



BDO SOUTH AFRICA

**SUSTAINABILITY
REPORT 2022**

**REALISING THE
FUTURE, NOW**

ABOUT THIS REPORT

In this Sustainability Report 2022 for the financial year 1 April 2021 to 31 March 2022 (FY2022), our third such report, we address the sustainability performance of BDO South Africa's seven offices in line with our Clarity Charter (*The BDO Clarity Charter*).

The Clarity Charter represents our commitment to be honest and transparent in our work and to make a positive difference in our profession.

Our sustainability reporting reflects our key sustainability issues as we continue our journey towards "realising the future, now".

Our Environmental, Social, and Governance (ESG) Policy (link) is the blueprint for our journey. This report outlines the ESG aspects of our business, and our impact on communities and the environment. It is supported by our commitment to our material issues as well as their relationship to the nine selected United Nation's Sustainable Development Goals (SDGs) that are strategically important to BDO South Africa.

We have aligned our reporting with the World Economic Forum International Business Council (WEF IBC) framework to monitor and report on our sustainability performance, commitments and targets. This framework presents a core set of global metrics to achieve a baseline of transparency and comparability when reporting on ESG issues and provides four reporting pillars that are aligned with the SDGs against which to report:



Principles of governance



People



Planet



Prosperity

The metrics and disclosures are drawn wherever possible from existing standards and disclosures (such as the GRI, Sustainability Accounting Standards Board, Task Force on Climate-related Financial Disclosures, etc.) with the aim of amplifying and elevating the rigorous work that has already been done by these initiatives – bringing their most material aspects into mainstream reports.

ABOUT BDO

BDO is a trusted adviser to clients seeking audit, tax and advisory services. As one of the world's leading audit and accounting organisations, we have clients of all types and sizes, from large corporate organisations to private businesses, entrepreneurs and individuals across an array of industry sectors.

BDO was established from a global beginning in 1963 with five original member firms in the UK, Germany, the Netherlands, the USA and Canada. BDO South Africa was established as an association of firms in 1980. Today, BDO extends across 167 countries and territories with 1 713 offices for our 95 414 employees worldwide.

What 'BDO' stands for

BDO stands for Binder Dijkjer Otte. In 1973, the British, German and Dutch member firms adopted a common name whose acronym has endured for the entire global organisation. That name was Binder Hamlyn (UK), Dijkjer & Co (Holland), and Otte & Co (Germany).

Vision: To be leaders in exceptional client service



Our vision is to be the leader for exceptional client service, and this means a laser focus on quality in all of BDO's offices and territories, in order to ensure the consistent delivery of exceptional service worldwide. For us, exceptional client service is based on five key components that define BDO today:

- 1 Client needs
- 2 Communication
- 3 Commitment
- 4 People
- 5 Value

Client needs

BDO works with clients listed on all of the world's major stock markets and we are the adviser of choice for many of the largest private companies in each territory where we have a presence. We invest a great deal of time in getting to know our clients by building personal relationships so that we can anticipate their needs and offer genuine value add. We aim always to fulfil our clients' complex needs, through a combination of in-depth local market knowledge and global industry expertise and technical skills.

Communication

Our top priority is to be clear, open and swift in all our communication. In practice, this means ensuring short lines of communication, so our clients always know who to talk to. Our client teams, including our senior professionals, are easily contactable so their experience in offering in-depth industry expertise and commercially astute insights is readily available.

Commitment

Our constant drive towards achieving the high expectations of our clients is in our DNA. This means that every BDO firm is committed to providing the consistently high-quality service delivery to

meet their clients' needs. We put this commitment into practice through the demanding client service standards that all our firms are required to meet and we have also implemented a global Net Promoter Score (NPS) programme to facilitate the gathering of client feedback, specifically with reference to our vision's five attributes. Our clients appreciate the outcome: efficient, constructive, workable and timely solutions, tailored to their particular needs.

People

In every BDO firm we employ experienced people and empower them to make a difference through top-class training, opportunities and reward. By providing the right environment for our people and the right people

for our clients, we ensure a focus on the delivery of exceptional client service in all our firms. Our people are proud to work for BDO and this is clear when they talk about our global organisation and their interaction with clients.

Value

At BDO, we believe that our new ideas and innovative thinking help clients achieve their objectives and contribute to their commercial success – now and in the future. The actionable advice we provide is backed by local and regional expertise, together with global experience. In our increasingly globalised economy that is an essential added value factor for every client's business.

Values



Our values are critical to us achieving the principles of our Clarity Charter, which is about clear thinking, transparency and being clear about what's right (and what's not) in the work we do. Our values are the foundation of ALL our conversations, ALL our work, ALL our advice and ALL our relationships. They're a part of our internal culture, how we work, and how we engage. Additionally, BDO's global purpose statement, our **WHY**, is **PEOPLE HELPING PEOPLE ACHIEVE THEIR DREAMS**. Managing and growing a sustainable business is vital to deliver on dreams, whether it be for our people, or business.

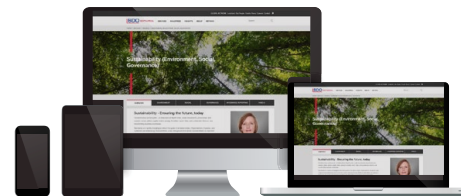
R DO THE RIGHT THING... ALWAYS
E BE EXCEPTIONAL
A ADD VALUE
C COLLABORATE TO WIN
T STRONGER TOGETHER

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Our reporting suite can be found on:

www.bdo.co.za/en-za/services/advisory/sustainability




KEY HIGHLIGHTS

 **1,957** employees in South Africa

 Recognised as a **Level 1 B-BBEE** contributor

 **59%** female employees

 **134** promotions

 Revenue of **R1.561 billion**

Directly from BDO SA profits:

120,00.00

Donations to our causes:

1,516,800.00

Pro bono work:

2,464,990.30

CEO MESSAGE



Bonga Mokoena
Chief Executive Officer

When we launched the Clarity Charter in 2020, we committed to ethical, transparent and clear actions. The Sustainability Report 2022, which is in line with that commitment, details our activities and performance in this sustainability journey. While there is still a long way to go, we are proud of our contribution to ensure a sustainable future for our people and the planet.



At BDO South Africa, we are clear about what we stand for in terms of our policies – we will show up and be positive contributors to sustainability.”

Sustainability begins with each one of us, in terms of the choices we make every day. It is about how we show up, how we go about our lives as people, professionals, leaders and organisations. It entails the continuity of humanity, in terms of the order of life, and how we maintain that order from one generation to the next.

We must be intentional about sustainability. At BDO South Africa, we are clear about what we stand for in terms of our policies – we will show up and be positive contributors to sustainability. We pledge not to act in a way that brings about imbalances to the ecosystem. Our sustainability initiatives, position and policies underpin the commitment to act in an ethical, transparent and clear manner.

In this regard, our Clarity Charter ([The BDO Clarity Charter](#)) outlines who we are and how we use the highest standards of ethics, objectivity, independence and quality. Quality, of course, is about impact because anything that lacks quality cannot have positive impact. This informs our resolve to elevate ourselves in terms of doing good business. In the past, there have been different models of doing business, with a tendency to focus on profits. But we now understand that we can no longer advocate a business model that is preoccupied only with commercial interests. Broader and non-financial returns are equally important because of their long-lasting impacts.

Doing the right thing is at the centre of our values. As we endeavour to achieve positive social impacts, we collaborate with like-minded institutions and stakeholders. That means we must keep our stakeholders informed of our sustainability journey, and that is the role of this Sustainability Report 2022 together with the [Transparency Report 2022](#).

However, these initiatives will fail if we do not proactively address the issue of trust. There can be no sustainability without public buy-in and transparency. Unfortunately, there is a worrying erosion of trust in the profession, business community and the country. This is because leaders – whether in the political, private or public sector – engage in corruption and other white-collar crimes.

