



# BDO Ukraine Integrated Transparency Report 2019

# Contents

Introduction by our Managing Partner	3	Remuneration and rotation policy of key audit partners and auditors BDO Ukraine	25
BDO Ukraine at a glance	4	Supporting a committed workplace	26
2019 highlights	5	Gender diversity and inclusivity	27
Organizational structure and ownership information	7	Reducing our resource footprints and taking climate-positive action	28
Key BDO Global Network data	8	Value adding Sustainability services for clients	32
BDO Global Network overview	9	Winning public trust through transparency, independence requirements and quality services	33
BDO Global Network strategy	11	Independence and internal review	35
Risk Management	12	BDO quality control system and management statement on operational effectiveness	37
Business model	13	Our sustainable partnerships approach	39
Our approach to Sustainability	14	Our 2020 ESG commitments	41
Global responsibilities - national actions	15	BDO Ukraine financial information 2019	42
Material Sustainability topics	18	Public interest entities provided with statutory audit services in 2019	43
A skilled and committed workforce	20	Appendix 1. Disclosure of information in accordance with the Law of Ukraine "On Auditing Financial Statements and Auditing", Article 37 "Transparency Report "	44
Training and development	21	Appendix 2. BDO member firms in EU and EEA countries	45
Continuous development of our auditors	22		

# Introduction by our Managing Partner



Dear readers and friends of BDO,

Welcome to our 2019 Integrated Transparency Report. The report will give you the opportunity to learn more about key business activities, our history, successes and challenges ahead. Transparency is a key pillar for doing business, which we follow on a daily basis as an international audit, tax and advisory company. For me, as Managing Partner, transparent activities mean, above all, a higher degree of stability for the people I work with. After all, our friendly and professional team of like-minded innovators and leaders constantly cooperate, share experiences and support each other - this expression of transparency is the main value of our company.

Presenting our corporate information in an Integrated Report format provides stakeholders with the opportunity to “peek behind our curtain” disclosing material financial, audit and Environmental, Social and Governance (ESG) information as well as learn about our future journey.

Corporate Societal Responsibility as well as a strong customer focus is extremely important to us when considering strong partnerships and cooperation. Based on this foundation we are proud to say that our customers continue to be happy to work with our partners, managers and colleagues across all service lines. We all realize that the main aim for our customers is to work with an experienced, international company with powerful resources at its disposal to provide high quality services and solutions across all service areas. It is this shared understanding that helps us be an effective advisor of the future for our clients and we work hard to eliminate any mistakes and navigate the vortex of rapid market and life changes.

Audit services are an established activity in our country. At first glance, it is extremely difficult to find ways to improve the profession and delivery of service, but we decided to do just that. We made great investments; put a lot of effort and resources into radically changing our work to become both modern and competitive. As an example we created a standalone online portal for working with all customers, which makes it much easier dealing with very large and increasingly complex flows of customer information. From this year, the customer independently deposits the necessary information on the portal for further processing and verification. Such cooperative solutions, in addition to speeding up processing time and convenience, provides the highest degree of information quality review and data protection. Digitalization of almost all processes in auditing, including the internal use of Enterprise Resource Planning System SAP B1(RPS), allow us to respond efficiently and effectively to external information and call requests which in turn provides stability in delivering high quality customer service. A strong knowledge and intelligence base, which is available at global and Ukrainian levels, allow us to properly assess and work out risks. BDO Global Network online trainings across more than 20 relevant areas allow us to gain and implement knowledge about the latest changes required by the International Standards on Audit. Finally I am very satisfied with further strengthening of our service quality by establishing an independent International Financial Reporting Standards (IFRS) analytical department.

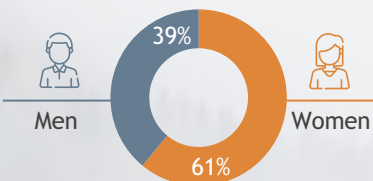
Our audit work significant contributes to greater business transparency and strengthens reliability of error free audit reports for its users. We are proud to share with readers insights, activities, quality standard approaches and what makes our friendly working culture so successful. We also proudly and humbly integrate Sustainable Development aspects inspired by the UN Development Goals in all our behaviors, processes, targets and policies - now and in the future.

*Please enjoy our report.*

Sergii Balchenko

# BDO Ukraine at a glance

## Over 200 employees:



## 2 offices:



## 27 years in Ukraine:



## BDO member-firms in Ukraine:

BDO LLC

BDO Consulting LLC

BDO Corporate Finance  
LLC

Experience working with clients in over **16** industries

**63** mandatory audits for public interest entities in 2019

BDO released the first Ukrainian Integrated Report against the International Integrated Reporting Council Framework (IIRC) for the year 2014

We are part of the **5<sup>th</sup>** largest international network (TOP-20 International Networks 2019; Accountancy Age)

# 2019 highlights (1/2)

Our company has started 2019 with two strong PR campaigns:

- ▶ «How to select your audit firm». Our MP Sergii Balchenko, featured in a YouTube video receiving over 15,000 views.
- ▶ Alla Savchenko, our company president, shared her views on Global Trends in Audit.

BDO Consulting became an accredited provider, delivering training under the CIMA certification program "Business Performance Management".

Andrii Borenkov was appointed as Head of Advisory 1 April 2019.

Publication of the 2018 Global Network Review.

January

February

March

March -  
June

April

May

June

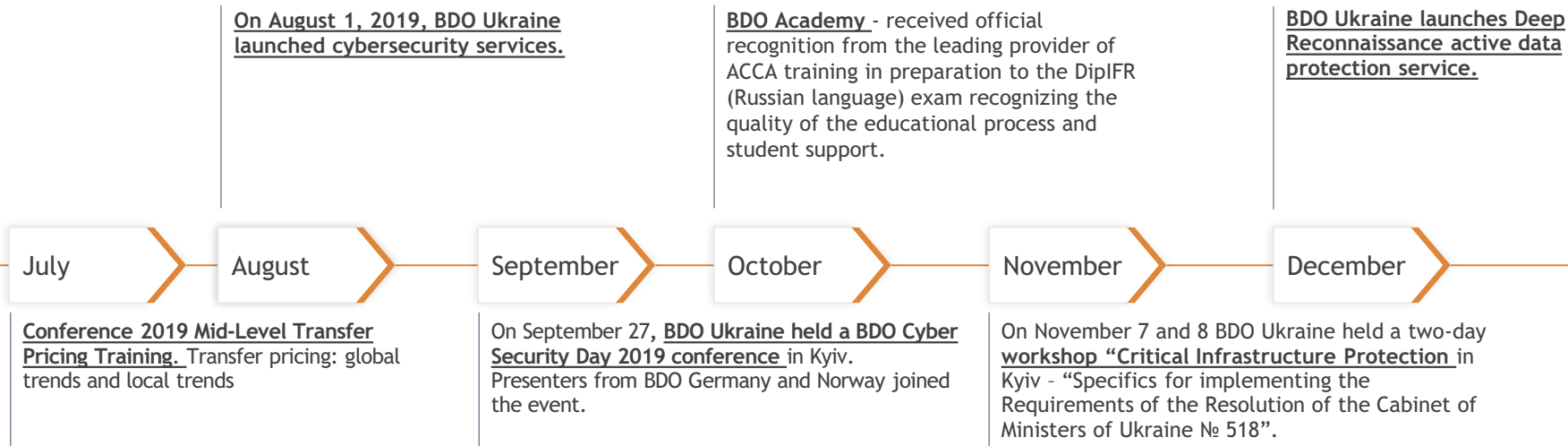
BDO in Ukraine was awarded the international certificate ISO 9001: 2015 for servicing IT projects.

In the UK BDO has completed its merger with Moore Stephens LLP, creating the largest UK accounting and business consulting firm.

The Marathon of Forums with IFRS "Components of Trust in Reporting", organized by the Federation of Professional Accountants and Auditors of Ukraine, with support of the Securities and Stock Market Commission and general partner - BDO Ukraine, started in March.

BDO specialists in Ukraine have visited SAP SMB Summit 2019 in Nice, which has brought together partners and customers of SAP.

# 2019 highlights (2/2)



## Annual results

Portal GAAP in UA, dedicated to the analysis of the current state of Ukrainian financial accounting against the background of the development of related standardization systems IFRS and US-GAAP, included Alla Savchenko, President Ukraine, in the top 30 most influential Ukrainian people in Accounting in 2019.

# Organizational structure and ownership information

BDO is registered in Ukraine in the form of a Limited Liability Company (LLC). BDO LLC, together with other companies operating under the BDO brand in Ukraine, is a member of BDO Network.

## BDO in Ukraine also includes other member-firms, which are registered in Ukraine:

BDO LLC

BDO Consulting LLC

BDO Corporate Finance LLC

Assurance services are provided exclusively by BDO LLC (identification code 20197074).

## BDO LLC owner structure:

Alla Savchenko **75%**

Sergii Balchenko **10%**

Vira Savchenko **10%**

Liliya Dzyuba **5%**



BDO LLC is included in all sections of the Register of Auditors and Auditing Entities, in particular in Section 4 of auditing entities that have the right to conduct mandatory audits of financial statements of Public Interest Entities (PIEs). Register registration number: **2868**.



