



**BDO in Ukraine  
Chronicles 2022-2023:  
365 Days of Resilience**



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# INTRODUCTION





# INTRODUCTION

A year ago, the world was shaken by a new crisis caused by the Russia's military invasion of Ukraine, which undermined the stability of many countries around the world. The war in Ukraine exposed the weaknesses of the global economy and showed that the world is fragile and needs greater unity and partnership to face global challenges and ensure the goals of sustainable development. The invasion of Ukraine has raised several important ESG issues at the global level: the independence of countries in terms of renewable energy sources, human rights violated by Russia's unprovoked attack, and the declining credibility of governments of Russia and Belarus.

**What ESG factors are currently relevant for the Ukrainian business?** Since the first days of the war, the **social component (S)** has been at the forefront for all companies. Businesses are working together to support the population of Ukraine and the country. In addition, the war has significantly exacerbated **environmental issues (E)**, and experts provide more and more staggering data on the consequences of the war for the environment. It may seem that corporate **governance (G)** is not a priority today, but it is the successful and effective management of internal processes and risk controls that has allowed Ukrainian executives to keep their businesses afloat.

Today, adherence to the ESG strategy is more

important than ever for Ukraine and Ukrainian businesses. When developing the post-war reconstruction concept, it is necessary to consider which factors make Ukraine the most attractive for investment in terms of its long-term sustainable development. Global statistics show that investors take into account the ESG factors of an entity they are considering as an investment option. Therefore, if Ukrainian businesses do not consider this fact, raising capital will be much more expensive or even impossible.

ESG is not something that is imposed from outside, but a risk management system, a guarantee of the interest of investors, employees and customers. And, therefore, it is about profit, reputation, and development.

In **“Chronicles of BDO in Ukraine 2022-2023. 365 Days of Resilience”**, we will talk about the year of the war and its impact on our company and Ukraine as a whole.

**“Chronicles of BDO in Ukraine 2022-2023. 365 Days of Resilience”** contain three sections: **Environment, Social and Governance**. These key ESG criteria reflect how focused the company is on the strategic development during the war and readiness for the post-Victory reconstruction. We will pay attention to each area so that readers can consider the impact of the war from different angles and rethink the meaning of the ESG values it has shaken.





## FOREWORD OF BDO IN UKRAINE MANAGEMENT

*We thank the Armed Forces of Ukraine for giving us the opportunity to work!*

*Thank you, dear reader, for your interest in our company and this report!*

*We thank the international community for its support!*

*We thank our customers for their trust!*

*Thank you all for having each other!*

*The work of an auditor, accountant, tax expert, cybersecurity consultant and many other professionals has taken on new meanings during the war and will become even more important during **Ukraine's post-war recovery**. All employees of BDO in Ukraine are united in that they make every effort to work with our clients and on socially important initiatives. The main task of doing our job well is to strengthen the trust of our clients' stakeholders in their financial information.*

*During the war, our work is affected by many new factors, and we face many challenges - from the safety of employees to the availability of electricity in our offices. We would like to share with you how we live and work in these difficult times in the **"Chronicles of BDO in Ukraine 2022-2023. 365 Days of Resilience"**.*

**Glory to Ukraine!**



**Vira Savchenko**  
CEO BDO in Ukraine



24 FEBRUARY

2022

23 FEBRUARY

2023

ONE YEAR OF  
RESILIENCE







## 365 DAYS OF THE WAR OR THE YEAR OF UNBREAKABLE UKRAINE

### 365 days of the 9-year war.

The morning of February 24, 2022 is forever printed in the memory of every Ukrainian. That day became the line that separated peace and war. During the year of war, Ukrainians, unfortunately, got used to living in constant anxiety and uncertainty, to living in shelters and in darkness. During the year, the war ceased to be abstract and distant.

The fears of the first days, weeks, and months are over. The horrors that the Russian invaders have been committing all this time have not broken us. In the spring of 2022, the whole world shuddered at what they saw after the Russian invaders left Bucha, Irpin, Borodyanka, Chernihiv and Sumy regions. In the early fall, after the liberation of Kharkiv region, the world again saw the horror that Russia left behind after the de-occupation of the region. And the Right Bank Kherson region, liberated in November, is subject to constant shelling from the other side of the Dnipro River – Russians did not destroy it then, so, it's being destroyed now.

The price of war is tens of thousands of civilian and military lives, destroyed families, millions of internally displaced persons, countless infrastructure destructions and significant environmental damage.

**OF COURSE, WE WILL REBUILD EVERYTHING AFTER THE VICTORY. BUT UNFORTUNATELY, THERE ARE LOSSES THAT ARE WORTH MUCH MORE THAN ALL THE MONEY IN THE WORLD – THE LIVES THAT WERE CUT SHORT BY THE RUSSIAN OCCUPIERS.**

Ukraine, unexpectedly for the enemy, and perhaps for the whole world, is showing impressive resistance. Russia's plans to capture Kyiv in three days were shattered. The battle for Mariupol lasted almost three months. The impressive counteroffensive in the Kharkiv region, when thousands of square kilometers of Ukrainian land were liberated in a few days, can be included in military university studies. The fortress of Bakhmut has stood firm since August. Hundreds of enemy missiles launched at the energy infrastructure since October, while partially achieving their goals, have not extinguished the light in the hearts of Ukrainians.

**In “Chronicles of BDO in Ukraine 2022-2023. 365 Days of Resilience”, we will share the main points and figures about the impact of the war on our company and Ukraine as a whole, as we have only one path.**

**There are three sections in the Chronicles:**

- ▶ Environmental
- ▶ Social
- ▶ Governance

**Our goal is to look at every aspect of the war's impact from different angles to enable readers to rethink the ESG values that have been shaken by the Russian aggression.**

**365 DAYS THAT CHANGED US, UKRAINE, THE WORLD**

A close-up photograph of a person's hand reaching down to touch a wheat stalk in a field. The hand is positioned on the right side of the frame, with fingers gently touching the top of a green wheat head. The background is a blurred field of wheat stalks. A vertical red bar is on the left side of the image.

**ENVIRONMENTAL**



# ON THE ROAD TO NET ZERO BY 2050: OPPORTUNITIES AND CHALLENGES

Achieving net-zero emissions by 2050 is a challenging but achievable goal. It will require significant effort and investment from governments, businesses, and individuals to reduce greenhouse gas emissions and transition to a low-carbon economy.

To reach net-zero emissions, it is necessary to reduce greenhouse gas emissions (GHGs) as much as possible through measures such as energy efficiency, renewable energy, and electrification of transportation. Additionally, it may also require the deployment of carbon capture and storage (CCS) technologies to remove carbon dioxide from the atmosphere.

Many countries including Ukraine and companies including BDO Ukraine have already [committed to achieving net-zero emissions by 2050](#) or earlier, and there is a growing momentum for action on climate change. However, significant challenges remain, including political will, technical feasibility, financial resources and, let's be honest, public appetite for and understanding of the changes in behaviour needed.

**WE SHARED OUR NET ZERO COMMITMENT IN OUR [2022 CHRONICLES](#) AIMING TOGETHER WITH THE BDO NETWORK TO REDUCE OPERATIONAL SCOPE 1, 2 AND MATERIAL SCOPE 3 EMISSIONS BY 50 PERCENT BY 2030 AND TOGETHER REACH NET ZERO LATEST 2050.**

We are proud supporters of the [Net Zero Financial Service Providers Alliance](#) and look forward to establishing a workable GHG reporting

methodology with our peers to demonstrate that internal action, stakeholder engagement and client advisory on emissions reductions and reporting are aligned and based on best available science.

We continue to provide expert input and share our longstanding climate and emissions reporting experience with the global **BDO Net Zero Taskforce** through our Sustainability Partner, Henning Dräger.

Of course, the ongoing war in Ukraine could potentially impact Ukrainian and wider global efforts to achieve Net-Zero emissions, although the specific extent of the impact is difficult to predict.

One potential impact is that Russia's war of aggression could continue to disrupt energy markets and supply chains, potentially leading to price spikes and supply shortages of key energy sources such as natural gas. Ukraine is an important transit country for natural gas supplies from Russia to Europe, so any disruption to gas flows through Ukraine could have significant knock-on effects on energy prices and availability in the region. This could in turn affect the transition to renewable energy sources, which may become less competitive if fossil fuel prices rise.

Additionally, the war in Ukraine could divert serious attention and resources away from climate change mitigation and adaptation efforts. Governments and international organisations may focus on addressing the war rather than investing in clean energy technologies or implementing policies to reduce emissions. The European Union has so far shown this balance to be possible and necessary, as ending the war in Ukraine and addressing solutions to climate change are part and parcel of sustainable development commitments.



We believe that the illegal invasion of Ukraine by Russia will increase the urgency of the transition to clean energy. As countries become more aware of the risks and vulnerabilities associated with fossil fuel dependence, they may be more motivated to accelerate the shift to renewable energy and reduce their reliance on fossil fuel imports.

One positive policy development worth replicating globally is the [European Union's new RePowerEU strategy](#) calls for replacing Russian fossil fuel imports with alternative and renewable sources over the medium term, while cutting energy consumption right now.

*“ 2023 will be another important year for BDO to clear the path and move diligently towards reaching Net Zero by 2050 with a crucial goal of halving our emissions footprint by 50 percent in 2030. BDO Ukraine has demonstrated leadership and commitment towards more sustainable business practices for over 11 years. We are happy to share our expertise and inspiration with our BDO family, despite our obvious challenges, so we together can make Net Zero a reality. One BDO towards Net Zero.*

*”*

**Henning Dräger,**  
Sustainability Partner at BDO in Ukraine





# ENVIRONMENTAL VECTORS – UKRAINE AND THE EU GREEN DEAL

Ukraine has been pursuing closer **integration with the European Union (EU)** for many years, with the aim of strengthening its economy, political system, environmental protection and address material societal concerns transparently. Ukraine signed an **Association Agreement with the EU** in 2014, which includes a Deep and Comprehensive Free Trade Area (DCFTA) that provides for the gradual integration of Ukraine's economy with the EU. The Association Agreement is a comprehensive document that covers a wide range of issues, including trade, investment, energy, transportation, human rights, and the rule of law. It also provides for political dialogue and cooperation in areas such as foreign policy, security, and justice.

Since the signing of the Association Agreement, Ukraine **has made progress** in implementing the necessary reforms to bring its laws and regulations in line with EU standards including environmental covering among others **climate change and waste management**.

However, Ukraine's integration into the EU has been slowed down by various factors notably the ongoing war with the Russian invader. This has made it more difficult for Ukraine to implement the necessary reforms and for the EU to support Ukraine's integration efforts. Despite these challenges, the EU remains fully committed to supporting Ukraine's integration efforts and **has provided significant financial and technical assistance** to help Ukraine implement the necessary reforms. The EU has also offered Ukraine the possibility of joining the EU soon, although this would require significant further reforms and the consent of all EU member states.

The key environmental nexus between Ukrainian and EU membership is how fast and comprehensively our country will translate the requirements of the [European Green Deal \(EUGD\)](#).

**FOR REFERENCE: THE EUGD IS A SET OF POLICIES AND INITIATIVES AIMED AT MAKING THE EU CLIMATE NEUTRAL BY 2050.**

It was launched by the European Commission in December 2019 and is considered one of the most ambitious environmental plans in the world.

**The key objectives of the EU Green Deal include:**

- ▶ Reducing greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels.
- ▶ Achieving climate neutrality by 2050.
- ▶ Improving energy efficiency and increasing the share of renewable energy.
- ▶ Moving towards a circular economy that promotes sustainable resource use.
- ▶ Reducing pollution, particularly air and water pollution.
- ▶ Protecting biodiversity and ecosystems.
- ▶ Improving the health and quality of life of EU citizens.

**To achieve these objectives, the EU Green Deal includes a wide range of measures, such as:**

- ▶ An EU-wide climate law to enshrine the 2050 climate neutrality objective in law.
- ▶ A sustainable investment plan that aims to mobilize at least €1 trillion in public and private investments over the next decade to fund the transition to a sustainable economy.
- ▶ The circular economy action plan, which sets out a comprehensive strategy to promote sustainable production and consumption and reduce waste.
- ▶ The biodiversity strategy for 2030, which aims to protect and restore biodiversity and ecosystems..
- ▶ From farm to fork Strategy, which aims to make the EU's food system more sustainable and resilient.
- ▶ The zero-pollution action plan, which aims to reduce pollution from all sources, including air, water, and soil.
- ▶ The sustainable and smart mobility strategy, which aims to promote cleaner and more efficient transport.
- ▶ The renovation wave initiative, which aims to improve the energy efficiency of buildings and promote sustainable construction practices.



**GREEN  
ZONE**

The **EUGD** is a comprehensive and ambitious plan that aims to transform the EU economy and society in a sustainable and climate-friendly way. It will require significant investment and political will to implement, but it has the potential to create new opportunities for innovation, job creation, and economic growth while protecting the environment and improving the quality of life for EU citizens.

[The European Think Tanks Group \(ETTG\)](#) – a network of European independent think tanks working on EU international cooperation for global sustainable development launched an interesting 2022 [paper on ways to integrate the EUGD requirements in the Ukrainian war context](#). The key environmental recommendations include:

- ▶ The war's effects on food security, energy security, industrial supply chains and environmental protection should be addressed with due attention to immediate threats, and with a view to speeding up the nascent sustainability transformation to avoid exacerbating future disruptions. To achieve this, three approaches are essential: enabling policy coherence between sectors and institutions, designing adequate social protection measures, and advancing international cooperation also on pollution, waste and emission reduction.
- ▶ The war will likely influence supply chain-driven deforestation and ecosystem degradation, in part due to increasing food insecurity. The EU can support effective and smart agriculture to minimise or avoid land conversion for food or energy production, both domestically and in developing countries.
- ▶ The EU still needs to define the goals it seeks to attain under the external dimension of the EUGD. These will need to be translated into concrete actions in close dialogue with the Ukraine. Moreover, international cooperation must be aligned to support long-term strategies enabling Ukraine to implement the 2030 Agenda for Sustainable Development and the Paris Agreement in a synergistic fashion..

The medium to longer term EUGD actions needed by Ukraine and the EU cannot get lost in the present fog of war is sustainable development and EU integration are to be successful. One aspect arising out of the EUGD, which Ukrainian companies need to pay attention to now, is the [European Sustainability Disclosure Directive \(CSRD\)](#) which entered into force earlier this year.

The broad brushes of this important piece of legislation are:

- ▶ The CSRD introduces more detailed reporting requirements and ensures that large companies and listed SMEs are required to report on sustainability matters such as environmental rights, social rights, human rights and governance factors.
- ▶ The new sustainability reporting rules will apply to all large companies and to all companies listed on regulated markets except listed micro undertakings. These companies are also responsible for assessing the information applicable to their subsidiaries.
- ▶ The rules also apply to listed SMEs, considering their specific characteristics. An opt-out will be possible for listed SMEs during a transitional period, exempting them from the application of the directive until 2028.
- ▶ For non-EU companies including Ukraine, the requirement to provide a sustainability report applies to all companies generating a net turnover of **EUR 150 million** in the EU and which have at least one subsidiary or branch in the EU exceeding certain thresholds. These companies must provide a report on their environmental, social and governance (ESG) impacts, as defined in this directive. The CSRD also makes it mandatory for all affected companies to have a limited audit of the sustainability information that they report and provide the digitalisation of all sustainability information.

