



# ESG REPORT

## BDO in Ukraine

2023



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## INTRODUCTORY REMARKS FROM THE CEO OF BDO in Ukraine

Our company identified sustainability as a priority more than 10 years ago. We compiled and published the first ESG reporting back in 2014. In 2021, the global BDO network, which we are part of, had signed the "NZFSPA Net-Zero-BDO", so the level of our ESG responsibility has reached global level.

The reporting is the result of our team's daily work: to engage in core activities not without harming our community and the environment only, but also benefiting them - this is very important for all the employees in our company. We want to work with a purpose and added value to society. Today, during the times most difficult for Ukraine, we have no right to focus on short-term goals, since only the principles of sustainable development will help us, our customers and partners to literally survive and take part in the Reconstruction of Ukraine.

Vira Savchenko,  
The CEO of BDO in Ukraine



# INTRODUCTORY REMARKS FROM THE ESG TEAM



**Anastasia Skok, ESG manager**

The responsibility of the BDO in Ukraine team is crucial for identifying, implementing and monitoring the company's sustainable initiatives, which allow us to reduce risks and costs and find partners who actively consider ESG criteria when adopting management decisions. Also, the preparation for ESG reporting helps companies to comply with regulatory requirements and meet stakeholder expectations, such as customers, partners and employees.

This first independent ESG report of BDO in Ukraine is one of the first steps towards ambitious goal that we, as part of the Global Network, want to achieve.

**Rusalina Dobrovan, Risk Management and Quality of Audit Services Specialist**

ESG reporting is crucial for modern companies that are looking for long-term and responsible business. Preparing an ESG report helps companies to assess their impact on the environment, society and corporate governance, to identify areas for development and revise their ESG strategy to ensure that their activities are invested in the sustainability journey.



**Victoria Sukhanenko, Head of Advisory on OHS**

ESG reporting is not only a moral obligation of an enterprise to society, but also a key factor in its financial success and sustainability. Such reporting helps to increase customer's confidence, attracts investors and partners, improves internal management and helps businesses adapt to change in environmental, social and corporate aspects of activities. Health and Safety issues in the ESG system is key for employees' safety and consideration of the company's impact on the environment.

This interaction defines the responsibility standards, contributing to implement sustainable development goals and forms responsible corporate governance.



**Maria Tretyak, IT Project Manager**

ESG reporting sets goals, such as achieving net-zero carbon emissions and rejecting irresponsible consumption. It is increasingly important for the businesses that have to adapt to the UN Sustainable Development Goals by 2030. In the context of war in Ukraine we would like to emphasize the importance of the ESG principles, as war generates serious environmental and social challenges. Businesses are actively adapting, trying to maintain resilience and help those affected while reviewing their management methods and employee interactions. Transparent ESG reports can be a key tool to attract investors and partners in such conditions, contributing to the successful future of enterprises.



# GENERAL INFORMATION ABOUT BDO IN UKRAINE

BDO in Ukraine has **2 offices** in Kyiv and Dnipro and provides services **ALL OVER UKRAINE.**

**200+**  
Employees

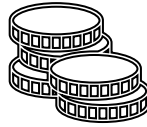
BDO in Ukraine was founded in **1997** and is part of the International Network of Independent **BDO member firms.**

## Our services

<b>AUDIT</b>	Our approach to auditing is in line with the International Standards on Auditing (ISA).
<b>ACCOUNTING CONSULTING</b>	Preparation of financial statements, iXBRL tagging, verification of reporting packages, assistance in preparing declarations on compliance.
<b>TRANSFER PRICING</b>	Benchmarking, functional analysis, documentation preparation, customer support.
<b>ACCOUNTING OUTSOURCING</b>	Bookkeeping, preparation of financial statements, compliance with tax laws, etc.
<b>ACCOUNTING AUTOMATION</b>	Analysis of business processes, automation of the IFRS accounting.
<b>CORPORATE FINANCE: M&amp;A</b>	M&A transactions, corporate bonds, IPO and SPO, consulting and financial advisory.
<b>CORPORATE FINANCE: TRANSACTION SUPPORT</b>	Revenue analysis, contingent liability analysis, analysis of audit results, review of tax rates, benefits and exemptions, assessment and development of recommendations.
<b>VALUATION AND FINANCIAL MODELING</b>	Valuation of assets, business and corporate rights, development of business plans, property valuation, valuation of damages and losses.
<b>TAX &amp; LEGAL CONSULTING</b>	Provision of written advisory opinions on legal and tax issues.
<b>CYBERSECURITY</b>	Vulnerability assessment, pentesting of infrastructure, web applications, mobile applications.

# BDO GLOBAL STATISTICS

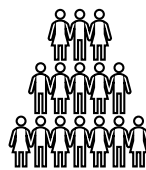
Global Revenue  
**USD 14 billion**



**+10.2%\***  
Revenue growth  
(constant exchange rates)



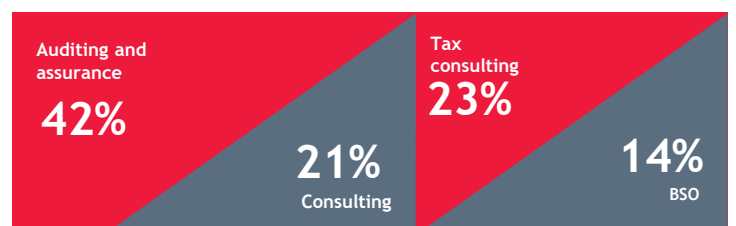
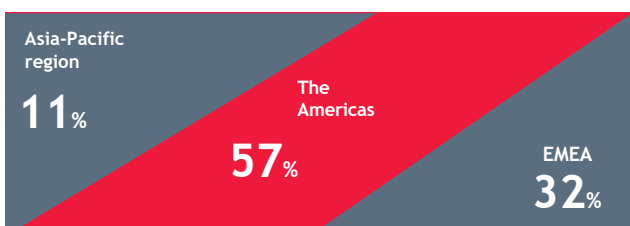
Global Presence  
**1,776** offices **166** countries and territories



**115,661** +3.9%  
employees

Revenue percentage by region

Distribution of income by service lines



# NET-ZERO POLICY OF BDO IN UKRAINE

**NET-ZERO** is a concept that serves as a roadmap for companies aimed to achieve balance between the greenhouse gas emissions into the atmosphere and their removal or offset so that the total emissions are equal to zero.

This means that the companies, organizations or countries working towards this goal reduce their greenhouse gas emissions to a minimum, while also using carbon removal methods such as planting trees or using technologies to remove carbon from the atmosphere.



**All BDO member firms are required to calculate their carbon footprints in strict accordance with the global methodology and within the established carbon reporting framework.** Each year, after the completion of data collection by companies the greenhouse gas emission inventory reports of individual companies will be extrapolated to obtain a global carbon footprint.

In the context of global climate change and the growing need to oppose it, BDO in Ukraine, a leading Ukrainian audit and consulting firm, which is also, by being part of the global BDO network, a member of the Net-Zero Financial Service Providers Alliance (NZFSPA), has committed to achieving net-zero greenhouse gas emissions **by 2050 or sooner**, in line with the Paris Agreement. This policy outlines our goals, strategies, and approaches to reducing the carbon footprint of our operations, considering our responsibility to the customers, employees and the global community, as well.

There is a requirement for transparency and accountability in Environmental, Social and Governance (ESG) matters, which demands a better understanding of the impact of the business and industry on the environment and our society, while also providing an effective response. Our goal, both for BDO and on behalf of our clients, is being able to recognize threats, mitigate risks and seize development opportunities.



# NET ZERO AMBITION AND PLANNING

BDO in Ukraine understands its responsibility for reducing its impact on climate and strives to be an example of sustainable development in auditing and consulting industry. Through collaboration, innovation and stakeholder engagement we strive to achieve our Net-Zero goals, contributing to the sustainability of both our company and the society, as such.

OUR GOALS	DETAILS
Reduction of emissions	By 2035, reducing carbon emissions by 50%, compared to 2023 and achieving Net-Zero by 2050.
Energy efficiency	Transition to renewable energy sources in the offices by 2050.
Workflow optimization	Reducing carbon footprint by further enabling remote work and digitalizing business processes.
Carbon neutrality in the supply chain	Conducting analysis and transition to suppliers with low carbon footprint or those who take measures to reduce emissions.
Developing green initiatives in workspaces	Implementing waste collection and recycling system, planting trees in areas where the city needs additional landscaping, etc.
Environmental education & employee engagement	Organizing regular trainings and seminars for the employees on sustainable development and environmental responsibility. Involvement of employees in volunteer environmental projects and initiatives.
Innovation and investment in green technologies	<ol style="list-style-type: none"> <li>Investing in research, development and implementation of green technologies and solutions that meet the company's goals.</li> <li>Implementation of innovative IT solutions to optimize the use of resources and reduce emissions, for example, an electronic document management system.</li> </ol>
Reducing the impact of business travel	<ol style="list-style-type: none"> <li>Replacing business travel with online meetings, where possible.</li> <li>Setting limits on emissions related to business travel and finding alternative, more environmentally friendly modes of transport: ordering a "green" taxi, flights with carbon offsets, etc.</li> </ol>



## NET ZERO AMBITION AND PLANNING

OUR GOALS	DETAILS
Partnership and collaboration for sustainable development	<ol style="list-style-type: none"> <li>1. Actively participating in local and international environmental initiatives and programs aimed at reducing greenhouse gas emissions and protecting the environment.</li> <li>2. Building partnerships with non-profit organizations, academic institutions and other businesses to develop and implement sustainable practices.</li> </ol>
Transparency & accountability	<ol style="list-style-type: none"> <li>1. Implementing European methodologies for measuring and reporting carbon emissions, resource use and environmental impact.</li> <li>2. Ensuring the transparency of the company's activities through regular publication of sustainability reports available for review by all stakeholders.</li> </ol>
Developing sustainable customer solutions	<ol style="list-style-type: none"> <li>1. Developing and offering audit and consulting services to clients that help reduce the carbon footprint and increase the environmental sustainability of their business.</li> <li>2. Including environmental criteria and standards in business analyses and recommendations provided to clients.</li> </ol>
Creating a corporate culture of sustainability	Incorporating the principles of sustainable development and environmental responsibility into the corporate culture and values of the company.

