



# BDO in Ukraine Chronicles 2022

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ПОСЛУГИ ГАЛУЗІ У ФОРМУ ПО НАС BDO DIGITAL

Пошук

# INTRODUCTION

17:51 24.10.2022

## INTRODUCTION

It has been repeatedly publicly stated in world politics that Russia's full-scale invasion in Ukraine is a tipping point for the global economy. What is happening in Ukraine proves that the world is fragile and needs unity and partnership to face global challenges and ensure sustainable development goals. The international community is discussing how the war in Ukraine affects ESG transformation progress that has happened in recent years. And what new challenges companies will face soon.

Up until recently, only minimal attention was given to the issue of ESG development in Ukraine. Studies by reputable publications have shown that few business leaders are aware of the goals of sustainable development. And only few understand what it actually means. The opportunity to see the impact of the war from different angles and rethink the ESG values that it has undermined.

However, under the conditions of a large-scale war, significant destruction, huge environmental hazards, lack of logistics chains and the necessary resources, business owners are realizing more and more clearly that ESG is not something that is imposed on them from the outside, but it is their risk management system, their key to sustainability!

In **“Chronicles 2022 of BDO in Ukraine”** we are going to talk about half a year of the war and its impact on our company and on Ukraine as a whole.

**“Chronicles 2022 of BDO in Ukraine”** contains three sections: Environmental, Social and Governance. These key ESG criteria reflect how the company is focused on strategic development during the war. We would like to highlight each area so that readers have the opportunity to see the impact of the war from different angles and rethink the ESG values that it has undermined.



## WORD FROM MANAGEMENT

### **Dear friends, partners and supporters of Ukraine!**

We decided to publish this 6-month mini-report to provide you a snapshot of [BDO in Ukraine's](#) activities, our situation, thinking and future development plans since Russia's illegal invasion of Ukraine on 24<sup>th</sup> February.

Ukraine is not a conducive business environment right now but confidence in future business growth is increasing.

**UKRAINE IS BATTLEFIELD.**

**UKRAINE IS BRAVERY.**

**UKRAINE FIGHTS FOR DEMOCRACY, SELF-DETERMINATION AND A SUSTAINABLE FUTURE.**

Despite the dark clouds Ukraine still has plenty of unique opportunities or rays of blue and yellow sunshine. International solidarity with the Ukrainian struggle is lifting heads and spirits. And Ukraine is home to 40 million+ talents waiting to add value to Ukraine's friends and starting the rebuilding.

From the start of the war, we put all our efforts to ensure the physical safety of our colleagues and their families. As you will read in section ["Social"](#) the sheer scale of logistics challenge, complex coordination of the amazing BDO network support and the many human experience stories from colleagues leaving and staying in Ukraine put a bright spotlight on the social factor or S in ESG. It continues to amaze us just how the companies around the world step up to support Ukrainian citizens and communities providing hope and comfort in times of need.

When we finally reach a certain level of operational stability, we will execute our second priority - moving all our data and systems to a secure cloud location.

We hope to benefit from the experiences made during the Covid pandemic when our use of

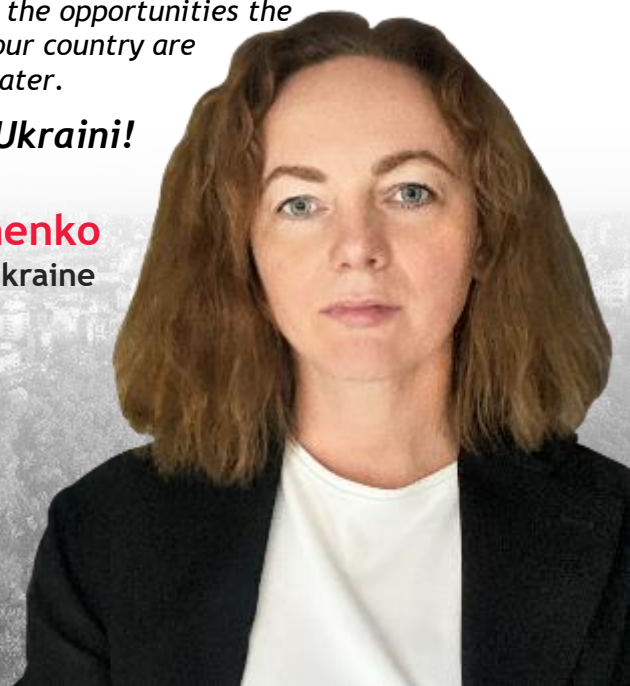
Digital communication, tools and platforms allowed a relatively quick pivot towards "business as usual". In section ["Digitalization experience during the Covid pandemic"](#) we discuss the confluence of digitisation and sustainability considerations in reinventing our business model to remain fully operational and serve the needs of our clients, partners, colleagues and communities now and in the future.

We also have not forgotten our ESG commitments and impacts across our Kyiv and Dnipro offices albeit in a minimalistic format which we are happy to present in section ["Ecological aspect of BDO in Ukraine activities"](#). Being part of an increasingly sustainable network, we are naturally excited about BDO Global's 2050 Net Zero carbon commitment - having been the first BDO firm to report on our scope 1 and 2 GHG emissions in 2014. We look forward to playing our part and in section ["BDO's commitment to NET ZERO emissions by 2050"](#) outline the global commitment. Rounding off our ESG focus in section ["Unsustainability in action – war in Ukraine"](#) is an issue which has received increasing attention lately - the environmental impact of the war and spill over into Ukrainian communities and economy.

Finally, we want to say a heartfelt "Thank you" to the BDO network, colleagues, clients, business partners - for all your efforts, resources, long hours, resilience, patience, active communication and deeply felt care for our firm and our country. Thank you for helping us light a Ukrainian brushfire of hope and solidarity in the minds of people, businesses and governments around the world - peace and a fully free Ukraine will come at a great cost - however the opportunities the rebuild our country are even greater.

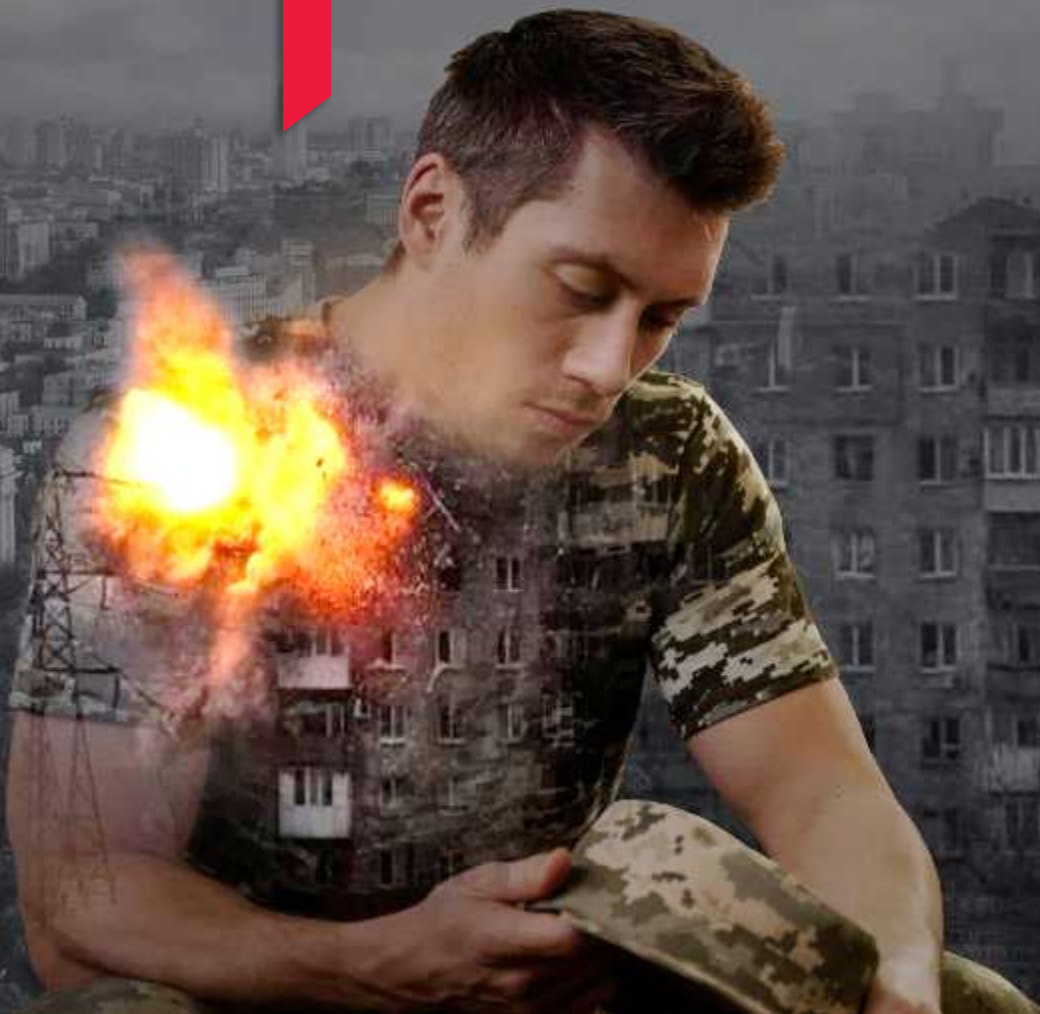
**Slava Ukraini!**

**Vira Savchenko**  
CEO BDO in Ukraine



24 FEBRUARY  
**2022**

**WAR**





## WAR

No one expected what happened in the morning of February 24: the entire Ukraine was trembling from the explosions of Russian missiles targeting critical infrastructure facilities from different directions.

