assurance partners and staff for a comprehensive in-person event across 13 locations in Canada. Built around the theme of “Elevation”, the conference featured sessions on skill development and leadership growth, quality and standardization, and technology and AI. The conference reinforced our people-first culture grounded in collaboration and collective accountability.

Risk assessment seminar

In 2025, we introduced a new one-day, in-person risk assessment seminar hosted in major offices across Canada. Assurance staff and partners participated in practical training focused on developing enhanced risk assessment skills, which drive efficiency and quality in our audit engagements.

SkillUP

Our annual firm-wide SkillUP Summit strengthened our people's growth, adaptability, and shared knowledge. This year's program focused on three core themes: cultivating high-trust team cultures and leading with impact; accelerating growth through stronger client relationships and communication; and advancing responsible technology adoption anchored in human judgment.

Power skills training

We are always striving to evolve learning and development opportunities to strengthen capabilities such as strategy, complementing traditional technical training. Our power skills training programs focus on developing critical competencies such as professional judgment, communication, and strategic thinking.

8

future-focused
session topics.

12

hours of
learning.

6

keynote
speakers.

128

hours

invested on average in formal professional
development and learning by our Audit and
Assurance professionals.



“Learning and development at BDO plays a critical role in audit quality by ensuring our people have the capability, judgment, and confidence to consistently apply standards, exercise professional judgment, and deliver high-quality audits in a rapidly evolving environment. Through multi-channel learning programs, we strive to align with the needs of our people and clients, and signal a clear commitment to audit quality, professional excellence, and continuous improvement.”

Dr. Keith Keating
Chief Learning & Development Officer

Leadership continuity and people engagement

Experienced leadership and active engagement with our people reinforce the stability, insight, and responsiveness necessary for consistent audit quality. This reflects the tone at the top established through our governance framework, which sets clear expectations and models accountability across the firm.

Continuity at manager levels and above

Leadership continuity is a meaningful differentiator in our ability to deliver on-time and on-budget audit engagements. Our commitment to the talent experience and employee retention is reflected in our results: nearly one in five Assurance team members have been with BDO for 10 or more years, and those who are manager-level and above have an average tenure of 12 years with our firm.

Consistent engagement relationships deepen client knowledge and strengthen accountability, both of which directly support audit quality. Our objective is to develop well-rounded professionals equipped for leadership roles within the firm and beyond.

Listening to our people

Feedback from our people informs how we strengthen our Assurance practice. During the year, senior Assurance leaders conducted a national listening tour, meeting directly with select partners, managers, and senior team members across Canada. The objective was to understand where our teams see opportunities to improve audit execution, and what learning programs would best support them in doing so. Insights from these discussions led to refinements in our processes.

Achieving audit quality together



Jonathan Chasle
Head of Assurance
Quality and
Professional Standards

“Organizations are operating in an environment marked by uncertainty, which has significant implications for their operations and financial reporting. As a firm committed to protecting the public interest, the quality of our engagements in this environment is critical.

To meet the needs of our stakeholders, we continue to actively strengthen our processes and controls to ensure our work meets our stringent expectations and quality standards.”

Audit quality is only as strong as the strategy, methodologies, and processes that support it. In a complex, evolving assurance landscape, we advance through measured, deliberate change. We continuously transform our audit approach to deepen industry specialization, advance standardized methodologies, and elevate real-time oversight, ultimately strengthening audit execution and quality.



Quality strategy

Our quality strategy is centred on two primary objectives: defining quality for the firm and advancing five pillars to achieve it. These pillars operationalize our firm's commitment to quality, translating the governance structures, talent and culture initiatives, and learning investments described earlier into consistent engagement execution across the Assurance practice:

- Standardization of the practice
- Strategic technology integration
- Client education and empowerment
- Talent management and development
- Client acceptance and continuance

How we measure quality

We measure audit quality using indicators that provide insight into engagement performance and the effectiveness of our system of quality management (SoQM).

These include:

- **Inspection and review outcomes:** Results from internal Quality Assurance Reviews (QARs).
- **Deficiency identification and remediation:** Findings from monitoring activities and root cause analysis, which inform continuous improvement across our practice.
- **Engagement performance indicators:** Measures such as consultation frequency and appropriateness, technical specialist involvement, and the depth of review on higher-risk engagements.
- **Client portfolio quality:** The Client Value Index (CVI), which assesses the quality and strategic alignment of our client base.
- **People and capability indicators:** Training investment, professional development, and the strength of our technical and industry expertise.

Together, these indicators provide a comprehensive view of audit quality, enabling us to monitor performance, identify areas for improvement, and strengthen outcomes over time.

How we achieve quality

We achieve quality through collective accountability, with our people driving assurance excellence at the individual, engagement team, and firm-wide level. Building on our L&D programs, we have introduced new tools and structural enhancements to strengthen execution and expertise within our Assurance practice.

In 2025, we placed particular emphasis on supporting and developing our talent, reflecting our view that our people have the most direct and significant impact on audit quality.