Thus, BDO in Ukraine identifies the following strategic areas to achieve the ambitious goal of Net Zero:

1. **Energy efficiency** – upgrading equipment and lighting within the offices to more energy-efficient options.
2. **Facilitating remote work** – providing employees with necessary tools for effective remote work.
3. **Environmentally friendly transport** – encouraging the use of electric vehicles and public transport among the employees.
4. **Waste management** – the implementation of an integrated system of sorting and management of waste generated during work in offices.

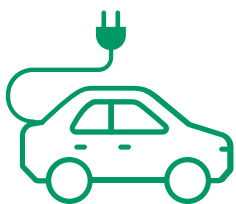
# THE GOALS FOR 2024

To achieve the ambitious goal of Net Zero, it is important to divide this great path into separate steps. Such steps are annual planning and setting goals for the period. BDO in Ukraine understands the importance of setting ambitious but achievable goals each year and can establish these goals for each of the ESG dimensions.



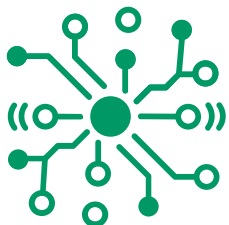
1. Minimizing the amount of paper documentation. Transition to electronic document management.

2. Resuming the landscaping of communal property program in order to support the initiative of green cities.



3. New "green" logistics: the use of only electric cars in taxi services, business trip flights under the carbon offset program, the purchase of public transport passes for employees.

4. Updating the sorting system in Kyiv and Dnipro offices. Determining the main types of waste produced in the offices.



5. Further implementation of AI tools in the company's workflows to automate individual tasks and reduce the workload of the employees.

6. Continuous training and professional development of the team members to ensure the high quality of services.



# LANDSCAPING PROJECT NEAR THE BDO IN UKRAINE OFFICES

-283 kg CO<sub>2</sub>  
in 2 years



Landscaping areas near the BDO offices are useful for many reasons. First, they contribute to the local improvement of air quality indicators and, in addition, green areas in the cities help to reduce air temperature, the risk of stress and can improve the psychological state of everyone living in the urban space. That is why the BDO team planted trees in the areas adjacent to our offices. Our calculations are as follows:

	Wood	Quantity	Density (km/m <sup>3</sup> )	Diameter (m)	Height (m)	Volume + 30% of the mass of roots and branches	Weight (kg)	C weight (kg)	CO <sub>2</sub> absorption per 10 trees
1	Crimean pine	10	520	0.03	1.5	0.00138	0.72	0.36	13.2 kg
2	Rowan skand.	10	730	0.03	1.5	0.00138	1.01	0.50	18.5 kg
3	Maple	10	650	0.03	1.8	0.00165	1.07	0.54	19.6 kg
4	Catalpa	10	650	0.03	1.8	0.00165	1.07	0.54	19.6 kg
5	White mulberry	10	510	0.03	1.8	0.00165	0.84	0.42	15.4 kg
6	Linden (1.6 m)	4	510	0.03	1.6	0.00146	0.74	0.37	13.5 kg
7	Linden (2 m)	6	510	0.03	2.0	0.00183	0.93	0.46	16.8 kg
8	Bird cherry virginiana	10	670	0.02	5.0	0.00204	1.36	0.68	24.9 kg

# CALCULATING RESOURCES AND CARBON FOOTPRINT FROM THE BDO IN UKRAINE'S ACTIVITIES

Given the current situation in the country and the adverse security conditions, most of our employees prefer to work remotely. Such format of work, electronic document management, as well as the non-manufacturing industry, in which BDO in Ukraine operates, give us the opportunity to save resources used by our offices in Kyiv and Dnipro. We keep records of water consumption and paper usage in our offices and plan to expand this list.

Water consumption	
	м3
Kyiv	92
Dnipro	138

Paper Usage	
	500 pages/pack
Kyiv	160
Dnipro	105



The **carbon footprint** is the footprint in the atmosphere resulted from human activities, such as burning coal, crude oils and natural gas. These emissions lead to an increase in the concentration of greenhouse gases in the atmosphere, contributing to climate change and global warming. It is possible to calculate the carbon footprint by estimating greenhouse gas emissions such as carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O), arising from various activities. BDO in Ukraine keeps records of the electricity used and counts how many kilometers of corporate taxi trips were accrued per year, which, in terms of an average fuel consumption, makes it possible to calculate the CO<sub>2</sub> emissions.

Electricity consumption per year		
	KW	CO <sub>2</sub> , kg
Kyiv	22 906	13 056
Dnipro	40 558	23 118

Fuel consumption from corporate taxi			
	km	Liters	CO <sub>2</sub> , kg
All staff	39 981	3 278	7 540

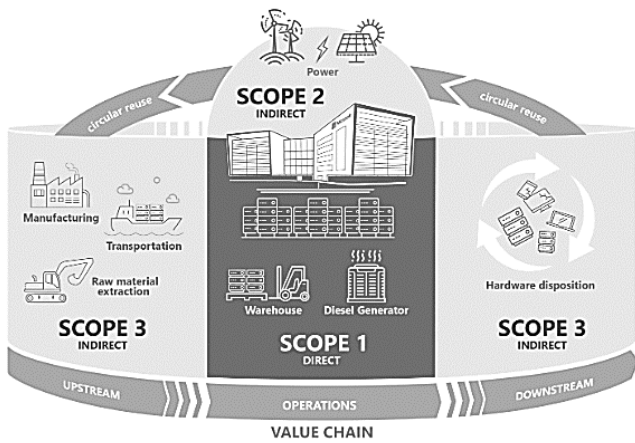
Summing up the impact of tree planting campaigns and, separately, the impact of the team's activities during business trips abroad, we can definitely see the area where BDO in Ukraine should grow. This is clearly described in our goals for 2024, listed above.

CO <sub>2</sub> emissions from flying airplanes			
	Quantity	Dist.	CO <sub>2</sub> , kg
All business trips	157	mid	79 504



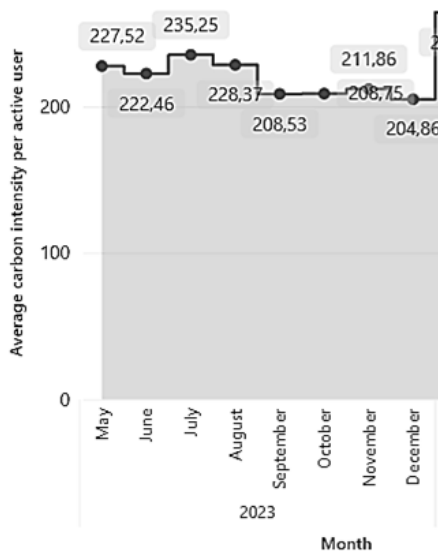
# CALCULATING CARBON FOOTPRINT FROM THE USE OF CLOUD STORAGE

Calculation the carbon footprint for cloud storage refers to the process of determining the amount of greenhouse gas emissions that are produced when data is stored or cloud storage services are used. This calculation includes an assessment of factors such as electricity use, equipment cooling, data transportation and other processes that can lead to greenhouse gas emissions.

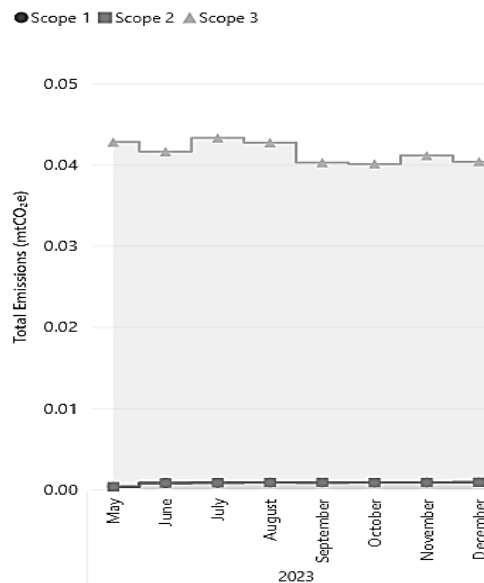


### Calculation standards:

1. Microsoft divides greenhouse gas emissions into three categories according to the Greenhouse Gas Protocol, a globally recognized standard for the methodology of calculating and reporting GHG emissions:
  - Scope 1: Direct emissions - emissions from stationary and mobile combustion, as well as technological and uncontrolled emissions.
  - Scope 2: Indirect emissions - emissions from the consumption of electricity, heat or steam.
  - Scope 3: Other indirect emissions - emissions from production and end-of-life emissions (related to the supply chain).