BDO LLC passed the audit service quality control on **27 January 2020**.



According to the statute, the governing bodies are the general meeting of owners and the Directorate, which includes **president, director and executive director, financial director**.



The Company has no related parties that fall under definition of “related party of an audit entity” in accordance with the Law of Ukraine “On Auditing Financial Statements and Auditing Activities”.

## Location of the audit firm:



4 Andriya Fabra st., Dnipro, 49000



Kharkivske Road 201-203, 10<sup>th</sup> floor (non-segregated subdivision), Kyiv, 02121



# Key BDO Global Network data

€8.5bn.  
US\$ 9.6bn.  
€ +12.8% / US \$ +6.9%

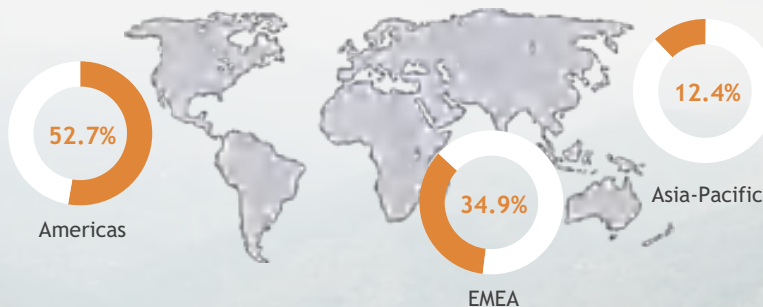


10.1% increase  
(at constant exchange rates)



88.120 people an increase by 10% from 2018

## Split by regions

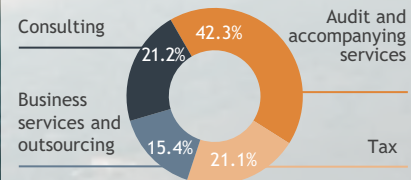


167 countries and territories



1617 offices

## Split by service



Net income received by BDO EU / EEA for the provision of statutory audit services **€664.086,760**



# BDO Global Network overview (1/2)

## Network description

The BDO network is an international network of independent accounting, tax and consulting firms that are members of BDO International Limited and provide professional services under the BDO brand (hereinafter: BDO member firms). BDO is a trademark of the BDO network and each BDO member firm.

## Legal form and structure of the network

Each BDO member firm is a member of BDO International Limited, a British limited liability company that has voting rights (one per each country) or does not have voting rights. BDO International Limited is a management company of the BDO network, which establishes obligations for membership of BDO member firms in the Statute. The BDO Network reports to the Board, the Global Network Board and the BDO International Limited Steering Group. The Board comprises representatives of each voting member, as well as members of BDO International Limited at the shareholders' meeting.

The Board approves the network's central budget, appoints the Global Network Board and approves any changes to the BDO International Limited Policy and Charter.

The Board of the Global Network, which is the Board of Directors of BDO International Limited, comprises representatives of the seven largest member firms of the BDO network, whose appointment is approved by the Board for a three years term. The Board determines the priorities of the BDO network and regulates the work of the Steering Group. The Board convenes at least four times a year.

The steering group coordinates the work of the BDO network and is headed by the CEO. It includes the heads of the global network for audit and consulting, taxation, human resources and development, business and marketing development, IT, and the CEO of Europe, the Middle East and Africa (who currently serves as head of global network consulting services), Director-General of the Americas Region, Director-General of the Asia-Pacific Region and International Secretary.

The steering group resides in the global office of Brussels Worldwide Services BVBA, a Belgian limited liability company that provides BDO network management services.

### Council

- ▶ One member firm, one vote
- ▶ Approves the central budget, appoints the Board of the Global Network and approves the BDO Statutes

### Global Network Board

- ▶ Representatives of major member firms: Australia, Canada, China, Germany, Netherlands, United Kingdom and United States
- ▶ Sets policy and determines network priorities
- ▶ Controls the work of Global Steering group (GLT)

### Steering group

- ▶ Directors General of the Network for Audit and Consulting, Taxation, Human Resources and Development, Business Development and Marketing, IT, at the global and regional levels, and the International Secretary
- ▶ Coordinates the regular activities of the network

### Regional Board

- ▶ Representatives of each country / largest member firm in the region
- ▶ Provides strategic communication, coordination and cooperation activities within regions

### International Committees

- ▶ Includes specialists from member firms
- ▶ Global Steering Group Reporting (GLT)
- ▶ Development of International Policies and Guidelines

# BDO Network overview (2/2)

BDO International Limited and Brussels Worldwide Services BVBA do not provide any professional services to clients. This is done exclusively by BDO member firms. Each of BDO International Limited, Brussels Worldwide Services BVBA and BDO member firms are separate legal entities and not liable for any other acts or omissions of such enterprise. Nothing in the BDO Network Agreements or Rules constitutes or provides for an agency relationship or partnership between BDO International Limited, Brussels Worldwide Services BVBA and / or BDO Member Firms.

International commissions, which include experts from BDO member firms and / or Brussels Worldwide Services BVBA, report to the relevant members of the Global Steering Group, the CEO and / or the Global Network Board. International committees publish materials, policies and guidelines that meet the needs of BDO member firms.

### Main committees:

- ▶ Audit Innovation Control Committee
- ▶ Audit Steering Committee
- ▶ Tax Advisory Committee
- ▶ International Risk Management Committee
- ▶ International Committee for Business Development and Brand Marketing
- ▶ International Committee on Personnel and Development
- ▶ International IT Committee

The structure of the global network for Auditing and Accounting



# BDO Global Network strategy



## We choose to be leaders in our markets

BDO firms strive to be the leaders in their markets, and as these markets are constantly undergoing technological transformations, the organization continues to diversify in order to provide new digital solutions. This allows BDO to provide its customers with new experiences and opportunities.



## We choose to be the leading consultant of the future

BDO's people are at the core and together with increased use of artificial intelligence and technology will continue to improving customer service and value. Much attention has been paid to boosting the digital intelligence coefficient (DQ) of our professionals - more than 88,000 employees worldwide - but we do not neglect the importance of human relations and a supportive culture. BDO is different in that it remains a business that combines digital skills and relationships built on trust and deep customer understanding. BDO people have a common goal: to proactively create and implement business solutions and create value for all our customers



## We choose to be the leader in innovation

BDO sees the benefits of innovation for customers, increased business efficiency and profitability. The BDO Innovation Culture is led by the increasingly influential BDO Innovation Center, which promotes innovative projects and encourages collaboration. This has accelerated the co-creation of new ideas, the development of products, services and tools that benefit both customers and BDO member firms.

A clear example of BDO's commitment to innovation is our bespoke software - APT Next Gen. Working in partnership with Microsoft, BDO is investing heavily in developing a globally scalable and fully secure platform. APT Next Gen contains all digital processes, methodologies and connected platforms to meet the specific business needs of BDO partners and their customers. This allows them to create new ways of interacting and working together. Based on advanced technologies, APT and other BDO platforms, such as the Global Portal and Digital Suite, provide efficiency, streamline information exchanges, provide an enhanced digital experience, and importantly enhance data analysis capabilities.

