

Staaftogram

Infographic

BDO AUDIT & ASSURANCE B.V.

TRANSPARENCY REPORT 2024

Using insight today for growth tomorrow

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Lijndiagram

Spindiagram

Staaftogram

Eindhoven, 29 April 2025



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For convenience purposes, this Transparency Report is an English translation from the original Dutch version. In case of differences in interpretation between the English and Dutch versions of the Transparency Report, the original Dutch version shall prevail.

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Governing Board

LTR: Leon Jansen, Kirsten Konst, René Nelis and Marcel Mans

RENÉ NELIS
1965, man, voorzitter

Role/portfolio
CEO

Date of appointment
1 January 2021

End of current term of service
31 December 2026

Eligible for reappointment
no

External position(s)
► Treasurer, J.Th.Guepin
Stichting Onderzoek Down Syndrome

LEON JANSEN
1969, male

Role/portfolio
CFO/COO

Date of appointment
1 September 2020

End of current term of service
31 August 2028

Eligible for reappointment
no

External position(s)
► Member of the Post-Master Accountancy Board,
Tilburg University

KIRSTEN KONST
1974, female

Role/portfolio
CTO

Date of appointment
1 February 2025

End of current term of service
31 January 2029

Eligible for reappointment
yes

External position(s)
► N/A

MARCEL MANS
1970, male

Role/portfolio
CQO, acting

Date of appointment
12 December 2024

End of current term of service
Date successor approved by AFM

Eligible for reappointment
no

External position(s)
► Member of the Public Interest Steering Group (NBA)
► Member of the Advisory Board of the Maastricht
University Chartered Accountant programme (Mura)

1. Report of the policymakers

Introduction

In recent years, we have set up our services and business operations in line with our '*BDO for People and Society*' strategy. Looking back on that period, we have made significant progress. We have been able to take our services to the next quality level and have been working on our quality agenda in a structured manner. In terms of professionalism and development opportunities for our employees, we have also made strides again as an organisation.

Our ambition is to continue this forward movement, stay the course, and make an impact in a rapidly changing world. With that in mind, we launched our revised and refined strategy '*Greater impact with real value*' in 2024. Based on our strategy, we have defined our mission statement: '*We let people and organisations have trust in their true value.*'

In the dynamic world we are moving in, one thing is clear: in order to make an impact, we need to grow. Growth in quality, because that is the basis of our existence. Growth in terms of securing work that our employees find appealing, challenging, and informative. Growth in organisational professionalism so as to be able to meet the needs of our stakeholders on a long-term basis. And growth in delivering trust to society.

We have sharpened our strategy following introspection and open conversations with stakeholders that produced many valuable insights. Combined with an analysis of customer, market and trend surveys, including a comprehensive review of sustainability and artificial intelligence (AI) developments and the consolidation trend across our industry, those insights lay the foundation for our strategic choices. Our strategy focuses on expanding and making maximum use of our available capacity, cementing our multi-disciplinary collaboration to ensure quality, and deploying proven technologies and innovations across our assurance services. Attention to professional connections and ensuring a human touch remain the building blocks of our DNA.

We are proud to see these building blocks reflected in our staff and our practice. It is with great appreciation and gratitude that we look at the contributions that our colleagues have made to achieving our strategic objectives over the past few years and the way in which they have shown a willingness to change. We strive to be a learning organisation in all areas, realising that this presents opportunities but also at the same time demands a great deal from our staff. Our experience of the past years strengthens our confidence that we can achieve further growth and develop our organisation going forward. The world around us requires agility and adaptability in order to respond to developments in areas such as information technology, sustainability reporting, labour market trends, and generational differences within our workforce. These developments call for continued focus in our strategic course, based firmly on quality.

In this report, we will take you through how in 2024 we delivered on our objective to deliver '*Greater impact with real value*'. The information contained in this report primarily concerns BDO Audit & Assurance B.V., our audit organisation that conducts statutory audits. BDO Audit & Assurance B.V. is a member of the group headed by BDO Holding B.V. Our ambition to deliver real value extends across all activities conducted by the BDO Group, including our other Lines of Service (LoSs) aside from Audit & Assurance (A&A). Providing real added value and delivering quality are front of mind for all our LoSs, and an integral part of our quality focus throughout the firm.

In this report, we offer insight into the actual implementation of our quality cycle, which continuously causes minor and major shifts in our procedures and working methods. Once they have been evaluated, minor shifts are put into practice as soon as possible and integrated into our system of quality management. As a part of this cycle, we translate our strategic objectives, along with the envisioned major shifts, into annual plans. These annual plans form the basis for actions undertaken annually to achieve our quality objectives, which in turn are influenced by the visions, wishes, and needs of our stakeholders.

Investigation into inappropriate behaviour around exams

In our Transparency Report 2023, we reflected on the investigation into inappropriate behaviour around exams that we launched during the year. We continued that investigation in 2024.

We have and feel an important responsibility for ensuring that society has trust in our profession, which is largely determined by integrity and professionalism. Based on this responsibility, the investigation within BDO is being carried out step by step, carefully, and in-depth at the behest of the Supervisory Board. Additionally, the investigation has been expanded at the initiative of the Governing Board, so as to obtain an organisation-wide picture as a prelude to defining improvement measures.

Periodic consultations take place between the AFM and BDO to discuss our approach to the investigation, its progress, and the (preliminary) findings. We expect to complete the investigation in the second quarter of 2025. The stages of the investigation completed so far have shown that there has been unauthorised sharing of answers and, in some cases, a failure to speak up. Follow-up of individual cases is currently ongoing based on the enforcement policy established by the Governing Board. The findings, the follow-up and the lengthy investigation process itself have had an impact on our organisation and those involved.

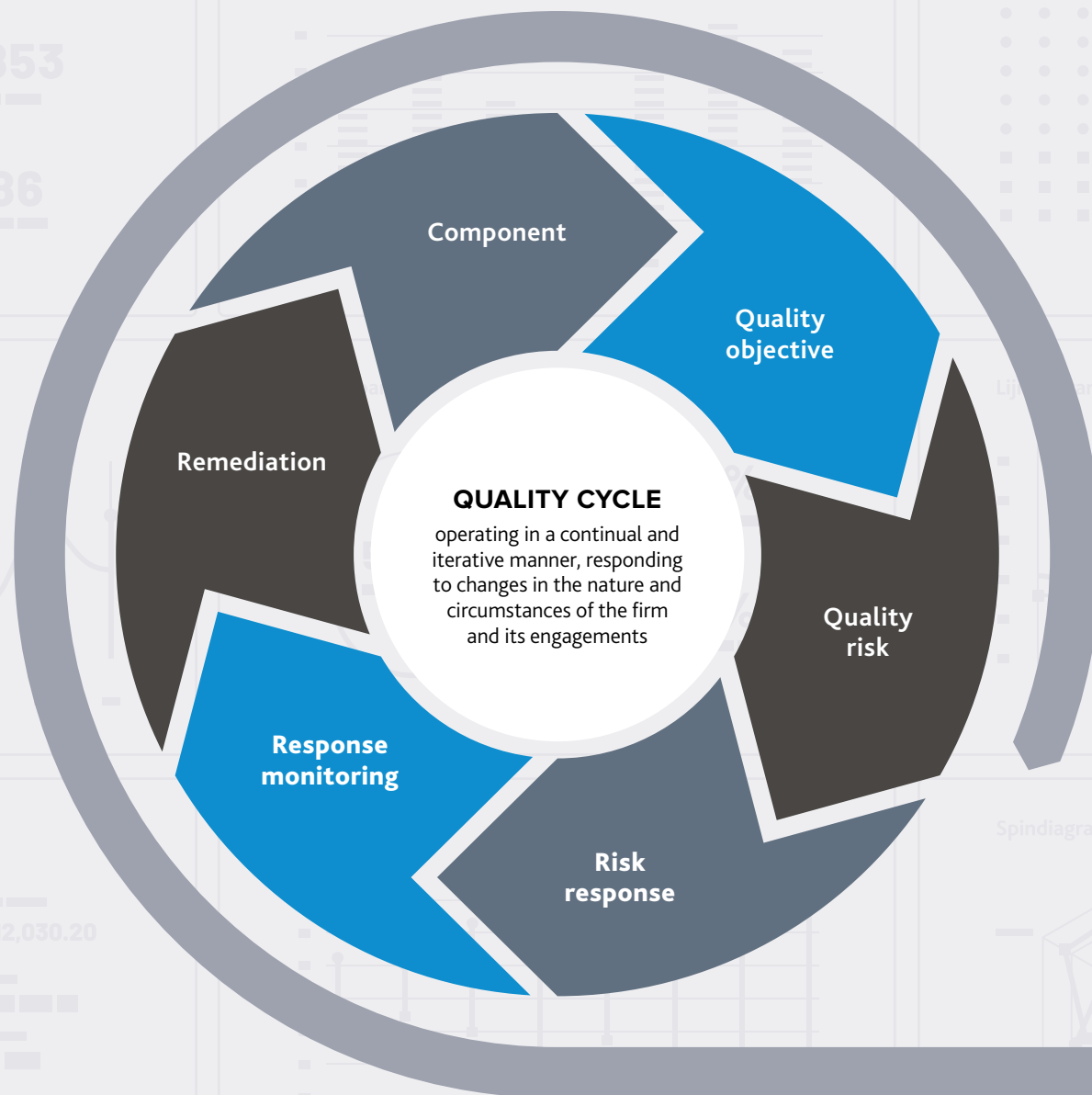
Prior to the publication of this transparency report, we took note of the publication 'Public Accountability Handling Exam Fraud Cases by the NBA' and the expectations of the NBA regarding public accountability by audit firms included therein. We appreciate the NBA's efforts on this matter and remain committed to a constructive dialogue aimed at further strengthening integrity and professionalism. We are now focusing our energy on completing the investigation. Afterward, we will reflect on what additional communication about it is appropriate.

We have started conducting a root cause analysis (RCA) to find the key causes of the behaviours and to implement measures aimed at preventing the recurrence of the investigated behaviours. In anticipation of the outcomes of this RCA, we have already taken initial measures to promote ethical and professional behaviour when attending training courses.

System of quality management

BDO operates a system of quality management designed in line with the requirements of the International Standard on Quality Management 1 (ISQM 1). In 2024, we continued to further strengthen the system, for example by implementing necessary improvement and remedial measures in response to findings and deficiencies identified during monitoring activities. Also in 2024, we performed a new risk assessment to verify on the basis of changes and developments whether our quality objectives, quality risks, quality responses, and/or the correlations between them needed adjusting. Based on the 2024 monitoring programme, monitoring activities were again carried out to test the effectiveness of the system of quality management, for example by means of reviewing files. Based on the monitoring results, policymakers evaluated whether the system of quality management provided them with a reasonable degree of assurance that the objectives of the system of quality management were achieved. They concluded that this was indeed the case as at 31 December 2024. (See also '[Statements of Policy-makers](#)' elsewhere in this Report).

An important part of our quality governance is the Quality and Public Interest Committee, which is a Supervisory Board standing committee. The Committee discusses the operation of BDO's system of quality management, our thinking about quality, and the opportunities and challenges involved. That conversation sharpens our minds and gives a new quality impetus to our organisation.



ANNUAL ASSESSMENT

A culture that embraces quality and people

At BDO, a quality-oriented culture means a learning, agile, and people-centric culture. We operate on the basis of our core values: Professionalism, Joy, Practical Relevance, People Focus, and Social Responsibility. These core values have been converted into core competences. Each of these competencies comes with a set of practical behaviours that we expect all our staff to adopt and which are embedded in our development and performance systems. The overall aim is to deliver on our strategic quality agenda.

We believe that an open and safe workplace culture is a prerequisite for our ability to adapt. It forms the basis for providing sustained high-quality assurance services. Based on this conviction, we launched a programme on (psychological) safety in 2023, as part of our Horizon culture programme. The aim is to build a workplace in which each member of staff feels safe and open communication is encouraged. This in turn should create the opportunity to take interpersonal risks, openly disagree with each other, and express concerns without fear of repercussions. In that context, we have developed a programme tailored to the specific characteristics of our local practice groups. The programme has been woven into day-to-day practice and so become an integrated part of our daily work. After the first practice groups started work on this theme in 2023, we followed it up in 2024. Our periodic culture measurements provide an insight into perceived psychological safety, showing where we need to develop further. The programme has already led to positive experiences. However, we recognise that for this movement to be successful, it needs to be sustained over the longer term.

We also commissioned an initial exploration of the relationship between leadership, culture and, psychological safety within our A&A practice. Based on that exploration, we gained further insights into the interrelationship of these components and the contribution that a balanced team composition can make to psychological safety and quality awareness. The next step will be to build these insights into the annual planning cycle.

Our partners are important bearers of our open, agile, and people- and quality-oriented culture. In order to support new partners in that role, we launched a Leadership Programme for New Partners in 2024. The programme is aimed primarily at further developing awareness among partners of their own leadership styles in relation to BDO's vision of leadership. How leadership can be used to achieve our quality and business objectives forms an integrated part of the programme.

The culture measurements conducted in 2024 showed a stable picture. At a time when the world is changing at a rapid pace and BDO is evolving, the Horizon measurement findings confirm the strength of our people-centric culture.

OUR CORE VALUES



PROFESSIONALISM



JOY



PRACTICAL RELEVANCE



PEOPLE FOCUS



SOCIAL RESPONSIBILITY

Questioning mind

Audits are governed by a set of prescribed standards. Following these standards implies meeting the quality requirements for an audit. The assumption that audit standards are always followed to the letter ignores the fact that reality can be fickle. Audits require choices to be made. These choices are not black and white, but call for professional scepticism. We pay detailed attention to documentation, standardisation, checklists, required work programmes, and scrum processes. While we will continue doing so, how we use our expertise, our brainpower, is what determines the quality of our services. We have an intellectual profession and our *raison d'être* lies in professional scepticism, meaning that we ask questions and follow-up questions, and that we are analytical and inquisitive. We believe that we should focus on this curious, inquisitive and critical basic attitude even more. We refer to this basic attitude as having a Questioning Mind.

All professionals, from assistants to partners, were trained in mixed groups to foster their professional connection. In addition, a Questioning Mind has been woven into various actions and projects including the elaboration of Activity Based Working, the Partner Academy, and the mentoring programme. Having a Questioning Mind when collaborating with colleagues and clients is an essential aspect of the quality-oriented culture we envision.

Growth in terms of skills, quality, and size

We believe that improving the quality of our services will drive continued growth of our A&A practice. In addition to growing our quality and skills, we also in 2024 continued to focus on growing our workforce and optimising the deployment of our staff. The main actions undertaken are outlined below.

Use of specialists

Changes in clients' operations, changes in laws and regulations, and technological developments increasingly require the use of specialists to deliver the required quality. This also applies, for example, in the field of ESG.

To deliver high quality, we have already intensified cooperation with our Advisory specialists in recent years. In 2024, we extended this collaboration to include multiple areas of expertise. Bringing in specialists creates the challenge of defining their role and the method of project execution in clear terms, in line with applicable quality frameworks. We have developed a specialist profile and are taking steps to define deployment criteria, build a pool of specialists, and set up specific training programmes.

ESG

The EU's Corporate Sustainability Reporting Directive (CSRD), which sets out rules on sustainability reporting by companies and assurance audits by auditors, has not yet been implemented into Dutch legislation. In February 2025, the European Commission presented its Omnibus reform package designed to streamline and adjust a number of European sustainability rules, including limiting the scope of the CSRD, reducing the reporting requirements, and delaying first-time reporting. The Dutch lower house of parliament has suspended its debate about the bill implementing the CSRD. This means that from a legislative point of view, there is still no clarity on the exact sustainability reporting obligations. This situation requires us to take a closer look at the timing and intensity of our investment in ESG services.

Having said that, our A&A practice already began preparing to provide assurance on sustainability reports, also known as ESG assurance, a few years ago. We began training and recruiting specialists and set up a team of ESG partners. We also trained sustainability specialists at other job levels through external and internal training programmes. We carried out local recruitment activities to set up local ESG teams to work under the auspices of the national team. Our recruitment effort was tailored to the ESG assurance engagements that we expected to perform from 2025 onwards.

In addition to further interpretation of the CSRD, the European Sustainability Reporting Standards (ESRS) were released in 2024. These provide guidance on how to perform assurance engagements. Performing ESG assurance engagements will require a high degree of professional judgement, possibly more so than other audit and assurance engagements. This means that our intellectual strength will be the single most important factor determining the quality of our assurance services. We believe that our quality-oriented culture and the curious, inquisitive and critical mindset (Questioning Mind) of our staff will support and be pivotal in defining the intellectual strength that we can draw on and deploy.

We have designed and embedded additional quality controls into our system of quality management to ensure the quality of our ESG assurance services. Additionally, our Audit Innovation & Technology (AIT) team have been working to make our audit automation applications and robotisation processes suitable for ESG assurance engagements. In 2025, we will follow up on the training programme, bringing the ESG skills and expertise of our staff to the required level.

IQR process

Our Internal Quality Review (IQR) programme has a three-year cycle. Its objective is to review the quality of our audit engagements and, on that basis, to identify areas for improvement in our audit practice. Prior to each cycle, we determine the focus of the IQR programme. The current cycle started in 2023 and focuses primarily on the execution and completion phases of engagements.

In addition to areas for improvement, the programme also specifically highlights the positive points identified in the files reviewed. This is so that, in the context of a learning organisation, the audit teams not only receive critical input but can also build on what is going well. The IQR findings show that the quality of audit files has improved and that findings and/or areas for improvement are concentrated around topics that rely heavily on the auditor's professional judgement. In other words, the areas for improvement are more complex and less 'technical' in nature. All this requires a continuous dialogue with our professionals to calibrate findings and find headroom for a learning organisation.

Recruitment of new staff

The influx of new colleagues is a prerequisite for us to continue to provide sustained service quality. The tight labour market creates challenges and requires constant investment. We are seeing a trend where increasingly fewer students choose a career in accounting. At the same time, taking a broader view of our field of work will open up other opportunities.