In conclusion, the loss of confidence and erosion of trust eventually impacts the business sector in South Africa which could translate to less investment into the economy. This loss of confidence can take many forms, including the downgrading of the country by ratings agencies or through the Financial Action Task Force. In this scenario, the country is the net loser. Transparency is a significant ethos to address the risks to our profession and the country, hence the need for heightened awareness and understanding of sustainability.

Bonga Mokoena
Chief Executive Officer
BDO South Africa

OUR MATERIAL ISSUES

ENGAGING WITH OUR STAKEHOLDERS

Stakeholder engagement is key to sustainability – we hosted various structured sessions with our stakeholders to discuss sustainability issues that are important to them. The feedback from this engagement built the baseline for this year's report. Our stakeholders are our:



Employees



Suppliers



Clients



Communities



Regulators



Shareholders

Our ESG criteria is a set of standards for how we operate in South Africa:



Environmental

Assessing how the firm's activity overlaps with broader environmental considerations



Social

How the firm manages relationships with a variety of stakeholders



Governance

Monitoring factors such as firm leadership and internal policies, practices and controls



OUR MATERIAL ISSUES ARE:

- 1 Ethical business practices
- 2 Employee development and training
- 3 Digitalisation and cybersecurity protection
- 4 Climate action and implementing our net-zero commitment
- 5 Environmental awareness and commitment
- 6 Effective governance
- 7 Diversity and inclusion
- 8 Data protection
- 9 Waste management
- 10 Employee wellness
- 11 Employee engagement and retention
- 12 Social upliftment through our corporate social responsibility initiatives
- 13 Resource efficiency in our offices

THE BDO SUSTAINABILITY APPROACH AND CONTEXT

Sustainability is paramount for the health, wealth and future wellbeing of all people. We are serious about the sustainability of our business, our profession, and the economic success of South Africa.

We recognise that we earn our social licence to operate by contributing to this country and by encouraging as broad a participation in the economy as possible.

We also understand our place and work in South Africa is strongly connected to the global economy, and that our long-term resilience will be guided by our ability to create lasting value for all our stakeholders.

We recognise the need to continually adapt our sustainability strategy, our service offering and the way we work to meet the expectations of all our stakeholders – our clients, our employees, our investors, our shareholders, our suppliers, our communities and our regulators – to protect our environment, our business, and the interests of generations to come. The ESG risks faced by corporations have recently exploded into every aspect of the business agenda – diversity and inclusion,

climate change, pollution, corruption, human rights, employee welfare, supply chain and COVID-19.

We aim to create and foster long-term benefits by taking into consideration how we operate within this increasingly complex environment – recognising threats, mitigating risks and capitalising on development opportunities. We aim to work with the wider business community to facilitate change, guided by the goals listed in the 2030 Agenda for Sustainable Development (adopted by all United Nations member states in 2015).

Our approach to ESG is underpinned by our commitment to our Code of Ethics and our values, and is reinforced by our Non-discrimination Policy, Social and Ethics Policy, ESG Policy and Whistle-blowing Policy.

SDGs

In line with our ESG Policy, we are committed to the following SDGs which are strategically material to us:



CLIMATE ACTION
Take urgent action to combat climate change and its impacts.



RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns.



DECENT WORK AND ECONOMIC GROWTH
Reduce inequality within and among countries.



GENDER EQUALITY
Achieve gender equality and empower all women and girls.



QUALITY EDUCATION
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



GOOD HEALTH AND WELL-BEING
Ensure healthy lives and promote well-being for all at all ages.

RISK MANAGEMENT AND MITIGATION

BDO continues to remain exposed to an ever-increasing number of risks due to continuous changes in the legislative environment as well as the rapid changing economic landscape.

With the evolving risks that we are exposed to, enterprise-wide risk management remains a key focus to ensure that BDO is equipped with the necessary tools to adequately identify and respond to current and potential risks.

BDO South Africa (BDO SA) has an established National Risk Management Committee (NRC) that is responsible for ensuring that BDO SA adheres to good corporate governance principles (including enterprise-wide risk management), achieves regulatory compliance and protects the assets and the reputation of BDO SA through risk management and quality control processes.

This committee ensures that processes are in place that look at the broad areas of governance and enterprise wide risk management while addressing the succession planning of key risk positions within BDO SA and liaising with BDO International on relevant risk matters.

NATIONAL RISK MANAGEMENT COMMITTEE (NRC) 2022 MEMBERS

- ▶ National Head of Risk Management: Keith Bowman (Chair)
- ▶ National Head of Audit and Assurance Quality Management: Christel Pretorius

Regional office risk partners:

- ▶ Cape Town: Keith Bowman
- ▶ Durban: Stuart McIlroy

▶ Johannesburg: Garron Chaitowitz

▶ Pretoria: Tinus Jansen van Vuuren

▶ Gqeberha: Mark Willimott

Other members:

▶ Johannesburg: Japie Schoeman

NRC responsibilities and duties

The primary responsibility of the NRC is to oversee and approve the company-wide risk management practices to assist the EXCO in:

- ▶ Ensuring that the executive team has identified and assessed all the risks that the organisation faces and has established a risk management infrastructure capable of addressing those risks
- ▶ Managing, in conjunction with other oversight committees, risks such as strategic, financial, IT, legal, regulatory, reputational, and other risks
- ▶ Overseeing the division of risk-related responsibilities to each committee as clearly as possible and performing a gap analysis to determine that the oversight of any risks is not missed
- ▶ Approving the company's enterprise-wide risk management framework
- ▶ Approving the company's policies, terms of references, director and partner admissions, and any other documents

In carrying out its duties and responsibilities, the NRC has the authority to meet with and seek any information it requires from employees, officers, directors or external parties.

During the year under review, the NRC reviewed and refreshed its assessment of the risks facing our organisation including those which could result in loss, damage to reputation and failure to deliver an exceptional client service.



PRINCIPAL RISKS AND UNCERTAINTIES

The key risks faced by our business and our responses to them are summarised below:

Health and safety risks

The COVID-19 restrictions imposed by the government in 2020 were all removed in June 2022. The pandemic challenged us to balance the business imperative of ensuring productivity with the human imperative of ensuring safety. Throughout this time, BDO SA was able to provide a working environment for our people that was safe by focusing on keeping employees physically and mentally healthy. BDO SA continues to implement these safety protocols as the company moved out of the strict lockdown restrictions.

In response to this risk, we continue to:

- ▶ Update and overhaul our remote working policies and capabilities, encouraging all employees to implement a hybrid working environment
- ▶ Encourage all employees to practice and implement good health and safety practices throughout the organisation

Many of our employees continue to regularly work from our offices, suggesting that our people see the value of in-person collaboration within the limits of what is safe. We ensure that all employees are adequately equipped to work remotely too.

Climate change

The fight against climate change is a priority for BDO as a global organisation, for our firms and their leadership. Climate change is a material risk for companies, including our clients, resulting in various stakeholders calling for transparency and accountability across ESG performance metrics to better understand the impact of business on the environment and communities.

To improve our understanding of BDO's role in climate action and climate-related risks, we conducted our first inventory for FY2022 to:

- ▶ Gather baseline data
- ▶ Identify appropriate low-carbon growth opportunities
- ▶ Implement climate change-related strategies.

In fulfilling the objectives of the GHG inventory, several indicators were determined in line with our operational activities and climate action targets. These included energy, water and waste-key indicators used and analysed in terms of our emission sources.



The fight against climate change is a priority for BDO as a global organisation, for our firms and their leadership. ”

RISK MANAGEMENT AND MITIGATION CONTINUED

Business continuity risks

The COVID-19 pandemic had an impact on every global industry to some extent. Our response showed an ability to adapt to and mitigate the increasing risks as they arose, highlighting the extent to which BDO is dependent on technology and information technology (IT) structures.

Our investments into enhancing our technological capabilities allowed our workforce to deliver their work remotely with minimal business interruption. Our ability to adapt to and mitigate the increasing risks associated with technology remain a priority and regular penetration tests, vulnerability assessments and network security reviews are ongoing.

The pandemic highlighted the importance of business continuity plans. BDO SA has placed emphasis on ensuring that suitable business continuity plans are in place for all regions.