# Risk Management



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

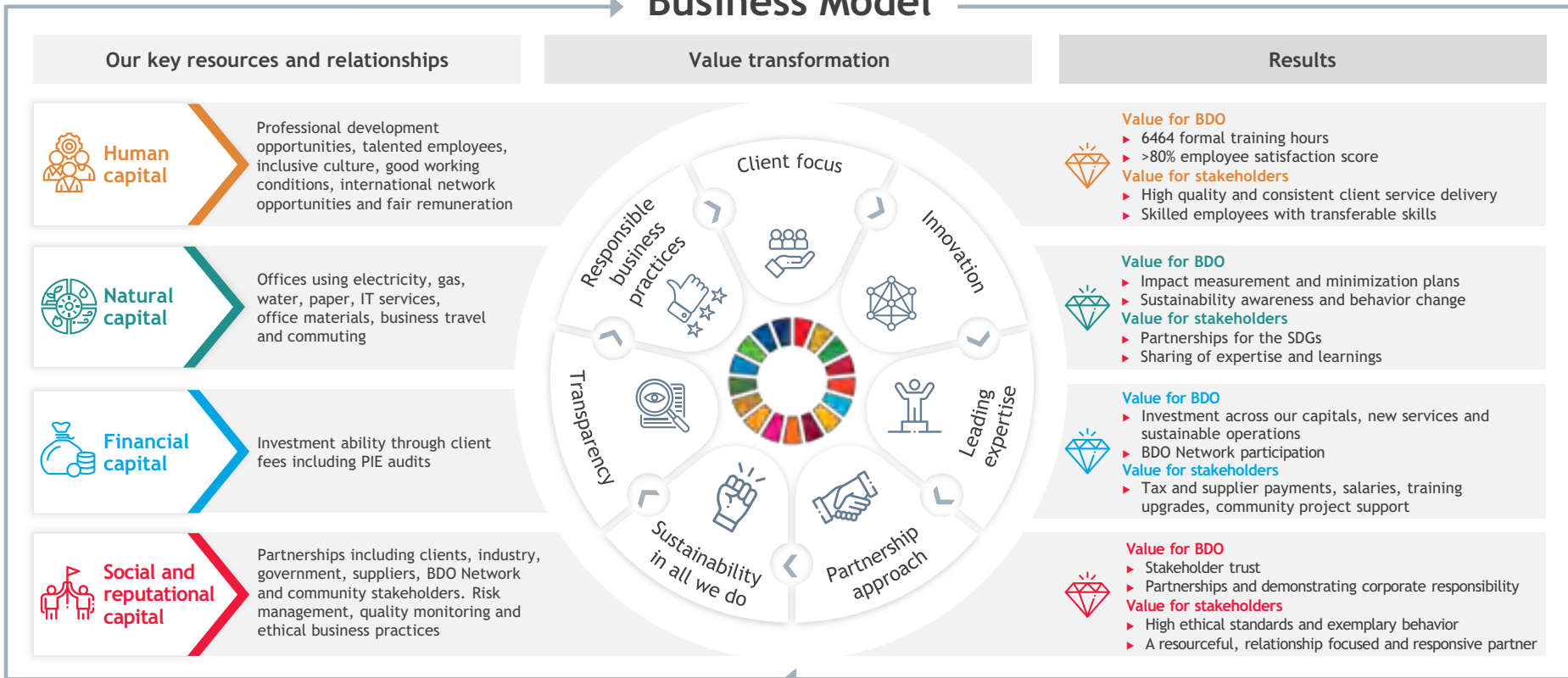
On a regular basis, management analyzes the potential risks and threats that our company may face during its activities, including issues of business sustainability, operations, information security, compliance with legal requirements, etc.

All identified risks are analyzed from the perspective of how they can affect the ability of BDO to achieve the set goals. The identified risks are classified according to the probability of occurrence and the potential impact they will have on our business. Responsible persons are appointed to manage the identified risks and a list of precautions is taken to mitigate and reduce the impact of risks.

## BDO Ukraine: classification of the key risks



# Business Model



# Our approach to Sustainability



Growing responsibly



We are part of the solution for a sustainable future.

We are now taking the next step in our journey towards becoming a more sustainable business. For us that means that Sustainability should be an integrated part in our daily business decisions, to ensure our long-term Sustainability as a business. We try to operate our business in a way that enables us to contribute to the defining societal needs of our time - from the inside and out.

We strive to optimize our environmental and human resources use by putting in place appropriate systems and technologies for minimizing our natural footprint while maximizing the ability of our colleagues to grow, prosper and add value. We continuously inspire and educate our colleagues to support our efforts through positive actions and behaviors while working in our offices, meeting clients and working with our community partners.

Our services and expertise enable clients to become more climate risk resilient, make better use of limited resources, become more transparent to their stakeholders and optimize performance management of ESG issues.

Sustainability is at the heart of what we do across our entire Ukrainian and international value chain. At BDO, Sustainability is not about charity, or limited to minimizing risk, but about finding the business opportunities. When we invest in Sustainability, we expect to deliver tangible returns. These returns ensure that we maximize the transparent value that we create for our clients, employees, regulatory bodies and society at large.



# Global responsibilities - national actions (1/3)

**Our Sustainability approach is aligned with the United Nations 2030 Sustainable Development Goals (SDGs).**

We analyzed all 17 SDGs against our ability to make a tangible impact and arrived at the following 8 SDGs:

#4 (Quality education), #6 (Water Management and sanitation) #8 (Decent work and economic growth) #9 (Industry, innovation and infrastructure), #12 (Responsible consumption and production), #13 (climate action), #16 (Peace, justice and strong institutions) and #17 (Partnerships for the goals)

## Our approach for each focus SDG



### **SDG4**

Creating the foundation for continuous appreciation of our human capital through structured professional development programs, formal training, accreditation, certification and delivering up to date industry expertise across our service lines



### **SDG6**

Natural resource efficiency including the continuous minimization of our office water footprint is part of our Sustainability approach. Using a combination of water saving technologies and awareness raising will ensure we do our part to appreciate and maintain access to this precious and limited resource



### **SDG8**

Providing a stimulating, inclusive, open-minded, international and fairly-remunerated learning environment in which our colleagues and management interact to create value for our clients, industry and other partners within the context of our Ukrainian society and economy



# Global responsibilities - national actions (2/3)



## SDG9

Develop innovative and market relevant client services and engage in value adding partnerships which contribute to increased resilience, learning and Sustainability of the business ecosystems we operate in



## SDG12

Engage all our suppliers to review the environmental and social impact of their products and services. Annual review and optimization of our offices' waste and resources management systems. Continually engaging with all stakeholders and partners sharing our insights and expertise as well as learn from others' Sustainable Development journey



## SDG13

Measuring and continually reducing our operational GHG emissions footprint. Using our influence with clients, industry partners, government and community partners to encourage climate-positive actions across their operations and share material insights



## SDG16

Through delivery of high-quality services in e.g. audit, tax and ESG increase transparency and trust in organizational disclosures. This in turn supports the Ukrainian government's drive to stamp out corruption and fraudulent business practices making our country a more attractive place for investment in innovation and work



## SDG17

We continually engage in partnerships to amplify the message for greater business and societal engagement around Sustainable Development. We learn and internalize good examples of best Sustainability practice from our partners

# Global responsibilities - national actions (3/3)

Meeting our SDG ambitions is further underpinned our company's 3Rs:



These are critical to ensuring that we make visible, measurable progress in towards the SDGs and that they continue to be aligned with our stakeholders' expectations.

Last, but not least, our engaged colleagues are essential to ensure that we keep improving our responsible operations, deliver innovative and sustainable services and enable them to flourish in a transparent and ethical culture.

# Material Sustainability topics



## Materiality

Our material Sustainability issues articulate what matters most to our business and our key stakeholders both today and with a view to contributing to the 2030 SDGs. This is crucial to identify and manage our risks and opportunities and to respond effectively to our stakeholders. We carry out an annual assessment of our material Sustainability issues to understand their relative importance and identify new and emerging issues.

Our assessment is guided by both the Global Reporting Initiative Standards (GRI) and the International Integrated Reporting Council's Framework (IIRC) both considered best international reporting practice. Identifying and understanding our material issues today supports the development of our commitments beyond 2020.



## Identifying significant Sustainability topics

BDO has an internal process designed to annually review its Sustainability topics in response to its overall results, changing business requirements, changing stakeholder expectations, implementation of the SDGs etc. The process includes cross-disciplinary discussions and impact analysis where multiple internal work teams participate.

Significant Sustainability topics are defined and given as an input to the Sustainability strategy process. The significant topics are finally approved by Management Team.

The significant Sustainability topics identified during 2019 were grouped into 5 focus areas. Our materiality matrix shows the issues identified as important to our stakeholders (vertical axis) and our business (horizontal axis). Our reporting focuses on the issues identified as being of high or medium importance (top right quadrant) .





# A skilled and committed workforce

With over 200 employees in 2 offices (Dnipro and Kyiv) our vision is to provide an employee experience that inspires and empowers our colleagues to deliver our firm's strategy.

Engaging and motivating our people to reach their full potential and providing opportunities for their personal and professional development ensures our business continues to grow and succeed. Employee engagement is integral to our culture and to creating an inspiring workplace where people feel valued and included. Providing a strong employee experience, supported by open, two-way communication, positions BDO as an attractive employer to current and future employees.

We use both formal and informal processes to communicate and engage with employees, together with Annual Performance Reviews (APRs). In addition to our Ukrainian and BDO International's intranet platform; regular local sessions focus on safety, operational and strategic objectives, new service updates, Green Office campaigns, anti-corruption training and our purpose, values and culture.

Our annual employee survey enables us to better understand employee views so we can consider them when reviewing our strategy and optimizing decision-making.

We share the detailed results of our employee survey for each office to allow for targeted action planning.



## Transparency, assessment and feedback

Annual APRs are an opportunity for employees and their managers to reflect on individual performance and set personal development goals. The APR process includes all office employees and production employees with a leadership role including partners, senior managers and team leaders.

Our APRs are guided by the 360° feedback methodology which allows each colleague to understand how her/his/ze effectiveness as an employee, project manager or participant and BDO brand and culture ambassador is viewed by others. Issues raised include effectiveness, goal focus, respect for diversity in the firm, communication with diverse stakeholders inside and outside the firm and adaptation to BDO's cultural norms.

In 2019 100% of our workforce received APRs alongside service specific continuous learning programs to enhance their professional and personal development.



# Training and development

By enhancing the skills of our colleagues, we support them to realize their potential and develop an agile workforce that is capable of meeting our changing business needs.

Our new employees receive an induction which includes training related to the firm, its strategic value drivers, services, collaboration with the BDO International Network and our approach to Sustainable Development.