**LATER, EVERY UKRAINIAN IS GOING TO SHARE THAT ON THAT DAY HIS OR HER LIFE WAS DIVIDED INTO BEFORE AND AFTER.**

The possible invasion of Ukraine by Russia was a topic of discussion long before that day, and a lot of people were getting ready for it: emergency suitcases were packed, further action plans were made, who was to do what tasks – assigned. Companies also developed action plans to deal with such a situation. But no matter how much you plan, you cannot be absolutely ready for this, and it is hard to believe that a war can happen in a modern democratic country. And yet the war happened. The first day, when consciousness refuses to accept reality, people were more or less calm. But when the attacks increased in frequency, when civilians were killed, then the real hell

began: to see what was happening around and having no idea what could happen in a moment. When your life and plans collapse, all you have is one goal – to survive. When all you have spent years, building can be destroyed in a moment – then you realise the value of everything you have.

**THE WAR COMPLETELY CHANGED EVERYTHING.**

The Chronicles of BDO in Ukraine 2022 is about the impact of the war on our company and Ukraine as a whole, since we are now going the same way as never before.

The Chronicles contains three sections:

- ▶ Environment
- ▶ Social Responsibility
- ▶ Management

We are going to focus on each area so that our readers have the opportunity to see the impact of the war from different angles and rethink the ESG values that it disrupted.

And then we will take a look at half a year of the war – **182 days AFTER** Ukraine trembled from the explosions of Russian missiles on the morning of February 24.





# ENVIRONMENTAL



# 2050 BDO NET ZERO COMMITMENT

As a member of the Net Zero Financial Service Providers Alliance (NZFSPA), BDO has made the [following commitment](#):

Based on the best available science, including the findings of the IPCC, on the drivers and impacts of climate change, we believe there is an urgent need to accelerate the transition towards global net zero greenhouse gas (GHG) emissions and for service providers to play our part to help deliver the goals of the Paris Agreement and ensure a just transition to a low carbon economy.

**BDO COMMITS TO SUPPORT THE GOAL OF NET ZERO GREENHOUSE GAS EMISSIONS BY 2050 OR SOONER, CONSISTENT WITH A MAXIMUM AVERAGE GLOBAL TEMPERATURE RISE OF 1.5°C ABOVE PRE-INDUSTRIAL LEVELS.**

CO<sub>2</sub>

BDO is subject to any legal, regulatory, professional standards and professional or ethical obligations that applies.

**The overall commitment is made up of these 8 detailed actions. In order to fulfil this Commitment, the BDO network will:**

1. Align all relevant services and products to achieve net zero greenhouse gas emissions by 2050 or sooner, scaling and mainstreaming Paris Agreement-alignment into the core of our business.
2. Build internal capability to understand the risks and opportunities of the net zero transition using best-practice net zero methodologies where they exist and, where methodologies or data are missing, proactively and collaboratively work to address those gaps.
3. Set an interim target for relevant services and products offered to be aligned to the net zero transition which is consistent with a fair share of the 50% global reduction in carbon emissions needed by 2030. Review and update such targets at least every five years with a view to increasing the proportion of services and products to achieve full alignment.

4. Address our own operational impacts by setting science-based emissions reduction targets across all operational emissions (Scopes 1 and 2 and, where material, 3) in line with 1.5°C emissions pathways. Set interim science-based reduction targets within 12 months of joining for no later than 2030 across all operational emissions.
5. Consistently raise with our key stakeholders the importance and implications of setting net zero targets and strategies across Scopes 1, 2 and 3 emissions and understanding the impact businesses can have to help reduce GHG emissions.
6. Work to ensure our relevant services and products take into account the best available climate science, including credible emissions reduction pathways to net zero. Support innovation and prioritise our efforts where we have, or can have, the most significant impact. Support the development of products and services supporting the net zero transition.
7. Advance our efforts by proactively engaging with stakeholders and policy-makers on corporate and industry action, as well as public policies, that support a net zero transition of economic sectors in line with science and with regard to social impacts. Contribute to Glasgow Financial Alliance for Net Zero (GFANZ) efforts within the financial services provider alliance, which will aim to bring together existing tools and alliances.
8. Report progress, individually as firms signing this Commitment, at least annually, including publishing disclosures aligned with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and climate action plans

**BDO Ukraine looks forward to lending its long-established expertise in carbon measurement and reporting to global efforts. We will fully reflect any [global reporting methodology and approaches to emissions management in our own annual ESG reporting.](#)**



# UNSUSTAINABLE DEVELOPMENT IN FOCUS - WAR IN UKRAINE

On 24th February this year Russia launched an unprovoked, illegal **WAR** of aggression against Ukraine. Seven months on we still witness a steady stream of global reports, pictures, articles, tweets and videos documenting Russian crimes, wilful destruction of human livelihoods and brutal occupation of Ukrainian territories. **MARIUPOL, BUCHA, IRPIN** and **KHARKIV** are just some of the cities experiencing the force of Russian advances leaving behind bloody boot prints and tank tracks of death and misery.

While saving lives and ensuring community safety becomes **paramount** for the Ukrainian government and armed forces - and rightfully so - this war also continues to have a devastating impact on many precious environmental ecosystems. These environmental impacts directly affect human and community wellbeing which warrants closer examination. Think about the movement of heavy tanks across Ukrainian lands, the use of thousands of artillery shells every day, unchecked discharge of chemicals, gas, oil and mountains of left behind ammunition waste and disbanded vehicles. Forests, wetlands, steppes, meadows, lakes, fields, parks, seas, drinking water wells and their diverse fauna are either destroyed or polluted often to an extent that they can no longer be restored. Impacts are also not limited to war-torn areas considering the greenhouse gas emissions escaping from thousands of military and supply chain vehicles; air pollution from burning industrial plants, ammunition dumps, oil and gas storage facilities and the potential threat of unleashing nuclear radiation

**ALL WARS CAUSE DIRECT DAMAGE TO OUR ENVIRONMENT AND VITAL ECOSYSTEMS.**

The OECD has mapped some of the environmental and human health [impacts](#) in Ukraine directly linked to the war:

- ▶ With a steady barrage of strikes on refineries, chemical plants, energy facilities, industrial depots or pipelines, the country's air, water and soil have been polluted by toxic substances, fires and building collapses, which can cause longer-term health threats like the risk of cancer and respiratory ailments.
- ▶ As a result of damage to water supply infrastructure, an estimated 1.4 million people in Ukraine currently have no access to safe water, and a further 4.6 million people have only limited access.
- ▶ Military operations have also resulted in dramatically increased amount of waste. This includes the damaged or abandoned military vehicles and equipment, shell fragments, civilian vehicles, building debris or uncollected household or medical waste. Some of this waste is toxic, including shell fragments, medical waste, or building debris containing asbestos, PCB and heavy metals, and will require special handling, transport and disposal.
- ▶ The Ukraine authorities estimate that due to Russia's military activities, 1250 protected natural areas of Ukraine have been affected and an estimated 2.2 million hectares, or about 43% of all protected areas of Ukraine, suffer from the effects of war.
- ▶ Direct public health risks are caused by exposure to hazardous substances contained in the ammunition remains which leak toxic substances into the soil and affect surface and groundwater quality. Risks come from munitions-linked heavy metals, energetic compounds, such as trinitrotoluene (TNT), hexogen (RDX), and propellants from missiles and rockets.
- ▶ When the Russian military entered the Chernobyl nuclear powerplant zone and, their heavy vehicles raised the level of radioactive dust for weeks with subsequent danger to surrounding communities as far as Kyiv 150 km south. Furthermore, existing fighting around Europe's biggest nuclear power station in Zaporizhia continues to raise fears around nuclear contamination of nature and communities.



Most pollution caused by military activities goes unreported, as monitoring systems have been disrupted or destroyed, and such damages continue to accumulate. The Ukrainian government launched several tools to document the environmental damage including a dashboard with data on the impact of the war on the environment, “EcoZagroza”, and the work of the State Environmental Inspection, which recorded over 450 cases of crimes against the environment and over 1650 cases of damage to the environment from the aggression. Special units have been collecting evidence, including video and satellite images and, where possible, air and soil samples for laboratory tests. Work has also begun to develop methodologies for calculating the monetary values of the damage to the environment.

In the age of Net Zero carbon strategies, ever progressive greenhouse gas emission targets and global campaigns for climate action coming from the business community, public sector, and civil society organisations - one cannot avoid the irony that the ongoing war is emitting additional millions of unwanted GHG emissions mainly through the military use of oil and gas.

Consider a single medium tank consuming about 500 litres of fuel per 100 kilometres emitting more than 1100 kilograms of CO<sub>2</sub>. **A typical Russian jet consumes more than 700 litres of fuel for every 100 miles and emits about 42,000 kilograms of CO<sub>2</sub>.** In comparison an average new car emits between 16 kilograms of CO<sub>2</sub> per 100 miles. 36 recorded [russian attacks](#) on Ukrainian fossil fuel infrastructure were [recorded](#) in the first five weeks alone, leading to prolonged fires that released soot particulates, methane and CO<sub>2</sub> into the atmosphere, while oil infrastructure has been ablaze on the russian side too.

Finally, the war has emissions implications beyond Ukraine with [U.N. Secretary-General Antonio Guterres](#) stating that it will likely have major implications for global climate change targets, particularly as many countries [turn to coal](#) or [imports of liquefied natural gas](#) as alternative sources to Russian energy.



## Destruction of Ukrainian natural capital impacts many communities and the economy

The war has led to a **29%** devaluation of the Ukrainian Hryvnia combined with rising inflation, food and energy prices is affecting the economic well-being of Ukrainians with an estimated **reduction of almost 45%** in purchasing power of an average consumer in Ukraine. A key sector supporting economic health is agriculture providing 15 million Ukrainians with jobs and livelihoods (25 percent of the workforce) contributing **14%** to national GDP.