Data protection

We regularly assess and meet a broad range of security controls, including data security. Among our most important assets are the trust and confidence that is placed in BDO to properly handle the confidential information of our clients, employees and business partners. We have developed Data Privacy Policies and Guidelines to ensure data privacy and protection. These policies and guidelines have been communicated to all partners, directors and employees, and are regularly reinforced through various means.

Our staff are required to comply with the principles of our Data Privacy Policies which ensure that all applicable data privacy laws, namely the Protection of Personal Information Act (POPIA) and General Data Protection Regulation, are met. Data privacy obligations are also included in our Terms and Conditions and Engagement letters.

Information security

Our focus on managing information security risk includes ensuring that our business mitigates the latest security threats and that we are prepared to detect and respond to cyber-incidents. Our Information Security Policy is aligned to industry best practice standards to ensure that our systems, processes and procedures keep our information secure.

With the increase in remote working, it has become even more essential to ensure that our information security protocols and protections are effective. In an environment where the IT network perimeter no longer ends at the office front door but extends to homes across the country, and even the world, the safety and security of our data and networks is even more of a business imperative.

Employees across our business receive cybersecurity awareness training, and we conduct regular cyber assessments, including vulnerability and penetration testing. Advanced cybersecurity solutions and processes have also been implemented to ensure that we are well-equipped to protect BDO within the context of an increasingly sophisticated cyber landscape.

People and talent risks

BDO SA has identified challenges in the area of people and talent which relate to the current global trends such as:

- ▶ High staff turn-over (the great resignation)
- ▶ The need for flexibility in working location and hours
- ▶ The need for upskilling/skills development

This has resulted in a proactive, practical perspective in how we address these as our people are core to our sustainability.

BDO SA continues to monitor and address these risks by attracting new talent and retaining top performing staff within the organisation by:

- ▶ Maintaining a dedicated presence at university and career forums
- ▶ Conducting regular engagement surveys and acting on areas of concern, while offering regular wellness counselling through our in-house psychologists
- ▶ Building our teams' capacities through management development programmes
- ▶ Developing retention strategies and managerial programmes
- ▶ Benchmarking salaries

Public perception and reputational risks

BDO SA continues to recognise the impact of failing to respond transparently to issues raised by the current environment, including adverse media coverage, which can impact the firm's reputation. There is a possibility that even with our rigorous client acceptance and media monitoring processes in place, the firm can be associated with a client or individual that could harm the firm's reputation.

To mitigate these risks, BDO SA drives a strong culture of integrity through our Clarity brand positioning, our refreshed values, and our public commitment to taking the audit, advisory and tax professions forward in an ethical and transparent manner.

Regulatory compliance risk

The audit profession in South Africa is under increasing regulatory scrutiny and pressure. Given our continuous growth and the range of services we offer, a possibility exists for the firm to engage with different parties that could threaten our objectivity and confidentiality. To support our regulatory compliance efforts, we have split the Risk Management and Compliance functions and, in doing so, each area has the dedicated focus and resources needed to mitigate risk. These measures include:

- ▶ Independence and conflict checks that are built into the client onboarding, engagement and acceptance process
- ▶ Annual independence declarations that all employees complete
- ▶ Clear policies, procedures and guidance internally and within the BDO network of firms
- ▶ Ethics training and workshops to enhance our understanding and compliance with ethical and regulatory matters

KEY METRICS

We are dedicated to upholding the highest standards of ethics and compliance in accordance with both internal policies and external laws and regulations. All our partners, directors and employees are expected to uphold the highest degree of ethical, legal and professional conduct.

LEADING FROM THE TOP

Our leadership fosters a culture that embraces high standards in independence and professional ethics. We embed this culture through detailed policies on matters such as ethical behaviour and engagement performance. Our leaders also frequently and consistently communicate the firm's purpose and values.

ANTI-CORRUPTION

Having an anti-corruption stance and measures in place to mitigate corrupt activities is important to the sustainability of any organisation.

ANTI-CORRUPTION TRAINING

BDO SA is part of the BDO global committee which will be implementing a global framework to ensure that all BDO member firms have such policies in place and to determine what the requirements in relation to those policies should be. We include economic crime measure clauses around anti-bribery and corruption in our standard Terms and Conditions of employment as well as in supplier contracts.

We will implement training for staff on anti-money

laundering and anti-bribery and corruption in the next reporting period. The BDO South Africa Anti-Bribery and Corruption Policy was updated in FY2022.

ETHICS

BDO South Africa has adopted the Independent Regulatory Board for Auditors (IRBA) Code and the South African Institute of Chartered Accountants (SAICA) Code as the authoritative reference point for all matters dealing with ethics in carrying out audit services as well as non-audit services. The IRBA Code and SAICA Code are consistent in matters regarding ethics with the International Ethics Standards Board for Accountants (IESBA) Code.

In addition, every BDO employee is responsible for consistently following BDO's Code of Conduct, policies and procedures, as well as for choosing the right course of action if faced with an ethical workplace dilemma. All employees complete an annual declaration to confirm their compliance with our Code of Conduct, policies and procedures and values. Our policies and procedures govern the actions and working relationships of our partners, directors and employees with current and potential clients, fellow employees, competitors, government and regulatory agencies, the public, the media and anyone else with whom we have or may have contact.

Compliance with these policies and procedures are conditions of employment and partnership with BDO South Africa, and failure to adhere to their provisions may result in disciplinary action, including termination of service or employment. During the 2022 financial year, four incidents were reported to our Ethics and compliance hotline which were subsequently addressed.



Our leadership fosters a culture that embraces high standards in independence and professional ethics."



KEY METRICS CONTINUED



Our compliance team further remains focused on adhering to partner rotation rules and protocols.”

No material issues were identified and no one was found guilty of breaching or committing an offence.

MONITORING

BDO's monitoring of ethics includes:

- ▶ An investigation of all exceptions identified through the firm's annual independence declaration process and the firm's quality assurance review process:
 - A review of compliance with our policies in relation to partner rotation
 - A review of independence questionnaires completed on audit engagements
- ▶ The monitoring of compliance is a continuous process – the firm has a help desk through which employees can ask for guidance on any independence issues encountered

CONFLICTS OF INTEREST

Conflicts of interest may prevent us from accepting a client or an engagement. It is the responsibility of our partners to identify possible conflicts and ensure that any such conflicts can be properly managed before an engagement is accepted.

Before accepting any new client or engagement, our engagement teams perform specific procedures to identify potential conflicts of interest and threats to our independence which include:

- ▶ Local conflict of interest checks for all potential services
- ▶ A custom-developed web-based tool to facilitate

international conflict of interest and independence checks throughout the BDO network

- ▶ An independence declaration per audit engagement signed or confirmed by email by all partners and employees who are involved in the performance of the audit engagement
- ▶ A database of all our restricted entities, including listed companies and other public interest entities - this database is continuously updated

We also have a disciplinary structure in place to determine the appropriate sanction for any professional who violates the independence rules and firm policies and procedures. We have two committees to assess client acceptance, the:

- ▶ Independence and Client Acceptance and Re-Acceptance Committee
- ▶ Public Sector Client Acceptance and Re-Acceptance Committee

These two committees investigate all referred independence matters, conflicts of interest and reputational client acceptance/client re-acceptance issues and advise the engaging partner/directors on whether to continue with the process or terminate the process/relationship.

Our compliance team further remains focused on adhering to partner rotation rules and protocols. When needed, they assist engagement partners and the head of audit to prepare clients for the transition of engagement.

PRINCIPLES OF GOVERNANCE



QUALITY EDUCATION
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



GENDER EQUALITY
Achieve gender equality and empower all women and girls.



DECENT WORK AND ECONOMIC GROWTH
Reduce inequality within and among countries.