Sustainability and sustainable business practices have taken the next step up in the EU. As **Ukraine looks west**, we would do well to study, upskill and get busy laying the foundations for the CSRD, Taxonomy, Sustainable Finance Reporting Directive (SFRD) and related policies coming our way today and in years to come.





# COUNTING THE ENVIRONMENTAL COST OF THE WAR – ONE YEAR ON

It has been over one year since the Russian Federation's illegal war of aggression against Ukraine. The war so far killed tens of thousands of Ukrainians, displaced millions of citizens, shredded peaceful communities to dust, severely damaged the economy and caused untold environmental damage. **Sustainability**, let alone sustainable development, **truly looks different**. Ongoing monitoring of the war in Ukraine undertaken by the UN Environment Programme (UNEP) points to a toxic legacy for generations of Ukrainians to come.

As the war is ongoing, we can't know the full range and severity of environmental consequences as it will require continued access, verification and assessment. What can be sure of is that many thousands of already documented incidents of land, air and water pollution and the **degradation of ecosystems** will unfortunately only go one way - up.


[UNEP](#), the environment authority within the global UN system, is supporting the Government of Ukraine on remote environmental impact monitoring and plans to expand its field-level impact assessments despite the vast geographical spread and patchy access to areas of reported incidents.

Two Ukrainian environmental damage monitoring sites [Ecodozor](#) and [EcoZagroza](#) are recommended sources for deeper and visual analysis of recorded impacts.

As we documented in our [2022 Chronicles](#) Russia's invasion continues to yield massive destruction of Ukrainian nature, ecosystems and ecosystem services many communities rely on including water infrastructure e.g. pumping stations, sewage facilities and purification plants. The indiscriminate attacks also continue to cause significant damage to industrial facilities, warehouses and factories with some storing a range of hazardous substances ranging from plastics, volatile organic compounds and ammonia. Hazardous substances have been released from explosions in agro-industrial storage facilities holding fertiliser and nitric acid.

Many reports document impacts on large livestock farms, where killed livestock carcasses pose a serious public health risk. Satellite imagery and drone footage has also shown a **significant increase of fires in various nature reserves and protected areas**, as well as forested areas following missile strikes, artillery bombardments and intentional arson by Russian soldiers.

In the urban environments e.g. Luhansk, Donetsk, Kherson, Kharkiv, Mariupol and Kyiv the clean-up of destroyed housing will bring its own challenges, with debris and dust likely to be mixed with **hazardous materials** - particularly lead, radon and asbestos.



**MORE THAN UAH 400 BILLION –  
PRELIMINARY ESTIMATE OF  
CONSEQUENCES OF MILITARY ACTIONS  
AND IMPACT ON THE ENVIRONMENT**

As documented daily on our news and social media feeds - the pollution and waste from extensive use of land, air and sea-based weapons in rural and urban areas, including thousands of destroyed and discarded military vehicles and equipment, poses a costly clean-up challenge.

[Ukraine's environment ministry estimates](#) the environmental costs to be around **€48 billion** so far due to air, waste, soil and water damage and documented cases are handed to national and international law enforcement agencies, as part of an effort to hold Russia accountable and [secure damages](#) in court for wanton environmental damage.

From a governance view the direct impact of military operations on the environment has also led to a breakdown in environmental management and regulation across impacted regions. The ongoing war has made it difficult for Ukrainian and international environmental agencies to monitor and enforce environmental regulations and incidents of illegal logging, poaching, and other environmental crimes have increased.

Finally, **a historical perspective on the environmental costs of war makes for painful reading and reflection on what the future might hold.** World War I, II, Korea and Vietnam all left reminders of destroyed, scarred, poisoned and still mined landscapes. The sheer volume of missiles and artillery shells hitting Ukrainian farmlands also raises the potential of heavy metals entering the food chain with possible higher rates of cancer and disorders resulting from water and soil contamination for decades to come. Ukraine with its incredible nature needs to win this war to start rebuilding, healing and once again safely enjoying its forests, fields, rivers, parks and ecosystems.

It is essential that Russia is held criminally liable also for its environmental crimes committed in Ukraine. Meanwhile Ukraine is deeply appreciating international community efforts to mitigate the environmental impact of the war and support the recovery and reconstruction of the region's environment.





# COMPLIANCE WITH ENVIRONMENTAL PRINCIPLES AT BDO IN UKRAINE

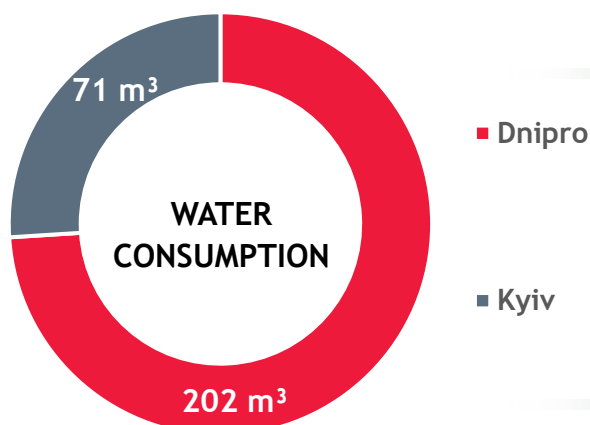
Even during the war and economic turmoil, we keep monitoring and reducing our significant environmental impact on the environment in our offices in Dnipro and Kyiv. We are committed to our key ESG goals, such as reducing electricity consumption (unfortunately, we had hard lessons in energy efficiency last autumn and winter) and reducing paper and water use in our offices. We strive to reduce our environmental impact in full compliance with the relevant UN Sustainable Development Goals and always adhere to the [Zero Emissions](#) target, which we plan to achieve no later than 2050 for greenhouse gas emissions. We expect that a more comprehensive approach to reporting on our environmental impact will be resumed following the full liberation of Ukraine.

Below is information on electricity, paper, and water consumption in our offices in Ukraine for the period February 2022 – February 2023.

## Environmental footprint during the year of war

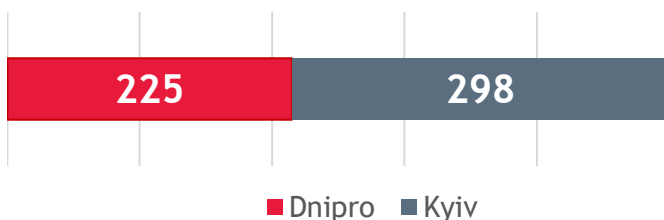
### ENERGY CONSUMPTION

| City   | Energy consumption February 2022 – February 2023 (kWh.) | tCO <sub>2</sub> equivalent* |
|--------|---|------------------------------|
| Dnipro | 61 283  | 39,41                        |
| Kyiv   | 31 023  | 19,95                        |
| Total  | 92 306  | 59,36                        |



| City   | Water consumption February 2022 – February 2023 (m <sup>3</sup> ) |
|--------|---|
| Dnipro | 202   |
| Kyiv   | 71  |
| Total  | 273   |

### PAPER CONSUMPTION



| City   | Paper consumption February 2022 – February 2023 (500 A4 sheets/pack) |
|--------|--|
| Dnipro | 225  |
| Kyiv   | 298  |
| Total  | 523  |



**SOCIAL**



## LIFE OR SURVIVAL DURING THE WAR?

A year ago, the war came to us. February 24 was the zeroing out day. All our plans, dreams, projects, and hopes were destroyed. It was difficult, but we did not lose faith, gathered all our strength, united as a country, enlisted the support of the entire democratic world, and began the fight against the aggressor, **everyone on the frontline**. Over the past 365 days, unbreakable Ukrainians have survived many attacks, gone through darkness and despite everything, they have not knelt down.

Today, better than the others we know how to appreciate life. We try to rewrite how to make plans for the future and realize that things will never be the same again. Everyone has changed, our Ukraine and the whole world have changed. And what has the “russian world” of invaders brought to Ukraine in the past year?

1. Since the beginning of the war, russia has [occupied](#) about **20% or 120,000 km<sup>2</sup>** of Ukraine's territory (including Crimea and parts of Donbas seized in 2014-2015). [As of](#) the end of February 2023, 1877 Ukrainian cities and villages are under russian occupation. During the year, the defenders managed to liberate about **40%** of the occupied territories seized by russian troops after February 24, 2022. At the beginning of 2023, the active front line was approximately 1500 km (for comparison, the distance from Kyiv to Berlin is 1385 km).

The key milestones in the liberation of the Ukrainian territories during the year of war were the ousting of russian troops from near Kyiv and Mykolaiv, and the complete withdrawal thereof from Zhytomyr, Kyiv, Chernihiv, and Sumy regions. At the end of June, the Ukrainian flag flew again over Zmeinyi Island in the Black Sea. Kharkiv survived, and thanks to the Ukrainian counteroffensive last fall, almost the entire Kharkiv region (including the cities of Balakliya, Izyum, and Kupiansk) returned home. In November, Kherson and the right-bank part of the Kherson region returned to Ukrainian control after 8 months of the occupation.

2. [According to](#) the UN High Commissioner's office, at least **8,000** civilians were killed from February 24, including **487 children**. The UN emphasizes that these figures are only verified and documented deaths, and that the actual number of deaths is much higher. About **13,000 Ukrainian civilians** sustained injuries of varying severity, of which about **950 are children**.



Multi-story residential building in Kharkiv



3. More than **1 million** men and women with arms in their hands are defending Ukraine's sovereignty and independence (total for all law enforcement agencies, including territorial defense).
4. During the year of war, there were about **5,000** massive missile and **3,500** air strikes in the country, about **1,000** of which – with the help of UAVs. The bulk of these attacks are against civilian objects, and since October, also against Ukraine's energy infrastructure.
5. According to [alerts.in.ua](https://alerts.in.ua), **16,712 air alerts** have been registered in Ukraine since February 24, 2022.

### LUHANSK REGION SPENT MOST TIME IN ALERT, AS THE AIR ALERT IN THE REGION LASTED 329 DAYS IN TOTAL.



As a comparison, Kyiv spent a total of 30 days in air alert during the year of war.

6. Since the full-scale war began, approximately **17 million** people have left Ukraine for other countries, and about **9.2 million** have returned. According to the [UNHCR](https://www.unhcr.org), **more than 8 million** Ukrainian refugees have been registered in European countries during the time of war. As of the end of February, the number of Ukrainians registered in the EU temporary protection programs was about **4,9 million**. The largest number of Ukrainian refugees was accepted by Poland – 1,5 million, Germany – 1 million and the Czech Republic – 0,5 million.

Furthermore, according to the UN, approximately **3 million** Ukrainians crossed the border with Russia (there is no information on whether the movement was voluntary or forced). There is no data on the reverse crossing the border.

[According to](https://www.iom.int) the International Organization for Migration (IOM), **7,1 million** Ukrainians have been forced to leave their homes since the beginning of the Russian aggression but have remained in Ukraine. Almost **4,9 million** Ukrainians have been officially recognized as internally displaced persons (IDPs).

7. Since October 2022, Russia [conducted more than 255 strikes on 112 energy infrastructure facilities in Ukraine](#) in an attempt to freeze Ukrainians in the winter. Drone attacks and missile strikes put [more than 40%](#) of energy facilities across Ukraine (the largest number in Kyiv, Kharkiv, Dnipro, and Donetsk regions) out of commission. Millions of people were left without electricity and often without heat every day. As a result of the shelling on November 23, for the first

time in its history, Ukraine's power system suffered a systemic failure and all nuclear power plants shut down – a **blackout has occurred**. However, thanks to the extraordinary efforts of our power engineers, power supply was restored as quickly as possible under the circumstances. In late February, due to a decrease in the number of attacks and the periods between attacks, there were almost no scheduled and emergency outages.

8. [According to the Kyiv School of Economics \(KSE\)](#), which, together with the government, is calculating the losses incurred by Ukraine as a result of Russian aggression, the amount of directly **documented infrastructure damage** as of February 2023 was estimated at **\$143,8 billion**. In particular, the destruction of the **housing stock** amounted to **\$53,6 billion** (in total, **more than 150,000** residential buildings were damaged or destroyed, including **more than 130,000** private buildings, **about 18,000** – apartment buildings and **about 300** dormitories), **infrastructure** – **\$36,2 billion** (**more than 25 thousand** kilometers of state and local roads and **344** bridges and bridge crossings were destroyed or damaged), **assets of enterprises** – **\$13 billion** (at least **109** large and medium-sized enterprises suffered direct losses as a result of the full-scale invasion, **19** private and state-owned enterprises were completely destroyed), **education** – **\$8,9 billion** (**almost 1500** secondary education institutions, **909** preschools, and **528** higher education institutions were destroyed or damaged).

### ACCORDING TO THE PRIME MINISTER OF UKRAINE DENYS SHMYHAL, THE AMOUNT OF DAMAGE CAUSED BY RUSSIA TO UKRAINE AS OF 1 JANUARY COULD BE AROUND \$600-750 BILLION.

9. Due to the war, the **unemployment rate** in Ukraine reached **25-26%** in 2022, [according to](#) the NBU, which corresponds to a total of 3,2 million unemployed people. In July, the unemployment rate peaked, reaching a record **35%**. Over the year, Ukraine [lost](#) more than **3 million** jobs.
10. [According to](#) the State Statistics Service, **consumer inflation** in Ukraine was **26,6%** in 2022, and **26%** from January 2022 to January 2023. The largest price increases in 2022 were recorded for fuel (**69,4%**) and raw foods (**41,6%**). Despite the Russian aggression, inflationary processes in Ukraine remain under control, and the NBU forecasts a **moderate slowdown in inflation to 18,7%** in 2023.





11. By the end of 2022, Ukraine's GDP **fell** by **30,4%**, which is objectively the worst figure since Ukraine's independence, but better than experts predicted at the beginning of the full-scale invasion (the forecast was 40-50%). According to the Ministry of Economy, Ukraine's GDP may grow by about 1% in 2023.
12. During the year of the war, the Ukrainian national currency is gradually devaluing: at the beginning of the war, the official exchange rate was fixed at **29,25 UAH per dollar**, but on July 21, the NBU decided to adjust it to 36,6 UAH per dollar, bringing it closer to the market rate. As of early 2023, 1 dollar on the cash market was **UAH 40,60-40,80** (the hryvnia has devalued by **25-30%** since the war began). However, a month later, the hryvnia/dollar exchange rate began to gradually strengthen, and on the anniversary of the war, one US dollar could be purchased at banks and exchange offices for **UAH 39,70-39,90**, and further strengthening of the Ukrainian currency is expected.
13. During the first half of the war, almost **22 million tons** of grain were blocked in the Ukrainian ports. Due to the large volume of the harvest, it was impossible to export grain and other crops by road and rail alone. Fortunately, in July, with the mediation of the United Nations, an agreement was reached to temporarily unblock exports from three Ukrainian ports (Odesa, Chornomorsk, and Pivdennyi), as the problem with supplies from Ukraine created a real risk of famine in some African countries. In early 2023, Ukraine initiated the **expansion of the grain corridor agreement** to several ports, as well as the expansion of the range of products that can be exported. Currently, the ports are carrying out cargo transportation in much lower volumes than the pre-war level, and in constant danger.
14. The Operational Headquarters for recording environmental crimes reported that the war in Ukraine has already affected a third of the country's forest fund (about 3 million hectares of forests), and the total damage to the Ukrainian environment in November exceeded **\$38 billion**.
15. Ukrainians are increasingly speaking Ukrainian. Since the beginning of the war, **57%** of Ukrainians have switched to/have begun to speak more the official state language.