We include issues that empower colleagues to support diversity, inclusion, tolerance and to become more mindful of their unconscious perspectives and biases.

In 2019, we devoted around 6,464 hours (an average of 32 hours per employee and a minimum of 40 per employee working in audit) on delivering formal training and development across all service lines. This does not include informal and on-the job training, where much of our employee learning happens.

BDO is also moving along our critical digital transformation journey using data to improve our processes, service offerings and support our colleagues. This includes simplifying tasks, providing ITC based service and communication tools as well as filling knowledge and project gaps with relevant training and expertise.

Digitization for us is all about freeing up colleagues' time to enable human creativity, better client service, innovation and reducing stress. Ultimately, our colleagues will be better equipped for the demands of BDO as “advisor of the future” and receive a set of digital skills that will be necessary for their future journey regardless of the industry and market.



## Examples of formal training across our service lines:

- ▶ ACCA
- ▶ ACCA DipIFR (Russian language)
- ▶ AICPA
- ▶ CIMA
- ▶ CISA
- ▶ IFA
- ▶ Payroll Outsourcing: labour law, tax legislation.
- ▶ Tax: tax legislation, transfer pricing trainings.
- ▶ Advisory: trainings on SAP Business One, valuation.
- ▶ Cybersecurity, IT policy, GDPR - for all service lines.
- ▶ Sustainability: energy audit, ESG reporting, integrated reporting integration, carbon footprinting.

# Continuous development of our auditors (1/3)



In order to ensure the high quality of audit, review, other assurance and related services, we pay significant attention to the continuing professional development of auditors.



## Company employees:

- ▶ Attend professional events in Ukraine - seminars, round tables, conferences, webinars, etc.
- ▶ Internal seminars and trainings on professional skills development are held regularly
- ▶ Read professional publications on economic issues, accounting and auditing
- ▶ Use a professional library and corporate Knowledge Base containing International Standards on Auditing and International Financial Reporting Standards (IFRS), as well as internal rules, policies and procedures
- ▶ Learn in practice, performing work tasks under the guidance of more experienced colleagues and receiving constant feedback from managers
- ▶ Have access to training materials of the international BDO network
- ▶ Attend international conferences delivered by BDO Global on audit, accounting, taxes, etc.



## Professional training for auditors in 2019:

- ▶ Audit methodology
- ▶ IFRS, including ACCA DiplIFR and separate in-depth training on the new IFRS
- ▶ Legal basis for submitting IFRS financial statements in a single electronic format iXBRL
- ▶ Cybersecurity and compliance with IT policies
- ▶ Risk management and adherence to the principles of independence
- ▶ GDPR and privacy policy
- ▶ Digital Quotient Mindset (development of skills for effective use of modern digital technologies)



## Comprehensive professional training program for new employees of the Audit Department in 2019:

- ▶ Accounting under the national standards
- ▶ International Financial Reporting Standards, IFA
- ▶ Audit methodology
- ▶ Review of international auditing standards and other professional standards
- ▶ Work with corporate audit software
- ▶ Risk management and adherence to the principles of independence
- ▶ GDPR and privacy policy
- ▶ Cybersecurity and compliance with IT policies
- ▶ Digital Quotient Mindset (development of skills for effective use of modern digital technologies)

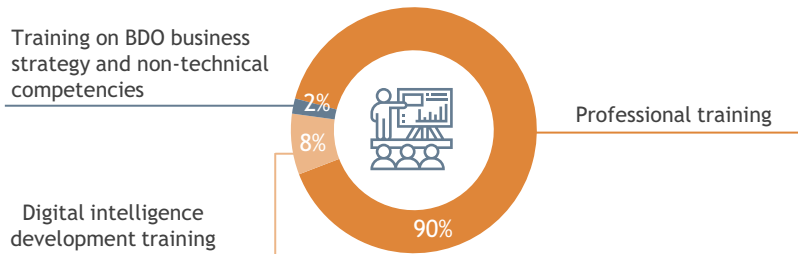


# Continuous development of our auditors (2/3)



We maintain a solid foundation of experience and qualifications of our professional staff, which contains information about their education, international certificates and information about acquired professional experience. For each employee we also keep an annual diary of continuous professional development (CDP).

Distribution of corporate training hours for employees of the Audit Department in 2019



## 100% contribution to development

In addition to the above factors, continuous training of auditors is also based on the model 70/20/10. This model demonstrates the ability to ensure stable result and sustainable development of new knowledge, professional views and behavior - and this is mainly due to on-the-job training.

70	20	10
Independent performance of new tasks and introduction of new tools in work	<ul style="list-style-type: none"> <li>▶ communication and feedback</li> <li>▶ mentoring</li> <li>▶ coaching</li> <li>▶ role model</li> </ul>	<ul style="list-style-type: none"> <li>▶ trainings and courses</li> <li>▶ books</li> <li>▶ online learning</li> <li>▶ e-learnings, etc.</li> </ul>

Employees of our Company are currently studying with international professional organizations, in particular the Association of Chartered Certified Accountants (ACCA). Among our employees there are also specialists who are already certified ACCA, IFA, ACCA DipIFR, MBA, CISA specialists - which confirm the high level of their professional knowledge. We encourage employees to become members of public professional organizations - in particular, the Union of Auditors of Ukraine (ACA), the Federation of Professional Accountants and Auditors of Ukraine (FPBAU), the Union of Tax Consultants of Ukraine (UTCU). We support the desire of our employees to speak at various professional forums and prepare materials for professional publications.

# Continuous development of our auditors (3/3)



We are proud that BDO has the status of an accredited employer of the international professional organization ACCA (Association of Certified Public Accountants) in two areas:

1



Trainee Development, Platinum (Platinum accredited employer status in support of ACCA students) - allows our employees who are currently studying under the ACCA program to fill out a report on the experience gained in a simplified procedure.

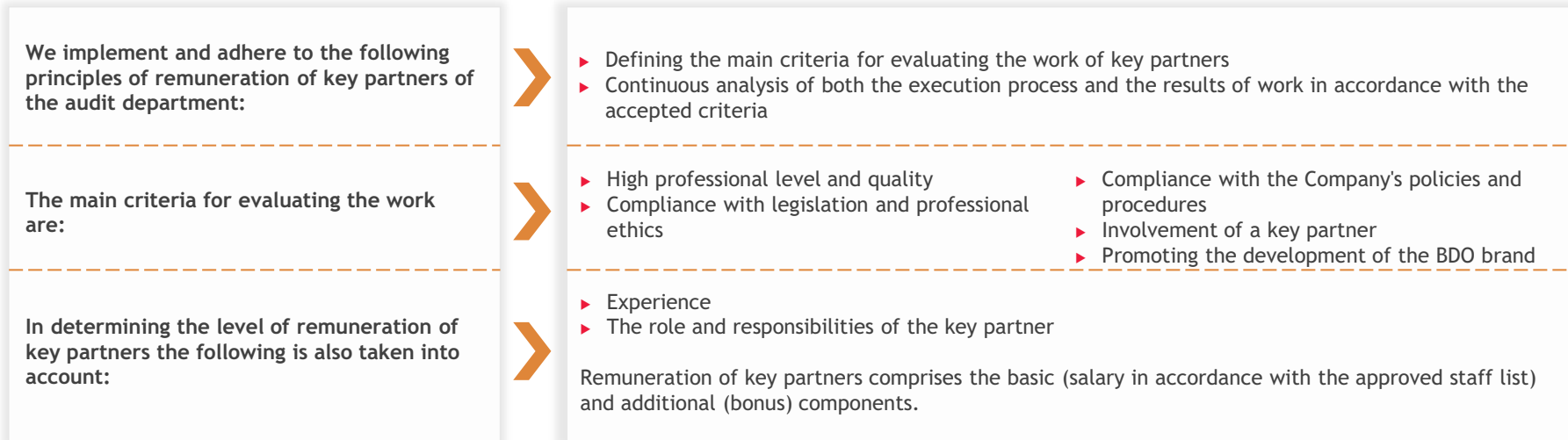
2



Professional development (status of accredited employer in support of ACCA members) - allows our employees who have already completed the ACCA program to automatically meet the ACCA requirements for annual professional development.

Both statuses are ACCA's recognition of the high quality of our staff training and development system, a quality that meets international standards. BDO LLC's own continuing professional education program is also recognized by the Federation of Professional Accountants and Auditors of Ukraine, which is the only full member of the International Federation of Accountants (IFAC) in Ukraine. Continuous training and professional development of staff is governed by a separate company policy, which can be read by each of our employees. Continuing professional training and improvement of knowledge is the foundation of the high quality of services we provide to our clients.

# Remuneration and rotation policy of key audit partners and auditors BDO Ukraine



## Description of the rotation policy of key audit partners and auditors involved in the statutory audit engagement

Pursuant to the Law of Ukraine "On the audit of financial statements and audit activities» BDO Ukraine has implemented internal policies and monitoring procedure over duration of the statutory audit assignment and rotation of key audit partners and auditors involved in the engagement of mandatory audit. Those policies and monitoring provide for the gradual rotation of key partners and auditors within the period specified by law.