Ukraine's agricultural output means it is the world's fifth-largest exporter of wheat, fourth-largest exporter of corn, and third-largest exporter of rapeseed. A strong and stable agriculture sector in Ukraine is thus critical for global food security.

The war is impacting both domestic supply of food and the ability for Ukraine to export its vital cereal harvest to the most food dependent areas. The food security of **more than 60 countries** in North Africa, the Middle East and Asia is under threat. For example, Eritrea's wheat imports are **50%** dependent on Ukrainian exports. Somalia and the Seychelles even imports 100% of their essential grains from Ukraine.

Over the past 5 years wheat has been Egypt's essential staple, accounting for between **35%** and **39%** of the per-person daily energy intake. Wheat imports are around **62%** and come from Ukraine and Russia. This means that the military actions in Ukraine directly impact the food security of countries with low living standards, where wheat products form a large part of the daily diet. Examples of destructive actions include deforestation, burning crops, poisoning wells for irrigation and mining agricultural fields.

With some **14 percent** of Ukrainian grain storage destroyed, many fields, roads and rail lines and ports mined or captured by Russian forces, the UN Food and Agriculture Organisation (UN FAO) estimates a drop of **60%** of harvest available for export.

UN FAO also indicates the preliminary damage to the agriculture sector is **between USD 4.3 billion and USD 6.4 billion** due to the conflict, including damage to infrastructure such as irrigation, storage, machinery and equipment, shipping infrastructure, greenhouses, field crops, livestock, and processing units.

In addition to food and employment Ukrainian nature provides the opportunity to reduce stress, anxiety, and depression. Breathing in fresh air, walking in city parks and alongside rivers has a scientifically recognised calming effect resulting in lower blood pressure and increased mental focus. This opportunity is no longer available to many Ukrainians thanks to unsafe outdoor conditions and/or the destruction of any local natural havens.

War is the most environmentally, socially, and economically destructive form of human activity. Considering we have 7 years to meet the 17 UN Sustainable Development Goals (SDGs) including more peace, greater environmental protection and accelerating the number of prosperous communities - **this war needs to stop with Ukrainian borders fully restored to pre 2014 status** followed by a massive rebuilding and restoration program to appreciate impacted environmental capital and enable communities to create safe homes and livelihoods.



# THE ENVIRONMENTAL ASPECT OF BDO IN UKRAINE

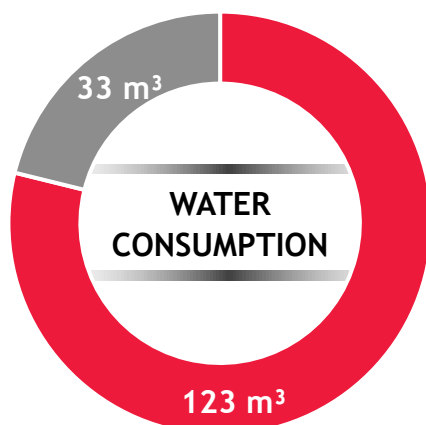
At BDO in Ukraine we are committed to caring for our planet, and therefore we have decided to follow such key ESG goals as: **reduction of electricity consumption, reduction of paperwork and reduction of water consumption in our offices.** We believe each of us is responsible to help protect, preserve and renew the resources of our planet, so that the way we live today does not have a negative impact on future generations. And although, despite the hostilities in Ukraine our plans have had to be changed a lot, we still try to implement and do what we can today.

## 2022 Environmental footprint

### ENERGY CONSUMPTION

City	Energy consumption Jan-Aug (kW/hour)	tCO <sub>2</sub> equivalent *
Dnipro	31 070	19,98
Kyiv	20 620	13,26
Total	51 690	33,24

**38%**  
Electricity consumption in offices decreased compared to the corresponding period in 2021



- Dnipro
- Kyiv

**55%**  
Water consumption in offices decreased compared to the corresponding period in 2021

[SOURCE>>](#)

### PAPER CONSUMPTION

Paper purchase 395 reams of environmentally certified printing  
**924,3 Kg**

The purchase of paper in Jan-Sept decreased by  
**61%**

# SOCIAL



## LIFE DURING THE WAR

The war has touched everyone. We changed, reconsidered values, learned to set priorities, thought about things that did not make sense before. Everything changed in a flash. Everyone was at the crossroads!

**When the Ukrainian society survived the first shock due to the Russian invasion, it experienced a new economic reality:**

1. About **20%** of the country's territory is occupied (including Crimea and part of Donbas, seized in 2014-2015).
2. More than **1 million** people with weapons in hands defend Ukraine's right to life (in total for all law enforcement agencies together with territorial defense).
3. Since the beginning of the invasion (as of August), there were about **4000** missile strikes in the country and several hundred more since then, as well as regular attacks by drones, where the bulk of such attacks hit civilian objects since September.
4. Since the beginning of the full-scale war, **11.1 million** of people fled Ukraine, which is slightly less than a quarter of the population of Ukraine. **4.7 million** refugees have already returned home, but a significant part is still waiting for the end of hostilities. According to the International Organization for Migration, as of July, more than **6.6 million** people in Ukraine are considered internally displaced persons (IDPs), which is about **15%** of the total population of Ukraine.
5. The main international creditors of Ukraine, – the IMF and the World Bank, – forecast that in 2022, the Ukrainian economy will shrink by **45%**. The forecasts of the Ukrainian government and the NBU are slightly “better” – they expect that this year Ukraine's GDP will fall by about a third.
6. The Ukrainian national currency is gradually devaluing: since the beginning of the war, the official rate was fixed at **29.25 UAH** per 1 USD, but on July 21, the NBU decided to adjust it to **36.6 UAH** per 1 USD, adjusting it to the market rate. After half a year of the war, the market rate is 40 UAH and some kopecks for 1 USD (since the beginning of the war, the hryvnia has devalued by **25-30%**).
7. According to the forecasts of the National Bank of Ukraine, inflation in Ukraine will exceed **30%** by the end of 2022. Ukrainians are experiencing a significant rise in prices for goods and services every day. For example, the fastest price growth is observed for transport services (**36.5%**) and food (**24.1%**), which resulted from a significant increase in fuel prices since the beginning of the war, due to both devaluation and the need to import all petroleum products from the EU by road and rail (own oil refining was destroyed).



Building in Kyiv  
after attack

8. According to the data of **Kyiv School of Economics (KSE)**, that together with the government, is calculating losses Ukraine incurs due to the russian aggression, the amount of direct **documented infrastructure damage** as of August 22, 2022, is **UAH 113.5 billion**. The total amount of losses confirmed by the World Bank is over **USD 300 billion**.
9. During the war, almost **22 million** tons of grain were detained in Ukraine due to russia's blockade of Ukrainian ports in the Black Sea. Due to the large volumes of harvest, it is impossible to export grain and other crops only by road and rail, as these means can provide no more than a third of the required capacity. Fortunately, in July, with the mediation of the UN, an agreement was reached to temporarily unblock exports from the three Ukrainian ports, as the supply issues created a real risk of famine in some African countries.
10. As a result of damaged water infrastructure, estimated **1.4 million** people in Ukraine **have no access** to clean water, and **4.6 million** have only **limited access**.
11. As a result of numerous missile attacks by the russian troops on power facilities during the war, almost **1.5 million** consumers are left **without electricity supply**. Power engineers make every effort to ensure that all subscribers have access to electricity as soon as possible.
12. Due to russia's military aggression, according to the Ukrainian authorities, **1250 protected areas of Ukraine**, which is approximately 2.2 million hectares (approximately **43%** of all protected areas of Ukraine), suffer from the implications of the war.
13. As a result of constant strikes on oil refineries, chemical plants, power facilities, industrial warehouses or pipelines, **the country's air, water and soil have been contaminated by toxic substances**, fires and building collapses, which may cause long-term threats to the environment and human life. In addition, there is a real danger of radioactive contamination due to the constant shelling by the russian troops of Europe's largest nuclear power plant in Zaporizhzhia, which is in the occupied city of Enerhodar.



Odesa Sea Port



Activities of small and medium-sized businesses that keep running in Ukraine in such new conditions, required at least personal courage, and at most – the use of all skills “to the full capacity”, for the sake of preserving the business and the country.

For example, only one Lviv region welcomed 193 enterprises moved from the territories under the hostilities to save their businesses, of which 115 have already resumed their activities.

In the face of danger, the cooperation of the state (local authorities) and private businesses was effective: businesses volunteered to provide transport and premises, as well as resources and financing, and helped citizens.

**THIS IS HOW EXAMPLES OF COOPERATION FOR A COMMON GOAL, FOR THE SAKE OF OUR VICTORY ARE BUILT. THIS IS HOW A NEW UKRAINE IS BORN.**

Everyone has contributed to the “new military economy”, from logistics giants like Nova Poshta to ordinary entrepreneurs and citizens, as a large number of even small donations by Ukrainian volunteers have bought access to a satellite that now provides the military with valuable intelligence information.

