



# DRILL INTO OUR 2017 INTEGRATED REVIEW PERFORMANCE INDEX

AND GET THE FULL PICTURE



## DRILL INTO OUR 2017 INTEGRATED REVIEW INDEX FOR A FULLER PICTURE

Aspects	Indicators	Our 2017 performance:	Aspect important		External assurance?
			within BDO	outside BDO	
<b>ENVIRONMENTAL</b>					
MATERIALS	G4-EN1	We managed to decrease paper use by 10,3% to 16,6 Kg per employee in 2017 thanks to several green office awareness raising campaigns and the resulting change in employee behaviour.	Yes	Yes	No
MATERIALS	G4-EN2	100% of our office paper used for proposals, audits, presentations and other service delivery has FSC CoC, The Nordic Ecolabel and the EU Ecolabel certification. 100% of our BDO branded plastic bags for delivery of client documents are based on the Oxo-biodegradable plastic technology and will, unless reused, safely biodegrade in landfill within 2-3 years.	Yes	Yes	No
ENERGY	G4-EN3	4.5% increase in energy use compared to 2016 but due to increase in staff 875 kWh per staff represents a 15% drop in the per staff energy use compared to last year. <b>Total energy consumption:</b> 208640 kWh <b>Office split:</b> <b>Kyiv:</b> 68250 kWh <b>Dnipro:</b> 140390 kWh	Yes	Yes	No
ENERGY	G4-EN6	There was no 2017 reduction due to the increase of employees.	Yes	Yes	No
ENERGY	G4-EN7	In 2017 5 LED Ceiling lights were changed in the Kyiv office. We also installed a twilight relay on the Kyiv office advertising signboard, which allows additional electricity savings. Our Dnipro office replaced 75 LED light bulbs to support BDO's green office strategy.	Yes	Yes	No

## ENVIRONMENTAL

WATER	G4-EN8	Total water consumption increased by 0.4% compared to the previous year. Water consumption in Kyiv increased by 59% to 420 m <sup>3</sup> due to increased employee numbers while in Dnipro we experienced decrease of 16.5% to 774 m <sup>3</sup> mainly due to behaviour change. <b>Total:</b> 1194 m <sup>3</sup> <b>Office split:</b> <b>Kyiv:</b> 420 m <sup>3</sup> <b>Dnipro:</b> 774 m <sup>3</sup>	Yes	Yes	No
EMISSIONS	G4-EN15	48,000 Kg (243,7 Kg per employee)	Yes	Yes	No
COMPLIANCE	G4-EN29	No fines.	Yes	Yes	No
OVERALL	G4-EN31	BDO Ukraine cooperates with the organisation "No Waste Ukraine". Working together on a social project to improve citizens' recycling and waste sorting behaviour and options.  BDO Ukraine also works with "Club A4" to raise awareness around business recycling options and developing sustainable waste strategies for the business community.	Yes	Yes	No

## SOCIAL

EMPLOYMENT	G4-LA1	<b>Total number of employees hired in 2017:</b> 58 <b>By gender:</b> <b>Female:</b> 32 (55%) <b>Male:</b> 26 (45%) <b>By office:</b> <b>Kyiv:</b> 44 (76%) <b>Dnipro:</b> 14 (24%)	Yes	Yes	No
EMPLOYMENT	G4-LA2	All full-time employees in both offices get access to: <ul style="list-style-type: none"> <li>• Paid accounting qualifications (ACCA, CIMA) where relevant to the role.</li> <li>• Comprehensive private health insurance.</li> <li>• Subsidised monthly travel pass for Metro/bus/trolley bus network. (Close to 100 employees accepted this benefit.)</li> <li>• Secondment opportunities with another BDO International office.</li> <li>• 4 extra vacation days.</li> </ul>	Yes	Yes	No