In new realities, small and medium-sized businesses in Ukraine have shown remarkable resilience to preserve what they have built up over the years and help the country. For example, **more than 800 companies have moved** to other regions of Ukraine from the areas, where combat operations are being conducted, and **about 620 companies** have already resumed operations in their new locations.

But there is also a reverse trend. As of the end of February 2023, there are **44 companies** that have already returned to their previous locations due to the improved security situation in those regions.

[According to](#) the Ministry of Economy, most companies relocated to Lviv (24%), Zakarpattia (14,5%), Chernivtsi (9,8%), Ivano-Frankivsk (8,3%), Khmelnytsky (7,3%), and Ternopil (6,3%) regions.

In the face of the threat, cooperation between the state (local authorities) and private business worked well: businesses willingly provided transportation and premises, resources and funding, and physically helped their fellow citizens.

### **SUCH EXAMPLES OF COOPERATION TO ACHIEVE A COMMON GOAL DEMONSTRATE THE BIRTH OF A NEW, EVEN STRONGER UKRAINE.**

Everyone, from logistics giants like Nova Poshta and Ukrposhta to ordinary entrepreneurs and citizens, **has contributed to the “new war economy.”** Many entrepreneurs have realized the scale and duration of the problems and have come to realize that waiting in the shadows, better times may not come, because in this absurd war, the economic front is no less important than the military one.

### **During the year of war, the work of our company changed as well, namely:**

- ▶ Since the war began, some employees have moved to safer cities in Ukraine, while others have been relocated abroad to different countries. Employees abroad work remotely and can visit local BDO offices as needed. For the first six months of the war, our offices in Kyiv and Dnipro operated in a limited mode, and therefore, our work was largely online. In the fall, we had to open an additional autonomous office near Kyiv to provide employees with uninterrupted workplaces, and other offices were equipped with additional power and Internet as much as possible. Employees who decided to continue working remotely were also provided with everything necessary to continue working.
- ▶ Russia’s war against Ukraine is accompanied not only by artillery or missile attacks, but also by active cyberattacks. According to the State Special Communications Service, there were three times as many cyberattacks against Ukraine since the beginning of the full-scale

invasion as in the same period last year. From the first days of the war, we have been doing whatever it takes to protect our information and that of our customers, so all data has been transferred to a reliable cloud storage from Microsoft, and all company resources are protected by powerful cyber security tools. Moreover, all employees have secure access to all necessary programs.

- ▶ Since the beginning of the war, the company has been undergoing a significant transformation. In the first months of the russian aggression, we reviewed our service portfolio to focus on services that specialists can provide in the current environment. During the year of war, we have launched 5 new services that are adapted to the current conditions.
- ▶ During the war, another company called BDO BUSINESS SERVICE SHARING HUB LLC appeared **under the BDO in Ukraine brand** and now the company’s structure in Ukraine includes 4 companies: **BDO LLC, BDO Consulting LLC, BDO Corporate Finance LLC, BDO BSSH LLC.**
- ▶ The company actively develops the business community in Ukraine and abroad and in December-January became a member of **4 international chambers of commerce**, membership of which enables to interact with potential investors in the Ukrainian recovery and offer our clients new opportunities for further development.
- ▶ We have revised the business model of BDO in Ukraine and are constantly discussing possible scenarios in Ukraine and the relevant scenarios of our future work. As part of the new strategy, we have started closer cooperation with other BDO firms and adapted our services and capabilities to work in partnership. The domestic market is gradually recovering, but the volume of pre-war levels has not yet been reached. Therefore, we continue to seek new opportunities for further development.
- ▶ The company’s employees are actively learning English. For this purpose, the company has created 5 different programs that help to learn and improve the skills they have acquired earlier, as international cooperation will definitely expand.

**TODAY, ANY BUSINESS IN UKRAINE FACES TWO CHALLENGES: SURVIVAL AND DEVELOPMENT.**





## How Ukrainians live with the war?

Ukrainians had an **incredibly challenging year**, but 2023 offers many reasons for optimism. The whole world was stunned by the extraordinary strength and courage demonstrated by Ukrainians in 2022. Since February 24, Ukrainian society has remained unbreakable despite constant shelling, living between air raids, power outages, and the terrible war crimes of the Russian occupation forces.

Many people who were forced to leave their homes have already returned, and some have found a new home, as not everyone has a place to return to. Ukrainians continue to work, start businesses (17,1 thousand of new companies and 178,5 thousand of individual entrepreneurs **were registered**) and create jobs. The economy has not stopped and has adapted to work during martial law. Everyone contributes to the future Victory:

**AGRARIANS** are preparing for the second sowing campaign, which is no less risky this year, as in addition to constant shellings, there are even more explosive items in Ukrainian fields, and Ukrainian farmers unfortunately have to accept this risk.

**UKRAINIAN MEDICS** are the heroes of their frontline, as they save both civilians and military Ukrainians every day and have to work in completely different conditions. Military medics who are next to our defenders and go through all the horrors of the war together to save everyone, — deserve special respect.

**STATE EMERGENCY SERVICE** works around the clock to provide assistance to everyone who needs it. In addition to the disasters of everyday life, they bear the burden of constant attacks that Ukraine has been living under for a year now. Thousands of lives have been saved thanks to their hard work.

**POWER ENGINEERS** stood on the frontline and did not allow Ukrainians to freeze to death as the Russians wanted. With extraordinary efforts, after each shelling, they restarted Ukraine's power grid and maintained its functioning.

One cannot forget the **VOLUNTEERS** who are preparing, finding and buying everything needed for the soldiers at the front line and for the war-affected persons. Thanks to their efforts, Victory is getting closer every day.

**AND THE GREATEST HONOR GOES TO THOSE THANKS TO WHOM WE STILL LIVE IN AN INDEPENDENT UKRAINE — THE UKRAINIAN MILITARY, WHO EVERY DAY DETER THE ENEMY AND RETURN THE UKRAINIAN FLAG TO EVERY CORNER OF THE UKRAINIAN LAND.**

We pay the highest price for the freedom and independence of the country we live in. Unfortunately, we are used to living with war. But despite all the horrors of war, we do not lose our thirst for Victory!

“

**95% OF UKRAINIANS BELIEVE IN THE VICTORY OF UKRAINE**

”



Life between light and darkness

# A YEAR OF WAR FROM THE PERSPECTIVE OF OUR PEOPLE

This part of our Chronicles is entirely **dedicated to people**. People and teams that are the greatest value for our company. Each company has its own individual story, and in this material, we share ours.

On the following pages, the heads of departments and employees of BDO in Ukraine share their experience of ensuring continuous operation of their departments **during the ongoing war in our homeland**.

We will tell you about the work of the **legal, financial, HR, marketing, accounting outsourcing and tax advisory departments**. What changes has the war brought to the processes? How has the work organisation changed? Were there any changes in the teams? What has been achieved and what are the future plans?

**ALL OUR TEAMS ENSURE THE CONTINUOUS OPERATION OF OUR COMPANY, DO EVERYTHING POSSIBLE TO PROVIDE COHERENCE OF ACTIONS AND KEEP THE COMPANY'S MECHANISM RUNNING.**

We work to support Ukraine's economic front!

## Project "People of Ukraine – BDO stories"

In September 2022, together with BDO Global, we presented the project "People of Ukraine – BDO stories", the main purpose of which was to share with our entire BDO network the stories of colleagues who had to experience the horrors of war. 25 stories filled with experiences, broken dreams, acceptance of the situation, and hopes for soonest end to this hell, can be read at the [following link](#).

## PEOPLE OF UKRAINE BDO STORIES



**#People Helping People**



**READ >>**



## FINANCE DEPARTMENT: CONTRIBUTION TO THE SMOOTH FUNCTIONING OF THE COMPANY

On February 24, 2022 my team and I, like most Ukrainians, woke up around 5 a.m. to the sounds of explosions. *It was clear that the war had begun, about which we had been warned for several months.* At 7 a.m. I was already talking to the company's management **about making urgent decisions to ensure the support of the entire company's staff** and the further work of both the financial and other departments of BDO in Ukraine. On that same day, all employees received their February wage, and **financial assistance** was repeatedly provided through the contributions of company's members and the BDO Financial Assistance Fund. Finance department actively participated in the processes of providing assistance to employees who decided to relocate to other safer regions of Ukraine or abroad. The company paid salaries in advance for several months to support its staff and minimize potential risks.

During the first months of the war, the finance department ensured all payments to the staff and the state (in the form of advance tax payments), paid contractors on time and transferred funds from the company to support the Armed Forces of Ukraine. The chief accountants prepared the annual financial report in time despite the situation in the country in late February and March. We constantly analyzed our expenses to be able to make timely and effective decisions regarding their optimization for each period of time. I am very grateful to my team, all employees of various departments and service lines, and the company's management, especially Vira Savchenko, who seemed to be available 24/7, for their cohesion during such an extremely challenging time for all of us.

Compared to the first month of the war, when a lot of work was done urgently, didn't know what challenges we would face each day, in late March and early April, the company began gradually to recover from the initial shock and to plan further work, because we could not afford a prolonged downtime in our work. Everyone understood the situation in which we had to live and work. We passed through the first stage of uncertainty with dignity, did not allow the company to stop, because the **financial system of any company is like the foundation of its life.**

As for the format and scope of work, I can say that the work has increased significantly. In June 2022, we created a new company **BDO BSSH**, which operates under the BDO in Ukraine brand, and which is now a resident of Diia City. We are actively engaged in the business processes automation in the company, including the implementation of the SMART-system for HR & Payroll, which will optimize processes and make our work easier in some ways.

We can do all this because our employees are provided with everything they need to perform their work tasks. We have worked remotely before, but considering the constant attacks on the energy system of Ukraine, additional measures were needed to ensure continuous operation. New powerful laptops, uninterruptible power supplies (UPS), power banks and mobile routers were purchased for the Finance Department. Also, conditions for work in the office were created (with constant sources of power, internet and heating), where all employees could come in case of long blackouts.

The entire finance department team and I personally have stayed in Ukraine in the city of Dnipro all this time. In October 2022, one department employee decided to relocate to the UK. The company provided her with all the necessary assistance with relocation, so that our former colleague could go through this process as comfortably as possible. In December, a new colleague joined our team. Therefore, I can say confidently that we were and remain a united team. We have no plans to downsize the department at the nearest future.

**We have survived, and that is the main thing.** Now we are making further plans and developing, because we are fighting on the economic front of our country and contributing to the future Victory. We are the strong, united team and we deserve to live in a prosperous and independent country!

**NATALIA SOSEDKA,**  
Chief Financial Officer



## MARKETING DEPARTMENT: MARKETING IN TIMES OF WAR: HOW DO PRIORITIES CHANGE?

*Does marketing in a company undergo changes during wartime? Absolutely, yes.* When you're on your own, you can disappear from sight for a while, channel your energy into a more useful direction, or simply take a break to decide on your next steps. A company cannot afford to do that, because it needs to keep the entire community informed, with which relations have been built up for many years, react quickly to changes and make appropriate decisions.

...I remember the morning of February 24th quite well. By a strange coincidence, I was going to leave Kyiv that morning, so I stayed up until 2 a.m. to complete revisions to the "Why Ukraine?" presentation, which my colleagues and I had been drafting for several weeks to present advantages of doing business in Ukraine to our international community. A few hours later, 80% of the information in that presentation lost its relevance.

*(Lesson One) Everything can change in a moment, so there is no need to hold on to what was, but rather try to quickly adjust thoughts and actions to the situation at hand.*

So, I packed all my gadgets and valuables to the things I had already packed, took a few summer clothes just in case, and set out on my way. Surprisingly, people on the streets did not panic, despite the fact that the city was filled with smoke from the recent shelling and the air raid siren was blaring. From the very morning, the company's management was in touch and promptly informed employees about all the actions and changes that were being made at that time. For most colleagues, work stopped for a while, and everyone began helping each other to find safe routes and ways to leave Kyiv and Dnipro, find accommodation in Western Ukraine, and later – abroad. The BDO Global Office and BDO member firms responded quickly to the situation in Ukraine. The **BDO Financial Assistance Fund** was created promptly, and the CEO of the EMEA region, Trond-Morten Lindberg, together with CEO of our company Vira Savchenko, were close to the border with Ukraine and personally helped all colleagues who crossed the border and needed help. Each morning started with the message "Everything is fine, we are alive and well".

*(Lesson Two) In any situation, you have to stay human and, if possible, help others. At the peak of the crisis, the most important thing is your own safety and the safety of your family and friends.*

Being in Central Ukraine, where it was relatively safe, I pulled myself together in a few days and after consulting with Vira Savchenko on further actions and communications, we published our first news about the situation in our company on March 1st. There were many messages from colleagues and partners from around the world, who asked about our situation and offered all kinds of help and support. Unfortunately, there was no physical ability to respond to all messages, as much time was required to assist the

employees. Later, we made regular updates on the situation and we still do.

For the first months of the war, I was in touch all the time with our Global Marketing Department and we coordinated all communications with Global Head of BD&M Allan Evans and Global Communications Director Ann Celis. They have always encouraged me and expressed their sincere admiration for the fact that we continue to work during the war. In our department, the first weeks of work were almost like being in combat conditions. Our designer, who lived on the outskirts of Kyiv, not far from the well-known Bucha and Irpin, whenever it was possible in between shelling left the shelter and backed to her apartment (it's even scary to imagine that people learned to distinguish the sounds of incoming shells and explosions within a week) to make some visuals and images for our publications. When we were asked "How can we work in such conditions?", we answered that the work allows us to switch our attention from what was happening around us. And that is true. The entire marketing team was always in touch throughout the war and we tried to do everything on time and with high quality, so as not to let the company down.

*(Lesson Three) If you have the opportunity to switch your attention to something else during a crisis – be sure to do that. If you only think about the horror that is happening around you, it will not be of any use to you or people around you.*

When it became clear that, unfortunately, we would have to live and work in a state of war for some time, at the end of March we began to build our first short-term plans to have some understanding of what we would be doing. Since almost all Ukrainian businesses were in a similar situation, and some companies suffered significant losses, were physically destroyed or were under occupation, we decided to suspend marketing activities aimed at our Ukrainian community for a while, except for informing them in slightly way that the company was still operating and the social projects we conducted.

The decision was made to focus on **internal communication within the BDO Network**, as some offices had already expressed a desire to involve our professionals in their projects. Therefore, we saw this as a great potential for the company to continue its operations, as the situation in Ukraine was still unclear. In early May, I went on my first business trip and, together with Vira Savchenko, visited Poland, Austria and Belgium, where we had many meetings with both Ukrainian colleagues who were relocated abroad and colleagues from the Global Office and local offices.

In addition to addressing work-related issues, I had an unofficial mission to tell my foreign colleagues about the situation in Ukraine from the perspective of someone who lives there. One of the results of this trip was an agreement on a joint project "**BDO Stories: People of Ukraine**", aimed at sharing the stories of our colleagues that experienced the horrors



of the war with all BDO network. I am very grateful to everyone I was able to meet in person after a long online acquaintance, as well as during my travels, as well as to those I met during my trips, for their support, assistance, and sincere empathy.

Since June, **BDO in Ukraine employees took part in many events** organised by the Global office, both online and offline. This allowed us to introduce our colleagues from all over the world to our capabilities and achievements, which we made even during the wartime. In the autumn, our team participated in BDO's internal competition for innovative ideas, and in December we received an email that **our project had won and received financial support to launch its implementation**. As you can see, the war has not brought us to our knees, but rather motivated us to conquer new heights.

