



# Environmental, social, and governance (ESG) annual report:

Creating lasting value through ESG

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# Introduction

## Land acknowledgement

We acknowledge the land our firm was built on. BDO Canada began in Treaty One Territory, on the traditional lands of the Anishinaabe peoples and the homeland of the Métis Nation.



# A message from our CEO



In a world where success is often measured by end results, I've always been a firm believer that the journey is just as meaningful. It's the challenges we overcome, the progress we make, and the lessons we learn along the way that truly shape our impact. This ethos rings true for many facets of personal and professional pursuit, none more so than sustainability.

BDO Canada's ESG report is an important milestone that conveys our unwavering commitment to our people, our clients, our firm, and our planet. It showcases our purposeful, progressive evolution towards a better future, one that underpins our firm vision: **to bend the arc of possibility for our people, our clients, and our firm.** I am passionate about making an impact and creating a business model that propels our firm towards long-term, sustainable success.

In many respects, 2022 was a year of transition for our firm, marking my official appointment as BDO Canada's Chief Executive Officer (CEO). As part of this transition, we announced a new leadership team and initiated a journey to define the strategic direction of our firm. One of our priorities is to be progressive, with our eyes on the horizon navigating where our firm is headed and the impact we want to make. This includes specific strategies and actions focused on Diversity, Equity, and Inclusion and the environment.

While environmental, social, and governance (ESG) matters have always been a significant consideration for our firm, this is the first time we are dedicating full organizational energy to corporate responsibility priorities at the strategic level. I am extremely proud of our shared commitment.

From taking actionable steps to reduce our carbon footprint to setting up critical programs that promote a diverse, equitable, and inclusive work environment for our people, we are proud of our achievements and are committed to doing even more. With each intentional move, we're building a solid bedrock for ESG within our firm. Our team is working tirelessly to ensure that we are doing our part to create a future of possibilities.

If 2022 was a year of transition, 2023 is a year of transformation for BDO Canada. Our purpose-driven work culture naturally promotes and embraces the fundamental elements of ESG, but we are pushing ourselves to raise the bar on what it means to be a responsible corporate citizen with actionable, measurable initiatives backed by advanced technology and policies.

As we work to integrate sustainability into our core strategy, we are fundamentally rethinking the way we operate, transforming our business to be more resilient, innovative,

and progressive, ultimately leading to long-term success and positive impact on society and our operations. This will be our mindset for the year ahead as we continue to take bold steps towards achieving our goals and creating positive change.

When I reflect on the past 100 years of BDO Canada's progress, I'm inspired. My aspiration is for our firm to continue evolving, growing, and innovating for the next 100 years. With an ambitious roadmap for the future, I see limitless potential for our people, our clients, our firm, and a larger set of stakeholders who are impacted by the decisions we make as an organization.

I am proud to share more of what we are doing at BDO Canada through our ESG report. As our firm progresses in its sustainability journey, we remain committed to making decisions today that will make us proud tomorrow.

**Bruno Suppa**  
Chief Executive Officer

A handwritten signature in black ink, appearing to be 'B. Suppa', written in a cursive style.

# A message from our National Sustainability & ESG Leader



As BDO Canada's first National Sustainability & ESG Leader, it is a true privilege to lead an impactful sustainability journey at a firm that genuinely believes in the value of ESG and is intent on making a positive difference. In my 20 years of experience in sustainability, I have never seen so much momentum in this space. With BDO's commitment to sustainability, our Canadian firm is leading an ambitious ESG journey that we are proud to share with our stakeholders through formal reporting.

Why is sustainability important to me? On a personal level, I am a father of two 14-year-old girls, and I genuinely believe we all have a responsibility to protect our planet while ensuring a brighter future for generations to come. Professionally, I also believe we have the responsibility to act. For that reason, I am pleased to share what BDO Canada has achieved in ESG. While many might know BDO principally as an audit, tax, and consulting firm, we are an evolving organization that is innovative, progressive, and committed to making a difference. This report sets our firm's sustainability direction and invites a deeper understanding of our firm, our people, and our unwavering commitment to sustainability.

Efforts to uplift our people, protect our environment, and maintain strong corporate governance have long been ingrained in our firm's guiding principles—what's new is our commitment to documenting and reporting on our progress towards these goals. In 2022, we defined our priorities through a comprehensive stakeholder engagement process and, as a result, we formalized our strategy and added structure to the existing sustainability initiatives our firm has invested in for many years. As ESG standards continue to evolve, we remain steadfastly committed to adapting and advancing alongside them.

Our focus in 2022 involved collecting the necessary data to quantify our greenhouse gas emissions for the first time. Looking ahead, we will further our climate efforts and begin implementing carbon reduction initiatives to achieve our net-zero goal.

Our people are the driving force behind our success as a firm and a champion for ESG, which is why we prioritize investing in their well-being and helping them reach new heights with dedicated pillar leads who support Indigenous groups, persons with disabilities, racialized groups, women, and LGBTQ2S+, a community that I personally identify with.

We are driving transformation at BDO as a strategic decision—and as we gain invaluable experience and expertise on our dynamic ESG journey, we are committed to sharing our knowledge and best practices to guide other companies through their own transformation.

**Pierre Taillefer**

National Sustainability & ESG Leader

A handwritten signature in black ink that reads "Pierre Taillefer". The signature is written in a cursive, professional style.

# Overview

## Why is sustainability important to BDO Canada?

Sustainability is a strategic priority at BDO Canada and an essential part of our business. While our firm has been committed to various ESG initiatives throughout our 100-plus years of business in Canada, we are on a journey to enhance and integrate evolving ESG risks and opportunities into our business strategy and operations.

Recognizing that sustainability is a process of growth and evolution, this 2022 report sets our firm's priorities and sustainability direction that will be enhanced on an annual basis.

Through effective engagement and applying best-in-class ESG principles, we are on a journey to support the transition to a more sustainable planet, create an inclusive and diverse workplace that prioritizes our people, and give back to our communities. In doing so, our goal is to be the leading professional services firm that inspires an unstoppable sustainability movement.

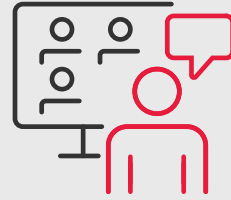


## Global forces shaping our ESG strategy

Our ESG program is guided by four transformative market shifts that are shaping the landscape of sustainability and demanding our proactive engagement.



### Climate change



### COVID-19



### Diversity, equity, and inclusion



### Digital transformation and innovation

#### Market shift

The physical and transitional impacts of climate change, if not mitigated, have the potential to cause unprecedented harm around the globe.

We continue to feel the far-reaching effects of the COVID-19 pandemic, which emphasized the importance of investing in ESG to ensure organizations are resilient and the interests of stakeholders are prioritized.

Systemic racism and unconscious bias continue to present barriers for underrepresented groups and prevent them from thriving and reaching their full potential.

Technology continues to fundamentally change how businesses operate and deliver sustainable value. Innovating to better leverage digital capabilities is crucial to adapting to the rapidly changing business landscape.

#### BDO Canada's approach

With a goal of achieving net-zero by 2050 and our commitment to halve our carbon emissions by 2030, we are promoting sustainable economic growth. By taking bold and immediate action, we can manage our climate-related risks and unlock opportunities through technical innovation.

We continue to prioritize the health and safety of our people, our clients, and the communities in which we operate. We have made significant investments in our digital infrastructure to provide our people with flexible work arrangements, which also supports the goal of reducing our carbon footprint.

We have set measurable targets to improve diversity among our senior roles. Our goal is to achieve 50% gender parity and 30% representation from combined diversity pillars. We are proud to report that 44% of our Executive Leadership Team (ELT) are women and 37.5% consists of other equity-deserving groups. In collaboration with our DEI pillar leads who support Indigenous groups, LGBTQ2S+, persons with disabilities, racialized groups, and women, we continue to deliver education and awareness-building programs to support the success of underrepresented groups within BDO.

Our firm has accelerated our digital strategy by adopting emerging technologies, safeguarding confidential data, redesigning business processes, and changing organizational structures to enhance our client offerings.

In keeping with our commitment to develop solutions and approaches with meaningful impact, we have established a dedicated Innovation & Change (I&C) team. This team helps maintain a culture of curiosity while empowering, exploring, and implementing new ideas that create value for our clients and contribute to a more sustainable future.

# About us

## BDO Canada figures

### Get to know BDO Canada

BDO Canada has a 100-year history as a leading provider of professional services to clients of all sizes in diverse business sectors. As part of the international BDO network, we're able to provide seamless and consistent cross-border services to clients with global needs.

Our professionals deliver specialized services and solutions that are relevant, adaptable, and sustainable. Whether an organization requires an audit, a cybersecurity assessment, integrated ESG services, or cloud accounting services with best-in-class solutions, we make quality the cornerstone of our work.

### Our core services

- Audit & Assurance
- Tax
- Business Services & Outsourcing
- Advisory



<sup>1</sup> Unless otherwise indicated, all currency is in Canadian dollars.

Canadian details current as of Dec. 31, 2022.



Our **Assurance** practice provides valuable insights on client financial information and ensuring their compliance with regulations at every stage of the business life cycle. Our **Audit** service line conducts audits and reviews engagements on financial information.

Our **Tax** professionals help clients meet regulatory obligations, effectively manage their tax burdens, and navigate complex regulations in Canada and abroad. Through our partner-led practice, our team draws on deep experience, global resources, and specialized industry knowledge to advise clients on tax opportunities, risks, and efficiencies in their business operations.

Through our **Advisory** services, our team takes its vast knowledge of industry issues, regulations, and market dynamics to provide tailored guidance to clients, both large and small.

Leveraging data-driven insights, industry expertise, and digital platforms and tools, our **Business Services & Outsourcing (BSO)** practice provides strategic insights that lead to sustainable growth and competitive advantages. From tax structure assessments to cloud accounting integration, our diverse solutions are tailored to our clients' distinct needs and goals.

Across each service line, we have a comprehensive ESG service offering that supports clients along their sustainability journey. With our sustainability team's deep knowledge, we are helping clients take a practical approach and embed ESG into their business operations.



### Our mission

- Develop people
- Discover insights
- Deliver quality and value
- Build trust



### Our vision

- To bend the arc of possibility for our people, our clients, and our firm.



### Our values

- We're passionate about our people and clients.
- We seek progress over preservation.
- We believe diversity, data, and a clear focus on quality strengthen our firm.
- We're curious, collaborative, and kind.

# Core services at a glance



The services mentioned are provided as an example of our offerings and are not intended to represent an exhaustive list. We offer a diverse range of services tailored to meet the specific needs of our clients.

For a comprehensive understanding of our offerings, we encourage you to [contact us](#) directly or [visit our website](#).

## Services

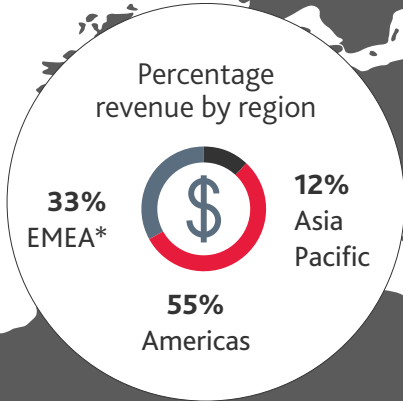
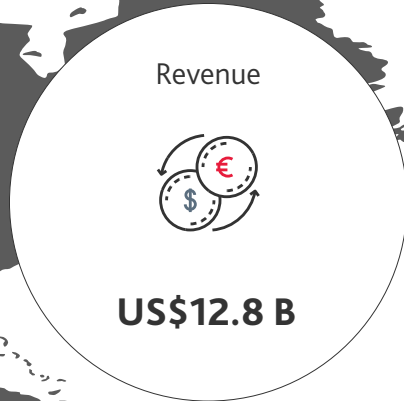
Audit & Assurance	BDO Law	Business Services & Outsourcing	Financial Advisory Services	Management Consulting
<ul style="list-style-type: none"> <li>Accounting Advisory</li> <li>Capital Markets &amp; Public Company Services</li> <li>Third Party Attestation</li> </ul>	<ul style="list-style-type: none"> <li>Business Law</li> <li>Immigration</li> <li>Tax Controversy &amp; Dispute Resolution</li> <li>Wills, Estates &amp; Trusts</li> </ul>	<ul style="list-style-type: none"> <li>CFO &amp; Controllership Services</li> <li>Cloud Accounting</li> <li>Financial Reporting &amp; Tax Filings</li> <li>Payroll</li> </ul>	<ul style="list-style-type: none"> <li>Business Restructuring &amp; Turnaround Services</li> <li>Deal Advisory</li> <li>Forensic Disputes &amp; Investigations</li> <li>Risk Advisory Services</li> <li>Strategy, Value Creation &amp; Analytics</li> <li>Valuations &amp; Modelling</li> </ul>	<ul style="list-style-type: none"> <li>Digital Advisory</li> <li>People Advisory</li> <li>Public Sector Strategy &amp; Transformation</li> <li>Strategy, Value Creation &amp; Analytics</li> </ul>
<b>Solutions</b>	ESG			
	Digital Transformation			
	Indigenous Communities & Organizations			
	Private Equity			
		<b>Tax</b>	<b>Technology</b>	
	<b>Personal Debt Solutions</b>	<ul style="list-style-type: none"> <li>Customs &amp; International Trade</li> <li>Domestic Tax</li> <li>Expatriate Tax</li> <li>Indirect Tax</li> <li>International Tax</li> <li>Private Wealth</li> </ul>	<ul style="list-style-type: none"> <li>Property Tax</li> <li>SR&amp;ED and Government Incentives</li> <li>Transaction Tax</li> <li>Transfer Pricing</li> <li>U.S. Tax</li> </ul>	<ul style="list-style-type: none"> <li>Business Applications</li> <li>Cloud Services</li> <li>Cybersecurity</li> <li>Data &amp; AI</li> <li>Modern Workplace</li> </ul>

**BDO Global figures**

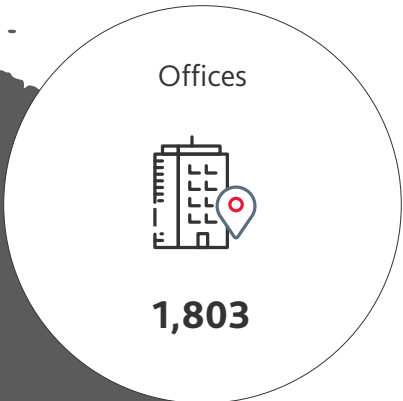
**Get to know BDO Global**

Today, BDO is the fifth largest full-service accounting and advisory firm in the world, offering a sophisticated array of services and global capabilities combined with senior-level attention, responsiveness, and high-quality service.

As part of the international BDO network, we provide world-class insights, resources, and data to support our clients through every stage of their business. BDO's global organization extends across 164 countries and territories, with 111,307 people working out of 1,803 offices.



\*Europe, the Middle East, and Africa



Global details current as of Sept. 20, 2022.

# Unlocking the full potential of ESG: Our strategy

BDO Canada's sustainability strategy and approach focuses on four main pillars, predicated on the effects of the market shifts outlined above and the results of a materiality assessment we conducted to identify the ESG topics most important to our business. With these insights, we formalized a strategy in which we believe we can make the greatest impact. These pillars include:



## 1. Social commitment

Create an inclusive and equitable work environment that supports the health and well-being of our people and communities through strong social commitments.



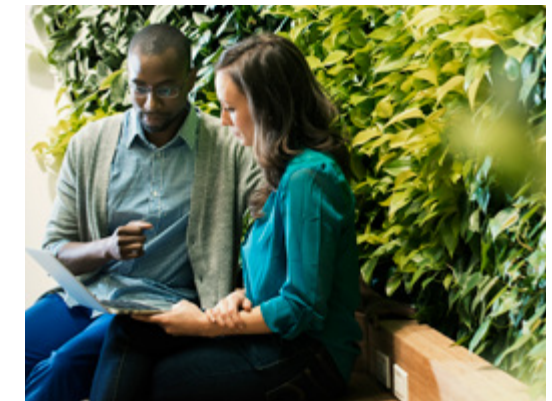
## 2. Environmental action

Embed environmental action and leading sustainability practices into our firm operations with a focus on reducing our carbon footprint and reaching net-zero emissions by 2050.



## 3. Governance structure

Ensure our firm governance structure is robust and incorporates leading practices that build trust.



## 4. Client support

Lead by example and support clients on their sustainability journey by providing ESG services to businesses across a variety of industries and geographies.

[For more information on the WEF IBC Index – see Appendix A.](#)



To demonstrate our commitment to becoming an industry leader, we have aligned our report with the World Economic Forum's International Business Council (WEF IBC) reporting framework (WEF IBC Index – [see Appendix A](#)) and have identified material ESG topics through effective consultation and engagement with our key stakeholders.

While we've set baseline metrics and targets for certain ESG components, our focus for this report has been setting our firm's sustainability strategy and embedding ESG into our firm operations.