# Supporting a committed workplace

Our colleagues are the lifeblood of our company delivering high quality client services, improving our Sustainability and other operational processes, constantly innovating and last, but not least, shaping a strong, supportive and diverse work culture. We are offering differentiated benefits packages for all employees. These include:



Health insurance



Disability and injury coverage



Parental leave



Pension contributions\*

## Benefits for all BDO employees (full and part-time) include:

- ▶ Developing and supporting our BDO Employment Value Proposition (EVP)
- ▶ Work/life balance support and employee appreciation gifts including at birthdays, work anniversaries and seasonal occasions
- ▶ Financial support during maternity and paternity
- ▶ The opportunity to adopt more flexible time arrangements
- ▶ New colleague welcome and appreciation program
- ▶ Awarding employees for outstanding work achievements including obtaining professional qualifications (CIMA, ACCA etc.)
- ▶ Free weekly English language lessons delivered by our English-Speaking Clubs in Dnipro and Kyiv
- ▶ Participation in our community programs including volunteering opportunities and coordinating donations for orphanages, local environmental projects and others
- ▶ Enjoyment of free daily tea, coffee, fruit, yogurt and other treats
- ▶ Annual employee satisfaction survey to focus our performance and engagement



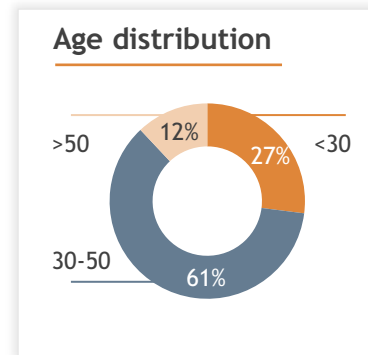
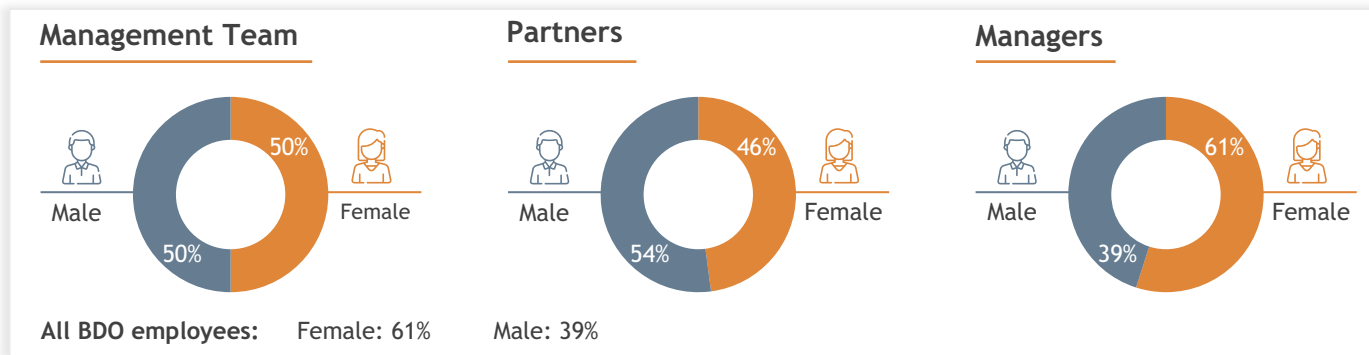
# Gender diversity and inclusivity

The diversity of our workforce drives our ability to innovate and improves our decision-making. It also enables us to meet the changing and often diverse needs of our colleagues, clients, communities and other stakeholders.

We strive to create an inclusive environment where differences are valued and embraced, and we apply a zero-tolerance policy towards discrimination and harassment. Equal opportunities for all is a priority across our operations.

We monitor gender diversity across the business, and among our management. We provide equal opportunities for all regardless of gender, race, age, sexual orientation, ethnicity or any other difference and we are proud of our dominant representation of women at almost all levels.

## 2019 Gender diversity performance:





# Reducing our resource footprints and taking climate-positive action (1/4)

Our stakeholders are increasingly concerned about the consequences of climate change and more effective use of limited natural resources. We are taking action by looking to more sustainable ways to do deliver our high-quality services by measuring and minimising our footprint. As a services company, our environmental footprint consists primarily of the greenhouse gas emissions we generate through commuting, business travel and electricity used in our Dnipro and Kyiv offices. Other important impacts include paper use, water consumption and plastic waste. We continue to explore innovative technologies, encourage our colleagues and stakeholder as well as build effective processes to minimise our environmental impacts.

Data for our 4 main resource impact areas:



# Our CO<sub>2</sub> footprint (2/4)

## GHG emissions

Our offices rely on electricity for heating, air conditioning and running our IT systems including servers and workstations. We are committed to continually minimize our environmental impacts resulting from CO<sub>2</sub> emissions from our offices.

We carefully manage our direct electricity use (scope 1) and use relevant ISO standards to monitor, analyse and calculate absolute CO<sub>2</sub> emissions. Unfortunately, due to lack of reliable and up to date energy mix data we are unable to calculate the carbon footprint of our procured electricity in Dnipro and Kyiv (scope 2). We are working with electricity producers to provide such data for our future reports and will share any verified information on energy use to CO<sub>2e</sub> conversion rates and energy mix with the market.

We are also working to diligently to measure and standardize our indirect emissions (scope 3) across our value chain especially regarding office commuting, client and general business travel. We expect our indirect emissions to be a dominant part of our absolute carbon footprint and aim to include our scope 3 calculations impacts in future reports.



## Electricity consumption and CO<sub>2</sub> emissions

	2019 electricity consumption (GJ)	2019 CO <sub>2e</sub> / Tonnes* (scope 1)
Dnipro	489	115
Kyiv	197	47
<b>Total</b>	<b>686</b>	<b>162</b>

\*Source: GHG Protocol Calculation Cross-Sector Tools

Our 2019 CO<sub>2</sub> emissions could fill 32 hot air balloons





# Our water footprint (3/4)

## Water

Although not water intensive compared to a traditional production entity our 2 offices have an impact on water resources and communities through their withdrawal and use. We are committed to managing our water impacts by reducing our water use through installed dual-flush technology and water awareness signs and campaigns throughout our offices. We will continue to explore additional technologies to minimize our water footprint.



### Water consumption

	2019 water use (M <sup>3</sup> )
Dnipro	1198
Kyiv	363
<b>Total</b>	<b>1561</b>



Our 2019 water footprint is equivalent to filling **62%** of an Olympic swimming pool.

# Our paper and plastics footprints (4/4)

## Waste

Our waste footprint has several components including paper, plastic, glass, metals and IT and office infrastructure related materials. Based on waste volume and recyclability are focusing our efforts on minimizing paper and plastics as well as repurposing all workable IT equipment and furniture.

In our Kyiv office we have clearly labelled waste separation facilities and work with a professional recycling company to enhance our recycling rate and minimize landfill use. Our Dnipro office continues to face structural challenges due to lack of municipal recycling programs as well as space limitations for office waste separation facilities. We are working to address these challenges by sharing best practice approaches from our Kyiv office and will continue to work with Dnipro based waste services to improve our waste to landfill impact.

In both offices we use 100% FSC certified printing paper, recycled sanitary paper, have gifted recycled water bottles to all colleagues and work towards replacing our existing plastic cups with circular cups.

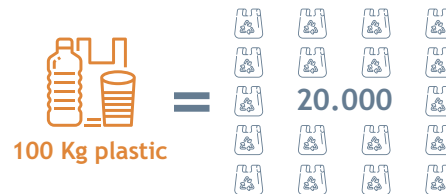


	Kg
Total paper volume	750
Total plastics volume	100

Our 2019 paper footprint is 600 reams or approximately the height of 2 Taras Hryhorovich Shevchenko's monuments found in central Kyiv.



100 Kg plastic equals 20.000 standard supermarket plastic bags.





# Value adding Sustainability services for clients

Innovative, cost-effective and value-added sustainable development services are playing an increasing role in organizations, including low-carbon energy services, issues of personnel recruitment and retention, waste recycling, resources shortage, plastic alternatives, energy efficient technologies, ESG reporting and transparency demonstration, effective stakeholder engagement, mapping of supply chain risks and climate-resilient business models.

The growing demand for these services is an opportunity to expand our business, involving partners in obtaining targeted solutions and supporting circular economy. Our Sustainable Development services offer functionality, increase strategic and operational footprint, and enable to use business processes and resources more transparently and efficiently.