At the individual level

Quality begins with the personal dedication of each team member. We support this through a strategy that builds technical and leadership capability, leverages technology, and sets clearly defined expectations.

Specialization and industry expertise

Industry focus remains a strategic priority. Audit requirements vary across sectors, and concentrated specialization directly strengthens audit quality.

In 2025, we continued to formalize industry specialization through the introduction of development pods. These small, industry-focused groups bring together partners and staff to deepen expertise and shared learning of sector-specific accounting considerations and audit risks. We will continue to build out and expand this initiative throughout 2026, increasing participation and further embedding industry depth across our Assurance practice.

At the engagement team level

Our engagement process is designed to be flexible and adaptive, ensuring our teams collaboratively and actively drive quality.

Active participation of senior team members in achieving quality

Our partners are heavily involved in every audit engagement, bringing extensive industry experience and direct oversight to each file. Our in-flight coaching program pairs senior coaches with engagement teams on selected files, providing real-time challenge on risk assessment conclusions and audit approach.

This level of engagement supports early identification and resolution of emerging issues and provides opportunities for on-the-job learning—one of the most efficient ways to learn.



At the firm level

Our firm-wide system of quality management (SoQM) supports teams in delivering quality across our assurance practice and related audit engagements.

National staffing model

Advancing nationalized resourcing efforts was a core focus in 2025. Led by the national scheduling team, this model ensures professionals with appropriate industry experience are assigned to relevant engagements regardless of geography. Operating as one national service line strengthens consistency, enables cross-regional collaboration, and reflects our commitment to doing more together in the best interest of our clients and people.

Number of hours spent on audit engagements:

10,810
Technical specialists

47,017
Partners

175,800
Managers

Client and engagement acceptance

Quality is a shared responsibility extending beyond our assurance teams to include our clients. As we undertake increasingly sophisticated and complex engagements, our leaders carefully assess the associated risks before acceptance, including quality considerations.

In 2025, we strengthened this firm-wide process through the rollout of an enhanced acceptance framework and supporting technology tool, enhancing our disciplined client acceptance process and supporting our commitment to audit quality from the outset of every engagement.

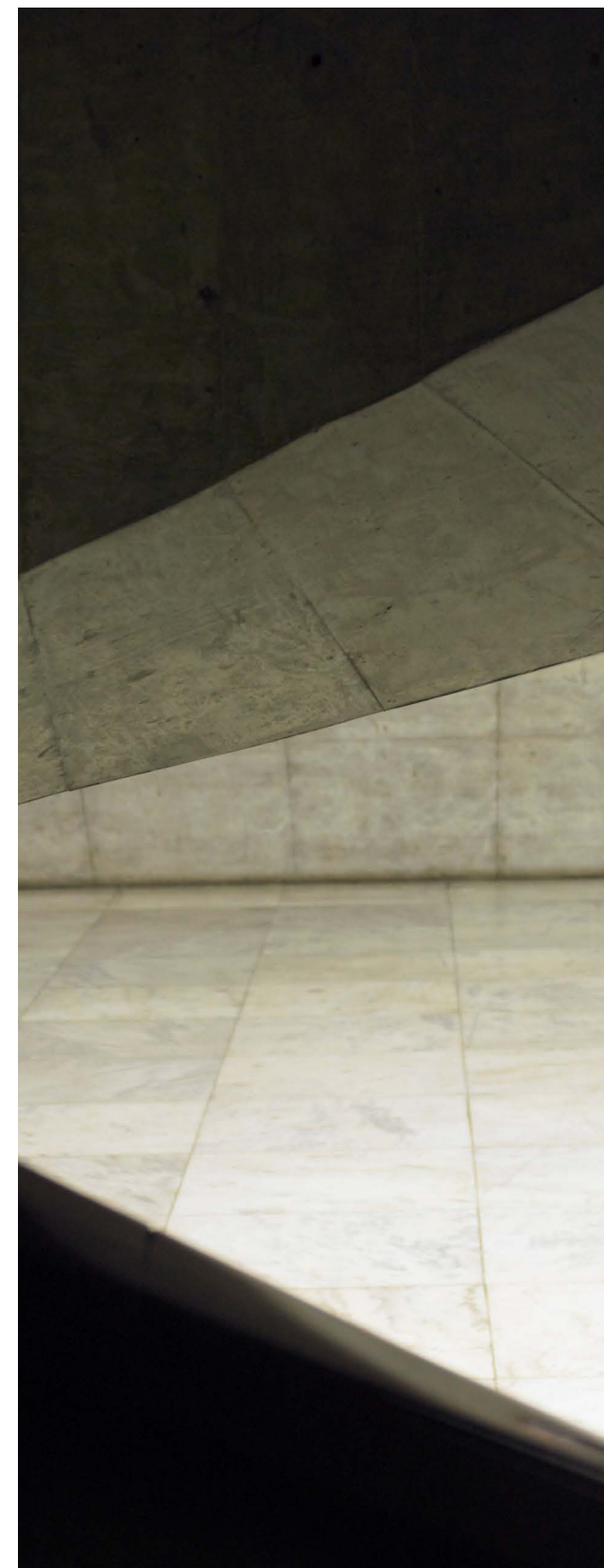
The Client Value Index (CVI) is a key metric our Executive Leadership Team uses to track the quality and strategic fit of our client portfolio, drawing on factors such as client sophistication and industry. Improving our firm-level average CVI is a clear priority for 2026 as we pursue more sophisticated, strategically aligned engagements.