## SOCIAL

EMPLOYMENT	G4-LA5	<p><b>We have 2 people responsible for labour protection and fire safety:</b>  <b>Kyiv:</b> 1  <b>Dnipro:</b> 1  <b>BDO provides two training sessions for new employees including:</b></p> <ul style="list-style-type: none"> <li>• Health and Safety</li> <li>• Fire safety</li> </ul> <p><b>Qualifications of our Health and Safety Offices includes:</b></p> <ol style="list-style-type: none"> <li>1. Occupational Health &amp; Safety Management Systems BS OHS AS 18001:2007. Internal Auditor ISO 19011:2002 (Training Course)</li> <li>2. Certificate that confirms that the responsible person was trained and received the necessary knowledge on subjects of current legislation including labour protection, organisation of work for better labour protection, latest fire safety advise, medical examinations and first responder duties.</li> </ol>	Yes	Yes	No
EMPLOYMENT	G4-LA6	No injuries to report.	Yes	Yes	No
EMPLOYMENT	G4-LA9	<p><b>Total hours of training received per year by gender:</b>  <b>Male:</b> 1792 (21 Average training hours per male)  <b>Female:</b> 2286 (21 Average training hours per female)  <b>Average hours of training per year by employee category:</b>  Key service lines: 3167 (21 Average training hours per key service lines)  Administrative staff: 911 (19 Average training hours per administrative staff)</p>	Yes	Yes	No
EMPLOYMENT	G4-LA11	Percentage of employees receiving regular performance and career development reviews in 2017: 70%	Yes	Yes	No

SOCIAL					
DIVERSITY AND EQUAL OPPORTUNITIES	G4-LA12	<p>The total number of individuals who comprise BDO's governance body: 18</p> <p><b>By gender:</b>  <b>male:</b> 67%  <b>female:</b> 33%</p> <p><b>By age group:</b>            under 30: 0            30-50 years old: 89%            over 50 years old: 11%</p>	Yes	Yes	No
RENUMERATION	G4-LA13	BDO pays employees on merit and responsibilities without any gender bias.	Yes	Yes	No
LABOUR GRIEVANCE MECHANISMS	G4-LA16	No grievances were filed in the period.	Yes	Yes	No
HUMAN RIGHTS					
NON-DISCRIMINATION	G4-HR3	No incidents.	Yes	Yes	No
SOCIETY					
ANTI-CORRUPTION	G4-SO3	BDO performs a firm-wide risk analysis every year. We analyse corruption and fraud related risk factors on an ongoing basis and assessed the probability of their occurrences to be low due to our comprehensive internal control system aimed at detection, prevention and mitigation of fraud and corruption.	Yes	Yes	No
ANTI-CORRUPTION	G4-SO4	We delivered two training sessions on financial monitoring and anti-money laundering (AML) in 2017. BDO conducts additional training on an ad hoc basis responding to new developments requiring additional updates.	Yes	Yes	No
PUBLIC POLICY	G4-SO6	No contributions made in 2017.	Yes	Yes	No
COMPLIANCE	G4-SO8	No fines were paid in 2017.	Yes	Yes	No
GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY	G4-SO11	No external grievances were raised in 2017.	Yes	Yes	No

General Standard Disclosures	Page	External Assurance Indicate if the Standard Disclosure Item has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
<b>STRATEGY AND ANALYSIS</b>		
G4-1	Statement from President, p.3-4	No
<b>ORGANIZATIONAL PROFILE</b>		
G4-3	Name p.7	No
G4-4	Brands and offerings, p.7	
G4-5	Headquarters, p.7	
G4-6	Countries of operation, p.7-8	
G4-7	Nature of ownership and legal form, p.7	
G4-8	Markets served, p. 7-8, p.12	
G4-9	Scale of operations, p. 7-8	
G4-10	Employees, p.13	
G4-11	Collective bargaining, not relevant	
G4-12	Supply chain, p.10-11	
G4-13	Significant changes, not relevant	
G4-14	Precautionary approach, p.5-6	
G4-15	External commitments, see «2017 Integrated Review Performance Index » pdf, p.7	
G4-16	Memberships, see «2017 Integrated Review Performance Index» pdf, p.7	
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17	Entities included, p.2, p.7	No
G4-18	Materiality process and boundaries, p.2, p.16	
G4-19	Material aspects, p.16	
G4-20	Aspect inside boundary, p.16	
G4-21	Aspect outside boundary, p.16	
G4-22	Restatements, no restatements	
G4-23	Significant changes to previous reporting periods, no changes to reporting periods	
<b>STAKEHOLDER ENGAGEMENT</b>		
G4-24	Stakeholder groups engaged, see «2017 Integrated Review Performance Index» pdf, p.7	No
G4-25	Stakeholder identification, see «2017 Integrated Review Performance Index» pdf, p.7	
G4-26	Stakeholder engagement approach, p.16	
G4-27	Stakeholder topics, p.16	
<b>REPORT PROFILE</b>		
G4-28	Reporting period, p.2	No
G4-29	Previous review, 2016 Integrated Review	
G4-30	Reporting cycle, annual, calendar year	
G4-31	Contacts for the Integrated Review, back page (p.20)	
G4-32	GRI option and index, p.2 — GRI G4 Core	
G4-33	External assurance, no assurance at this time	