If we talk about working conditions, **thanks to COVID, our company was prepared to remote work**, and initially, the problem was more in the moral aspect. However, when the first large-scale shelling of the energy infrastructure began in October, it certainly had a significant impact on the work regime, as constant, prolonged and often unpredictable power outages do not contribute to productive work. But in our company, preparation for possible power problems began as early as August, so there was a fairly prompt response to the new challenge. Offices were provided with all possible power sources and constant Internet access (including Starlink). New locations were organized, where people could work in warmth, with light and Internet.

Mini charging station with nearly 100,000 mAh



Employees who worked remotely were also provided with everything they needed to be able to work during blackouts. I also received a few power banks for my laptop, Wi-Fi modem and router, which made work much easier, because when you have electricity during working hours for 2-3 hours only (which for me = I have Internet, because I could work on mobile internet for a maximum of 30-40 minutes after a blackout), it is quite challenging to work. We worked during that period whenever we could, and everyone was very understanding. But the most important thing is that the work continued to be done on time.

*(Lesson Four) Flexible planning is the most essential skill in a crisis situation. You have to think ahead about all your actions depending on the all possible situation and set clear priorities, because there is no longer the possibility to live in the usual rhythm.*

**We are interested in innovations.** We are mastering new technologies and improving processes with colleagues. We have already welcomed ChatGPT to our team (I must say that it is currently in the position of an assistant, as this is the only function, we can offer it for now). We are making plans for the future and realise that it will not be easy. I am very grateful to the company's management for being able to keep the company afloat, with around 200 employees on board, paying salaries on time and even in advance, providing assistance and finding work for everyone. Personally, I think that managers of Ukrainian companies have gained extraordinary experience in crisis management that no coach can teach. Therefore, we should try to adopt this experience, whenever it's possible, and hope that it will never be needed.

And finally, I would like to add that it is normal when the world shifts its attention to other events. Of course, the war has become a new reality for Ukrainians, just as living with a dangerous virus was a new reality for the whole world a few years before. But we need to understand that the struggle for Independence primarily concerns Ukrainian society, and be grateful for any assistance we receive from the international community.

*(Lesson Five) Value life today, don't postpone it for later. Values can change in an instant – a 1000 hryvnia banknote becomes just a piece of paper to start a fire and keep you warm when you have to stay in the cold and without food for days.*

Let's keep moving forward to Victory!

**OLGA KORNIICHENKO,**  
Head of Marketing



## HR DEPARTMENT: CHALLENGES, TEAM, PERFORMANCE

«It must have been just a dream... But in the morning, we all wake up, go to work, open our laptops, check e-mail and messengers. The threads of communication entangle the space and this movement of responsibility, effort, learning, and professionalism gives meaning to life and enables each of us to take a modest place in the **common struggle for our Victory**.

The end of February and March 2022 can be simply erased from life. No one should have to go through this. I would like to **thank the management of BDO in Ukraine** for their financial and moral support during this period, and above all for helping my child to find refuge abroad. I sincerely thank my colleagues from BDO in Poland for their big hearts, care, and concern!

In early April it became clear that launching business processes is required, as jobs, solvency and even the ability to psychologically switch from frontline events to business life are of great importance. The country was just placing on a military footing with domestic markets not functioning. The support of our partners was essential, and we got it from our international BDO network.

The project for the Canadian office was one among the first. This one small sentence encodes a huge layer of work of BDO in Ukraine's management, whose support and guidance we experienced then and experience now. Based on the win-win scheme, we had a new task for our colleagues, recruiting Ukrainian IT experts for remote and well-paid work from our Canadian office. Everyone benefits as our IT experts are among the best in the world.

So, **the project to recruit Ukrainian IT experts** for the Canadian office had been launched. The challenge was that we had neither specialists nor a division related to this area. Of course, our HR managers recruited specialists for internal vacancies, mainly in audit, accounting outsourcing, and administrative management, but no one was so involved in the IT field, and even more so for overseas partners.

The first task was team building. It was early April, when some people were defending the country, others were traveling abroad, relocating to safer regions, or hiding in bomb shelters.

We had to determine who was physically and mentally ready to return to work. I remember that I received an e-mail outlining the project and asking who was ready to join and help. Everyone who was asked seemed to join.

The new recruiting team was formed based on the HR and sales departments. Everyone worked remotely, from different cities, so communication, interchangeability and mutual aid were the first things to be established. Not only did it make it possible to feel psychological support, but it also helped to unite the team and tune in to results. We had dived into IT technologies issues to competently operate with basic IT terms and concepts in order to understand the functioning of this market, as well as began to study and master the available tools and services for successful recruiting in our reality.

Tasks were received, roles were assigned, and team relationships were established. The hard work commenced. Sourcing, emails, responses, discussions with colleagues, and passing on to the next stages of processing. After working with hundreds of candidates, we got the first positive results. We felt like we were reaching a new level.

Undoubtedly, the team and the direction were developing. At the next step, we faced an urgent need to **automate and digitalize** our processes since remote work simply required it. A new ambitious challenge was the development and implementation of a CRM system for recruiting based on Microsoft Dynamics. This process coincided with the active phase of enemy shelling of critical infrastructure, and consequent interruptions in communication, power, and heat supply. We reorganized our training and work processes again. Everyone followed the schedules of power outages and looked for additional opportunities by coming to the places with power generation to be able to connect to online training on working in the new system. The company has already opened additional office space with autonomous power and Internet. Employees who worked from home were provided with additional batteries and power banks.

The CRM system for recruiting was launched first in test mode and then in product mode. We continue to customize and improve it; however, we now use it at full capacity for our routine work.

We are back to searching for specialists for BDO in Ukraine for the IT department, the marketing department, audit teams and the tax and accounting outsourcing team. This is a good sign meaning that **the business is working, the economy has pulled through, and we will be a reliable back for our guys at the front.**

We keep working!»



**ANDRII PYLYPCHUK,**  
Talent Acquisition Specialist,  
HR department



## TAX CONSULTING DEPARTMENT: NON-STOP WORK TO STOP THE WAR

«The first days after February 24 were a constant effort to understand where everyone was, what condition they were in, whether they were alive and well, and what help they needed. For every manager, **the safety of the team is always a priority**. Some of the department's employees decided to move abroad, some relocated to safer regions in West Ukraine, and some stayed at home. At all these stages, employees of BDO in Ukraine were supported morally, informationally, and financially by the BDO global office, headed by Trond-Morten Lindberg, CEO EMEA. In the first days of the full-scale invasion, he initiated the establishment of the Global Response Team, for which each of us is immensely grateful.



The department is now fully operational. Working remotely during Covid taught us to work independently, so from the first days of the war, we continued to fulfil the projects on time and with high quality. Everyone has chosen a convenient mode of work – from offices, at home, or combining online and offline formats.

It is worth noting that disruptions or delays were avoided, among other things, thanks to the company's substantial preparation, which timely provided all the necessary equipment for continuous operation during possible power outages.

One of the difficulties we faced in the first months of the war was obtaining paper documents due to postal disruptions. It was also caused by the fact that our clients moved to different countries, so we collected documents during all spring and the beginning of the summer. Later on, the process of transferring the documents was set up.

Despite the pessimistic forecasts at the beginning of the war, **we managed to preserve almost the entire client base**, except for a few cases related to the liquidation of the client's company.

To spite all the enemies, life in Ukraine and at BDO in Ukraine goes on, and we believe that each project brings us even closer to the much-desired Victory, which should include not only victory on the battlefield but also the full economic recovery of the country. Let's hold on! Everything will be Ukraine!»

**VICTOR NEVMERZHITSKY,**  
Tax & BSO Partner

«The department's work is organized in such a way that we hardly ever have "cold" seasons. Therefore, from the beginning of the full-scale invasion till now, **there is enough of work for everyone**. The only thing that complicated the implementation of projects in the first weeks of the war was the lack of proper communication with the client, so we worked on those tasks for which we had complete information. No matter how difficult it was, each of us tried to do something useful during this extremely difficult period. We understood that once the first wave of panic and shock subsided, clients would return to their business issues and the workload of our department would increase dramatically. And so it happened, but thanks to the uninterrupted work from the very first days, we were ready for any challenges.

Thanks to the management of BDO in Ukraine, our team, as well as the rest of the company's employees, are provided with everything necessary to properly fulfill our obligations to clients, even during prolonged power outages. We continue to work on our front and believe in the earliest possible Victory».

**VADYM SHYP,**  
Tax & Transfer Pricing Manager



«Given the unstable situation and the growing tension over the possible outbreak of a full-scale war, payroll clients of BDO in Ukraine began made requests in advance to prepare drafts of possible force majeure payments to their employees. As such, our team started preparatory work beforehand. On February 24, even before the start of the working day, one of our long-time regular clients contacted us and asked to urgently start making payments to the company's employees so that they could begin the evacuation process. So, on that ominous day, our department started working off-schedule. The first working day of the full-scale invasion began before 9 a.m. on February 24, 2022, and ended after 3 weeks. Only at the end of March we had a chance to rest for a while and the work schedule began to be normal again.

On the morning of the 24th, the first thing I did was to call my teammates, check on their whereabouts, physical and mental state, make sure everyone was relatively safe, and clarify whether they had the ability and energy to work. I would like to thank each member of my team for showing great professionalism and **continuing to fulfill their professional duties under extremely difficult circumstances**, by the sounds of the shooting and sirens blaring.

On that day, we started making force majeure payments on an emergency basis. It seemed that clients were calling non-stop. We created a list and processed requests in order of priority, regardless of who the client was assigned to. We kept working in

this non-stop mode, at night, in the evening, in the morning, as it was convenient for everyone, for another 3 weeks. Everyone stayed at their jobs and performed their functions with extraordinary effort. We neglected our own safety and preparation for evacuation to fulfill our work obligations. We realized that the safety of other people – our clients' employees who had to receive funds and withdraw cash from ATMs to take care of their safety and the safety of their families – largely depended on our actions.

Obviously, the workload of our department has increased significantly, as many companies have decided to pay salaries upfront, sometimes for 6 months at a time. It was out of the question to follow any work schedules at all. That's why the end of February and March were very tense. But since April, we returned to the usual rhythm in which we are working now.

Despite the pessimism at the beginning of the war, business in Ukraine continues to operate, and **none of our current clients have terminated their cooperation agreements**. Moreover, new clients are coming on board, meaning that the Ukrainian economy is continuing to breath.

Our team **managed to survive without layoffs, retain specialists** and even hire another payroll accountant, as the volume of work is constantly growing, which we are happy about.

*How do we work today?* We have fully established our work processes, even though the team works from different parts of Europe. Most of our colleagues remain in Ukraine and are now fully provided with uninterruptible power supplies, additional power banks, and the Internet, i.e., everything necessary for the quality and timely provision of services. In March, my colleague Kateryna Kopyl and I came to Poland, where we still work today.

We are very grateful to the management who helped us to find housing and pay for it, as well as arrange a workplace in the BDO office in Warsaw. Thanks to the support of our Polish colleagues, if necessary, we can work comfortably in a cozy office, perform our direct duties for the benefit of BDO in Ukraine and our clients, help and support colleagues who decided to stay in Ukraine. We are proud to be a part of BDO family!»

**VALERIYA LINEVICH,**  
Head of Payroll





## LEGAL DEPARTMENT: CONTINUOUS WORKING FOR THE BENEFIT OF UKRAINE

February 2022 was a busy month for the legal department of BDO in Ukraine, as we prepared the company's annual report to the Audit Chamber of Ukraine. This is always an active period, because the key report of an audit entity must be filed with the regulator by February 28. But in 2022, we accelerated all the processes, namely, on February 23, we finally formed and submitted the report in electronic form to the ACU and planned to submit it in paper form on Thursday, February 24. The report was approved by the ACU and we exhaled with joy... *This was the last working day without war outside the window.* And then there were explosions, shock, infinite pain, misunderstanding... and then relocation and work, a **lot of work**. My team and I have nothing to complain about in this regard.

The war scattered my colleagues throughout the world; however, the entire team is still together and working side by side. Yulia Ustymenko was relocated to Turkey, Iryna Pavliuk travels to the northwest of Ukraine from time to time in search of a safer place, Andriy Khalaim stayed in Dnipro, and I ended up in Estonia with my son. But despite all this, my team and I manage to continue to **work effectively remotely**. And we owe this to the management of BDO in Ukraine, who was able to establish a 100% remote work mode.

Despite all the difficulties, our company is working on the economic front for Ukraine's victory. The management makes sure that each of us has everything necessary to work smoothly. Uninterruptible power supply systems (UPS), power banks, and new secure office space allow our colleagues in Ukraine to continue working even during power outages. The well-established workflow of the company's document management through cloud resources creates uninterrupted online work for colleagues who are temporarily outside Ukraine. Thus, we continue to provide legal support and services to the companies of BDO in Ukraine, which also provide quality client services.

As for the volume of work during the war, it has increased significantly for the legal department. And that's understandable, because the war changes everything, and these changes primarily affected legislation. There are pertinent issues related to the mobilization and military law, transition to electronic document management, use of electronic signatures, changes in labor and tax legislation, informatization and IT, Diia City regime, compensation for damages caused by military operations, and major changes in the core sector – audit services and financial reporting, etc. Almost every area of activity has undergone changes in the regulatory framework.

This is what we work with and study every day. The company is transforming, adapting to the new military realities, and my colleagues and **we are paving a solid legal foundation for this**. Great steps have been taken to attract our specialists to work for friendly BDO offices around the world. The contractual work does not stop; the company is constantly participating in various tenders; we work with our regular clients and attract new ones; we actively participate in audit procedures commissioned by international donor organizations; we develop the IT and cybersecurity sphere, etc.

So, from the beginning of the war until now, we have been working continuously for the benefit of our company and the country. But none of it would be possible without the strong support of the management and the entire world. I am immensely grateful to my Estonian colleagues who helped me to capture a new life. Here I found true friends who support me. The friendly team of BDO in Estonia provides the appropriate support for effective continuous work and is always there for me.

I can confidently say that despite the difficult times, we are trying to cope and move forward, as we are aware of the degree of responsibility. The war has made each of us an exceptional crisis management expert, and with these skills, we can handle any task.

***Victory and peace to all of us as soon as possible!  
Everything will be Ukraine!***

**DARIYA TOMASH,**  
Head of Legal Department



# SUPPORT OF BDO GLOBAL COMMUNITY

On March 9, 2022, the BDO network published its [official position in respect of Ukraine](#), where it stated that **no BDO member firm would continue to cooperate with russian and belarusian companies** subject to sanctions. Moreover, it confirmed that BDO does not have a network firm in russia and excludes BDO Belarus from its global network. BDO member firms are fully complying with the sanctions imposed by their governments, which will hopefully contribute to the solution of the current crisis.

For BDO in Ukraine, this is a very important step, as it demonstrates support not only to the Ukrainian office, but to Ukraine as a whole.

## #PeopleHelpingPeople

During the first week of the war, the most difficult and stressful time for the Ukrainian BDO team, a **Global Response Team** was created on the initiative and under the guidance of **Trond-Morten Lindberg, CEO EMEA**, joined by volunteers from BDO offices worldwide.