Many entrepreneurs began to realize the scale of the problems and their long-term nature; the next step was accepting of the present, followed by the readiness to act, as there is no opportunity to wait for better times, and the economic front is no less priority than the military one. Today any business in Ukraine faces two main tasks: **survival and development.**

**WE FOCUS ON THE PRESENT TO SURVIVE AND WITHSTAND, SO THAT AT THE RIGHT TIME WE HAVE A RESOURCE FOR A BREAKTHROUGH, AND AFTER THE WAR – OPPORTUNITIES FOR RAPID RECOVERY AND MODERNIZATION.**

**The following are the changes of our company’s activities:**

- ▶ some employees moved to different cities of Ukraine, some went to different countries of the world; the offices were forced to switch to a limited mode of operation, and therefore the work has largely moved online. We are used to the remote mode, so today almost all employees are fully engaged in the working process;
- ▶ russia is trying to destroy us not only with tanks and missiles, but also by attacking in cyberspace. From the first days of the war, we have been doing everything necessary to protect our information and the information of our customers from cyber attacks; all data has been transferred to a reliable Microsoft cloud storage, and all company resources are protected by powerful cyber security tools. Furthermore, all employees have secure access to all necessary programs;
- ▶ the company is currently undergoing a significant transformation. We are reviewing the portfolio of services to focus on those that can be provided by our professionals in the current conditions. For half a year of the war we launched 4 new services;
- ▶ during the war, another company called BDO BUSINESS SERVICE SHARING HUB LLC has been developed 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 Business Service Sharing Hub LLC;**
- ▶ we are also reviewing the business model of BDO in Ukraine and actively discussing possible developments in Ukraine and the corresponding scenarios in which we will work further. It is already clear that the new strategy will provide for even closer cooperation with other BDO network companies around the world, as well as the adaptation of services to work not only in the domestic market (which remains risky in terms of stability of revenues), but also abroad in partnership with global colleagues.



## The way we live now

Nowadays, the life of Ukrainians is under constant threat of rocket attacks. We hide in bomb shelters and basements during air raids. Many **PEOPLE** continue to go to work despite the danger, because **plants and factories must work** to provide Ukrainians with everything they need for life.

**FARMERS** risk their lives every day, but keep working in the fields, which may still be mined or under enemy fire in the frontline and even liberated territories.

Great respect is to **UKRAINIAN MEDICS**, who often must work in shelters, under the sound of explosions and at the front, saving the lives of Ukrainians and our soldiers.

The **STATE EMERGENCY SERVICE** is working uninterruptedly, saving lives every day, clearing out the rubble of destroyed buildings and structures.

**POWER ENGINEERS** are doing their best to restore the destruction after the missile strikes on the power infrastructure of Ukraine; **we are preparing for the most difficult winter** since the Second World War, because we know that the enemy will not stop and will try to cause maximum damage. But Ukrainians, as never before, are ready for difficulties and patiently prepare for everything that may await us in the near future, because the darkest night is always before the dawn, and we can even imagine this dawn.

**AND THE HEROES OF TODAY ARE THE WARRIORS, WHO DEFEND THE INDEPENDENCE OF UKRAINE EVERY DAY, CONQUER EVERY METER OF UKRAINIAN LAND AND DO NOT ALLOW THE ENEMY TO MOVE INLAND.**

Unfortunately, the tragedy has touched almost every Ukrainian family: tens of thousands of families are separated, thousands of people are missing, thousands of children are orphaned, tens of thousands of Ukrainians were killed or wounded, and it is almost impossible to count how many people lost their homes. This is the price for independence, which Ukraine gained more than 30 years ago, but is forced to pay now with its blood, because the inflamed consciousness of its neighbors is not able to perceive Ukraine as an independent and equal partner, but only as a vassal, which is being forcefully dragged into the camp of imaginary western enemies.

At first it was very difficult. Only questions came up all the time **“What for? Why us? What will happen next?”**, with no answers... However, Ukrainians become more united, even out of the tragedy, because once again we were able to prove that **together we are strong!**

Everyday life begins not with a cup of coffee, but with gratitude for waking up in an intact house... with the morning roll call with relatives, checking whether everything is okay with them... with reading the morning news to be aware of important happenings... **However, we do not lose hope and thirst for the victory; we are always accompanied with a sense of humor and no occupier can take it away from us!**



## PEOPLE OF UKRAINE – BDO STORIES

This part of our report focuses on people. To people of BDO in Ukraine as they are the greatest value for our company. To people that have chosen to share a part of their lives. But unfortunately, this period is definitely one of the saddest for each Ukrainian.

**“ON FEBRUARY 24, 2022, OUR LIVES CHANGED COMPLETELY AND FOREVER”**

With these words almost every Ukrainian citizen's story begins here. And this statement should not be considered as an exaggeration. It is hard to realise, but the term “before the war” seems to each of us as usual, as if everything was just the way it was. **There is life BEFORE, there are our frustrating realities and there is what awaits us ahead.** It is something really nice and amazing that will be after, after our glorious victory.

Each of the stories is full of sadness, despair, disbelief, but finally, each of them always brings **hope and faith in a better and more promising future** for us and our Ukraine. This belief is possible only due to the

tremendous support of the whole world, including the friendly and united BDO family.

We know how important it is to share the stories about this terrible war and participate in recording russia's crimes against Ukraine. For this reason, together with BDO Global, we created the project **“People of Ukraine – BDO stories”**, aimed at sharing the stories of our colleagues that experienced the horrors of the war with all BDO network. The support of the management of BDO in Ukraine, BDO Global and all the community helped everyone who needed help. And those extra efforts they have made to ensure that our people and their families be safe and provided with all they need for life and work, show that BDO's slogan People helping people achieve their dreams is not just about dreams, but about “human” attitude and support in general. We know that in our company people help people not with words, but with real actions.

A collection of **25 stories** of people, whose life has been changed by the war. To read the stories in full, please follow the link.

[MORE >>](#)



**Kateryna Kopil**, an employee of the outsourcing division of BDO in Ukraine, at a rally in Warsaw.

## People of Ukraine – BDO stories

“On February 24, 2022, I was accompanying my father to doctor’s appointment in Cologne, Germany. That day I read the news, I spoke with relatives, but it took me weeks to understand and realise what really happened that day. It was my first shock... During the first days after the war was declared, **BDO Global Office** established Response Team. The team consisted of 40+ BDO volunteers online at the same time during intense moments... Few months later I was asked whether BDO in Ukraine could have survived without help from BDO Global family. The answer was NO. No, our company, our business as it was, I am personally, couldn’t survive during past 6 months. Thank you, BDO!”

**VIRA SAVCHENKO,**  
CEO, BDO in Ukraine

“Unfortunately, my family was one of those, who did not believe in the onset of a full-scale Russian invasion just for its absurdity. When I woke up from the first explosions at Boryspil direction at about 4:15 a.m. and surfed the net for the news – everything became clear, and, fortunately, there was a plan for what to do next. It took no more than 15 minutes to pack up, and we were out of Kyiv before five o’clock... Only now I understand that planning ahead of time helped us to avoid further problems, and we took almost empty highway... In general, **our company BDO assisted everyone in need:** with evacuation issues as well as with financial assistance to employees and their families. BDO even used the private company services that arranged safe routes using intelligence agencies’ data. I am sure that many employees will remember this and be thankful for the timely and great support!”

**ANDRII BORENKOV,**  
Head of Advisory (Kyiv)

“Amid everything going on, one pastime has emerged that’s brought my family a sense of catharsis: singing the Ukrainian national anthem together. When the uncertainties of our reality start to feel too great, we sing the anthem’s single verse. It celebrates patriotism and seems particularly well suited for this moment. «The glory and freedom of Ukraine has not yet perished. We, too, brothers and sisters, we’ll live happily in our land.»”

**HENNING DRÄGER,**  
Global Sustainability Director  
Sustainability Partner, BDO in Ukraine

“We were not ready for war – we didn’t have a plan of action – we didn’t have financial savings! I would not have decided to evacuate without the assistance of Vira Mykolaivna Savchenko. I was the only one with a job in my family after the outbreak of the war. **I would be forever grateful to the leadership of BDO in Ukraine.** To the management and colleagues from all the other BDO offices that helped and still helping, mostly without even knowing us personally. I find it difficult even to call our team the BDO team now, as it is a real BDO FAMILY!”

**IRYNA DEMYANCHUK,**  
Head of Sales Department (Kyiv)

“In times of despair, it is important to know that there is someone you can write to and ask for help or advice. **BDO stepped in to help during these rough days.** I am really grateful for the moral and financial support!”

**RUSALINA DOBROVAN,**  
Specialist – Quality & Risk Management,  
ESG Manager (Kyiv)

“Like everyone else in Ukraine, I woke up from explosions at five o’clock in the morning and the word “War” was formed in my mind in a moment. Can’t say that it was unexpected, but there was no understanding that it could happen right away tomorrow... I wrote / called to all my family members and friends, calmed down them as I could and tried to calm down myself. I contacted my colleagues and asked them to get involved into working process that followed by several days of work without a break. We all understood that about 1000 employees of clients and their families depend on the speed of our work. **Everyone worked at the limit of possibilities, from basements, hallways and bomb shelters, in between air raid sirens, non-stop...** something was paid, accrued, arranged waiting list of customers for making payments, covering each other...”

**VALERIYA LYNEVICH,**  
Head of Payroll Sector (Kyiv)

“In one day, our usual life, bustling with daily chores and plans for the future, was instantly transformed into a total hell. **In three days, Bucha was completely occupied by russian troops,** and we were forced to hide in a cold basement. For 14 days we heard that something was flying, shooting and booming above us with such force that the basement walls were shaking, and we were sitting huddled together like frightened little mice. We kept getting the strange feeling that we were in some parallel reality, that all this was not happening to us and was about to be over and the previous quiet life would be back. **The first people I called, when I cried out, were the closest people: my son and CEO of BDO in Ukraine, Vira Savchenko,** who supported me all this terrible time and did everything possible and impossible to get us out of that hell! War taught me the most important thing – to appreciate humanity and to be grateful for being alive!”