Standardization of templates

We continue to standardize methodologies, templates, working papers, and processes to promote consistency and elevate the baseline of quality across the firm. By reducing unnecessary variability, standardization allows our teams to focus their judgment where it matters most: supporting a consistent and high-quality client experience. We have started applying an industry lens to our standardization efforts, tailoring our approach to reflect the unique risks and nuances of the sectors we serve. We will continue to formalize this approach throughout 2026.

Practical and diverse technical experience

In 2025, we further strengthened our technical capabilities by attracting senior technical leaders with specialized regulatory expertise and extensive experience auditing U.S. and Canadian reporting issuers, elevating the quality of our work on high-profile engagements. We also encourage our teams to develop diversity of thought by volunteering on professional committees, where they gain hands-on experience in reporting obligations, ethics, and independence.





Public company audit oversight

These metrics highlight our focus on technical leadership and increased partner scrutiny in public company audits.

Ratio of Assurance partners with technical public company roles to the total number of public company audit partners:

2024 **1:2** 2025 **1:2**

Percentage of public company audit partners inspected internally:

2024 **31%** 2025 **44%**

Depth of technical involvement

In 2025, we concentrated our efforts on engagements presenting higher-risk areas, reviewing fewer files with greater depth. Our technical consultation data reflects this targeted approach.

Consultations conducted with internal technical specialists on complex issues:

2024 **1,700+** 2025 **1,550+**

Financial statements reviewed by technical specialists:

2024 **1,700+** 2025 **1,440+**

Risk management, ethics, and independence

“Audit quality is reflected in the judgments we make, particularly in moments that demand independence and integrity. Professional ethics guide those judgments. At BDO, we embed that commitment into a disciplined system of risk assessment, independent oversight, and transparent reporting that brings clarity to complexity and ensures accountability.”

