

26 OCTOBER 2023

## KPMG in Ukraine completes DTEK project to document control mechanisms used in tracking foreign assistance

- DTEK engaged KPMG in Ukraine in June 2023 to outline its framework governing distribution of international donor assistance, setting an example for Ukrainian private sector.
- DTEK further improves processes and controls as a result of KPMG's in Ukraine recommendations.
- International partners have provided USD 15.4 million-worth of equipment so far, with another USD 44.9 million-worth pledged
- DTEK Group declares zero corruption tolerance and transparency in all business processes.

KYIV - DTEK Group, the leading Ukrainian private energy company, has completed a project with KPMG to outline its control framework governing the distribution of international donor assistance. DTEK is one of a handful of Ukrainian companies receiving Western support to commission such a project, in its drive to further strengthen transparency and anti-corruption safeguards.

DTEK is now implementing a number of recommendations suggested by one of the leading audit and advisory firms, in addition to an existing compliance programme, to enhance the transparency of donations and to avoid any perception of misuse.

Key components of the technical assistance received include transformers, switching equipment, disconnectors, circuit breakers, transformers, wire and cable, and various vehicles essential for the restoration and development of Ukraine's war-torn energy industry.

The company originally commissioned KPMG in Ukraine in June 2023 to describe an existing process of distribution of donor assistance (equipment provided to DTEK). DTEK also asked KPMG to describe its technology architecture and relevant controls aimed at mitigating risks arising from the receipt, distribution, accounting, and use of technical assistance.

**Maxim Timchenko, DTEK Group CEO, stated:**

*"At DTEK Group the commitment to transparency and responsible corporate governance is unwavering. This project both enhances transparency of the assistance distribution we've received and sets a precedent for other Ukrainian businesses. We believe in sharing our knowledge and experiences for the greater future of our country. Our focus remains on the restoration and development of Ukraine's energy industry, and we are determined to achieve this goal in compliance with the highest standards of integrity and efficiency."*



Alex Yankovski, Partner at KPMG in Ukraine said:

*“KPMG is keen on supporting Ukraine, its public and private sector, as well as international donor community in order to facilitate the processes of recovery of Ukraine. Digitalization is one of the key components that fosters transparency and control. We are happy to contribute our knowledge and best international experience in rebuilding Ukrainian energy sector”.*

Shortly after Russia's full scale invasion in February 2022, DTEK Group initiated a comprehensive process to secure, receive, distribute, and account for humanitarian and technical assistance. So far the company has received equipment worth USD 15.4 million from international sources. Donors have pledged a further USD 44.9 million worth of assistance that has yet to be received.

DTEK has established a unified approach across its enterprises and companies across the Group to maintain consistency in working with humanitarian and technical assistance and fostering communication with donors. Additionally, the company has introduced a specialized CRM system dedicated to humanitarian and technical assistance, which tracks the entire aid lifecycle, from demand assessment to delivery and operation.

The digitization and enhancement of existing business processes exemplifies DTEK's commitment to continuous improvement. Operational control is underway, with the Internal Audit and Risk Management Service regularly assessing and testing control procedures.

A commitment to information openness and transparency is at the core of DTEK Group's corporate culture. The company's efforts to enhance corporate governance, improve financial transparency, and respect investors' rights align with the Environmental, Social, and Governance (ESG) principles underpinning its development strategy.

DTEK Group is unwavering in its dedication to the interests of Ukraine, especially during these challenging times of conflict. The company collaborates closely with other industry players and is ready to share its invaluable corporate management experience in wartime conditions.

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## BACKGROUND ON DTEK

We honour the 214 DTEK employees killed since Russia's full-scale invasion in February 2022, along with the 47 who are missing, eight imprisoned and 663 injured.

DTEK Group is the leader and the biggest private investor in Ukraine's energy sector. DTEK Group employs 55,000 people.

Our companies are involved in coal and natural gas extraction; electricity generation from wind, solar, and thermal power plants; energy resources trading in local and international markets; distributing and supplying electricity to consumers; providing energy efficiency services to customers; and developing high-speed charging station networks.

Our Strategy 2030 commits DTEK Group to transforming into a more efficient, eco-friendly and technologically advanced business, guided by ESG principles. Our goal is to achieve carbon neutrality by 2040.

During the war, DTEK Group has restored power-supply to almost 9 million customers in the regions affected by Russian hostilities.

The company is fully-owned by SCM Limited. The final beneficiary is Rinat Akhmetov.