**TATIANA VERBA,**  
Marketing Manager (Kyiv)



## People of Ukraine – BDO stories

“What is fear? It is a concept that is relative – on February 23 I was afraid of a mosquito bite, and on February 24, 2022, hearing the roar of Russian shells, I experienced fear for the lives of people close and dear to me... After a week of sleepless nights in the basement, hearing endless gunfire and the rapid approach of the line of defense, we decided to evacuate some families with children. When they were about to leave, Irpin was already in the blockade, bridges were destroyed, checkpoints, through which it was still possible to evacuate, did not let a “green corridor” as it was dangerous... I am currently working remotely with administrative issues in the Kyiv office, and I am developing long-term plans for demand increase for occupational health and safety advisory services. After my experience in Ukraine, being safe in Austria, I understand that such horror should not happen again! I believe that Ukraine will soon rise from the ashes as a Phoenix and become a symbol of freedom and independence, the victory of Good over Evil! Glory to Ukraine!”

**VIKTORIA SUKHANENKO,**

Head of Advisory on Occupational Health and Safety (Kyiv)

“BDO is a large and friendly family, which challenges only make more resilient and even stronger! My family is safe, thanks to everyone, who helped us. We are deeply grateful for the moral and financial assistance from Vira Savchenko. To all colleagues from BDO, who were constantly interested in and supported us.”

**NATALIA RASPOPOVA,**

Assistant Auditor (Dnipro)

“I have faith that the war will be over soon, and we will be able to start rebuilding our Ukraine with new energy, providing quality and timely audit services.”

**HALYNA ROMANENKO,**

Senior Auditor (Dnipro)

“Thanks to caring for each other, we continued to live, work almost as before, challenge ourselves with new tasks and roles. And, even if our working online meetings are under the sound of air raid sirens, but I am deeply grateful for what I have, and it is much more than the rest of Ukrainians have today.”

**VICTORIYA SILCHENKO,**

Business Development Senior Manager (Dnipro)

“Here we have our ordinary life: work, training, plans... and suddenly all our plans collapse in a moment. We woke up from the explosions and the world stopped. My child screamed: “Mum, it was the war! Really!”. And we felt the horror that it was true and we didn't know what to do... Our family stayed in Kyiv. My eldest child and I went to the TDF and we were involved in important social processes – we were building checkpoints. Every day, from morning to evening, we protected our city... From the first days of the war, BDO Academy tried to support its customers as much as possible. We appealed to everyone with words of support, helped in relocation to Western Ukraine, delivered medicines. We all helped each other. People, you are incredible! You're doing great things! And, of course, the BDO family helps with these projects. Thank you all right up to the sky! Glory to Ukraine!”

**IRYNA KNYZHNIKOVA,**

Head of BDO Academy (Kyiv)

“Job motivates to keep going. A person cannot be without work. Good relations with colleagues played a great deal at this time. You can listen in silence, answer questions. But even so, you feel a change. You hear that you are not alone with such thoughts. You hear that it's okay to feel things like that now. You hear that they are there now, and therefore it is normal. I am thankful to them for that.”

**ALONA TONKYKH,**

Graphic Designer (Kyiv)

“In those terrible days, the most frequent expression was: “Hello! Are you okay?” And I realised, I really got how much I cared about people around me and how much I valued each and every one of them! I didn't get the meaning of the phrase “work was a second family” and was quite skeptical about it. Until I saw the empathy in everyone's eyes. Until I really realised that I cared! When I realised that I wanted to know if everything was okay and how I could personally help others. When in times of need, forgetting about themselves, forgetting about sleep and rest, colleagues helped others, and me in particular. I will always remember that, and I will always be grateful. And I can say for sure that BDO is one big, family of friends!”

**OLEKSANDR KHIMICHENKO,**

System Administrator (Kyiv)

“We will never forget these five days in the basement! The whistle of rockets, the rumble of fighter planes, explosions, artillery volleys that seemed to be really close, a rocket debris that hit a house nearby. But this was only a small part of what hundreds of thousands of Ukrainians had to experience... It's a pity, but our large BDO family in Ukraine had to travel all over Ukraine and Europe. But now, more than ever before, we are united, friendly, souls and hearts are TOGETHER! We can't stop thank our defenders every day for a quiet sleep, and we also remember that this is a war of the entire Ukrainian people! So, we continue to fight from back lines: in the ranks of the IT army, by volunteering (before that I did not know that I could sew), helping those in need and providing moral and financial support to our army. Everything will be Ukraine!”

**ANNA SHCHERBAKOVA,**

Marketing Manager (Kyiv)



## People of Ukraine – BDO stories

“On February 23, my audit team passed quality control on the first of the audit projects for 2021, the issue of which was scheduled for February 25. We planned to work through all the comments of the quality control department on February 24, but in the morning, due to the terrible news, all plans have changed completely... All this difficult time and to this day, **we are supported and helped by BDO family**, this support is extremely important and precious, I am grateful to the management of the company and all my colleagues, who have become close people for me over the years. **The audit project**, which was supposed to end on February 25, **has now been successfully completed**, the Client's management is satisfied, so we keep running the next projects! Ukraine First!”

**VERONIKA ORZHEKHOVSKA,**  
Senior Auditor (Kyiv)

“I will never forget the morning of February 24. The rocket, flying over my house, woke me up around five o'clock in the morning... In one moment, Kyiv turned into a fortress with wires, sandbags, anti-tank hedgehogs and gabions... Now it feels like the first week has been kind of a blur. Life was inseparable from phone. Painful questions «what to do?», «how should we act?» **Many thanks to BDO for the full support.** The prompt work of the company's management was very noticeable. In particular, the enormous contribution of Vira Savchenko – CEO of BDO in Ukraine, who with her titanic comprehensive work was able to give faith in the future to the employees of our company.”

**RUSLAN ALIYEV,**  
Valuation Manager (Kyiv)

“February 24 – my birthday day – “the happiest” day of my life began with the phrase: “Wake up, we have a declared war!”. These terrible and unexpected words divided life into “before” and “after”. Am I afraid? **Of course, like everyone else, I'm afraid!** I try to work to have no time for fear. I try to control my life and get it back to normal at least a little... The only thing that does not change is dear BDO. **I just want to thank for everything that our company has done for me personally and for each employee!**”

**EVGENIA GOLUB,**  
HR Manager (Kyiv)

“The news that the war had been declared, reached my family in Dnipro. And on March 5, 2022, at a family discussion, it was decided that **I would go to my youngest daughter in Australia.** Having informed the management, I moved from Dnipro with my friends to Lviv... My daughter and I are **very grateful to Savchenko Vira Mykolaivna, the BDO Global Office and personally to Ruzika Verryn for moral (connection via ats was working all the time) and financial assistance.**”

**LIUBOV RONDOVA,**  
CRM Data Manager (Dnipro)

“The terrible word «war» became part of our life unexpectedly and changed our lives in one moment! We became volunteers, having started to support where we could and how we could. No one considered this to be a special heroic act, as every Ukrainian would do so in difficult times for their country.”

**HERMAN SKORYK,**  
System Administrator (Dnipro)

“Back to February 16, I was telling everyone in jest that there would be no war, that there were other means of dispute settlement in the XXI century, and even on February 24, when I woke up from the explosions, I was still sure that this could not be! When the first real air raid sirens sounded, I, as if I was sleeping, was running with my family to bomb shelter... **I am thankful to Vira Savchenko and the entire BDO team for being united, for financial and moral assistance, for that “straw” that was literally in the right place at the right time!** We will come back home for sure, to an independent native Ukraine, and nothing can be better than it!”

**NATALIA GARBUZ,**  
Head of Data Processing Department (Dnipro)

“Most of the people we knew, went abroad and to the west of Ukraine. Every day we got e-mail notifications from Vira Savchenko with words of support and instructions on what to do in different situations. We are grateful to BDO, which has supported us financially, morally and comforted all this time.”

**TATYANA ZGONIK,**  
Senior Auditor (Dnipro)

“We even gradually began to get used to everything, but when the situation became too dangerous, when shells were close in the sky, when gunfire were already heard really close to us in the forest, when the sky was black and there were pillars of smoke from explosions and fires, we decided to run away again. Recently, we have been informed that our house was seriously damaged by shelling, windows were broken, doors, walls and a fence were damaged. That is the “Russian peace” that came to us.”

**NATALIA SLIPCHENKO,**  
Senior HR Administration Specialist  
of Payroll Division (Kyiv)

“War forced all of us to live here and now, and not to make long-term plans. Our life can be packed in one emergency suitcase, bag or backpack and there is nothing more important than life itself, and we have each other. We live with the hope that victory is coming soon!”

**VICTORIA YAROVA,**  
Chief Accountant



## BDO FAMILY SUPPORT

On March 9, BDO network announced its official [statement on Ukraine](#), which is as follows: **No BDO firm will work with any sanctioned Russian and Belarussian entities**, BDO does not have a network firm in Russia, BDO is removing BDO Belarus from its global network. BDO member firms are also fully complying with the sanctions, imposed by their respective governments, which will hopefully assist in ending this crisis.

This is a very important step for BDO in Ukraine, that shows global support not only for the Ukrainian office, but also for Ukraine as a whole.

### #PeopleHelpingPeople

Right at the outbreak of the war, the first week, a **Global Response Team** was set up with volunteers from across the BDO community under the leadership of **Trond-Morten Lindberg, CEO EMEA**. This action team did an incredible job in supporting those Ukrainian colleagues, who needed to relocate to safe places (mainly in Europe and Western Ukraine). The team worked 24/7 that first month: when it was night-time in some countries, people on other continents stepped up and continued to support the Ukrainian colleagues.

The Response Team's algorithm of actions covered safe logistics to the border, transport booking, short- and medium-term accommodation, support with equipment and assistance in accessing the working environment. 44 of BDO employees in Ukraine and their families were assisted in relocation abroad (127 people were supported in total).

BDO offices nearby to Ukraine have been assisting people with long-term housing and other local issues, showing fantastic engagement in the most difficult times.