In 2024, we set up a Graduate Programme. The programme focuses on hiring new talent with diverse study backgrounds, offering them a learning experience to get to know the various disciplines at BDO. The programme gives recent graduates a broader view of our field of work and the chance to find a place that matches their interests and qualities. The programme enables us to get a wider group of students interested in pursuing a career at BDO. This also ensures that the right person ends up in the right place, which is a basic requirement for delivering quality.

Based on our strategic refinement to achieve 'Greater impact with real value', we have launched an Employee Value Proposition (EVP) for our recruitment activities. We provide work-study placements and internships and supervise last-year students. Changes in educational programmes require a strong connection with the educational institutions strategic to us, so that we remain in tune with students' educational requirements and development needs. In 2024, we continued to widen our recruitment effort to include foreign students and expats (on- and off-shore).

Working in the dynamic world of an A&A practice places great demands on our new employees. Our onboarding programmes ensure that our new colleagues have the right skills and expertise to get started. We believe that professional and personal connections between colleagues are the single most important condition for delivering quality and job satisfaction. Our dedicated mentoring structure and Partner Leadership concept contribute to those connections, whether we work together physically in the office or at a client's premises.

Diversity & Inclusion

To deliver quality across the board, it is essential that our A&A practice reflects society. Embracing differences between employees contributes to the quality of our services. Making maximum use of individual talents and differences in backgrounds is the objective here. We choose to organically align our workplace culture with the changes in society.

Our initial focus is on gender and cultural diversity. Cultural diversity will gain momentum as we broaden our focus on recruiting foreign students and expats. The culture measurement findings show that we are making progress in these areas. However, we should add that the progress we have made is still falling short of our ambition. We strongly believe that our people-centric culture provides a strong foundation for being inclusive in addition to diverse. The challenge will be to accelerate our efforts to achieve our ambition in the coming period.

Young A&A MT

The Young A&A Management Team (MT) has been active in our A&A practice for several years. Its members are involved in projects listed in the A&A annual plan, helping us to give direction to policy implementation. The Young A&A MT is a dedicated and passionate team. We are proud that the team members feel comfortable to be open and critical. We are committed to ensuring this open culture going forward. Your MT members have also been assigned to specific projects for 2025. We look forward to another successful collaboration.

AQIs

In order to increase transparency regarding the quality of audit firms and statutory audits, the Quartermasters for the Future of the Accountancy Sector have submitted a proposal requiring audit firms to periodically report on Audit Quality Indicators (AQIs). Based on that proposal, the NBA's AQI and Data Working Group, under the auspices of the Public Interest Steering Group, is working to implement AQIs. We recognise the importance of this initiative and are members of the working group in line with our social responsibility.

A bill providing for mandatory periodic reporting on AQIs is pending in the Dutch lower house of parliament. In anticipation of the bill coming into force, a pilot for reporting on quality indicators was initiated under the auspices of the AQI and Data Working Group in 2024. As part of the pilot, we have provided the working group with information regarding AQIs so as to enable a comparison of AQI interpretations and calculations. For the coming period, the challenge will be to achieve a uniform interpretation for measuring and presenting the AQIs.

Innovation

Innovations play a key role in our efforts to further improve the quality of our services and increase operational efficiency. Digitalisation and technological advances offer plenty of opportunities to do so. We have tasked our Audit Innovation & Technology (AI&T) team with driving and coordinating our innovation efforts. Ultimate responsibility lies with the A&A MT. Where possible, the team collaborates with the innovation team set up by BDO Global (Audit Foresight Group) and other Lines of Services at BDO Netherlands. We operate a Key User structure to put the innovations developed into practice.

In 2024, we took further steps to achieve our Innovation Roadmap, the aim being to develop and test new techniques, whether or not in collaboration with (external) parties, and to explore whether innovations provide added value for our practice. AI&T's projects cover a wide range of topics, including audit automation, artificial intelligence, data analytics, and robotisation, as well as studies into the application of other methodologies such as digital twins. With the implementation of the BDO Global Portal in the Netherlands, we have further professionalised the exchange of information with clients through a single centralised (international) portal, with improved progress monitoring. In 2024, we also fleshed out a vision on how innovations can be made a standard part of the audit process. 2025 will see an initial example being implemented in practice.

In 2024, we also carried out initiatives as part of our Data Driven Auditing concept. This involves developing and implementing a data-driven audit approach that we can apply to risk analysis and in the execution phase. The guiding principle is that data analysis should be widely applicable and easy to use when performing an audit.

For 2025, in addition to achieving new innovations, our main focus will be to increase the use of existing tooling.

External developments

Like our peers, we are committed to meeting the expectations of our stakeholders. Over the past few years, we have shown that we are agile and willing to adapt. Our quality-oriented culture is embedded within our practice and we have taken steps that have led to quality improvements in our assurance services. At the same time, the trust that society puts in our sector came under pressure on several occasions in 2024. This picture was confirmed by the findings of sector-wide surveys and the AFM's recently released report on fraud risk control.

We believe that the level of quality of our services has improved significantly in recent years. We do recognise, however, that improvements still need to be anchored more firmly across our organisation. We remain firmly committed to quality and will continue to focus on building a quality-oriented culture where psychological safety accelerates our ability to learn.

As markets become ever more international and technologies such as AI continue to advance, audits become increasingly complex. Moreover, topics such as sustainability, fraud and business continuity are also boosting the demand for audit services. The impact of technology and digitalisation is significant but has so far mainly led to quality improvements, rather than significant savings in terms of audit procedures.

In the accountancy sector, further upscaling is being achieved, for example through mergers and acquisitions. Since its arrival, private equity has expanded its position within the sector. Our 'Greater impact with real value' strategic refinement will allow us to respond to these developments, which we will be monitoring closely going forward.

We hold periodic talks with the Dutch Authority for the Financial Markets (AFM), during which the AFM specifies the key areas and issues it will be focusing on. Individual cases are also discussed, as are the AFM's (follow-up) investigations. In 2024, the AFM conducted a sector-wide investigation into how fraud risks are addressed and related procedures handled as part of statutory audits. We have implemented the key takeaways from that investigation into more detailed guidance for our practice.

The AFM's ambition is to use data to take its supervisory role to the next level, so that risk identification, prioritisation and intervention can take place in as effective and substantiated a manner as possible. Consultations with the AFM on how it can achieve that ambition began in 2023. In 2024, further steps were taken to define the data points relevant in this context. We are currently setting up our systems in such a way as to ensure that our 2025 internal information is in line with the defined data points and meets the stated reliability requirements.

We also contributed to the projects carried out by the Public Interest Steering Group, a collaborative effort on the part of accounting firms and the Dutch professional body of accountants (NBA) and the Collaborating Chartered Accountants and Accounting Consultants (SRA) to encourage sustained audit quality improvements. Along the same lines, we collaborated with the Foundation for Auditing Research (FAR). BDO also takes social responsibility by actively participating in various NBA committees, including in the areas of fraud, AQIs, and ESG.

Outlook

As members of the Governing Board, we are proud of where we stand today. In line with our strategy as refined in 2024, we will focus on further growth, investing in quality, and acceleration. As an organisation, we will endeavour to address the challenges facing us, our clients, and society calmly, with confidence and positivity. With quality as our guiding principle and having confidence in our people-centric and quality-oriented culture, we will meet the challenges ahead in a positive way.

We remain committed to qualitative growth in the coming years. Our focus will be on recruiting graduates and new partners and taking the next step in near- and off-shoring. To ensure a human touch and psychological safety, we intend to improve retention levels and accelerate talent development.

We will continue to put our trust in our staff to make even more conscious choices when planning and executing audit engagements within applicable quality frameworks. We recognise that clients' needs are becoming more specific and complex. By focusing, we can develop more specialised expertise and continue to meet those needs. Having a Questioning Mind remains our guiding theme. If we have built a workplace where we feel safe and can be vulnerable on a personal and professional level, we can flourish and achieve our quality goals.

We will continue to find ways to do our work even better and more effectively, while enjoying what we do. We are still improving every day, but we are also careful not to get ahead of ourselves. In doing so, we stay close to our core, where attention to people, professional connection and the human touch are paramount.

Eindhoven, The Netherlands, 29 April 2025

Governing Board, BDO Audit & Assurance B.V.

- ▶ R.C.M. (René) Nelis (chairman of the Governing Board)
- ▶ L.M. (Leon) Jansen (member of the Governing Board, Chief Financial Officer/Chief Operating Officer)
- ▶ C.M. (Kirsten) Konst (member of the Governing Board, Chief Transformation Officer)
- ▶ M.M.G. (Marcel) Mans (titular member of the Governing Board, Head of Audit)

Audit & Assurance Management Team

- ▶ M.M.G. (Marcel) Mans, Head of Audit
- ▶ P.M. (Pascal) Belfroid
- ▶ L.T.A. (Luc) Parren



Supervisory Board

LTR: Kim Smit, Barbara Lamberts, Danny van der Eijk (chair), Heleen Kuijten-Koenen and Engelhardt Robbe (vice-chair)

DANNY VAN DER EIJK

1958, male, chair

Date of appointment

24 June 2021

End of current term of service

23 June 2025

Eligible for reappointment

no

Experience in current position(s)

- ▶ Director, Coöperatieve Vereniging Nederlandse Assurantie Beurs U.A.
- ▶ Supervisory Board member, Schouten Zekerheid Holding
- ▶ Board chairman, Stichting Kenchaan
- ▶ Consultant / Strategic advisor

Committee name

- ▶ Remuneration & Nomination Committee

ENGELHARDT ROBBE

1955, male, vice chair

Date of appointment

24 November 2021

End of current term of service

23 November 2025

Eligible for reappointment

yes

Experience in current position(s)

- ▶ Executive coach
- ▶ Supervisory Board member, Dutch Retail Fund, CBRE
- ▶ Advisory Board member, Dutch Residential Fund, CBRE
- ▶ Member, National Suicide Prevention Steering Group
- ▶ Supervisory Board member, Dutch Open Air Museum

Committee name

- ▶ Audit Committee
- ▶ Quality & Public Interest Committee

HELEEN KUIJTEN-KOENEN

1966, female

Date of appointment

24 November 2021

End of current term of service

23 November 2025

Eligible for reappointment

yes

Experience in current position(s)

- ▶ Executive Board member and Director of People & Change, APG, 2022-present

Committee name

- ▶ Remuneration & Nomination Committee

KIM SMIT

1970, female

Date of appointment

27 June 2024

End of current term of service

26 June 2028

Eligible for reappointment

yes

Experience in current position(s)

- ▶ Supervisory Board member and Audit Committee chair, NRG/Pallas
- ▶ Supervisory Board member and Audit Committee chair, B&S Group S.A.
- ▶ Supervisory Board member and Audit Committee member, Stichting Pantein

Committee name

- ▶ Quality & Public Interest Committee

BARBARA LAMBERTS

1967, female

Date of appointment

27 June 2024

End of current term of service

26 June 2028

Eligible for reappointment

yes

Experience in current position(s)

- ▶ Supervisory Board member, Cow Manager
- ▶ Supervisory Board member, Fast Focus

Committee name

- ▶ Audit Committee

2. Report of the Supervisory Board

Our role

As Supervisory Board, we supervise the Governing Board, the policies pursued, and general operations. Our supervisory role extends to all Lines of Service (LoS), practice groups and services, up to and including the central staff department. We are aware of the differences and synergies between the various divisions and gather detailed information about the opportunities and challenges that exist. In particular, we oversee the company's objectives, strategy, continuity, achievement of quality objectives, risks and internal risk management systems, and control of financial reporting. One of our key responsibilities is to protect the public interest by ensuring that BDO's independence, quality, and integrity remain intact. We test strategy execution, the workplace culture, and behaviours against the above values. Protecting the public interest is essential given the societal function of an accountancy firm, and also vital to ensure a sustainable future for BDO.

The Supervisory Board also has an advisory role and acts as a sparring partner for the Governing Board. We advise on strategy development and execution, policies, key projects and investments, drawing on our broad managerial and supervisory experience, expertise and competences. We also encourage the Governing Board to approach issues from a different perspective or with new insights.

On 1 May 2024, we bade farewell to Bernadette Langius and Dennis Raithel as members of the Supervisory Board, whose second terms expired, and welcomed Kim Smit and Barbara Lamberts as their successors. Bernadette Langius and Dennis Raithel played a major role in building and professionalising BDO's Supervisory Board and its procedures and committees. We are grateful to them for their dedication, added value, and pleasant collaboration.

Drawing on their extensive experience as directors and supervisors and following an induction programme, Kim Smit and Barbara Lamberts have quickly familiarised themselves with the general operations and their portfolios. Their fresh perspectives have enriched discussions and reflection. Together with Engelhardt Robbe and Heleen Kuijten-Koenen, and Danny van der Eijk as chairman, they make up the Supervisory Board.

Their roles and responsibilities have been formalised in BDO's Articles of Association and set out in detail in Rules of Procedure for the Supervisory Board, with due observance of the relevant amendments to the Dutch Audit Firms (Supervision) Act (Wta).

Key themes and developments in 2024

In addition to themes related to continuity, strategic objectives and a sustainable future, we closely monitored the internal investigation into inappropriate behaviour around exams launched in mid-2023. We also devoted a great deal of time to defining the desired composition for the Governing Board as of 2025, the recruitment of two Board members, and two supervisory directors. We worked closely with the Governing Board and liaised and consulted with other stakeholders on all themes, where relevant.

Strategy and long-term value creation

We closely monitored the refining of BDO's strategy and progress on its (long-term) strategic objectives at regular meetings and in two strategy sessions with the Governing Board. We also discussed progress on the strategy with equity partners and their role in that regard. We observed that projects were launched and measures and actions initiated. The challenge is to maintain sufficient attention and focus on inspiration, discipline around the necessary change and giving substance and meaning to the key themes, in addition to the busy day-to-day practice.

Quality and public interest

Quality and public interest are standing items on the agenda of regular meetings with the Governing Board, and specifically the meetings of the Quality and Public Interest Committee. These topics also come up in our discussions with the Dutch Financial Markets Authority (AFM).

In 2024, we monitored progress on designing and implementing the system of quality management in line with ISQM 1, as initiated by BDO Global primarily for the Audit & Assurance LoS and the accountancy practice group within the Accountancy & Business Advisory LoS. We also discussed the (improvement) measures put in place following the annual review, and the progress made on the transitioning of tasks and responsibilities from the second line to the first line, as part of the ongoing introduction of the Three Lines Model. We observed that the organisation was working hard to improve on the topics referred to and was making progress, putting in a considerable effort. That pressure on the organisation, also due to intensified supervision by the AFM and limited staff capacity, did not always lead to the desired pace. We will continue to monitor this closely and support the Governing Board as much as possible.

We also monitored the introduction of the EU's Corporate Sustainability Reporting Directive (CSRD). We are pleased to see that the available expertise and capacity have increased as a result of the measures taken. Key Performance Indicators (KPIs) for the 2024 annual audit were also addressed in this context. The number of KPIs again increased relative to previous years. We welcome the Governing Board's ambition to adopt these KPIs earlier than legally required. This fits in well with BDO's position and role as an accountancy firm in society.

Investigation into inappropriate behaviour around exams

The Supervisory Board commissioned the internal investigation launched in mid-2023. We closely monitored the diligence of the investigation process. Because of a deepening and broadening of its scope, the investigation is expected to be completed in the spring of 2025. We were also a sparring partner with regard to the enforcement policy and (preventive) measures initiated. We endorse the approach and decisions taken regarding enforcement and other measures adopted by the Governing Board. Based on frequent consultations and reports, we found that the Governing Board was very actively involved in this important issue and the investigation was conducted professionally and independently by BDO Forensics & Technology.

Culture and behaviour

We are closely monitoring developments on this key issue. A healthy, inclusive and safe workplace culture, and a learning organisation, are the basic conditions for quality and growth. Among other things, we monitored progress on the organisation-wide Horizon culture programme, the outcomes of employee surveys, leadership programmes, and the results achieved in terms of diversity and inclusion. In addition, we discussed the effectiveness of measures taken. We are pleased to note that the Governing Board has placed this topic high on its agenda and positive results have been achieved alongside further opportunities for improvement.

Transformation and innovation

The rapid developments within the accountancy and consultancy sector, the changing role of auditors, the tight labour market, and changes in laws and regulations all combine to require an agile organisation with a focus on innovation, a professional staff organisation, and the right use of technology in service provision and the underlying processes. This theme was regularly discussed with the Governing Board, as were the progress made on digitisation projects, follow-up on the replacement PSA system, and use of artificial intelligence, including Chatpro and Copilot.

Composition of the Governing Board

As Supervisory Board, following the reappointments of members of the Governing Board, we reflected on what we considered to be the most effective composition of the Governing Board in order to drive the necessary transition and associated changes in various areas and achieve the medium-and long-term strategic and growth objectives. We shared our thoughts and vision with the Governing Board and equity partners. After constructive discussions, this led to the decision to expand the Governing Board with a fourth member in the role of Chief Transformation Officer, and to open this position to internal and external candidates. We are very pleased with that decision. Following the departure of Maurice de Kleer as CQO as of January 2025, in close consultation with the Governing Board and equity partners, Marcel Mans (Head of Audit) has been temporarily appointed as CQO until a new CQO joins the company. We thank Maurice de Kleer for his dedication, contribution, and pleasant collaboration. We are very grateful to Marcel Mans for agreeing to temporarily take on the role of CQO.

Overview of meetings, committees, and attendance of Supervisory Board members

To keep abreast of what is going on across the organisation and receive information and input, we have regular and committee meetings, strategy days, and other consultations and contacts, allowing us to form an accurate picture and fulfil our role as effectively as possible.