GOVERNANCE OF THE NETWORK

Management committees of the BDO network are the:

- ▶ Council
- ▶ Global Board
- ▶ BDO International Limited Global Leadership Team

The Council comprises one representative from each voting member and represents the member firms of BDO International Limited in the annual general meeting. The Council approves the central budget of the network, nominates the members of the Global Board and passes resolutions on changes to the Articles of Incorporation and the rules of BDO International Limited. The Global Board represents the management of BDO International Limited and comprises one representative from each of the seven largest member firms of the BDO network, whose respective nomination is for a term of three years and approved by the Council. The Global Board sets the priorities for the BDO network and oversees the work of the Global Leadership Team. The Global Board is convened at least four times a year.

The global leadership team co-ordinates the activities of the BDO network. It is led by the global CEO and comprises the global heads of audit and

accounting, tax, human resources and development, business development and marketing, IT, the CEO Europe, Middle East and Africa (EMEA) (who is currently also the global head of advisory), the CEO Americas, the CEO Asia Pacific and the International Secretary.

The South African firm plays a key role in the following BDO International structures:

- ▶ BDO International EMEA Board
- ▶ International Business Development and Marketing Committee
- ▶ Global industry sector groups – financial services, natural resources and cyber
- ▶ Global Public Relations Committee
- ▶ Global ESG Group
- ▶ BDO Global Future Leaders
- ▶ Heads of Audit and Assurance Quality Management (HAAQM) attend monthly BDO Global HAAQM Community meetings

BDO SOUTH AFRICA GOVERNANCE

Management committees of the BDO network are the Council, the Global Board and the Global Leadership Team of BDO International Limited.

The Council comprises one representative from each voting member and represents the member firms of BDO International Limited in the annual general meeting. The Council approves the central budget of the network, nominates the members of the Global Board and passes resolutions on changes to the Articles of Incorporation and the rules of BDO International Limited.

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The Global Leadership Team coordinates the activities of the BDO network. It is led by the CEO and comprises the global heads of audit & accounting, tax, HR & development, business development & marketing, IT, the CEO EMEA (who is currently also the global head of advisory), the CEO Americas, the CEO Asia Pacific and the International Secretary.

CHIEF EXECUTIVE OFFICER (CEO)

Our CEO is elected by the partners/directors for a four-year term after which he or she may be re-elected for a further term of four years. Bonga Mokoena was appointed CEO in May 2022 after Mark Stewart's two-term reign which begun in 2014, came to an end. Bonga is responsible for the strategic direction, reputation and overall performance, efficiency and sustainability of BDO South Africa.



The Global Board sets the priorities for the BDO network and oversees the work of the Global Leadership Team. The Global Board is convened at least four times a year."

PRINCIPLES OF GOVERNANCE CONTINUED



Bonga Mokoena
Chief Executive Officer (CEO),
BDO EMEA board member



Daniel Botha
Chief Financial Officer



Eureka Singh
Chief Operations Officer



Bert Lopes
Johannesburg Office Managing
Partner and Global Natural
Resources Sector member



Bonita de Wet
Pretoria Office
Managing Partner



Sumesh Somaroo
Durban Office
Managing Partner



Mark Willimott
Gqeberha Office
Managing Partner



Imtiaaz Hashim
Cape Town Office
Managing Partner



Thuto Masasa
Partner and Head of Advisory



Heemal Bhaga-Muljee
Partner and National
Head of Audit



Paul Badrick
Partner and Head of Public
Practice and Listed Companies

BDO SOUTH AFRICA EXCO



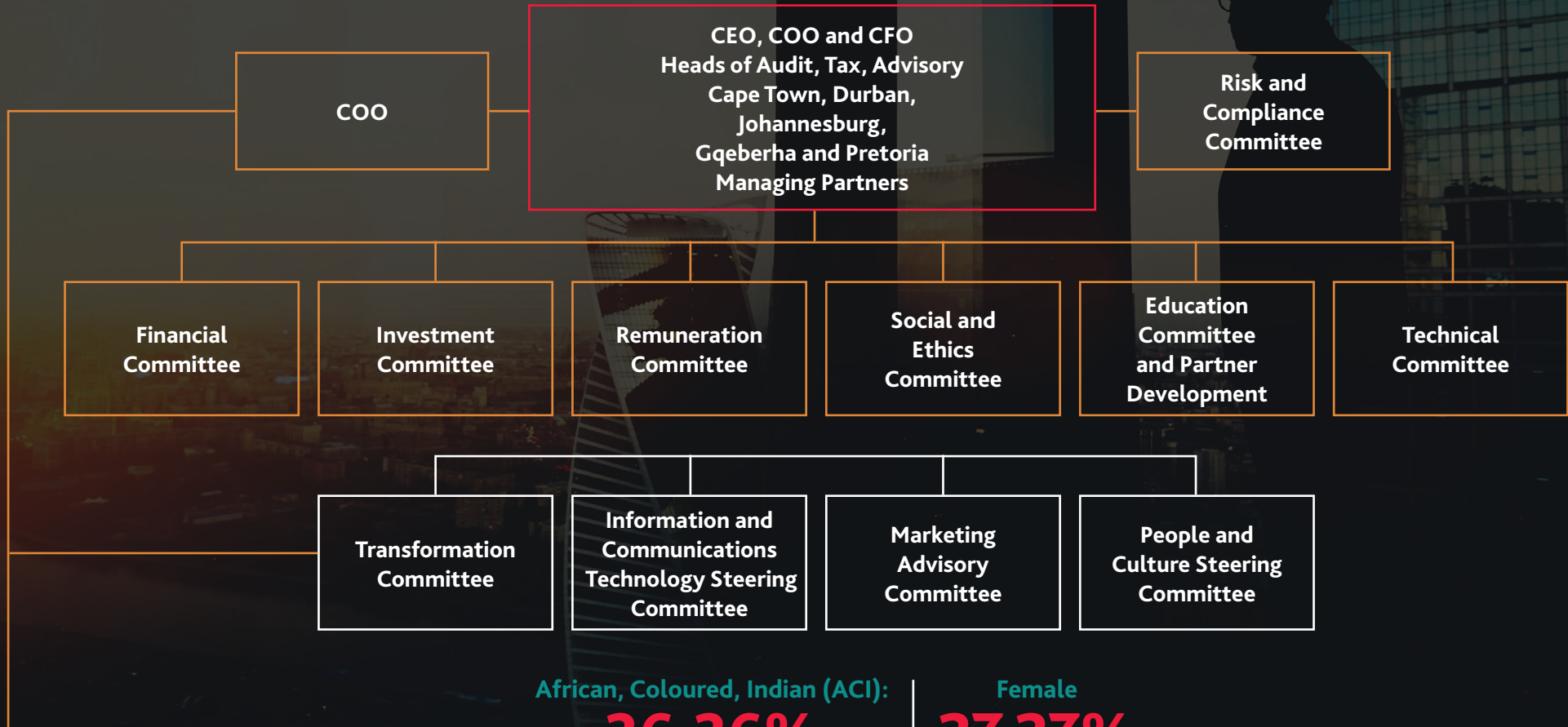
EXCO ROLES AND RESPONSIBILITIES

- ▶ Approvals framework
- ▶ BDO international relationships
- ▶ Financial performance and reporting
- ▶ Governance, compliance, risk management and quality control
- ▶ Leadership and succession
- ▶ Meet at least six times a year and ad hoc as required
- ▶ Partner/director affairs
- ▶ Partner/director performance and remuneration
- ▶ Partner/director protocol
- ▶ Policy development and custody
- ▶ Strategy and sustainability
- ▶ Transformation strategy

PRINCIPLES OF GOVERNANCE CONTINUED

GOVERNANCE FRAMEWORK

EXCO



African, Coloured, Indian (ACI):

36.36%

Female

27.27%

PLANET



RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns.



CLIMATE ACTION
Take urgent action to combat climate change and its impacts.