## Stakeholder engagement and material ESG topics

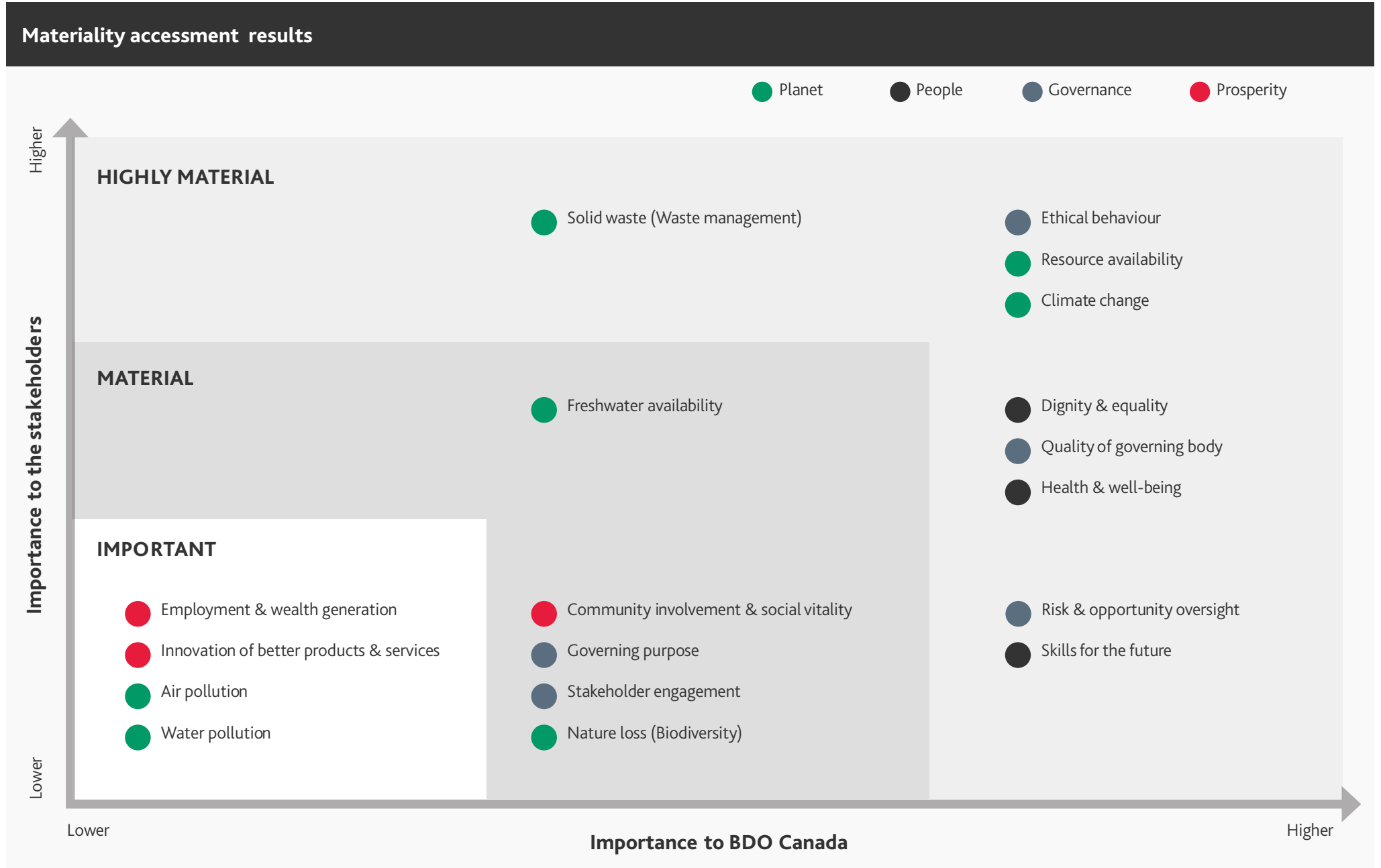
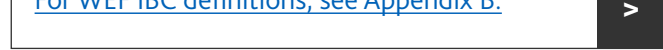
Our ESG report is BDO Canada's formal mechanism to demonstrate our firm's commitment to sustainability. By providing data and perspective on the material issues that matter most, our objective is to build trust and demonstrate our commitment to positively impacting the economy, the environment, our people, and society at large.

To identify our ESG topics and priorities, we conducted an analysis of relevant ESG reports, completed a comprehensive market study, and consulted with more than 1,000 participants. To ensure insights were representative, participants were selected based on the following criteria: geography, influence, diversity, industry, and reliability.

External participants included suppliers, academics, and our clients. Internal groups included our leadership team, partners, and employees; our global counterpart, BDO Global; and internal subject matter experts.

Insights were obtained through a combination of tactics that included survey responses, workshops, desktop research, and an analysis of external market trends at both a national and global level. The prioritization of topics was scored and objectively evaluated, resulting in the following materiality matrix illustrating our firm's ESG priorities. It is our intention to continuously engage with relevant parties to ensure that emerging ESG issues are identified and incorporated into our strategy as our firm matures along its sustainability journey.

[For WEF IBC definitions, see Appendix B.](#)



## Alignment with the United Nations' Sustainable Development Goals

There are 17 United Nations Sustainable Development Goals (UNSDGs) adopted by all United Nations Member States in 2015. In 2022, BDO Canada identified seven UNSDGs where we felt our business activities could have the most significant impact and aligned to our business strategy. Below we highlight the seven UNSDGs we align with and our people's perspectives on each commitment



"Facilitating the annual Drive Away Hunger campaign in my local office is the highlight of my year. It's heartwarming to see our staff and clients come together for the betterment of our community. Making the donation to the local food bank at the end of the campaign is incredibly rewarding and a great reminder of the work the firm is doing to combat food insecurity across Canada."

**Penny Simioni-Shiple,**  
Senior Administrative Assistant



"BDO's generous wellness reimbursement has really allowed me to prioritize my health and fitness over the past few years. I was able to invest in some home gym equipment and can now stay active even on my lunch hour! BDO recognizes the importance of taking care of yourself outside work, and they do their part to make sure it happens."

**Claire Meek,**  
Intermediate Accountant,  
Financial Reporting & Insights



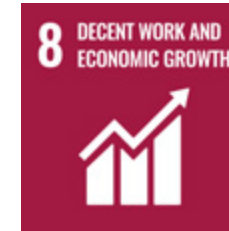
"I had the opportunity to participate in BDO's Accelerated Development Program, a professional development initiative offered to staff within the Advisory practice. It proved to be a very worthwhile course that really honed my skills as a young professional. The many other learning opportunities offered at various levels across the firm demonstrate that BDO cares about your ability to advance your career and gives you the tools you need to do just that."

**Michael Licursi,**  
Senior Consultant, Risk Advisory



"As a woman working in a corporate environment, I felt so empowered by the Group Mentoring Sessions for Women that I participated in. The women on the Senior Leadership Team at BDO know first-hand how difficult it can be to navigate a career while dealing with gender bias, work/life balance, etc. They offered practical, valuable tips that I plan to incorporate into my life, both on a personal and professional level."

**Sharvani Murthy,**  
Team Lead, Financial Advisory



"My day-to-day work involves helping small and medium-sized businesses with their accounting compliance needs, allowing them to focus their efforts on growth and productivity. It's very fulfilling to reconnect with them year after year and see them thrive and contribute to the economy in such a meaningful way."

**Derrick Schoeffel,**  
Manager, Financial Reporting  
& Insights



"I was honoured to participate in BDO's digital ideation initiative last year by developing and submitting a digital transformation idea. By taking our suggestions into consideration and implementing them, the firm actively encourages staff of all levels to contribute to the innovation of our workplace."

**Robert Jardine,**  
Senior Accountant, Assurance  
& Accounting



"Focusing our efforts towards reaching net-zero emissions by 2050 and reducing our emissions by half by 2030 is a high priority for BDO. We have a clear understanding of the role large organizations play in combatting climate change and remain committed to doing our part, as well as encouraging our clients to do the same."

**Glory Keong,**  
Senior Manager, Corporate  
ESG Strategy

[Our commitment to the UNSDGs is described in more detail in Appendix C.](#) >

# 2022 snapshot

In developing our sustainability report, we categorized our 2022 activities under the ESG pillars of environmental, social, and governance. These measures form the basis of our sustainability blueprint and will guide our firm in delivering a sustainable future for all our stakeholders.



## Environmental

- Committed to net-zero emissions by 2050 or sooner.
- Signatory to the Net Zero Financial Service Providers Alliance, a global group of financial service providers committed to supporting the goal of global net-zero GHG emissions by 2050 or sooner, in line with the ambition to limit the global temperature increase to 1.5°C above pre-industrial levels.
- A member of the Canadian coalition of partners that support the new International Sustainability Standards Board (ISSB).

## Social

- Set measurable targets to achieve 50% gender parity and 30% representation from combined diversity pillars in senior roles.
- Achieved stronger diversity at the leadership level with 44% of our ELT roles held by women and 37.5% by other equity-deserving groups.
- Created new policies, programs, events, and partnerships, and brought in keynote speakers in support of acknowledging the importance of our people's mental health.
- Partnered with external education providers to launch five new leadership development programs and initiatives in 2022.
- Participated in the FCC Drive Away Hunger campaign for the 15th year in a row, raising \$252,320.
- Created a new Innovation & Change department dedicated to creating and operationalizing purposeful innovations.

## Governance

- Enhanced BDO's Enterprise Risk Management (ERM) Program.
- Identified environmental, social, and governance skills and experience as a key board competency.
- Committed to strong ethical behaviour practices through our firm's Whistleblower Policy and firm-wide training.
- Enhanced our Board competencies through external board representation.

# We are part of the BDO Global Sustainability Movement

## Global sustainability overview

BDO member firms are committed to making a difference in their respective markets through our collective BDO Global Sustainability Movement, which encourages everyone in the BDO community to learn more about how they can personally embrace sustainability practices as individuals, as BDO professionals, and as advisors to clients.

We recognize that employee engagement is key to our success on this journey. Our people want to be part of doing what's best to meet our ESG commitments and feel proud about the positive impact our firm makes on its people, communities, and environment.

The Sustainability Movement continually evolves as a key element of our **WHY: People helping people to achieve their dreams.**





## An ESG-forward approach

Sustainability is core to our commitment to contribute to a resilient and responsible future. We are continually adapting our strategy to incorporate sustainability into our business and at the same time, work with our clients to help them navigate their own sustainability journey.

### OUR PATH FORWARD:

At BDO, our goal is to apply a sustainability lens and implement ESG principles across BDO Canada's operations.

## Client services

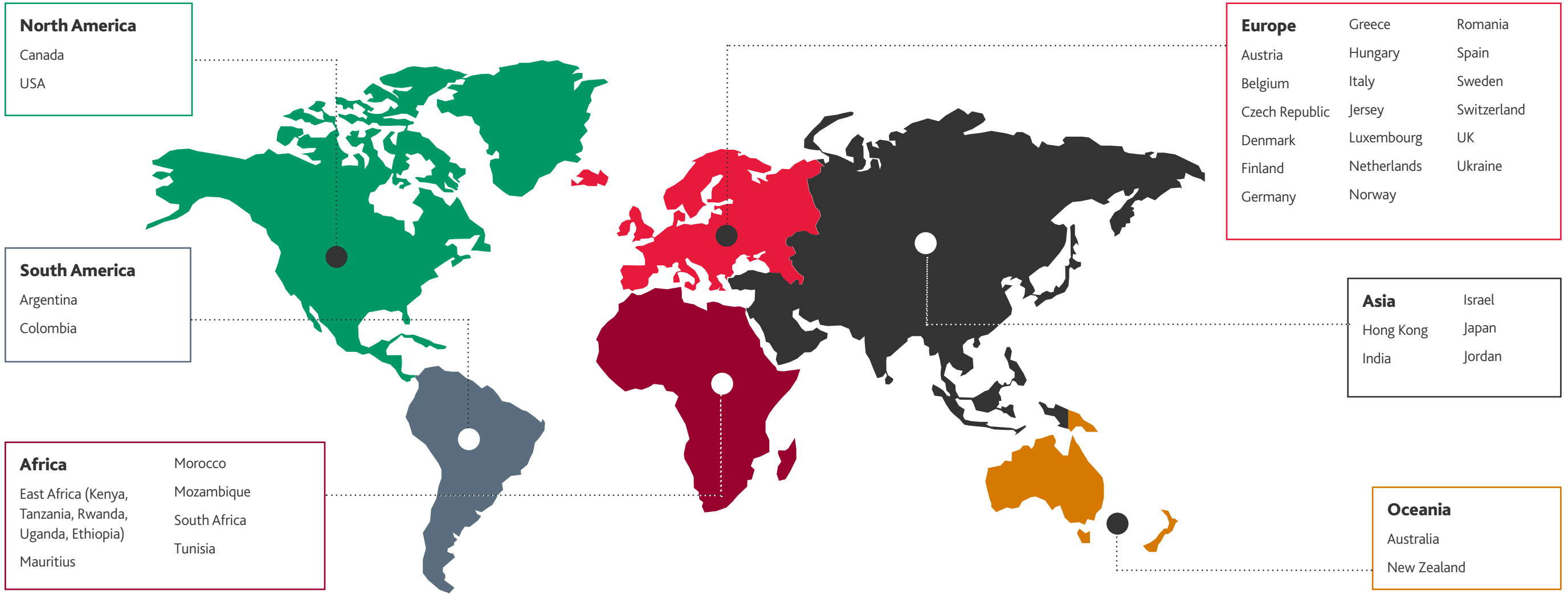
We are advising our clients by bringing sustainability issues to the forefront—now. Our client-facing teams assist organizations to be better, do better, be more efficient, and contribute to a more sustainable future through a range of products, processes, and tools to help clients along their own sustainability journeys, including qualify for green government incentive programs.

Discerning companies recognize it is no longer a choice between going green and growing long-term profits—sustainability is the path to prosperity. For both humanitarian and business reasons, it is imperative that organizations act now and embrace the benefits of a green economy in order to do what is right for our planet and to ensure that our Canadian economy is resilient to climate change and embraces the opportunities that exist with such transition.



*Discerning companies recognize it is no longer a choice between going green and growing long-term profits—sustainability is the path to prosperity.*

## Mapping our global network of BDO firms driving sustainable change



# Environmental



# Overview

At BDO Canada, we have a relentless determination to take meaningful action in the urgent fight against climate change and believe we have a shared responsibility to preserve our planet and natural resources for future generations. It is our intent to deepen our environmental commitment and begin to report on additional environmental disclosures as we evolve along our sustainability journey.

To support BDO Canada and other member firms in their net-zero journey, BDO Global has established an internal **Global Net Zero Forum** to provide guidance around the appropriate governance and expertise required by firms as they develop their strategies to achieve net zero.

BDO Canada works closely with this council to align our Canadian operations and strategies with our commitment to reach net zero<sup>2</sup> by 2050 or sooner.

<sup>2</sup>According to the Science Based Targets initiative (SBTi), net zero for an organization involves:

- a) Setting near- and long-term science-based targets to reduce GHG emissions in line with a 1.5°C trajectory, with the intention to halve emissions by 2030 and cut all possible emissions before 2050.
- b) Neutralizing residual CO<sub>2</sub> emissions either by removing/reducing direct emissions (Scope 1), or by taking steps to reduce emissions indirectly through steps such as purchasing carbon credits from projects that remove CO<sub>2</sub> from the atmosphere.



# Climate goals

In pursuit of a cleaner and greener future, our firm is making progress to reduce our emissions by half by 2030 and reach net-zero GHG emissions by mid-century or sooner. This endorses the ambition to limit the global temperature increase to 1.5°C above pre-industrial levels.

To accomplish this, our focus in 2022 was to begin the process of measuring our carbon footprint and establishing estimates for our Scope 1<sup>3</sup> and Scope 2<sup>4</sup> emissions using the Greenhouse Gas Protocol methodology outlined in [Appendix D](#). We've also initiated the gathering of and reporting on material Scope 3<sup>5</sup> emission categories. These are areas we look forward to advancing further in 2023.

[Greenhouse Gas Protocol methodology outlined in Appendix D.](#)

<sup>3</sup> Scope 1: Direct GHG emissions that occur from sources that are owned or controlled by the company. For example, emissions from combustion in owned or controlled generators, boilers, etc.

<sup>4</sup> Scope 2: Indirect GHG emissions from the generation of purchased electricity, steam, and cooling consumed by the company or otherwise brought into the organizational boundary. Scope 2 emissions physically occur at the facility where electricity is generated.

<sup>5</sup> Scope 3: Other indirect GHG emissions, which are the consequence of the activities of the company but occur from sources not owned or controlled by the company. For example, extraction and production of purchased products and services, and employee commuting.



An aerial photograph of a vast solar farm. The solar panels are arranged in neat, parallel rows that stretch across a flat landscape. The sun is low on the horizon, creating a warm, golden glow and long shadows. The sky is filled with soft, colorful clouds in shades of orange, yellow, and purple. In the distance, some buildings and trees are visible, suggesting a rural or semi-rural setting.

## Net Zero Financial Service Providers Alliance

Through our BDO Global network, we are a signatory of the Net Zero Financial Service Providers Alliance, a global group of financial service providers supporting the goal of net-zero GHG emissions by 2050 or sooner.

## BDO Canada's carbon footprint

Our carbon footprint is in line with the World Resource Institute's (WRI) internationally recognized reporting standards:

- Greenhouse Gas (GHG) Protocol - A Corporate Accounting and Reporting Standard (2015 revised edition)
- GHG Protocol: Scope 2 Guidance (amendment to GHG Protocol) (2015)
- GHG Protocol Corporate Value Chain (Scope 3) Accounting (2011)
- GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (version 1.0)

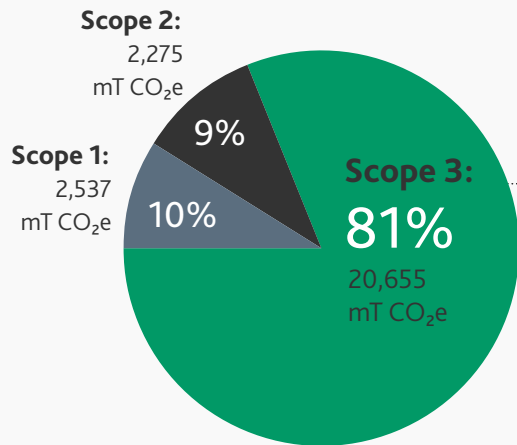
## 2022 emissions estimate

### Reporting period

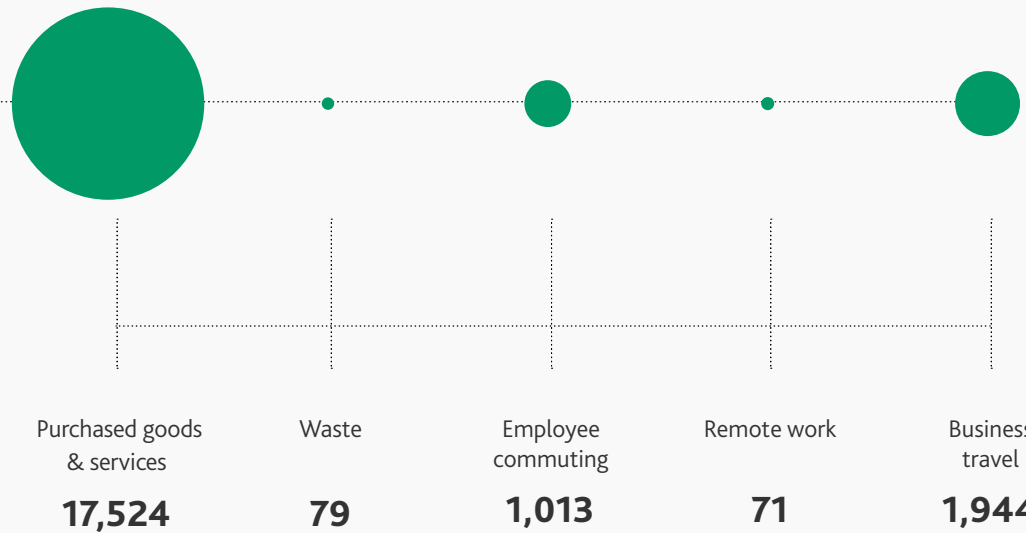
The reporting period BDO Canada has chosen to adopt is the calendar year (January to December). We selected 2022 to begin our emissions measurement journey.