Regular SB and SB-GB meetings

The Supervisory Board met five times in 2024. The first part of each meeting was attended solely by members of the Supervisory Board, who were then joined by the Governing Board and the Head of Audit. Progress within BDO Audit & Assurance B.V. was specifically discussed with the Head of Audit. During the first part of each meeting, we prepare for the meeting with the Governing Board and discuss other matters and (committee) meetings that have taken place. Meetings are often attended by a guest, such as the Head of an LoS, to explain their role and developments at the relevant BDO unit. The five standing meetings were attended by all supervisory directors.

Committees

There are three standing committees for specific areas: the Audit Committee, Remuneration & Nomination Committee, and Quality & Public Interest Committee. These committees have an advisory role within the Supervisory Board and comprise two Supervisory Board members based on their expertise, experience, and affinity. Committee meetings are attended by one or two members of the Governing Board, accompanied by relevant staff members. The matters discussed by the committees are elaborated on during the regular meetings and, if necessary, placed as a separate item on the agenda.

Other meetings and activities

As Supervisory Board, we have monthly conference calls during which we are updated on current issues and developments, and the outcome of contacts our members have had with the various stakeholders. Additional meetings will be scheduled if necessary. That was the case several times in 2024. In addition, regular talks are held between the chair of the Supervisory Board and chair of the Governing Board, and between committee chairs and members of the Governing Board to discuss specific developments and issues. Consultations were also held with the Works Council, and a strategic session with the Works Council took place, attended by the Governing Board. The Supervisory Board was represented at all Meetings of Participants, with the chair providing general feedback on our supervisory and advisory role and the main issues discussed in that regard. In 2024, several meetings were held with participants, at which topical themes were discussed.

| AUDIT COMMITTEE | |
|--|---|
| Responsibility/areas of focus | This committee focuses on finance and accountability, internal and external audits, and financial and other risks. |
| Number of meetings and attendance of members | <p>3</p> <ul style="list-style-type: none"> ▶ Dennis Raithel, chair (until 1 May 2024): 1/1 ▶ Engelhardt Robbe: 3/3 ▶ Heleen Kuijten, temporary member (from 1 May until 27 June 2024): 1/1 ▶ Barbara Lamberts, chair (as of 27 June 2024): 1/1 |
| Key issues 2024 | Budget; audit plan and audit report; recruitment and selection of new auditor; financial performance; risk management, information security, and privacy; fraud risks; claims and financial risks; internal audit (plan, progress). |
| REMUNERATION & NOMINATION COMMITTEE | |
| Responsibility/areas of focus | This committee focuses on the remuneration of policymakers, recruitment process for members of the Governing Board and Supervisory Board, appointment of new partners at A&A LoS, and other HR-related matters. |
| Number of meetings and attendance of members | <p>3</p> <ul style="list-style-type: none"> ▶ Heleen Kuijten-Koenen, chair: 3/3 ▶ Danny van der Eijk: 2/3 |
| Key issues 2024 | Strategic HR policies, including workforce management, diversity and inclusion, influx, advancement, and outflux; remuneration of employees; employee survey findings and culture-related topics; performance management and remuneration of salary partners; contacts with and themes discussed with Works Council. |
| QUALITY & PUBLIC INTEREST COMMITTEE | |
| Responsibility/areas of focus | This committee focuses on quality policies and management, the system of quality management, risk management, and policies on legal compliance, integrity and ethics, including codes of conduct and internal procedures. |
| Number of meetings and attendance of members | <p>6</p> <ul style="list-style-type: none"> ▶ Engelhardt Robbe, chair: 6/6 ▶ Bernadette Langius (until 1 May 2024) 3/3 ▶ Danny van der Eijk, temporary member (from 1 May until 27 June 2024): 1/1 ▶ Kim Smit (as of 24 June): 2/2 |
| Key issues 2024 | Investigation into inappropriate behaviour around exams; ISQM 1/system of quality management; QRM and A&A LoS policies and reports; transformation of duties and responsibilities 1 st and 2 nd lines; reputation and integrity risks: complaints, claims, and disciplinary cases; matters regarding partners; external regulators (contacts and ongoing investigations). |

List of other topics discussed

In addition to the themes, developments and agenda items referred to above, the following topics were also discussed at the regular meetings with the Governing Board and the committee meetings:

- ▶ Management information and reporting, and non-financial KPIs
- ▶ Internal and external quality checks
- ▶ Compliance with key policies and processes
- ▶ Adjustments to quality policy
- ▶ Financial interests policy
- ▶ Ancillary positions of the Governing Board
- ▶ Termination of management agreements with equity partners
- ▶ Exit monitoring of partners and staff in key positions
- ▶ Developments regarding the accounting profession

Decision-making by Supervisory Board

The formal decisions taken during meetings of the Supervisory Board included:

- ▶ Approval of annual report, including the financial statements 2023
- ▶ Approval of Transparency Report 2023
- ▶ Appointment of auditor for the financial statements 2024
- ▶ Approval of budget for 2024
- ▶ Decision on level of remuneration for members of the Governing Board and the Head of Audit as of 1 January 2025
- ▶ Approval of nomination of (external) auditors at Audit & Assurance Line of Service and appointments of salary and equity partners
- ▶ Approval of nomination of two members of the Supervisory Board
- ▶ Decision to nominate a member of the Governing Board
- ▶ Approval of Internal Audit Plan 2025
- ▶ Approval of investment policy for participants
- ▶ Approval of performance assessment of Compliance Officer and Internal Auditor

Performance assessment and remuneration of Supervisory Board and Governing Board

Performance assessment and remuneration of Governing Board

Individual performance interviews were conducted with the members of the Governing Board and the Head of Audit early in 2024. We held progress meetings with them in the third quarter. In the autumn of 2023, based on a benchmark conducted, we recommended that no changes should be made to the remuneration policy for 2024 and 2025. The Meeting of Participants endorsed our recommendation. The remuneration policy for 2024 is the same as for 2023.

Self-assessment by Supervisory Board

The composition of the Supervisory Board changed mid-year with the departure of two of our members and the arrival of their successors. Based on the self-assessment carried out by the Supervisory Board, at that time still including the members that resigned, we conclude that, in that constellation, collaboration between members and the way of communicating had been pleasant, open, and constructive. In its current composition, the Supervisory Board also assessed its division of duties and areas of focus, as well as collaboration between members and their individual added value. We found that there is good collaboration between members and the way of communicating, division of duties, and areas of focus are also effective.

Remuneration of members of the Supervisory Board

The members of the Supervisory Board are paid a fee, which is adopted by the Meeting of Participants. For details of our remuneration, we refer to the financial statements.

Independence

Our duties and powers should be carried out within the applicable regulations on independence. The BDO Compliance Officer monitors the personal and financial independence of the members of the Supervisory Board. All members qualified as independent in accordance with applicable regulations in 2024.

Training

In 2024, the Supervisory Board attended a knowledge session on developments in artificial intelligence. This has deepened our knowledge and given us a better understanding of the possible uses, limitations, and threats.

Financial statements

BDO's annual report and financial statements for 2024 were prepared by the Governing Board. The financial statements were audited by Baker Tilly (Netherlands) N.V., our external auditor. The audit findings were discussed with the Audit Committee with the Governing Board attending. The Supervisory Board subsequently approved the annual report and the financial statements for 2024 at its meeting with the Governing Board on 29 April 2025.

Transparency report

The policymakers discussed the contents of the Transparency Report 2024 with us. We consider the content of the report to be consistent with our view of the past year and accurately reflects the relevant issues, progress and state of affairs that were presented and explained to us and that we have monitored.

Conclusion

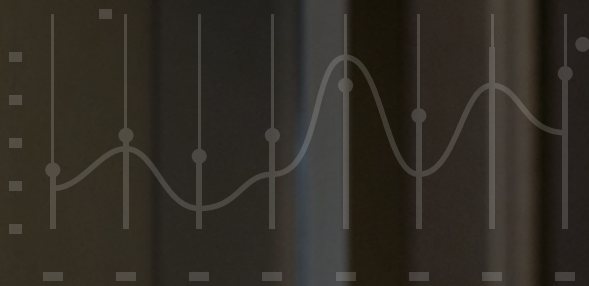
As Supervisory Board, we believe that effective strides have been made on the various themes and projects in 2024. We greatly respect and appreciate the considerable efforts that employees, partners and the Governing Board have made to make BDO a better and greater organisation. We are also very confident that by appointing a Chief Transformation Officer to strengthen the Governing Board in 2025, the transition and innovation can be accelerated, so as to ensure that BDO remains resilient going forward and can grow sustainably in terms of both quality and added value as well as financially. We will continue to track and monitor this closely. We will also continue to closely monitor the diligent completion of the internal investigation into inappropriate behaviour around exams, the organisation's ability to learn, and further measures to ensure the quality, reliability and appropriate behaviour incumbent on an organisation such as BDO. We will continue to provide the Governing Board with proactive support and advice in relation to these as well as any other challenges and issues going forward.

Eindhoven, The Netherlands, 29 April 2025

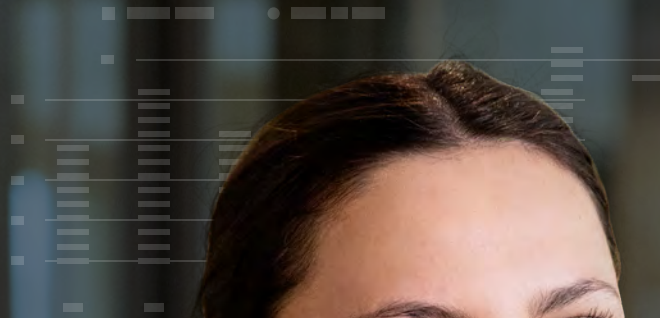
Supervisory Board

- ▶ D.A. (Danny) van der Eijk (chair)
- ▶ E.M. (Engelhardt) Robbe (vice-chair)
- ▶ H.L. (Heleen) Kuijten-Koenen
- ▶ B. (Barbara) Lamberts
- ▶ K. (Kim) Smit

Lijndiagram



Staafdiagram



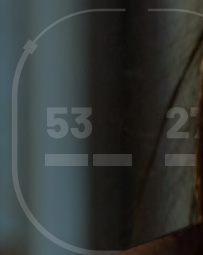
Infographic



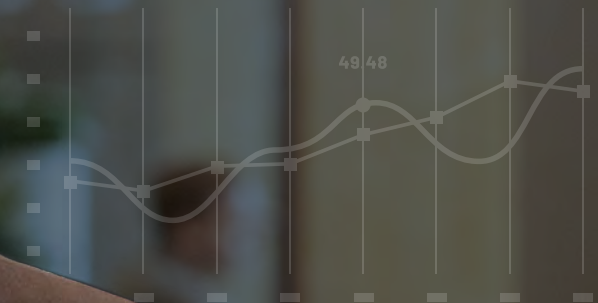
Tijdslijn



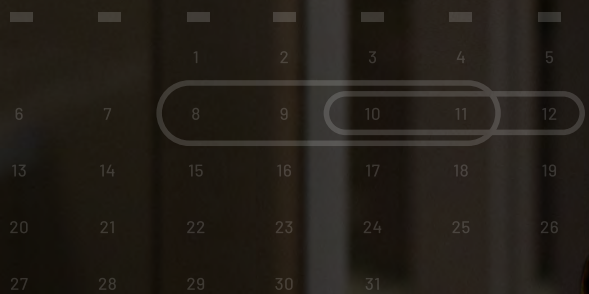
Dashboard



Lijndiagram



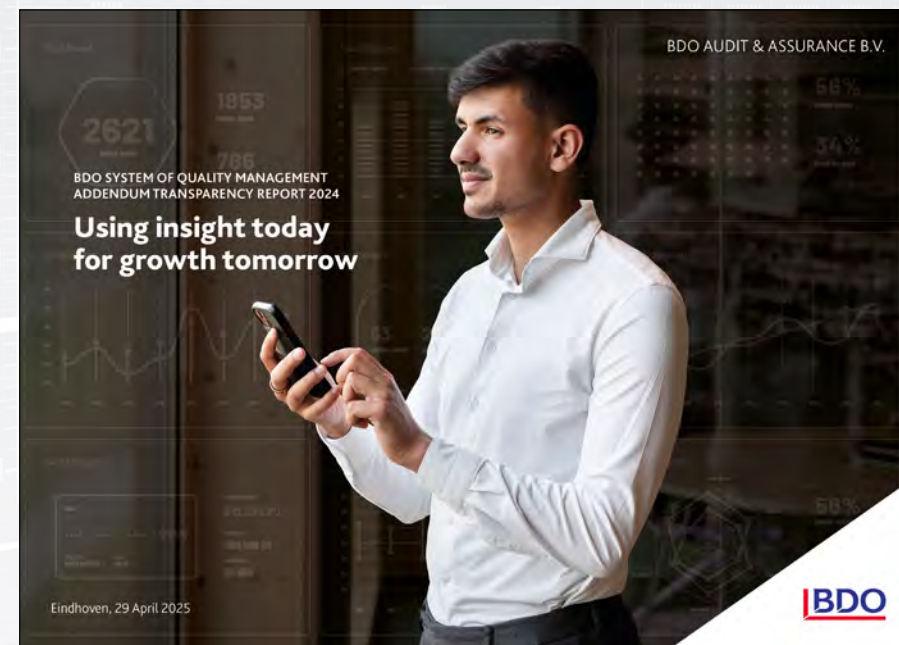
Kalender



3. Quality in 2024

In this chapter, we will describe the most relevant issues and developments in the reporting period that pertain to our vision of quality and our system of quality management, partly based on quality indicators. This chapter also gives an account of the external supervision of our organisation in 2024 by external supervisory bodies such as the Dutch Authority for the Financial Markets (AFM). Lastly, this chapter includes the required statement by the policy-makers regarding the effectiveness of the internal system of quality management, the internal assessment of compliance with the independence requirements and compliance with the policy on the continuing professional development (CPD) of our partners and other employees.

A full description of the system of quality management in place at BDO Audit & Assurance B.V. in 2024 is available [here](#).



Quality and quality management

BDO's Quality Policy focuses on what we define as quality (see box 1) and our ambition to deliver quality anywhere and at any time. The BDO Quality Policy sets out the main principles of the BDO system of quality management. The quality policy and the system of quality management that is in place at BDO Audit & Assurance (A&A) align with, and flesh out, the overarching BDO Quality Policy and the BDO system of quality management.

BDO's system of quality management has been designed and implemented in such a manner as to meet the requirements of the *International Standard on Quality Management 1 (ISQM 1)* and the related BDO ISQM Policies issued by BDO Global. The system of quality management applies to audit and review engagements related to financial statements, and other assurance and assurance-related engagements performed by BDO. The purpose of the system of quality management is to provide reasonable assurance that:

- ▶ the organisation and the professionals fulfil their responsibilities in accordance with professional standards and applicable requirements under laws and regulations and perform engagements in accordance with such standards and requirements; and
- ▶ the reports and statements we provide are accurate under the given circumstances.

BDO adopts a risk-based approach in its system of quality management, defining quality objectives, identifying and analysing quality risks, and taking appropriate measures to mitigate those risks. A robust monitoring and remediation process contributes to continuous improvement of the organisation's quality processes, partly based on root cause analysis.

Below, we describe the most relevant developments in our system of quality management in 2024 based on the following subjects:

Dashboard

Staafdiagram

Infographic

BDO's ambition is to deliver quality anywhere and at any time. This means in continuity, for all types of services, and within the parameters of the law and applicable rules, meeting the expectations of our key stakeholders with regard to a specific service, the service provision process and our organisation, and exceeding those expectations wherever possible.

... continuity

Delivering quality is part of our vision on long-term value creation. The world around us is constantly changing and with it the expectations of our stakeholders. That is why we always stay connected to the environment in which we operate. As a learning organisation, we continuously improve ourselves and our services.

... for all types of services

We deliver quality in all our services. The ambition to deliver quality always and everywhere applies to the whole of BDO. All BDO professionals contribute to that quality, either directly (by being involved in engagements) or indirectly (through their quality-related activities or other forms of support).

... within the applicable rules and regulations

Delivering quality means that, irrespective of the expectations of our stakeholders, our services will always be in compliance with the relevant statutory provisions, rules issued by professional associations and internal regulations. We also demand regulatory compliance from our clients and we want them to operate ethically and transparently in line with BDO's risk appetite. But in our compliance effort, we do not lose sight of the purpose of the rules. We will not reach the quality we aim for by blindly following the letter of the law ('is it permitted?') and ignoring the spirit of the law ('is it right?') in the process.

... to meet the expectations

Delivering quality means meeting our stakeholders' expectations as a minimum. To be able to do so, we ask our clients, prior to an engagement, what their expectations are and we document them. We can only meet *legitimate* expectations, i.e. expectations are within the law and realistic. In this process, we also manage our clients' expectations so that we do not promise anything we cannot deliver.

... of our key stakeholders

In order to deliver quality, we want to meet at least the expectations of our key stakeholders. Stakeholders are individuals, groups or organisations that have an interest in our services or are affected by their results. Our audit clients are our most direct stakeholders, but not our most important stakeholders per se. They are our paying clients.

Our actions and conduct are always informed by our core values: Professionalism, Joy, Practical Relevance, People Focus, and Social Responsibility. Our core values show how we transpose our ambition to deliver quality anywhere and at any time into concrete action. They inform our day-to-day interactions. We hold each other accountable for our actions and we expect our stakeholders to do the same.

We deliver quality by meeting their legitimate expectations. In weighing up quality considerations, we will let the public interest prevail over a client's interest, if they happen to contradict each other. Besides our clients, there are other stakeholders that have legitimate expectations of our services: our clients' key stakeholders, society (e.g. citizens, the government, politicians and the media), BDO professionals and professional colleagues.

