

1.2. IMPACT OF NON-FINANCIAL REPORTING ON INVESTMENT ATTRACTIVENESS OF ENTERPRISES IN THE AGRICULTURAL SECTOR

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In the context of European integration processes, globalization shifts, and potential transformations of economic systems, the primary task is to analyze the impact of non-financial reporting on the investment attractiveness of enterprises. This aims to form priority directions for modern management tools and performance control in companies within the agricultural sector, through the prism of synergistic effects in attracting additional investment capital.

Non-financial reporting (sustainability reporting) is a documented set of data of a commercial organization that reflects the company's environment, principles, and methods of cooperation with stakeholder groups, as well as the results of the company's activities in the economic, social, and environmental spheres of societal life (Baskov, 2021). One of the most widespread approaches is ensuring a comprehensive assessment of the impact of non-financial reporting on the investment attractiveness of enterprises, as a flagship of economic transformations in today's conditions. The increase in innovations, economic shifts, and changes in the international market necessitated the adaptation and active use of non-financial reporting tools to ensure high competitiveness of enterprises in the agricultural sector.

Comprehensive modernization and innovative development of the economy of the future create urgent needs for the actualization of issues related to globalization shifts and transformations of economic processes, ensuring synergistic effects from the impact of non-financial reporting on the investment attractiveness of enterprises. Thus, these issues are undoubtedly relevant.

Comprehensive modernization and innovative development of the economy are necessary for companies to quickly respond to external and internal environmental factors, changes in phenomena, and the formation of complexity in business interactions to monitor the economic state and enhance competitiveness. Therefore, the impact of non-financial reporting on the investment attractiveness of enterprises in the agricultural sector becomes highly relevant and requires innovative management decisions. Achieving such an effect is possible through long-term financial planning, forecasting technological developments in the agricultural sector, and ensuring comprehensive interaction mechanisms of strategic management. Strategic management must be compatible with current business management practices. According to the definition, strategy constitutes “the art of economic, political, and social leadership of the masses, which should determine the main direction of their actions and deeds”.

Theoretical and methodological basis for researching the specifics of formation and progressive development of SMART economy, digitization, digital transformation have created prerequisites for potential development of modern innovative competencies, which can be implemented in the long term, including within enterprises of the national agricultural sector. General scientific research methods such as synthesis, deduction, and induction, system analysis were used during the research. The field of strategic decisions in the context of the impact of non-financial reporting on the investment attractiveness of enterprises is quite diverse: choosing directions of activity, priorities in resource formation, ensuring effective long-term partnerships, developing potential capabilities, conducting continuous analysis of strengths and weaknesses of companies in the agricultural sector, conducting comprehensive economic environment modernization of the company, etc. Thus, two levels of decisions are distinguished: individual and organizational. If in the first case the manager is more interested in the process itself and its internal logic, then in the second case, the interest shifts towards creating an appropriate environment around this process (Fig. 1.2.1)

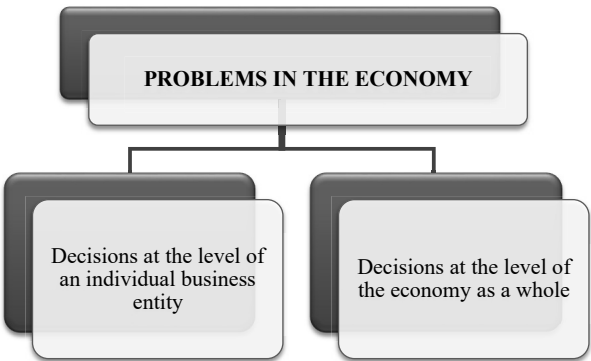


Fig. 1.2.1. Levels of managerial decision-making in the economy when assessing the impact of non-financial reporting on the investment attractiveness of enterprises

The following are the distinctive features of decision-making (Fig. 1.2.2). In the process of analyzing possible approaches to decision-making in the formation of the SMART economy of the future, it is necessary to distinguish the following stages: setting the task; formulating alternative decisions; choosing (making) a decision; implementing the decision.