In the first months of the war, the Response Team helped employees of BDO in Ukraine and their families to move to safe places (mainly to West Ukraine and to Europe). Twenty-four seven the team was searching for housing and the safest routes to West Ukraine and abroad, booking tickets, meeting people at the border and in different countries, providing them with everything necessary for life and work, as there were those who could not even take a small bag with basic necessities. Processes

were taken up across time zones to ensure continuous support for Ukrainian colleagues.

54 employees of BDO in Ukraine and their family members (140 people in total) received assistance in relocating abroad. Some of them have already returned or are planning to return to Ukraine. Furthermore, BDO offices in neighboring countries actively assisted in long-term housing and local issues, demonstrating exceptional involvement and support in the most difficult times. All employees are now safe and secure. They have been provided with secure IT infrastructure, have been offered workplaces in BDO's local offices and keep working.

33 employees and their family members were temporarily relocated to West Ukraine. Currently, 10 members of the BDO in Ukraine's team remain there, and the rest have returned home.

In the summer, when the situation in Ukraine stabilized, the Response Team was joined by staff from the Ukrainian office to provide further support to relocated colleagues. Fortunately, requests for assistance from colleagues are now rare; however, the Response Team continues to work, but not in an emergency mode.

We are grateful to the network for enabling BDO in Ukraine employees to participate in projects of other BDO member firms. Currently, the global community is actively looking for ways to cooperate with the Ukrainian office and involve Ukrainian professionals in their projects. As of the end of February 2023, the team of BDO in Ukraine has already established such partnerships with **20 offices**.

“ Our crisis response team quickly grew from a four-person initiative group to a strong team of approximately forty people. The team worked around the clock to provide all the support our Ukrainian colleagues needed. ”

Trond-Morten Lindberg,  
CEO EMEA





## BDO Financial Assistance Fund

Financial support from BDO member firms has played a vital role in the life of BDO in Ukraine. It took less than a week to set up a special fund that received donations from both the BDO global office and many other BDO firms.

*“Our firms around the world came together and within a few days we were able to financially support our Ukrainian colleagues and their families in need,”* says Trond-Morten.

The Fund is operating and is used to meet the immediate needs and **provide support to employees of BDO in Ukraine** as needed.

## Access to technologies

Thanks to the effective organization of global IT support, the team of BDO in Ukraine has been provided with all the necessary **IT tools and secure access to networks** since the war began.

**THAT ENABLED OUR EMPLOYEES TO STAY CONNECTED AND WORK IN A SECURE DIGITAL ENVIRONMENT FROM DIFFERENT PARTS OF THE WORLD.**

In the spring of 2022, all of our company's on-premises solutions were effectively migrated to the Microsoft cloud. Access to all confidential information owned and accessed by our company is now under reliable protection.



## Support of Ukraine from BDO member firms

Apart from the global support of our network to employees, BDO member firms provide support to Ukraine, Ukrainians and all those who help defend Ukraine's independence.

### Team of BDO in Georgia organized a charity event in gratitude to Georgian soldiers fighting in Ukraine

On the eve of the New Year 2023, BDO in Georgia, as part of a [charity event](#) on behalf of clients, partners and team, honored the memory of volunteers from Georgia who died in Ukraine, and supported their families and the families of those who continue to help Ukraine win its freedom. They met with the wives, children, parents, sisters and brothers of the soldiers, listened to many inspiring stories about the courage and dedication of people who believe in and help us defend freedom and justice.

The project also provided financial support to the families of the heroically fallen soldiers, warriors who continue to fight, and those who returned home. As the organizers noted: *"The lives of these families should continue with dignity, and if we can express our gratitude with this project, we are doing a really good job."*

### BDO in Slovakia helps Ukrainian business to expand in Slovakia

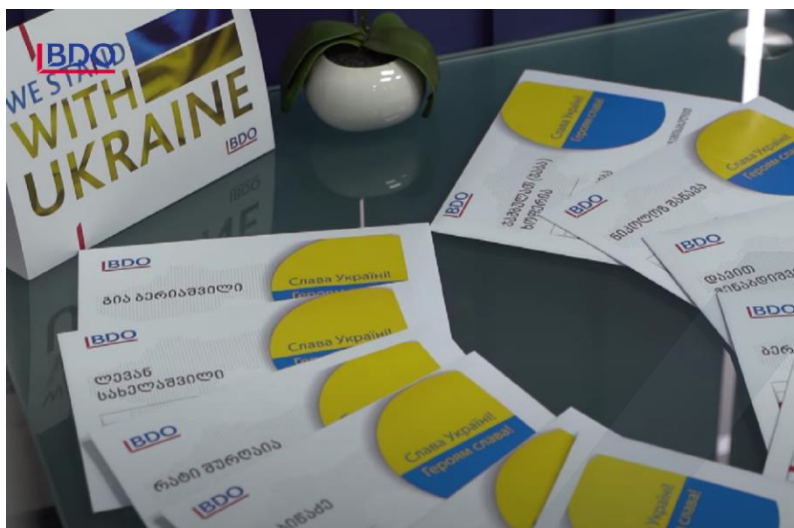
The ["Start in Slovakia"](#) project aims to support Ukrainians in launching their own businesses and expanding existing businesses to Slovakia.

Under difficult conditions of the war, our BDO colleagues around the world are helping Ukrainian entrepreneurs to reorient and integrate their operations into European countries, in particular, Slovakia. The project provides assistance with opening a new business or expanding an existing business to one of the leading and fastest growing countries in the European Union.

## BDO in Czech Republic organized the project "Laptops for children from Ukraine"

In the fall of 2022, BDO in Czech Republic organized among colleagues and all indifferent collection and repair of laptops, which they donated to children of Ukrainian families who were forced to go abroad and were sheltered for a while in Czech cities. The children were very pleased, as the gifts made their school and homework much easier, and allowed them to stay in touch with friends and family who were scattered around the world. Ukrainians really appreciate such help, as not everyone can provide their children with all necessary when they had to leave everything in Ukraine.

Thousands of letters and messages asking **HOW TO HELP**, and words of support that we have received during the year of war, sincere interest in the situation in the country and the company that we have seen at every meeting we have attended, motivate us not to give up and make us **proud to belong to the BDO family.**



### Start a company or relocate an existing one to Slovakia.

We will guide you through the process, step-by-step approach with all the necessary document templates and Free e-course of starting and doing business in Slovakia. We will help you to #StartInSlovakia.





# VOLUNTEERING OF THE COMPANY AND EMPLOYEES

From the first minute of the full-scale russian invasion, Ukrainians have been united and demonstrated courage. Not only are we fighting for our values and independence, but we are also volunteering and raising funds for various initiatives.

During the war, almost every Ukrainian, in Ukraine and abroad, volunteered. In the first months, millions of people **joined the volunteer movement**: they helped at humanitarian centres, bought ammunition for the military, medicines, drones and vehicles to the front, etc. Age or gender, education and social status did not matter; everyone contributed to the best of their ability. Our employees have also actively joined and continue to engage in volunteering.

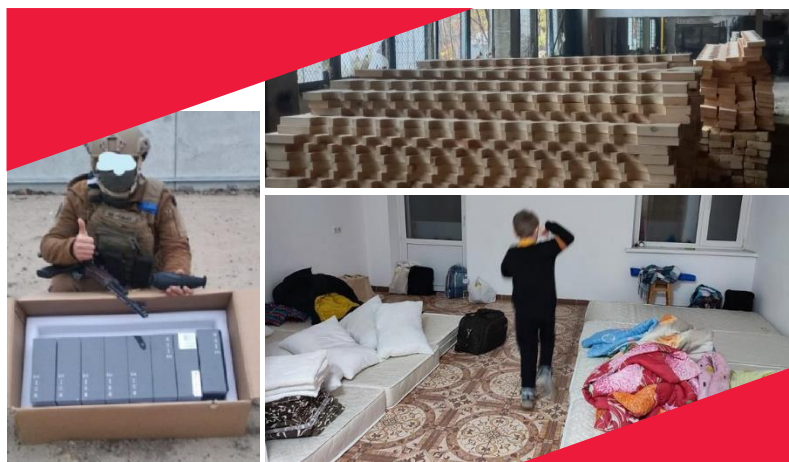
## How staff of BDO in Ukraine helped Ukraine and Ukrainians during the year of war?

- ▶ Transfer funds for the needs of the **Armed Forces of Ukraine, to United24, Come Back Alive, Serhiy Prytula Foundations, NBU Account for Fundraising for the Army**, as well as to thousands of other funds and volunteer requests. We donated to specific requests from the brigades to purchase drones, UAVs, cars, tablets and laptops, body armors, scopes, night vision devices, military ammunition, and many other military equipment, as well as armored vehicles, their repair and even a satellite. We helped to find the necessary items (those, who have been involved, know how much effort it takes to close a request), bring them from abroad and deliver to the front line (in particular, a Mavic 3 fly More Combo UAV and a SSANGYONG REXTON car). According to conservative estimates, the total amount of donations made by employees for the needs of the Armed Forces and the country's humanitarian needs during the year of war comprised **UAH 4.5+ million**.
- ▶ At the beginning of the war, we helped to build checkpoints and joined the ranks of the Territorial Defense Forces (TDF) throughout Ukraine.
- ▶ We joined the production of military ammunition and equipment, such as camouflage nets, clothing, blanks for body armor, first aid kits, etc.

- ▶ We helped military doctors at the front, hospitals, and maternity hospitals in cities under enemy attack, purchasing the necessary medicines and sending them to the locations.
- ▶ We collected and delivered food and prepared meals for the military, the territorial defense forces and IDPs.
- ▶ We helped to evacuate people from areas that were or are under fire, as well as find safe havens. Colleagues, who were in safe regions, spent hours surfing the Internet in the first months of the war looking for housing in safer regions of the country. Some provided their own housing in Dnipro and Kyiv to displaced people from Mariupol, Berdiansk, Kharkiv and many cities and towns in the Eastern and Southern regions.
- ▶ We provided financial and material support to animal shelters and zoos across Ukraine.
- ▶ We encouraged children to create drawings and crafts for soldiers and sent letters to the front to provide moral support to our defenders.
- ▶ Our IT specialists joined the ranks of the cyber army, as the war in the 21st century has gone beyond armed confrontation (*details are not disclosed for security reasons*).

By continuing to work and pay taxes, **we support the economic stability of our country**, which is extremely important during the martial law. Some of our employees have refused to get monthly allowances to internally displaced persons to contribute to the country's economy in such a way.

Since the beginning of the invasion, our company has been transferring funds to support the Ukrainian army and volunteer organizations. Only in the first hours of the russian invasion, funds were transferred to the **"Come Back Alive fund"** for the army's urgent needs. Financial support is ongoing.



## Cooperation of BDO in Ukraine with UNITED24 platform

At the end of 2022, BDO in Ukraine became an official partner of the fundraising platform **UNITED24**.

The main goal of the partnership is to help raise funds for the reconstruction of Ukraine at the international level. Thanks to the wide community of the BDO network of companies in 164 countries, BDO in Ukraine can draw attention of a significant number of foreign organizations to the needs of Ukraine and Ukrainian society.

As part of the partnership, we have already joined one of the UNITED24 initiatives called “**Tablets and Laptops for Students**”. We handed over the first 20 tablets to students of the Kherson Scientific Lyceum so that they could continue their studies after the city’s de-occupation.

We will definitely continue this initiative and engage even more partners in cooperation. We hope that these devices will be very useful for Ukrainian schoolchildren to continue their online learning. After all, children are the bright future of our country, so despite all the difficulties of today, we need to take care of their well-being and education.

## We don't stop doing good things

BDO in Ukraine keeps supporting individual military units upon specific requests. For example, in April 2022, our volunteers delivered bulletproof vests to Avdiivka to support the soldiers of the Armed Forces of Ukraine. In the fall, at the request of one of our colleagues, a soldier-auditor, we ordered, manufactured, and delivered artillery lodges to the front line to help our defenders remain mobile. Our partner organization **Balance Business Books** sent literary humanitarian aid to hospitals so that soldiers could refuge from news during rehabilitation. While some of our activities must remain confidential for security reasons, we look forward to sharing them after the Victory.

**WHEN INDIVIDUAL ACTIONS OF EACH OF US UNITE, A COMMUNITY IS FORMED THAT WILL CERTAINLY LEAD TO OUR COMMON GOAL – VICTORY OVER THE ENEMIES AND CONQUERORS!**



# UNITED24





A field of flags on tall poles. One flag in the upper center is the Ukrainian national flag, featuring a blue top half and a yellow bottom half. All other flags are in grayscale. A vertical red bar is on the left side of the image.

# GOVERNANCE

# UKRAINE-2023: VICTORY AND PREPARATION FOR UKRAINE RECOVERY

2022 was a great challenge for Ukraine and the entire civilized world, but our country was able not only to hold on, but with the help of our allies began to **defeat the terrible Russian invasion**.

It quickly became clear that the home front and the economy are no less important than the battlefield, and it is necessary to think about the Ukraine recovery not after the war, but right now, because in addition to the most devastating war since the Second World War, Ukraine has also received an unprecedented window of opportunity for further integration into the Western world.

We would like to share our vision for 2023 and tell you a little about our plans in the face of the uncertainty we have all been living in since February 2022.

**LET'S START WITH AN OPTIMISTIC VIEW: 2023 IS THE YEAR OF UKRAINIAN VICTORY. WE ARE ABSOLUTELY SURE AS, FORTUNATELY, ALMOST THE ENTIRE WESTERN WORLD WITH ITS RESOURCES, TECHNOLOGIES AND CAPABILITIES IS ON UKRAINIAN SIDE, AND OUR ARMY IS ONE OF THE BEST IN THE WORLD.**

Yes, we do not yet know what our victory will look like (except for the condition of returning all our territories): it is quite possible that for some period we will have to live next to the enemy, as Israel has been doing for many decades. Once in 2016, a BDO partner in Israel told me that we will get used to this situation someday, and the constant threat did not prevent Israel from becoming successful, and therefore it will not prevent Ukraine. At that time I agreed with that statement, but only now I can say that I really understand it.

We understand, that in many ways future of Ukraine will depend on political decision to provide security assurance from NATO countries (before Ukraine becomes full-scale NATO member), but such decision will heavily rely on Ukrainian success on battlefield.

The second good news is **that our economy impresses with its adaptability**. The most pessimistic forecasts of the beginning of the war did not come true: Ukraine lost about a third of its GDP, but not half (or even **60%**, as some experts believed). 2023 is unlikely to show explosive growth: according to various estimates, our economy may show either a slight decline (**up to 5%**) or a slight increase (by 3-5%), as there are too many uncertainties ahead.

Businesses are trying to find opportunities to continue working: those who need constant power supply are buying generators and batteries (which in December became the second import item after fuel), those who lack the domestic market start exporting their goods and services or try to find new products for new consumers. On the other hand, we remember how fast the catastrophic situation with fuel supplies was resolved (in a few months), and Starlink will soon depend on Ukrainian consumers, not vice versa.

The price increase remains controlled despite the bounded emission: CPI of 26-28% in 2022 is approximately at the level of 2014 (and significantly less than in 2015, when prices rose by more than 43%). Moreover, a significant increase in prices in 2022 is not a purely Ukrainian problem, all our western neighbors are showing record inflation: Hungary and the Baltic States - more than 20%; Bulgaria, the Czech Republic and Poland - about 15% (and all these - in the absence of war, but rather as a result of significant injections of funds during the fight against COVID-19). There are reasons to believe that this year inflation will be lower, but still clearly above 10%.