Following the inaugural process of estimating our Scope 1 and Scope 2 GHG emissions across our Canadian operations for which we maintain operational control, estimates were completed in accordance with 100-year time-horizon global warming potential (GWP) values from the Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report (2014). The five reporting principles established by the WRI—relevance, completeness, consistency, transparency, and accuracy—are foundational and underpin our methodologies used to obtain the relevant emissions estimates.

### Emissions breakdown by scope



The Scope 3 categories that were determined to be most relevant and material to BDO's business and their respective emissions (in mT CO<sub>2</sub>e) include:



Our 2022 emissions estimate totalled 25,467 mT CO<sub>2</sub>e\*, with the largest source of direct GHG emissions being in the Scope 3 category.

\*Emissions by mT CO<sub>2</sub>e (metric tonnes of carbon dioxide equivalent)

Legend:



**Purchased goods & services** – The largest emissions in this category are attributable to the delivery of professional services, computer hardware and software, facilities and maintenance, and office supplies.



**Waste** – The disposal and treatment of waste generated as part of BDO's operations, including landfill garbage, recyclables, and organic waste.



**Employee commuting** – Emissions generated by our employees' commutes between their homes and our offices using methods not owned or operated by BDO (i.e. private vehicles and public transportation).



**Remote work** – Emissions attributed to the remote work activities of our employees.



**Business travel** – Business-related travel and transportation undertaken by our employees via methods not owned or operated by BDO, including rail, vehicle, air travel, and ground transportation (i.e. parking, tollway, etc.).



#### **OUR PATH FORWARD:**

As a professional services firm, we recognize that most of our emissions come from our value chain (Scope 3 emissions) —this is expected to continue to be our largest emissions source. We are continuing to collect Scope 3 data for material categories such as business travel, purchased goods and services (including capital goods), employee commuting, and remote work emissions. We predominantly used the spend-based method as our estimation methodology for calculating Scope 3 emissions that apply to BDO Canada.

We intend to continue working with the partners in our value chain to gather material information to improve the accuracy of our Scope 1, Scope 2, and Scope 3 emissions data for our future ESG reports.

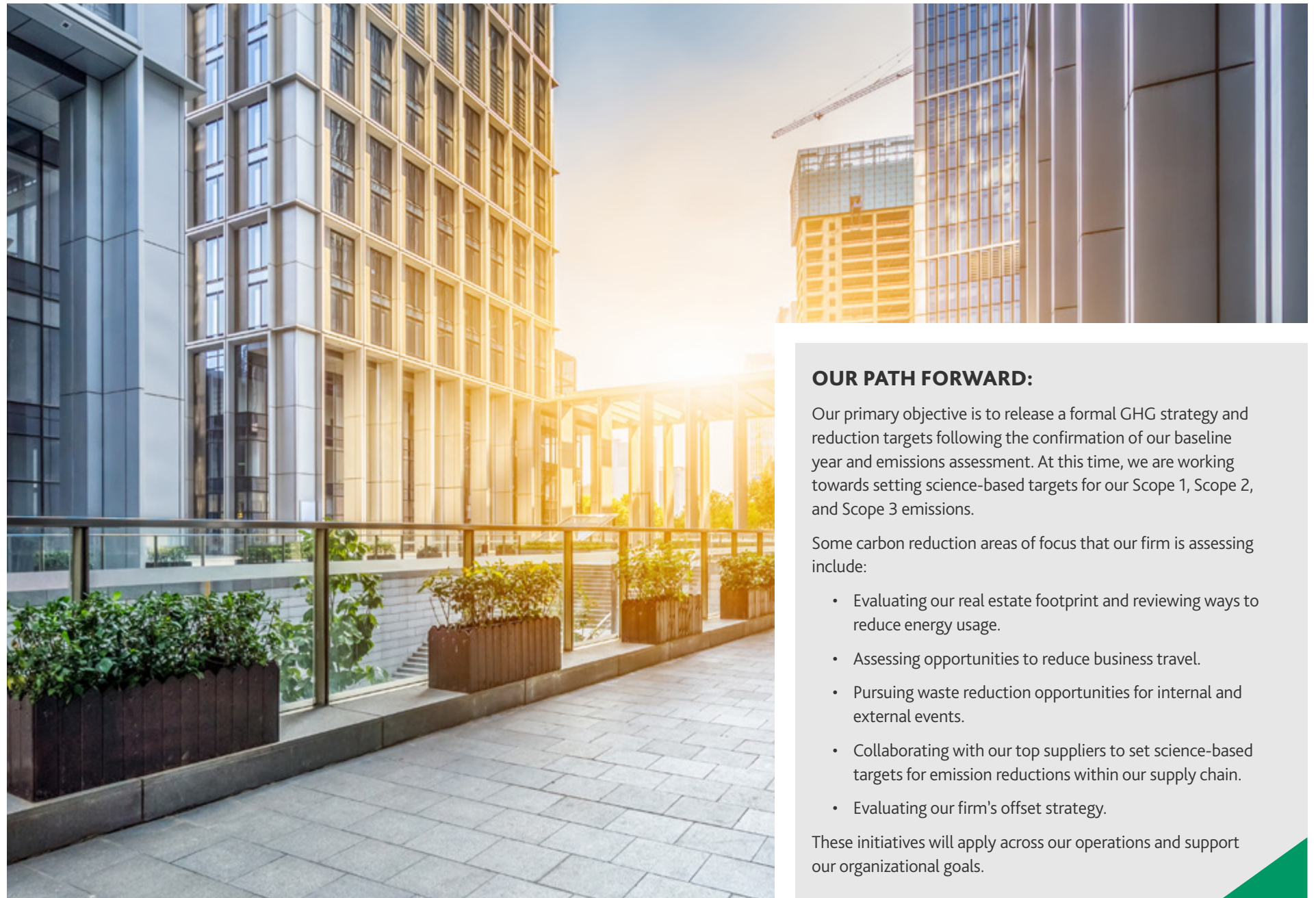


## Our commitment to reducing our carbon footprint

BDO Canada is committed to the development of short- and long-term emission reduction strategies aligned with the recommendations from the Task Force on Climate-Related Financial Disclosures, created by the Financial Sustainability Board, and the new guidance currently being developed by the International Sustainability Standards Board (ISSB), to guide us in our climate-related disclosures.

The ISSB's goal is to set worldwide reporting standards on sustainability. According to the ISSB's website, the organization's four key objectives are:

- to develop standards for a global baseline of sustainability disclosures;
- to meet the information needs of investors;
- to enable companies to provide comprehensive sustainability information to global capital markets; and
- to facilitate interoperability with disclosures that are jurisdiction-specific and/or aimed at broader stakeholder groups.



### OUR PATH FORWARD:

Our primary objective is to release a formal GHG strategy and reduction targets following the confirmation of our baseline year and emissions assessment. At this time, we are working towards setting science-based targets for our Scope 1, Scope 2, and Scope 3 emissions.

Some carbon reduction areas of focus that our firm is assessing include:

- Evaluating our real estate footprint and reviewing ways to reduce energy usage.
- Assessing opportunities to reduce business travel.
- Pursuing waste reduction opportunities for internal and external events.
- Collaborating with our top suppliers to set science-based targets for emission reductions within our supply chain.
- Evaluating our firm's offset strategy.

These initiatives will apply across our operations and support our organizational goals.

# Social



# Overview

BDO Canada is committed to driving social impact, inside and outside our firm. This involves creating a positive experience for our people where everyone at BDO can learn, grow, and succeed. It also involves working together to create stronger, healthier, and thriving communities.

Our social agenda outlines where we believe we can have the greatest and most immediate impact on our people and communities and the significant investments we've made to drive positive change in these areas.

Our social programs align with the People and Prosperity themes within the WEF IBC framework:



## Health and well-being

Providing our people with a healthy, safe, inclusive, accessible, and supportive workplace. Supporting physical health, mental health, and social well-being.



## Learning and development

Enabling our people to reach their personal and career goals and ambitions. Ensuring that our employees are constantly learning, developing, and expanding their horizons.



## Community impact

Delivering value to the vibrant and dynamic communities in which we live, work, and play. Investing in causes that are aligned with the values of our firm and our people.



## Innovating for growth

Generating new ideas and refreshing our ways of working to improve how we deliver products, services, and experiences to our people and clients.



## Diversity, equity, and inclusion

Creating a diverse, inclusive, and equitable environment where everyone feels valued and respected and where all people can bring their genuine selves to work, actively participate, and succeed.



# Diversity, equity, and inclusion (DEI)

At BDO, we are committed to eliminating barriers and creating a work environment where everyone feels secure, supported, and accepted.

DEI is a vital piece of our employee experience and is critical to our success in attracting, engaging, and developing our people, building meaningful relationships based on trust and mutual respect, and delivering exceptional client service. We want our firm to mirror the rich diversity of the clients and communities we serve.

## Eliminating barriers: Our DEI priorities

- Providing employment equity within the firm, ensuring all our people receive fair and equitable treatment, and addressing all employment matters without discrimination;
- Maintaining and enhancing our talent practices to foster and support diversity, equity, and inclusion;
- Continually striving to build diversity of thought into our internal initiatives and client-facing engagements to stimulate innovation and create a better experience for all;
- Creating mentorship and sponsorship opportunities to achieve our goal of 50% gender parity and 30% representation from combined diversity pillars in senior leadership roles;
- Bringing awareness to challenges and opportunities related to DEI through education, events, and shared experiences; and
- Enhancing our data-gathering, management, and monitoring processes and platforms for diversity enablement. Expanding the use of data to guide our decision-making and to better serve our people through the programs, policies, and support we offer.



## Our DEI leaders and National DEI Advisory Council

The firm's overall approach to the management of DEI activities is led by our Chief Diversity, Equity, and Inclusion Officer, Giselle Bodkin. With support from the DEI team, she manages our National DEI Advisory Council, which is made up of five pillars and is tasked with applying a DEI lens across all dimensions of our firm. Our pillar leads and supporting council members represent a broad level of experience and, together, their mandate is to assist in fostering an inclusive culture where all our people feel accepted and engaged.

Our DEI Leaders and National Advisory Council regularly consult with key business functions, including our Human Resources team. This is key to ensuring we continue to provide an environment that reflects our people's evolving needs and priorities.

### 2022 employee benefits upgrades

- Enhanced mental health coverage for our people.
- Enhanced benefits to include increased maximums regarding Gender Affirmation Coverage and Fertility Drug Coverage to recognize and provide options that represent the diversity of our people.

## Our DEI pillars

Indigenous peoples

Women

Persons with disabilities

Racialized groups

LGBTQ2S+



*Diversity, equity, and inclusion isn't a line item, and it's not just the right thing to do. It goes to the core of what our teams are all about. The more inclusive we are as an organization, the stronger we'll be.*

Giselle Bodkin, Chief Diversity, Equity, and Inclusion Officer

## Education and awareness

Education on the opportunities and challenges that come from an inclusive workplace empowers our people to foster a culture of inclusiveness. We have a library of DEI-related courses available to all BDO people that cover a range of DEI topics and focus on providing managers and leaders with the awareness, understanding, empathy, and skills required to create an equitable and inclusive work environment.

We host educational and social events to celebrate diversity within BDO and to bring awareness to some of the most important DEI topics impacting our people.

### OUR PATH FORWARD:

We believe that mentorship is key to opening doors for women at BDO. Currently, we are running several group mentorship initiatives led by our women leaders for all women at BDO. We also intend to roll out a national mentorship program to encourage learning and to continue breaking down barriers.

## Snapshot of our 2022 educational programs and social events



**Disability Employment Awareness Month** – October is Disability Employment Awareness Month. We promoted employment inclusion for people with disabilities and celebrated the many and varied contributions of workers with disabilities. Throughout the month, we heard from leaders within the firm regarding their lived experiences and shared resources to support our people, including learning sessions on how to create accessible documents.

We also hosted a firm-wide event titled *Rewriting your Mindset* featuring guest speaker Anthony Lue in recognition of Disability Employment Awareness Month and World Mental Health Day.

In December, we celebrated the International Day for Persons with Disabilities with a theme of *Transformative Solutions for Inclusive Development: The Role of Innovation in Fuelling an Accessible and Equitable World*.

[The learning programs are outlined in Appendix E.](#)

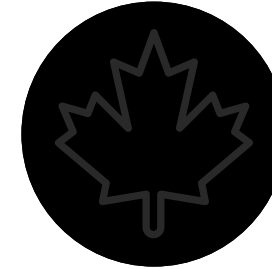




**DEI focus groups** – We conducted a series of focus groups to connect with our people who self-identify as Indigenous, LGBTQ2S+, persons with disabilities, racialized groups, and women. The results of these focus groups gave us an in-depth understanding of our people’s experiences, which helps us better provide an inclusive work environment where everyone feels valued and respected.



**Pride Month** – On Aug. 10, we held our annual Pride virtual celebration with a theme of My Superpower is Privilege. We heard from guest speaker Michael Bach, Founder of the Canadian Centre for Diversity and Inclusion and CEO of CCDI Consulting Inc. Michael is nationally and internationally recognized as a thought leader and subject matter expert in the fields of diversity, equity, inclusion, and accessibility.



**Black History Month** – Our DEI Manager hosted an open session on Feb. 28 highlighting the importance of sustaining the Black Lives Matter Movement within the workplace for Black History Month. She highlighted the diverse Black identity and further explained the cycle of bias for Black employees, non-Black employees, and for leadership.



**International Women's Day** – On March 8, we came together from coast to coast to celebrate women’s achievements, raise awareness against bias, and act for equality. The theme was #BreakTheBias. Dr. Hadiya Roderique, Assistant Professor at the University of Toronto, whose research focuses on equity, race, gender, media, and justice, spoke to the firm about representation and inclusion in the workplace.

We also launched the Women in Search of Excellence (WISE) Awards, which recognize BDO women who support and promote excellence within the BDO network and their communities.

To further recognize the significance of this day, BDO Global released its third edition of the International Women's Day report, in which our Chief Diversity, Equity, and Inclusion Officer, Giselle Bodkin, shared powerful insights for women in leadership roles.

[Our 2022 WISE winners share their experience of breaking the bias in Appendix F.](#) >



**National Indigenous Peoples Month** – On June 21, we came together to reflect on the significant impact Indigenous peoples have had on Canada and the important place they hold in our society. We learned about their histories, sacrifices, cultures, contributions, strengths, and ways of life.



**Indigenous Book Club** – In October, we launched an Indigenous Book Club for interested staff that includes books by Indigenous authors and discussions of Indigenous themes. The first book was *21 Things You May Not Know About the Indian Act: Helping Canadians Make Reconciliation with Indigenous Peoples a Reality* by Bob Joseph.



**National Day for Truth and Reconciliation** – On Sept. 30, we honoured the National Day for Truth and Reconciliation with a firm-wide moment of silence to remember the children’s lives that were lost. We also encouraged everyone to wear an orange shirt as part of Orange Shirt Day to recognize the trauma and tragedies that occurred at residential schools and to honour the survivors and children that were never able to return home.

Leading up to the National Day for Truth and Reconciliation, we hosted a webcast where our keynote speaker, Janice Makokis, an Indigenous legal scholar, rights advocate, and consultant, led a dynamic session about restoring justice for Indigenous peoples.

## Diversity snapshot 2022

Our Diversity Dashboard, informed by the data gathered through our self-identification tool, allows us to continuously monitor key diversity indicators and share results with senior leadership to inform decision-making and improve our progress.

While we recognize that gender and age are just some of the many indicators of diversity, they are critical to the professional services industry and to our firm. We also recognize that people at BDO identify beyond the binary gender system. We have started tracking this data and are proud of the increasing response rate to gender diversity surveys.

### OUR PATH FORWARD:

As we continue to prioritize diversity and inclusion, we are excited to expand our Diversity Dashboard, and actively encourage and enable greater uptake of our self-identification tool. By doing so, we can better understand, empower, and celebrate the unique backgrounds and perspectives that make our organization stronger.