... the specific service, the service provision process and our organisation

Our stakeholders' expectations can typically be broken down into three levels:

- Expectations of the *specific service* relate to the extent to which the service provides a solution to a particular issue, answers a question or otherwise meets a particular need, and is therefore sufficiently tailored to the specific facts and circumstances of the client and the engagement. The correctness, completeness, timeliness, understandability, relevance and reliability of our advisory service or opinion are key factors in that respect, as is the service's compliance with what has been agreed, the applicable rules and regulations, and quality and other requirements.
- Expectations of the *service provision process* relate to the process steps that are followed, such as the acceptance of the client and the engagement, the engagement letter, the allocation of skilled professionals to the engagement, scheduling, engagement performance and wrap-up with a report or statement. Stakeholders also expect the service process to comply with the relevant rules and regulations. These expectations also relate specifically to the 'client service' we offer and that our clients can expect from us.
- Lastly, our stakeholders' expectations increasingly relate to *our organisation* as a whole. Stakeholders expect the services they engage to be provided by an ethical organisation that complies with the rules and regulations by which it is governed and that manages and improves its service quality on a continuous basis

... exceeding those expectations wherever possible

In our mind, quality is when we go the extra mile to exceed our key stakeholders' expectations, for instance by providing added value through new perspectives on the issues and questions of our stakeholders, coming up with innovative ideas and instruments, offering a new take on the social debate, increasing the efficiency of our services or providing service excellence.

ORGANISATIONAL STRUCTURE

Meeting of Participants

As at 31 December 2024, BDO had 71 holders of depositary receipts (2023: 69) 23 of whom are external auditors (2023: 24) working on behalf of BDO Audit & Assurance B.V.

Governing Board

At 31 December 2024, the members of the Governing Board were:

- ▶ R.C.M. (René) Nelis (chair and CEO)
- ▶ L.M. (Leon) Jansen (CFO/COO)
- ▶ M.A. (Maurice) de Kleer (CQO)
- ▶ M.M.G. (Marcel) Mans (Head of Audit)

In 2024, René Nelis and Leon Jansen were reappointed to the Governing Board for another term in their respective roles as CEO and CFO/COO. Maurice de Kleer was not available for reappointment and stepped down from his position as CQO on the Governing Board with effect from 1 January 2025. In anticipation of the appointment of his successor, Marcel Mans temporarily filled the role of CQO. Furthermore, Kirsten Konst was appointed to the Governing Board as Chief Transformation Officer (CTO) on 1 February 2025. As CTO, she is responsible for driving our transformation and supporting implementation of our growth strategy.

Supervisory Board

At 31 December 2024, the members of the Supervisory Board were:

- ▶ D.A. (Danny) van der Eijk (chair)
- ▶ E.M. (Engelhardt) Robbe (vice-chair)
- ▶ H.L. (Heleen) Kuijten-Koenen
- ▶ B. (Barbara) Lamberts
- ▶ K. (Kim) Smit

On 27 June 2024, Barbara Lamberts and Kim Smit joined the Supervisory Board as new members, replacing Bernadette Langius and Dennis Raithel who were not eligible for reappointment at the end of their terms. Engelhardt Robbe, a member of the Supervisory Board since 2021, has taken over the role of vice-chair from Bernadette Langius.

Audit & Assurance Management Team

At 31 December 2024, the members of the Audit & Assurance Management Team (A&A MT) were:

- ▶ M.M.G. (Marcel) Mans
- ▶ P.M. (Pascal) Belfroid
- ▶ L.T.A. (Luc) Parren (as of 1 November 2024)

Quality Council

The Quality Council is a consultative body that serves as a sounding board to the Governing Board and supports it in fulfilling its responsibilities for planning, implementing, evaluating and making adjustments to quality management procedures. In 2024, the Quality Council's role was expanded so that it now also serves as a consultative body where the quality and risk management portfolio holders of the four LoS MTs, the QRM staff department and the CQO periodically discuss quality and risk management matters.

In 2024, the Quality Council met eight times (2023: 5), discussing such matters as (changes in) BDO's Quality Policy, the approach to quality management in 2024 (including continued implementation of the three lines model for quality and risk management and related design of the first line and strengthening of the second line, the filling of functional roles in relation to the system of quality management, the approach to monitoring and evaluation, and the progress made on improvement and remedial actions in response to identified findings and deficiencies), the publications and reports issued by the Dutch Financial Markets Authority (including on SIRA and EQR) and other external regulators (such as the Financial Reporting Council (FRC), the Public Company Accounting Oversight Board (PCAOB), the International Forum of Independent Audit Regulators (IFIAR)), the outcomes of internal (quality) culture measurements, how quality was factored into the annual financial budgeting process, the gatekeeper role, and other responsibilities under the Dutch Money Laundering and Terrorist Financing (Prevention) Act (Wwft), and other impactful signals and developments.

Young A&A MT

The Young A&A MT is an advisory body to the A&A MT, consisting of young BDO employees from the A&A practice. The aim is for the Young MT to have a balanced male/female membership composition, spread across job levels and locations. At various meetings In 2024, the A&A MT and Young A&A MT discussed a wide range of subjects, including how terms of employment were perceived in practice (such as (entry) salaries and promotions), the planning system for engagements and teams (such as deploying flex workers and completion days), the workload/productivity balance, encouraging upward feedback, the Young A&A MT's involvement in projects and other work by the A&A MT under the 2024 execution plan, and the Young A&A MT's performance assessment).

3.1.7 Key figures BDO Global

| REVENUE BDO GLOBAL* | 2024 | 2023 |
|-----------------------------------|--------|--------|
| Total | 13,900 | 13,000 |
| By service line | | |
| ▶ Audit & Assurance | 41% | 42% |
| ▶ Business Services & Outsourcing | 15% | 14% |
| ▶ Tax | 23% | 23% |
| ▶ Advisory | 22% | 21% |

* Amounts in € millions. Totals/percentages may deviate due to rounding differences.

The BDO network's total fee income from statutory audits of separate and consolidated financial statements in the EU/EEA was approximately EUR 731 million in 2024 (2023: EUR 630 million). We would note that the different member firms have different financial years. The amount provided is based on the most recently closed financial year. The average exchange rate for the reporting period was used for countries with a currency other than the euro. The EU/EEA countries where BDO has a presence and the location of the offices are listed in [Annex B](#).

Other key figures for the international BDO network

| BREAKDOWN | 2024 | 2023 |
|-------------------|-------|-------|
| Country presence | 166 | 166 |
| Number of offices | 1,800 | 1,776 |

| EMPLOYEES | 2024 | 2023 |
|-----------------|---------|---------|
| Partners | 8,283 | 8,134 |
| Other employees | 97,309 | 92,579 |
| Support staff | 14,019 | 14,948 |
| Total headcount | 119,611 | 115,661 |

BDO GLOBAL

1,800
OFFICES

166
COUNTRIES

119,600+
PROFESSIONALS

14 bln
REVENUE 2023-2024

Data from 1 October 2023 to 30 September 2024.

■ *BDO countries*

EMEA

504
OFFICES



4.5 bln
REVENUE 2023-2024

40,300+
PROFESSIONALS



33

TURNOVER CONTRIBUTION

AMERICAS

1,166
OFFICES



7.8 bln
ENUE 2023-2024

50,700+
PROFESSIONALS



56

TURNOVER CONTRIBUTION

ASIA PACIFIC

130
OFFICES



1.5 bln
ENUE 2023-2024

28,500+
PROFESSIONALS



11

TURNOVER CONTRIBUTION

Data from 1 October 2023 to 30 September 2024.

CULTURE AND LEADERSHIP

In 2024, the revised and refined strategy led to the definition of a clear purpose (*'Helping people and organisations achieve their sustainable future'*), mission statement (*'Giving people and organisations insight and confidence in their true value'*), key objective (*'Sustainable growth for BDO employees, clients and society so that together we can create greater impact'*), and brand promise (*'Real value'*). 'Real value' forms our internal compass and guides us in everything we do. This is reflected in our people-centric culture. Our personal approach. Our broad view of value, which covers all costs and benefits, including to people, the environment, and society. It also shows in our advisory opinions, which are practical and clear and the way we invest in training people. It represents how we provide assurance to our clients, by making intangible value quantifiable. Providing insight so that organisations and society can chart a clear course. This is how we, at BDO, are helping people and organisations achieve their sustainable future.

The workplace culture that we wish to build at BDO can be defined as follows: *"The BDO culture is an agile and people- and quality-oriented culture, where people can feel secure and experience a sense of belonging, regardless of their differences. and enjoy their work at a learning, resilient and value-driven organisation. We want to offer an environment where change is seen as an opportunity to take the next step together, and where everyone leads by example and plays a part in creating our desired culture. We are not afraid to give and receive feedback. We have regard for people and society in the choices we make."*

BDO Horizon is the organisation-wide culture programme that helps BDO and its people to keep moving towards this desired culture. To measure whether we are moving steadily towards the quality-oriented culture we envision and whether our related initiatives are finding fertile ground, we regularly conduct employee surveys.

- ▶ In 2024, the Horizon survey was completed twice by 70% and 75% respectively (2023: 60.5%) of BDO employees. The high response rates are an initial measure of employee engagement.

- ▶ Overall, the measurements show a stable picture. BDO employees say their managers trust them to do their jobs well. They also experience a pleasant workplace and can be themselves. BDO employees are happy to stay on for the next few years and feel comfortable to discuss any mistakes made. Of course, we also see room for improvement. Several questions regarding vitality score relatively low (but still sufficient) and deserve our attention in the coming period. Other points requiring attention relate to giving feedback, setting clear goals, and the workload. Furthermore, we sometimes see major differences between local departments and practices. The findings, including staff turnover and absenteeism rates, are discussed and followed up by the local Horizon teams.
- ▶ A brief quality measurement was also carried out at the end of 2024 using ten statements by BDO Global. Within the A&A practice, colleagues are most positive about their individual responsibility for delivering quality and commitment to demonstrating ethical behaviour. One of the concerns raised relates to the extent to which colleagues feel that they have sufficient time to perform their work to a high standard. We include the results of this measurement in the follow-up within the BDO Horizon culture programme.

Job satisfaction and feeling connected are key to ensuring that employees stay fit and healthy. Employees who feel connected to their colleagues and enjoy their work are generally more motivated and more productive. Moreover, a pleasant workplace atmosphere helps retain employees and attract new talent. In line with these objectives, we wish to encourage joint team activities for all BDO employees by making higher budgets available for that purpose.

As part of the wider range of internal leadership programmes, the leadership programme for senior managers was developed further in 2024. The programme facilitates the desired development of senior managers on their journey to being appointed partners. Based on the philosophy of shared leadership, employees tackle leadership challenges at an individual and group level. Coaching and peer reviews are key elements of the revamped programme.

OUR PEOPLE

Staffing

In 2024, the average number of partners, senior managers, managers and other team members at, or affiliated with, BDO A&A increased by 5.8% to 1,013 (2023: 957). The increase in 2024 was higher than in 2023 (4.8%). In 2024, collaboration between our recruiters, educational institutions and BDO practices was again successful, with the recruitment of graduates and effective internal career advancement. The number of new hires by the ESG practice group increased.

Average number and ratio of partners, senior managers, managers and other team members

| 2024* | Partners | Senior managers and managers | Other | Total |
|--------------------|----------|------------------------------|-------|-------|
| Quantity | 73 | 225 | 715 | 1,013 |
| Ratio (% of total) | 7% | 22% | 71% | 100% |
| 2023* | Partners | Senior managers and managers | Other | Total |
| Quantity | 71 | 206 | 681 | 957 |
| Ratio (% of total) | 7% | 21% | 71% | 100% |

* Totals/percentages may deviate due to rounding differences.

The average number of years of experience at BDO increased by 2% to 5.2 years (2023: 5.1). Although partners on average remained at BDO for a slightly shorter period of time in 2024 than in 2023, the total average number of years of experience at BDO in 2024 was slightly up on 2023.

Average years of experience at BDO, by role

| | 2024 | 2023 |
|------------------------------|------------|------------|
| Partners | 16.7 | 17.5 |
| Senior managers and managers | 9.7 | 10.0 |
| Other team members | 2.7 | 2.7 |
| Average | 5.2 | 5.1 |

Overall staff turnover increased to 15.8% in 2024 (2023: 14.5%). Turnover increased mainly among (senior) managers and partners and fell slightly for other staff. Retaining relatively experienced young professionals continues to be a challenge.

Turnover rate among partners, senior managers, managers and other team members

| | 2024 | 2023 |
|------------------------------|--------------|--------------|
| Partners | 6.9% | 5.7% |
| Senior managers and managers | 16.0% | 9.7% |
| Other team members | 16.7% | 16.9% |
| Total | 15.8% | 14.5% |

In 2024, deployment of 'extension staff' to perform audit engagements continued to expand. Extension staff are employees from another BDO firm or external organisation, in this case mainly BDO South Africa, who physically work abroad and are virtual members of the audit teams in the Netherlands. Extension staff can be allocated to fill temporary staff shortages, such as during the busy season, for one-off projects or in case of illness or pregnancy of in-house staff. The management, supervision and review of these employees takes place entirely within the audit team in the Netherlands. Furthermore, before starting work, these employees receive introductory training on, among other things, the use of tools in the Netherlands and Dutch culture and customs, and periodic evaluation interviews take place to ensure the desired quality.

In 2024, BDO developed a new internal mobility policy to promote employee retention. The policy makes it easier for employees to change teams or departments within the organisation, allowing them to advance their careers and development without changing employers. It sets out clear frameworks and guidelines that provide transparency in terms of the possibilities and impossibilities within the different teams, and stresses the importance of retaining and making maximum use of our talent. The policy ensures that employees feel more engaged and fit and healthy, reducing absenteeism and contributing to greater job satisfaction and their overall commitment to BDO.

Development and continuing professional education (CPE)

We continuously invest in the knowledge and skills of our professionals. The average number of hours our professionals spent on training and education in 2024 remained more or less stable at 220.3 hours (2023: 220.8).

Average number of hours spent on internal and external training and education, by role (per FTE)

| | 2024 | 2023 |
|------------------------------|--------------|--------------|
| Partners | 88.1 | 83.0 |
| Senior managers and managers | 114.7 | 104.4 |
| Other team members | 268.4 | 270.6 |
| Total | 220.3 | 220.8 |

As part of the internal training and development programmes for employees, both in the audit practice and the central staff, and during the national induction days for new employees, we successfully deployed gamification. Gamification is an original way for employees to learn through play and live the culture that we wish to build. It increases awareness and knowledge of the BDO Code. In an interactive game, BDO employees gain an understanding of our core values and associated behavioural principles.

In 2024, work was done to develop an overarching training policy: a strategic and consistent approach to structured and organised learning and development. The purpose of training is to develop employees' skills and expertise in a structured and organised way. It contributes to the quality of our services,

organisational growth and retention, and compliance with laws and regulations. In 2024, in relation to the training policy and parallel to the internal investigation that is being conducted into inappropriate behaviour around exams, the BDO Examination Regulations were drafted and communicated across the organisation. The BDO Examination Regulations aim to ensure professionalism and integrity when preparing for and taking exams. They describe the behaviour that we expect our employees to demonstrate. They also describe the behaviours that are incompatible with our core value of professionalism, and the resulting consequences. The purpose of the regulations is to ensure that training objectives are met and the reputation of BDO and our employees remains protected.

In the summer of 2024, all (junior/senior) assistants attended the two-day Summer School and the (junior/ senior) managers and partners attended the three-day Summer Course. Topics covered included technological innovation (artificial intelligence (AI)), professional skills and people orientation (influencing, positive influence, feed-forward, optimal collaboration across generations, strategic commercial negotiations), and the new standard 600 for group audits and subsequent changes in the BDO Audit Methodology, ESG assurance, and the BDO Digital Tools and Innovations Programme. In the autumn, separate training sessions were hosted for staff with an IFRS accreditation.

Internal central monitoring of CPE portfolios (for the purpose of complying with the Further Rules for Permanent Education (NV PE) applicable to chartered accountants and accountant-administration consultants registered with the NBA) showed that almost all accountants completed their PE portfolios for 2023 in a timely fashion (with the exception of a few accountants due to prolonged absences) and set out their plan of action in their CPE portfolio for 2024 in a timely fashion (with the exception of a few accountants who did so later).

Performance assessment and remuneration of partners and other employees

In 2024, we investigated to what extent the current bonus system at A&A, providing for a performance bonus and quality bonus, could be revised to permanently include sufficient performance incentives to ensure the quality of statutory audits. On that basis, a new bonus policy was proposed, which is expected to take effect in the autumn of 2025.

In 2024, in order to further enhance partner engagement and improve clarity on and alignment with the strategic goals, project-based work was carried out to develop a new performance management system and remuneration model for partners. The intended results and effects are a transparent and explainable assessment and remuneration framework, uniform principles for the assessment and remuneration process, clarity on performance indicators, up-to-date insight into current performance via a performance dashboard, improved engagement on performance and development, and more possibilities to link remuneration and incentives to performance levels and to differentiate on that basis. Performance management should be designed to contribute as effectively as possible to good performance interviews, allowing for an open dialogue about performance and development, the results achieved, and the feedback received on leadership behaviour. The outcome of a performance interview provides the input for determining fixed and variable pay. To arrive at a new remuneration model, we sought external advice. In 2025, the various elements of performance management and the remuneration model will be integrated into a logical and easily explainable system.

ETHICAL STANDARDS

Integrity and independence

Sound and ethical operations

Money laundering, terrorist financing, fraud and corruption, as well our gatekeeping role, continued to be topics of public debate in 2024. A mandatory e-learning course, adjustments to the procedures for accepting and continuing clients and engagements, new templates for enhanced client due diligence, and an internal knowledge base in which cases are periodically shared have helped to refresh and update knowledge and awareness of the Dutch Prevention of Money Laundering and Terrorist Financing Act (Wwft). We also raised awareness of tightened sanctions regulations through internal communications and a tightened consultation process.