The situation with the currency is somewhat similar: the official hryvnia exchange rate against the US dollar has **fallen by 20%** since February 23 (cash - by 25-30%, but now it is decreasing closer to official level), but due to the strengthening of the dollar at its peak, the euro lost about 15% of its value, and the Polish zloty - up to 20% against the US dollar (although both currencies have now partially recovered the fall).

*An interesting observation: many interlocutors, when you remind them of the crisis in Ukraine in 2014-2015, generally say that it was not as bad then as now. On the one hand, this is a fair statement: the military actions and intervention in 2014-2015 were limited to part of the eastern regions and Crimea, but in economic terms, things were even worse. Yanukovich's rule left the country on the brink of bankruptcy: in 2014-2015, Ukraine lost about 16% of GDP excluding the occupied territories (i.e. up to 30% of the 2013 economy), prices rose by almost 80% in those two years, and the hryvnia lost two-thirds of its value against the US dollar.*



The fundamental difference today is significant international aid, which allows to limit the use of emission, and also makes the situation with the exchange rate controlled. Thus, the NBU's foreign exchange reserves have almost reached USD 29 billion (which is more than the pre-war level), but we can still expect a gradual devaluation of the hryvnia in 2023 due to the easing of currency restrictions in the future.

The crisis of 2014-2015 did not have such devastating consequences as the all-out war of 2022-2023, but the economic miracle did not happen then due to slow reforms and lack of investment, but now the situation is completely different: on the one hand, some assets were completely destroyed, and, unfortunately, many of our compatriots died, and on the other hand, we are already talking about hundreds of billions of euros of potential reparations in various forms that can be used to rebuild Ukraine. In fact, we do not really imagine such a large amount of potential investments and a big (but positive) problem will be their effective development.

We see this year as the main **window of preparation for 2024**, where double-digit economic growth is quite possible after the Victory and the beginning of Ukraine recovery. Despite the fact that in general the current macro situation is far from good - the economy is more than the sum of macro indicators, and that is why you can often hear "we are surprised", "business has exceeded all expectations", etc. That is why the key events are now taking place on the frontline, and the home front only needs to step up its efforts and increase assistance to both the army and citizens in need of support.

## Thus, in planning our activities we proceed from the following:

- ▶ **Ukraine will definitely win in 2023**, although Russia's aggression may continue (for example, in the form of shelling, as we see in the example of Israel), but our task as a responsible employer is to be prepared for different scenarios. For example, we opened an additional fully autonomous office near Kyiv in 2022, which allows our employees to work safely in any conditions.
- ▶ **Exporting services is with us permanently**: we are actively integrating into the Western business environment to have a choice between domestic or foreign markets, depending on the situation. We realized that diversification is not only about different products, but also about different markets.
- ▶ **Ukraine can get an impetus for rapid and sustainable growth as early as 2024 due to the start of recovery funds' arrival**. A big potential problem is the qualified personnel that will be needed in Ukraine to support a significant number of international projects. We are preparing for this development and actively recruiting new employees, but we understand that even such efforts may not be enough.
- ▶ We are not too pessimistic about **investments in Ukraine and its rebuild**: we, as BDO, are starting to communicate with governmental organizations of different countries about potential insurance of investments in Ukraine, which should open the way for large investors (for example, in the defense sector).
- ▶ We also believe that **despite the potential threat of a recession in the world, Ukraine may not notice such a recession**, because the factor of war and post-war recovery of Ukraine will allow for many subsequent years to form a completely different political and economic agenda.
- ▶ **Ukraine will no longer be left alone at the crossroads**: we no longer have an alternative to integration into the EU and NATO (or any other security formation), the ties that we have formed with our Western neighbors, including at the level of ordinary people, are invaluable and will help us a lot.
- ▶ **Ukrainian business is the best** and will be very competitive at EU market.

So, we remain optimistic, because we will definitely win and realize our historic chance to create a prosperous and secure Western country.



# FULFILLMENT OF OBLIGATIONS TO EMPLOYEES, CUSTOMERS, PARTNERS, AND THE COUNTRY

Last year, [BDO in Ukraine](#) had its 25th anniversary – without a celebration, loud congratulations, and gifts. Let's celebrate the 26th anniversary together with our Victory!

Thanks to our defenders and the support of the international community, we have the opportunity to continue working for the benefit of Ukraine. We bear responsibility on our front and contribute to the future Victory and life in a free country, so all year round we are even more committed to fulfilling our obligations to employees, customers, partners, and the country.

## INTERNATIONAL SUPPORT

From the first days of the Russian aggression, BDO Global Office began urgent discussions on two key issues: 1) how to ensure support for people from the Ukrainian office; 2) and future activities in Russia and Belarus.

### 1. Support of the Ukrainian office and colleagues in Ukraine

During the first weeks of the war, the BDO Global Office established the **BDO Response Center**, which continues to operate today. Prioritizing the safety of employees and their families at the local level, BDO immediately deployed the **BDO Response Center** to coordinate actions during the humanitarian crisis. During the first two months, the response team was on standby **24/7** to answer calls and provide immediate assistance to Ukrainian colleagues, including relocation, accommodation, safe passage (to the extent possible) and financial support.

Upon completion of the active phase of displacement, the BDO Response Center switched to on-site assistance. The team, which then had already been joined by several employees from the Ukrainian office, helped to find the best accommodation for people who had moved in

Ukraine or abroad, depending on their personal needs. Now the **BDO Response Center's** function is to coordinate with other network's offices to provide further support.

In early March 2022, the BDO network **created a special fund to collect donations**. It took less than a week. BDO global office, BDO member firms and their employees made donations that were later used to provide humanitarian aid and support to Ukrainian colleagues and their families. In addition, the Foundation ensured the Ukrainian firm's continuous operation.

At the global level, the **BDO network provided the necessary IT tools and licenses** for the Ukrainian employees to work from anywhere in the world. Continuous IT support in the first months allowed us to continue our work, as all employees had secure access to the necessary resources and information. The war was still gaining momentum. But by the end of March, all the employees who stayed in Ukraine were in more or less safe regions and had access to Internet, so most of them gradually returned to work.

The war is ongoing, and we realized that the enemy could change its tactics and continue to create horrors in the winter. Therefore, we started preparing for possible power outages back in August. And it was the right decision. The pre-developed plan and the start of its implementation even before the first massive attacks on Ukraine's energy infrastructure in October allowed us to quickly adjust to working with constant blackouts. **The BDO Foundation made it possible to purchase uninterruptible power supplies, power banks, Eco-flow, Starlink and much more.**

In addition, the BDO network ensured that Ukrainian colleagues could fully resume their work, as they were able to carry out projects under temporary contracts with other BDO firms to support and strengthen BDO in Ukraine.





## 2. Further work in russia and belarus

In early March, BDO announced its position on Ukraine as follows: none of the BDO firms will cooperate with organizations from russia and belarus that are subject to sanctions. In addition, BDO does not have a network firm in russia and excludes BDO Belarus from its global network.

Furthermore, all BDO member firms fully comply

with the sanctions imposed by their governments, which will hopefully help to put an end to the russian aggression in Ukraine.

This is an important decision of the company that affects further work of the Ukrainian office. As part of an international company, the Ukrainian office of BDO cannot be associated with the aggressor countries for further cooperation with Ukrainian companies.

### BDO statement on Ukraine

SOURCE >>

The humanitarian crisis in Ukraine continues to dominate our thoughts and actions.

Our priority continues to be the safety of our colleagues and their families in Ukraine. Our focus is providing financial assistance, transportation, accommodation, safe passage, where possible, and ongoing employment for when they're ready. BDO firms across the world have come together to support our colleagues and find solutions to help mitigate the immediate humanitarian crisis that is engulfing the region.

**Our focus on carefully coordinated support for our people needs to be backed up by carefully considered policy:**

- 1.No BDO firm will work with any sanctioned Russian and Belarussian entities including the Russian and Belarussian Government, Russian and Belarussian state-owned enterprises and sanctioned individuals as a consequence of the ongoing situation in Ukraine.
- 2.BDO does not have a network firm in Russia. The former Russian member firm operates entirely independently under the name of Unicon.
- 3.BDO is removing BDO Belarus from its global network. We will work to support our clients in fulfilling our legal obligations and commitments.

These changes are effective immediately. Implementation may take longer as we need to ensure an orderly transition. We will discharge our professional responsibilities and obligations to all relevant parties.

Since the outset, we have stated that we deplore the violation of international law and military aggression in all its forms. That continues to be our position and we hope that the loss of life and livelihood soon ceases and that all parties come together to establish an enduring peace.

BDO

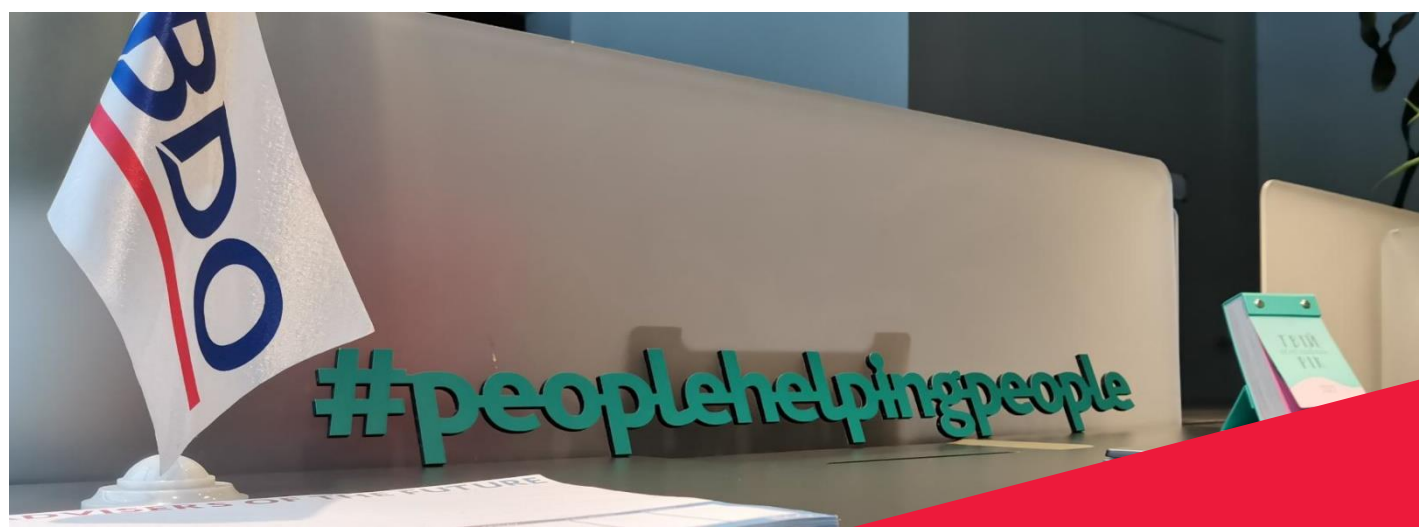
### Fulfillment of obligations to employees and their support

The company's management made every effort to retain the team and looked for opportunities to provide jobs for each employee, giving them the opportunity to work in Ukraine and abroad.

Working on ongoing projects, participating in projects of BDO member firms, helping colleagues from other departments or retraining for another specialty as needed by the company and if an employee was ready for such changes – these are

the actions that helped to avoid staff reductions.

**We managed to redirect resources to other processes and enable our people to stay with the company and keep working.** In April, we resumed the search for new staff, and in June, a new colleague (the first since the war) joined our cybersecurity team. Today, we keep actively recruiting new specialists to the team. Current vacancies can be found [here](#). In fact, **16 new colleagues** joined the team during the year of war.



From February 24 and to this day, there have been **no delays in salary payments**. In addition, during the first months, salaries were paid to everyone earlier than usual. The company also provided additional financial assistance to all employees and covered the costs of relocation of employees and their families. The total amount of this assistance comprised almost **UAH 13 million**, of which **UAH 2,6 million** were funds from the founder of BDO LLC, Alla Savchenko, and the rest of the assistance **was largely provided by** the BDO Foundation, established in early March 2022. Timely payments have been and are a priority for the company, as we fulfill our obligations not only to our employees, but also to the country: we pay taxes, which are now essential, including for defense funding. In addition, given the significant inflation in 2022, in 2023, the company revised salaries and increased payments to employees.

The company has an improved voluntary health insurance program for all employees, so that everyone can receive the necessary assistance in private medical institutions if necessary. To support the psychological well-being of the Ukrainian employees, BDO Global colleagues organized **online consultations with the Ukrainian Support Service**, which is still available **24/7**. At this time, such support proved to be extremely important, as the level of stress perceived sooner or later shows itself and qualified help becomes essential.

Our company continues its **Mental Health support program**, which was launched during the Covid-19 pandemic. From time to time, professional psychologists conduct online training to help people understand how to behave in difficult situations. **All professional development programs for employees** are ongoing and additional ones are being introduced. The company places great emphasis on learning and improving English by its employees. Since October 2021, the BDO network has provided free access for all network employees to an online English language learning platform, which is also used by many of our colleagues. There are also several options to improve spoken English with native speakers.

We try to create the most comfortable working conditions for our employees, especially during this time, and ensure that they can develop and acquire new skills even during wartime in Ukraine.

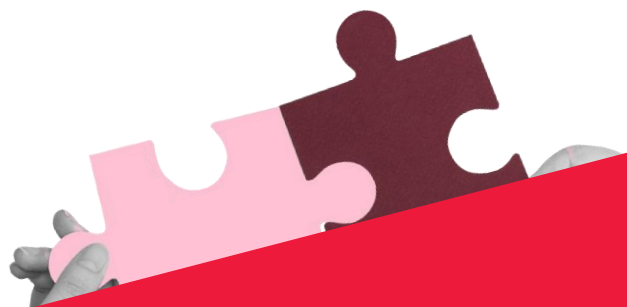
## Fulfillment of obligations to customers and partners

Since the beginning of the war, we **have been in touch with our clients** all the time. Considering the needs of individual clients, some service lines switched to an even more intensive mode of operation than before the war. For example, the [Payroll department](#) worked seven days a week for more than a month to satisfy all customer requests. According to Valeriya Linevich, Head of the department, in the first days of the war, 90% of our clients asked us to calculate and pay financial aid and salaries to their employees for several months in advance. The work started at 7 a.m. on February 24: our colleagues from the department did their best to close the periods and submit the relevant statutory and management reports, including to foreign colleagues and offices. It was very important to reduce the level of clients' concerns about possible disruptions in the provision of services by BDO in Ukraine, which our team successfully managed.

The situation began to stabilize to some extent in late March when we contacted each client individually to find out about their situation and help if necessary. We certainly accommodated our clients and, where possible, provided discounts on services and deferred payments under contracts.

Throughout the period, we continued to ensure the smooth operation of the country's economy and support domestic consumers by regularly making all payments to Ukrainian counterparties. We understand that every company tries to fulfill its obligations to employees and contractors, just as BDO in Ukraine does.

We are trying to help our clients in attracting foreign investment, entering foreign markets, and obtaining grants offered to Ukrainian businesses by international donor organizations.



IN MAY, WE STARTED ISSUING OUR  
FIRST AUDIT REPORTS



## Fulfillment of obligations to the country

BDO in Ukraine does not cooperate and does not provide services to companies that are associated with the aggressor country. Each client is carefully reviewed by our specialists for any ties with Russia, and any information about such ties is reported to the relevant authorities.