Users' common CO2 emissions, in tons



Gram of CO2 per user, separately

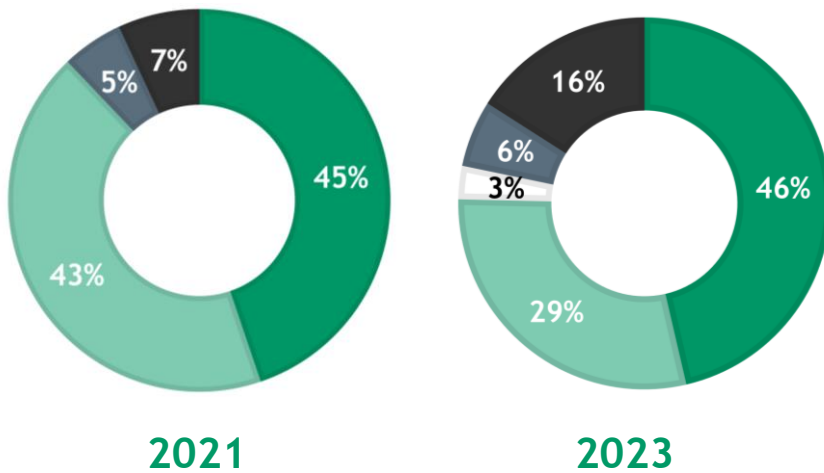
Automatic data collection helps our company to calculate carbon dioxide emissions for the entire company cloud storage, as well as to calculate the amount of CO2 per user separately per year. From the graphs, you can see that the largest category for our business area is Scope 3, i.e. indirect emissions that we do not have a direct impact on.

# EMPLOYEE SURVEY: COMPARISON OF 2021 AND 2023

For high-quality strategizing, as well as identifying needs and goals for the future development of the company, it is necessary to constantly communicate with the company's team. An annual survey can be a tool for identifying the level of interest and involvement in the ESG topic. Below is a comparison of the employees' responses before and after the start of the full-scale invasion.

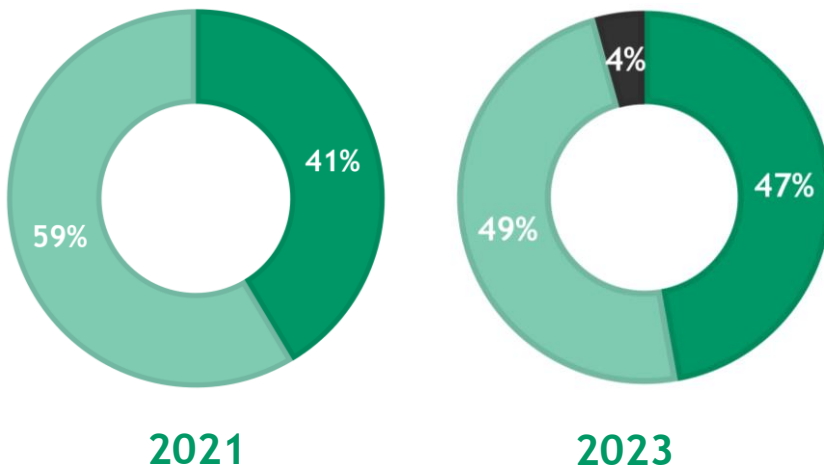
■ important   
 ■ very important   
 ■ completely unimportant   
 ■ unimportant   
 ■ neutral position

## 1. Climate Change and Carbon Emissions



Since the beginning of the full-scale invasion, it has been obvious that the issue of climate change has lost its top priority for the team. The answer "Very important" decreased by 14%, while the neutral position increased by 9%.

## 2. Waste & Recycling Issues

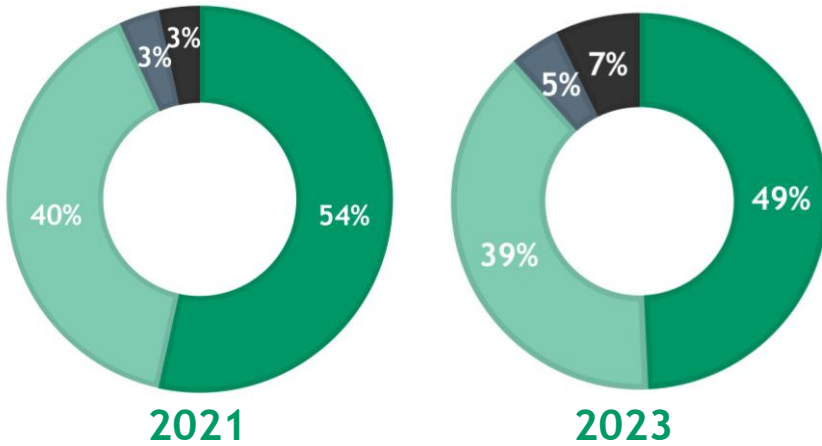


The issue of waste disposal and recycling remains a priority. The "Important" indicator increased by 6%, although a neutral position of 4% also appeared.

# EMPLOYEE SURVEY: COMPARISON OF 2021 AND 2023

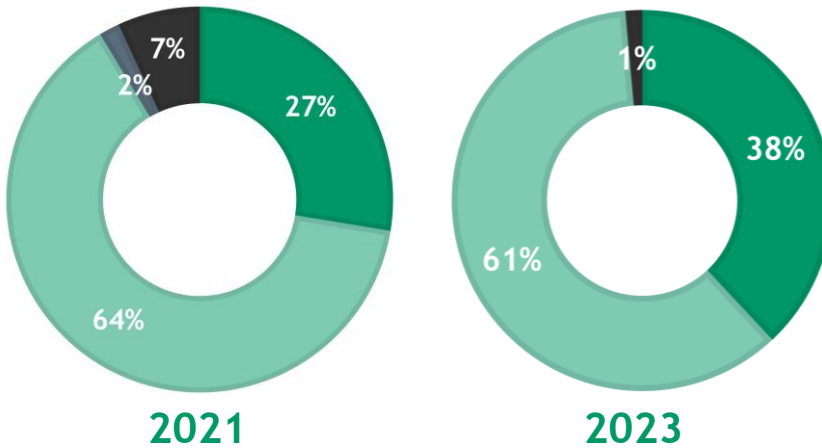
■ important   
 ■ very important   
 ■ completely unimportant   
 ■ unimportant   
 ■ neutral position

## 3. Water consumption



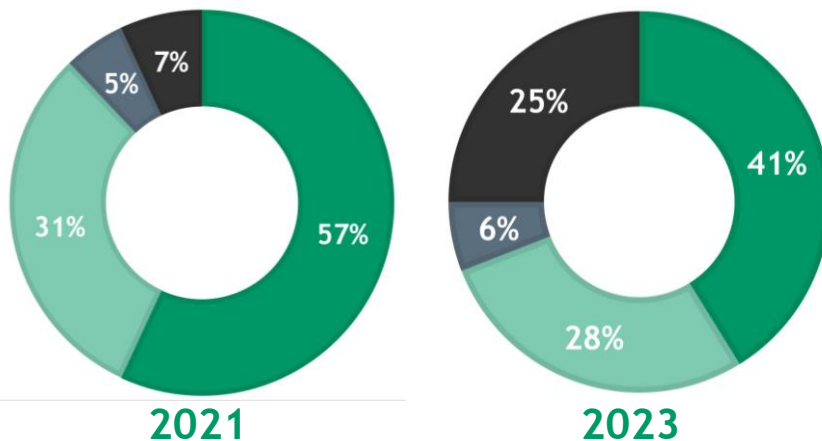
Even though the "Not Important" indicator has increased, as well as the neutral attitude indicator, we see that the importance of reasonable water consumption has not lost its relevance for the team.

## 4. Air quality & ventilation



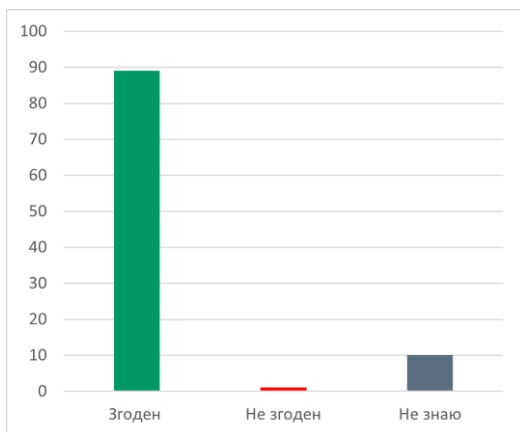
Air quality is the only indicator that has become more important for the team, compared to 2021. This is due to a broad understanding of the amount of air pollution caused by shelling and fires.

## 5. Use of eco-friendly office supplies



This indicator has changed the most significantly: in total, the indicators "Very important" and "Important" decreased by 19%, and the indicator of neutral attitude increased by 18%. Once again, we see a change in priorities due to changes of the current situation in the country.

## EMPLOYEE SURVEY: CONTINUED

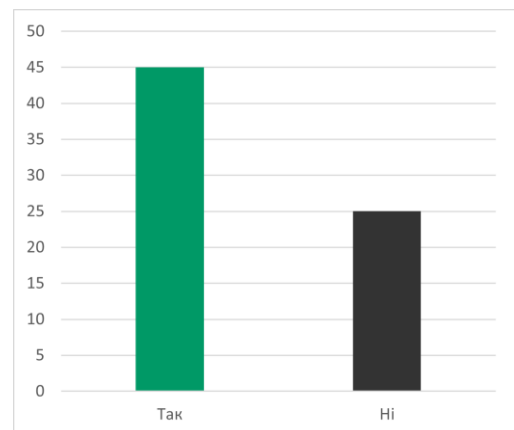


**"The issue of ESG strategies implemented by our company is important to me"**

89% of respondents agree with the importance of ESG strategy issues, which indicates the team's readiness to be directly involved in strategizing, providing suggestions and participating in individual projects.