Most differences in the identification of these stages arise from the question of whether to include the implementation stage as part of the decision-making process. According to many scholars, the implementation of the decision is indeed part of the overall decision-making process. Most of them consider the entire decision-making process within an organization as a function of the problem, alternatives, and the execution of the decision.

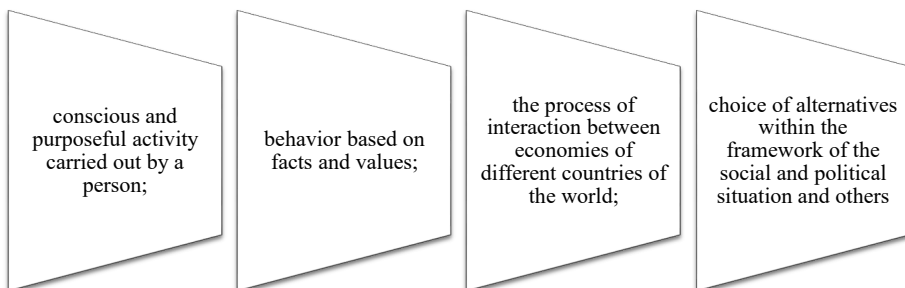


Fig. 1.2.2. Distinctive features of managerial decision-making at different levels in a company when assessing the spectrum of influence of non-financial reporting on the investment attractiveness of enterprises

Let us analyze in more detail the levels of managerial decision-making when evaluating the spectrum of the impact of non-financial reporting on the investment attractiveness of agricultural enterprises in the modern SMART economy (Fig. 1.2.3, 1.2.4).

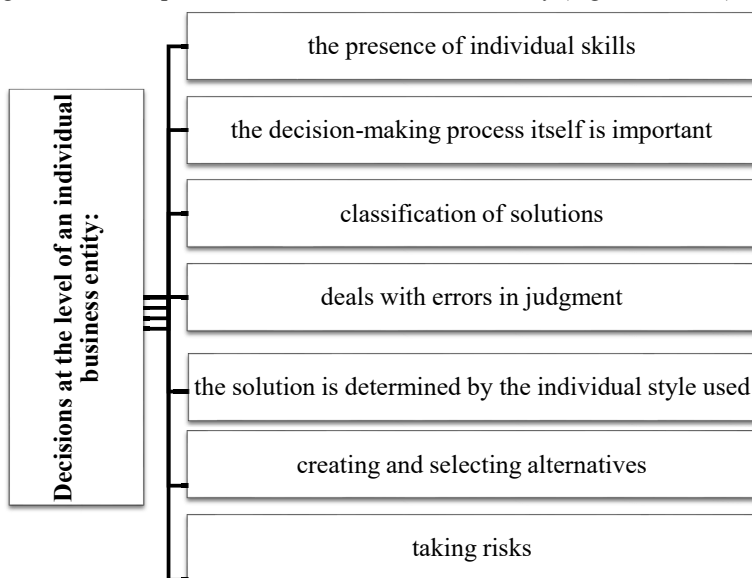


Fig. 1.2.3. Decisions at the level of an individual business entity in the agricultural sector when assessing the impact of non-financial reporting on its investment attractiveness

So, the process is different for structured and unstructured problems. In the first case, the recognition of the problem will be quite straightforward. If the production task is completed by 70%, then it is obvious to its manager that the problem exists and the problem must be solved.

Otherwise, the recognition of the existence of the problem itself becomes the problem. This happens when there is unclear and inadequate information about the development and trends in the organization and in its external environment. An example of such a decision would be the introduction of a new product to the market based on information received from the marketing department.