BDO A&A filed 53 reports of unusual transactions with the Financial Intelligence Unit (FIU) under the Wwft in 2024 (2023: 62 reports), down 15% compared to 2023. No transactions were reported involving the transfer of cash funds between BDO and our clients (objective indicator). The law prevents us from providing any further information about the nature of these reports.

| | 2024 | 2023 |
|---------------------------------|------|------|
| Reports of unusual transactions | 53 | 62 |

Independence

Two violations of our independence policy were identified in 2024 (2023: four):

- ▶ On a one-off other assurance engagement for a subsidiary of a foreign-based listed entity (outside the EU/EEA; non-PIE), work incorrectly began before the mandatory engagement acceptance procedure had been followed. Only after completion of the engagement acceptance procedure was the entity in question identified in the internal systems as an 'assurance client' and placed on the list of listed companies in which partners and directors are not permitted to invest. During that process, it was also found that a partner from another BDO office had a financial interest in the relevant listed company (non-PIE) at the time when BDO was performing the assurance engagement for a subsidiary of that listed company. This constitutes a violation of our internal independence policy. However, because the subsidiary was not material, there was no violation of external independence rules (ViO).

- ▶ As part of an internal investigation into compliance with internal rules, a partner was found to have held financial interests in two listed companies at the time when BDO was performing assurance engagements for those listed companies. The partner involved failed to make the required disclosures in relation to his interests (either in the annual compliance statement, in response to the monthly list of 'prohibited investments for partners and directors', or at the time of disposal). This constitutes a violation of our internal independence policy. Independent performance of the assurance engagements was not affected, because the partner in question was not involved in them and stated that he had not been aware of the ongoing assurance engagements until the disposal of his financial interests, and had had no contact with the engagement teams responsible for the assurance engagements with regard to his financial interests..

The underlying causes of both cases were investigated and an assessment was made of any material threats to the independence of the responsible auditors. The conclusion was that the incidents had no serious implications for operational integrity. Partly on that basis, appropriate (remedial) measures were taken, including disposing of the financial interests and disciplinary action.

| | 2024 | 2023 |
|--|------|------|
| Number of internally identified violations of independence rules | 2 | 4 |

Monitoring of financial interests, gifts and hospitality, partner and office rotation, outside activities, onboarding screening and compliance statements did not reveal any other irregularities.

In 2024, we performed the annual review of the fee cap that the EU Regulation imposes on the concurrence of services to PIEs (where permitted). This means that, if BDO provided other services to a PIE audit client (or to that PIE's parent company or any of its subsidiaries) during the period 2021-2023, the total fees for these services are not, in the financial 2024, to exceed 70% of the average fees the PIE (and, where applicable, its parent company or any of its subsidiaries) paid for the statutory audit or audits of its separate and consolidated financial statements in the financial years 2021-2023.

A comprehensive risk assessment showed that our fees were well below the fee cap in 2024. We also intensively monitor the acceptance of other services at PIE audit clients and no reports have been received from engagement teams regarding exceeding this fee cap, on which they have included a mandatory paragraph in the audit report for PIE audit clients since 2021.

As part of the procedure for monitoring of the financial position of audit/equity partners, in 2024, the designated officer reviewed the financial position of the equity partners who were newly appointed on 1 January 2025, the policymakers and a number of equity partners (so that all equity partners are reviewed once every three years). This assessment is aimed at reviewing the equity partner's financial position, establishing compliance with the General Provisions, and verifying the accuracy of the completed Compliance Statements. This review revealed some observations regarding financial interests of a prospective equity partner to be appointed, which were followed up in the further appointment process and compliance with the independence policy.

Due to the increase in changes to independence regulations (including in relation to group audits, ESG services, technology services, and the definition of Public Interest Entities (PIEs)), several internal Independence Alerts were issued, webinars conducted, and training sessions hosted during the Summer Course in 2024. In order to further support assessing and documenting independence at engagement level, the Independence Workbook was implemented in APT and questionnaires related to relevant ethical requirements were updated.

Prior to any engagement acceptance or continuation, we carry out a conflict-of-interest check. In doing so, we assess whether there are any conflicts of interest that could lead to a threat to our objectivity or any of the other fundamental principles (professionalism, integrity, professional competence and due care and confidentiality). This also identifies any threats to independence. In 2024, steps were taken to further develop the new digital platform to be used by the international BDO network to conduct conflict-of-interest checks and independence assessments, also known as the COI 2.0 tool.

The new tool COI 2.0 consists of two systems:

- ▶ Entity Management System (EMS): this system will contain the legal structures ('corporate trees') of all BDO clients (which have been validated by the responsible BDO partner by confirming their accuracy and completeness);
- ▶ Conflict Management System (CMS): this system concerns an automated solution within which the entire process of the international conflict-of-interest check and independence assessment will be handled.

Confidentiality, information security and privacy

To promote awareness of information security and privacy, and encourage appropriate conduct, we required everyone at BDO to take required e-learning modules on these topics in 2024. These training sessions focus on recognising high-risk situations and are tailor-made for BDO. Employees are also regularly alerted to specific (new) information security and privacy risks on the intranet and via email, including by means of internal phishing simulations.

In 2024, the risk assessments were updated in respect of the availability, integrity and confidentiality of key processes within the organisation and the BDO Information Security Management System (ISMS) was subjected to internal as well as external audits. These audits showed that BDO manages risks effectively and meets the requirements of the ISO 27001 standard.

BDO A&A recorded 28 security incidents in 2024 (2023: 25), 20 of which involved data breaches (2023: 14). One of these data breaches was found to be 'serious', meaning that it could have posed a considerable risk of a serious threat to the protection of personal data. Accordingly, the data breach was reported to the Dutch Data Protection Authority (DPA) (2023: 0). The incident was also reported to the AFM (see also ['Reports to external regulators'](#)).

| | 2024 | 2023 |
|---|------|------|
| Number of recorded security incidents | 28 | 25 |
| Number of recorded data breaches | 20 | 14 |
| Number of data breaches reported to DPA | 1 | 0 |

The laws and regulations on information security and privacy are undergoing major changes and additions (including the Network and Information Security Directive (NIS2 Directive), Corporate Sustainability Due Diligence Directive (CSDDD), EU AI Act, Accessibility Act, ePrivacy Regulation, and a new update of the General Data Protection Regulation (Implementation) Act), for which we are taking the necessary preparatory measures internally (including analysis and implementation in policies, systems, and processes). Such new laws and regulations often also apply to our clients and this leads to an increase in security and privacy questions, including in requests for proposals and tender procedures.

Complaints, whistleblowers and claims

No complaints (external or internal), whistleblowing reports, claims, or disciplinary complaints regarding statutory audit engagements and/or external auditors were received in 2024 (2023: 2).

The following disciplinary cases against BDO external auditors were still pending before the Accountancy Division and/or the Dutch Trade and Industry Appeals Tribunal (CBB) in 2024:

- ▶ An external auditor was accused of failing to exercise professional due care in their audit of a fund's profit and/or dividend distributions and of not having provided – enough of – a true and fair view in the fund's financial statements for 2016 and 2017. The Accountancy Division ruled on 27 December 2021 that the complaint was partly founded and issued a written warning against the external auditor. Both the complainant and the external auditor appealed the decision. The date for the hearing had not been set at the time of this writing.
- ▶ An external auditor was accused of having made an error in the scope of the auditor's report (un-qualified) that was issued on the financial statements for 2020 of a foundation. The complainant asserted that the foundation's financial statements did not comply with the law and its Articles of Association, and that the auditor's report contained incorrect information about the responsibilities and powers of the foundation's management and board. The Accountancy Division issued a ruling on 21 October 2022. While it upheld one part of the complaint, no sanctions were imposed. The complainant lodged an appeal. The date for the hearing had not been set at the time of this writing.

No disciplinary cases were finalised in 2024.

| | 2024 | 2023 |
|---|----------|----------|
| Number of external complaints (as per Complaints Handling Procedure – BDO Complaints Handling Committee) | 0 | 1 |
| Number of internal complaints (as per Complaints Procedure (formerly the Rules for reporting and handling complaints)) | 0 | 0 |
| Number of whistleblower reports (as per BDO Whistleblower Scheme (formerly: Rules for handling reports of suspected wrongdoing ('Whistleblower Scheme'))) | 0 | 0 |
| Number of claims against organisation | 0 | 1 |
| Number of disciplinary complaints against external auditors | 0 | 0 |
| Total | 0 | 2 |

ACCEPTANCE AND CONTINUATION OF CLIENT RELATIONSHIPS AND ENGAGEMENTS

Acceptance and continuation of client relationships and engagements

If, in the process of accepting or continuing an engagement, certain risks have been identified or certain criteria have been triggered, QRM will impose one or more risk-mitigating and/or quality measures. The measures imposed include engagement quality review (EQR), theme-based quality review (TBQR), International Financial Reporting Standards (IFRS) review, mandatory consultation with Department of Professional Practice (BVT), deployment of specialist (e.g. in the field of fraud or sanctions/Wwft), mandatory rotation or an instruction for the team composition. Additional measures may be imposed after the engagement has been accepted or continued. These would include quality controls during the performance of the engagement, such as Engagement Team Discussion (ETD) coaching, TBQR, IFRS review and EQR (see also the totals of these quality controls at '[Managing the quality of an engagement](#)'). The QRM department imposed one or more measures on BDO A&A for 244 engagements (2023: 286) with an expected completion date in 2024.

Number of engagements for which QRM imposed quality controls upon acceptance or continuation

| | 2024 | 2023 |
|-----------------------|------|------|
| Number of engagements | 244 | 286 |

Procedure and systems

The project set up to redesign the process for accepting and continuing client relationships and engagements continued in 2024, fleshing out the principles regarding risk leadership and responsibilities, efficient support by systems and procedures, and availability of reliable (connections between) data. The Client Onboarding Committee (CCO), comprised of representatives of all LoS MTs, was set up in that context. The CCO is responsible for the entire process of accepting and continuing client relationships and engagements. In addition, the Client Onboarding Service Centre (SCCO) was set up. The SCCO is initially to conduct work around the Wwft and the international conflict of interest check (COI), but will eventually develop into a service centre to provide administrative support to the responsible practice professionals during the entire process of acceptance and continuation of client relationships and engagements.

Finally, at the end of 2024, a pilot was launched that uses external tooling to draw up risk profiles for (potential) clients based on public sources, exchanges information directly with (potential) clients, and automates identification of (potential) clients under the Wwft. The outcomes of the pilot will be reviewed and followed up in 2025.

To ensure higher and more consistent quality of assurance and other services provided by BDO world-wide and to uphold the good reputation of the BDO brand internationally, BDO Global has established international consultation policies. Before we quote for an assurance or assurance-related engagement that meets certain criteria and/or before accepting or continuing such an engagement, a mandatory consultation with BDO Global must take place. Those criteria include the expected scope of the engagement, the number of BDO Member Firms involved and the client's business activities (e.g. digital (crypto) assets). In 2024, the consultation policy was extended to include non-assurance engagements related to digital (crypto) assets.

Revenue

BDO Netherlands' total revenue for the financial year 2024 was EUR 379.9 million (2023: EUR 359.4 million) (up 5.7%). Of this amount, EUR 153.9 million (2023: EUR 141.6 million) (up 8.7%) was generated by the A&A Line of Service.

| REVENUE BDO NETHERLANDS* | 2024 | % | 2023 | % |
|---------------------------------|--------------|-------------|--------------|-------------|
| Audit & Assurance | 153.9 | 40.5% | 141.6 | 39.4% |
| Accountancy & Business Advisory | 84.9 | 22.3% | 83.6 | 23.3% |
| Tax & Legal | 100.5 | 26.5% | 95.8 | 26.7% |
| Advisory | 40.6 | 10.7% | 38.3 | 10.7% |
| Total | 379.9 | 100% | 359.4 | 100% |

* Amounts in € millions. The total amounts/percentages may deviate due to rounding differences.

Revenue can be broken down as follows (by type of service):

| COMPOSITION OF REVENUE BDO 2024 * | Statutory audits | Other audits | Other audit and assurance reports | Other services | Total | % |
|-----------------------------------|------------------|--------------|-----------------------------------|----------------|-------|-------|
| Statutory audits - PIE | 12.6 | | 0.7 | | 13.3 | 3.5% |
| Statutory audits - other | 104.1 | 3.1 | 3.5 | 17.5 | 128.1 | 33.7% |
| Other audits | | 21.3 | 2.0 | 3.8 | 27.1 | 7.1% |
| Other audit and assurance reports | | | 7.7 | 7.1 | 14.7 | 3.9% |
| Other services | | | 0.1 | 196.5 | 196.6 | 51.8% |
| Total | 116.7 | 24.4 | 14.0 | 224.9 | 379.9 | 100% |
| COMPOSITION OF REVENUE BDO 2023 * | Statutory audits | Other audits | Other audit and assurance reports | Other services | Total | % |
| Statutory audits - PIE | 11.9 | | 0.5 | | 12.5 | 3.5% |
| Statutory audits - other | 91.3 | 1,8 | 3.5 | 14.0 | 110.6 | 30.8% |
| Other audits | | 22.2 | 1,8 | 3.1 | 27.1 | 7.5% |
| Other audit and assurance reports | | | 8.8 | 5.4 | 14.2 | 3.9% |
| Other services | | | | 195.0 | 195.0 | 54.3% |
| Total | 103.2 | 24.0 | 14,5 | 217.6 | 359.4 | 100% |

* The total amounts/percentages may deviate due to rounding differences.

The revenue was generated from engagements billed by entities belonging to BDO Netherlands. The table does not include any amounts billed directly by member firms of BDO Global to our internationally operating audit and other clients.

In the table, the revenue from statutory audits was presented based on the definition of a statutory audit in Section 1(1)(p) of the Dutch Audit Firms (Supervision) Act (including annex).

The segmentation of revenue is in line with Article 13(2)(k)(i-iv) of Regulation (EU) No 537/2014:

- i. Revenues from the statutory audit of annual financial statements and consolidated financial statements of public-interest entities and entities belonging to a group of companies whose parent company is a public-interest entity.
- ii. Revenues from the statutory audit of annual financial statements and consolidated financial statements of other entities.
- iii. Revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm.
- iv. Revenues from non-audit services to other entities.

ENGAGEMENT PERFORMANCE

Number of engagements

BDO performed 1,047 statutory audits in 2024 (2023: 1,055), 88 of which were at Public Interest Entities (PIEs) (2023: 86). For a list of PIEs audited by BDO in the reporting period, see [Annex A](#).

The marginal 0.8% decrease in the number of statutory audits and the simultaneous increase in fee income from statutory audits by nearly 13% reflects our critical thinking in accepting and continuing engagements, in which process we seek as much as possible to accept and continue engagements that are in line with the quality level we aim to achieve in our service provision.

The number of PIE audit clients increased slightly in 2024, with some client turnover also occurring: we accepted 12 new PIE audit clients and the number of PIE audit clients fell by 10, mainly due to rotation obligations or no longer meeting the PIE definition (for example de-listings or a reduction in the number of rental units below the 5,000 mark).

Methodology and technology

Each year, BDO invests in both existing and new auditing methodology and technology. Some of these investments concern the contribution we make to the international network in the development of the BDO Audit Manual, our worldwide methodology, and of the Audit Process Tool (APT), the technology we use to carry out and document our audit engagements. Other investments involve formulating an integrated vision of IT innovations in the audit process and the development and application of concrete tools and applications.

Various technological innovations contribute to improvements in, and simplification of, our audit procedures. The AI&T Team enables the technical implementation of innovations in Dutch auditing practice. HR (change management), the Professional Practice Department (professional knowledge and audit methodology) and the IT key user community (practical application for the business) also play an important role in implementing innovative technology in the audit process.

In 2024, BDO made several audit innovations available to improve the efficiency and effectiveness of its audit procedures. A new Audit Innovation menu provides an overview of tools available for each audit procedure and which the teams can use for year-end audits.

E-learning's were also made available on the functionalities of audit tools, guiding users step by step through the processes. To maximise the use of our in-house AI tool, tips for defining effective prompts were developed and a list of examples of prompts was compiled. Finally, 2024 saw the launch of the Global Portal: our new customer portal that replaces MijnBDO and Provide2BDO and offers additional functionalities for more efficient collaboration with clients and ensures client integrity and privacy.

Capacity planning

The total number of hours spent on audit engagements in 2024 was down 2.2% on 2023, driven by lower total hours spent on audit engagements by other team members. The decrease was in line with movements in our client portfolio and the increased use of innovative tools.

Total hours worked in 2024 was up 1.2% on 2023. Overall, the relative time spent on other assignments and services increased slightly at the expense of the relative time spent on audit engagements. The distribution of hours across job levels remained virtually the same.

Overtime hours as a percentage of the total number of contract hours in 2024 fell slightly to 2.9% (2023: 3.3%). Our HR and planning policies are designed to ensure that employees can finish their work within their regular contract hours as much as possible. We therefore monitor changes in overtime hours, among other things.

Aantal overuren en percentage ten opzichte van totaal aantal contractueel beschikbare uren

| 2024 | Partners | Senior managers and managers | Overige | Totaal |
|---------------------------------------|----------|------------------------------|---------|--------|
| Overtime | 559 | 18,556 | 38,380 | 57,496 |
| Overtime hours as % of contract hours | 0.4% | 4.3% | 2.9% | 2.9% |
| 2023 | Partners | Senior managers and managers | Overige | Totaal |
| Overtime | 829 | 18,451 | 42,284 | 61,564 |
| Overtime hours as % of contract hours | 0.6% | 4.5% | 3.2% | 3.3% |

Average ratio of hours per partner, senior manager, manager and other team members (leverage), by PIE and non-PIE audit engagements

| 2024* | PIE audit | % | Non-PIE audit | % | Total | % |
|------------------------------|---------------|-------------|----------------|-------------|----------------|-------------|
| Partners | 5,920 | 7.9% | 50,246 | 6.0% | 56,166 | 6.2% |
| Senior managers and managers | 17,385 | 23.1% | 167,352 | 20.0% | 184,737 | 20.3% |
| Other team members | 51,959 | 69.0% | 618,570 | 74.0% | 670,529 | 73.6% |
| Total | 75,264 | 100% | 836,167 | 100% | 911,431 | 100% |
| 2023* | PIE audit | % | Non-PIE audit | % | Total | % |
| Partners | 6,580 | 8.3% | 49,097 | 5.8% | 55,677 | 6.0% |
| Senior managers and managers | 18,682 | 23.6% | 159,501 | 18.7% | 178,184 | 19.1% |
| Other team members | 54,053 | 68.1% | 644,346 | 75.5% | 698,399 | 74.9% |
| Total | 79,316 | 100% | 852,943 | 100% | 932,259 | 100% |

* The total amounts/percentages may deviate due to rounding differences.