**"Would you like to be personally involved in the company's social and environmental projects and initiatives?"**

Most of the surveyed employees of the company are ready to be directly involved in ESG projects and initiatives, which will include both direct actions for planting trees and cleaning territories, as well as compliance with the ESG policies and requirements that may be implemented in the company.



### TOP 5 ESG TOPICS THAT INTEREST THE TEAM THE MOST:

1. Educational activities.
2. Saving light, water and other resources.
3. Distribution, sorting, disposal and recycling of waste.
4. A new life for old and broken things.
5. Maintenance of green areas (planting trees and public cleaning actions).

Thus, according to our surveys, despite the challenges of a full-scale invasion and all the problems associated with it, we can say that the issue of environmental protection has not lost its relevance to the team. Of course, compared to ensuring one's own safety and establishing new working conditions, the issue of environmental protection is losing its leading position, but the willingness to participate in ESG events speaks of the team's determination to move on and reach new heights.



# SOCIAL INITIATIVES FROM BDO IN UKRAINE

Social initiatives of business are necessary for both the company itself, its reputation and sustainable development, and for the society, as such. These initiatives are always aimed at supporting and developing the social environment, as well as enabling the company to share its best practices and experience.

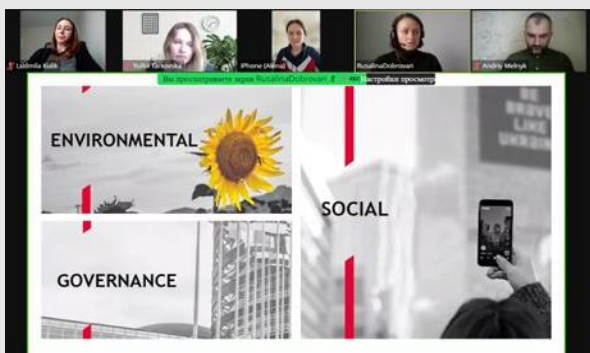
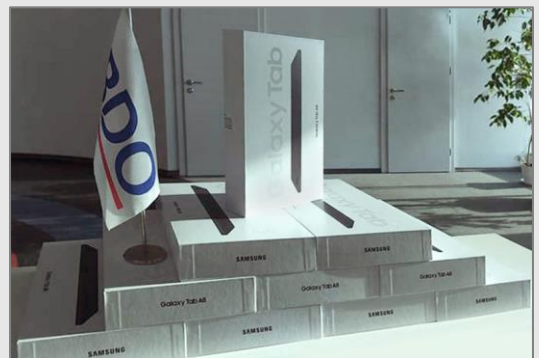


## Trainings on tactical medicine and pre-medical care for the employees of BDO in Ukraine

Teams from the Kyiv and Dnipro offices were trained in providing first aid and received international certificates. In the conditions of an active war, it is difficult to overestimate the importance of such skills, so training and continuous improvement of first aid skills has become part of the company's agenda.

## Participation in the UNITED24 initiative "Tablets and laptops for students"

+ 20 tablets from our company went to the students of one of the schools in de-occupied Kherson, which were handed over by BDO in Ukraine with the support of the Ministry of Education and Science of Ukraine. Supporting the de-occupied territories is one of the company's priorities, so our involvement will continue.



## Sharing the experience of working during wartime for partners

The BDO in Ukraine team constantly holds meetings where we share our experience of working in wartime. For example, one of these meetings was for the ESG Hub of the European Business Association on "How ESG reporting of Ukrainian companies changed during the war".

# PRO BONO PROJECTS FROM BDO IN UKRAINE



## Awarding the winners of the RAU Awards 2023

RAU Awards is the annual initiative project of the Retail Association of Ukraine, designed to identify the most successful companies in the fields of retail and development of Ukraine. BDO in Ukraine acted as the auditor of the competition, monitored compliance with all standards in the vote count, ensuring a fair and transparent selection of participants and winners.

## Independent Auditor of the Steel Freedom 2023 Competition

Steel Freedom 2023 is a student architectural competition. The objective of the competition was to develop a project of a medical recovery center for the military in Zhytomyr (Zhytomyr region). BDO in Ukraine acted as an independent auditor of the competition to ensure transparency and honesty in the counting of votes from the authoritative jury members, because the social goal of the project will accelerate the possibility of its implementation to help our defenders recover.



## Independent Auditor of the National Selection for the Eurovision Song Contest 2023

67th Eurovision Song Contest 2023 was an annual song contest held in Liverpool. The purpose of the competition was to conduct an independent audit of the National Selection for Eurovision 2023 and determine the winner which would represent Ukraine in Liverpool.

BDO in Ukraine verified the correctness of the voting results of the audience and the judges to ensure the reliability of the results of the winner's selection - the talented band TVORCHI, which took sixth place in the Eurovision Song Contest 2023.

### Vladyslav Pugach, Lead Auditor at BDO in Ukraine

Audit of prizes, awards and confirmation of the voting results during the national selection for the Eurovision in Ukraine ensures transparency and honesty of the process. Inviting auditors to events of such a level is key to ensuring the objectivity and independence of the results' calculation. Auditors ensure that all procedures are carried out in accordance with the established rules, thereby increasing the confidence of participants and spectators in the integrity of the competition. Their role not only improves transparency, but also helps to avoid potential conflicts and disputes over the voting results.



# CHARITABLE ASSISTANCE FROM BDO IN UKRAINE



## CHARITABLE INSTITUTION "ANDRIY KHLIVNIUK FOUNDATION" - UAH 200 thousand

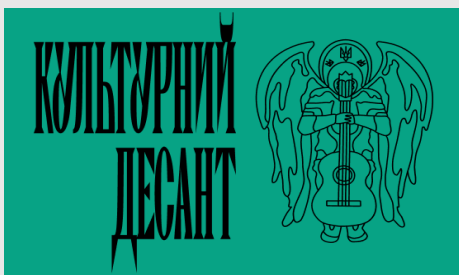
The Andriy Khlyvnyuk Foundation raises funds to help the military, wounded and other ATO participants, as well as to support Ukrainian families in difficult life circumstances. The Foundation also promotes the development of education and culture in Ukraine, including the organization of cultural events and projects.

## MILLION TREES - UAH 99,272

NGO "Million Trees" is an environmental project aimed to increase green areas and protect the environment. As part of this project, actions are carried out to plant trees, create forests, agitate for environmentally friendly consumption and lead a balanced lifestyle.



## NGO "CULTURAL TROOPS" - UAH 200 thousand



NGO "Cultural Troops" is a non-governmental organization that promotes Ukrainian culture and art. The main activities of the organization include the organization of cultural events, festivals, exhibitions, concerts and other cultural events aimed at supporting and developing Ukrainian cultural heritage.

## Kherson Scientific Lyceum of Kherson Regional Council – UAH 82,990

Kherson Regional Lyceum was established in 1992 by order of the representative of the President of Ukraine in Kherson region to teach talented and gifted students from rural areas.





## INFORMATION ON THE CURRENT STATE IN THE COUNTRY AND SUPPORT FOR THE EMPLOYEES

With the start of Russia's full-scale military aggression against Ukraine, the management of BDO in Ukraine was faced with the need to join forces to respond to the new challenges. Since the beginning of Russia's military aggression against Ukraine, our company has united to protect and support our employees, their families and the country. Our focus has always been on taking care of the physical protection and mental well-being of our people. **Our organization has implemented several measures to adapt the workflow to the current conditions, considering personal circumstances and emotional state of employees.**

- ▶ We provided financial assistance for rental housing, which was useful to many employees who found themselves in difficult housing conditions or had to evacuate.
- ▶ The salaries of mobilized employees for 2023 were paid in full, supporting not only them but also their families.
- ▶ The company assumed the cost of purchasing the necessary equipment that allowed employees to continue working in conditions of frequent power outages.
- ▶ Aid was organized for those whose homes were damaged by shelling.
- ▶ The company also compensated the cost of travel to safe cities, both in Ukraine and abroad, thereby ensuring not only safety, but also mobility of employees and their families.

In times of war employee support turns into a beacon of hope illuminating the darkness of uncertainty. Each gesture of help becomes a step towards strengthening the spirit and restoring faith in the future. This is not just help, it is an investment in the stability of a society that nurtures a sense of solidarity and community. In such times, caring for employees is transformed into an unshakable foundation on which every socially responsible business is based.





# INFORMATION ON THE CURRENT STATE OF THE COUNTRY AND SUPPORT FOR THE EMPLOYEES

Currently BDO in Ukraine works on a flexible schedule, which guarantees high preparation for the fulfillment of our obligations to clients and partners, compliance with the project deadlines and provision of services of the appropriate level of quality.

## POWER OUTAGES



- ▶ In addition, we opened a third autonomous office near Kyiv with even better conditions, because in addition to its own generators/batteries and satellite Internet it also has autonomous heating and water supply.
- ▶ All offices (in Kyiv and Dnipro) are equipped with diesel generators and separate charging stations with a capacity of 2-3.5 kWh to provide electricity in case of its absence.