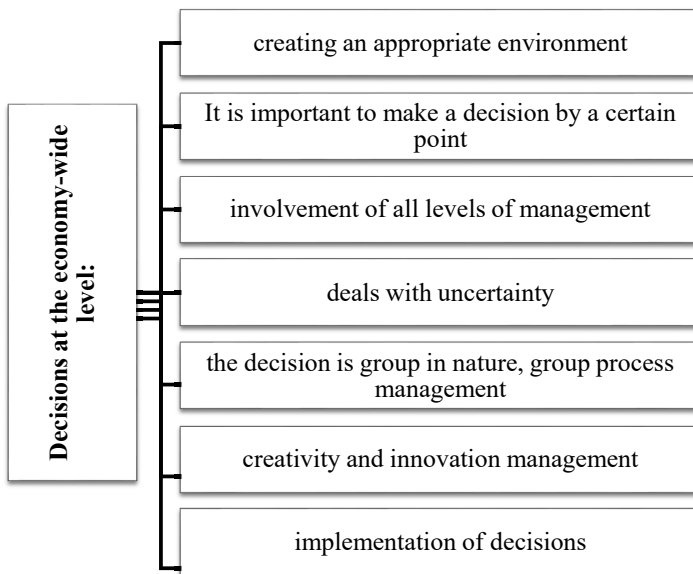


Fig. 1.2.4. Decisions at the level of the economy as a whole

Recognition or non-recognition of a problem largely depends on the level of its perception. In this case, errors are possible, associated with a number of relevant circumstances (Fig. 1.2.5). Defining and formulating a problem allows the manager to rank it among other problems. The following factors can be used as a basis for prioritizing a problem:

- the consequences of the problem (capital intensity, efficiency);
- the impact on the organization (what will happen as a result of solving the problem);
- the urgency of the problem and time constraints;
- the best use of the manager's abilities and time;
- the life cycle of the problem (can the problem be solved by itself or in the course of other problems).

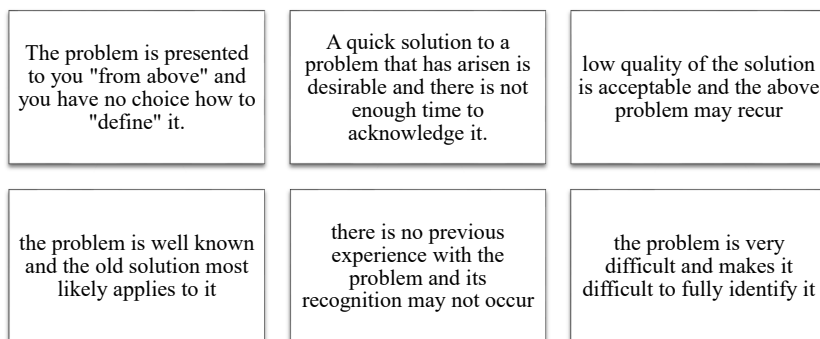


Fig. 1.2.5. Circumstances that may lead to recognition or non-recognition of the problem at different levels of its perception through the prism of management decisions

The most important problems are usually those with the following characteristics:

- the problem receives strong support and pressure from outside in favor of its solution (for example, management insists on completing work on the project within two weeks);
- the problem is supported by the resources necessary for its solution (for example, additional budgetary resources have been allocated);
- solving the problem opens up an opportunity that cannot be refused (for example, entering the market with a new product will allow the company to improve its competitive position).

For example, the search for ways to improve the efficiency of managing the formation of the assortment of goods should be carried out as follows:

- monitoring the market, trade conditions, forecasting demand for goods;
- constant study of the market of used materials and search for all potential new suppliers;
- trying to establish all possible directions for the sale of materials, replenish the stock of resources;
- conducting various exchange transactions with goods;
- purchasing promotional materials;
- cooperating with similar, but not the same enterprises;
- implementing a policy of tactical pricing, which depends on the demand and supply of goods;
- updating product advertising;
- applying progressive forms of selling goods;
- improving customer service;
- using credit resources to expand commercial activities, etc.