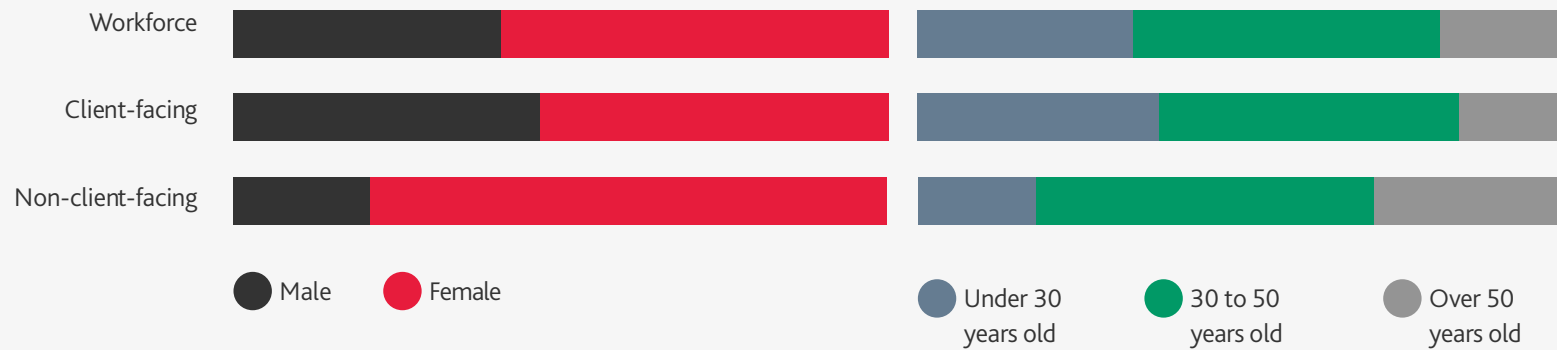


[Please refer to Appendix G for a snapshot of our diversity data.](#)

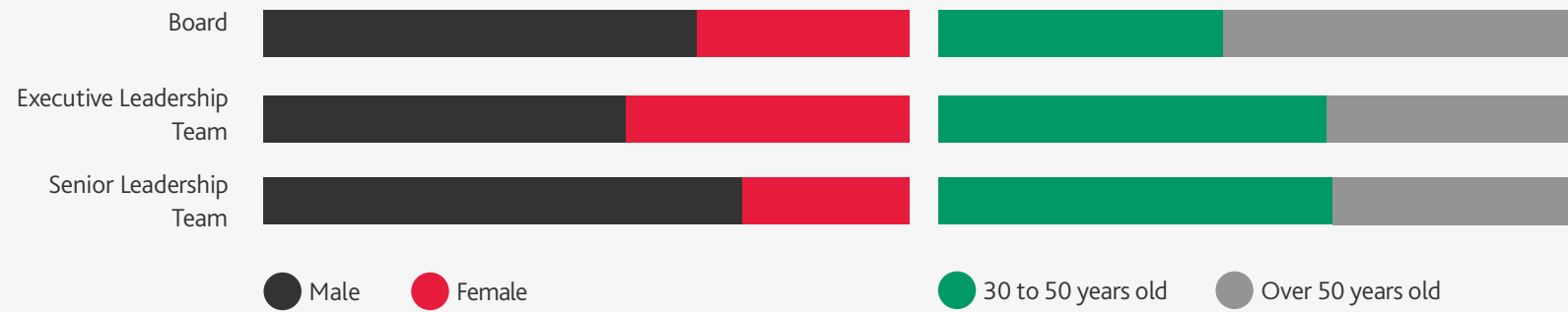




**Our diversity data by gender and age across our client-facing and non-client-facing employees and partners for 2022:**



**Our diversity data by gender and age across our key governance categories for 2022:**



[A full breakdown of our diversity data by gender and age can be found in Appendix G.](#) >

Please note that the following definitions apply:

- **Executive Leadership Team (ELT):** The ELT is comprised of a Chief Executive Officer, Chief Operating Officer, and seven Managing Partners (MPs) to lead key areas of the business: Audit & Assurance, Tax, Advisory, Business Services & Outsourcing, Markets & Industry, Talent & Culture, and Innovation & Change. The structure of the ELT is designed to help us enable our strategy to pursue our vision and capitalize on market opportunities.
- **Senior Leadership Team (SLT):** Our SLT is comprised of 43 leaders across service lines, geographies, and on a national level. This group of strong leaders and strategic thinkers are high performers in their respective areas. They are responsible for working alongside the ELT to enable collaboration and connections to support the firm's growth and development and ensure the ongoing delivery of exceptional client service.
- **The Board:** The BDO Canada LLP Board (the "Board") consists of 11 members. Nine of those members are partners from all service lines across the organization, elected by the partner group, and two are external independent members selected by the Board.

**OUR PATH FORWARD:**

We are encouraged by the progress we have made in achieving greater gender balance across our employee and governance categories, but we recognize there is room for improvement.

Analysis of our 2022 gender diversity data highlights the need for an increased focus on removing barriers for women in senior roles. Our commitment to empowering and enabling women in senior leadership is something we continue to prioritize and invest in.

We understand the importance of representation and the benefits that inclusion has at BDO. We continue to work towards our goal of achieving 50% gender parity and 30% representation from combined diversity pillars in senior roles.



## Pay equality

BDO is committed to fair, equitable pay and has developed important processes and measures that enable pay equity. Our compensation is internally equitable and designed to meet the following three guiding principles:

- Competitive across our relevant markets.
- Recognizes outcomes and is differentiated based on performance.
- Supported by clear communication and transparency.

## Accessibility at BDO

We provide Accessibility Consulting Services to help institutions, departments, and organizations prepare for and exceed compliance requirements. We strive to provide our services in a manner that is accessible to all our clients with dignity, independence, and inclusion of people with disabilities. We are committed to offering equal opportunity to access our services and to providing the benefit of the same services, in the same place, and in a similar way to all clients.

As part of our commitment to build an inclusive and accessible environment, we provide training to BDO partners and employees on topics including:

- The purpose of accessibility legislation such as the Accessibility for Ontarians with Disabilities Act and requirements of regulations relating to customer service standards.
- How to interact and communicate effectively with persons with disabilities.
- How to interact appropriately with persons with disabilities who use an assistive device or require the assistance of a service animal or a support person.
- What to do if a person with a particular disability is having difficulty accessing BDO's services.

## OUR PATH FORWARD:

We are passionate about raising accessibility standards across Canada, setting the bar internally, supporting others to take action, eliminating barriers for our people, and creating accessible environments for all.

In 2023, we will be completing a gap analysis and developing our next multi-year accessibility plan, informed by our internal accessibility consulting group.

## Enabling success through flexibility

Flexible work arrangements are a key enabler to greater diversity and more inclusive work environments. We continue to build flexibility into when, where, and how our people work. We offer flexible work policies regarding work locations and schedules, enabled by technology that supports quality, collaboration, and exceptional client service. This helps our people effectively manage their work-life balance, as well as their professional and personal success.



It is also critical to our success as a firm. The flexibility we offer helps attract top talent from diverse backgrounds and personal situations. This is just one example of how we actively encourage bringing your whole self to work. We know this is key to building trust and creating a culture of belonging.

While digital tools allow us the flexibility to work from anywhere, we also understand it can be difficult to adequately disconnect from work and take meaningful breaks. Whether an employee is working traditional hours in the office, working remotely, or has an alternative work arrangement, we support our people in carving out time to disconnect from work through policies and best practice recommendations.

## Human rights

We are dedicated to promoting a culture of integrity and ethical behaviour by complying with prevailing laws, regulations, and internal policies. We have several important policies and processes that guide and manage the behaviours of our people and our broader stakeholders (see our [Ethical Behaviour, Legal, and Regulatory Compliance section](#) for more).

### OUR PATH FORWARD:

In the next 12 months, we will review and revise our supplier policies and assessment processes to enhance the protections we have in place against unethical behaviour in our supply chain.

## Indigenous engagement

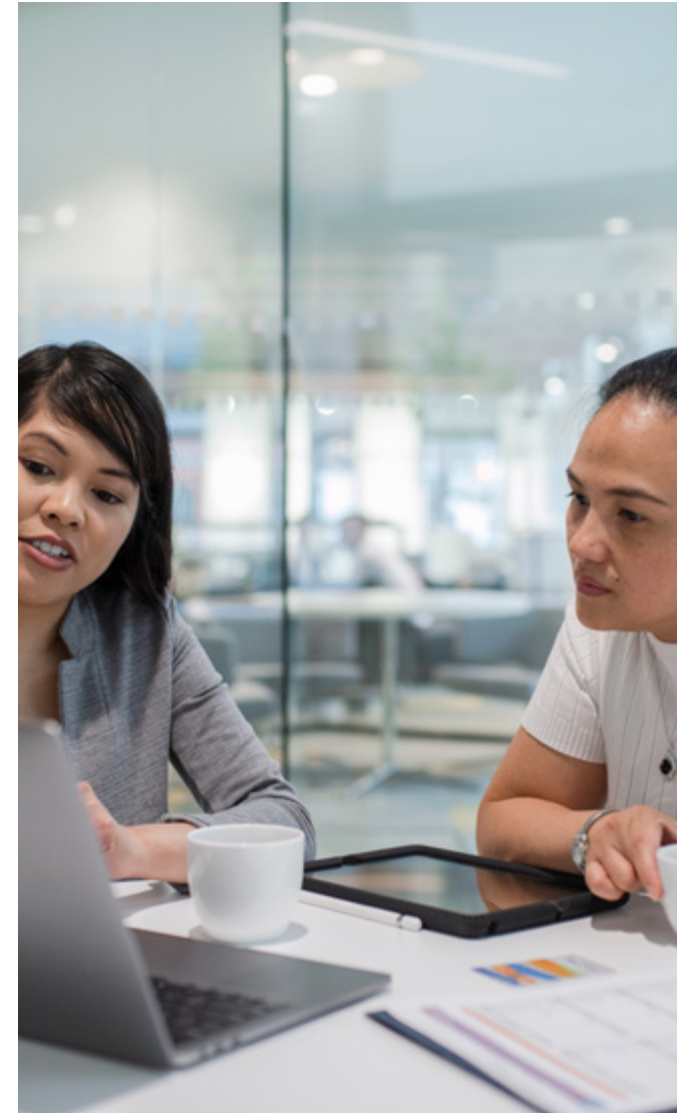
BDO Canada recognizes the United Nations Declaration of Rights of Indigenous Peoples (UNDRIP) and the 94 Calls to Action issued by the Truth and Reconciliation Commission of Canada.

We work with more than 125 Indigenous communities and organizations in Canada. Many of these relationships have been in place for decades. We recognize through our process of reconciliation with our Indigenous partners, clients, and employees, that we must examine and ensure these relationships reflect best practices consistent with the objectives of Canada's Indigenous peoples. To this end, much of the work we have done in partnership with Indigenous communities and organizations has focused on sustainable economic development, skills training, and capacity development.

With offices located throughout the country, our people work with many Indigenous communities, leaders, and businesses to help expand capacity and achieve their goals.

### OUR PATH FORWARD:

We will continue to revise and strengthen our internal governance structure related to Indigenous engagement, procurement, and service delivery. This will help bolster the progress we have made to date as we continue to listen to and collaborate with Indigenous peoples, organizations, and businesses across Canada.



# Health and well-being



BDO is committed to providing its people with a healthy, safe, inclusive, and accessible workplace. We believe that advocating for our people's overall wellness journey, including healthy and active lifestyle choices, has a positive influence on every part of their day-to-day lives, including the work environment.

Through a variety of programs, BDO empowers our people to:

- Prioritize their well-being with the support required to meet their goals.
- Encourage their personal and professional productivity.
- Enhance their mental and physical health.
- Take advantage of flexible health, insurance, and retirement solutions that help support their and their family's physical, mental, and financial health.





Our National Human Resources team regularly reviews the effectiveness of our service offerings and programs. The team also meets with our wellness service providers quarterly to review trends and key performance indicators to determine how best to support our people's changing needs. This information is benchmarked against our previous year's success and our industry peers to ensure continuous improvements.

We believe our people should have direct involvement in our health and well-being programs based on their needs and priorities. We provide regular opportunities for our people to share feedback and advice on the improvement and expansion of these programs through regular mental health surveys and our AssistMe forum, where our people can provide comments and suggestions at any point throughout the year.

To ensure incoming BDO personnel are aware of the high health and safety standards we set, all new staff complete a health and safety course during their onboarding training. In addition, our Health and Safety Office Representatives provide an office tour and checklist on fire safety, first aid kits, emergency exits, etc. For all existing staff, we also provide ad-hoc training on relevant health and safety issues, such as ergonomics, mental health, and other topics.

**Our health and well-being commitments:**

- Provide our people with a safe and healthy work environment.
- Respect the confidential nature of any disclosed medical or rehabilitation information.
- Consult our people in the event of injury or illness to ensure a structured and safe return to work.
- Ensure our Health and Safety program complies with provincial legislation requirements and the needs of all parties.
- Ensure our internal and external communications are accessible to everyone, including persons with disabilities.
- Enhance wellness initiatives to raise awareness and support for physical, mental, and financial health.
- Regularly seek input from our people on their health and well-being needs, as well as on the relevance and effectiveness of our programs.
- Continue to meet with our wellness service providers to proactively identify gaps, align programs with our people's changing needs, and ensure continuous improvement.

[The programs and initiatives made available to our people in 2022 to support their health and well-being are outlined in Appendix H.](#)



## Mental health

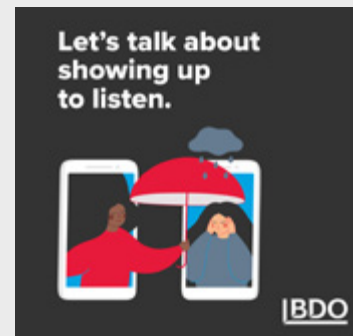
Mental health has become a top concern for all Canadians and is just as important as any physical health indicator. We are committed to elevating BDO's culture by providing an environment where mental health conversations are normalized and encouraged, and where people are empowered and enabled to manage their mental well-being.

Our mental health support resources lift the stigma surrounding mental health and encourage employees to seek help when needed:

- **Not Myself Today**, a corporate mental health program by the Canadian Mental Health Association (CMHA).
- **Healthcare Online**, a virtual care app.
- Standalone **mental health paramedical practitioner allowance** available to all BDO personnel in our plans.
- Implementation of **policies and reimbursements** to support mental health and time off.
- The **Are You Okay?** committee creates awareness and provides support and resources towards mental health, including the normalization of important discussions around mental well-being.
- Mental health **promotional campaigns** and **firm-wide guest speakers**.

### Event highlights in 2022

- Hosted three firm-wide events with the National DEI Advisory Council about mental health and support resources.
- Conducted firm-wide one-on-one wellness check-ins for all our people.
- Refreshed the people leader check-in guide to incorporate well-being touchpoint questions to encourage mental health discussions and help reduce the stigma around mental health.
- Continued to feature mental health advocates in firm-wide webcasts throughout the year to inspire and empower our people, including:



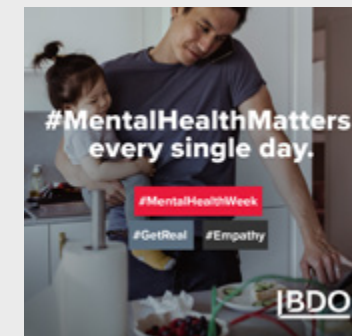
**Bell Let's Talk Day webcast (January 2022):** Dr. Khush Amaria, Psychologist, MindBeacon



**Firm-wide quarterly webcast (March 2022):** Jessica Holmes, Canadian comedian, Laugh It Off and Bring It On!



**International Women's Day Celebration (March 2022):** Dr. Hadiya Roderique, diversity and inclusion advocate



**Mental Health Awareness Week (May 2022):** Laurie Flasko, Creating a Kindness Culture



**Disability Employment Awareness Month and World Mental Health Day (October 2022):** Anthony Lue, Rewiring Your Mindset

At BDO, we are dedicated to creating awareness and providing support, resources, and optimism around mental health. It is our intent to understand the needs of people across the firm and create an atmosphere where they can speak their truth and know what resources are available to them as they navigate through challenging moments in life.

# Learning and development

Our people bring a unique value to our firm. We believe it's critical that our people's career paths not only align with the firm's vision and strategy, but also help them achieve their personal goals, realize their ambitions, and live their passions.

At BDO, we differentiate 'learning' as acquisition of knowledge and 'development' as the constant iteration of skills through applying knowledge. That is why we focus on the holistic development of our people and aspire to go beyond learning. We do this by designing our training programs to be relevant to our people's roles, offering social and team learning opportunities, and supporting our people in driving continued development on the job.

Our experienced and dedicated Learning & Development (L&D) team is guided by a strategy that reimagines the way our firm supports the personal and professional growth of our people.



## Four priorities guiding our L&D strategy

### 1. Accelerated experiential skills development

Develop skills, traits, and capabilities faster and more effectively by:

- Providing a clear vision and approach on how we support skills development.
- Defining an efficient, effective, and diverse path to developing careers.
- Focusing on experiential learning.

### 2. Effective and automated performance enablement and assessment

- Provide guidance on our performance assessment process that supports our firm's strategy.
- Leverage digitally-enabled performance management and assessments to guide and develop our professionals and help them grow in their careers.

### 3. Development of leadership capabilities

- Provide experience, exposure, and education to people leaders to develop their teams through a coaching culture.

### 4. Development of core skills for our industry

- Focus on the development of advantage-providing skills for our industry.



## Our capability framework: Empowering our workforce

Our capability framework is used to drive targeted training and development programs that empower employees to reach their full potential. It is based on our clients' needs, BDO's vision, and industry-leading technical, digital, and enabling capabilities.

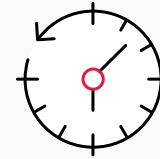
The three areas driving our capability framework are:

- **Technical:** Technical capabilities that are specific to our service line and group-specific technical capabilities.
- **Digital:** Foundational capabilities for digital transformation, data analytics, and key technology tools and platforms.
- **Enabling:** Key capabilities that are unique to our industry and vital for our competitiveness and sustained growth.

The framework is executed through our various learning and development initiatives and programs, and enabled by effective performance management, coaching, and mentorship.

The application of our capability framework is intended to support clear and accessible career pathways for our staff and to increase autonomy.

# 32 hrs



Average amount of per-person training our people received in 2022.

# \$1,966



Average training spend per full-time equivalent (FTE) in 2022.

## Our pilot programs in 2022

In 2022, we invested in new L&D programs and initiatives based on the evolving needs of our industry, clients, and people.

Our L&D team measures the success of these programs to review and understand the reactions from our intended audiences and the resulting impact on individual performance going forward. We also perform a detailed vendor assessment to ensure we are working with trusted partners who offer mature implementation support and provide robust data and analytics about program delivery and outcomes.

### Key L&D pilot programs and initiatives launched in 2022:

- Transformational **leadership skills training** for new and experienced managers.
- **Coaching** for new senior managers.
- Access to contemporary **thought leadership content**, which leaders can complete at their own pace.
- A week-long **BDO-Harvard Global Executive Leadership Program**, focused on building the strategy quotient of our leaders.