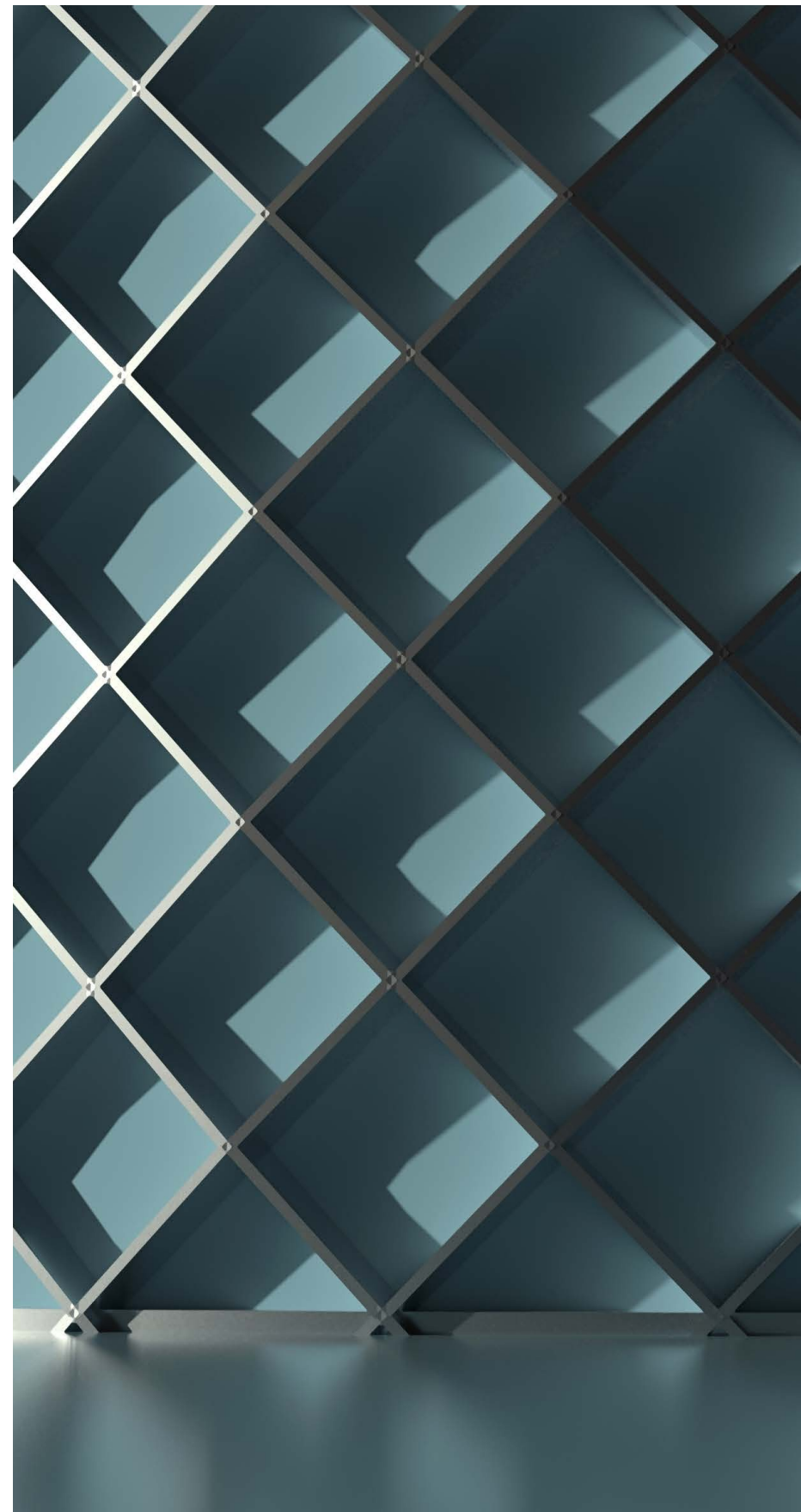
Amy Provvionato
Chief Risk Officer

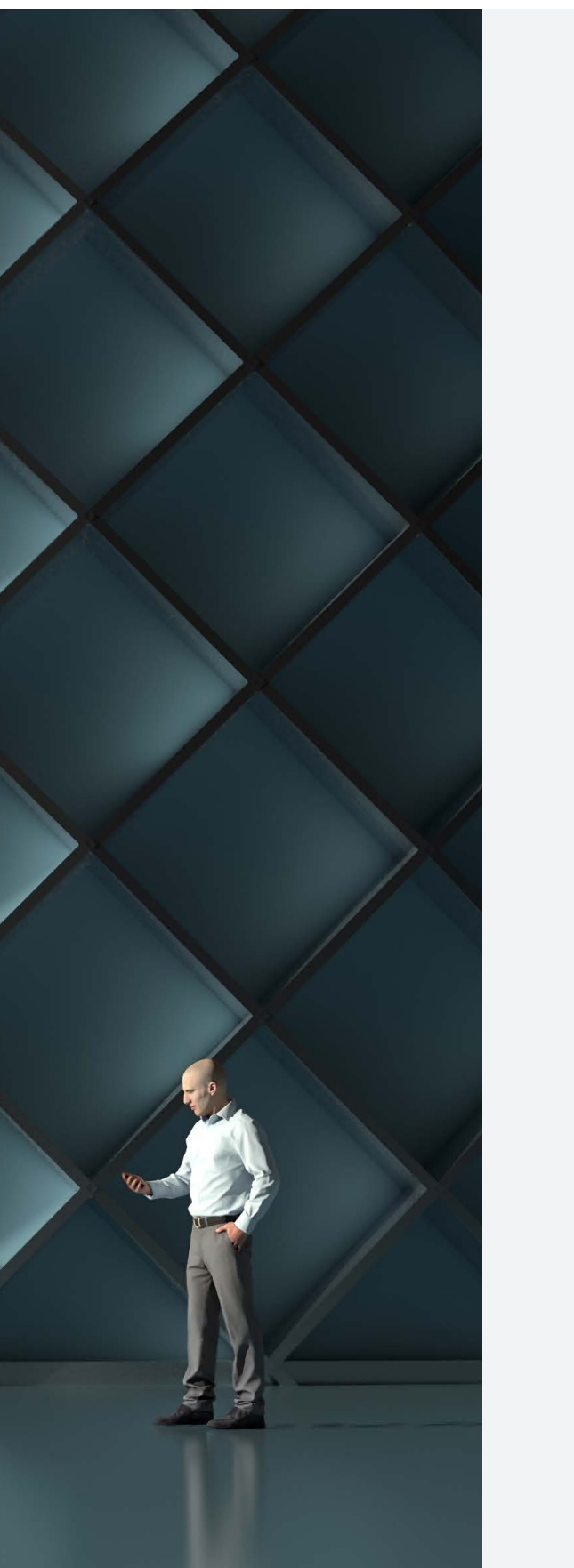
Quality Assurance Reviews

Through structured, risk-based file inspections and independent evaluation of engagements, we identify areas of strength and opportunities for enhancement. The findings inform focused remediation, training, and process refinements, supporting a cycle of continuous development.

Quality assurance with BDO Global

BDO Global’s quality monitoring system mandates Quality Assurance Reviews (QARs) for each engagement partner once every three years. The QARs at BDO firms are monitored at a global level, with a strong concentration on client acceptance, ethics, risk management, and high-quality engagement performance.





Quality assurance at BDO Canada

In 2025, we introduced improvements to our QAR process, including:

- More targeted file reviews, expanding time and depth into each engagement.
- Enhanced communication between reviewers and engagement teams to support effective knowledge transfer and increase the overall value of the review process.
- Strengthened escalation processes to ensure complex matters and areas of professional judgment are addressed by experts.
- Continued emphasis on training—while QAR remains a monitoring requirement, we see it also as an impactful training initiative, helping our teams understand identified issues, underlying causes, and the actions needed to improve.