## TECHNICAL ISSUES



- ▶ Some of the laptops have been replaced with the new ones with the ability to get charged from PD (Power Delivery) in combination with 20/30k mAh PD power banks. Other laptops can also be charged from 65W PD power banks with special cables.
- ▶ Old laptop batteries have been replaced with the new ones to provide at least 2 hours of runtime for each team member.
- ▶ Employees were provided with UPS and/or PD power banks upon request.
- ▶ We have secured all our offices with uninterruptible power supplies (UPS) and power stations (EcoFlow) for 2-3.5 kWh.

## INTERNET ACCESS



- ▶ All our offices have Starlink terminals for continuous access to broadband satellite Internet, several Internet providers and 4G mobile routers with repeaters, to ensure the maximum speed and coverage in any conditions.
- ▶ We have provided employees with 4G mobile routers with unlimited mobile Internet, which they can use while working remotely (since most mobile stations can work for many hours even without the electricity).

## AIR ALERT



- ▶ If the employees are situated in one of our offices during an air raid alert, they leave it and proceed to the nearest shelter.



# EMPLOYEE SUPPORT MEASURES

1	Improved health insurance program for the employees and the ability to purchase health insurance programs for relatives at preferential corporate prices.
2	Voluntary vaccination against influenza.
3	Payments to employees by the Company upon marriage, birth of a child.
4	Payments to employees by the Company in cases of serious illness or the need for surgery.
5	Financial assistance to employees from the Company in cases of serious illness, the need for surgery or the death of a close relative.
6	One-time financial assistance to employees in case of mobilization to the Armed Forces of Ukraine and payment of an average salary during their service in the Armed Forces of Ukraine.
7	Material and psychological support for the employees and their families forced to go abroad due to the war.
8	Psychological support for all the employees of the Company (Mental Health events, hotline with psychologists, etc.).
9	Bonuses for the employees in case of successful completion of professional exams (ACCA, etc.).
10	Free English lessons.
11	Opportunity to participate in social projects.
12	Employee survey regarding their satisfaction with working in the Company, followed by analysis of the results and development of actions aimed at increasing employee satisfaction and engagement.



# MENTAL HEALTH AND EMOTIONAL WELL-BEING OF THE EMPLOYEES

For the third year in a row our company pays special attention to the topic of Mental Health and Emotional Well-being of the employees.

In 2021, when mental health issues were just gaining momentum, in cooperation with a team of qualified psychologists, psychotherapists and coaches we had created a program for our colleagues to increase the employees' awareness of the topic of mental health and well-being, to help the employees in times of uncertainty and to ensure that they receive self-support and mutual support tools.

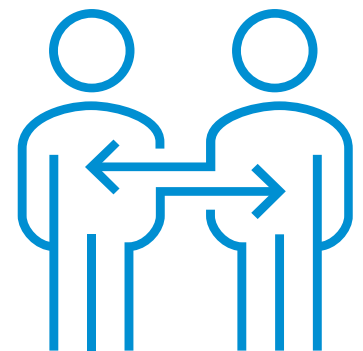


To diversify the theoretical material, we have added weekly practices to the program:

Office yoga (a set of important exercises for the health of the back and the whole body, restoration of muscle tone, strength and vigor, all exercises and techniques were performed at the workplace and contributed to progressive relaxation, regulating the level of body tension).  
Breathing practices (to relieve anxiety and regulate emotions).  
And mindfulness practices.

Subsequently, based on previous mental health and wellbeing activities and on the results of a survey regarding the needs and wishes of the employees, we conducted a series of events on the following topics:

- ▶ Communicating as a team about mental health, supporting each other.
- ▶ Taming the Inner Critic.
- ▶ Personal Effectiveness - Time/Self-Management.
- ▶ Burnout: how to burn and not burn out.
- ▶ Non-violent and ecological communication with others.
- ▶ Also, we have analyzed the most common myths about working with psychologists.



Over the entire period of the Mental Health program interest in this topic has grown, especially with the outbreak of military actions. At each meeting we always have about 70% of participants actively communicating with the trainers and being involved in each topic. After each such series of theoretical and practical meetings we necessarily conduct surveys and collect feedback on the work of trainers, the relevance of topics and the benefits of such events.

## THE GENDER BALANCE

The gender balance in companies is important to ensure diversity and inclusion. Having both women and men in different positions allows the company to use different approaches and skills to achieve common goals. The different points of view that women and men bring can lead to better outcomes and more creative solutions. The gender balance also promotes equal opportunities for each member of the team, which helps to reduce discrimination and promotes career development for all the employees. Considering different preferences and needs of men and women can help a company to better understand its own customers and create products and services that would meet their needs. In this way the gender balance contributes to improved business results, employees' career development and the creation of a supportive work environment for every employee.

### 1. Among the top management of the company:



### 2. Among the company's partners:



### 3. Among the specialized employees:



### 4. Among the administrative staff:





## BDO IN UKRAINE'S INDUSTRIAL GROUPS



**The agricultural sector** specializes in industry research with an emphasis on modernization and digital transformation, which is especially important in the face of wartime challenges.

Publications:

- ▶ research on the use of advanced technologies in agribusiness, which helps companies to adapt to changes in the market and increase efficiency.
- ▶ selection of grant programs for the development of agricultural enterprises.



**Construction & real estate** focuses on analyzing the impact of the war on market development and industry trends.

Publications:

- ▶ updated analytical reports and research results highlighting the geopolitical impact on the construction industry and the real estate market, helping clients to make well-informed decisions.



**The public sector** specializes in the analysis of current trends in the field of public administration and digital transformation.

Publications:

- ▶ research, analytics and information on current grant opportunities to help organizations improve their processes and scale their business.



**Natural resources and energy** focuses on a detailed analysis of the natural resources and energy sectors.

Publications:

- ▶ analytical materials covering global trends and analyzing the challenges posed by the war, including the impact on energy supply, pricing, and environmental aspects, helping clients adapt strategies to changing conditions.
- ▶ grant funding search for companies in this field.



**Technology, Media, Telecom (TMT)** specializes in the analysis and research of the technology, media and telecommunications sectors, considering current trends and innovations.

Publications:

- ▶ an overview of new technological advances and analysis of the media and telecommunications with a focus on digital transformation and the impact of social media on consumers.
- ▶ grant competitions for the development of the TMT companies.

# BDO IN UKRAINE AS A SIGNATORY TO UKRAINE BUSINESS COMPACT



The Ukraine Business Compact provides a platform for leading international companies to demonstrate their support in Ukraine's recovery and its commitment to modernization, building a resilient and flexible economy and emerging from the war as a much stronger, more prosperous state. As a signatory, you join thousands of companies around the world that support the recovery and reconstruction of Ukraine, looking for opportunities, when the time comes, to engage in trade and investment, exchange experiences, work on a pro bono basis and entrepreneurial activities.

**The business deal was officially launched at the last year's Ukraine Recovery Conference ("URC") on June 21-22, 2023.**

URC23 itself has mobilized the international community to help ensure Ukraine's long-term economic future by helping Ukraine rebuild better as a more resilient, greener country and more prosperous European nation. In particular, URC23 has highlighted the role of the private sector - and the reforms needed to attract investments - as important components of Ukraine's long-term recovery.

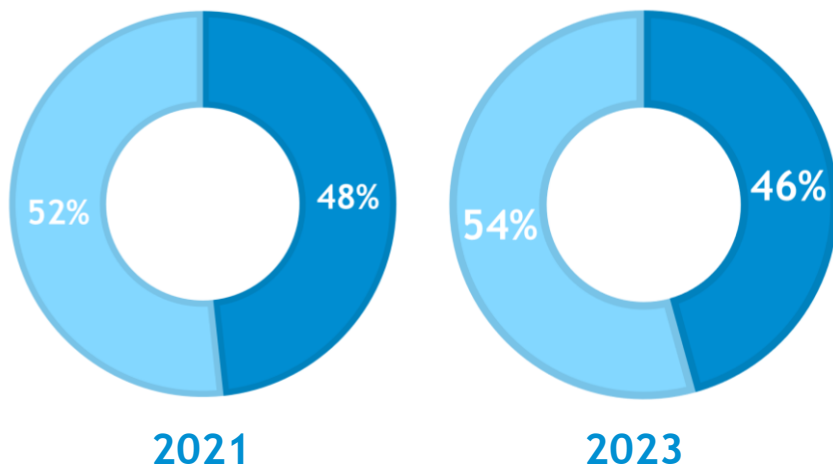
After the URC, BDO in Ukraine signed the Ukraine Business Compact with the UN Global Compact in Ukraine. The UN Global Compact in Ukraine in partnership with the Government of Ukraine is now the host of the Ukrainian Business Compact.

# EMPLOYEE SURVEY: COMPARISON OF 2021 AND 2023

For high-quality strategizing, as well as identifying the needs and goals for the future development of the company, it is necessary to constantly communicate with the company's team. An annual survey can be a tool for identifying the level of interest and involvement in the ESG topic. Below is a comparison of employees' responses before and after the start of the full-scale invasion.