[Please refer to Appendix I for more information.](#)





# Community impact

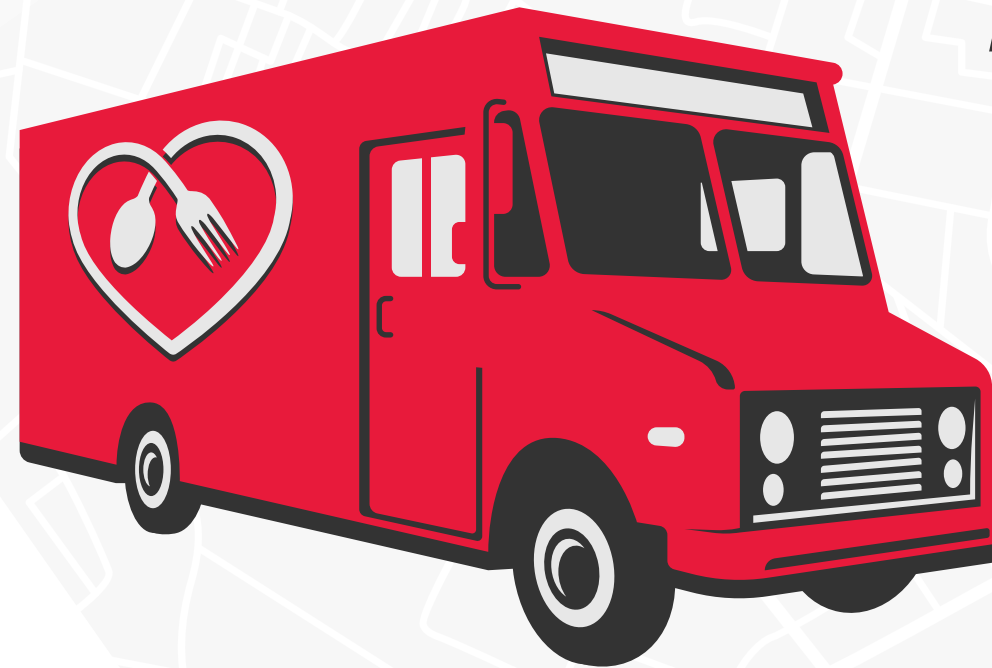
At BDO, we believe we all have a role to play in strengthening our communities. We are committed to supporting the vibrant, dynamic communities in which we live, work, and play. We believe global change starts at the local level, and it's through these connections that we can truly make an impact.

In line with our global BDO purpose—people helping people achieve their dreams—we have built strong, meaningful relationships with our communities. We use our purpose and values to select and manage impactful partnerships, sponsorships, and community impact initiatives.

Our community impact programs include:

- **Volunteering:** Our people invest their skills and time in organizations they support.
- **Financial support:** Fundraising within our personal and professional networks and making contributions from the firm.
- **Raising awareness:** Educating and building awareness for important social and economic issues within our network.
- **Driving change:** Pro-bono work and participating in not-for-profit boards.

## *Drive Away Hunger*



Our nationwide initiatives leverage the collective strength of our people across the country to deliver greater value to the causes with which we are aligned. We also pride ourselves on our driven and passionate network of local advocates and volunteers within BDO. Our leaders and staff across our 113 offices build and drive forward community impact initiatives based on local needs.

This is how we live by our purpose and values. We meet our communities where they are and help them address the challenges and opportunities that matter most to them. This allows us to deliver a greater impact and empowers our people to support the causes that are closest to their hearts.

### Supporting the change-makers

Our people proudly volunteer their time to help impactful organizations together as one firm, within our local offices, and on an individual basis. Each year, we strive to instill positive changes through diverse causes.

### OUR PATH FORWARD:

We track our investments in communities to demonstrate the long-term value that BDO creates for society at a local and national level in Canada. However, this is no easy task and much of our community efforts cannot be measured or monetized. We are working to expand the way we measure our community impact to include data on our volunteering hours, awareness-raising efforts, and pro-bono work.

### Drive Away Hunger

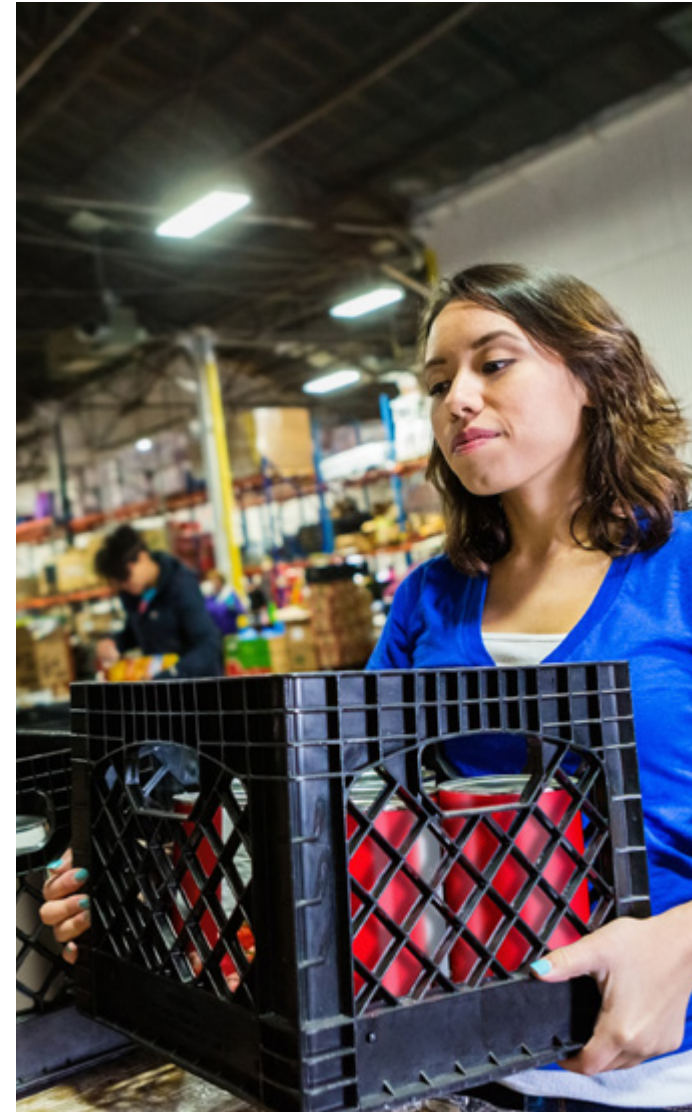
BDO is a proud partner of the FCC Drive Away Hunger campaign for 15 consecutive years.

One in seven Canadians faces food insecurity and one in three food bank users in Canada in 2022 were children, according to the Food Banks Canada 2022 HungerCount report. The pandemic and rising food costs have greatly impacted vulnerable families across the country. At BDO, we believe in supporting our communities and with the continued rise of food costs and insecurity, the need for our support has never been greater.

BDO's firm-wide social responsibility program, Drive Away Hunger, has evolved and grown to over \$250,000 in donations per year. It has become a uniting and inspiring program for both rural and urban offices from coast to coast.

### OUR PATH FORWARD:

By continuing to support the Drive Away Hunger campaign, we hope to raise more donations, engage our staff across the country, and build deeper connections with our communities. The success and sustainability of BDO's Drive Away Hunger campaign comes from the ground up and is fuelled by the kindness and generosity of our people.



# \$2.5 M

The total amount we've raised in our 15 years of supporting Drive Away Hunger.

# \$252,320

The amount our people raised for Drive Away Hunger in 2022. Every penny goes directly to local food banks or through Food Banks Canada.

# 4,000 km

The distance our people ran, walked, kayaked, biked, and even scootered to raise money for Canadian food banks as part of our third annual BDO Goes the Distance event in September 2022. Collectively, our kilometres went across Canada from the Atlantic to the Pacific Ocean.

## Office spotlight

Each of our offices supports local organizations, programs, and causes that are aligned with our values and have a positive impact on the communities where we operate.

*During the pandemic's darkest moments, Drive Away Hunger kept us connected to each other while helping the people in our communities who were most vulnerable.*

**Maggie Van Camp**, BDO's 2022 National Lead for Drive Away Hunger



### Ottawa

- **9 years:** How long our Ottawa team has been supporting the Youth Services Bureau of Ottawa (YSB) through the Stay Up Ottawa event.
- **\$16,778:** The amount our people raised for YSB in 2022, making it the top corporate fundraising team for another year.
- **\$135,000:** The total amount we've fundraised for programs to eliminate youth homelessness in Ottawa.
- **\$5,400:** The amount our Ottawa team raised for a Build Day for Habitat for Humanity Greater Ottawa in November 2022. The team also dedicated their time to building houses in the organization's new Kemptville Korner development.
- **10 years:** How long our Rockland office in Ottawa has run a T1 Clinic for low-income residents, providing valuable education and support to empower the community.

### Greater Toronto Area (GTA)

- **8 years:** How long our Markham office has proudly supported the Movember Canada program, a charity focused on men's mental health, suicide prevention, and prostate and testicular cancer research. Since 2003, Movember has funded more than 1,250 men's health projects around the world.
- **\$8,568:** The donations that staff in our GTA office cumulatively raised to support Movember and men's health in November 2022.

### Calgary

Our Calgary team supports a number of local programs on an annual basis, including:

- **Calgary Corporate Challenge:** BDO sponsors the CEO challenge and participates in the program on a regular basis.
- **Kananaskis 100 Mile Relay:** BDO sponsors the initiative and our staff are proud to participate in the relay.
- **Canadian Blood Services:** Our people donate blood on an annual basis, and on a more regular basis individually.

### Vancouver

- **635 kilometres:** The distance nine BDO team members in our Vancouver office cycled as part of the Moving Mountains campaign, which was launched in 2022 in memory of the late BDO partner, John Keserich. They climbed a remarkable 7,700 meters over the course of four days.
- **\$17,220:** The amount our people from across Canada donated for Myeloma Canada through the Moving Mountains cause.

## Our partners and sponsorships: Powering potential across Canada

We are very proud of the organizations we support and the change they inspire. They share our commitment to diversity, sustainability, and community impact.



### Golf Canada

BDO Canada has become the Official Business and Professional Services Sponsor of Golf Canada, including two of its signature events: the RBC Canadian Open and the CP Women's Open. BDO is also the presenting sponsor of the Canadian Amateur Golf Championships. This important initiative reflects a firm-wide commitment through sport to give back to communities served across the country.



### Shuswap Trail Alliance

The Shuswap Trail Alliance exists as a collaboration of partners working together to create purpose-built, sanctioned, and sustainable trails throughout the Shuswap region.

Our BDO Canada office in Salmon Arm, B.C. has partnered with the Alliance to support its fundraising events in the community.



### 150 Women Who Care

BDO Canada's Portage la Prairie, Man. office has been supporting this community-driven initiative by the Community Foundation of Portage and District (CFPD) since its inception in 2019. During the annual event, 150 women from the community commit to awarding a \$10,000 grant to a deserving not-for-profit organization.



### Helmets to Hardhats

Helmets to Hardhats is dedicated to assisting veterans and active reservists transition from military service into well-paid, highly skilled second careers in construction and related industries. BDO Canada's Oakville, Ont. office has been proud to support this initiative for the past 10 years.



### Glengarry Highland Games

BDO Canada was proud to sponsor the Women's Heavy Competition of the Glengarry Highland Games for the first time in 2022. The event has been hosted in Maxville, Ont. since 1948 and features displays of music, dance, sports, fiddling, pageantry, and Highland traditions.

[More information on our broader community involvement, sponsorships, volunteering, and partnerships can be found in Appendix J.](#)



# Innovating for growth

At BDO, we believe that innovation is the key to unlocking untapped potential and driving sustained success. This year, we invested in a dedicated team to drive our mission forward.

Our Innovation & Change (I&C) team is focused on creating and operationalizing purposeful innovations that deliver measured and tangible benefits. Led by our Managing Partner of Innovation & Change and member of our ELT, Sonia Edmonds, this team helps maintain a culture of curiosity and forward thinking. It empowers, explores, and implements new ideas that create value for our clients and contribute to a more sustainable future.

Our I&C team works with service line leaders and employee representatives to better leverage digital capabilities and continually adapt to the changing business landscape. This collaborative approach enables us to identify and seize strategic growth opportunities across a range of functions, services, and locations, all of which are geared towards enhancing the client experience and generating mutual benefits.



To align our efforts, we adhere to three key priorities that serve as our guiding framework:

- **Ideate and implement:** Discover and advance new ideas and ways of working to improve how we deliver products, services, and experiences to our people and clients.
- **Collect and connect:** Prioritize the collection and connection of our firm's tools and resources, with the aim of constantly improving and optimizing our operations and deriving valuable insights from our data.
- **Align and prioritize:** Align initiatives to our strategic priorities, and commit and invest our efforts to guide the flow of ideas from initial insight to realization.



## 2022 product and service highlights

The resulting impact from our culture of constant innovation and adaptation is demonstrated through our new product and service offerings. Some of our noticeable highlights include:

- **Transforming client collaboration:** BDO's innovative solution, the BDO Global Portal, redefines how clients securely and seamlessly share confidential information with their dedicated BDO service team. This advanced portal offers practical features that effectively manage project workflows and facilitate efficient collaboration, integrating smoothly with our suite of tools to streamline operations.
- **Streamlining Assurance and BSO Services:** We leverage cutting-edge technology with APT Next Gen, our proprietary workflow software tool, to optimize our Assurance and Business Services & Outsourcing (BSO) service lines. This powerful tool harnesses our extensive industry-specific knowledge, dynamically adapting to a service team's progress. It provides access to up-to-date templates, thought leadership, best practices, and other valuable resources, empowering our teams to deliver exceptional work while upholding our commitment to quality.
- **Empowering cloud transformation:** We have led comprehensive cloud strategy and migration initiatives, empowering clients to unlock remarkable growth, agility, and flexibility. By developing thorough strategies, creating meticulous design and architecture documentation, and seamlessly migrating systems, applications, and data to modern cloud environments, we enable clients to leverage the full potential of the cloud for their success.

# Case studies showcasing our ESG initiatives in action



## Asset optimization in the energy renewables industry

**Client challenge** Scheduling power generation across systems with a myriad of variable factors including water levels, price, weather, regulation, and safety considerations.

**BDO's solution** Developed a hydroelectric scheduling model to support decisions for optimal water resource management at multiple hydroelectric facilities and river systems. This model generated optimal schedules for water management and energy production at multiple hydro stations across 13 river systems.

**Impact** Increased revenue by 6% annually and an estimated internal rate of return (IRR) of approximately 300% over five years. Our client also improved transparency, accountability, and risk management practices.



## Reducing thermal plant emissions

**Client challenge** Maintaining long-term viability by minimizing environmental impact and reducing the plant's carbon footprint.

**BDO's solution** Implemented multiple initiatives, including improving asset flexibility, updating maintenance procedures, utilizing artificial intelligence (AI) for price forecasting, optimizing commercial and operational constraints for bids, and integrating systems for battery and turbine dispatch.

**Impact** Increased revenue by 30% and decreased emissions by 10%, with a 20% IRR.



## OUR PATH FORWARD:

Our I&C team will continue to uncover opportunities to turn industry disruption into long-term value for our business, our people, and our clients, including:

- **Increasing the digitization across our service lines:** By developing and enhancing internal tools and processes and leveraging AI technology, we aim to achieve measurable cost savings and increased productivity through automation, integration, and elimination.
- **Leveraging innovation to enhance the talent experience:** We envision a future where innovation and technology are integrated into every role at the firm, working towards an immersive talent development experience and increased opportunities to participate in our innovation agenda.
- **Amplifying data-driven insights:** We are committed to harnessing the power of robust data to drive meaningful insights that empower our people and clients in making better decisions.

# Governance





# Overview

BDO Canada is committed to high standards of governance that align with legal and regulatory expectations. Strong governance is essential to operate business in a way that is sustainable, meets our obligations, and adheres to our ethical role while delivering value. At BDO, we have a Board that understands the challenges of our industry and is committed to setting high standards of corporate governance.

**We strive** to run our business in an ethical manner, to create an environment that is inclusive and equitable, and to prioritize the health and well-being of our people.

**Our clients** depend on our firm to protect their confidential information, maintain independence, and provide sound business advice through our services.

**Our communities** rely on our people to give back, protect our environment, and act in a principled manner, while providing opportunities for those less fortunate.

## OUR PATH FORWARD:

It is our firm's intention to report regular progress and to ensure it has the appropriate governance structure to execute on the commitments outlined in this report.



# Principles of governance

The guiding principles that inform our decision-making process and reflect our ommitment to transparency and accountability include:



Governance structure of BDO Canada



Ethical behaviour, legal, and regulatory compliance



Risk and opportunity oversight



Data protection

# Governance structure of BDO Canada

The Board consists of 11 members, which include:

- 9 partners with representation from all service lines across the organization, elected by the partner group; and
- 2 external independent members selected by the Board.

The Board is authorized pursuant to the terms of the BDO Canada LLP Partnership Agreement and its relevant policies. The Board in its discretion can create committees to assist in the execution of their oversight responsibilities. The Board also has a secretary who attends all meetings but is not a Board member.

Our CEO, Bruno Suppa, is accountable to the Board. In his capacity as CEO, he leads an ELT of managing partners who lead the firm across Canada.



## Executive Leadership Team<sup>6</sup>



**Bruno Suppa**  
Chief Executive Officer



**Dave Simkins**  
Chief Operating Officer

### Strategic Enablers



**Mike Abbott**  
Managing Partner,  
Markets & Industry



**Kerri Plexman**  
Managing Partner,  
Talent & Culture



**Sonia Edmonds**  
Managing Partner,  
Innovation & Change

### Service Line Leaders



**Jeanny Gu**  
Managing Partner,  
Assurance



**Bob Lawrence**  
Managing Partner,  
Business Services  
& Outsourcing



**Rachel Gervais**  
Managing Partner,  
Tax



**Jeff Chapman**  
Managing Partner,  
Advisory











<sup>6</sup> The Chief Risk Officer (CRO), Chief Legal Officer (CLO), and Head of Quality and Professional Standards have reporting responsibilities to the CEO.