A continuous quality management process

Annually, we complete a comprehensive evaluation of the SoQM as required by CSQM 1 to provide reasonable assurance that SoQM objectives are being met. The evaluation includes:

- Setting quality objectives.
- Identifying and assessing quality risks.
- Designing and implementing responses for each quality objective.
- Monitoring the responses to ensure operating effectiveness.
- Evaluating findings and identifying deficiencies (if any).
- Remediating identified deficiencies and addressing the root causes (if any).

This process challenges us to maintain quality in our assurance and related services engagements, identify areas to strengthen processes, and embed enhancements that elevate the consistency and reliability of our work. Meaningful improvements in our SoQM result from our robust root cause analysis process.

Root cause analysis

In accordance with CSQM 1, when deficiencies are identified through our monitoring and inspection activities, we perform a structured root cause analysis to determine the underlying factors contributing to the issue.

This process goes beyond identifying surface-level findings and focuses on understanding whether matters are isolated or indicative of broader systemic themes. Our analysis considers engagement performance, methodology, training, resource allocation, supervision and review practices, technology enablement, and cultural factors such as tone at the top and accountability.

Findings from root cause analyses inform the design and implementation of targeted remedial actions. We monitor the effectiveness of these actions to promote continuous improvement and strengthen our system of quality management.

In 2025, we strengthened our root cause processes by:

- increasing dedicated resources;
- increasing senior leadership involvement in assessing outcomes;
- formalizing templates and processes;
- broadening the scope to include engagements with identified quality issues; and
- conducting retrospective reviews of prior quality initiatives implemented.

With our increased focus on root cause analysis and the enhancements outlined above, we are better positioned to identify, prioritize, and address the underlying drivers of quality outcomes.

CSQM leadership involvement and process enhancements

We dedicate significant time and senior resources to our system of quality management, including involving teams of testers in monitoring quality responses. Efforts include clarifications in policies, processes, and controls, offering relevant training courses to accompany the rollout of updated software and tools, and providing guidance for the implementation of other CSQM enhancements. These enhancements, in addition to raising the bar on quality, were beneficial to have a refined, more practical, and efficient assurance process.

Maintaining ethical practices

At BDO, our approach to our business and serving our clients is grounded in upholding ethical practices and acting in the public interest. Setting a tone at the top to create a culture based on integrity and ethical practices, our leadership consistently models the behaviours and judgment expected across the firm and serves as the foundation for our processes, people, and services.

Trust and transparency

The firm, partners, and staff are required to uphold and meet the ethical standards set out in applicable professional standards, BDO policies, and our Code of Conduct.

Our Code of Conduct sets standards for how we conduct business and provides guiding principles to support ethical decision-making. Updated Code of Conduct training rolled out in 2025. Using a scenario-based approach, the training teaches our people how to assess, respond to, and resolve complex issues in alignment with our Code in real-world circumstances.

All BDO people also adhere to firm policies aligned with applicable Canadian and international professional and independence standards, including those issued by CPA Canada and the International Ethics Standards Board for Accountants (IESBA).

As part of our commitment to ethics, we require mandatory training, monitor training assessments, and maintain a whistleblower policy.



Independence

Independence of our firm, partners, and employees is critical to our business and is upheld through comprehensive independence policies, systems, and procedures. These policies and processes are based on applicable Canadian and international independence standards, including those issued by the IESBA, CPA Canada, the U.S. Securities Exchange Commission, and the Public Company Accounting Oversight Board.

In the case of a listed entity or reporting issuer assurance client, BDO complies with the requirements of the IESBA Code of Ethics applicable to public interest entities.

Independence is maintained through the firm's policies and procedures, including requirements regarding prohibited financial interests, mandatory partner rotation, and annual independence confirmations and training. Structured conflict of interest processes and defined escalation protocols further ensure appropriate review and transparency.

Aligning partner remuneration with audit quality

Audit partner evaluations and remuneration are based on firm performance and an individual's performance-based contributions. Quality outcomes are included as a component of the contributions evaluated, including file inspection results, external inspections, and adherence to independence requirements and professional standards. Audit partners are not permitted to be evaluated and/or compensated for the sale of non-audit services to their audit clients. This structure reinforces our obligations to audit quality and upholding professional standards. Our leadership regularly reviews these compensation frameworks to confirm they remain aligned with evolving standards and the expectations of regulators.