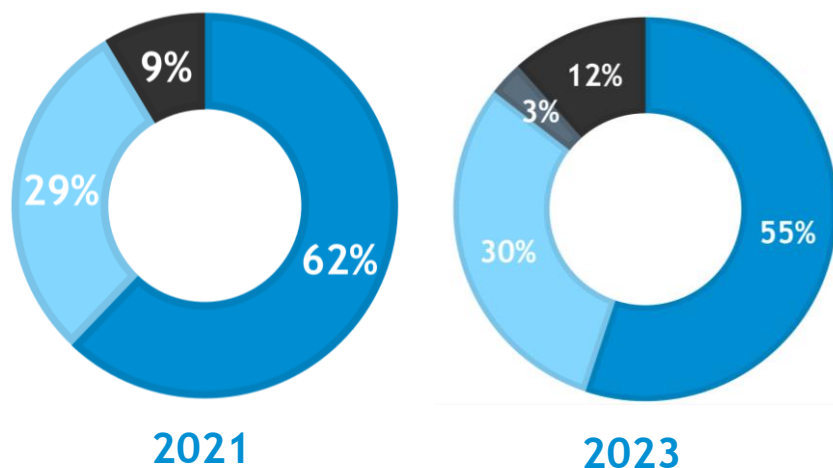
■ important   ■ very important   ■ completely unimportant   ■ unimportant   ■ neutral position

## 1. Education & Professional Development



Education and professional development have always been a priority for BDO in Ukraine. Continuous training and constant support from BDO World enables the team to constantly strengthen its expertise. Therefore, over the years this indicator does not lose its importance.

## 2. Diversity, Equity & Inclusion

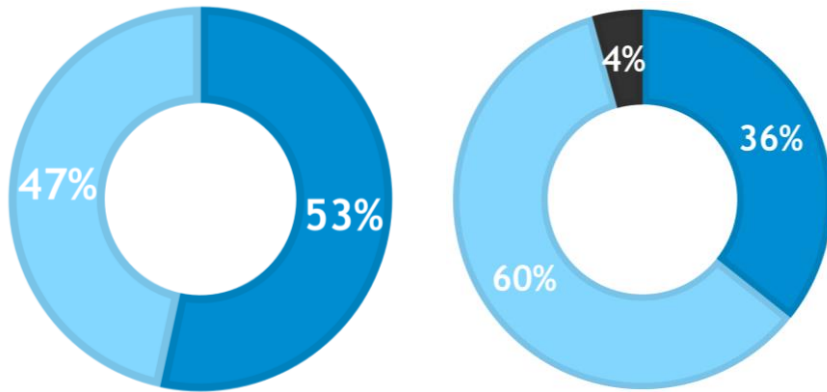


Over the past two years the indicator of the employees' neutral attitude towards this goal has increased by a total of 6%. This is also due to the change in priorities after the beginning of the full-scale invasion, as a large proportion of men in society has been mobilized and now the gender distribution in companies has changed.

# EMPLOYEE SURVEY: COMPARISON OF 2021 AND 2023

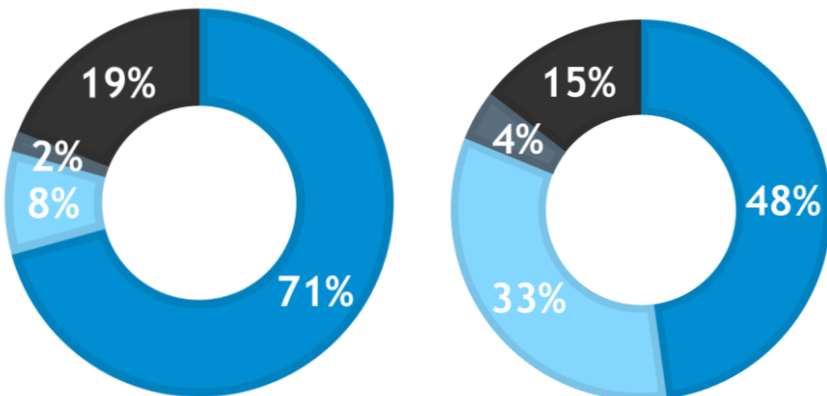
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## 3. Well-being, health and support from the management



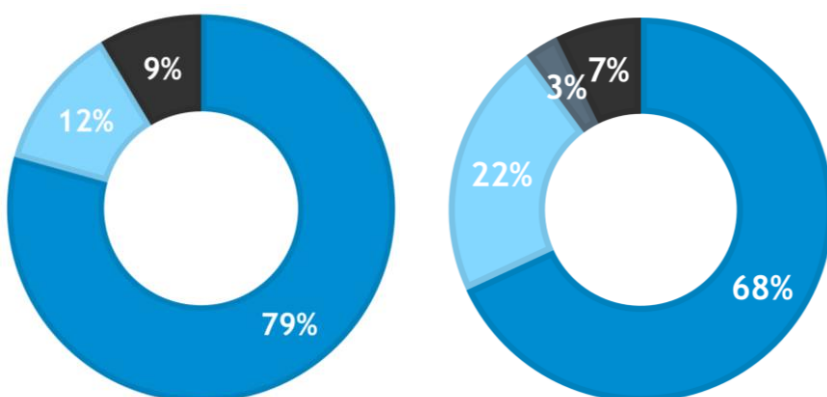
Only 4% of respondents indicated a neutral attitude towards this aspect. It is important to note that this figure is quite small, given the new living circumstances in Ukraine.

## 4. Culture and involvement in the company's life



The "Very important" indicator increased by 25%, while the neutrality indicator decreased by 4%. This reflects the general trends in the society: the need for unity and working together.

## 5. Partnership with the community (volunteering, donations, pro bono projects, etc.)



The "Very important" indicator increased by 10%, suggesting that the need to attract pro bono projects is becoming the same trend as volunteering as such.



# THE PRINCIPLES OF STRATEGIC LEADERSHIP



BDO in Ukraine is based on the principles of strategic leadership. Our strategy for 2023 faces the challenges of martial law and innovations in our sphere. Our main priority is our people. Their physical safety. Talent development. And lifelong learning.

## PRIORITIES

PROMOTE AN INNOVATIVE CULTURE THAT FOSTERS THE GENERATION OF IDEAS AND THE USE OF NEW TECHNOLOGIES

TALENT SUPPORT AND CULTURE DEVELOPMENT

INVESTMENT IN QUALITY FOR WORKING WITHOUT ERRORS  
CREATION OF CULTURE, TRUST

A COURSE FOR GROWING AND STRENGTHENING YOUR OWN EXPERTISE FOR SERVICING CLIENTS OF THE UPPER MARKET

## BASE

# CULTURE

AN INNOVATIVE, PEOPLE-CENTRIC CULTURE THAT DRIVES BUSINESS GROWTH

## Ukraine's Recovery

Free projects aimed at supporting our clients, professional organizations, local authorities, government and international donors in the process of recovery and reconstruction of Ukraine

# BUSINESS MODEL OF THE COMPANY AND SUSTAINABLE DEVELOPMENT GOALS

## Our Main Resources and Results

### Human Capital

**Resources:** Professional development opportunities, talented employees, inclusive culture, good working conditions, international networking opportunities and fair remuneration

**Results:** Client-side solutions that deliver more efficient, effective and sustainable operations; increasing the professional competence and industry experience of our colleagues; an innovative, respectful and inclusive culture of work and attracting future talent.

### Natural Capital

**Resources:** Offices using electricity, gas, water, paper, IT resources, office supplies, public transportation and business trips

**Results:** Management of limited natural resources; introduction of useful technologies to reduce environmental impact; raising awareness both inside and outside the company; development of services in the field of sustainable development.

### Financial Capital

**Resources:** Building sufficient reserves to ensure smooth operations.

**Results:** Remuneration; being a responsible taxpayer; investing in new customer services; professional development and education; technologies for sustainable office development.

### Social & Reputational Capital

**Resources:** Partnerships, including customers, industry, government, suppliers, the BDO network and community stakeholders. Risk Management, Quality Control, and Ethical Business Practices.

**Results:** Maintaining honest, open and respectful relationships with all stakeholders; obtaining a public license to operate based on consistent ethical and sustainable business practices.

# BUSINESS MODEL OF THE COMPANY AND SUSTAINABLE DEVELOPMENT GOALS



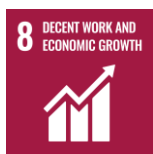
Protecting health and well-being of our employees is a key aspect of our operations, especially during a full-scale invasion. Health insurance is the basis of a non-financial compensation package. The emphasis is on maintaining and developing mental health and resilience.



Providing good quality education, continuous professional development and learning process for BDO colleagues. Constantly updating new technological skills.



Our activities are aimed at ensuring equality between the sexes and the inclusion of women in all spheres of life. The goal includes protecting women's rights, fighting gender discrimination and violence, supporting women's access to education, jobs and participation in decision-making processes.



Creating new jobs that provide opportunities for economic growth, increasing the total amount of taxes paid and continuously improving our customer offer.



Industry experience and expertise to deliver more sustainable development solutions for the success of both our customers and Ukraine.



The goal of sustainability in the context of recovery is more relevant to us than ever: helping to build sustainable and safe cities for all, preserving cultural heritage and natural resources.



Responsible management of natural capital and provision of sustainable solutions for clients based on the circular economy.



Tackling climate change by setting progressive targets to reduce greenhouse gas emissions and acting as a positive corporate climate activist in communities and networks.