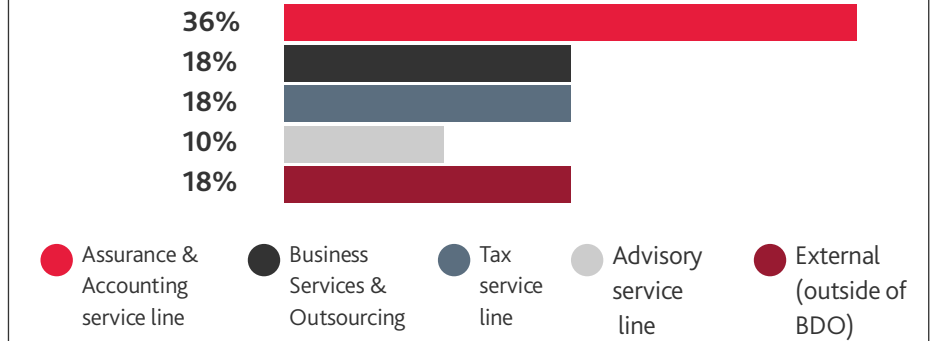
**BDO Canada Board: 2022–2023 reporting period**

Kent Botham is the Chair of the Board and a partner of BDO Canada LLP. Kent has been the Board Chair for three years of his six-year term. As a result of the firm's commitment to enhancing Board effectiveness and good governance, the Board recently hired two independent members who bring a wealth of professional experience to the Board in risk management, innovation, strategy, technology, and M&A.

## BDO Canada Board Members

	<b>Kent Botham, Board Chair</b>	Markham, Ont.	Audit & Assurance
	<b>Janet Boyle, Independent Board Member</b>	Toronto, Ont.	External Board Member
	<b>Jean Desgagné, Independent Board Member</b>	Toronto, Ont.	External Board Member
	<b>Jennifer Dunn, Chair, Talent &amp; Culture Committee</b>	Charlottetown, P.E.I.	Tax
	<b>Kelly Hagen, Board Member</b>	Oakville, Ont.	Technology
	<b>Cheryl Hugill, Chair, Strategy &amp; Execution Committee</b>	Cambridge, Ont.	Business Services & Outsourcing
	<b>Daryl Maduke, Board Member</b>	Vancouver, B.C.	Tax
	<b>Anthony Marinelli, Chair, Risk &amp; Governance Committee</b>	Montreal, Ont.	Audit & Assurance
	<b>Bob McMahon, Board Member</b>	Oakville, Que.	Audit & Assurance
	<b>Allan Payne, Board Member</b>	Calgary, Alta.	Business Services & Outsourcing
	<b>David Veld, Board Member</b>	Oakville, Ont.	Audit & Assurance

### The Board consists of:



### The Board has oversight over:

- Establishing and monitoring policies for the firm.
- Appointing the CEO.
- In cooperation with the CEO, approving the strategic plan of the firm and monitoring the firm's direction as it relates to the plan.
- Annually assessing the CEO's performance and approving their goals for the ensuing year and reviewing their compensation plan.
- Receiving and reviewing, on a regular basis, reports from the CEO.
- Hearing appeals from partners as provided for under the partnership agreement and Board policies.
- Approving monthly and annual financial statements.
- Reviewing and approving computations and distributions of profit.
- Approving the annual budget and business plans of the firm.
- Appointing the nominating committee and such other committee members as provided for in Board policies from time to time.
- Conducting annual general meetings and special general meetings of the partners.

## Board skills matrix

In fiscal year 2022, the Board undertook a review and considered the evolving skills and desired board experience listed below. The chart in [Appendix K](#) provides further information on the skills and experience, based on the rapidly changing business environment in which we operate. This assessment will be reviewed on an annual basis to identify any opportunities to further strengthen the Board's skill sets.

We've identified key competencies and areas of knowledge that strengthen our Board's ability to provide effective oversight and strategic guidance to BDO Canada's management team, outlined below.

Key competencies and areas of knowledge						
	Technology Data analytics Digital AI Cybersecurity	Organizational management	Talent strategy Human resources Executive performance review	Business leadership Corporate/strategic planning experience	Board Governance	Regulatory environments
ESG	Indigenous cultural knowledge and/or experience	Client engagement	Crisis management	Mergers and acquisitions	Accounting and financial knowledge	Risk management and assessment



### Board committees

BDO has constituted a number of Board Committees, which include:

- Financial Oversight Committee
- Governance & Risk Committee
- Talent & Culture Committee
- Strategy & Execution Committee

[For further information on the purpose and composition of these committees, please refer to Appendix L.](#)



# Ethical behaviour, legal, and regulatory compliance

Providing exceptional client service requires a commitment to strong corporate governance and a commitment to acting with integrity and accountability. High ethical standards are a key pillar to our role as professionals. Professional services firms help maintain public confidence in the financial system. As a result, maintaining ethical standards is a key component at BDO Canada in delivering the highest quality services to our clients.

Our firm is dedicated to promoting a culture of integrity and ethical behaviour through compliance with prevailing laws, regulations, and internal policies.







## Independence and compliance

Independence requirements applicable to professional services firms are set out in laws, professional standards, and applicable regulations. Independence of our firm, our partners, and our employees is critical to our business and upheld through comprehensive independence policies, systems, and procedures. These policies and processes are based on independence standards within the Harmonized Rule 204 of the CPA Canada Rules of Professional Conduct, the Code of Ethics in Quebec, and the International Code of Ethics for Professional Accountants by the International Ethics Standards Board for Accountants (IESBA).

Independence is maintained by providing only permissible services to our clients, as well as through maintaining appropriate business, employment, and personal relationships.

All partners, employees, and personnel of the firm, including contractors and non-client facing employees, are required to maintain independence in both fact and appearance. On an annual basis, personnel of BDO Canada must confirm this through an annual Independence and Ethics Confirmation.

As part of our processes, we assess independence through our client acceptance procedures and engagement acceptance and consider it throughout delivery of services. Independence is assessed at our firm level, but also between international BDO member firms.

# Risk and opportunity oversight

## BDO's approach to managing and identifying risk

The ability to manage risk effectively is an integral component of our firm's governance strategy. Our Enterprise Risk Management (ERM) program identifies and assesses risks that could impact the ability of BDO to achieve its objectives, with a focus on priority risks, emerging risks, and mitigation strategies. The ERM program is executed by the Chief Risk Officer, Risk Owners, and the ELT. The firm's Board has direct oversight of the ERM program.

### Objectives of ERM Program

The firm's objectives for ERM include:

- Providing a structured basis for strategic planning and decision-making.
- Assisting the firm in achieving its strategic objectives.
- Enhancing the firm's governance and corporate management processes.
- Encouraging decision-makers to identify sound business opportunities that will benefit the firm without exposing it to unacceptable levels of risk.
- Providing a practical, useable framework for partners and staff to identify and assess risks inherent in the decisions they take.





The risks and opportunities listed below are those that, effective December 2022, are considered to have the greatest significant ratings and impact on BDO's ability to achieve its strategic priorities, should they materialize.

 <p><b>Strategic risks and opportunities</b></p>	<ul style="list-style-type: none"> <li>• Firm strategy</li> <li>• Innovation</li> <li>• IT strategy</li> </ul>
 <p><b>Operational risks and opportunities</b></p>	<ul style="list-style-type: none"> <li>• Data confidentiality and security</li> <li>• Cybersecurity</li> <li>• IT infrastructure</li> <li>• Economic uncertainty</li> <li>• Talent resources</li> <li>• Talent attraction and retention</li> <li>• Finance processes</li> <li>• Engagement processes</li> </ul>
 <p><b>Regulatory risks and opportunities</b></p>	<ul style="list-style-type: none"> <li>• Regulatory compliance</li> </ul>

**Risk identification**

Organizational risks and opportunities are identified, rated in terms of likelihood and consequence, and reviewed against the adequacy of controls currently in place.

Risks and opportunities may be identified by:

- Assessing the firm's strategy against current and emerging market conditions.
- Assessing and monitoring legislative or regulatory changes and their effect on the firm or individual service lines.
- Considering each of the risk categories included in BDO Canada's risk management framework.

Risk controls may be assessed by reviewing existing local and national policies and procedures for mitigation effects. BDO Canada's ERM program is based on the Committee of Sponsoring Organizations (COSO) framework.

**BDO's approach to risk mitigation and risk monitoring**

The firm's risk environment is constantly changing and developing. As a result, the firm's priorities and objectives will also change. Continuous monitoring and review of the risk management process helps ensure the quality and effectiveness of the firm's ERM program and that processes align with the risk management culture and overall strategy.

Monitoring and reviews take place during all stages of the ERM program and feedback is provided to ensure continuous enhancement of risk management processes. The results of risk monitoring and review activities are incorporated into the firm's risk reporting.

**Communication of risk to the Board and ELT**

Ultimate responsibility for the periodic review or maintenance of the risk management framework resides with the Board through the Governance & Risk Committee (G&RC) as a sub-committee of the Board.

Effective information and communication flows are essential for our risk management framework to operate effectively. Reporting flows enable the Board to monitor the effectiveness of risk systems and controls and to oversee management's performance in managing risk. Formal reports are to be provided to the Board and the G&RC on a bi-annual basis.



### Risk policies and procedures

Risk management in the firm is further supported by targeted policies, training, and procedures. These processes support the firm both in providing the highest quality services and in confirming compliance with the BDO Professional Conduct Policy and CPA Codes of Professional Conduct of the various provincial bodies. Specific risk processes are addressed and made available to all firm personnel through our Risk Management Manual. Key detailed processes include:

- Quality assurance reviews
- Conflict of interest assessments
- Independence procedures and assessments
- Client acceptance
- Engagement acceptance
- Risk rating assessments
- Mandatory risk training

### International standard on quality management

Canadian and international regulators have required professional services firms to enhance their system of quality management. In December 2020, the International Standard on Quality Management 1 (ISQM1) was issued. It was adopted for application in Canada as the Canadian Standard for Quality Management (CSQM1). Both ISQM1 and CSQM1 required that firms design and implement compliant systems of quality management by Dec. 15, 2022. This risk assessment process involves setting quality objectives, identifying and assessing quality risks, and designing responses for each quality component. As a result of this quality management enhancement, an evaluation of the system is required and will be completed by BDO Canada within one year.

### Ethics and whistleblower policy

The firm requires all BDO personnel to observe high standards of honesty, integrity, ethics, and professionalism as they conduct their duties and responsibilities. Our people are also expected to comply with all applicable laws, regulations, and professional obligations.

Our firm has implemented a robust whistleblower policy that all members of the firm are required to read and comply with. The policy outlines the ways that BDO personnel can report complaints or concerns to the firm confidentially, either directly or anonymously through our whistleblower hotline.

BDO's whistleblower hotline allows BDO personnel and external parties to anonymously report good faith concerns about dishonest, unethical, or illegal conduct related to the firm. The hotline is maintained by a third-party service provider, ClearView Connects, an independent company that specializes in hosting whistleblower reporting systems for organizations in Canada.

A link to the hotline is published internally on the firm's intranet and externally on our website and all BDO personnel are provided training on how to use the hotline to submit a report.

### Anti-corruption commitment

BDO Canada is committed to ethical behaviour in the provision of all services and to the elimination of corruption in all forms. Anti-corruption requirements that apply to the firm are reflected in Canadian legislation, regulations, and professional standards, as well as in international legislation where our services cross jurisdictions. In particular, the firm maintains an express prohibition on certain expenses and a policy regarding gifts and hospitality. Our whistleblower hotline further provides a direct channel for reporting breaches or concerns relating to corruption.

During fiscal year 2022, there were no complaints of corruption subject to investigation under our whistleblower policy. In addition, BDO Global has released a global policy across the network firms to comprehensively address anti-corruption and its impacts.

# Data protection

## Privacy policy

Privacy and the protection of personal information are integral to our business. At BDO Canada, we take appropriate technical and organizational measures designed to achieve privacy goals such as:

- Collecting, using, and disclosing personal information in accordance with BDO's Privacy Statement, policies, and governing legislation.
- Protecting against misuse and accidental loss or disclosure, and from unauthorized or unlawful processing, destruction, or alteration of personal data.
- Responding in a timely manner to requests for access, rectification, erasure, and complaints.
- Complying with applicable laws in the event of a personal data breach.



To ensure the confidentiality and the protection of our clients' and people's data, our firm has implemented a variety of policies and procedures, including:

- Regular mandatory firm-wide privacy awareness training to educate personnel on BDO's personal information handling policies.
- The Privacy Code of Conduct, which outlines the personal data-handling principles BDO expects its personnel to follow.
- The Privacy Incident Response Protocol, which outlines steps personnel are expected to take and how to contact the Privacy Office if they suspect personal data may have been subject to unauthorized disclosure or access, loss, theft, misuse, or alteration.
- The Search Warrant, Subpoena, Production Order, and Law Enforcement Access Policy, which outlines steps personnel are to take if a legal authority requests access to data in BDO's possession or control.
- The Service Provider Technology, Security, and Privacy Governance Process to assess the technical and organization methods employed by any service provider that will have access to information or systems in BDO's control or possessions.

### Information security statement

BDO Canada is committed to protecting the confidentiality, integrity, and availability of data obtained through our business as a professional services firm. Information security is fully embedded into BDO Canada's organizational culture and operations. This is reflected in all solutions and services, making our firm one of the information security leaders within the global BDO network.

As a data custodian and trusted service provider for our clients, our firm has implemented information technology processes and policies that align with ISO 27001, an internationally recognized standard for information security. Our firm is compliant with the BDO Global Member Firm Accreditation Program and Canadian cybersecurity principles, including, but not limited to, the Personal Information Protection and Electronic Documents Act (PIPEDA) and Canadian Anti-Spam Legislation (CASL).

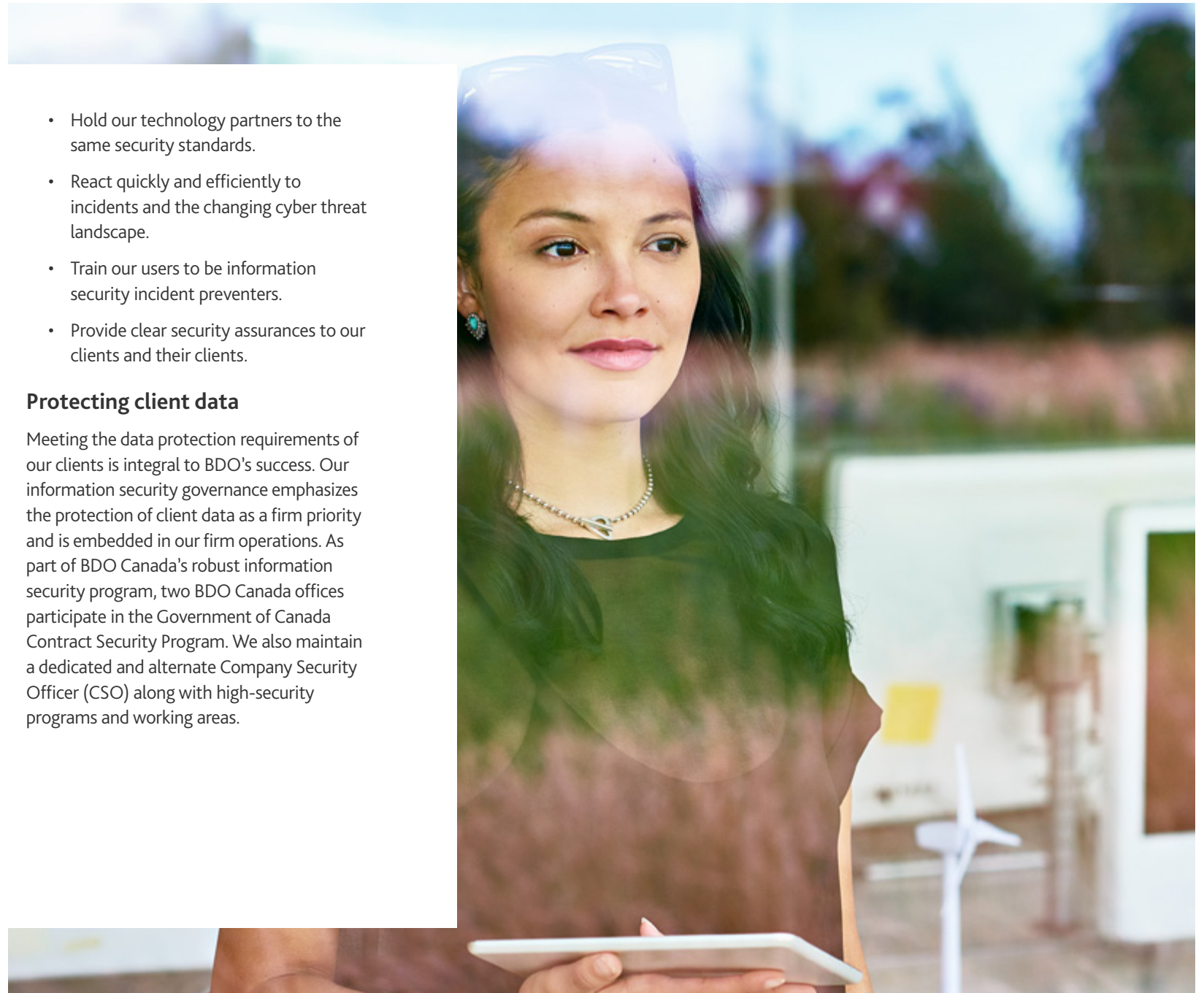
The BDO Canada Cybersecurity team uses a risk-based, continuous evaluation process to expand and mature its security program to:

- Design and maintain highly available and secured systems.
- Prevent unauthorized exposure of personally identifiable information (PII) and confidential data.

- Hold our technology partners to the same security standards.
- React quickly and efficiently to incidents and the changing cyber threat landscape.
- Train our users to be information security incident preventers.
- Provide clear security assurances to our clients and their clients.

### Protecting client data

Meeting the data protection requirements of our clients is integral to BDO's success. Our information security governance emphasizes the protection of client data as a firm priority and is embedded in our firm operations. As part of BDO Canada's robust information security program, two BDO Canada offices participate in the Government of Canada Contract Security Program. We also maintain a dedicated and alternate Company Security Officer (CSO) along with high-security programs and working areas.