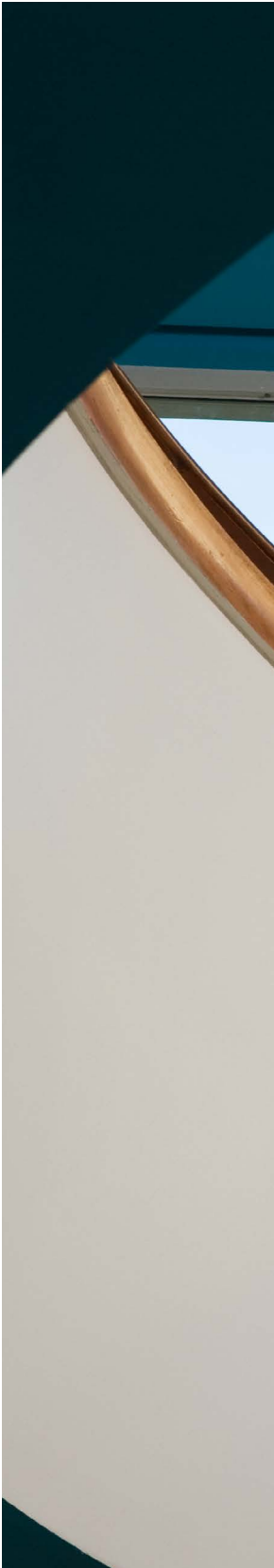
Compliance


Our ethics and independence-first culture is further maintained through compliance with regulatory rules, internal policies, and procedures. These processes include annual confirmations of compliance, robust processes for identifying domestic and international conflicts of interest, expert consultation procedures, regulatory compliance monitoring, and confidentiality procedures.

Whistleblower policy

Our independent, third-party whistleblower policy enables our people to confidentially report, either directly or anonymously, any concerns or complaints regarding dishonest, unethical, or illegal behaviour related to the firm.

A link to the whistleblower hotline is available internally and externally on our website. All BDO personnel are provided training on how to properly use the hotline to submit a whistleblower report.

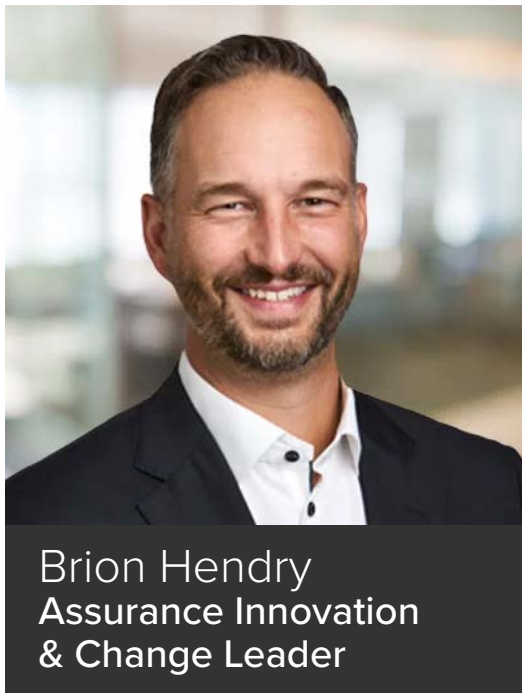




“Audit quality is grounded in a fundamental responsibility: that we act ethically maintaining our integrity, objectivity, and independence. We embed these principles into our culture through structured systems, policies, and procedures, as well as a strong tone at the top committed to ensuring ethical decision-making and independence remain central to our engagements.”

Nicole Barrington
Partner, Ethics & Independence Leader

Quality evolving with technology



Brion Hendry
Assurance Innovation
& Change Leader

“Our approach to technology is grounded in audit-grade, quality-first governance. As we leverage emerging technologies, we do so with the appropriate infrastructure, oversight, and controls to support responsible adoption across the Assurance practice and firm.

By embedding technology thoughtfully into our audit methodology and service delivery, we strengthen outcomes, enhance the experience of our teams, and deliver differentiated value to our clients while safeguarding the integrity of our audits.”

Progress over preservation is a core firm value and the foundation of a workplace where innovation can flourish. We deliver meaningful value to sophisticated clients by supporting continuous improvement and strengthening performance over time. As automation and AI transform our audit workflows, quality ultimately depends on professionals who apply these tools responsibly.

A human-centred, technology-embedded assurance approach

We are integrating AI, advanced analytics, and proprietary platforms in ways that expand the breadth and depth of our analysis, create more time for meaningful client engagement, and enable us to deliver differentiated insights that help strengthen performance and governance.

Key client benefits of our AI and technology-integrated audit approach include:

- Optimized use of resources
- Fully integrated systems
- Continued data security
- Client-focused value
- A greater breadth of analysis

Our technology-integrated approach is designed to support our professionals in spending less time on manual, repetitive procedures, and more time on judgment-intensive work. As adoption continues to evolve, our objective is to empower sustained improvements in consistency, insight, and overall audit quality over time. We assess the contribution and impact of technology on audit quality through observable improvements in how our work is executed.



Audit transformation in action

Technology-enabled audit capabilities	The execution impact	The quality outcome
Expanded coverage of audit procedures	Our teams can analyze larger and, in some cases, complete data populations.	This leads to more comprehensive risk identification and strengthens overall audit coverage.
Improved consistency across engagements	Standardized methodologies, embedded controls, and technology-enabled workflows reduce variability in execution and documentation.	This results in more consistent application of audit procedures and more reliable audit outcomes.
Enhanced risk insight and oversight	Integrated tools and in-process validations enable faster data analysis and earlier identification of anomalies.	This enables earlier issue resolution and strengthens audit quality by reducing late-stage adjustments.
Stronger audit evidence and documentation quality	More reliable data, integrated systems, and AI-assisted tools support clearer and more structured documentation.	This improves audit trail clarity, enhances review effectiveness, and reinforces support for audit conclusions.
Deeper, more timely insights	More efficient execution and broader analysis allow teams to focus more on judgment and client-specific risk areas and industry nuances.	This enhances the relevance and quality of insights that inform audit conclusions.