The Response Team keeps running and, luckily, urgent cases are rare nowadays. Employees of BDO in Ukraine joined the structure of the Group, who stay informed about the current situation.

We are also grateful to our network for the fact that BDO in Ukraine employees were able to join the projects of BDO member firms. Currently, the entire global community is actively looking for the ways to establish cooperation with the Ukrainian office and are looking for opportunities to involve Ukrainian experts to their projects. As of the end of August, such cooperation has already been established with 15 offices of the BDO network. And another 8 Ukrainian colleagues from Ukraine have filled available vacancies in the global office or joined short-term projects of the BDO global office.



Employees of BDO in Ukraine in the office of BDO Austria

## BDO Fund of Financial Assistance

The Response Team's effective work would be impossible without BDO member firms' contributions to the Solidarity Fund, which they kindly made, when the war just outbreak.

**These funds were used to support our employees and their families to pay for transport, temporary accommodation and other essentials.** As the situation is unsettled, the fund raising is ongoing.

Reading the stories of our colleagues, described in the **People of Ukraine – BDO stories project**, it is clear that BDO network has been really supportive during these difficult 6 months. The support was provided both globally and locally. Colleagues from BDO offices **around the world** joined to support, everyone was concerned by the situation.

## Access to Technology

At the global level, IT support was arranged for the Ukrainian office, with the main goal of providing all the necessary IT tools and secure access to all networks, so that BDO employees in Ukraine, both abroad and in Ukraine, could always stay connected and continue doing their work in a secure digital space. **In the spring of 2022, all local solutions of our company were successfully replicated to the Microsoft cloud.**

We are proud to be part of BDO family and we are absolutely sure that our best friends will support us in hard times.





# VOLUNTEER ACTIVITIES OF BDO IN UKRAINE AND ITS EMPLOYEES

In this challenging time for the country, volunteering proved to be really effective!

Volunteers have done their best to help out in all areas, from the search and purchase of medicines to the purchase of drones and bulletproof vests, being well aware of the pain of people, affected by the war.

**For example, volunteer staff of BDO in Ukraine:**

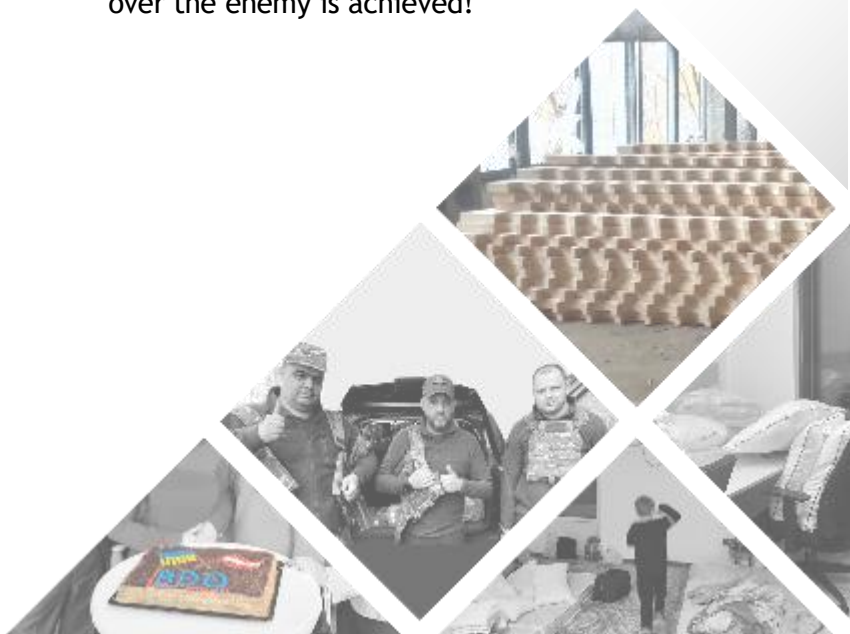
- ▶ Donated to the needs of the Armed Forces of Ukraine, in particular to the funds “Come back alive”, “Serhiy Prytula Foundation”, “NBU account for the needs of the Army”, as well as thousands of other funds and volunteer requests. They donated for drones, UAVs, cars, tablets and laptops, bulletproof vests, military ammunition, and many other military equipment and even a satellite. They helped to find everything, bring it from abroad and to deliver to the front line (in particular, Mavic 3 fly More Combo drone, SSANGYONG REXTON car). Accounting to rough estimates, the total amount of donations by employees for the needs of the Armed Forces of Ukraine for the six months of war comprised **2.5+ million UAH**.
- ▶ Helped to build the checkpoints of the Territorial Defense throughout Ukraine and were on duty at those checkpoints.
- ▶ Wove camouflage nets for the Armed Forces of Ukraine, sewed clothes for the military, blanks for bulletproof vests and first aid kits.
- ▶ Helped military medics at the front (purchase of necessary medicines according to the list and sending them to the front line). Also helped hospitals and maternity hospitals in the cities that were attacked by the enemy.
- ▶ Collected and delivered food and prepared meals for the military, territorial defense and IDPs.
- ▶ Helped people to leave the area under shelling and find shelter in safe areas. Colleagues, who were in safe regions, were surfing the Internet for hours looking for accommodation in different regions of Ukraine. Some employees provided their own accommodation in Dnipro and Kyiv to IDPs from Mariupol, Berdiansk, Kharkiv and many cities and towns in the Eastern and Southern regions.
- ▶ Helped financially and physically to animal shelters and zoos throughout Ukraine.
- ▶ Children of our employees drew paintings and made various crafts for the soldiers, who defend Ukraine.
- ▶ Our IT experts joined the cyber-volunteers, as nowadays the war is not just about physical weapons (details are not disclosed for safety purposes).

We support the economic front of the country by keep working and paying taxes, which are essential for the state today. Some employees refused to receive monthly allowances for internally displaced persons to support the economy of Ukraine with their small contribution.

Also, the company has been donating funds to support the Ukrainian army and volunteer organisations since the beginning of the invasion. Thus, the funds for the urgent needs of the army were donated to **“Come Back Alive” fund** in the early days of the war. Now and beyond we keep donating.

In addition to the all-Ukrainian organisations, we supported individually, at the specific requests of military units, in the ranks of which our colleagues (and even former colleagues) are defending Ukraine. For example, in April, volunteers of BDO in Ukraine delivered bulletproof vests to Avdiivka for the soldiers of the Armed Forces of Ukraine. And recently, at the request of our colleague, a soldier-auditor, we ordered the production and sent artillery trays to the front line to keep our defenders as mobile as possible. Our partner organisation “Balance Business Books” sent literary humanitarian aid to the hospitals so that our soldiers could be distracted by reading a book from watching the news during their rehabilitation. Today we cannot disclose some of our activities due to objective reasons, but after the victory we will share them.

When a “brick” of a good deed of a particular person with a strong faith is formed into the supporting wall, then the moment of transition of quantity into quality comes and the ultimate goal of unity of all for the sake of victory over the enemy is achieved!





# GOVERNANCE

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

BDO in Ukraine has been working for the benefit of the country for **25 years** and since the first hours of the war we have been helping the Ukrainian nation to defend its borders and independence. We survived thanks to the coordinated teamwork of employees, management of Ukrainian and global offices and the entire international BDO community. And we keep on operating smoothly all this time that enables us to fulfill our obligations to our employees, clients, partners and the country.

## GLOBAL SUPPORT

Within the first days of the Russian aggression, BDO Global Office was already urgently discussing two key issues: 1) Support for the Ukrainian office and colleagues in Ukraine, and 2) Further operations in Russia and Belarus.

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

Within the first weeks of the war, the **BDO Response Centre** was formed and still operates. As BDO's priority has always been (and still is) the safety of employees and their families located in the country, the BDO Response Centre, that coordinated the response actions during the humanitarian crisis, was immediately called in. For the first 2 months, the response team operated **24/7** on standby to receive calls and provide immediate first aid support to Ukrainian colleagues, such as transportation, accommodation, safe crossing (as far as possible) and financial assistance.

Later, when the active stage of relocation was completed, the BDO Response Center switched to the mode of on-site assistance. The team, which by that time had already been joined by several employees from the Ukrainian office, helped to find appropriate housing for people displaced in Ukraine or abroad, depending on their personal needs and priorities.

Currently, the function of the BDO Response Center is to coordinate with other offices of the network for further support.

In early March (i.e. almost from the onset of the full-scale Russian invasion), the BDO network created, within less than a week, a special fund to collect donations from both the BDO global office and many of our BDO member firms and their staff. The fund was used and is still being used to provide humanitarian assistance and support to Ukrainian colleagues and their families, families of BDO employees living in Ukraine, to ensure that BDO in Ukraine operates smoothly.

BDO network on the global level made sure that the Ukrainian office team had IT support, providing the necessary IT tools and licenses and ensuring secure access to the necessary resources so that they could always stay connected. Thanks to such a quick response, we were able to keep working no matter where we were located. Ukraine was definitely in a high-risk zone, but thanks to the fact that all employees located in Ukraine were in more or less safe regions, where there were almost no problems with access to communication and the Internet, most of them returned to work by the end of March. Starting in August, we commenced preparations for the work of our employees in Ukraine in case of attacks on the Ukrainian power system and possible power outages: we developed a business continuity plan, initiated the purchase of uninterruptible power supplies and power banks.

BDO also made sure that colleagues could resume work again, performing projects under temporary contracts with other BDO firms, but with the overall goal of supporting and strengthening BDO in Ukraine.



## 2. Further operations in russia and Belarus

In early March, BDO announced its position on Ukraine, which is as follows: no BDO firm will work with russian and Belarusian entities under sanctions, BDO has no network firm in russia, BDO excludes BDO Belarus from its global network. BDO member firms are also fully complying with the sanctions, imposed by their

respective governments, that hopefully will help put an end to russian aggression in Ukraine.