Number and percentage of hours of partners, senior managers, managers and other team members spent on audit engagements (by PIE and non-PIE), other engagements, other procedures

| 2024* | PIE audit | | Non-PIE audit | | Other engagements | | Other activities | | Total |
|------------------------------|---------------|-----------|----------------|------------|-------------------|-----------|------------------|------------|------------------|
| Partners | 5,920 | 5% | 50,246 | 42% | 6,432 | 5% | 56,066 | 47% | 118,664 |
| Senior managers and managers | 17,385 | 5% | 167,352 | 49% | 28,239 | 8% | 127,487 | 37% | 340,462 |
| Other team members | 51,959 | 5% | 618,570 | 65% | 60,110 | 6% | 226,696 | 24% | 957,335 |
| Total | 75,264 | 5% | 836,167 | 59% | 94,780 | 7% | 410,249 | 29% | 1,416,461 |
| 2023* | PIE audit | | Non-PIE audit | | Other engagements | | Other activities | | Total |
| Partners | 6,580 | 6% | 49,097 | 43% | 5,786 | 5% | 53,306 | 46% | 114,768 |
| Senior managers and managers | 18,682 | 6% | 159,501 | 49% | 27,896 | 9% | 117,556 | 36% | 323,636 |
| Other team members | 54,053 | 6% | 644,346 | 67% | 56,769 | 6% | 206,020 | 21% | 961,188 |
| Total | 79,316 | 6% | 852,943 | 61% | 90,452 | 6% | 376,882 | 27% | 1,399,593 |

* The total amounts/percentages may deviate due to rounding differences.

Quality management for engagement performance

Quality tools

The quality tools that help to safeguard the quality of engagement performance are embedded in the BDO Quality Policy. The engagement quality controls support the external auditor and the engagement team in delivering quality and they help the audit practice manage and monitor quality. As BDO is a learning organisation, the quality management policy for engagement performance makes a clear distinction between concomitant controls aimed at learning, coaching and improving the quality of the audit practice imposed by the Professional Practice Department under the direct supervision of the A&A MT (before the auditor's report is issued) and controls aimed at monitoring and testing by the QRM department (after the auditor's report is issued). For a description of the controls, see annex '[BDO system of quality management](#)'.

In accordance with the quality policy, at least two engagements per partner are selected each year that are subject to quality controls such as ETD coaching, use of specialists, TBQR or EQR. In addition, quality controls such as consultation, support team or IFRS review can be imposed on engagements in which

one or more specific risk indicators are present or emerge during performance, or instructions can be issued regarding the composition of the team. The choice of quality control depends in part on the nature and scope of any quality risks identified for the engagement and on whether the engagement meets the criteria that trigger a specific quality control.

ETD coaching

The ETD coaching quality control was applied to 12 engagements in 2024 (2023: 12). Engagement teams were coached during the Engagement Team Discussion (ETD) to make an in-depth study of the structure of the audit and to place focus on key aspects.

| | 2024 | 2023 |
|---|------|------|
| Number of engagements with ETD coaching | 12 | 15 |



Use of specialists

The total hours spent by IT specialists on audit engagements increased by 3% to 45,355 in 2024 (2023: 44,033). The relative involvement of these specialists increased for PIE audit engagements and remained the same for non-PIE audit engagements compared to 2023.

The total hours spent by other in-house specialists, such as tax and forensic specialists, increased by 9.8% to 10,083 in 2024 (2023: 9,181). The relative involvement of these other specialists in audit engagements increased to 1.0% (2023: 0.9%). This partially reversed the undesirably large decline in total hours spent by other in-house specialists that occurred in 2023. We will continue to work to better facilitate and encourage the use of in-house specialists for audit engagements.

In the spring of 2024, the previously issued specific guidance on the cooperation between financial auditors and IT Risk Assurance (ITRA) in conducting financial statement audits was updated. The guidance addresses aspects involving planning, working arrangements, joint responsibilities, quality and reporting on ITRA services as part of the audit. The objective is to harmonise procedures and communications as much as possible, thereby assuring – and improving – the quality and reliability of services on the basis of mutual agreements and principles.

To promote the quality of audit engagements, we aim to strategically deploy specialists. In 2024, we launched a project to further elaborate and communicate internally the guiding principles for effective and uniform deployment of specialists, focusing on the required education and training for specialists, their independence, and potential adjustments to our quality policy.

Number/percentage of hours spent on audit engagements by IT specialists (by PIE and non-PIE)

| IT SPECIALISTS | 2024 | % | 2023 | % |
|----------------|--------|------|--------|------|
| PIE audit | 4,622 | 5.7% | 4,177 | 5.1% |
| Non-PIE audit | 40,733 | 4.5% | 39,856 | 4.5% |

Number/percentage of hours spent on audit engagements by other BDO specialists

| OTHER SPECIALISTS | 2024 | % | 2023 | % |
|-------------------|--------|------|-------|------|
| Audit engagements | 10,083 | 1.0% | 9,181 | 0.9% |

Consultation procedure

The table below shows the number of requests for formal consultations with the Professional Practice Department. In 2024, the total number of consultations fell by 2.5% to 397 (2023: 407). In line with tightened consultation requirements and deteriorating economic conditions, the number of consultations on significant continuity risks in particular increased significantly. Since 2024 consultation has been mandatory for audit engagements only, and no longer for all assurance engagements, which has reduced the number of consultations.

Number of requests for formal consultations on reporting and audit submitted to PPD

| CONSULTATIONS | 2024 | 2023 |
|--|------|------|
| Alternative wording of auditors' opinions | 92 | 103 |
| Engagement letters and/or reports on assurance engagements other than audit or review engagements (attestation or direct engagements under NV COS 3000A/D) | 18 | 45 |
| Engagement letters and/or reports for third parties in agreed-upon procedures for engagements under NV COS 4400) | 52 | 68 |
| Presumed or actual error in financial statements* | 34 | 41 |
| External reporting | 35 | 48 |
| Significant going concern risk | 106 | 44 |
| Other topics | 60 | 58 |
| Total | 397 | 407 |

* This concerns all consultations on actual or potential error correction based on DAS 150 recorded by PPD. Of these, 28 related to statutory audits (2023: 27). In 20 cases, recovery took place within the guidelines of RJ 150 Error Recovery (2023: 15) and 12 cases (also) involved a fundamental error, requiring a notification under Section 2:362(6) of the Dutch Civil Code (2023: 9). In 2 of the 28 consultation cases involving a suspected error in the financial statements in 2024, BVT concluded, as an outcome of the consultation, that the suspicion was not well-founded and actual error correction was not necessary (2023: 3 out of 27).

Theme-based quality review (TBQR)

A total of 36 TBQRs were conducted and completed for audit engagements in 2024 (2023: 52). A TBQR is a quality review of specific elements during the audit. Most TBQRs pertained to the audit of revenue or sector-specific items, flows or themes.

In 2024 (as regards audits of the financial year 2023) 39 (2023: 46) audit engagements were subject to a mandatory IFRS review. The review procedure proved to have been observed during the audit in all cases.

Number of TBQRs and IFRS reviews

| TBQR | 2024 | 2023 |
|------------------------|------|------|
| Number of TBQRs | 36 | 52 |
| Number of IFRS reviews | 39 | 46 |

Engagement Quality Review (EQR)

A total of 116 EQRs were conducted and completed for audit engagements in 2024 (2023: 104). 17 EQRs were conducted for audit engagements that met the internal review criteria, other than PIE audits (2023: 14). The percentage of non-PIE audits that were subject to an EQR was 1.8% (2023: 1.3%).

Number of EQRs, required and voluntary

| EQR | 2024 | 2023 |
|-------------------------|------|------|
| Listed companies (PIEs) | 14 | 12 |
| Other PIEs | 85 | 78 |
| Voluntary EQRs | 17 | 14 |
| Total | 116 | 104 |

In 2024, the average number hours spent by EQR reviewers as a percentage of total hours spent on statutory audits subject to an EQR was 3.6% (2023: 4.0%). In 2024, the internal standard for hours spent on an EQR was reviewed and amended. An EQR is now expected to require between 4% and 6% of total hours. For EQRs of engagements where a national industry-specific approach is adopted (for example housing associations, insurers, and SPVs), this expectation is lower and ranges between 2% and 4% of total hours.

Number of hours spent on EQRs as a percentage of total number of hours spent on audit engagements subject to an EQR

| EQR | 2024 | 2023 |
|--|------|------|
| Average relative hours spent on EQR per engagement | 3.6% | 4.0% |

Support team

In 2024, as a result of specific circumstances surrounding an audit engagement, with potential implications for the integrity of the accounting practice, a formal support team was assigned to assist the external auditor and the audit team (2023: 0). Ad hoc guidance of engagement teams was also provided by dedicated experts where necessary.

Number of engagements with support team assigned

| | 2024 | 2023 |
|--|------|------|
| Number of engagements with support team assigned | 2 | 0 |

Fraud

In 2024, 125 internal reports were made to the central internal fraud desk. These reports involved suspected fraud, unusual transactions and other irregularities relating to statutory audits (2023: 80). Alertness to circumstances that may indicate issues of fraud and/or other irregularities (such as corruption, unusual transactions or violations of laws and regulations) appears to have increased significantly.

If, during the performance of a statutory audit, the auditor has a reasonable suspicion of a material misstatement of the audit client's financial statements due to fraud, the auditor is required to make a report to the National Investigation Service (forensic accountants desk), unless the audit client is investigating the fraud and takes adequate action to prevent it. In 2024, none of the internal reports led to an external fraud report (2023: 0).

Number of internal reports of fraud and/or irregularities, and external fraud reports

| | 2024 | 2023 |
|---|------|------|
| Number of internal reports of fraud and/or irregularities | 125 | 80 |
| Number of external fraud reports | 0 | 0 |

In 2024, the policy on deploying staff with forensic or fraud expertise to help perform engagements (Forensic Audit Support (FAS)) was put into practice. The deployment of FAS was intensified, partly in response to recommendations made by the AFM in its investigation into the quality of fraud risk analysis in 2023. Where FAS was involved in ten engagements in 2023, its involvement in 59 engagements in 2024 led to an increase in forensic and fraud expertise during performance of engagements.

The trigger for deployment of FAS can be risk-driven (because of an increased risk of fraud) or incident-driven (because of a report to the central internal hotline for fraud, unusual transactions and other irregularities). This involves the deployment of people from BDO Digital's Forensics & Technology (F&T) team and people from the BDO Fraud Community:

- ▶ BDO Forensics & Technology has experience in forensic accountancy, forensic data analysis, eDiscovery, cybersecurity and other forensic technologies and provides (advisory) services in the areas of prevention, detection and response with regard to fraud, compliance and cyber risk management.
- ▶ The BDO Fraud Community is formed by A&A colleagues per region who have attended the BDO Fraud Course, supplemented by a delegation from BVT, QRM and F&T.

Professional Practice Department

In 2024, the total number of professionals in the A&A Professional Practice Department (PPD) remained unchanged at 12 (2023: 12).

Number of partners, directors, senior managers, managers and other staff in A&A PPD (in FTEs)

| | 2024 | 2023 |
|------------------------------|------|------|
| Partners | 2 | 2 |
| Directors | 1 | 1 |
| Senior managers and managers | 9 | 9 |
| Other staff | 0 | 0 |
| Total | 12 | 12 |

MONITORING AND REMEDIATION

Monitoring compliance with quality controls

The QRM department monitors compliance with the controls that make up the system of quality management on a continuous basis. This task has been delegated to QRM by the Governing Board. QRM operates under the supervision and responsibility of the Compliance Officer. In 2024, the system of quality management was monitored and evaluated again in line with ISQM 1. The monitoring programme consists of monitoring activities focused on the effective operation of quality controls and the identification and evaluation of any deficiencies in the system of quality management, including evaluation of remedial action undertaken in response to deficiencies identified in prior periods. A fundamental aspect of effective monitoring and remediation is to conduct root cause analyses on identified deficiencies in order to understand why those deficiencies occurred and to be able to design an effective remedial plan that prevents the recurrence of those deficiencies in the future. In early 2025, the Compliance Officer issued a report on QRM's monitoring activities in 2024 to the Governing Board. The statement by the policymakers in this Transparency Report is based, in part, on this report.

The headcount of the QRM department increased to 33 FTEs in 2024 (2023: 31).

Number of partners, directors, senior managers, managers and other staff with a focus on compliance and risk management (in FTEs)

| | 2024 | 2023 |
|------------------------------|------|------|
| Partners | 3 | 3 |
| Directors | 1 | 1 |
| Senior managers and managers | 13 | 13 |
| Other staff | 16 | 14 |
| Total | 33 | 31 |

Supervision of professional services

One of the ways in which we exercise supervision of our professional services is by conducting file reviews; these are internal checks after the auditor's report has been issued. A file review focuses on the quality of an audit file and the effectiveness of elements of the system of quality management that are reflected in the audit file.

We distinguish between two types of file reviews: cold reviews and theme-based quality inspections.

- **Cold review.** A cold review targets certain focus areas that are decisive for the engagement and results in an opinion on the entire file. The review of the file and the choice of focus areas are risk-based. Partners are subject to a cold review every three years.
- **Theme-based quality inspection (TBQI).** A TBQI targets the quality of a specific theme in the audit file or the effectiveness of a specific theme in the system of quality management. Unlike a cold review, a TBQI is not aimed at expressing an opinion on the quality of the entire engagement or the entire audit file. It only focuses on the specific theme that is subject to review. TBQIs were conducted as part of the promotion process, for lateral hires (partners) and for partners who had been instructed to improve their performance.

In 2024, 3 cold reviews were completed with the outcome 'unsatisfactory' (2023: 6). These included 2 cold reviews that had already started in 2023, but were only completed in 2024, and 1 cold review that was started and completed in 2024. A total of 17 cold reviews were launched in 2024, 10 of which were completed in 2024 (2023: 16 and 11, respectively). The remaining 7 cold reviews will be completed in early 2025, with a few of them expected to be 'unsatisfactory'. In addition, 15 TBQIs were completed in 2024 (2023: 16), 5 of which were rated 'unsatisfactory' (2023: 2) and 10 were rated 'satisfactory' (2023: 14).

Number of cold reviews and theme-based quality inspections performed, including outcomes

| | 2024 | 2023 |
|---------------------------------|------|------|
| NUMBER OF COLD REVIEWS | 12 | 17 |
| Satisfactory | 9 | 11 |
| Unsatisfactory | 3 | 6 |
| THEME-BASED QUALITY INSPECTIONS | 15 | 16 |
| Satisfactory | 10 | 14 |
| Unsatisfactory | 5 | 2 |

The cold reviews were conducted by experienced internal reviewers and external reviewers. The group of reviewers was expanded to include reviewers who had completed the mandatory skills training 'from resistance to acceptance', where reviewers learn to also pay attention to soft factors during the review process and so to make the process run more smoothly.

Because we are a learning organisation, a file that has been rated unsatisfactory will not generally lead to sanctions. Rather, we will sit down with the file owners to discuss how they can go about improving the quality of their work in subsequent engagements. Everyone at BDO who wishes to contribute to quality improvements has the opportunity to do so. The files that were rated unsatisfactory were remediated. The remediation did not uncover any undetected material misstatements in the audited financial statements or errors in the scope of the issued auditor's reports.

Quality reviews – international

BDO Global carries out its Quality Assurance Reviews (QARs) every three years in principle. BDO Netherlands was not subject to a QAR in 2024. The last QAR was carried out at the end of 2021.

Root cause analysis

In 2024, 16 (2023: 15) root cause analyses (RCAs) were performed with engagement teams after the relevant engagement had been subject to a cold review. A total of 122 colleagues participated (2023: 111) in the RCAs.

As part of the RCA process, all engagement teams reviewed which factors contributed to the quality of their engagement (success factors) and which factors stood in the way of quality (barrier factors), regardless of the outcome of the cold review of their engagement (satisfactory or unsatisfactory). The engagement teams also reflected on lessons learned by them as individuals, by the team and by BDO as an organisation. The top five success factors in files that were rated satisfactory and the top five barrier factors in files rated unsatisfactory are shown below.

In addition, as part of the monitoring and remediation process, root cause analyses were conducted on the deficiencies in the system of quality management identified as an outcome of monitoring activities. The identified causes were used to understand why those deficiencies occurred and allowed us to effectively design remedial actions that would prevent the recurrence of those deficiencies in the future.

Success factors – satisfactory

1. Team composition
2. Face-to-face coordination in team
3. Sense of community
4. Questioning and contradicting
5. Overview, project planning

Barrier factors – unsatisfactory

1. Time allotment
2. Short throughput time
3. Team composition
4. Overview, project planning
5. Fresh perspective

Reports to external supervisory bodies

BDO made a total of 14 notifications to relevant regulators in 2024 (2023: 25). In six cases, the engagement was withdrawn by the audit client or terminated prematurely by BDO (2023: 22), due for example to:

- ▶ the audit client's insolvency;
- ▶ an acquisition resulting in a change of auditors;
- ▶ no longer being required to have an audit performed due to changes in size; and
- ▶ a prohibition on performing the audit engagement due to a specific threat to independence.

In 2024, BDO issued qualified audit reports for 2 statutory audits of PIEs (2023: 0). Under Article 12 of the EU Audit Regulation, we reported these situations to the competent authority supervising the PIEs in question.