## Our industry services for sustainable development reflect all stages of creating customer value chain:

- ▶ Environmental, Social and Governance solutions (ESG)
- ▶ ESG audit and evaluation of operations and supply chains
- ▶ ESG reporting, audit and risk management
- ▶ ESG materiality determination and integration into business strategy
- ▶ Comparative analysis of ESG industry
- ▶ ESG training and change management
- ▶ Development of ESG policies and codes of conduct
- ▶ Determination of carbon, water and environmental footprints
- ▶ Environmental impact assessment
- ▶ Stakeholder engagement and communication plans
- ▶ Development of appropriate social, environmental, legal and ethical criteria for business activity
- ▶ Responsible search for business resources
- ▶ Energy audit and promotion of renewable energy use
- ▶ Resource and technology optimization, and ESG performance management strategies
- ▶ Life cycle analysis of products and services
- ▶ Optimization of waste management
- ▶ ESG goal and mission development
- ▶ ESG standardization and certification in accordance with the best international practices
- ▶ Strategies for hiring, engaging, motivating and retaining staff
- ▶ Development of a ready-made business model of a closed-loop economy

# Winning public trust through transparency, independence requirements and quality services (1/2)

Our important role as auditor and supplier of leading business solutions is to provide trust and confidence to clients, regulators, financial capital providers, and our people and stakeholders. We regularly review our policies, processes, and governance mechanisms to build and maintain public trust in the work we do. We work in an environment that requires us to meet higher professional, ethical and independence standards, more often than required by other professions.

# Winning public trust through transparency, independence requirements and quality services (2/2)

## General information about BDO's quality control system

At BDO we believe that audit quality is the foundation of trust in financial statements and financial markets using audited information. Our intention and commitment is to provide high quality audit services and added value to our clients. By investing and focusing our efforts in this area for many years, we have a very strong foundation that enables us quickly meet the growing expectations of customers, standard-setting bodies and regulators at a high-quality level.

Our company's quality control policies and procedures, which are the basis of our quality control system and risk management system, including those ones related to ethics and independence, have been developed in accordance with the requirements of International Standard on Quality Control 1 "Quality Control for Firms that perform audits and reviews of financial statements, and other assurance and related services engagements" (ISQC 1), published by the International Auditing and Assurance Standards Board (IAASB), Code of Ethics for professional accountants, published by the International Ethics Standards Board for Accountants (IESBA) and all Ukrainian legislative requirements.

As a member of the BDO Network, we must adhere to network-approved quality control standards, which we combine with local legal and regulatory requirements. Information on changes in methodology, policies and procedures for quality control, ethics, independence and risk management is communicated to all employees of our company through e-mails and relevant training. Timely and complete application of such changes is controlled through the introduction of internal monitoring programs.

We believe that building an effective quality control and risk management system, together with strict adherence to established policies, rules and procedures by the Company's management and staff, is an integral part of our day-to-day operations to support, promote and improve audit quality.

All BDO partners and staff are responsible for compliance with professional and internal quality standards and take appropriate measures to ensure full compliance with the requirements of quality, ethics and independence.

# Independence and internal review (1/2)

The BDO network has implemented policies and procedures to ensure independence that meet the IESBA requirements and which are included in the BDO Risk Management Manual and the BDO Independence Program, and a number of automated tools at the international level have been implemented, access to which all member firms of the BDO network have.

To ensure the independence of the company and compliance of our existing risk management system in terms of ethics and independence, the requirements of current legislation of Ukraine, our company has implemented a set of measures part of our risk management system covering all service lines, all employees and services provided by other BDO network companies.

Separate but inexhaustible elements of this risk management system in terms of ensuring independence and ethical requirements are listed below:

- ▶ Policy and related procedures of accepting and continuing work with clients and engagements. Procedures for client's risk assessment and selecting precautionary measures to minimize risks. Procedures for identifying and assessing threats to independence in relation to potential clients who are enterprises of public interest. Requirements for financial relations of the company with the customers.
- ▶ The procedure of assessing potential and existing engagements and clients for potential conflicts of interest, identifying existing conflicts and implementing precautionary measures. The requirements for combination of non-audit services.
- ▶ The procedures of ensuring and confirming the independence of the company's staff. Rotation of partners and staff of the company. Interaction after termination of employment.

We regularly review and improve our policies, principles and procedures that cover our relationships with clients in the process of providing audit, review, related and other assurance services, the timeframe of cooperation with clients, the amount of fees and the provision of non-audit services to audit clients on audit, etc. In case we are unable to properly resolve a potential conflict of interests by imposing appropriate measures, we refuse to provide services that cause conflict of interests.

# Independence and internal review (2/2)

The annual process of independence declarations requires confirmation of independence by the company's partners and staff starting from the date of hiring. We declare that our financial, business, employment and personal requirements have been complied with, and disclose all cases that may indicate a potential threat to independence. In addition, all members of the audit engagement team, and the internal experts involved, confirm in writing their independence from the engagement at the beginning and at the end of the engagement. We also verify our independence at global BDO Network level through BDO's established written independence verification procedures and through all employees' access to the International Register of BDO clients with limited service provision; and access to software that allows to verify whether a potential customer, operating outside Ukraine, is cooperating with other BDO offices.

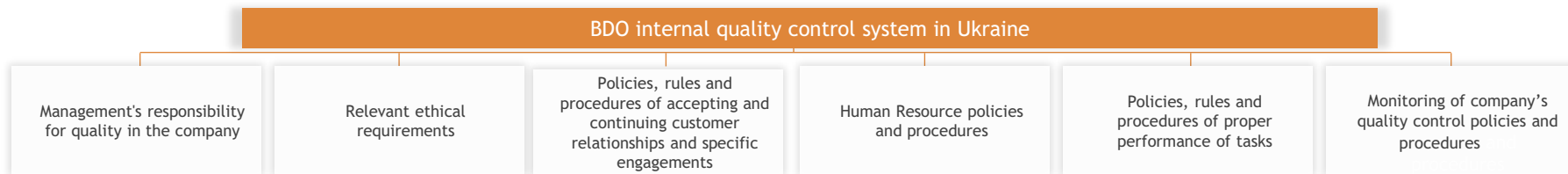
As part of the independence verification program, our company regularly conducts a random independence compliance check for relevant employees. While working for the company, our staff receives ongoing professional training on independence and risk management.

## Statements about internal independence monitoring

We monitor compliance with our policies, procedures and independence requirements on permanent basis. We confirm that during 2019 we took all measures to ensure independence that are set out in this Report, and that in 2019 we performed the internal check of compliance with independence requirements.



# BDO quality control system and management statement on operational effectiveness (1/2)



Implementation and maintenance of the internal quality control system is the duty and responsibility of BDO's management. Management demonstrates its commitment to the principles of professional ethics, business integrity and quality by its own example.

In accordance with the requirements of International Standard on Quality Control (ISQC 1), the ultimate responsibility for overview over quality control system of services in our company belongs to the CEO. General management of ethics, independence, control over the quality control system, risk management and compliance with current legislation and policies and procedures implemented by the company, is executed via specialists in risk management, quality control, methodology, financial monitoring, lawyers, etc. At the same time, the professional staff of our company is also responsible for compliance with professional standards, ethical and independence requirements, and provision of quality services. It is expected that all company staff understands, applies and adheres to the company's business strategy and established policies, rules and procedures.

Auditor independence is a key requirement of international professional standards and regulators. Information on our risk management system, which regulates compliance with ethical requirements and the acceptance and continuation of customer relationships and specific tasks, is provided in the section "Information on Practices Ensuring Independence and Confirmation of Carrying Out the Internal Independence Review" of this report (p35). One of the key factors that determine quality of work is confidence in high professional level of company's staff, commitment to the company's values and the staff's desire to guarantee the highest audit quality level. This implies the need of selecting appropriate staff, introducing the continuous staff development system, having competent and optimal resources allocation, and appointing relevant specialists to perform tasks. Information on our management system is provided in the section "Organizational and legal structure, form of ownership and management structure" of this report (p7).

# BDO quality control system and management statement on operational effectiveness (2/2)

To meet the requirements of ISQC 1 for monitoring the company's quality control policies and procedures, our company has implemented internal Quality Monitoring Program, which consists of the following elements:

- ▶ Annual monitoring program of company's quality control policies and procedures in accordance with the requirements of ISQC 1,
- ▶ Regular inspections of the quality control system by authorized controllers of the BDO network within the framework of the Quality Monitoring Program,
- ▶ Annual confirmation of our company's compliance with the requirements of BDO network accreditation.

To cover the risks of its professional activity, BDO LLC has appropriate insurance coverage for its professional liability, which meets the requirements of current legislation of Ukraine. To ensure a unified approach and a high level of audit quality for all BDO member firms, the network management has developed an Audit Quality Framework to meet the requirements of ISQC 1, and has provided several internally developed tools including:

- ▶ The BDO Network Guidelines, including the BDO Audit Manual and the BDO Risk Management Manual, have been developed in accordance with the requirements of International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services. In order to consider the requirements of the current legislation of Ukraine, we have additionally developed and applied internal rules and procedures.
- ▶ BDO APT audit software is designed as a tool for planning, documenting, forming opinions, and storing working papers on performed assurance tasks. We use APT to perform all audit engagements, reviews, other assurance and related services in Ukraine.
- ▶ BDO Advantage software is designed as a tool for planning and conducting audit procedures based on global data analytics. This helps to optimize acquisition and analysis of large amounts of data, which not only ensures the potential effectiveness of auditors' working efficacy, but also identifies and focuses audit procedures on risk areas.