With the transition to a free market, human interests, consumer orientation, various forms of production of goods and trade will become more complicated, supplemented with new content, and this is a natural dialectic of the development of assortment management in the conditions of market relations.

To improve the distribution system, it is necessary to:

- update the assortment and remove some outdated sales positions, the company will become more competitive in this market, and will avoid significant financial, entrepreneurial and organizational and commercial risks. To do this, the company's management needs to draw up an assortment policy so that each type of manufactured product can get the maximum effect both in terms of profit and customer satisfaction.

- constantly be in touch with customers, maintain and update data on potential consumers. This may be a goal for management personnel to be able to monitor the market.

- have alternative sources of product suppliers, replenish goods in the warehouse. Expand warehouse areas and rent them out, provide consulting services to other law firms;

- conduct mass advertising activities of the company, provide information to potential buyers about the assortment, quality and availability of goods in stock, location of the store. It would be advisable to hire a marketer for this work, to support all advertising areas. Provide useful and interesting information on television, radio or newspaper;

- update forms and methods of studying demand. Participate in various exhibitions, targeting consumers of the manufactured product at the publishing house, hold presentations of the new product release, this will allow the buyer to learn more about the new product and the opportunity to purchase at the presentation;

- expand the company's areas of activity within the limits provided for by the charter;

- organize wholesale trade, using the company's unoccupied areas.

In the context of the development of an innovative economy, it is possible to formulate the following recommendations:

- always analyze the assortment at enterprises, according to all criteria and wishes of buyers.

- pay attention to service.

- constantly advertise the enterprise.

- check personnel according to all criteria when hiring, periodically provide them with opportunities to improve their qualifications, undergo various seminars and trainings.

- conduct customer surveys using questionnaires (what they are satisfied with or not, etc.), what services they want to receive.

The above recommendations will be useful for companies and will allow them to increase sales of goods.

Taking into account modern business transformations in the economies of countries around the world, the paradigm of doing business in the agricultural sector of the economy has conceptually changed the vectors of strategic development, taking into account modern conditions for the functioning of companies. The transformation of the company's activities had an impact on the change of all, without exception, components of the management system and created the prerequisites for the qualitatively new

implementation of innovations in the field of making balanced and fast management decisions, which allow the company to effectively adapt to changing factors of the external and internal environments.

Enterprise management is an economic category that represents a special form of economic relations that affect processes, an object or a system in order to maintain its stability, or to transfer it to another state in accordance with the set goals. Management occurs when the manager makes a decision, when a new order of relations between the elements of the system is developed to overcome a problem situation, when new connections are established between structural units associated with the modification of the organizational structure (Baskov, 2021).

At the same time, the main goal of the company's activities is to meet the needs of consumers with the rational use of available resources in order to make a profit. However, most business owners from different sectors of the economy claim that the process of a company's functioning is more related to the urgent need for its survival in the market, emphasizing that «economic difficulties and uncertainty of the future do not allow for a long-term forecast of the development of the enterprise and the formation of a model of its functioning» (Mazur, 2020).

The main feature of company management under modern conditions is that an effective management system is, first of all, a system that is able to ensure the rapid adaptation of the company to changes in its business environment while taking into account the requests and meeting the needs of potential consumers as much as possible. Profit should be considered exclusively as a result of the effective functioning of such a management system.

The activities of each business entity are carried out in conditions of uncertainty and risk and depend on the influence of both the internal and external environment. Changes in the external environment are unpredictable or insufficiently predicted. This situation forces companies to make decisions that could reduce the negative impact of external factors on the results of the enterprise's activities (Danylyshyn, Maslyukivska, 2008). Today, the state of economic development is characterized by the need to study the management system of business entities.