# Appendices



# Appendix A – WEF IBC Index

The following table outlines the core stakeholder capitalism metrics and disclosures presented in the World Economic Forum's (WEF) International Business Council (IBC) report, Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation that are applicable to BDO Canada's ESG journey.

## Principles of governance metrics

Theme	Sub-theme	Core metrics and disclosures	Notes
Governing purpose	Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental, and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Refer to section: <a href="#">We are part of the BDO Global Sustainability Movement</a>
Quality of governing body	Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Refer to section: <a href="#">Governance structure of BDO Canada</a>
Stakeholder engagement	Material issues impacting stakeholders	List of the topics that are material to key stakeholders and the company, including how topics were identified and how stakeholders were engaged.	Refer to section: <a href="#">Stakeholder engagement and material ESG topics</a>
Ethical behaviour	Anti-corruption	<p>1. Total percentage of governance body members, employees, and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region.</p> <p>a.) Total number and nature of incidents of corruption confirmed during the current year but related to previous years; and</p> <p>b.) Total number and nature of incidents of corruption confirmed during the current year, related to this year.</p> <p>2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture in order to combat corruption.</p>	Refer to section: <a href="#">Anti-corruption commitment</a>
	Protected ethics advice and reporting mechanisms	<p>A description of internal and external mechanisms for:</p> <p>1. Seeking advice about ethical and lawful behaviour and organizational integrity.</p> <p>2. Reporting concerns about unethical or unlawful behaviour and organizational integrity.</p>	Refer to section: <a href="#">Ethics and whistleblower policy</a>
Risk and opportunity oversight	Integrating risk and opportunity into business process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship.	Refer to section: <a href="#">Risk and opportunity oversight</a>



# Appendix A – WEF IBC Index (continued)

## Planet metrics

Theme	Sub-theme	Metrics and disclosures	Notes
Climate change	Greenhouse gas (GHG) emissions	For all relevant greenhouse gases (e.g., carbon dioxide, methane, nitrous oxide, F-gases, etc.), report in metric tonnes of carbon dioxide equivalent (tCO <sub>2</sub> e) GHG Protocol Scope 1 and Scope 2 emissions.  Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Refer to section: <a href="#">Climate goals</a>
	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-Related Financial Disclosures.	Refer to section: <a href="#">Our commitment to reducing our carbon footprint</a>
Nature loss	Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased, or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	BDO Canada has chosen to prioritize climate change in this report. It is our intention to enhance our environmental disclosures as we mature along our sustainability journey.
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Report for operations where material, mega litres of water withdrawn, mega litres of water consumed and the percentage of each in regions with high or extremely high baseline water stress according to WRI's Aqueduct Water Risk Atlas tool.  Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	

# Appendix A – WEF IBC Index (continued)

## People metrics

Theme	Sub-theme	Core metrics and disclosures	Notes
Dignity and equality	Diversity and inclusion (%)	Percentage of employees per employee category; by age group, gender, and other indicators of diversity (e.g., ethnicity).	Refer to section: <a href="#">Diversity snapshot 2022</a>
	Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men; minor to major ethnic groups; and other relevant equality areas.	Refer to section: <a href="#">Pay equality</a>
	Wage level (%)	Ratios of standard entry-level wage by gender compared to local minimum wage. Ratio of CEO's total annual compensation to median total annual compensation of all employees (excluding the CEO).	As part of our ongoing commitment to pay equity and fair practices, a regular wage assessment is performed. We can confirm that all BDO Canada personnel are paid above the applicable jurisdiction's minimum wage.
	Risk for incidents of child, forced, or compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child, forced, or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier. b) countries or geographic areas with operations and suppliers considered at risk.	Refer to section: <a href="#">Human rights</a>
Health and well-being	Health and safety (%)	The number and rate of fatalities due to work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries, main types of work-related injury; and the number of hours worked.	Fatalities and work-related injuries are not tracked as the risk of accidents in BDO's business is low.
		An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided for employees and workers.	Refer to section: <a href="#">Health and well-being</a>
Skills for the future	Training provided (#)	Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of trainings provided to employees divided by the number of employees).	Refer to section: <a href="#">Learning and development</a>
		Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	

# Appendix A – WEF IBC Index (continued)

## Prosperity metrics

Theme	Sub-theme	Core metrics and disclosures	Notes
Employment and wealth generation	Absolute number and rate of employment	<p>1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.</p> <p>2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.</p>	Refer to section: <a href="#">Appendix G – Social data summary</a>
	Economic contribution	<p>1. Direct economic value generated and distributed (EVG&amp;D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: revenues, operating costs, employee wages and benefits, payments to providers of capital, payments to government, and community investment.</p>	<p>In 2022, BDO Canada generated revenues of \$871,033,311. A significant portion of these revenues are used for employees' wages and benefits, and compensation to the owners.</p> <p>Refer to section: <a href="#">Appendix J – Community and social vitality</a></p> <p>Payments to providers of capital and the government were deemed not applicable for BDO Canada.</p>
		<p>2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.</p>	This disclosure was not deemed applicable to BDO Canada.
	Financial investment contribution	<p>1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.</p>	This disclosure was not deemed applicable to BDO Canada.
<p>2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.</p>			
Innovation of better products and services	Total R&D expenses (\$)	Total costs related to research and development.	In 2022, this data was not centrally tracked at BDO Canada. However, with the creation of our dedicated Innovation & Change team, BDO Canada intends to track and manage this data centrally moving forward.
Community and social vitality	Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	<p>This disclosure was not deemed applicable to BDO Canada. However, we have outlined the many ways in which we invest our time, expertise, and resources into supporting our local communities for the betterment of society.</p> <p>Refer to section: <a href="#">Community Impact</a></p> <p>Refer to section: <a href="#">Appendix J – Community and social vitality</a></p>

# Appendix B - Definitions of metrics

The table in Appendix B outlines the World Economic Forum's planet, people, prosperity, and governance metrics definitions presented in its report, *Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation*.








ESG component	Definition
<b>Planet metrics</b>	
<b>Climate change</b>	Reducing the discharge of substances from a source into the environment. Specifically, it refers to atmospheric pollutants such as greenhouse gases (GHG), methane (CH <sup>4</sup> ), and other substances.  This topic covers management of climate change risk and strategies to identify and mitigate both physical and transition risks presented by climate change.
<b>Nature loss (biodiversity)</b>	Biodiversity and the protection of animals and natural habitats. The variety of life found on Earth (plants, animals, fungi, and micro-organisms) as well as the communities that they form and the habitats in which they live.
<b>Freshwater availability</b>	The control and movement of water resources to minimize damage to life and property and to maximize efficient beneficial use.
<b>Air pollution</b>	Introduction of harmful materials into the environment. Examples of pollutants are volcanic ash, trash, or runoff produced by factories. Pollutants damage the quality of air.
<b>Water pollution</b>	Introduction of harmful materials into the environment. Examples of pollutants are trash or runoff produced by factories. Pollutants damage the quality of water.
<b>Solid waste</b>	Waste management, including waste sent to landfill versus recycled, including managing unwanted or disused materials. Waste can be generated from the organization's own activities and can also be generated by the organization's value chain.
<b>Resource availability</b>	The inputs used to manufacture and/or package an organization's products and services (i.e., energy management).
<b>People metrics</b>	
<b>Dignity and equality (diversity and inclusion)</b>	Diversity refers to recognizing, respecting, and valuing differences in people, while equality refers to providing equal opportunities to everyone and protecting people from discrimination.
<b>Health and well-being</b>	Supporting employees' well-being by providing resources and programs to support informed decisions and health. This includes fostering a workplace culture that provides a safe and secure work environment and manages the health and safety of everyone in the organization's workplace, including employees, clients, contractors, subcontractors, and suppliers.
<b>Skills for the future</b>	Includes employee training provided, the number of unfilled skilled positions, and monetized impacts of training.

# Appendix B - Definitions of metrics (continued)

ESG component	Definition
<b>Governance metrics</b>	
Governing purpose	The organizations' stated purpose that is linked to social benefit and their core business.
Quality of governing body	Composition of the highest governance body and its committees, as well as their responsibilities for decision-making on strategy, risk, economic performance, and associated environmental/social topics.
Stakeholder engagement	A list of the material topics identified in the process of defining report content and how they impact stakeholders.
Ethical behaviour	Internal and external mechanisms for seeking advice about ethical and lawful behaviour and organizational integrity, along with reporting concerns about unethical or unlawful behaviour and organizational integrity.
Risk and opportunity oversight	Integrating risk and opportunity into business processes by clearly identifying the principal risks facing the organization specifically (i.e. data security protection), the governing body's appetite in respect of these risks, how these risks have moved over time, and the response to those changes.
<b>Prosperity metrics</b>	
Employment and wealth generation	Includes employment rate, economic contribution, financial investment contribution, infrastructure investments, services support, and economic impacts.
Innovation of better products and services	Component includes total R&D spend and social value generated.
Community and social vitality	Disclosure refers to investments made in local communities.

# Appendix C - United Nations Sustainable Development Goals

This table outlines how BDO support the United Nations Sustainable Development Goals (UNSDGs) adopted by United Nations Member States in 2015.

						
<p>BDO is dedicated to supporting communities across Canada. Our people proudly volunteer their time and resources to help impactful organizations, including Farm Credit Canada's (FCC) Drive Away Hunger campaign, which we have supported for 15 years, raising a total of over \$2.5 million. With the continued rise of food costs and rates of insecurity in Canada, the need for our support has never been greater.</p> <p>For further information on how we contribute to this goal, please refer to page <a href="#">42</a>.</p>	<p>At BDO Canada, we understand the value of our people. We would not be where we are today without their dedication, motivation, enthusiasm, and passion. That is why we are committed to providing a healthy, safe, inclusive, accessible, and supportive workplace. This includes physical health, mental health, and social well-being. Our national Human Resources team consistently incorporates feedback from our people to ensure they are heard.</p> <p>For further information on how we contribute to this goal, please refer to pages <a href="#">28</a>, <a href="#">34</a>, and <a href="#">36</a>.</p>	<p>We want to support the passion and motivation of our people in the most effective way possible: empowering them to reach their personal career goals and ambitions. We prioritize professional development and ongoing learning in areas our people are passionate about and that are aligned with the firm's vision and strategy. We've restructured our Learning and Development approach by using a Capability Framework that is focused on building our people's technical, digital, and enabling skills. A differentiated talent experience through advanced learning and development is a key strategy.</p> <p>For further information on how we contribute to this goal, please refer to page <a href="#">39</a>.</p>	<p>BDO Canada is committed to creating an inclusive and equitable environment where everyone feels valued and respected and where all people can bring their genuine selves to work, actively participate, and succeed. We recognize the barriers to professional advancement that women face in our industry. Our Women's Pillar within our National Diversity, Equity, and Inclusion (DEI) Advisory Council works with leadership to address and reduce these barriers in our firm wherever possible. We continue to invest in education, mentorship, and empowerment initiatives for women at BDO, as well as review and revise our processes and policies to enhance equality. As we strive to achieve 50% gender parity and 30% representation from combined diversity pillars in senior roles, we're proud that 44% of our ELT are women and 37.5% are other equity-deserving groups.</p> <p>For further information on how we contribute to this goal, please refer to page <a href="#">28</a>.</p>	<p>BDO Canada supports businesses across all segments with essential professional services. Our firm makes significant contributions to decent work and economic growth by providing our people with a safe and healthy work environment, competitive salaries, and employee benefits. We also contribute to this goal by employing more than 5,400 Canadians.</p> <p>For further information on how we contribute to this goal, please refer to page <a href="#">34</a> and <a href="#">36</a>.</p>	<p>We are deeply committed to innovation; it is a core part of our DNA. Our new Innovation &amp; Change team is focused on exploring, investing in, and implementing new ideas that drive growth and create value for our clients. Through purpose-led innovation, we aim to enhance our clients' experiences, future-proof our business, and contribute to a more sustainable future.</p> <p>For further information on how we contribute to this goal, please refer to page <a href="#">45</a>.</p>	<p>As a professional services firm, we believe that we play an essential role in supporting the transition to a low-carbon economy. As a signatory to the Net Zero Financial Service Providers Alliance (NZFSPA), our firm is committed to reaching net zero by 2050 and reducing our emissions by half by 2030. We are committed to supporting our clients along their net-zero journey and have integrated climate solutions into our core services and business activities.</p> <p>For further information on how we contribute to this goal, please refer to page <a href="#">20</a>.</p>

Source: United Nations. (n.d.). Make the SDGs a reality.

# Appendix D – Greenhouse gas inventory project

Below we outline the Greenhouse Gas (GHG) Protocol methodology, which we used to estimate our carbon footprint from Scope 1, Scope 2, and Scope 3 emissions.

## Setting our boundaries

In alignment with the GHG Protocol, our GHG inventory project uses the operational control approach where we account for 100% of the GHG emissions from the operations over which we have control. Operational control is defined as those areas in which BDO has the full authority to introduce and implement operating policies at the worksites.

## Applicable emissions and our estimate methodologies

### Scope 1: Direct GHG emissions

To account for Scope 1 emissions, the following items were included:

- BDO has natural gas Scope 1 emissions. There are no other fuels (directly combusted) within our work sites.
- We have estimated refrigerants and other fugitive emissions to be negligible/immaterial and assume zero emissions. BDO will continue to work with its property managers and attempt to gather this information moving forward.

### Scope 2: Indirect GHG emissions

BDO's Scope 2 emissions include purchased electricity, steam, and cooling.

We have a limited number of work sites which use purchased heat or steam—these were included as part of our Scope 2 emissions estimates. Given the limitations in the data set available as part of our inaugural GHG inventory project, we extrapolated our 2022 Scope 1 and Scope 2 emissions based on the following information:

- **Electricity** activity data from 27 worksites, totalling 502,000 square feet (representing 44% of the total leased space).
- **Natural gas** activity data from 17 worksites, totalling 354,000 square feet (representing 31% of the total leased space).
- **Building area footprint:** For offices with no disaggregated common area maintenance (CAM) data, we established a 'manufactured' CAM% based on Leadership in Energy and Environmental Design (LEED) certification rating estimates and aligning with the Building Owners and Managers Association Standard Methods of Measurement (BOMA) for Canadian Property Evaluation by the Appraisal Institute of Canada.

- **Worksites with unavailable data:** For work sites without accurate leased area information, we used the median space of all known work sites and extrapolated the kilowatt hour (kWh) usage per month per square foot.
- **Provinces with unavailable emissions data:** For provinces with work sites that do not have any reported emissions data, we used the data factors for a comparable province for which data was available and had similar emissions intensity ranking within Canada, and multiplied by the total office area to estimate the amount of emissions.

### Scope 3: Other indirect GHG emissions

The following categories were included as part of the Scope 3 emissions, based on the data provided to BDO by vendors and suppliers:

- **Category 1: Purchased goods and services**
- **Category 2: Capital goods**
- **Category 4: Upstream transportation and distribution**

We used the spend-based Extended Environmental Input-Output (EIO) method to estimate the emissions of these three categories. To convert the spending total to estimated emissions, we used the 2018 U.S. EPA Emission Factors for U.S. Industries and Commodities and adjusted for appropriate foreign exchange and inflation rates.

- **Category 5: Waste generated in operations**

Given the limitations in the data set available as part of our inaugural GHG inventory project, we extrapolated our 2022 Scope 3 - Category 5 emissions based on the following information:

- Water activity data from 19 work sites, totalling 427,000 square feet (representing 37% of the total leased space).
- Waste (landfill, recycling, compost) activity data from eight work sites, totalling 37,000 square feet (representing 3% of the total leased space).

Due to the relatively minimal information received on waste and water-related emissions, we estimated a per-person usage/output from the data available and applied this estimate to the total BDO work site population (average headcount over January 2022 to December 2022). The percentage of those coming into the office is calculated using IT login data from September 2022 to January 2023.

# Appendix D – Greenhouse gas inventory project (continued)

- **Category 6: Business travel**

Approximately 20% of our employees' travel arrangements is through our national travel vendor, which provided us with primary data regarding our employees' business travel.

For 2022, BDO used a combination of the distance-based method related to specific business travel provided by our travel vendor, as well as the spend-based method, to estimate emissions associated with business travel. To estimate the emissions from the spend data, we used EEIO emission factors from 2018 U.S. EPA Emission Factors for U.S. Industries and Commodities and adjusted for the appropriate foreign exchange and inflation rates.

- **Category 7: Employee commuting**

Employee commuting is a significant contributor to our Scope 3 emissions. Given the limited data available on the type, quantity, and cost of fuel consumed during transportation, as well as the mode of transportation used by employees, we estimated the emissions based on average data of commuting patterns.

The average headcount for the firm in fiscal year 2022 was 5,543 employees—1,621 employees completed our commuting survey (representing a 29% participation rate). The percentage of those coming into the office is calculated using IT login data from September 2022 to January 2023, extrapolated over a full 12-month period.

For estimated emissions related to remote work, we used the highest energy configuration of equipment currently provided to employees; this is calculated based on the energy consumption rates of the most common equipment model in the computer series in use and assuming an average operating time of eight hours per day.

- **Category 13: Downstream leased assets**

Of the 113 work sites within the 2022 reporting scope, one of BDO's spaces is subleased. The space at this location is 17,347 square feet and it accounts for 1.5% of BDO Canada's total square footage.

As we continue refining our data collection process and improving the quality of our data and estimates, we will consider recalculation of base year emissions, once established, based on the following cases:

- Structural changes in the firm.
- Changes in the calculation methodology or improvements in the accuracy of emission factors and activity data that result in a significant impact on the base year estimates.
- Discovery of significant errors.