## Statements on internal quality control effectiveness

BDO's internal quality control system for audit services is designed to provide a basis for reasonable assurance that the audit engagements performed by the company meet the requirements and regulations of Ukrainian legislation in force.

Due to its inherent limitations, the quality control system cannot provide absolute assurance that all cases of non-compliance with current legislation and regulations will be prevented or detected; however, taking into account the available results of our audit control system, available quality assurance tools, results of quality monitoring systems, results of external inspections of regulators, action plans to address deficiencies and feedback, we confirm, with reasonable assurance, that during 2019 the internal quality control system has performed effectively.

# Our sustainable partnerships approach (1/2)

As a company with more than 200 employees, we strive to play an active role in Dnipro, Kyiv and national communities by creating jobs, providing customer services, sharing experiences about Sustainable Development, paying all taxes and investing capital in social projects.

We are developing an approach to the principles of partnership that we create through financial and time investments in the communities of Ukraine. We work hard to maintain the living standards of local people and partners, and to build strong, active and transparent relationships with local and national stakeholders. We are constantly improving our understanding of social, environmental and economic impact on local communities, whether it is positive or negative, actual or potential, short-term or long-term, direct or indirect, predictable or unforeseen.

In September 2019, the President of Ukraine issued the order on the integration of SDGs into all areas of national policy, including encouraging businesses to use goals as a platform to begin measuring their impact and performance, and to report accordingly. BDO supports implementation of the national SDG platform and, in addition to its own efforts, will continue to seek national and international partners to make further sustainable development to be the focus of future business strategies and activities.

# Our sustainable partnerships approach (2/2)

A snapshot of our 2019 partnerships for the SDGs:

Partner	Collaboration
European Business Association (EBA)	Chairing the CSR committee and developing a professional CSR practice platform for EBA members
Union of Ukrainian Entrepreneurs (SUP)	Promoting Sustainable Development practices alongside innovation and creation of a favourable SME business environment
International Integrated Reporting Council (IIRC)	Input to the IIRC's 2025 strategy, participation in annual Council meetings and pro-bono expert review of 6 integrated reports by members of the IIRC business network.
Alternative Energy Club	Promotion of renewables and lower carbon energy strategies alongside knowledge sharing and networking.
Children's Charity Foundation "Road to Life" provides orthopaedic and other medical services to people in need (Dnipro)	Two donations of toys, clothes, 100 books and personal care products. Our Dnipro colleagues provided an evening of cinema entertainment and food for all children.
"Udaytsev Training and Rehabilitation Center for children with disabilities" (Kyiv)	Donated flipcharts, flipchart paper, markers, sponges and magnets and other needed creative materials. Donated toys, personal care products and 100 books.
Ukrainian Federation of Professional Accountants and Auditors	Promotion of Integrated Reporting and audit (IR) aimed at modernising current audit and accounting standards and practices to include material Environmental, Social and Governance (ESG) issues.
International Auditing and Assurance Standards Board (IAASB)	Expert participation in the taskforce for emerging forms of external reporting (EER) with the aim to standardize current guidelines for the assurance of non-financial information and disclosures.
International Society of Sustainability Professionals (ISSP)	Providing pro-bono advisory and technical assistance to develop the ISSP's online collaboration and capacity building tool for its international members.
BDO International ESG Working Group (WG)	Chairing the WG and developing ESG capacity, client materials, thought leadership publications and collaboration platforms to benefit the BDO Network's 167 firms, clients and firms' stakeholders and community partners.
Chartered Institute of Management Accountants (CIMA)	Research exchange on the future of Integrated Reporting (<IR>) and the future role of the Management Accountant implementing <IR>

# Our 2020 ESG commitments

## 1 > A skilled and committed workforce

### Our 2020 commitments:

- ▶ Increase the number for formal training hours per employee by a minimum of 10% across all service lines
- ▶ Increase the annual employee survey satisfaction score by 3% (2019: 93%)
- ▶ Review our benefits package in line with industry best practice

## 2 > Reducing our resource footprint and take climate action

### Our 2020 commitments:

- ▶ Reduce our electricity consumption by 5% compared to 2019
- ▶ Reduce our CO2 footprint by 10% (scope 1 and 2)
- ▶ Report on our Scope 3 emissions with focus on commuting and business travel
- ▶ Reduce our paper consumption by 10% compared to 2019
- ▶ Reduce our water by 5% compared to 2019
- ▶ Investigate recycling solutions for our Dnipro office and install recycling stations
- ▶ Update our new starter Sustainability welcome pack
- ▶ Review all office purchasing policies against environmental criteria

## 3 > Services which create value and resilience for our clients

### Our 2020 commitments:

- ▶ Highlight relevant case studies demonstrating our solutions being put to work

## 4 > Winning public trust through transparency and anti-corruption practices

### Our 2020 commitments:

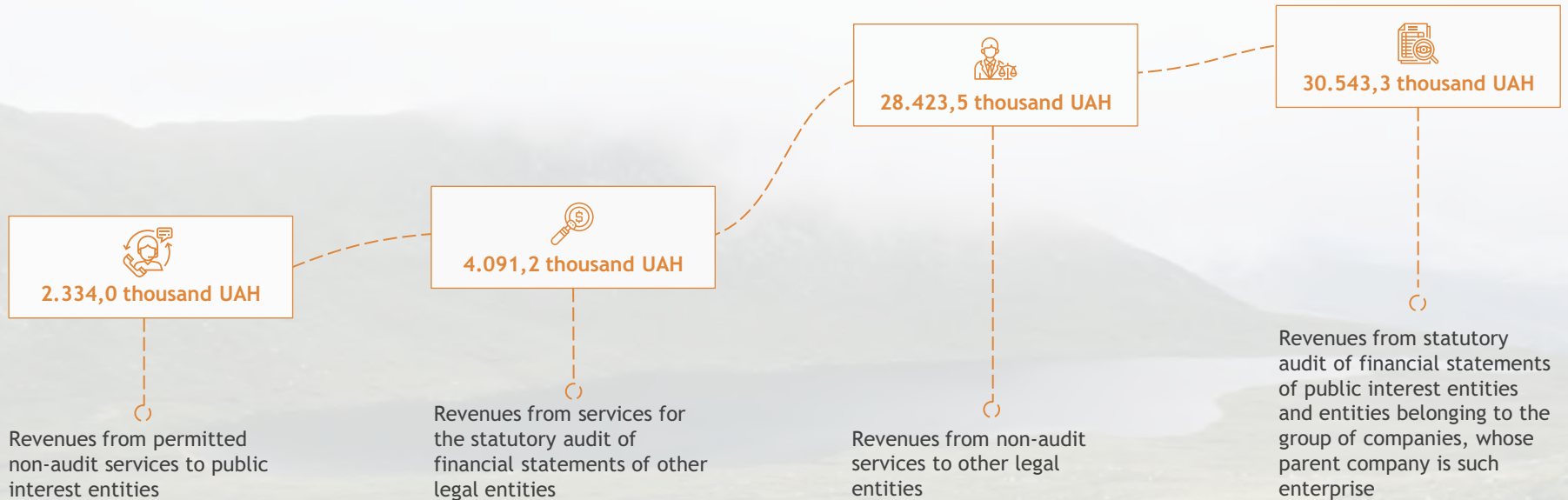
- ▶ Updated staff training on service quality and conflict of interest testing
- ▶ Prepare a package of internal documentation for methodological support for the implementation of International Standard on Quality Management (ISQM 1)

## 5 > Actively seek partnerships to make a sustainable difference

### Our 2020 commitments:

- ▶ Formalize our calculation and reporting of partnership value
- ▶ Select and promote a dedicated Community Project Partner
- ▶ Lead the industry in promoting ESG solutions across our sphere of influence

# BDO Ukraine financial information 2019



# Public interest entities provided with statutory audit services in 2019



The following is a list of relevant enterprises meeting paragraph 2.6 of Article 37 of the Law of Ukraine "On Audit of Financial Statements and Auditing" where BDO LLC provided an audit opinion based on results of the statutory audit of their respective 2019 financial statements.