Despite the deferred deadlines, **all own annual reports for 2021 of BDO LLC were prepared and filed with the regulators on time.** BDO in Ukraine's Integrated Transparency Report 2021 was published in due time.

**SINCE THE BEGINNING OF THE WAR, THE COMPANY CONTINUES TO PAY ALL TAXES TO SUPPORT THE STATE BUDGET AND DEFENSE FUNDING. DURING THE YEAR OF WAR, THE GROUP OF COMPANIES OPERATING UNDER THE BRAND BDO IN UKRAINE PAID TAXES IN THE AMOUNT EXCEEDING UAH 51 MILLION.**

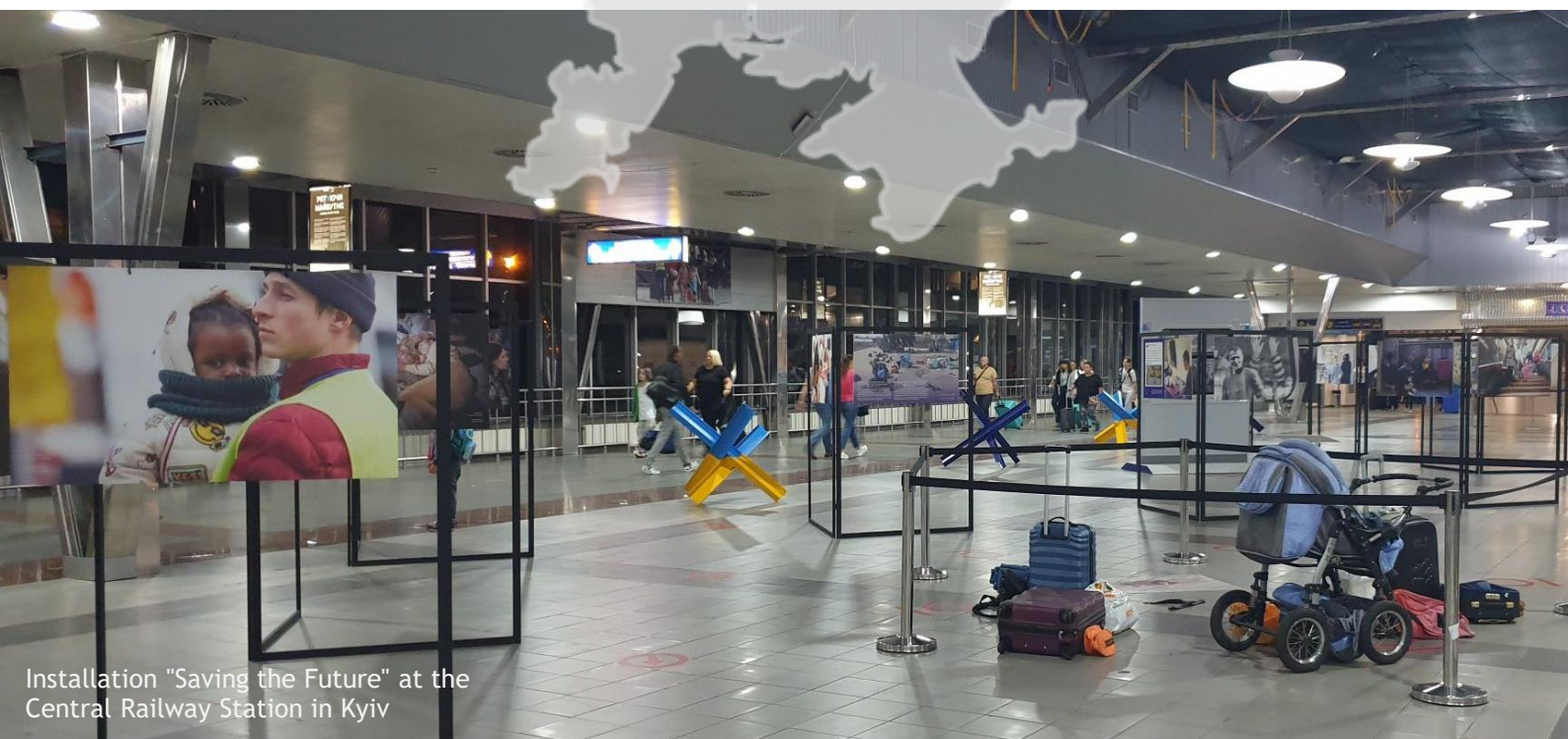
Moreover, on behalf of the company, we constantly transfer funds to help the Ukrainian army, charitable organizations, and volunteers. We have provided and continue to provide other material support to the Armed Forces of Ukraine, including assistance to the units in which our employees defend Ukraine. The mobilized employees were paid a one-time allowance of UAH 50 thousand and despite the suspension of the average monthly salary payment to the mobilized employees at the expense of the company, our company continues to pay the average monthly salary to the employees defending the country's independence.

As part of our partnership with [UNITED24](#) in one of its areas, BDO in Ukraine donated devices to an educational institution in Kherson region to provide students with access to online learning for a total of more than **UAH 170 thousand**.

We perfectly understood that in conditions of war, it was extremely important to provide jobs for Ukrainian specialists so that as many people as possible could stay and work in Ukraine. That's why we reorganized our Recruitment business line, whose main goal was to hire Ukrainian talent to work on international projects. As such, we:

- ▶ **Help Ukrainian specialists** who have lost their jobs to get stable employment in a Ukrainian company. This enables them to continue to pay taxes in Ukraine, have social security, and consume goods and services in Ukraine, thereby supporting the Ukrainian economy;
- ▶ **Help the country** by preserving human potential, as the long-term departure of the working population can have catastrophic consequences for the Ukrainian economy. Such actions help to avoid them and gradually reduce dependence on international support.

Our experts are involved in initiatives to restore Ukraine. In particular, the company's CEO, **Vira Savchenko**, is a member of the Board of the European Business Association's Ukraine Recovery Committee. BDO in Ukraine is a part of the BDO global community, which offers the best solutions, shares experience in implementing successful projects and helps to establish connections with potential investors in the Ukrainian business.



Installation "Saving the Future" at the Central Railway Station in Kyiv

# WORKING MODE OF BDO IN UKRAINE DURING THE WAR

The first priority from the first days was and will be the physical safety of our people. IT and data security were the second most important priority.

Once the shock of the first 24 hours had passed and people were able to at least talk and absorb information, we started to work (for sure after people did as much as they could for their safety in the first days - with the help of the company or by themselves).

## What helped us to switch to work reactively fast even in critical situation?

- ▶ We always were compliant with the BDO IT Accreditation requirements.
- ▶ We put IT security first and moved to cloud everything we can.
- ▶ We have and constantly renewed BCP.
- ▶ We survived the Petya virus.
- ▶ We did regular training to our staff.
- ▶ No one was fully prepared for even partial blackout, but predominately cloud infrastructure helped a lot as well as optimization of business processes.

## How did Covid Digitalization lessons help in wartime?

We started to implement modern workplace elements (combining physical and remote work) in 2019 before COVID (migration to the cloud services, upgrade all the endpoints to latest Windows and Office versions, switch to Exchange online and SharePoint / OneDrive as alternatives to outdated on-premises solutions, training courses on Teams, To-Do, MS Planner and other services for our employees), but **COVID became the real trigger** to force efficient remote collaboration, which became crucial when the war was declared.

Luckily, due to all the steps, performed before COVID-19, BDO in Ukraine was technically ready for remote collaboration. It does not mean that everything was smooth, as we have to build many processes from the scratch and learn things on the go, but at least everybody was online and knew what to do even at home.

During pandemic we had to significantly invest in promoting and developing remote work culture as well as to keep our employees focused on different working conditions. We hosted a lot of training courses, provided all the technical support to our colleagues, and even implemented internal “remote KPIs”: for example, we counted space used in SharePoint and OneDrive or compared the dynamics of decrease in internal e-mails number with dynamics of number of Teams messages and groups. We even had virtual New Year party, so by the end of 2020 we were able to call ourselves “remote-ready” company.





## Immediate actions after Russian invasion [but before blackout]

### GENERAL SUPPORT

- ▶ Privileged access to Azure tenant and on-premise servers for BDO Global IT in case local IT is unavailable. Regular calls with Microsoft and BDO Global IT.
- ▶ Location based dashboard setup to track people location based on Azure AD sign in logs.

### LICENSING

- ▶ O365 E3, Microsoft 365 E5 Security. Enterprise Mobility & Security E3 licenses were assigned by BDO Global IT.
- ▶ Azure subscriptions created under GEA.

### REPLICATION

- ▶ Azure site recovery (ASR) configuration for local business critical servers\*.
- ▶ Immediate copying of local files and backup data to Azure Blob Storage.

### CLOUD SECURITY

- ▶ Azure conditional access / Azure security features
- ▶ User risk, sign-in policies\*\*
- ▶ User registration, self-service password reset
- ▶ Forced 2MFA policies
- ▶ Defender for office
- ▶ Defender for identity

*\*at first stage we together with BDO Global IT decided to make constant backup to Azure with production on local servers; at current stage major part of local servers have been replicated as production VM to Azure*

*\*\*the most difficult part as there were a lot of false-positive alarms due to different services connected to O365 accounts (for example, CRM, connected to Exchange, created sign-in attempts from forbidden country)*

## Actions after attacks on Ukrainian critical infrastructure

Since October 2022 Russia started to systematically bomb Ukrainian critical civil infrastructure in order to assure full or partial blackout all over Ukraine (including water and heat supply) before winter.

Russian “success” in permanent bombing was partial and temporary due to many reasons:

- ▶ **Warm winter** decreases demand for energy in different forms.
- ▶ Ukrainian **air defense** has shown true miracles in rockets' and drones' interception, improving efficiency over time with supplies from Western allies (however, it is impossible to intercept 100% of the wave).
- ▶ **Huge supplies of spare parts** from Western allies helped to fix everything that can be fixed (and separate respect to heroic employees of our power supply companies).
- ▶ **Low-level cooperation** and organization of Ukrainian society: importing batteries and power banks, implementation of strict economy, establishing public utility centers with heating, batteries, power generators and satellite internet (Starlink). In December 2022 power generators, batteries and power banks become #2 position in Ukrainian import.

Despite all the above, **October 2022 - January 2023 was the toughest period** in terms of availability of basic utilities: Ukraine (and especially - largest cities) had to live with very limited supply of electricity, heat and water (sometimes - several hours per day or even without any supply).



Head of IT at BDO in Ukraine in a new autonomous office near Kyiv



## Business sustainability measures during partial blackout

### Existing offices (Kyiv and Dnipro)

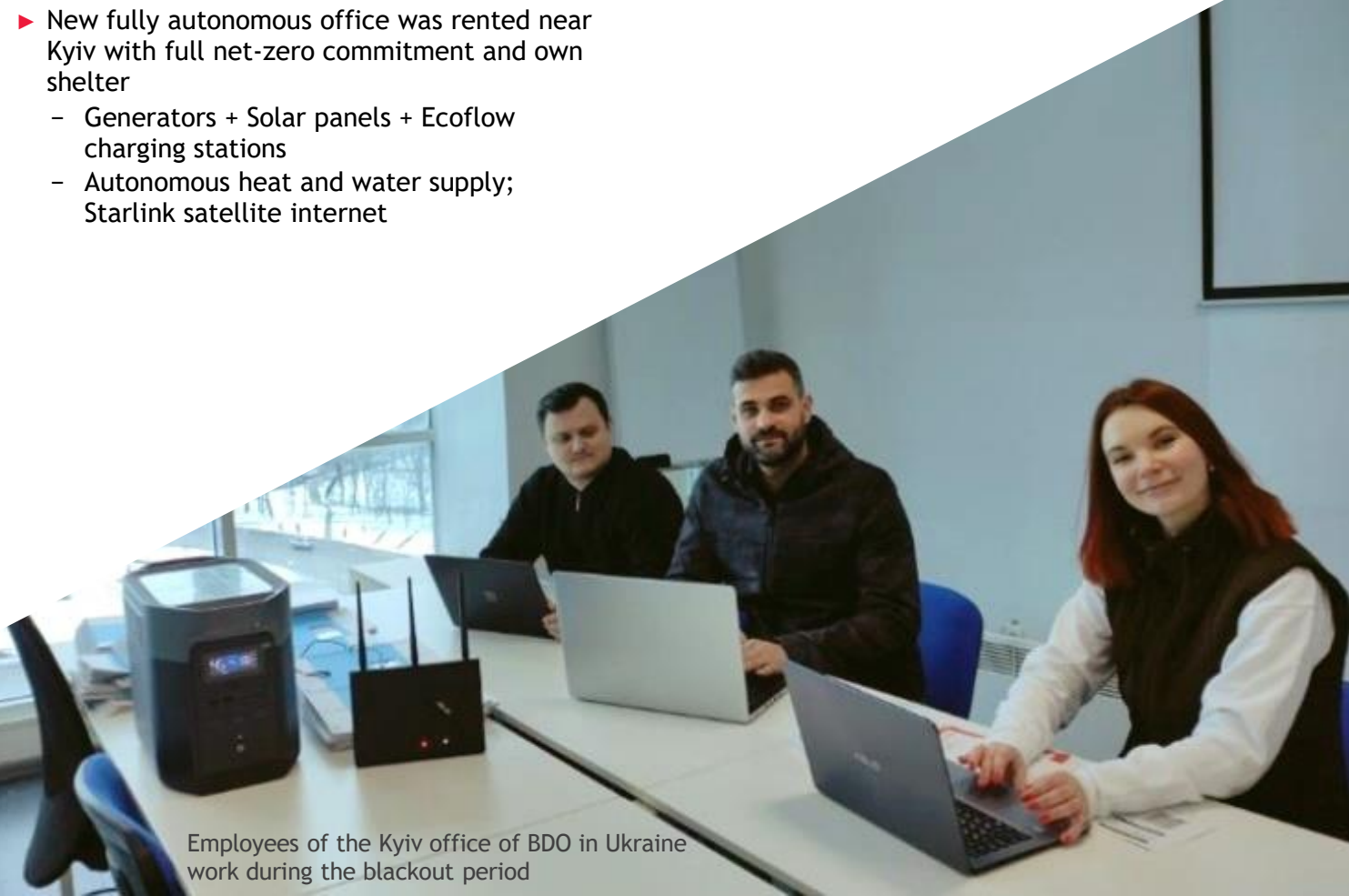
- ▶ Measures against voltage fluctuations and instructions on plugging/unplugging devices for everyone
- ▶ Autonomous work:
  - Powerbanks for laptops were shipped to employees working from home.
  - Diesel generators were purchased and installed (used in cities is limited)
  - Solar panels were purchased and installed (first of all - for charging batteries)
  - Ecoflow charging stations (for 2kWh and 3.5kWh) were installed to charge during off-peak hours + charging from solar panels
  - Starlink receivers were purchased and installed
  - Additional business process and procedures were established or improved
    - More strict water and waste management
    - Reuse, replacement and conscious utilisation
    - Complete paperless internal processes

### New and temporary offices

- ▶ Two additional secured offices were prepared in different part of the city in order to be optional in case there is power shortage only in certain district.
- ▶ New fully autonomous office was rented near Kyiv with full net-zero commitment and own shelter
  - Generators + Solar panels + Ecoflow charging stations
  - Autonomous heat and water supply; Starlink satellite internet

## KEY TAKEAWAYS

- ▶ True remote environment is not only about Teams meetings and synchronizing everything with a cloud: it is about safe work from any place in the world with strict identity control (considering all the risks) and immediate availability of all the services necessary for work **[even in times of local absence of basic utilities]**.
- ▶ BCP and BDO accreditation **[and any other recognized]** requirements are good things to follow, it helps a lot in any critical situation (but hope not war).
- ▶ Advanced remote environment may create new opportunities for your business or even new service line as in our case (recruitment for other BDO offices in Ukraine) **and provides you with more sustainability and efficiency.**
- ▶ If you are considering to move your internal IT-infrastructure to cloud or replace with SaaS the best time is now **[We will use our blackout experience in the future on permanent basis]**.