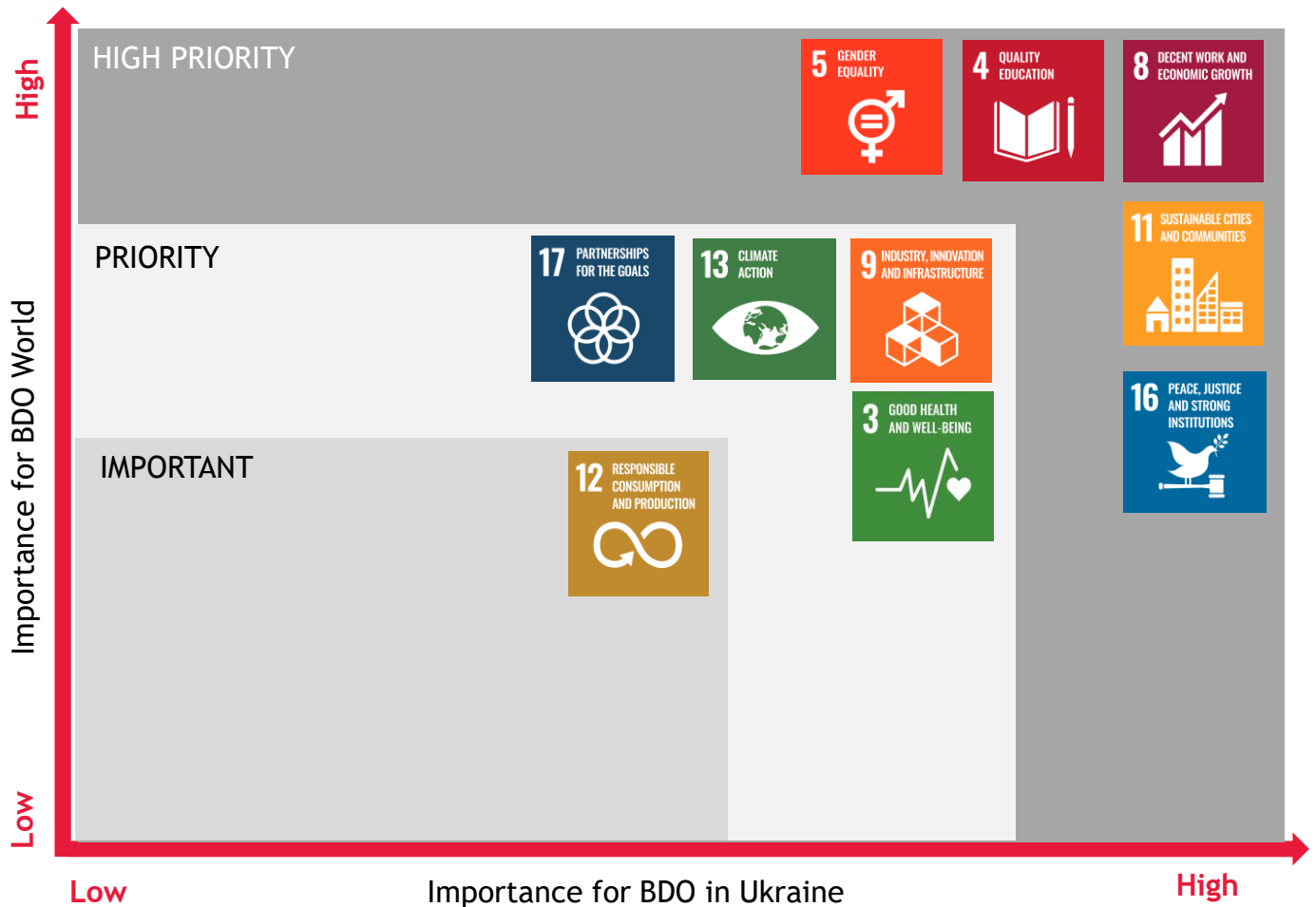


To support this goal, BDO in Ukraine provides methodological support to central and local authorities through pro bono projects to strengthen and develop their institutional capacity.



Actions aimed at strengthening the global partnership for sustainable development, namely, the signing of the Global Compact initiative, the Ukrainian Business Agreement, participation in the processes of sustainable recovery of Ukraine, etc.

# BUSINESS MODEL OF THE COMPANY AND SUSTAINABLE GOALS



Among the six Sustainable Development Goals that BDO in Ukraine chooses as a priority, Goal 4 "Quality Education" and Goal 8 "Decent Work and Economic Growth" retain their high priority status. It is rather logical that with the start of the full-scale invasion, Goal 13 "Climate Change Mitigation" and Goal 9 "Industry, Innovation and Infrastructure" have lost their status as a high priority for BDO in Ukraine, but thanks to the continuous support and training from BDO World the team is working with these Sustainable Development Goals as a priority.

According to the 2023 employee survey on the importance of ESG principles for the team, Goal 12 "Responsible Consumption and Production" has significantly changed its priority. And Goal 3 "Good health and well-being" is a higher priority for BDO in Ukraine than for BDO World, given the security conditions in Ukraine.

Separately, it is worth emphasizing the high priority for BDO in Ukraine of goals 16 and 11, as the context of war and constant danger, measures to support reconstruction and future post-victory peace are one of our most important priorities.



# USING AI TOOLS TO IMPROVE EMPLOYEE PRODUCTIVITY



Artificial Intelligence reformats the landscape for most processes in the company, not only as an analytical tool, but also as an integral part of the team. By distributing uneven workloads, AI helps employees to focus on priority tasks that require human knowledge and experience. While the AI performs routine work, employees assign it specific tasks, review its findings and validate its reasoning. Such automation and optimization of key day-to-day tasks allows you to spend more time on business partnerships, value creation and job strategizing.



Andrey Borenkov, Head of Advisory

BDO in Ukraine is one of the largest enthusiasts in the country in the field of AI implementation to automate routine processes, improve decision-making and increase customer satisfaction.

The company's employees use all the available in corporate edition AI services (which ensure data confidentiality) and, since BDO is a Microsoft Gold Partner, the basis of the AI infrastructure in our company is Microsoft Copilot (including Microsoft Copilot Studio to create custom AI chats). The use of AI has significantly reduced the time for performing trivial tasks (data search and processing, content creation, etc.), increased the productivity and transparency of our work.

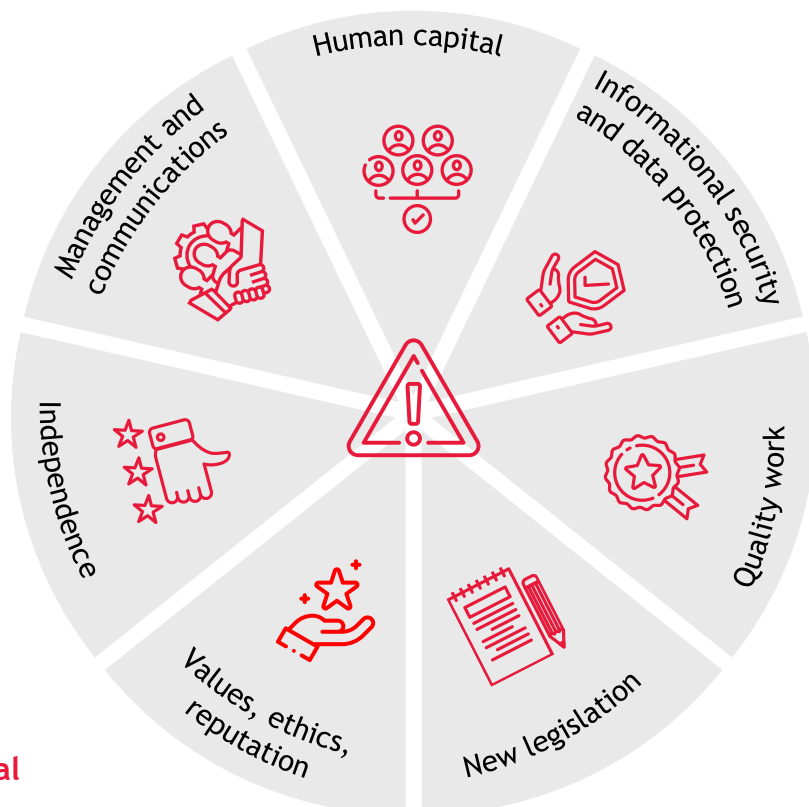
In addition, AI is already de facto recognized as part of the team regarding certain types of tasks, which in most cases are effectively delegated to it. So we actively regulate its use, considering our responsibility to customers, as well as social and environmental responsibility, as an important element of our corporate culture.

# RISK MANAGEMENT IN THE NEW REALITY

Our company has a systematic and effective process for identifying and managing risks to reduce their impact on the viability and sustainability of the company.

On a regular basis, the company's management conducts a multi-level analysis of potential risks and threats that our company may face during its activities, in particular: operational, regulatory, financial, technological and reputational risks, etc.

- ▶ Risk identification is carried out through surveys of employees and key stakeholders
- ▶ The next step is risk categorization, identifying the employee or department that has an impact on this risk
- ▶ Risk impact is determined
- ▶ Probability of its occurrence
- ▶ Level of control by the company
- ▶ Possible measures to avoid or to mitigate the impact of the risk
- ▶ Identify IT systems that are unique to a given risk
- ▶ The level of vulnerability of these IT systems (probability of unauthorized access and unavailability of the system)
- ▶ A final risk assessment is provided, and a Heatmap of all current risks and a plan of further actions are drawn up



**Analysis of potential risks in Ukraine**

# MEMBERSHIP IN ASSOCIATIONS AND PARTNERSHIPS

## Membership in Chambers of Commerce and Industry:

- The American Chamber of Commerce in Ukraine
- Norwegian-Ukrainian Chamber of Commerce (NUCC)
- Ukrainian Business Council in Dubai and the Northern Emirates (UBC)
- Canada-Ukraine Chamber of Commerce (CUCC)
- Swedish-Ukrainian Chamber of Commerce in Scandinavia (SUCC)
- Polish-Ukrainian Chamber of Commerce (PUCC)
- Dnipropetrovsk Chamber of Commerce and Industry (DCCI)
- Kyiv Chamber of Commerce and Industry (KCCI)
- British-Ukrainian Chamber of Commerce (BUCC)



## Accreditation in International Educational Programs:

The status of BDO as an approved employer of ACCA in **Trainee Development (Platinum)** confirms the alignment of the company’s training and development system with the best international practices. It also signifies that the company provides maximum support to employees pursuing ACCA professional qualifications. For the experts who have passed all ACCA exams and obtained the ACCA membership, our accreditation as a **Professional Development Employer** is crucial.