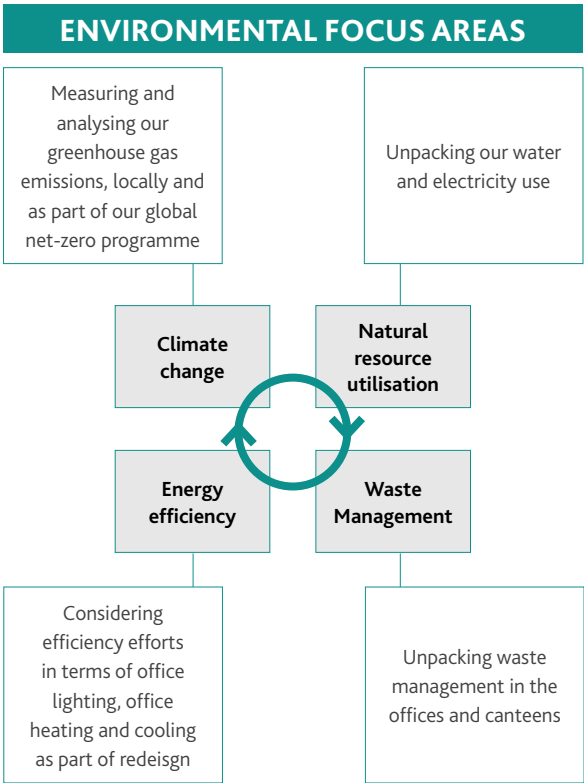
In fulfilling our sustainability objectives, BDO South Africa is committed to operating with integrity, supporting environmental sustainability, and building a diverse and inclusive work environment.

As part of our environmental consideration, we have incorporated two specific SGDs into our ESG Policy which form the basis of our approach to our environmental impact and to how we consider initiatives in our sustainability journey.

In terms of SDG 12, BDO global has initiated the monitoring of consumption and production of identified material – paper, laptops – as well as our waste, to determine effective measures to be applied.

As BDO South Africa, we support the net-zero target set by the BDO global office as part of the Net Zero Financial Service Providers Alliance (NZFSPA). Our business continues to support the goal of net zero greenhouse gas (GHG) emissions by 2050 or sooner as per the NZFSPA. This further aligns with our guiding policy and implementation plan to ensure that BDO South Africa remains on track with the global sustainability objectives and ever-changing business landscape.

As such, we have necessitated the strategic implementation of assessments and measures to fulfil the aim of SDG 13.



MANAGING OUR ENVIRONMENTAL FOOTPRINT

The past year presented opportunities and progress towards our internal sustainability objectives. Our Sustainability Report 2021 illustrated limitations related to our environmental data collection. Action was taken to address these limitations and the following was achieved during FY2022:

- ▶ **Data collection** – water, energy and waste baseline data has been collected to serve as a baseline for key environmental indicators
- ▶ **Data analysis and measuring** – analytical processing of data collected to reduce environmental impact, introduce sound tools to drive efficiency as well as inform strategic decision making
- ▶ **Recommendations and opportunities** – a sustainability action plan has been developed to guide short- and medium-term actions
- ▶ **Reporting** – Our first GHG inventory was conducted to ensure that we measure, monitor and transparently communicate our carbon emissions. See the section on Understanding our impact on climate change below

Understanding our impact on climate change

With the growing pressures and need to address climate change, BDO has different focus areas which align with SDG 13 and promote climate resilience.

To improve understanding of BDO's role in climate action and climate-related risks, we conducted our first GHG inventory for FY2022 to:

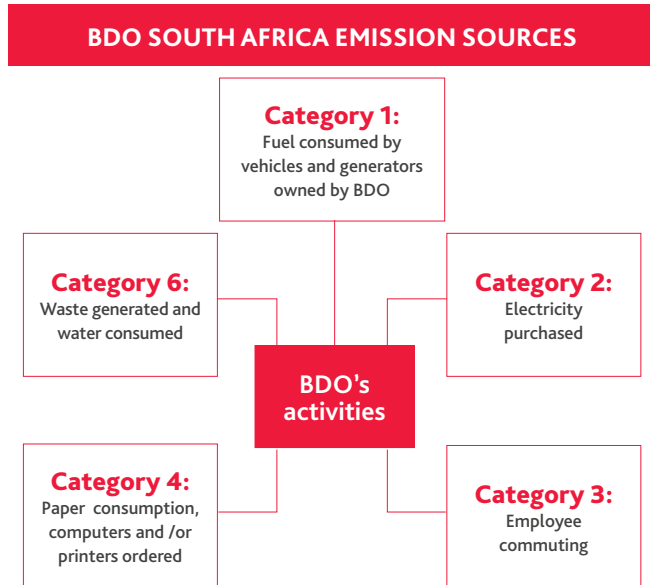
- ▶ Gather baseline data
- ▶ Identify appropriate low-carbon growth opportunities
- ▶ Determine climate change-related strategies

In fulfilling the objectives of the GHG inventory, several indicators were identified in line with our operational activities and climate action targets. These included energy, water and waste, key indicators used and analysed in terms of our emission sources.

PLANET CONTINUED

Based on this initial GHG inventory, the profile of BDO South Africa's GHG emissions were determined using the ISO 14064-1:2018 standard.

The ISO 14064-1:2018 standard classifies its emission sources into six categories. In understanding BDO's position, our operational activities were grouped into the different categories to understand the extent of the emission profiles. To visually demonstrate BDO's activities in relation to these categories see the diagram below. It may further be noted that Category 5 – indirect GHG emissions associated with the use of an organisation's products is excluded.



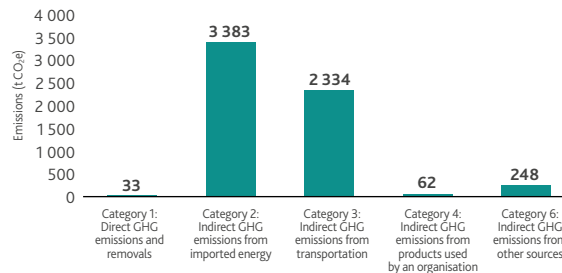
IN TERMS OF THE DATA COLLECTED AND ASSOCIATED ASSUMPTIONS:

Category 2:
(indirect emissions from imported energy) was the largest source of emissions at 3 383t CO₂e

Category 3:
2 334t CO₂e
(indirect emissions from transportation)

The results presented for both categories are based on the daily use of energy and fuel through electricity, transportation, employee commuting (air, land and rental) and client engagement.

Carbon footprint – ISO 14064-1:2018

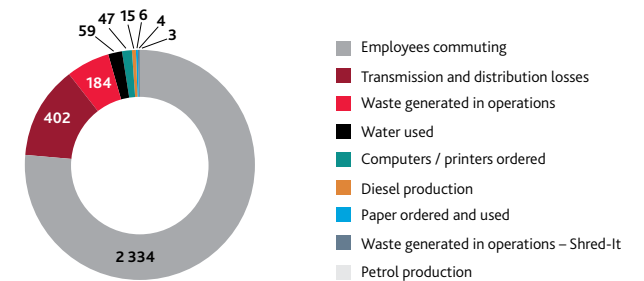


Summary of significant indirect GHG emissions

In response to the global need to fulfil carbon neutrality commitments, the discussion of reducing indirect emissions has gained significant ground. This is important to BDO as we seek to operate as a sustainable business which accounts for the operational impact on climate change, transformative operational shifts as well as transparent disclosure.

The summary of BDO South Africa's indirect emissions is illustrated in the diagram overleaf. The data collected acted as the baseline data and as such several gaps were identified. In determining the indirect emissions, a few assumptions were made based on limited data. As highlighted, we recognise that these gaps will be improved as we develop additional assessments, implement better data collection methods and training to enhance data collection and improve our understanding of our carbon footprint.

BDO South Africa's indirect emissions breakdown



Employee commuting accounts for most of our indirect emissions, even with the exclusion of employees commuting to clients for meetings and audits, implying that the bulk of these emissions were for employees travelling to and from work. These emissions were estimated using high-level assumptions regarding the transport modal split, distance travelled and workdays. This category accounted for 76% of total indirect emissions. Indirect fuel and energy emission activities accounted for 13% of the emissions, and other indirect emissions for the remaining 11% of total indirect emissions.

PLANET CONTINUED

Energy

With the 2022 GHG inventory as the base year, initial steps to understand energy use and consumption have been initiated. Gaps and opportunities related to energy data have been critically analysed to better improve the data collection process and promote energy efficiency within BDO South Africa.