Employees of the Kyiv office of BDO in Ukraine work during the blackout period



# BUSINESS SERVICE SHARED HUB (BSSH) IN UKRAINE

Lately, not only BDO member firms, but [7 out of 10](#) companies all over the world claim that talents scarcity is one of the main obstacles for businesses in terms of expansion and growth, [new technologies adoption](#) and sustainable development.

But in Ukraine today is an opposite situation – many experts are out of work because of russia's invasion. Ukrainian talents have high University degree level (70% of all adults), generally good level of English ([40 out of 112 countries](#)). We are digitally savvy and hardworking.

During military operations, it is critically important to maintain the economy of our country, pay taxes, create jobs to prevent bigger humanitarian crisis. That's why we continue to work, have reorganized Recruitment business line and start development of our interactive platform to efficiently share talents across different BDO offices.

## OUR MAIN PURPOSE IS TO:

- ▶ **Help Ukrainians**, who left the country or those, who stayed and continue to work remotely. The best support is provided to them with stable work within Ukrainian entity.
- ▶ **Help Ukraine** as a country. It can be a disaster for the Ukrainian economy if all those, who left Ukraine during the war, do not return. Ukrainian economy needs to run by itself and not rely only on international support.
- ▶ **Create convenient platform** for sharing talents, outsource tasks and projects and promote sharing mindset across BDO network.

**Mission of the Global Business Hub (BSSH)** is to help Ukrainian workforce enhance the capabilities of any BDO Member Firm worldwide to provide exceptional services in a new reality and help to rebuild Ukraine and make it stronger!

- ▶ Cooperation with Ukrainian talents in Ukraine is cost efficient due to lower rates and tax burden compering to developed markets.
- ▶ Ukrainian experts will be officially employed at Ukrainian legal entity, paying local taxes and make spendings locally
- ▶ BDO in Ukraine takes care of all the issues, related to the administration of the employees and payroll
- ▶ BDO in Ukraine is responsible for providing office space in Ukraine or IT environment for remote work of employee's temporary location
- ▶ The services can be contracted as interfirm service agreement as well: out specialist can work as outsourced workforce for specific tasks or projects.

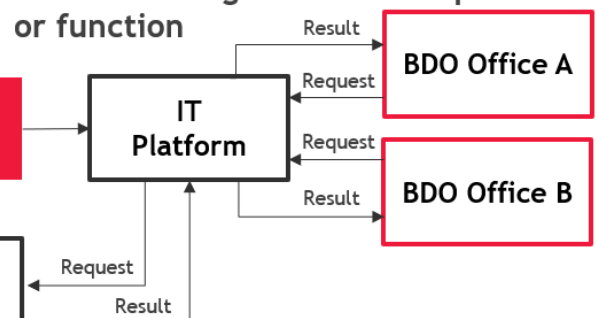
**COOPERATION WITH BUSINESS SERVICE SHARED HUB (BSSH) IN UKRAINE CREATES UNIQUE OPPORTUNITIES FOR BUSINESS DEVELOPMENT AND HAS SIGNIFICANT SOCIAL IMPACT.**

## PRINCIPAL BSSH SCHEME

### 1. Hiring Ukrainian talents



### 2. Outsourcing of a business process or function



## SEED FUND PROGRAMME 2022

### Talent Access & Recruitment Platform

In 2022 BDO in Ukraine Team took part at Seed Fund Programme (annual internal BDO project) and presented its innovation project **“Talent Access & Recruitment Platform”**. Our project received the highest mark and has been awarded € **75 000** in funding for developing innovation.

#### OUR WHYS:

- ▶ We are going to **change the way of sharing talents** across the Network making it convenient for any Member Firm.
- ▶ Our customers would have **access to wide base of talents** and would be able to delegate their tasks or separate projects through centralized platform improving Firm's growth.
- ▶ We are going to make our contribution to overall BDO's growth and **provide additional jobs to Ukrainians in Ukraine**, which is extremely important in the time of war.

We do not stop and are always looking for opportunities for development. Therefore, we propose to establish a **Business Service Shared Hub** in Ukraine, as we see great potential for its development and employment of Ukrainian talent both during the war and post-war recovery.



CONGRATULATIONS!

Ukraine Talent Access & Recruitment Platform,

Congratulations! You have been awarded € **75,000.00** in funding to help develop your innovation in 2023!



Thank you in advance for sharing your thoughts with us.





# UKRAINE RECOVERY INITIATIVES

During such extraordinary period for Ukraine, BDO in Ukraine is taking an active social position in contributing to the future recovery of our country's economy.

**We unite efforts with Ukrainian and foreign business associations, chambers of commerce and their members representing Ukraine's largest economic partners to be among the community of like-minded people and together participate in initiatives to restore Ukraine both during a full-scale war, and after the victory over the invaders.**

Also, the activities, that are currently performed, will contribute to Ukraine's faster integration into the EU and after the end of the war. Many world leaders are convinced of this.

## PARTNERSHIPS WITH INTERSTATE BUSINESS ASSOCIATIONS

BDO in Ukraine, as a leading audit and consulting company, understands how important it is to maintain partnerships with interstate business associations and communities. Against the background of political and economic challenges faced by our country, it is very important to look for new opportunities for the development of our clients' business and the establishment of attracting international investment for the post-war reconstruction of Ukraine.

In turn, in the context of ongoing pressure on Ukraine, **international partners** are aware of possible negative consequences for the economy of our state, and therefore declare their solidarity in supporting Ukraine and further intention to expand and deepen international cooperation with Ukrainian business.

Since the end of 2022, we have been actively working with communities of a number of intergovernmental organizations, such as:



**British-Ukrainian Chamber of Commerce (BUCC)**



**Canada-Ukraine Chamber of Commerce (CUCC)**



**Norwegian-Ukrainian Chamber of Commerce (NUCC)**



**Polish-Ukrainian Chamber of Commerce (PUIG)**

We have also been actively cooperating with the [European Business Association](#) for many years, where BDO in Ukraine has been a member and partner since 2010.

Based on our experience, Ukrainian companies often have to overcome negative stereotypes about Ukraine in the context of a protracted war. Every time businesses need to prove that, despite all the difficulties, they can become a reliable partner at the international level. Currently, establishing effective cooperation with the international community is one of the main tasks of all those who keep the economic front of our country. Therefore, we at BDO in Ukraine decided to further intensify our activities in this direction, in particular, with the aim of **promoting the brand of Ukraine** in the world and attracting investment in the private sector.

## MEMBERSHIP IN THE UKRAINE RECOVERY COMMITTEE

In June 2022, the European Business Association of Ukraine (EBA) launched the [Ukraine Recovery Committee](#). The Committee was established in response to the military actions at the territory of our country and the understanding by business of the need to restore the Ukrainian economy as soon as possible.

The Committee brings together companies representing different sectors of the economy and united by a common goal – to form a vision and active work in developing professional proposals on priority directions and ways to restore Ukraine.

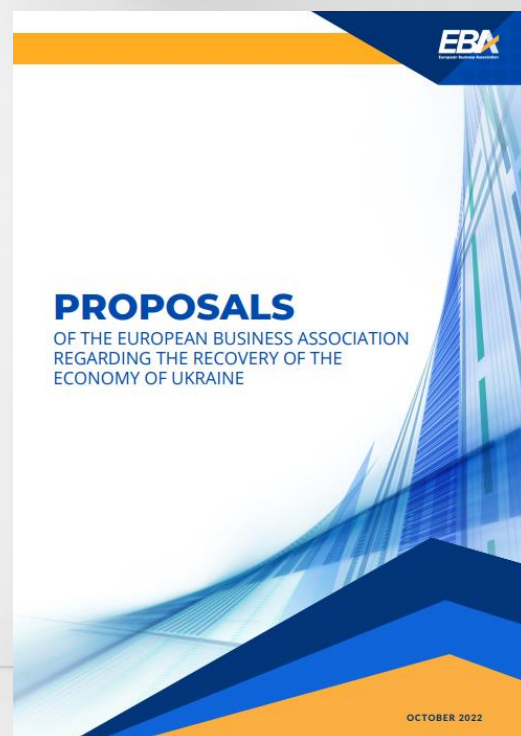


**THE BOARD OF DIRECTORS INCLUDED VIRA SAVCHENKO, CEO OF BDO IN UKRAINE, WHO WAS RESPONSIBLE FOR ANTI-CRISIS ACTIVITIES AT BDO IN UKRAINE DURING THE FIRST MONTHS OF THE FULL-SCALE INVASION.**

## The results of the committee's activities:

### 1. White book on the restoration of Ukraine

Experts of the committee member companies, including BDO in Ukraine specialists, prepared a [White Paper](#) with proposals of the business community on economic recovery of Ukraine and improvement of the business climate in the country. The White Paper covers the Association's proposals in a number of areas, including construction, logistics and infrastructure, energy, agriculture, mining, intellectual property, permitting system, etc. The business community has not omit in its strategic document such socially important areas as health care, human resources, pension reform, policy of equal opportunities, energy efficiency, ecology, consumer protection. Also, considerable attention is paid to such important business issues as customs, tax, financial, etc.



### 2. Map of investment opportunities of Ukraine by region

To find and attract new investments, the European Business Association and Global Business for Ukraine, together with Ukraine Invest, launched a [Map of investment and business opportunities in Ukraine](#).

This interactive tool will help potential investors to get information about available investment opportunities in different regions of Ukraine, their details and characteristics. It is also possible to leave a request in case of interest. The map contains information about each region of Ukraine – size, population, taxation, educational institutions, natural resources, developed industries, etc.

Projects on the Map can be grouped by region or industry. The description of each project contains information about its initiator, status,

location, investment opportunity, amount of investment and details of goals and deadlines.

Representatives of BDO in Ukraine are also included in the Advisory Board, which is responsible for the process of selecting projects for placement on the map.



### 3. The Committee members hold regular meetings with representatives of business and government organizations to synchronize their vision of ways to restore Ukraine and advocate for the matters necessary for Ukrainian business.

### 4. Representatives of the Committee take part in many international events dedicated to the restoration of Ukraine.

For example, the CEO of BDO in Ukraine was a speaker at such conferences

- ▶ [The 26<sup>th</sup> annual Forum 2000 Conference, Prague](#)
- ▶ [The role of the private sector in Ukraine's recovery and reconstruction. Wilton Park, Warsaw](#)
- ▶ [Derisking of Ukraine Recovery Landscape, Luxembourg](#)

The active participation of our representatives in the Committee on the Recovery of Ukraine helps to create important initiatives and proposals on priority areas of economic recovery of the country. This helps to strengthen cooperation between business and government in achieving a common goal.



## UKRAINE RECOVERY PAGE ON WEBSITE OF BDO IN UKRAINE

We are aware that Ukraine's victory over the aggressor country must include not only victory at the war front, but also full economic recovery and reconstruction of Ukraine. Planning for the stage of post-war reconstruction of Ukraine has already begun. Therefore, we at BDO in Ukraine have created a separate section of **Ukraine Recovery**, where we talk about the activities of both our company and the entire BDO network, which we are doing to restore Ukraine today.

The page contains 3 sections:

- ▶ **News of BDO in Ukraine activities**, on Ukraine recovery
- ▶ Updates on activities and initiatives of **BDO member firms**
- ▶ **Announcements and details of events** dedicated to the topic of post-war Ukraine recovery

BDO in Ukraine cooperates with various BDO member firms and runs many non-governmental initiatives, such as supporting projects of various donors and MFO in Ukraine, attracting foreign investment and providing our network expertise in various areas, including the digital transformation of the Ukrainian government and the implementation of best practices in accounting and reporting.

**We believe that the stage of Recovery, which has already begun, with the support of the international community and the unity of Ukrainian society, will help us build an even stronger state that other countries will look up to.**





## AND IN CONCLUSION...

**Over the past year**, the world around us has changed significantly. And it's not just about Ukraine.

There has been a significant rethinking of values and the environment. The war has shown that everything that seemed important before February 24, 2022, only seemed so. We have heard so many times of disappointment in loved ones and extraordinary support from strangers. Unfortunately, it is only in such a situation you can learn about your value in the life of another person.

Over the past year, Ukraine has adapted to living in a “new” reality. Despite all the horrors of the past year, we did not bow to the enemy. We are gradually restoring the devastation left behind by the “russian peace,” continuing to work and adapt our activities to the current situation, and making plans for the future, although it is not easy. And most importantly, we continue to defend freedom for the sake of all those who have fallen victim to the russian aggression, all those who have returned “on the shield” to defend Ukraine’s independence. It is our duty to continue the fight, and with the support of the entire civilized world, the war will surely end in our Victory.

We at BDO in Ukraine are not giving up either. Last year was a year of dramatic changes: we had to revise some plans, other plans were

implemented at an extremely fast pace (our partners from Microsoft said that the project, we implemented in a few months, usually takes six months or more), and we had to abandon some of them. The most important thing is that the team has been preserved, the management has been able to find new opportunities for continuous work. We are constantly learning and trying to keep up with the times and devote a lot of effort to the digital transformation of our company. Our international BDO community has also made a great contribution to our ability to work, and we never cease to thank everyone who has supported and continues to support our company and our people. We ensured that the BDO’s **People Helping People** slogan is not just words, but a real support for everyone who needs it.

We continue to hold the economic front and help those on the front line. We are preparing the ground for future reconstruction and look forward to the yellow and blue flag fluttering across all Ukrainian lands.

## WE WILL WIN!

## WE WILL REBUILD!













Near the BDO office in Kyiv



# HOW CAN WE HELP UKRAINE AND UKRAINIANS IN THE FIGHT FOR INDEPENDENCE?

We remind that everyone can support Ukraine in its fight for Sovereignty and Independence. Money cannot buy peace, but with money it is possible to buy the necessary things for those, who defend this peace.

|   |  |   |   |
|---|--|---|---|
|  National Bank of Ukraine | <u>Special account of the National Bank of Ukraine to raise funds for the needs of the army &gt;&gt;</u> |                              | <u>Serhiy Prytula Charitable Fund &gt;&gt;</u>  |
|  COME BACK ALIVE         | <u>Charitable Foundation to support veterans and military "Come Back Alive" &gt;&gt;</u>                 |                              | <u>"Vostok-SOS" is a public initiative to support victims of conflict in East of Ukraine &gt;&gt;</u> |
|  UNITED24                 | <u>UNITED24 – Official fundraising platform of Ukraine &gt;&gt;</u>                                      |                              | <u>Consolidated resource Support Ukraine NOW for foreigners &gt;&gt;</u>                              |
|  Wise                   | <u>Wise service (used to be Transferwise) for individual transfers &gt;&gt;</u>                          |                            | <u>DOPOMOGA RAZOM &gt;&gt;</u>  |
|                        | <u>Cryptocurrency fund of charitable organizations of Ukraine &gt;&gt;</u>                               |  | <u>Medical battalion "Hospitallers" &gt;&gt;</u>  |

## #StandWithUkraine



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