An important condition for the effective functioning of any company and the basis for its stable development in a competitive environment is to ensure a high level of its efficiency. Stable functioning, growth of the company's economic potential in an unstable economy depends on the presence of a reliable management system. At the same time, an important stage in the formation of promising development paths and effective management, which allows to reduce the negative impact of an unstable macroenvironment, is a comprehensive assessment of the level of development and determination of the level of reliability and effectiveness of the management system (Nekrasova, Diskina, 2018). This is due to the fact that in market conditions the company must independently develop a strategy for its activities and development, find the resources necessary for its implementation, which requires a significant expansion of the scope of management, increased responsibility of managers for the results of the

company's activities, for the quality and timeliness of making the necessary decisions. Thus, the organization's strategy is an indication of how to transfer the company from the state in which it is now to the desired state; it is a means of achieving the desired results.

The strategy is necessary for both the entire company as a whole and its individual connecting links – scientific research, sales, marketing, finance, labor resources, etc. The company's common strategy is originally based on the company's behavior model and new ideas proposed by managers. When forming a strategy from many feasible options, the manager, acting as an indicator, in a certain way reacting to changes in the market, seeks out new opportunities and is a kind of synthesizer of different trends and approaches taken at different times and in different divisions of the company. However, highlighting the process of developing a strategy, it is necessary to identify the facets of the enterprise's management plan for growth, that is, to determine those actions that determine the company's position in the market and create the basis for success in the future. The organization's strategy should be dynamic and develop in accordance with changes in the external environment. The process of developing a strategy has a sensitive and often unpredictable nature of competition, promising price rises and falls, rearrangements among major industrial competitors, new regulation, reduction or expansion of trade barriers and an infinite number of other events that can contribute to the ineffectiveness of the management strategy.

Features of the company's strategy in modern conditions of globalization transformations are presented in Fig. 1.2.6.

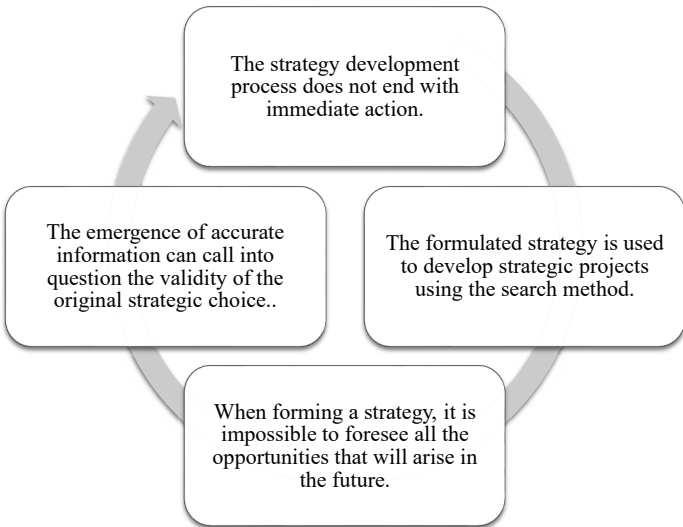


Fig. 1.2.6. Features of the formation of the strategy of enterprises of the agricultural sector of the economy in modern conditions of globalization transformations when analyzing non-financial reporting

The process of strategic planning encounters a number of difficulties in its development. The main difficulty is related to the fact that the process of making preliminary decisions is dependent on the structure of authority in the organization. A new strategy, as a rule, destroys the type of relationships formed in the organization and may conflict with the management policy. The natural reaction to this is the fight against any innovations that violate traditional relationships and the structure of authority. Another significant problem is that the implementation of strategic planning leads to a conflict between the previous types of activities that ensure profit and new ones. In organizations at the first stages of implementing strategic planning, there is neither the appropriate motivation nor the inclination to think strategically.

This problem is due to the fact that organizations usually do not have the information necessary for effective strategic planning about themselves and the external environment. In addition, as a rule, there are no competent managers who are able to develop and implement the strategy.