In 2024, BDO reported 4 incidents to the AFM (2023: 3):

- ▶ One incident reported to the Dutch Financial Markets Authority (AFM) due to the significant likelihood of a serious breach of the trust placed in the audit firm concerned a data breach where sensitive personal data was insufficiently protected from external access. The incident was also reported to the Dutch Data Protection Authority (AP) due to the significant likelihood of serious adverse implications for the protection of personal data. The causes of the data breach were removed, data subjects informed, and measures taken to prevent a repeat occurrence.
- ▶ Another incident report concerned an audit client that was potentially identified as a sanctioned entity based on indications that ownership and control of the organisation was actually held by a sanctioned UBO. This could potentially have led to BDO becoming involved in a violation of sanctions legislation, which could have had serious implications for BDO's reputation and the trust placed in the audit firm. It was eventually concluded that the situation did not and could not lead to a violation by BDO of the sanctions legislation.
- ▶ Two incident reports concerned the resignations of two co-policymakers following interim findings in an ongoing investigation into inappropriate behaviour around exams. Both situations were also simultaneously reported as changes in the information used for integrity screening of the policy-makers in question.

Number and nature of reports to external regulators (AFM and other regulators)

| NUMBER OF REPORTS CONCERNING | 2024 | 2023 |
|--|------|------|
| Change in details for integrity screening of a (co-)policymaker (AFM) (Section 7, Dutch Audit Firms (Supervision) Decree) | 2 | 0 |
| Statutory audit engagements terminated or withdrawn early (Section 13(3), Dutch Audit Firms (Supervision) Decree) (AFM) | 6 | 22 |
| Incidents with serious repercussions for ethical business practices (Section 32(4), Dutch Audit Firms (Supervision) Decree) (AFM) | 4 | 3 |
| Disciplinary complaints filed against external auditors (Section 26(1), Dutch Audit Firms (Supervision) Decree) (AFM) | 0 | 0 |
| Knowledge of a material breach of the laws, regulations or administrative provisions which lay down, where appropriate, the conditions governing authorisation or which specifically govern pursuit of the activities of a PIE (Section 12(1)(a), Regulation (EU) No 537/2014) (AFM and/or other regulators) | 0 | 0 |
| Knowledge of a material threat or doubt concerning the continuous functioning of the PIE (Section 12(1)(b), Regulation (EU) No 537/2014) (AFM and/or other regulators) | 0 | 0 |
| The issuing or intended issuing of a disclaimer of opinion or an adverse or qualified opinion on the financial statements of a PIE (Section 12(1)(c), Regulation (EU) No 537/2014) (AFM and/or other regulators) | 2 | 0 |
| Total | 14 | 25 |

Dashboard



1853

786

Staafdiagram



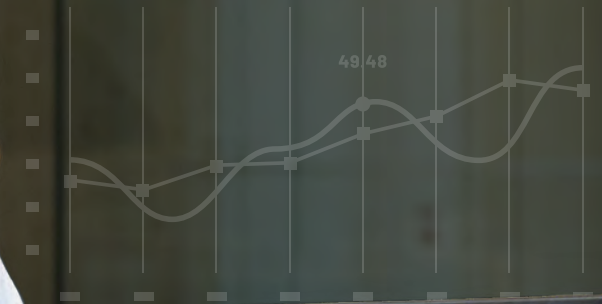
Infographic



Lijndiagram



Lijndiagram



Beelddiagram



External supervision

Supervision by AFM

In 2024, the AFM conducted several exploratory theme-driven reviews of BDO. The reviews focused on sharing best practices and strengthening the sector. Also in 2024, the AFM continued to pay close attention to the investigation into inappropriate behaviour around exams, and reported incidents (see also ['Reports to external regulators'](#)) were intensively discussed.

In 2024, the AFM conducted an exploratory review of BDO regarding:

- ▶ **Information security.** The review covered audit firms with a PIE licence and was based on the Dutch Central Bank's (DNB) Good Practice 2023 Information Security. The aim of the review was to gauge BDO's information security risk level and to assess the maturity of its risk management measures. The AFM reviewed BDO's self-assessment and submitted a number of in-depth questions, which were answered to the AFM's satisfaction. The AFM has indicated that it will produce office-specific as well as benchmark reports in 2025.
- ▶ **ESEF reports.** The AFM conducted a review of audit firms with a PIE licence with regard to the auditing of ESEF reports, due to the growing importance of ESEF (European Single Electronic Format) and the quality issues perceived by the AFM in the ESEF reports filed. The AFM identified observations and best practices and shared them in writing. The AFM asked the relevant audit firms to improve their audit procedures for ESEF reports – where necessary – and to prepare for upcoming developments in this area.
- ▶ **CSRD.** The AFM investigated how BDO is preparing to conduct assurance reviews for sustainability reports (based on the Corporate Sustainability Reporting Directive (Implementation) Act, which has yet to come into force). During the review, the AFM focused on whether information was available regarding the required staff capacity, professional skills, changes in the system of quality management, and control and management information. The AFM has not issued a written report on this investigation.

In 2024, the AFM reviewed the quality of the industry's audit procedures dealing with fraud risk. Although BDO was not involved in the 2024 review, the findings were shared with BDO in a recent letter. In it, the AFM writes that the review findings call for more in-depth audit procedures dealing with fraud risk, urging BDO (and the industry as a whole) to implement the recommendations from the review and so to contribute to the quality of statutory audits. The AFM's recommendations can be summarised as follows:

- ▶ intensify knowledge-sharing regarding fraud across the audit organisation;
 - ▶ draw up a plan of action to improve the audit procedures dealing with fraud risk; and
 - ▶ monitor and evaluate improvement measures (by means of reviews or theme-driven surveys).
- The AFM goes on to indicate that the role of auditors in identifying and monitoring fraud and fraud risks will be a recurring theme in its supervision, and the AFM will again focus on the issue of fraud in 2025.

As part of its data-driven supervision, the AFM has requested audit firms to provide data. The data query consists of three parts:

- ▶ A questionnaire with data points about the audit organisation;
- ▶ A questionnaire with data points on each individual statutory audit; and
- ▶ A questionnaire with data points on each individual external auditor.

We have made arrangements with the AFM as regards a trajectory that should lead to data being delivered in accordance with the AFM's full data query. This will require significant adjustments to the functionalities of various systems and the way in which data is recorded in those systems, and reliable links will need to be established between them. The necessary steps were taken to that effect in 2024.

The investigation into inappropriate behaviour around exams continued in 2024. Periodic meetings are held between the AFM and BDO's directors to discuss the (preliminary) outcomes and progress. We expect to complete the investigation in the second quarter of 2025. An external party was commissioned by the Governing Board to investigate the (root) causes of the investigation findings.

Supervision by the Dutch professional body for accountants (NBA) and the Public Company Accounting Oversight Board (PCAOB)

In 2024, the NBA's Supervisory Board conducted a theme-driven investigation into the involvement of auditors in the audit of the application for the determination of the Temporary Emergency Bridging Measure for Sustained Employment (NOW1) subsidy scheme at Professional Football Clubs (BVOs). This was in response to signals from which it could be inferred that auditors did not follow the NBA's position on auditing the accountability of the NOW1 grant scheme. The investigation has since been completed, with the NBA finding that the BDO-affiliated auditor(s) did not deviate from the NBA's position. The NBA has indicated that it will not therefore launch a follow-up investigation.

In 2024, the NBA asked all PIE firms to cooperate in sharing files of serious cases of exam fraud. The NBA considered to file disciplinary complaints with the Accountancy Division in the most serious cases and in doing so wished to take responsibility for the profession's 'self-cleansing' ability. The NBA's request met with legal obstacles and has been the subject of discussions between the PIE firms, which had sought legal advice. In April 2025, the NBA issued the publication 'Public Accountability Handling Exam Fraud Cases by the NBA' and described in that publication that they have observed that the instruments they have at their disposal are insufficient in these circumstances to obtain files and file any disciplinary complaints. We appreciate the NBA's efforts on this matter and remain committed to a constructive dialogue aimed at further strengthening integrity and professionalism.

In 2024, the PCAOB did not conduct any file reviews or other investigations.

Supervision by the Central Government Audit Service (ADR) and Education Inspectorate

In 2024, the National Audit Office (ADR) reviewed 2 files of BDO (2023: 1) and considered them to be adequate. The reviews covered implementation of required procedures for specific disbursements where co-government accountability is based on the principle of single information and single audit (SiSa reviews).

In 2024, the Dutch Education Inspectorate conducted 1 review of BDO (2023: 0). The review focused on the specific requirements set by the Dutch Ministry of Education, Culture and Science (OCW) for the reporting of educational institutions in the Education Accountants' Protocol. The Inspectorate's preliminary verdict is 'unsatisfactory' and sums up several concerns regarding the documentation in the file. The Inspectorate also indicated that no remedial or additional work needed to be carried out as a result of the unsatisfactory rating. The review was completed and the outcome finalised in early 2025.

Number, nature and outcome of file reviews by ADR and Education Inspectorate

| NATURE AND OUTCOME | 2024 | 2023 |
|--|----------|----------|
| SiSa | 2 | 0 |
| Satisfactory | 2 | 0 |
| Unsatisfactory | 0 | 0 |
| No findings | 0 | 0 |
| Findings | 0 | 0 |
| Financial statements | 0 | 0 |
| Satisfactory | 0 | 0 |
| Unsatisfactory | 0 | 0 |
| Dutch Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT) | 0 | 0 |
| Satisfactory | 0 | 0 |
| Unsatisfactory | 0 | 0 |
| Grant | 0 | 1 |
| Satisfactory | 0 | N/A |
| Unsatisfactory | 0 | N/A |
| Other | 0 | 0 |
| Satisfactory | 0 | 0 |
| Unsatisfactory | 0 | 0 |
| Education | 1 | 0 |
| Satisfactory | 0 | 0 |
| Unsatisfactory | 1 | 0 |

Supervision by Professional Practice Department (FSO)

The BFT imposed a fine of €1.3 million on BDO Audit & Assurance B.V. for failing to immediately report an unusual transaction in 2020 (Article 16 of the Money Laundering and Terrorist Financing (Prevention) Act (Wwft)). BDO has filed an objection with the BFT against its decision to impose a fine. The objection proceedings will continue in 2025.

Statements by policymakers

The objective of the BDO system of quality management as a whole is to provide reasonable assurance that:

- ▶ the organisation and the professionals fulfil their responsibilities in accordance with professional standards and applicable requirements in laws and regulations and perform engagements in accordance with such standards and requirements; and
- ▶ the reports and opinions we provide are correct under the circumstances.

Reasonable assurance exists when the system of quality management reduces the risk of not achieving the system of quality management's objectives to an acceptably low level. Reasonable assurance is not absolute assurance because there are inherent limitations to a system of quality management.

In the annual review of the BDO system of quality management, as outlined in this report (including appendices), we have taken into account information gathered on the design, implementation and operation of the system of quality management based on monitoring activities carried out in the period up to 31 December 2024. Monitoring activities include testing the effective operation of quality controls, evaluating outcomes of internal and external inspections of engagements and considering other relevant information obtained about the system of quality management.

We apply professional judgement when evaluating the outcomes of these monitoring activities to determine whether findings, individually or collectively, are assessed as deficiencies in the system of quality management. For all identified deficiencies, causes were analysed and it was evaluated whether these, individually and in combination with other identified deficiencies, have a serious and/or profound impact on achieving the quality objectives in our system of quality management. Furthermore, we design and implement remedial measures for all identified deficiencies to eliminate those deficiencies, taking into account root causes, and monitor the progress of remediation.

We conducted our evaluation in accordance with ISQM 1 and concluded that BDO's system of quality management gives us reasonable assurance that the system of quality management objectives will be achieved by 31 December 2024.

Based on the above, the policymakers represent that:

- ▶ the outlines of the system of quality management are described correctly in this report and the system is effective in the policymakers' opinion;
- ▶ internal compliance with the independence rules was monitored; and
- ▶ the policy for the continuing professional development of partners and other employees was followed.

Eindhoven, The Netherlands, 29 April 2025

- ▶ R.C.M. (René) Nelis (chairman of the Governing Board)
- ▶ L.M. (Leon) Jansen (member of the Governing Board, Chief Financial Officer/Chief Operating Officer)
- ▶ C.M. (Kirsten) Konst (member of the Governing Board, Chief Transformation Officer)
- ▶ M.M.G. (Marcel) Mans (member of the Governing Board, Chief Quality Officer, Head of Audit)

Lijndiagram



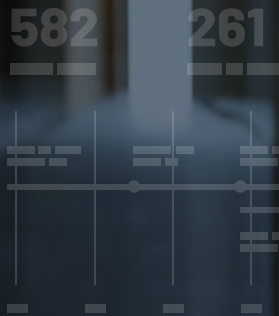
Staafdiagram



Infographic



Tijdslijn



Kalender



Lijndiagram



Lijndiagram



A. List of Public Interest Entities

▶ Almelose Woningstichting 'Beter Wonen'

▶ Anker Insurance Company N.V.

▶ BASF Finance Europe N.V.

▶ Brand New Day Bank N.V.

▶ Cabka N.V.

▶ ClearBank Europe B.V.

▶ Cogas Holding N.V.

▶ Conti-Gummi Finance B.V.

▶ DSV Finance B.V.

▶ EnBW International Finance B.V.

▶ Envipco Holding N.V.

▶ Fastned B.V.

▶ Givaudan Finance Europe B.V.

▶ Hill FL 2022-1 B.V.

▶ Hill FL 2023-1 B.V.

▶ Hill FL 2024-1 B.V.

▶ Mutual Insurance Association 'Munis' (Onderlinge Verzekeringsmaatschappij 'Munis') U.A.

▶ N.V. Rendo

▶ N.V. Schadeverzekeringsmaatschappij Maas Lloyd (Hampden)

▶ N.V. Verzekering Maatschappij 'De Burcht'

▶ New Amsterdam Invest N.V.

▶ Onderlinge Hagelverzekering Maatschappij Agriver

▶ Onderlinge Verzekeringmaatschappij "SOM" U.A.

▶ OOM Global Care N.V.

▶ OOM Schadeverzekering N.V.

▶ Roche Finance Europe B.V.

▶ Schlumberger Finance B.V.

▶ Stichting Acantus

▶ Stichting Beveland Wonen

▶ Stichting Bo-Ex '91

▶ Stichting Brabantwonen

▶ Stichting de Woonmensen

▶ Stichting deltaWonen

▶ Stichting Dudok Wonen

▶ Stichting Elkien

▶ Stichting KleurrijkWonen

▶ Stichting Leystromen

▶ Stichting Nijestee

▶ Stichting Pré Wonen

▶ Stichting ProWonen

▶ Stichting Sité Woondiensten

▶ Stichting SSHN

▶ Stichting Stadgenoot

▶ Stichting Talis

- ▶ Stichting Thius
- ▶ Stichting Uwoon
- ▶ Stichting Vivare
- ▶ Stichting Viverion
- ▶ Stichting woCom
- ▶ Stichting Woonbedrijf SWS.Hhvl
- ▶ Stichting Woonbron
- ▶ Stichting Wooncompagnie
- ▶ Stichting Wooncompas
- ▶ Stichting Woonforte
- ▶ Stichting Woongoed Zeeuws-Vlaanderen
- ▶ Stichting Wooninc.
- ▶ Stichting Woonkracht10
- ▶ Stichting Woonopmaat
- ▶ Stichting Woonschakel West Friesland
- ▶ Stichting Woonstede
- ▶ Stichting Woonveste
- ▶ Stichting Woonwaard Noord-Kennemerland
- ▶ Stichting WoonwenzoS
- ▶ Stichting Woonzorg Nederland
- ▶ Stichting Ymere
- ▶ Stichting Zaandams Volkshuisvesting (ZVH)

- ▶ Stichting Zayaz
- ▶ Stichtsche Onderlinge Brand-Herverzekeringen U.A.
- ▶ Syngenta Finance N.V.
- ▶ Teva Pharmaceutical Finance Netherlands II B.V.
- ▶ Tiwos, Tilburgse Woonstichting
- ▶ TT Club Mutual Insurance N.V.
- ▶ TVM Verzekeringen N.V.
- ▶ UK P&I Club N.V.
- ▶ Unilever Finance Netherlands B.V.
- ▶ Unilever Insurances N.V.
- ▶ Vestas Wind Systems Finance B.V.
- ▶ Westland Infra Netbeheer B.V.
- ▶ Woningbouwvereniging Bergopwaarts
- ▶ Woningbouwvereniging De Sleutels
- ▶ Woningstichting De Woonplaats
- ▶ Woningstichting Den Helder
- ▶ Woningstichting Kennemer Wonen
- ▶ Housing foundation "Our House"
- ▶ Woningstichting Sint Joseph Almelo
- ▶ Woonstichting Stek
- ▶ Woonstichting Triada
- ▶ Wurth Finance International B.V.