Waste

BDO has initiated providing alternatives regarding its general waste and wastepaper. To decrease the volumes of waste produced in our offices, some of the practices within some of the BDO SA offices include:

- ▶ Eco-cups sold to limit the use of single-use coffee cups
- ▶ The cafeteria offers plates and cutlery for use to limit the use of disposable food packaging with no supply of plastic cutlery in the Durban, Pretoria and Johannesburg offices
- ▶ Wooden sticks are used instead of plastic spoons for tea/coffee and these are strategically placed at coffee/tea stations in the Pretoria and Johannesburg offices
- ▶ BDO employees are all provided with a reusable water bottle which encourages the move away from bottled water
- ▶ All waste is separated in our waste disposal area – we have a contractor on site that manages this - then collected and recycled at the Johannesburg office
- ▶ The cleaning contractors have sorters on site that separate and recycle refuse to divert waste from landfill, however, this has not yet fully been rolled out in all offices, only at the Pretoria office

With key opportunities identified, we are currently working on a waste management baseline that will enable greater monitoring and possibly additional recycling of waste alternatives and campaigns.

Water

BDO South Africa has collected baseline data to inform future planning and monitoring of water consumption at our offices. This is critical in ensuring that the necessary measures are applied to monitor water use and to establish sound measures to further limit volumes consumed. With key opportunities identified, further action is planned to better report and implement water saving strategies.

Way forward

We understand that we all need to play our part in curbing the impacts of climate change. Therefore, key to our own carbon mitigation journey is:

1	Understanding our impact – what does the data mean?
2	Unpacking our data – where are the inter-relationships we need to assess and where can we improve what and how we collect data?
3	Defining applicable steps – what short-, medium- and long-term actions can we take?
4	Monitoring – what is the implementation progress of present actions?

In maximising our carbon mitigation journey, the following short-term actions have been considered for implementation to ensure continual improvement and efficiency in the journey.



BDO SOUTH AFRICA TIERED ENVIRONMENTAL MANAGEMENT APPROACH

Training and awareness

This includes training of the sustainability team to drive continual learning and best practice on the carbon mitigation journey. Further actions to drive awareness of associated BDO stakeholders is encouraged and will be implemented.

Improved data collection

Data collected influences the results presented and comparability for future reporting. More measures are foreseen to introduce more effective means of collecting and managing data within the BDO offices.

Waste management

To better handle and manage waste, waste mitigation and awareness initiatives are planned. This includes but is not restricted to inhouse recycling facilities, and tracking and facilitating recycling campaigns.

Offset

To curb total GHG emissions, more effort and more meaningful strategies are being considered and strategically planned. While still at a conceptual level, these strategies are aimed at counterbalancing any significant impacts of BDO's operational activities on the environment.

Task Force on Climate-related Financial Disclosures (TCFD)

The increasing need to report on and disclose climate-related risks is critical in understanding our carbon footprint and climate impact. The TCFD recommendations and how these are considered by our global leadership and within our network, are being taken into account for better implementation and readiness for future application.



Key achievements

BDO currently has the following measures in place at respective offices to support our sustainability efforts:

- ▶ Tree plantings took place at the BDO South Africa Cape Town office with participation in the National Arbor Month. There is a growing interest across the firm to participate in similar events during the next financial year
- ▶ Our Pretoria and Cape Town offices do not use any plastic products whatsoever, with water filtration systems used rather than water bottles/ water coolers
- ▶ Our Pretoria office is in a newly built building designed to ensure the least water and electricity consumption possible
- ▶ Our Johannesburg office has removed all polystyrene cups and plastic cutlery/crockery and is currently undergoing a canteen overhaul to ensure only recyclable cutlery, crockery, cups and packaging are used
- ▶ Our Durban offices are in a four-star green building whose features include:
 - No opening windows for more efficient climate control
 - A vegetated roof
 - 'No flush' urinals
 - Sensors on taps to limit water usage
 - A chiller plant instead of traditional air-conditioning

All our offices have energy-efficient lighting, motion sensors and plans in place to monitor our waste, water and energy use. Our remaining offices are being reviewed to ensure alignment nationally while we continue to investigate better sustainable initiatives. In achieving this nationally, we recognise the need to appoint responsible parties within each office to hold accountable for driving this sustainable transition journey.

PEOPLE AND PROSPERITY



3 GOOD HEALTH AND WELL-BEING
Ensure healthy lives and promote well-being for all at all ages.



4 QUALITY EDUCATION
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



5 GENDER EQUALITY
Achieve gender equality and empower all women and girls.



8 DECENT WORK AND ECONOMIC GROWTH
Reduce inequality within and among countries.

Our people are at the heart of our business. Our clients and the industry expect excellence in all that we do, and we hold our people to this same standard. As a result, we continually look for and grow talent, offering our employees a diverse and inclusive environment where new ideas are welcomed and encouraged, and where people can grow their professional skills and networks.

A key focus for the year has been on further developing our strategic partnerships with the top learning institutions across South Africa and expanding our reach to historically disadvantaged students. We continue to run learning-based competitions at selected universities to help students develop academically. These competitions also provide students with the opportunity to interact with some of our employees and gain a better understanding of our firm and the industry at large.

In FY2022, our Annual BDO Financial Services hackathon challenged students to formulate innovative solutions to crypto currency and emerging market technologies such as web 3.0 for financial services. We have also hosted vacation programmes and job shadow experiences for students who want first-hand experience of our workplace culture and environment, so that they are empowered with the knowledge and experience to make the right career decisions for themselves.

YES interns

In response to the major skills gap in the country, we have made a deliberate effort to contribute to filling this gap in recent years. In 2021, we partnered with Yes4Youth, a programme that connects youth to employment opportunities. BDO South Africa employed 60 Yes4Youth interns in various roles across our South

African offices for a period of 12 months in 2021 with a further 32 interns in 2022. The internship serves to provide the participants with the professional skills required to succeed in the workplace. It also increases their employability by providing work experience with which they can build their CVs, giving them better opportunities for permanent jobs.

Partners and directors

SERVICE LINE	NUMBER OF EMPLOYEES
BDO Advisory	17
• Legal	
• Statutory	
• Corporate finance	
• Risk Advisory Services	
BDO Incorporated (Inc.)	87
• Financial Services Digital	
• Financial Services	
• Financial Services Technology	
• Audit	
BSO (Business Services Outsourcing)	9
BDO Services	5
BDO Tax	13
Total	131



In response to the major skills gap in the country, we have made a deliberate effort to contribute to filling this gap in recent years."

Employees (excluding partners and directors)

SERVICE LINE	NUMBER OF EMPLOYEES
BDO Advisory	213
Legal	
Statutory	
Corporate Finance	
Risk Advisory Services	
BDO Inc.	1 368
• Financial Services Digital	
• Financial Services	
• Financial Services Technology	
• Offshore Solutions	
• Audit	
BSO	113
BDO Services	140
BDO Tax	123
Total	1 957

Ownership (%)

	2022	2021	2020	2019	2018
Female	30	33	26	18	34
Male	70	67	74	82	66

While our total staff complement increased by 17.7%, we had a slight decrease in female ownership when compared to the prior year.

Employee gender

	2022	2021	2020	2019	2018
Female	59	60	60	61	62
Male	41	40	40	39	38

PEOPLE AND PROSPERITY CONTINUED

TOTAL APPOINTMENTS

728

GRADUATES

288

During FY2022, BDO South Africa promoted 134 employees resulting in a 268% increase in promotions when compared to the prior year. Of those promoted, 62% were black while 66% were women.

Continuous learning hours totalled 95 604 during the year.