This is an important decision of the company, which affects the further work of the Ukrainian office, as we, being part of an international company, 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 support

No layoffs were made in the company during the war. We looked for options to provide work for every employee, who had the opportunity to work both in Ukraine and abroad: work on current projects, participation in projects of BDO member firms, assistance to colleagues from other departments or retraining to another specialty if the company needed it and an

employee was ready for such changes. **Thus, we managed to redirect the necessary resources to other processes and enable our people to stay with the company and keep working.** In April, we resumed recruitment and in June, a new colleague joined our cybersecurity team — the first one since the war. Now we are actively recruiting new experts to the team. Current vacancies can be found on the [website](#) or at this [link](#).



From February 24 until today there have been **no delays in the payment of wages**. Moreover, salaries were paid ahead of schedule for the first months. The company also provided all employees with additional financial assistance and covered the costs related to the relocation of employees and their families. The total amount of this assistance amounts to almost **UAH 10 million**, of which **UAH 2.6 million** are funds from the founder of BDO LLC, Alla Savchenko, and the rest of the assistance **is largely covered by the BDO Fund**, established in early March. 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, that are now extremely necessary, in particular, to finance the defense.

To support the psychological well-being of employees of the Ukrainian office, colleagues from BDO Global with the **Ukrainian Support Service provided online counseling**, where everyone can ask for help 24/7. Such support proved to be of great importance nowadays, as experienced stress sooner or later becomes apparent and qualified support is extremely necessary in this case. The program will run until the end of March 2023 with the possibility of extension if necessary.

We keep on with the **Mental Health support program**, which was launched during the Covid-19 pandemic. Every 2-3 weeks, professional psychologists conduct online training on how to behave in a particular critical situation.

Also, **all professional development programs for employees continue and additional ones** are being added. For example, since October 2021, the BDO network has provided free access for all employees of the network to online English language learning platform, which is also used by many BDO employees in Ukraine.

In the company we care about providing our employees with the most comfortable working conditions available during this period and giving them the opportunity to develop and learn new skills even during the war in Ukraine.

## Fulfillment of obligations to clients and partners

Since the first day of the war, we **have been in touch with our clients**. Given the needs of some clients, some service lines switched to intensified operation than before the war: for example, the **Payroll department** worked seven days a week for a month. According to the head of the department Valeriya Linevich, 90% of clients submitted requests for calculation and payment of financial assistance and salaries for several months in advance for their employees in the early days of the war. Working day started at 7 a.m. on February 24: the employees of the department did their best to close the periods and provide the relevant regulatory and management reports, including foreign colleagues and offices. At that time, it was really important to calm down the clients' concerns about the potential disruption of services offered by BDO in Ukraine, which our team successfully managed.

The situation was stabilized slightly in late March. Then we personally called all our customers to get to know their situation and to find out how we might help them. Surely, we met our clients halfway, where possible, provided discounts on services and deferred payments under contracts.

**Since May, we have already started issuing the first audit reports.**

Also, during the whole period, we did not stop payments to all Ukrainian counterparties to ensure the smooth functioning of the country's economy and support of the domestic consumer, as we realized that each company is also trying to fulfill obligations to employees and counterparties, as BDO in Ukraine did.



## 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. Our experts have thoroughly checked each client for connections with Russia and all information about such connections was provided to the relevant authorities.

Despite the extended deadlines, we still **prepared all of BDO LLC's own annual reports on time** and submitted them to the regulators. The Integrated Transparency Report of BDO in Ukraine for 2021 was issued on time.

Since the beginning of the war, the company kept paying all taxes to support the state budget and finance defense needs. For six months of the war, the group of companies operating under the BDO in Ukraine brand paid taxes in the amount of **UAH 22 million**.

On behalf of the company, we donate funds to **support the Ukrainian army and volunteers**. Apart from that, we provided other financial support to the AFU, including assistance to the units where our employees are defending Ukraine. Mobilized employees were paid a one-time allowance of **UAH 50 thousand** and even though the payment of the average monthly salary to the mobilized employees was cancelled at the expense of the company, our company

keeps paying the average monthly salary to the employees that are currently defending the country.

We also knew that during the war it was crucial to provide jobs for Ukrainian experts so that more people could stay in Ukraine, so we reorganized the **Recruitment** business line, the main purpose of which was to employ Ukrainian talents in the company for international projects. Thus, we:

- ▶ **Help Ukrainian experts**, who have lost their jobs, to get stable employment in a Ukrainian company, keep paying taxes in Ukraine, to have social security and consume goods and services in Ukraine, supporting the Ukrainian economy;
- ▶ **Support the country** by retaining human resources, as long-term emigration of working-age people can become a disaster for the Ukrainian economy, that cannot rely only on international support.

Our experts are **involved in initiatives to rebuild Ukraine**. **Vira Savchenko**, CEO of the company, is a member of the Board of the EBA Ukraine Recovery Committee. BDO in Ukraine is part of the global BDO community that offers the best solutions, shares experience in implementing successful projects and helps to establish contacts with potential investors in Ukrainian business.



# COVID DIGITIZATION LESSONS APPLIED FOR RELOCATION AND COMMUNICATION

War in Ukraine and Russian invasion have already brought a lot of pain and harm to Ukrainian people and become a real stress-test for Ukrainian business. Assuming severe shortening of internal Ukrainian markets, many companies had to find a way to diversify to external markets, which is always a challenge and especially in professional services.

BDO in Ukraine got a lot of support from other member firms and BDO Global and really appreciated all the support provided, especially, for different foreign projects where we can participate, involving qualified Ukrainian talents.

It is important to have the demand, but overall capability to render services in such difficult situation is sometimes even more important. After many months of such hybrid work in different countries we can assume, that we were in many ways prepared to the challenge.

**We started to implement modern workplace elements (combining physical and remote work) in 2019 before COVID, but COVID became the real trigger to force efficient remote collaboration, which became crucial when the war was declared.**

## Pre-COVID implementation of cloud technologies and remote work elements: April-December 2019

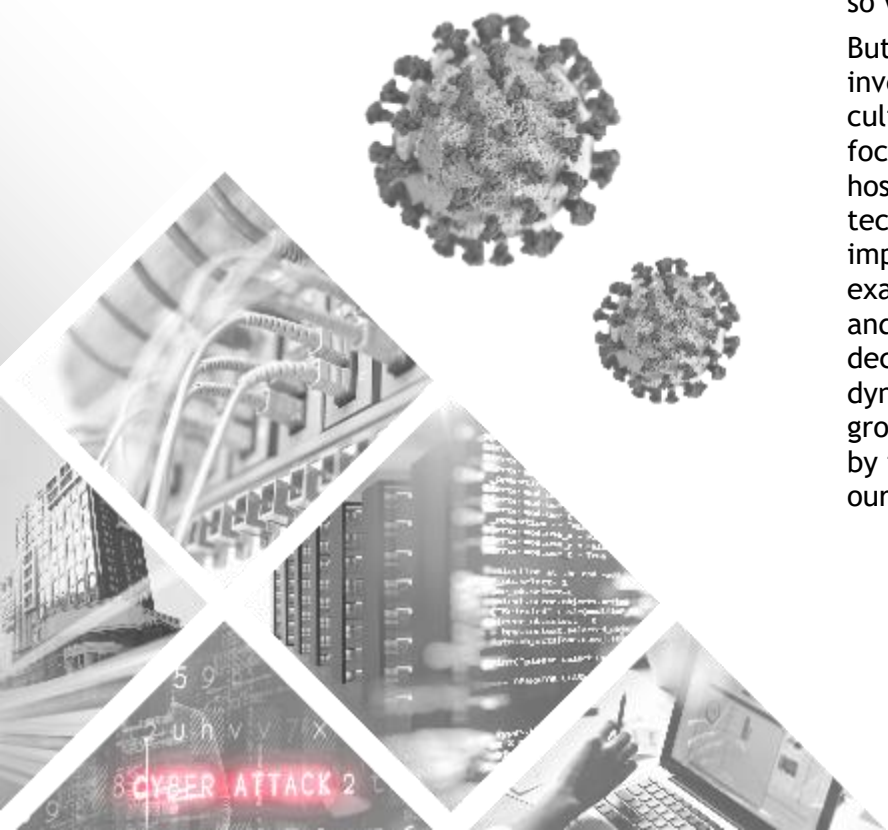
In early 2019 BDO in Ukraine was more or less “on premise” company with very limited use of cloud technologies: on-premises e-mail and ERP servers, file shares and sometimes – outdated software. Everything changed on April 2019, when management strategically decided to use network-wide cloud services (BDO Portal was the first of them). We developed migration plan and by September upgraded all the endpoints to latest Windows and Office versions (capable to work with MS cloud services), switched to Exchange online and SharePoint / OneDrive as alternatives to outdated on-premises solutions, and also made training courses on Teams, To-Do, MS Planner and other services.

## Development of remote collaboration: 2020-2021

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.

Like many companies, we realised that remote work is possible, while hybrid work is what many of us want (with partial presence in the office) so we kept this rhythm even after pandemic.

But 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.



## Key changes of remote work in war times: March 2022-...

When the war was declared, we realised, that COVID-times “remote” was just partial remote as BDO in Ukraine faced much more difficult challenges: our employees were in different cities and countries due to evacuation, and they were moving trying to work in some way.