# Appendix E – DEI learning programs

DEI learning program	Description
<b>Beyond Status Quo: DEI and the Future of Work</b>	This program focuses on how to build self-awareness, move from awareness to action, and transform your workplace with purposeful and inclusive leadership.
<b>Creating an Inclusive Culture of Trust and Belonging</b>	This program is designed to help leaders develop and advance their inclusive and authentic leadership style to create cultures where everyone feels included, heard, and valued.
<b>Forging New Paths: Women's Advancement in Life and Work</b>	This program is intended to demonstrate ways in which women can unlock their strengths and forge new paths toward fulfillment and advancement in life and work.
<b>Accelle</b>	<p>This monthly learning program is available to all women at BDO to support the advancement of their careers. The program includes tools and support regarding important issues such as:</p> <ul style="list-style-type: none"> <li>• Navigating the challenges and barriers you face to accelerate your career success.</li> <li>• Improving your ability to lead, negotiate, and influence with impact.</li> <li>• Finding work-life balance and learning how to say no to distractions that are not aligned with your goals.</li> </ul> <p>The Velocity Elite program is available for women senior managers to support their journey into leadership.</p> <p>In 2022, 124 new registrants joined the Velocity program, bringing total registrants to over 700.</p>
<b>Understanding Unconscious Bias</b>	This course educates our people about the characteristics of unconscious bias and the nature of buried prejudice, helping them understand how they can inadvertently affect thinking and decision-making. Our staff also gain knowledge on the advantages of implementing an anti-biased approach to people and situations in the workplace.
<b>Overcoming Unconscious Bias in the Workplace</b>	In this course, our people learn to recognize how superficial differences can contribute to bias and lead to prejudice and social stereotypes. To help combat unconscious bias, they learn specific tactics for overcoming explicit and implicit bias and how to be an inclusive leader.
<b>Overcoming Your Own Unconscious Biases</b>	Recognizing that we all hold biases, this course empowers our people to learn how to recognize their own unconscious and implicit bias and how they can fall prey to social stereotypes.
<b>Expert Insights on Unconscious Bias</b>	This course equips individuals with the ability to identify their own biases and provides them with effective strategies to make better decisions that lead to stronger relationships.

# Appendix F – WISE Award winners

WISE Award recipient	Recipient's reflections
<b>Kendra Machan, Director, Financial Reporting &amp; Insights, Business Services &amp; Outsourcing</b>	"BDO has been supportive of my passion around diversity, equity, and inclusion initiatives in my local office. They have allowed me to work towards my goal of creating a workplace where everyone feels welcome and comfortable to be their authentic selves. They understand the importance of celebrating our differences to grow as a firm."
<b>Erin Tait, Partner, Business Services &amp; Outsourcing</b>	"The team at BDO has supported the growth and expansion of my career, not only enabling, but encouraging me to develop my own unique professional presence and leadership style. My perspectives and ideas have been valued and I have been afforded engaging opportunities to carve my own path to achieving my goals and building a career that I'm proud of."
<b>Laura Johnson, Vice President, Management Consulting</b>	"As a BDO senior leader that has the privilege of working with Indigenous communities and with women's empowerment groups and organizations across Canada, I was particularly honoured to be a recipient of the BDO WISE Award. For me, the most challenging aspect to navigate as a woman in a leadership role has always been bringing my authentic self to the workplace and allowing supportive voices to be louder than my own fears and inner dialogues. I have been so fortunate with mentors in my own career that, now, to continue breaking down the bias, I find it only natural to be a loud support voice for other women as they grow in confidence and find their own voice and their own leadership style in their careers."
<b>Shilpa Mishra, Partner, Capital Advisory</b>	"BDO is committed to advancing women into leadership and giving back to the community. I felt that business owners I worked with needed to be better represented in the media. So last year, with our marketing lead Steph Kovacs and the full support of my leadership team, I launched the Mid-Day Money webcast. The webcast featured business owners from across the full spectrum of the mid-market with a focus on women-owned businesses. The webcast allowed aspiring business owners to tune in and see mid-market CEOs and other mid-market influencers who look like them and believe they can get there, too. The webcast started with 20 viewers in the Greater Toronto Area and is now viewed by over 4,000 globally. The webcast and its success would not be possible without the support of BDO."
<b>Braham Moondi, Partner, Audit &amp; Assurance</b>	"Access to opportunity, a platform to share ideas, and great mentorship have been the tenets that contributed to my success at BDO. As I am now in a position of influence, I cherish the opportunity to create diversity in leadership so that everyone feels safe and supported in achieving their goals."
<b>Tera Beljo, Manager, Social Media Marketing</b>	"BDO is one of the first places I have worked that has not only fully embraced all of me but has celebrated it. At BDO, I am a passionate biracial Black woman, whose views are respected and heard. At BDO, I am a mother who is allowed the flexibility to hand out pizza at my child's school or be at the bus stop. At BDO, I am a creative, who is encouraged and given projects that feed that side of me and allow me to grow professionally. And all of those things lead me to be a recipient of the inaugural WISE Award."

# Appendix G – Social data summary

The tables in Appendix G present a breakdown of our workforce by gender, age, and employee attrition.

## People - Dignity and equality

Gender and age diversity data for 2022 is outlined below as it relates to our employee and governance categories. More information on our approach to tracking and reporting on indicators of diversity can be found in our 2022 diversity snapshot .

	Male	Female	Under 30 years old	30 to 50 years old	Over 50 years old
Workforce	41.1%	58.7%	33.2%	46.8%	20.0%
Client-facing*	46.7%	53.1%	37.2%	45.5%	17.3%
Partner	71.3%	28.0%	0.0%	57.5%	42.5%
Director	63.5%	36.5%	0.0%	46.0%	54.0%
Senior manager	48.6%	51.4%	4.0%	75.5%	20.5%
Manager	47.2%	52.5%	25.4%	61.5%	13.1%
Non-management staff***	41.1%	58.7%	54.6%	33.5%	11.9%
Non-client-facing**	20.5%	79.3%	18.1%	51.9%	29.9%
Partner	66.7%	33.3%	0.0%	22.2%	77.8%
Director	30.0%	65.0%	0.0%	75.0%	25.0%
Senior manager	37.8%	61.0%	1.2%	72.0%	26.8%
Manager	28.2%	71.8%	9.9%	68.3%	21.8%
Non-management staff***	21.5%	78.5%	19.2%	47.8%	33.0%
Administration	4.7%	95.3%	28.5%	45.1%	26.4%
Board	67%	33%	0%	44%	56%
Executive Leadership Team	56%	44%	0%	60%	40%
Senior Leadership Team	74%	26%	0%	61%	39%

\*Client-facing roles are described as those with more than 40% billable time. \*\*Non-client-facing roles are described as those with less than 40% billable time. Non-client-facing staff include our firm-wide services teams. \*\*\*Non-management roles include seniors, specialists, intermediates, juniors, and co-ops.

# Appendix G – Social data summary (continued)

## Prosperity – Employment and wealth generation

Employment data for 2022 is outlined below. More information on our approach to tracking and reporting on indicators of diversity can be found in our [2022 diversity snapshot](#).

	Male	Female	Under 30 years old	30 to 50 years old	Over 50 years old
Hires	43.2%	55.4%	59.1%	33.0%	6.5%
Client-facing	48.2%	50.5%	62.6%	30.6%	5.5%
Non-client-facing	18.1%	80.5%	41.4%	45.4%	11.8%
Attrition*	18.8%	16.4%	23.5%	16.3%	10.0%
Client-facing	19.0%	18.0%	23.1%	17.4%	11.2%
Non-client-facing	17.7%	12.6%	26.0%	12.7%	7.6%

## Total attrition rate

<b>Total</b>	<b>17%</b>
Male	18.8%
Female	16.4%

\*Attrition figures do not include contingent workers, contractors (fixed term) or co-ops.

# Appendix H – Health and well-being programs and initiatives

This table outlines the programs and initiatives we made available for our people in 2022 to support their health and well-being.

Program/Initiative	Description
<b>Real Life Matters Benefit Program</b>	BDO's flexible benefits program gives employees the convenience and flexibility to design a personalized benefits program that's right for them and their families.
<b>Employee Family Assistance Program</b>	BDO's employee and family assistance program offers employees and their families access to confidential services including assistance with finding child care or elder care, financial resources such as retirement planning and other family-friendly services. Families are defined as anyone within an employee's household to encourage inclusivity.
<b>Wellness Reimbursement Program</b>	An annual allotment of funds related to initiatives that promote employee personal health and wellness, such as fitness memberships, wellness apps, etc.
<b>Employee Experience Reimbursement Program</b>	The Do What You Love employee experience reimbursement program allows employees to reimburse any experience or activity not covered by the Wellness Reimbursement Program, all to encourage healthy habits and take personal time off to enjoy what makes them happy.
<b>Wellness Resource Centre</b>	A centralized forum outlining BDO's wellness offerings and providing access to support and resources. It also includes educational materials (articles, webcasts, training, and links) on our various health and well-being programs and initiatives.
<b>Personal time off</b>	Personal time off (PTO) provides all employees with paid time off to manage the multiple commitments of everyday life and to support their success. PTO can be used for any reason including vacation, illness, tending to an emergency, an appointment, study time, volunteering, religious observances, a community event, or other any matter. PTO coverage is between five to seven weeks depending on years of service and employee type.
<b>You Make the Difference</b>	A recognition opportunity designed to express appreciation to individuals or teams that go above and beyond in living our values. Thanking a colleague or team is as easy as sending an e-card.
<b>Extended long weekends</b>	By adding an extra full day off to five long weekends throughout the year, our people can enjoy an extended break—this program complements regular PTO.

# Appendix I – Learning and development: Average training hours

Our people bring a unique value to our firm. That is why we are committed to the holistic development of our people, to help them achieve their personal goals, realize their ambitions, and live their passions. These tables outline the time we've dedicated to supporting our people through training, broken down by position and average per-person training hours we dedicated.

Category	Average training hours per person*
Partner	37
Director	17
Senior manager	27
Manager	25
Senior	35
Junior/Specialist/Intermediate	36
Administrative	11
Co-op/Intern	41
<b>Total</b>	<b>32</b>

\*Training hours are defined as verifiable training based on program durations offered by or through BDO Canada LLP, for example, our Workday completion status reports, Percipio learner activity reports, learning pilot programs, and development programs.

Average headcount is used to calculate learning and development metrics per person. Average headcount for the year is defined as the average total number of partners and employees, including both active employees and departures.

It should be noted that BDO is compliant with the professional development requirements of CPA Canada. The data presented here does not include external training such as self-study, authoring, facilitated technical training, etc .

Category	Average training hours per person
Female	30
Male	35
Not declared	21
<b>Total</b>	<b>32</b>

Category	Average training spend per FTE**
Total training spend	\$10,070,616
Total FTE	\$5,123
<b>Average training spend per FTE</b>	<b>\$1,966</b>

\*\*The full-time equivalent (FTE) is the number of hours worked by a single full-time employee over any period.

# Appendix J - Community and social vitality

We track our investment in community sponsorships and charitable donations to demonstrate the long-term value that BDO creates for society at a local and national level in Canada. Much of the firm's community efforts, however, cannot be measured or monetized. This table provides a breakdown of the dollar value of our community investments.

Type	Community investments (2022)	(\$)
Sponsorships	Charitable—scholarships and bursary sponsorships	\$314,299
Sponsorships	Non-charitable—sports teams and other local sponsorships	\$1,531,220
Donations	Charitable—monetary donations	\$202,786
<b>Total</b>		<b>\$2,048,305</b>

# Appendix K – Skills and experience used to recruit Board members

This table defines the skills and experience that strengthen our Board of Directors.

Category	Description of skills and experience
<b>Risk management and assessment</b>	Experience identifying enterprise-wide/corporate risks and to ensure that management has implemented the appropriate systems to manage risk.
<b>Technology / Data analytics / Digital / AI / Cybersecurity</b>	Understanding the use of digital tools and capabilities to advance and enhance performance and its impact on people, processes, and tools, including controls to protect systems, networks, programs, devices, and data from cyber attacks.
<b>Organizational management</b>	Understanding organizational design and management, including succession planning and culture. Experience with governance of innovations and effective change management, stakeholder engagement, and operational design and excellence.
<b>Talent strategy / Human resources / Executive performance review</b>	Understanding/experience with strategy of human resource/personnel considerations for key talent recruitment, compensation structure, and performance review.
<b>Business leadership / Corporate / Strategic planning experience</b>	Experience with business/corporate and strategic planning, relevant leadership experience, evaluation, and implementation of a strategic plan. Clearly demonstrates strategic and execution capabilities.
<b>Board / Governance</b>	Experience in serving on large Boards and/or serving as a committee chair.
<b>Regulatory environments</b>	Knowledge of regulatory environment, changes in regulations, etc., which impact the firm and its services.
<b>ESG</b>	Understanding of environmental, social (including DEI matters), and governance standards for company operations.
<b>Indigenous cultural knowledge and/or experience</b>	Knowledge and experience working with and within Indigenous communities, and current and upcoming considerations for Indigenous people and communities.
<b>Client engagement</b>	Experience targeting markets, design thinking, customer experience (CX), e-commerce, client segmentation/analysis, client value, and proposition.
<b>Crisis management</b>	Experience working through a crisis and its impact to the business, clients, and people.
<b>Mergers and acquisitions</b>	Experience with mergers and acquisitions.
<b>Accounting and financial knowledge</b>	Understanding of financial operations management, financial statements, auditing, and other issues regarding finance.



# Appendix L - Board committees

Appendix L outlines the purpose and composition of our Board Committees.

## Financial Oversight Committee

The key purposes of the Financial Oversight Committee include:

1. Informing and making recommendations to the Board on financial reporting and financial management issues.
2. Providing oversight on those issues that are fundamental to promoting the financial integrity of the management reporting process.
3. Monitoring the financial performance of BDO.

The Board Chair appoints the Chair and members of this committee, which include:

### Chair of the committee



**DARYL MADUKE**  
Partner, Tax

### Board members



**BOB MCMAHON**  
Partner, Audit & Assurance



**ALLAN PAYNE**  
Partner, Business Services & Outsourcing



**DAVID VELD**  
Partner, Audit & Assurance

Executive Officers and others present by invitation of the committee may include:

### Executive officers and others



**DAVID SIMKINS**  
Chief Operating Officer



**JOE DOBSON**  
Director of Finance

\*The CEO and Board Chair are invited to all Committee meetings.

# Appendix L - Board committees (continued)

Appendix L outlines the purpose and composition of our Board Committees.

## Governance & Risk Committee

The key purposes of the Governance & Risk Committee (the "G&RC") include:

1. Assisting the Board in fulfilling its risk oversight responsibilities.
2. Ensuring periodic review and update of the Partnership Agreement, Board policies, and operating policies.
3. Monitoring and supplementing the Board's skills matrix.
4. Other duties as determined by the Board.

The CEO and the Board Chair are invited to all committee meetings. The Board Chair appoints the Chair and members of this committee, which include:

### Chair of the committee



**ANTHONY MARINELLI**  
Partner, Audit & Assurance

### Board members



**BOB MCMAHON**  
Partner, Audit & Assurance



**KELLY HAGEN**  
Partner, Technology



**JANET BOYLE**  
Independent Board Member

Executive Officers and others present by invitation of the committee may include:

### Executive officers and others



**AMY PROVVISIONATO**  
Chief Risk Officer



**CHRISTINA PORRETTA**  
Chief Legal Officer

\*The CEO and Board Chair are invited to all Committee meetings.

# Appendix L - Board committees (continued)

Appendix L outlines the purpose and composition of our Board Committees.

## Talent & Culture Committee

Formerly known as the Partner Relations Committee<sup>8</sup>, the primary purpose of the Talent & Culture Committee (the "T&CC") is to assist the Board in fulfilling its oversight responsibilities for:

1. Advancing talent management practices, including human resources strategy, employee engagement and culture.
2. Providing input on succession and promoting talent management.
3. Reviewing and recommending partner compensation.
4. Reviewing and recommending executive compensation, including performance evaluation.
5. Risks related to talent management.

The Board Chair appoints the Chair and members of this committee, which include:

### Chair of the committee



**JENNIFER DUNN**  
Partner, Tax

### Board members



**CHERYL HUGILL**  
Partner, Business Services & Outsourcing



**ALLAN PAYNE**  
Partner, Business Services & Outsourcing



**KELLY HAGEN**  
Partner, Technology

Executive Officers and others present by invitation of the committee may include:

### Executive officers and others



**KERRI PLEXMAN**  
Managing Partner, Talent & Culture



**CHRISTINA PORRETTA**  
Chief Legal Officer

<sup>8</sup> The Talent & Culture Committee was formerly known as the Partner Relations Committee. The terms of reference were updated in the first quarter of 2023.

\*The CEO and Board Chair are invited to all Committee meetings.

# Appendix L - Board committees (continued)

Appendix L outlines the purpose and composition of our Board Committees.

## Strategy & Execution Committee

The Strategy & Execution Committee (the "S&EC") was created by the Board in 2022.

With the appointment of the new CEO in July 2022, an updated strategy was developed and rolled out to the partnership and firm in January 2023. The Board created this ad-hoc committee to ensure the new strategy and its goals and measures are aligned with business needs moving forward. The initial meeting was held on Jan. 31, 2023, and there will be subsequent meetings every quarter (April, July, October, January). Additional meetings can and will be scheduled as required.

The Board Chair appoints the Chair and members of this committee, which include:

### Chair of the committee



**CHERYL HUGILL**  
Partner, Business Services & Outsourcing

### Board members



**DAVID VELD**  
Partner, Audit & Assurance



**JEAN DESGAGNÉ**  
Independent Board Member

Executive Officers and others present by invitation of the committee may include:

### Executive officers and others



**BRUNO SUPPA**  
Chief Executive Officer



**DAVID SIMKINS**  
Chief Operating Officer



**NICK LANE**  
Chief of Staff

### Chair of the board



**KENT BOTHAM**  
Partner, Audit & Assurance

\*The CEO and Board Chair are invited to all Committee meetings.

\*Managing partners and other individuals will be invited as guests of the committee when required.

Thank you for taking the time to review our ESG report. We are proud to adopt responsible business practices that embody our unwavering commitment to ESG and to bending the arc of possibility for our people, our clients, and our firm. If you have any questions or would like to speak with one of our practice members, please contact us.

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**About BDO**

BDO is a leading provider of professional services, delivering a range of assurance & accounting, tax, and advisory services. Complemented by continuously advancing technology expertise, ESG focus, and 100+ years of being connected to local communities, we're proud to cultivate ongoing relationships with clients and employees across Canada and beyond. Our people-first approach to our talent experience has earned us multiple awards, including a spot among Canada's Top 100 Employers for 2023.

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