Promotions by race and gender in FY2022

Race	Male	Female
African	11	22
Coloured	5	8
Indian	11	26
White	18	27
Non-South African	1	5
Total	46	88

Associate director promotions in FY2022

Race	Male	Female
African	1	-
Indian	3	3
White	1	5
Total	5	8

Partner and director appointments and promotions in FY2022

Race	Male	Female
African	5	2
Indian	1	1
White	2	2
Non-South African	-	1
Total	8	6

Promotions in FY2022

Service line	Number of promotions
Advisory	19
BSO	8
Inc	85
BDO Services	8
Tax	14
Total	134

BDO Offshore Solutions is unmatched in the international resourcing market. Unlike those entities that outsource to a low-cost, high-volume centre, BDO Offshore Solutions is a team of dedicated internal staff, in a permanent partnership with firms in the global BDO network. Working together with BDO US LLP, BDO UK LLP and BDO Belgium, the team completes complex, location specific assignments from our Gqeberha, Stellenbosch, Durban, Johannesburg and Pretoria offices.

Since its inception in May 2022, due to the ever increasing demand for quality resources, the team has grown in leaps and bounds. As a centre of excellence, delivering high-quality private and listed company audits in Belgium, the UK, and US, they are a one-team-to-market, offering specialised resources as well as BDO brand ambassadors.

The level of expertise required to join the BDO Offshore Solutions team is based on BDO's world-class standards and critical success factors. Fitting BDO's culture of excellence is a requirement, with training and quality as a non-negotiable price of admission.

BDO Offshore Solutions team:

- ▶ Regulated – currently 150, growing to 220 by 1 February 2023
- ▶ Unregulated – currently 60, growing to 75 by 1 March 2023
- ▶ On-demand - currently 60, growing to 80 by 1 January 2023

“BDO is committed to sustainable empowerment that is forward looking, upskilling and which realises the true advantage and benefits of a diversified workforce at all levels.”

PEOPLE AND PROSPERITY CONTINUED



Transformation

As a company with a purpose, grounded in helping people, we embrace diversity and transformation, both within our industry, as well as within the South African business environment. BDO is committed to sustainable empowerment that is forward looking, upskilling and which realises the true advantage and benefits of a diversified workforce at all levels.

This year, BDO South Africa was recognised as being a Level 1 B-BBEE contributor. As part of the scoring process for this certification, BDO South Africa scored well in the areas of ownership, skills development, enterprise and supplier development as well as socio-economic development. With black ownership at 54% and 18% black women ownership, we are striving to attain at least 30% black women ownership within the short to medium term.

We are clear that we need to do better and be better as a profession. We are committed to leading this charge, especially at a time when South Africa is increasingly facing uncertainty and there is a lack of trust in corporate communities.

Our efforts are led by the BDO Transformation Committee which oversees and drives the steps needed to ensure that all employees have access to equal opportunities. The committee's key focus areas are the increased recruitment of African, Coloured, Indian (ACI) and female employees; and succession

planning to redress the employment profile at senior levels within the organisation. The CEO, CFO and COO are members of the Transformation Committee which is supported by an Employment Equity Committee, Corporate Social Responsibility (CSR) Committee, our Balance for Better gender initiative, a Social Justice Committee and an Approvals Committee (whose sole mandate is to ensure that we are following employment equity legislation).

Through the efforts of these structures, the 2022 trainee intake is 74% ACI (2021: 70%) candidates at a national level, of which 59% are women. The African and Coloured 1st year intake represents 61% of the 74% total ACI intake.

These committees work hard to help us be clear in our societal commitments:

- ▶ We grow our future leaders from within the business, but we also understand that growth requires investment and time, which is why we have the BDO High-Performance Programme. This programme aims to accelerate these future leaders in their learning and development through advanced courses, run both internally and externally.
- ▶ We assist the Thuthuka Bursary Fund, which sponsors previously disadvantaged students at selected SAICA-accredited universities. This initiative has proven to be fruitful for the firm and we are committed to investing in this programme.

- ▶ From a CSR perspective, we have worked for 34 pro-bono clients nationally with a value of R 4 697 263 .
- ▶ The firm has strict supplier development procedures and policies to ensure the use of B-BBEE suppliers, with a specific focus on qualifying small enterprises, exempted micro enterprises and entities that are predominantly black female owned.

Diversity

Diversity without inclusion will not amount to any significant, sustainable change in the company culture and employee experience. Diversity refers to the differences in social, racial, and cultural makeup of employees within an organisation. Inclusion refers to the efforts made to ensure that behaviour and practices of employees acknowledge diverse backgrounds so that each person in an organisation feels valued within their own unique differences.

We fully support diversity in the workplace and understand and embrace that it is a moral imperative that forms part of our social licence to operate in South Africa. At BDO SA, we recognise that we do not work in a vacuum but need to form part of the fabric of change in society. To this end, we are on a strategic journey to ensure BDO is diverse in its physical make up of employees, representative of the multiracial, multicultural country that we belong to, while also ensuring that each race, gender, and culture feels included and safe to be heard.

PEOPLE AND PROSPERITY CONTINUED

We support this vision by having a range of committees and programmes that are designed to promote diversity and inclusion in the workplace which include an Employment Equity Committee, a Transformation Committee, a Social Justice Committee as well as our Balance for Better programme.

Diversity is not only good for business, but also for our people. It stimulates robust conversations and intellectual debates and positions us to perform better as an organisation.

In 2022, five Diversity and Inclusion Training sessions were hosted by BDO SA where leaders and managers acquired the necessary skills.

Health and wellbeing

We take the health, safety and wellbeing of our people seriously. The operating environment in South Africa, as well as in a professional services firm, is stressful with clients, regulators and the media placing the profession under intense scrutiny.

Our Wellness team includes two in-house psychologists who offer group and individual counselling. They also implement proactive wellness initiatives during the year to ensure our people are able to thrive, feel less stressed, pursue opportunities with confidence and stay calm and centred in the face of adversity. Some key initiatives are:

- ▶ Wellness Wednesday talks focusing on mental wellbeing
- ▶ Monthly Mindful Calendar with daily actions to help employees become more resilient
- ▶ Wellness Wednesday Body fitness classes once a month

- ▶ A Soft Skills Series for managers
- ▶ Wellness days offer health assessments and check-ups for staff
- ▶ Gym membership benefits

BDO's Balance for Better Programme

As with our transformation journey, BDO is also committed to gender equality to correct historical imbalances in South Africa, particularly around black women ownership, which was the backdrop for our Balance for Better survey.

The under-representation of women in senior positions is not unique to BDO South Africa and is both a national and profession phenomenon. National research findings show that more women complete a tertiary education but occupy fewer managerial positions. From a profession perspective, numerous national and global studies confirm that more women than men enter the audit profession but fewer women progress to partner level. The research further indicates that women exit the profession earlier than men, at the audit manager level.

Gallup analytics confirm that for successful cultural transformation to be achieved there must be a strong connection between what is communicated and what is lived in a firm. Furthermore, meaningful change is more effective in organisations that are inclusive.

In 2022 BDO SA faced the challenge of COVID-19 fatigue and burnout from the unsustainable workload that employees were experiencing. In particular, we saw an increase in the number of women in managerial positions resigning to move into roles that were less demanding and that allowed for more family time. We relooked

at our career development model and performance appraisal process to help motivate and retain employees. Specific action initiated from the Balance for Better programme was communication around Women's Day and 16 Days of Activism against Gender-Based Violence, an annual international campaign. For Women's Day we used storytelling to inspire change and provide guidance on how to live a balanced life. Continuing with the theme of storytelling, our 16 Days of Activism campaign focused on gender inequality as an underlying driver of gender-based violence.



BDO is also committed to gender equality to correct historical imbalances in South Africa"

EMPLOYEE GENDER PAY GAP IN FY2022

Transformation categories	Number of employees (All genders)	Average female earnings as a percentage of average male earnings (%)	Female representation per category (%)
Unskilled	37	82	70
Semi-skilled	32	101	56
Junior management	1 401	97	62
Middle management	232	96	65
Senior management	70	95	54
Other executive management	54	96	59

PEOPLE AND PROSPERITY CONTINUED

TRANSFORMATION PAY GAP IN FY2022

Transformation categories	Number of employees (All genders)	Average ACI employee earnings as a percentage of average non-ACI employee earnings (%)	ACI employee representation per category (%)
Unskilled	37	210	95
Semi-skilled	32	101	91
Junior management	1 401	87	74
Middle management	232	102	64
Senior management	70	103	54
Other executive management	54	103	46

REMUNERATION AND PAY GAPS IN FY2022

Remuneration	2022	2021	2020
Average total compensation per director	R2.7 million	R2.7 million	R1.9 million
Director pay gap	2022	2021	2020
Gender pay gap			
Average female director earnings as a percentage of average male director earnings	86%	85%	84%
Transformation pay gap			
Average ACI director earnings as a percentage of average non-ACI director earnings	95%	97%	97%
Representation	2022	2021	2020
Percentage of all female directors	34%	33%	29%
Percentage of all ACI directors	31%	26%	19%

“We take the health, safety and wellbeing of our people seriously.”