Responsible AI

Trust underpins our approach to digital transformation and guides how we evaluate new technologies and investments. While AI and emerging agentic capabilities present significant opportunity, we maintain robust oversight to uphold audit-grade standards.

In 2025, we advanced our AI governance framework, defining clear requirements for reliability, documentation, transparency, and the application of professional judgment in all audit-related outputs. We also formalized a **Responsible AI Policy** and **AI Code of Conduct**, setting firm-wide standards for acceptable use, accountability, and human oversight. Aligned with **ISO 42001** and our governance framework, these policies are reviewed regularly to keep pace with technological and regulatory developments.

As we scale AI tools, we proactively assess emerging technologies to ensure they strengthen engagement execution, align with our governance standards, and enhance audit quality.

L&D support for innovative technology application

Structured education, guided experimentation, and disciplined ideation are essential as our people explore and apply innovative tools responsibly.

Our training programs on audit technology and AI emphasize safeguards, ethical considerations, and appropriate use, with a clear focus on maintaining audit quality and meeting the requirements of applicable professional standards.



Technology Risk Assurance

Our Technology Risk Assurance (TRA) team applies deep technical expertise and advanced data analytics to evaluate technology-related risks and identify trends.

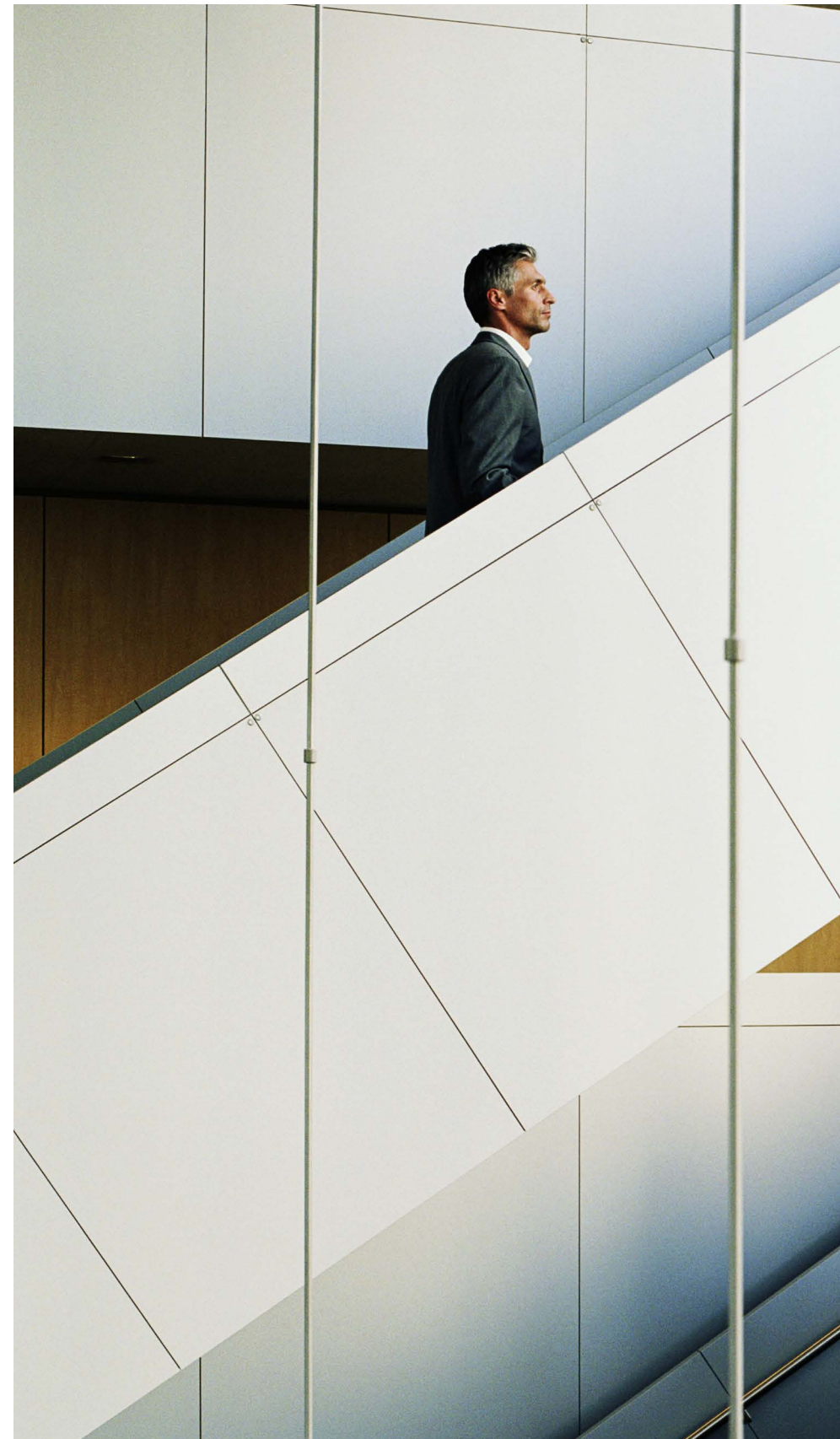
Following TRA's integration within Assurance in 2024, we have continued to advance a "one team, one approach" model that aligns finance and IT perspectives within our audits, providing clients with a more holistic view of how financial and technology environments intersect to support performance and decision-making.