GOVERNANCE		
G4-34	Governance structure, see «2017 Integrated Review Performance Index» pdf, p.8	No
ETHICS AND INTEGRITY		
G4-56	Code of conduct, p.6-7	No

Stakeholder engagement section from report

Who?	Why? (Issues)	How? (Communication Channels)
Client projects (over 300)	<ul style="list-style-type: none"> <li>Customer service and experience</li> </ul>	<ul style="list-style-type: none"> <li>Following market trends to offer the most innovative solution (SAP B1)</li> <li>Delivering exceptional client service</li> <li>Customer insight surveys</li> <li>Social media</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Career opportunities</li> <li>Work environment</li> </ul>	<ul style="list-style-type: none"> <li>Employee satisfaction survey</li> <li>BDO intranet updates</li> <li>Career discussions (twice per year)</li> <li>Internal chats with management</li> </ul>
<ul style="list-style-type: none"> <li>Regulators</li> <li>Audit Chamber of Ukraine</li> <li>National Bank of Ukraine</li> <li>Cabinet of Ministers of Ukraine</li> <li>National Securities and Stock Market Commissions</li> <li>Ministry of Infrastructure of Ukraine</li> <li>Ministry of Finance</li> <li>Ministry of Economic Development and Trade of Ukraine</li> <li>Ministry of Agrarian Policy and Food of Ukraine</li> <li>World Bank</li> <li>European Bank for Reconstruction and Development (EBRD)</li> <li>United States Agency for International Development (USAID)</li> <li>Swedish International Development Cooperation Agency (SIDA)</li> </ul>	<ul style="list-style-type: none"> <li>Changes in legislation</li> </ul>	<ul style="list-style-type: none"> <li>Meetings with regulators</li> <li>Policy analysis</li> </ul>
<ul style="list-style-type: none"> <li>Society</li> <li>BDO International Network</li> <li>European Business Association</li> <li>Ukrainian Chamber of Commerce</li> <li>Forum of Firms</li> <li>CSR project partners</li> <li>Audit and industry bodies</li> <li>Ukrainian federation of professional accountants and auditors</li> <li>American Chamber of Commerce</li> </ul>	<ul style="list-style-type: none"> <li>Strategic partnerships</li> <li>Reputation</li> </ul>	<ul style="list-style-type: none"> <li>Mentoring and engagement dialogues</li> <li>Chair of the EBA CSR Committee (Kyiv)</li> <li>Chair of the EBA Marketing Committee (Dnipro) and Chair of EBA Coordination Board 2017 (Dnipro - Alla Savchenko)</li> </ul>

# MEMBER FIRM GROUP LEGAL ORGANIZATION STRUCTURE BDO UKRAINE

The Supervisory Board of BDO Ukraine Group of Companies carries out general management of the Group's operations.

The Supervisory Board is a permanently functioning body comprising only the owners of businesses.

The Supervisory Board is the management body of BDO Ukraine Group of Companies representing the founders' interests, and also controlling and governing the activities of Executive Committee in the areas «Audit», «Consulting», «Valuation Activities», «Legal Services» and «Tax», «Corporate Finance».



# TASKS OF THE SUPERVISORY BOARD

## RESOLUTION OF THE FOLLOWING ISSUES LIES WITHIN THE COMPETENCE OF THE SUPERVISORY BOARD:

- Supervising the work of the Executive Committee of BDO Ukraine Croup of Companies.
  - Taking strategic decisions regarding issues brought up by members of the Executive Committee of BDO Ukraine Croup of Companies.
  - Approving strategies, the investment policy and the business plan.
  - Approving the activities plan with regard to functional strategies for specific areas.
  - Matters of regional policy.
  - Approving the organizational structure of BDO Ukraine Croup of Companies.
  - Issues of staff policy regarding the partners of BDO Ukraine Croup of Companies.
  - Approving annual budgets, business plans, investment and pricing policies, and other programs of financial and economic activities of BDO Ukraine Croup of Companies.
  - Accepting and approving budgets at the macro indicator level: profitability (for a period compared with preceding periods): total, operational, net; relation of constant and variable costs and their trends, trends for specific cost groups, including administration costs.
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