PEOPLE AND PROSPERITY CONTINUED



Our CSI efforts are undertaken under the auspices of our Evolution Committee, comprising employees in each office”

Community and social vitality

In a country such as South Africa, with a devastatingly high unemployment rate and many social challenges, it is incumbent upon individuals and companies to provide support to those in need. Engaging our people to become involved in community outreach programmes not only makes a difference in the lives of others, it also enables us to connect with one another. Our passion for doing good did not abate through the last few challenging years and our CSI initiatives continued, albeit a bit differently and without our physical presence.

Our CSI efforts are undertaken under the auspices of our Evolution Committee, comprising employees in each office. Through the Evolution Committee, each of our offices supports a range of local organisations, from collecting food for animal shelters, Christmas presents for under-privileged children, making sandwiches for street children, hosting tea parties for the elderly, collecting warm clothing and blankets, supporting Casual Day, Slipper Day, Movember, Daredevil Run and AIDS Awareness Day, to name a few.

Our regional offices support the following organisations over the years:

Cape Town: Donations to the Haven, CT homeless, Ladles of Love, various children's homes, the Women for Change virtual race, school fees for underprivileged children, the Santa Shoebox project, blanket drives, LEAP, SPEAR feeding scheme, football kits, scarves and schoolbags for learners, Belhar Scouts and various feeding schemes.

Durban: Donations to the Haven of Rest.

Gqeberha: Donations to Love Story and through the Investec Mountain Bike Challenge we raise money for Soul Food.

Johannesburg: Donations to the Chris Hani Baragwanath Hospital, Gerald FitzPatrick Home, Illumula House, Meriteng Squatter Camp, Noodbokse, Roodepoort Old Age Home, Sibonile School for the Blind, Soup Kitchen Braamfontein.

Pretoria: Donations to the Beeld Children's Home Spinnathon, the Santa Shoebox Project and the SPCA.

Donations to our causes: 1,516,800.00

Tax and sustainability

BDO recognises the importance of tax as a driver of sustainability and ESG. We follow a total tax contribution framework with a responsible and transparent strategy when assessing our social impact and contribution to public finances.



ROADMAP TO THE FUTURE

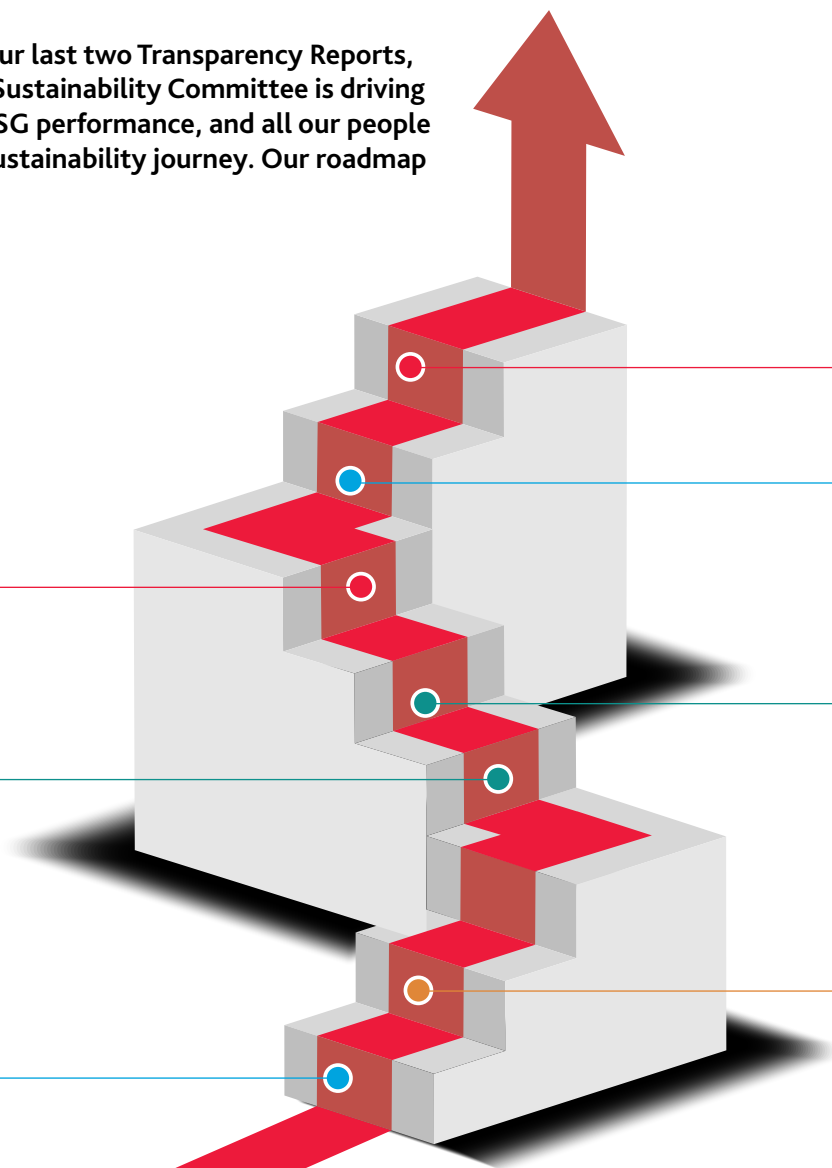
While we have reported on sustainability in our last two Transparency Reports, this is our second Sustainability Report. Our Sustainability Committee is driving the work needed to be done to build on our ESG performance, and all our people are encouraged to play an active role in our sustainability journey. Our roadmap for the immediate future incorporates

2020/2021 Reaffirming our commitment to sustainability

- Laying the foundation:**
- ▶ Develop and launch our ESG Policy
 - ▶ Ensure our people are aware of our Sustainability Policy, to use as a foundation upon which they conduct themselves on behalf of BDO
 - ▶ Establish our Sustainability Committee

- Setting our baseline:**
- ▶ Setting our baseline
 - ▶ Determine our material sustainability issues
 - ▶ Compile basic information related to our material sustainability issues

- Reaching out:**
- ▶ Communicate our commitment to sustainability through our first sustainability report
 - ▶ Actively reduce our environmental footprint by investigating in solar power, waste reduction and energy saving lighting, where possible
 - ▶ Establish our Africa ESG Working group to share lessons learnt and support regional sustainability growth and initiatives



2022/2023 Making strides in our sustainability journey

- Drive implementation:**
- ▶ Plan for enhanced data collection related to our material sustainability issues
 - ▶ Support regional communication and cooperation on sustainability actions and projects
 - ▶ Prepare our first greenhouse gas inventory and related data mapping

- Build our capacity and encourage involvement:**
- ▶ Sustainability context onboarding for BDO in South Africa
 - ▶ Unpack and integrate our net-zero commitment
 - ▶ Encourage company-wide involvement in sustainability projects

- Setting our baseline:**
- Track our progress:
- ▶ Develop and monitor our Greenhouse Gas Inventory dashboard
 - ▶ Regular feedback to our staff on materiality issues
 - ▶ Prepare our second sustainability

- Set targets for the following:**
- ▶ Water and energy
 - ▶ Waste management
 - ▶ Greenhouse gas emissions linked to our net-zero commitment

CONTACT DETAILS

FOR A CLEAR PERSPECTIVE, PLEASE CONTACT US:

Learn more about BDO South Africa from our [Transparency Report 2022](#)

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