Technology-enabled and customized compliance

Innovation at BDO bridges advanced technology from leading providers with our proprietary platforms.

Collaboration with leading global technology providers

Through strategic partnerships with best-in-class technology providers including DataSnippet and Templafy, we are accelerating our pace in responding to industry demands and driving continuous innovation. We also pilot emerging tools for document matching, system documentation, and other applications designed to enhance audit quality and consistency, ensuring our teams remain equipped with current capabilities.





Evolving audit capabilities with artificial intelligence (AI)

In 2025, we deployed Microsoft Copilot to support our Audit and Assurance teams in summarizing meetings, improving consistency in documentation. We also incorporated AI into our microlearning videos to enhance content development and delivery.

As we advance along our AI journey toward agentic capability, we are developing proof-of-concept applications for an agentic orchestration layer within our audit methodology, which would promote greater consistency, reduce variability, and support deterministic execution across engagements. This focus on innovation reflects our strategic commitment to the future of auditing and ensures we remain aligned with industry standards, elevating the value we bring to our clients.

Innovation within the BDO network

APT Next Gen

APT Next Gen is a proprietary electronic engagement management, risk assessment, and documentation tool developed in partnership with Microsoft. Embedded across the audit life cycle, it enhances assurance service delivery and supports client business decisions. Preventative quality controls are built directly into the workflow to identify potential issues before engagement finalization.

BDO Harmony

BDO Harmony is an audit data analytics platform developed by BDO Digital. Using Harmony, our teams can examine entire populations of data sets to identify trends, anomalies, and unusual transaction flows, ultimately driving better insights and strengthening quality within our audits. In 2025, we expanded its capabilities with a deeper focus on customized, industry-specific analytics to align more closely with the unique operating environments of our clients.

BDO Client Portal

The launch of the BDO Client Portal in 2025 marked an important step in strengthening the client experience. The platform provides a centralized hub offering visibility into project updates, status, documents, and timelines. Throughout 2026, the portal will continue to evolve with new features and integrations, informed by ongoing feedback from clients and our teams.



Secure document exchange

The portal provides a secure, fully encrypted environment for document exchange, supported by multi-factor authentication, DocuSign, and data storage encryption.

Seamless and integrated service

Clients experience a consistent interface across all BDO services and project types. This unified experience also supports and integrates with local applications and languages.

Enhanced collaboration

Real-time collaboration is supported through an engagement tracker and timeline to provide visibility into progress, upcoming deadlines, and required actions, reflecting our commitment to do more together.

Client-responsive quarterly platform releases

Client feedback directly informs our quarterly platform releases. In response to client input, we introduced an integrated engagement tracker that outlines progress, key milestones, and upcoming actions.

24/7 access

Access to all BDO services, tools, and apps is available around the clock.

Personalized insights and notification preferences

All insights are customized to the client's industry and business. Clients can also tailor how often they receive updates, on a schedule that works best for them.

Transforming with purpose and integrity



Jeanny Gu
Managing Partner,
Assurance

“As the pace of change accelerates and AI reshapes both business and our profession, we are taking a deliberate and forward-looking approach to audit quality.

By strengthening our methodology, embracing innovation responsibly, and investing in our people, we are building an Assurance practice that is resilient, relevant, and ready for the future.”

Audit is evolving. Technological advancement, particularly in AI, is opening new possibilities for how a quality audit is delivered. At BDO, we see this as an opportunity to reimagine our approach, combining strong methodology, responsible innovation, and human judgment to deliver greater consistency, deeper insight, and lasting trust.

While AI and emerging capabilities are helping to reshape what is possible, the foundations of audit remain unchanged. Independence, ethics, technical expertise, and professional judgment continue to define quality and sustain confidence in our work.

By investing in our methodology, our talent, and the capabilities needed for the future, we are building an Assurance practice that is both forward-looking and firmly grounded in quality.



This report highlights the ways in which BDO maintains and enhances audit quality. If you have any questions about our people, processes, and technology regarding audit and assurance, please contact us.

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About BDO

BDO Canada LLP is a leading provider of professional services to clients across a variety of sectors and segments. For over 100 years, our team has served communities across Canada through an integrated service offering including accounting, assurance, tax, and consulting services. This is complemented by deep industry knowledge and positions BDO to advise clients with both domestic and global needs.

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