B. List of BDO member firms in EU/EEA

| COUNTRY | COUNTRY OF ESTABLISHMENT/GEOGRAPHY | NAME OF MEMBER FIRM |
|----------|------------------------------------|---|
| BELGIUM | Belgium | BDO Bedrijfsrevisoren BV/Réviseurs d'Entreprises SRL |
| BULGARIA | Bulgaria | BDO AFA |
| CYPRUS | Cyprus | BDO Limited |
| DENMARK | Denmark | BDO Statsautoriseret revisionsaktieselskab |
| | | BDO Holding VI, Statsautoriseret Revisionsaktieselskab |
| GERMANY | Germany | BDO AG Wirtschaftsprüfungsgesellschaft |
| | | BDO Concunia GmbH Wirtschaftsprüfungsgesellschaft |
| | | BDO DPI AG Wirtschaftsprüfungsgesellschaft |
| | | BDO DPI Mentoring GmbH & Co. KG |
| | | BDO Oldenburg GmbH & Co KG Wirtschaftsprüfungsgesellschaft |
| ESTONIA | Estonia | Aktsiaselts BDO Eesti |
| FINLAND | Finland | BDO Oy |
| | | BDO Audiator Oy |
| FRANCE | France | BDO Atlantique |
| | | BDO IDF |
| | | BDO Lyon Audit |
| | | BDO Méditerranée |
| | | BDO Paris |
| | | BDO Rhone - Alpes |
| GREECE | Greece | BDO Certified Public Accountants S.A. |
| HUNGARY | Hungary | BDO Magyarország Könyvvizsgáló Kft. (BDO Hungary Audit Ltd) |

| COUNTRY | COUNTRY OF ESTABLISHMENT/GEOGRAPHY | NAME OF MEMBER FIRM |
|-----------------|------------------------------------|---|
| IRELAND | Ireland | BDO |
| ITALY | Italy | BDO Italia S.p.A. |
| CROATIA | Croatia | BDO Croatia D.O.O. |
| | Sarajevo | BDO BH d.o.o. Sarajevo |
| LATVIA | Latvia | BDO Assurance, LLC |
| LIECHTENSTEIN | Liechtenstein | BDO (Liechtenstein) AG |
| LITHUANIA | Lithuania | BDO Auditas ir Apskaita, UAB |
| LUXEMBOURG | Luxembourg | BDO Audit |
| MALTA | Malta | BDO Malta CPAs |
| | | BDO Technology Advisory Limited |
| THE NETHERLANDS | The Netherlands | BDO Audit & Assurance B.V. |
| NORWAY | Norway | BDO AS |
| AUSTRIA | Austria | BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft |
| | | BDO Austria GmbH |
| POLAND | Poland | BDO Spółka z Ograniczoną Odpowiedzialnością Sp. K. |
| PORTUGAL | Portugal | BDO & Associados, SROC, Lda |
| ROMANIA | Romania | BDO Audit SRL |
| | | BDO Audit & Consulting SRL |
| | | BDO Auditors & Accountants SRL |
| | | BDO Auditors and Business Advisors SRL |
| SLOVENIA | Slovenia | BDO Revizija d.o.o. |

| COUNTRY | COUNTRY OF ESTABLISHMENT/GEOGRAPHY | NAME OF MEMBER FIRM |
|----------------|------------------------------------|---------------------------|
| SLOVAKIA | Slovakia | BDO Audit, spol. s r.o. |
| SPAIN | Spain | BDO Auditores, S.L.P. |
| CZECH REPUBLIC | Czech Republic | BDO Audit s.r.o. |
| | | BDO Group s.r.o. |
| | | BDO Czech Republic s.r.o. |
| SWEDEN | Sweden | BDO AB |
| | | BDO Göteborg AB |
| | | BDO Göteborg KB |
| | | BDO Mälardalen AB |
| | | BDO Norr AB |
| | | BDO Sweden AB |
| | | BDO Syd AB |
| | | BDO Syd KB |

C. List of abbreviations and acronyms

| | |
|-----------------|---|
| A&A | ▶ Audit & Assurance |
| A&B | ▶ Accountancy & Business Advisory |
| ADR | ▶ Dutch Central Government Audit Service |
| AFM | ▶ Netherlands Authority for the Financial Markets (AFM) |
| AI | ▶ Artificial Intelligence |
| AI&T | ▶ Audit Innovation & Technology |
| AO | ▶ Audit firm |
| AP | ▶ Personal Data Authority |
| AQI | ▶ Audit Quality Indicator |
| B.V. | ▶ Private limited liability company |
| BAC | ▶ Appointment Advisory Committee |
| BAM | ▶ BDO Audit Manual |
| BDC | ▶ BDO Delivery Center |
| BDO PRO | ▶ BDO Professional Reflection & Development |
| BFT | ▶ Financial Supervision Office |
| BSO | ▶ Business Services and Outsourcing |
| Bta | ▶ Audit Firms (Supervision) Act (Wet toezicht accountantsorganisaties). |
| BVO | ▶ Paid Football Club |
| BVT | ▶ Professional Practice Department |
| CAT | ▶ Centre for the Audit of Tomorrow |
| CAT-NL | ▶ Centre for the Audit of Tomorrow - The Netherlands |
| CBb | ▶ Trade and Industry Appeals Tribunal |

| | |
|-------------------------|---|
| CEA | ▶ Commission on Accountancy Education Learning Outcomes |
| CEO | ▶ Chief Executive Officer |
| CFO | ▶ Chief Financial Officer |
| CISA | ▶ Certified Information Systems Auditor |
| CISPO | ▶ Corporate Information Security & Privacy Officer |
| CKO | ▶ Quality Assurance Board |
| CMS | ▶ Conflict Management System |
| COI | ▶ Conflict of interest |
| COO | ▶ Chief Operating Officer |
| CQO | ▶ Chief Quality Officer |
| CSDDD | ▶ Corporate Sustainability Due Diligence Directive |
| CSRD | ▶ Corporate Sustainability Reporting Directive |
| CTO | ▶ Chief Transformation Officer |
| DNB | ▶ The Dutch Central Bank |
| DTS | ▶ Digital Technology Services |
| Dutch Civil Code | ▶ Netherlands Civil Code |
| EEA | ▶ European Economic Area |
| EIL | ▶ Ethics & Independence Leader |
| EMS | ▶ Entity Management System |
| EP | ▶ Equity partner |
| EQR | ▶ Engagement Quality Review |
| EQR Officer | ▶ Engagement Quality Review Officer |

| | |
|----------------|--|
| ESEF | ▶ European Single Electronic Format |
| ESG | ▶ Environmental, social and governance |
| ESRS | ▶ European Sustainability Reporting Standards |
| ETD | ▶ Engagement Team Discussion |
| EU | ▶ European Union |
| EVP | ▶ Employee Value Proposition |
| F&O | ▶ Finance & Operations |
| F&T | ▶ Forensics & Technology |
| FAR | ▶ Foundation for Auditing Research |
| FAS | ▶ Forensic Audit Support |
| FCNC | ▶ Fraud, corruption and non-compliance |
| FEC | ▶ Financial-economic crime |
| FIU | ▶ Financial Intelligence Unit |
| FRC | ▶ Financial Reporting Council |
| Fte | ▶ Full-time equivalent |
| GB | ▶ Governing Board |
| GDPR | ▶ General Data Protection Regulation |
| HAAQM | ▶ Head of Audit & Accounting Quality Management |
| HMR | ▶ Head of Monitoring & Remediation |
| HR | ▶ Human resources |
| ICT | ▶ Information & Communication Technology |
| IESBA | ▶ International Ethics Standards Board for Accountants |

| | |
|-------------------|--|
| IFIAR | ▶ International Forum of Independent Audit Regulators |
| IFRS | ▶ International Financial Reporting Standards |
| IKO | ▶ Internal quality review |
| ISA | ▶ International Standards on Auditing |
| ISMS | ▶ Information security management system. |
| ISO | ▶ International Standards Organisation |
| ISPMs | ▶ Information Security & Privacy Management System |
| ISQM | ▶ International Standard on Quality Management |
| IT | ▶ Information Technology |
| ITRA | ▶ IT Risk Assurance |
| KPI | ▶ Key Performance Indicator |
| L&O | ▶ Learning & Development |
| LoS | ▶ Line of service |
| MOT | ▶ Unusual transaction report |
| MT | ▶ Management team |
| MT A&A | ▶ Audit & Assurance Management Team |
| N.V. | ▶ Public limited company |
| NBA | ▶ Netherlands Institute of Chartered Accountants |
| NIS | ▶ Network and Information Security |
| NOREA | ▶ Dutch Association of Registered EDP Auditors |
| NOW scheme | ▶ Temporary Emergency Measure Bridging for Employment |
| NV COS | ▶ Detailed requirements for auditing and other standards |

| | |
|--------------|--|
| NV PE | ▶ Further rules on continuing education |
| OCW | ▶ Education, Culture and Science |
| PCAOB | ▶ Public Company Accounting Oversight Board |
| PDP | ▶ Professional Development Programme |
| PE | ▶ Lifelong learning |
| PES | ▶ Pre-employment screening |
| PIE | ▶ Public Interest Entity |
| PRC | ▶ Practice Review Committee |
| QAR | ▶ Quality Assurance Review |
| QRM | ▶ Quality & Risk Management |
| RA | ▶ Chartered accountant |
| RCA | ▶ Root Cause Analysis |
| RE | ▶ Registered EDP auditor |
| RJ | ▶ Accounting Standards Board |
| RPA | ▶ What is Robotic Process Automation? |
| RPL | ▶ Regional Practice Leader |
| SB | ▶ Supervisory Board |
| SEC | ▶ Securities and Exchange Commission |
| SiSa | ▶ Single information Single audit |
| SP | ▶ Salary partner |
| SPP | ▶ Strategic workforce planning |
| SRA | ▶ Collaborating Chartered Accountants and Accounting Consultants |

| | |
|-------------|---|
| TBQI | ▶ Theme-based quality inspection |
| TBQR | ▶ Theme-based quality review |
| TOJ | ▶ Training on the Job |
| TOP | ▶ Talent Development & Performance |
| TOPP | ▶ Talent Development & Performance for Partners |
| U.A. | ▶ Excluded Liability |
| UAVG | ▶ General Data Protection Regulation Implementation Act |
| VAO | ▶ Dutch Accounting Bodies Regulation |
| VGBA | ▶ Dutch Code of Conduct and Professional Practice for Accountants Regulation |
| ViO | ▶ Regulation regarding the Independence of Accountants in the case of Assurance Engagements |
| WeCo | ▶ Statutory audit |
| WNT | ▶ Dutch Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT) or Senior Officials (Standard Remuneration) Act |
| Wta | ▶ Audit Firms (Supervision) Act |
| Wwft | ▶ Money Laundering and Terrorist Financing (Prevention) Act |
| | |
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D. Legal framework

The subject matter of this Transparency Report is governed by statutory requirements. The tables below provide an overview of those statutory requirements and shows where the elements in question are addressed in this Transparency Report.

| ARTICLE 13(2) OF REGULATION (EU) NO 537/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 16 APRIL 2014 | | CHAPTER |
|---|---|---|
| a. | A description of the legal structure and ownership of the audit firm. | BDO system of quality management > Organisational structure > Legal structure |
| b. | Where the statutory auditor or the audit firm is a member of a network: | |
| i. | a description of the network and the legal and structural arrangements in the network; | BDO system of quality management > Organisational structure > International network |
| ii. | the name of each statutory auditor operating as a sole practitioner or audit firm that is a member of the network; | Annex B: List of BDO member firms in EU/EEA |
| iii. | the countries in which each statutory auditor operating as a sole practitioner or audit firm that is a member of the network is qualified as a statutory auditor or has his, her or its registered office, central administration or principal place of business; | |
| iv. | the total turnover achieved by the statutory auditors operating as sole practitioners and audit firms that are members of the network, resulting from the statutory audit of annual and consolidated financial statements. | Quality in 2024 > Organisational Structure > Key figures - BDO Global |
| c. | A description of the governance structure of the audit firm | BDO system of quality management > Organisational structure > Legal structure, Organisational structure |
| d. | A description of the internal quality control system of the statutory auditor or of the audit firm and a statement by the administrative or management body on the effectiveness of its functioning. | Description of set-up: BDO system of quality management Description of changes and effectiveness: Quality in 2024 Statement: Quality in 2024 > Statements of policymakers |
| e. | An indication of when the last quality assurance review referred to in Article 26 was carried out. | Quality in 2024 > External supervision > Supervision by AFM |
| f. | a list of public-interest entities for which the statutory auditor or the audit firm carried out statutory audits during the preceding financial year | Annex A: List of Public Interest Entities |
| g. | a statement concerning the statutory auditor's or the audit firm's independence practices which also confirms that an internal review of independence compliance has been conducted | Quality in 2024 > Statements of policymakers |
| h. | a statement on the policy followed by the statutory auditor or the audit firm concerning the continuing education of statutory auditors referred to in Article 13 of Directive 2006/43/EC | Quality in 2024 > Statements of policymakers |
| i. | information concerning the basis for the partners' remuneration in audit firms | BDO system of quality management > Our people > Assessment and remuneration of external auditors |
| j. | a description of the statutory auditor's or the audit firm's policy concerning the rotation of key audit partners and staff in accordance with Article 17(7) | BDO system of quality management > Ethical standards > Integrity and independence > Sustainable client relationships |
| k. | where not disclosed in its financial statements within the meaning of Article 4(2) of Directive 2013/34/EU, information about the total turnover of the statutory auditor or the audit firm, divided into the following categories: | Quality in 2024 > Acceptance and continuation of client relationships and engagements > Revenue |
| i. | revenues from the statutory audit of annual and consolidated financial statements of public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity; | |
| ii. | revenues from the statutory audit of annual and consolidated financial statements of other entities; | |
| iii. | revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm; and | |
| iv. | revenues from non-audit services to other entities. | |

| ARTICLE 34I(2) OF DUTCH AUDIT FIRMS (SUPERVISION) DECREE | | CHAPTER |
|--|---|---|
| a. | The manner in which the body has fulfilled its role in respect of all duties and responsibilities assigned to it. | Report of the Supervisory Board |
| b. | The attendance rate of the individual members of the body responsible for internal supervision at the body's meetings. | Report of the Supervisory Board > Meetings and attendance of members of Supervisory Board |
| c. | The subject matter of the main findings, discussions and decision-making of the body. | Report of the Supervisory Board |
| d. | The manner in which the evaluation referred to in Article 34h was carried out and how the outcomes of the evaluation are followed up. | Report of the Supervisory Board > Self-assessment of Supervisory Board |

| NBA GUIDANCE 1135: PUBLICATION OF QUALITY FACTORS | | CHAPTER |
|--|--|--|
| Input: investments in quality, people, time available for audit engagements, technology and methodology (via network or otherwise) | | |
| Leverage on the audit engagements by expressing the number of hours spent by partners/directors as a percentage of total number of hours spent. | | Quality in 2024 > Engagement performance > Capacity planning > Average ratio of hours per partner, senior manager, manager and other team members (leverage), by PIE and non-PIE |
| The number of hours per FTE (full-time equivalent) spent on audit engagements, respectively on other engagements in total and by function. | | Quality in 2024 > Engagement performance > Capacity planning > Number and percentage of hours of partners, (senior) managers and other team members devoted to audit engagements (PIE and non-PIE), other engagements, internal activities |
| The investments in technology and methodology for the benefit of the audit conducted by the audit firm, whether independently or through its contribution to the development as part of a network. The investments must be identified as a percentage of the audit revenue on an annual basis. | | Quality in 2024 > Engagement performance > Methodology and technology |
| The average number of hours spent on training and education per employee (internal and external training). | | Quality in 2024 > Our people > Development and continuing professional development > Average number of hours (internal and external) training and education divided into partners, (senior) managers and other team members (in FTEs) |
| Staff turnover, addressing the relevant characteristics based on which the organisation monitors the ratio of staff turnover, such as turnover by job level and years of experience, or by differentiating between key talents and other professionals. | | Quality in 2024 > Our people > Staffing > Turnover rate among partners, senior managers, managers and other team members |
| Outcomes of employee satisfaction surveys on aspects related to coaching and audit quality. | | Quality in 2024 > Culture and leadership |

| NBA GUIDANCE 1135: PUBLICATION OF QUALITY FACTORS | | CHAPTER |
|---|--|---|
| Process: insight into key measures and how their implementation is monitored | | |
| Number of FTEs or hours spent on audit support (PPD, Compliance and Independence), expressed as a percentage of total number of FTEs or audit hours. | | PPD: Quality in 2024 > Engagement performance > Professional Practice Department > <i>Number of partners, directors, senior managers, managers and other team members in A&A PPD (in FTEs)</i> Compliance and Independence (QRM): Quality in 2024 > Monitoring and evaluation > Monitoring compliance with quality controls > <i>Number of partners, directors, senior managers, managers and other team members with a focus on compliance and risk management (in FTEs)</i> |
| Number of consultations on reporting and audit issues as a percentage of number of audit engagements. | | Quality in 2024 > Engagement performance > Managing the quality of an engagement > Consultation procedure > <i>Number of requests for formal consultation on reporting and audit submitted to PPD</i> |
| Number of engagement quality reviews (EQRs) and other quality reviews performed prior to issuing an auditor's report as a percentage of statutory audits, broken down by required and voluntary EQRs. | | Quality in 2024 > Engagement performance > Managing the quality of an engagement > Engagement Quality Review (EQR) > <i>Number of EQRs, broken down by required and voluntary EQRs</i> |
| Number of hours spent on EQRs and other quality reviews prior to issuing an auditor's report as a percentage of total number of hours spent on audit engagements subject to a quality review, broken down by required and voluntary EQRs. | | Quality in 2024 > Engagement performance > Managing the quality of an engagement > Engagement Quality Review (EQR) > <i>Number of hours spent on EQRs as a percentage of total number of hours spent on audit engagements subject to an EQR</i> |
| Percentage of hours spent by IT specialists and other specialists on audit engagements (broken down by specialists governed by Standard 620), by PIE and non-PIE. | | Quality in 2024 > Engagement performance > Managing the quality of an engagement > Use of specialists > <i>Number/percentage of hours spent on audit engagements by IT and other internal specialists (by PIE and non-PIE)</i> |

| NBA GUIDANCE 1135: PUBLICATION OF QUALITY FACTORS | | CHAPTER |
|---|--|---|
| Output: insight into the effects of system controls | | |
| Number of internal and external quality reviews performed after issuing an auditor' report, as a percentage of total number of issued auditor's reports, and the outcomes of these quality reviews. | | Quality in 2024 > Monitoring and evaluation > Supervision of professional services > <i>Number of cold reviews and theme-based quality reviews performed, including outcomes</i> |
| Number of internally reported violations of independence rules, as a percentage of total number of employees. | | Quality in 2024 > Ethical standards > Integrity and independence > Independence > <i>Number of internally identified breaches of independence rules</i> |
| Number of fundamental errors that were corrected, where the financial statements containing the error were audited by the organisation, as a percentage of number of issued auditor's reports. | | Quality in 2024 > Engagement performance > Managing the quality of an engagement > Consultation procedure > <i>Number of requests for formal consultation on reporting and audit submitted to PPD</i> |

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