SE PLANT ELECTROTYAZHMASH  
 PRJSC KYIVOBLENERGO  
 JSC KHERSONOBLENERGO  
 JSC ODESAOBLENERGO  
 PRJSC RIVNEOBLENERGO  
 PJSC ZHYTOMYR BUTTER PLANT  
 SE EASTERN ORE DRESSING COMPLEX  
 SE UKRAINIAN STATE CENTRE OF RADIO FREQUENCIES  
 PRJSC Air Company UKRAINE INTERNATIONAL AIRLINES  
 SE IA BORYSPIL  
 PJSC UKRAINIAN FIRE INSURANCE COMPANY  
 JV POLTAVA PETROLEUM COMPANY  
 PJSC KRYUKIV WAGON BUILDING PLANT  
 PJSC IC KNIAZHA LIFE VIENNA INSURANCE GROUP  
 PJSC UIC KNIAZHA VIENNA INSURANCE GROUP  
 SE NNEGC ENERGOATOM  
 PJSC KYIV CARDBOARD AND PAPER MILL  
 PJSC UKRHYDROENERGO  
 PJSC THE HOUSE OF VINTAGE COGNACS TAVRIA  
 DTEK ENERGY LLC

PERSHOTRAVENSKYI REPAIR AND ENGINEERING PLANT LLC  
 Elekronaladka LLC  
 INVESTECOGAZ LLC  
 DTEK Naftogaz LLC  
 ATZT TPK SVITLO SHAKHTARIA  
 Druzhkovka Mining Machine Building Plant LLC  
 JSC KHMELNYTSKOBLENERGO  
 JSC VINNITSYAGAS  
 JSC VOLYNGAZ  
 JSC DNIPROPETROVSKGAZ  
 JSC ZHYTOMIRGAZ  
 JSC ZAKARPATGAZ  
 JSC ZAPORIZHGAZ  
 JSC IVANO-FRANKIVSKGAS  
 JSC RIVNEGAS  
 JSC LVIVGAS  
 JSC MYKOLAYIVGAS  
 JSC KYIVOBLGAS  
 JSC SUMYGAS  
 JSC KHARKIVGAZ

JSC CHERNIGIVGAS  
 JSC CHERNIVTSIGAS  
 JSC KHMELNITSKGAS  
 PJSC EUROINS UKRAINE IC  
 LLC IC GLOBUS  
 PJSC IC UKRAINIAN INSURANCE GROUP  
 SE UKRSPIRT  
 Ukrainian State Air Traffic Services Enterprise  
 PJSC ZHITOMIROBLENERGO  
 PJSC KIROVOGRADOBLENERGO  
 JSC CHERNIVTSIOBLENERGO  
 LLC VINNITSYAGAS ZBUT  
 LLC DNIPROPETROVSKGAZ ZBUT  
 LLC ZAKARPATGAZ ZBUT  
 LLC IVANO-FRANKIVSKGAS ZBUT  
 LLC KYIVOBLGAS ZBUT  
 LLC LVIVGAZ ZBUT  
 LLC KHARKIVGAZ ZBUT  
 LLC KHMELNITSKGAS ZBUT  
 PJSC KARLIVSKIY MASHYNOBUDIVNIY ZAVOD



# Disclosure of information in accordance with the Law of Ukraine "On Auditing Financial Statements and Auditing", Article 37 "Transparency Report "

Requirements Law of Ukraine "On Audit of Financial Statements and Audit Activities" featured in the Transparency Report	Relevant pages
1) Description of the organizational and legal structure and ownership structure of the audit firm;	7
2) If the audit entity is a member of the network:	
Characteristics of network and organizational, legal and structural mechanisms of the network;	9-10
Name of the audit firms (or surname and name of each auditor, who works independently) that are members of the audit network, as well as the state in which they are registered;	45-47
Net income received by the network for the provision of services of the statutory audit of financial statements;	8
3) Description of the management structure of the audit firm;	7
4) Description of the internal quality control system and statement of the management or supervisory body about its effectiveness;	37-38
5) Information on the date of the last external inspection of the quality control system;	7
6) List of public interest entities, which were provided the services of the statutory audit of financial statements in a previous financial year;	43
7) Information on practice of ensuring independence, and also confirmation of conducting internal review of the compliance with independence;	35-36
8) Information on the continuous training of auditors;	22-24
9) Information on the principles of remuneration of key partners;	25
10) Description of the rotation policy of the key audit partners and auditors involved in the statutory audit engagement;	25
11) Information concerning:	
Revenues from the provision of services of the statutory audit of financial statements of public interest entities and entities belonging to the group of companies, the parent company of which belongs to such enterprises;	42
Revenues from the provision of the statutory audit of financial statements of other legal entities;	42
Revenues from the provision of permitted non-audit services to the public interest entities;	42
Revenues from the provision of non-audit services to the other legal entities;	42
12) Information on the audit entity affiliates	7

# BDO member firms in EU and EEA countries

COUNTRY	TERRITORY	NAME OF THE AUDIT FIRMS
Austria	Austria	BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
	Austria	BDO Steiermark GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
	Austria	BDO Salzburg GmbH Wirtschaftsprüfungsgesellschaft
	Austria	BDO Oberösterreich GmbH Wirtschaftsprüfungs - und Steuerberatungsgesellschaft
Belgium	Belgium	BDO Bedrijfsrevisoren - Réviseurs d'Entreprises CVBA
Bulgaria	Bulgaria	BDO Bulgaria OOD
Croatia	Croatia	BDO Croatia D.O.O.
Cyprus	Cyprus	BDO Limited
Czech Republic	Czech Republic	BDO Audit s.r.o
	Czech Republic	BDO CA s.r.o.
	Czech Republic	BDO CB s.r.o.
	Czech Republic	BDO Plzen s.r.o.
Denmark	Denmark	BDO Statsautoriseret revisionsaktieselskab
	Denmark	BDO Holding V, Statsautoriseret Revisionsaktieselskab
Estonia	Estonia	BDO Eesti AS
France	France	BDO France
	France	BDO France Léger & Associés
	France	BDO IDF
	France	BDO PACA
	France	BDO RHONE-ALPES
	France	BDO 2AS
	France	BDO LES HERBIERS
	France	BDO FONTENAY LE COMTE
	France	BDO ST GILLES CROIX DE VIE
	France	BDO NANTES
	France	BDO ARRAOU
	France	VINCENT RUSE CONSEIL
	France	BDO LES ULIS
	France	FIDENT AUDIT
	France	3APEXCO
	France	3A CORPORATE

# BDO member firms in EU and EEA countries

COUNTRY	TERRITORY	NAME OF THE AUDIT FIRMS
Finland	Finland	BDO Oy
	Finland	BDO Audiator Oy
	Finland	Finnpartners BDO Oy
Germany	Germany	BDO AG Wirtschaftsprüfungsgesellschaft
	Germany	BDO Arbicon GmbH & Co. KG Wirtschaftsprüfungsgesellschaft
	Germany	BDO DPI AG Wirtschaftsprüfungsgesellschaft
Gibraltar	Gibraltar	BDO Limited
Greece	Greece	BDO CERTIFIED PUBLIC ACCOUNTANTS S.A.
Hungary	Hungary	BDO Hungary Audit Ltd
Iceland	Iceland	BDO ehf.
Ireland	Ireland	BDO
Italy	Italy	BDO Italia S.p.A.
Latvia	Latvia	SIA BDO ASSURANCE
Liechtenstein	Liechtenstein	BDO (Liechtenstein) AG
Lithuania	Lithuania	BDO Auditas ir Apskaita, UAB
Luxembourg	Luxembourg	BDO Audit
Malta	Malta	BDO Malta CPAs
Netherlands	Netherlands	BDO Audit & Assurance B.V.
Norway	Norway	BDO AS
Poland	Poland	BDO Spółka z ograniczoną odpowiedzialnością Sp. K.
	Poland	BDO Legal Latala i Wspólnicy Sp.K.
Portugal	Portugal	BDO & Associados, SROC, Lda
Romania	Romania	BDO Audit SRL
	Romania	BDO Auditors & Accountants SRL
	Romania	BDO Auditors and Business Advisors SRL

# BDO member firms in EU and EEA countries

COUNTRY	TERRITORY	NAME OF THE AUDIT FIRMS
Slovak Republic	Slovak Republic	BDO Audit, spol. s r.o.
Slovenia	Slovenia	BDO Revizija d.o.o.
Spain	Spain	BDO Auditores, S.L.P.
	Spain	BDO Audiberia Abogados y Asesores Tributarios, S.L.P.
Sweden	Sweden	BDO AB
	Sweden	BDO Göteborg AB
	Sweden	BDO Göteborg Intressenter AB
	Sweden	BDO Göteborg KB
	Sweden	BDO Linköping AB
	Sweden	BDO Mälardalen AB
	Sweden	BDO Mälardalen Intressenter AB
	Sweden	BDO Norr AB
	Sweden	BDO Norr Intressenter AB
	Sweden	BDO Stockholm AB
	Sweden	BDO Sweden AB
	Sweden	BDO Syd AB
	Sweden	BDO Syd Intressenter AB
	Sweden	BDO Syd KB
	Sweden	GO Bolagssupport AB
	Sweden	Wahlberg & Co AB
Sweden	BDO Tullsupport AB / Johan	
United Kingdom	United Kingdom of Great Britain and Northern Ireland	BDO LLP
	Northern Ireland	BDO Northern Ireland

# We welcome your feedback.

## Kyiv:

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

Tel.: +380 44 393 26 87, 88

Fax: +380 44 393 26 91

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

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

## Dnipro:

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

Tel.: +380 56 370 30 43

Fax: +380 56 370 30 45

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

This publication has been carefully prepared by company's experts, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice.

Please contact BDO in Ukraine to discuss these matters in the context of your particular circumstances. BDO in Ukraine, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO LLC, a Ukrainian LLC, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms. BDO is formed from the first letters of the surnames of company founders: Binder, Dijker and Otte.

2020 © BDO LLC. All rights reserved.

BDO