Trainee Development - Platinum



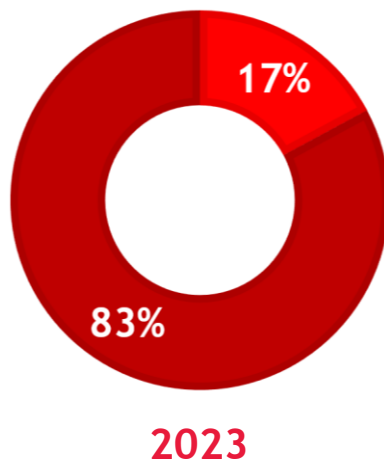
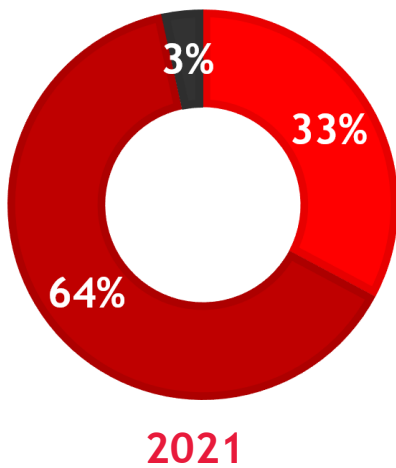
Professional Development

# EMPLOYEE SURVEY: COMPARISON OF 2021 AND 2023

For high-quality strategizing, as well as identifying the needs and goals for the future development of the company, it is necessary to constantly communicate with the company's team. An annual survey can be a tool for identifying the level of interest and involvement in the ESG topic. Below is a comparison of employees' responses before and after the start of the full-scale invasion.

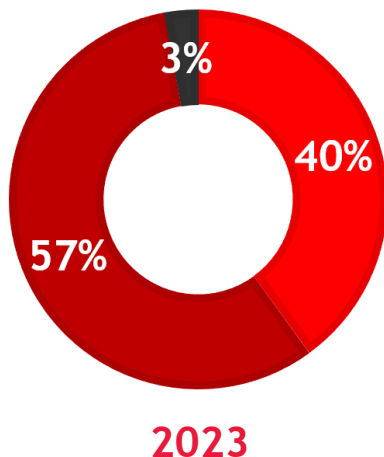
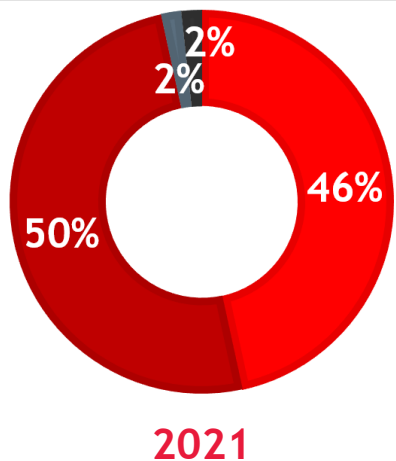
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## 1. Data Privacy & IT Security



After a series of high-profile cyber attacks on government services the concept of "Cybersecurity" is becoming more relevant than ever. For all respondents, the issue is a priority, especially since the company conducts continuous cybersecurity training for the employees.

## 2. Business Ethics & Independence



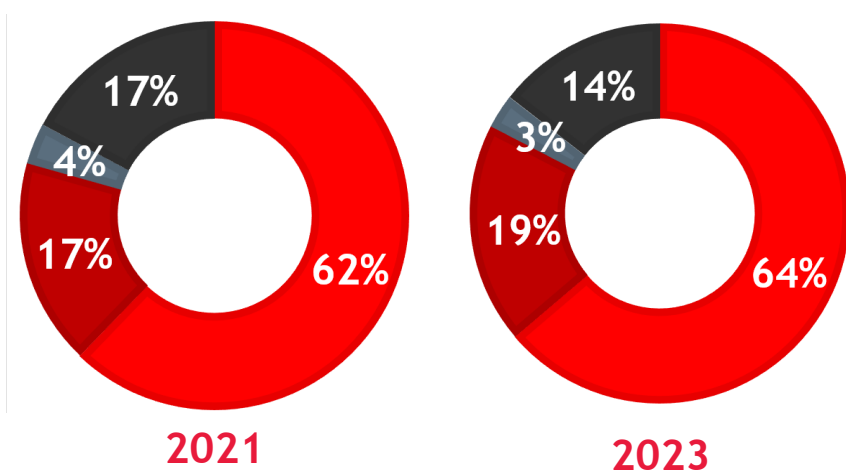
Business ethics and independence are perceived by the team as a basic rule of high-quality and proactive cooperation, so the indicators do not change over the years.



# EMPLOYEE SURVEY: COMPARISON OF 2021 AND 2023

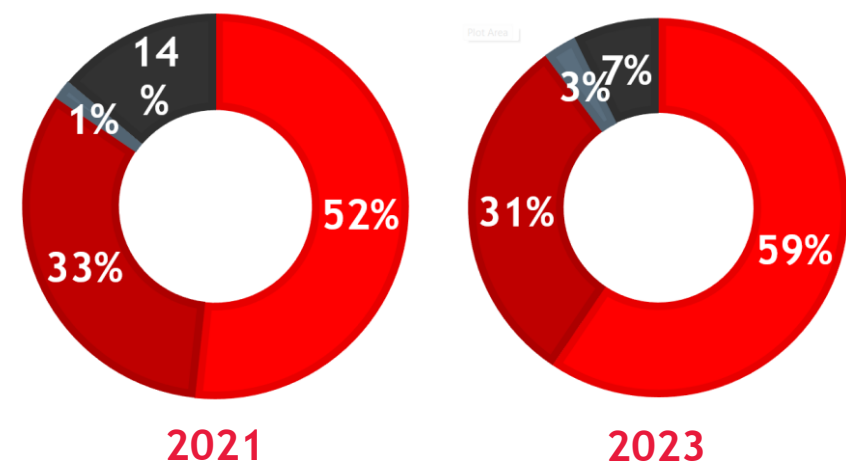
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## 3. Environmental and Social Risk and Problem Management



Risk management has always been a complex topic, so high-quality strategizing and development of a list of such risks requires a significant resource of both top management and the company. Respondents see the importance of this topic, but do not make it a priority.

## 4. Demonstrating public trust, partnership, and transparency



The indicator of neutrality on this issue has almost halved. Public trust, partnerships and transparency remain important issues for the team.

Employee surveys have become a useful tool for the ESG team to assess the prioritization of the core issues the team is working on. The importance of continuing education, continuous development, environmental conservation, and rational use of resources are becoming the most important issues to include in an ESG strategy.

Such a survey will become an annual practice for BDO in Ukraine, as it allows for keeping track of the team's needs and challenges in business processes.

# CONCLUSIONS

## E

The company's activities in the context of ESG reporting are striking in their ambition and achievable goals. The inspired work of BDO in Ukraine in the context of development and implementation of corporate environmental solutions, the transparent greenhouse gas calculation system and various environmental projects testify to the company's strict adherence to its commitment to reducing its carbon footprint and environmental responsibility. Strong expertise in the field of corporate responsibility allows the company to confidently manage its actions and maintain high standards of sustainable development. In general, as a company, we are very pleased to see ourselves as one of the powerful players in Ukraine in implementing the ESG principles and meeting the requirements of a modern approach to corporate responsibility management.

## S

The social component of our work has now become more relevant than ever for the whole team. Creating pro bono projects for the country, participating in its recovery processes and caring for the employees and their mental health testify to the company's deep involvement in solving social problems in the company, society and the country as a whole.

Working with communities for us confirms the importance of creating sustainable and mutually beneficial relationships with the local communities. In general, the company wishes to set an example as an effective combination of economic activity and common goals of sustainable development, which can have a positive impact on the quality of life in Ukraine, possibly even improving it.

## G

The company maintains its high level of professionalism and responsibility in its reporting on corporate process management and customer interaction. Our management system impresses with its quality and efficiency, as well as its compliance with international standards. This demonstrates the seriousness of integrating the principles of sustainable development into its strategy.

Innovative approaches to interaction with customers allow the company not only to meet the needs of the market, but also to be distinguished by high expertise and professionalism. The active implementation of Artificial Intelligence tools not only contributes to the improvement of internal processes, but also increases our competitiveness.

In general, BDO in Ukraine demonstrates a high level of governance, ethics and strategism in the field of corporate responsibility. Our approach integrates innovation and sustainable growth, allowing us to ensure sustainable development and market leadership in the long term.

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Before making any decision or action that may affect your finances or business, you should consult with a qualified professional advisor. Please, contact BDO in Ukraine to get advice.

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BDO is a brand of the BDO network and each BDO member-firm.

BDO is formed with the first letters of the Company Founders' surnames: Binder, Dijkster and Otte.

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