**This challenge required to do many things simultaneously:**

- ▶ Good thing was that war was broken out after COVID, and our employees had good experience in working and collaborating outside office. Despite this, we had to change processes immediately as now internet and fixed working hours were not guaranteed and we had to consider that (luckily, in several months this situation became better).
- ▶ Physical security and cybersecurity were the most complicated tasks: **BDO Global and Microsoft helped a lot with establishing secure remote environment** and strict ID control (as among other risks even risk of physical expropriation of equipment was considered).
- ▶ Further cloud migration. Before and during COVID we migrated to cloud major parts of services in use including e-mails, file shares and collaboration instruments. This time we had to immediately move to cloud everything else needed for true remote environment: implementing Azure AD as a substitute to domain controller, replicating on-premise servers to Azure gradually replacing them with SaaS solutions where possible.

As a result, BDO in Ukraine was converted from “**remote-ready**” to “**fully remote**” firm where all the employees connected to the same cloud-based network with all the collaboration services inside and full **secure** access to modern workspace from any point of the world.

## New business opportunities in war

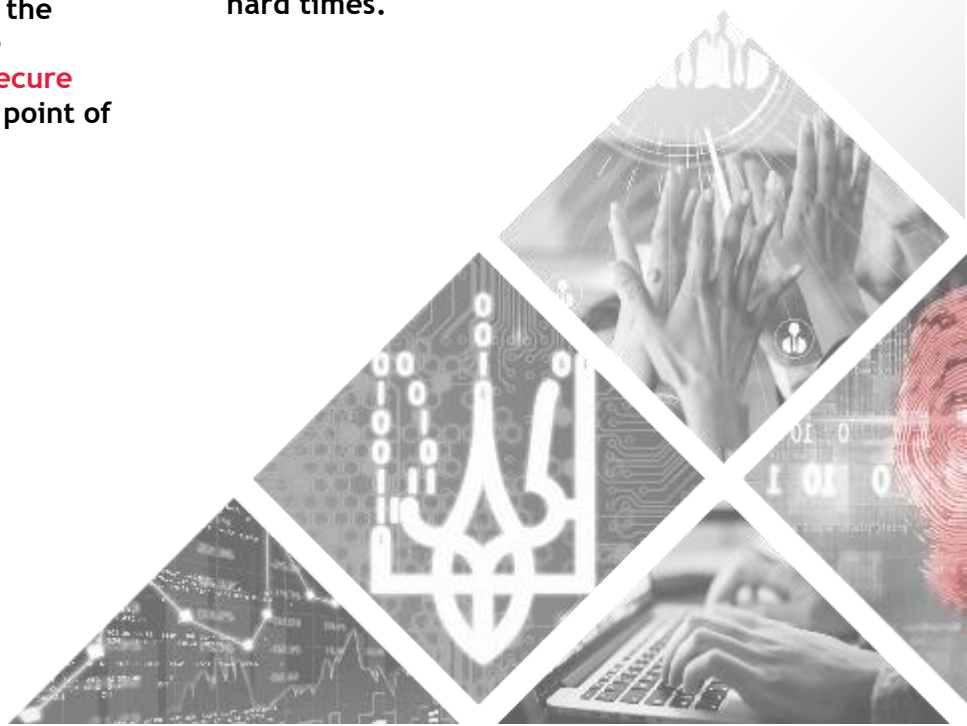
Despite the fact, that war has frozen internal market for professional services, BDO in Ukraine decided to find additional opportunities abroad and diversify to other countries in partnership with other member firms.

We had several things in mind: first of all, we needed work for our employees, but besides that we believed, that it was crucial to create additional jobs for Ukrainians in Ukraine to keep them working in our country and not to leave permanently abroad.

**Fortunately, “fully remote” capabilities helped a lot:** we found a lot of projects to participate abroad inside BDO network and also created new business model hiring Ukrainian talents for foreign member firms for 100% remote work (while retaining people, their spending and taxes in Ukraine). All these initiatives created new opportunities to our employees and talented Ukrainians being very useful for foreign member firms facing shortage of resources in their own countries.

BDO in Ukraine is going to develop this practice and involve more people into this activity to create **remote hub for BDO network** based in Ukraine, which would be able to fill the resource gap for member firms on permanent basis in different forms: outsourcing or hiring of Ukrainian talent on middle to long-term basis, participation in projects as *white label* team or even delivering separate tasks like documents or presentations.

**All these things would not be possible without “fully remote” capabilities and experience, and BDO in Ukraine is not going to stop in developing them as it is not our future, it is definitely our present that helped to be successful even in such hard times.**





## ACTIVITIES ON REBUILD UKRAINE INITIATIVES

Even though the war in Ukraine is not over, further rebuild of the country is a hot topic as many potential grantors, donors and investors assume that **Ukraine will win and will be integrated to EU and NATO after the war**. In his recent speech Olaf Scholz mentioned that plan on rebuilding Ukraine should consider EU integration in all areas: from infrastructure to access to EU market.

There are also hundreds of billion russian funds frozen by the U.S., EU and UK which may be used for initial rebuilding stage.

Given the complexity of the task, it should be started as soon as possible, so different working groups are being created by donor countries, Ukrainian government, and private companies like BDO in Ukraine, gathering and uniting different initiatives, developing global and local strategies, preparing for long-term process of rebuilding and integration.

In early May 2022, the Ukraine Recovery Committee was set up in response to the hostilities on the territory of our country in 2022 and business understanding of the need for a speedy economic recovery. The **Committee unites companies**, representing different sectors of the economy and united by one common goal – to form a vision and focus on the development of expert proposals on the priority areas and ways of rebuilding Ukraine. It will also actively participate in the development of the relevant regulatory framework.

The Committee will focus on finding potential partners, both in Ukraine and abroad, as well as building business contacts to create new supply chains, launch new business projects, attract investments, etc.

The potential areas of Committee's interest include the reconstruction of damaged infrastructure, including social, residential, and commercial real estate under the best international standards; energy efficiency, environmental protection, sustainable development; exploration of new business directions in Ukraine.

BDO in Ukraine as a company actively participates in all committee activities, including composing White Paper on Recovery Activities. Vira Savchenko, CEO of BDO in Ukraine, was elected as member of the committee board.

There are also many private initiatives of BDO in Ukraine in a partnership with different member firms: supporting projects of different donors and IFIs in Ukraine, attracting foreign investments and providing all the experience of our network in different areas, including digital transformation of Ukrainian government and implementation of the best practices in accounting and reporting.

Ukraine is not only going through a great period of recovery, but also undergoing a huge modernisation that is starting now.



«Ukraine Reconstruction business forum 2022», The Netherlands

26th Conference «Forum 2000», The Czech Republic

## LAST BUT NOT LEAST

**The war has changed absolutely everything.** The way of people's life has changed; the principles of work of companies are changing and the entire country is undergoing irreversible changes. We have learned to live today, to be grateful for everything we have and to appreciate the things we never thought of before. Until February 24, Ukrainians did not know about the strength, courage, and bravery they are endowed with, because we have not seen such unity for all the years of independence. How can you conquer people, who go barefoot against tanks, gather for rallies under gunshots and donate billions of hryvnias for the needs of the army?

Everyone is fighting on own front now, which enables us not only to deter enemy attacks, but to go on the offensive. Panic is long over, so keep making plans and putting them into practice in wartime. Yes, it is really challenging, because you need to think through several ways of developments and consider many risks. We have learned to transform quickly, to work with limited resources, to be prepared that at any moment everything can change, and we will have to start over. However, our main feature is that we do not give up and make the impossible

possible. The same as our soldiers show impressive results on the battlefield, we are fighting for our future on the economic front.

Already today, much is being done for the post-war reconstruction of Ukraine, because it will take a long period and the grounds should be prepared now.

Therefore, we at [BDO in Ukraine](#) do not give up. We are going through a significant transformation, but we keep working and making plans. And now it is more important than ever because we contribute to the victory and further development of Ukraine. We are really grateful for all the support of the BDO network, which we have received since the first day of the war. And now we can definitely say that the slogan of the company People Helping People is not just words, but real support.









There are still many unknowns ahead, but we are confident that Ukrainians will cope with everything.

**WE WILL WIN! WE WILL REBUILD!**  
**#StandWithUkraine**



# 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>
	<u>Cryptocurrency fund of charitable organizations of Ukraine &gt;&gt;</u>		<u>Consolidated resource Support Ukraine NOW for foreigners &gt;&gt;</u>
	<u>Wise service (used to be Transferwise) for individual transfers &gt;&gt;</u>		<u>DOPOMOGA RAZOM &gt;&gt;</u>

## #StandWithUkraine



## CREATION TEAM OF "BDO IN UKRAINE CHRONICLES 2022"

### PROJECT MANAGER:

**Olga Korniihenko**,  
Head of Marketing

### EDITING AND TRANSLATION:

**Natalia Garbuz**,  
Head of Translations department  
**Yuliya Boyarchuk**,  
Editor

### CHRONICLE DESIGN:

**Alona Tonkykh**,  
Graphic Designer

### CONTENT FOR CHRONICLES WAS MADE BY:

**Vira Savchenko**,  
CEO of BDO in Ukraine  
**Henning Dräger**,  
Sustainability Partner and  
Chief Sustainability Officer  
**Andrii Borenkov**,  
Head of Advisory

**Rusalina Dobrovan**,  
ESG-Manager  
**Anna Shcherbakova**,  
Marketing Manager  
**Tatiana Verba**,  
Marketing Manager



## CONTACTS

### KYIV:

201-203, Kharkivske Road,  
10<sup>th</sup> floor

☎ +380 44 393 26 87, 88

☎ +380 44 393 26 91

### DNIPRO:

4, Andriia Fabra Street,  
4<sup>th</sup> floor

☎ +380 56 370 30 43

☎ +380 56 370 30 45

E-mail: [info@bdo.ua](mailto:info@bdo.ua)

[www.bdo.ua](http://www.bdo.ua)



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