When forming a strategy for the development of the investment attractiveness of the state's economic system, various approaches are used (Fig. 1.2.7 based on (Poplavska, 2020)).

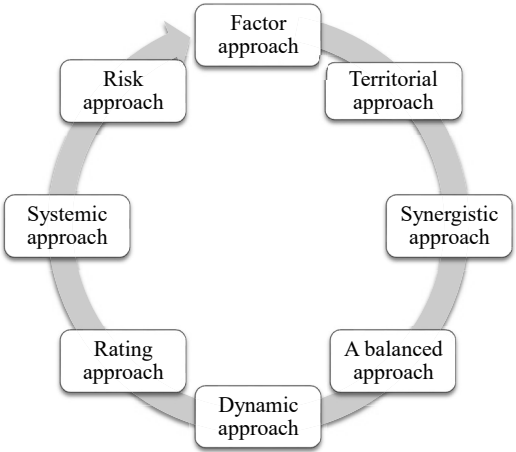


Fig. 1.2.7. List of modern approaches to forming a strategy for developing the investment attractiveness of the state's economic system

Detailing and a thorough in-depth analysis of the spectrum of formation of modern approaches to reproducing the strategy for the development of the investment attractiveness of the state's economic system will allow an objective assessment of the strategic priorities of the national economic system in the conceptual foundations of transformational economic transformations. For example, the factor approach is based on the identification of a spectrum of positive and negative, direct and indirect factors of

influence on determining the level of investment attractiveness of the state's economic system. Conceptually, scientists identify a whole spectrum of various factors of influence on the level of investment attractiveness of the state's economy. However, the economic literature does not identify a generalized single approach to determining the spectrum of influence and existing characteristics of factors forming the level of investment attractiveness of the state's economic system.

The specified spheres of influence of factors determining the level of investment attractiveness of the national economic system determine the need for an in-depth analysis of the indicators of its formation in order to reveal their essential characteristics and significance at the macroeconomic level (Fig. 1.2.8).

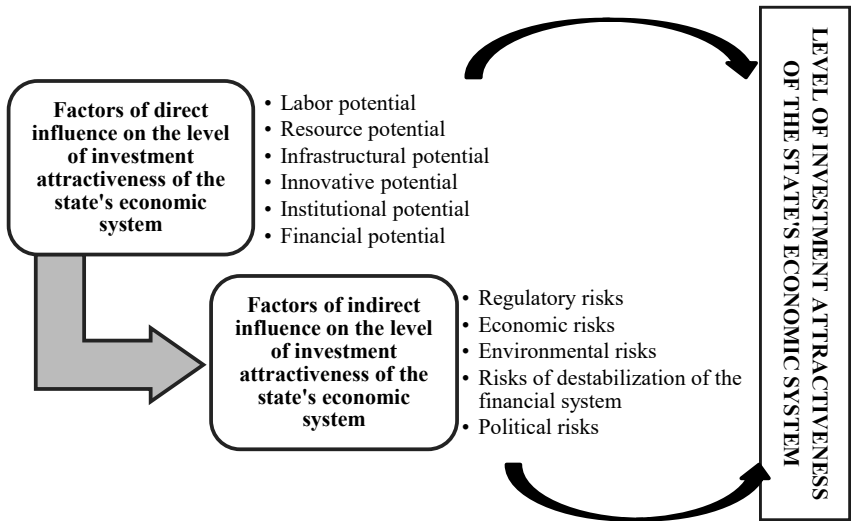


Fig. 1.2.8. List of main factors influencing the formation of the level of investment attractiveness of the national economic system

Each of the specified factors of both direct and indirect influence on the formation of the level of investment attractiveness of the national economic system has a set of both positive and negative aspects, the impact of which determines the issue of ensuring high rating positions of Ukraine on the world stage.

In general, the systematization of factors influencing the formation of the level of investment attractiveness of the economy creates conditions for the adoption of rapid and balanced management decisions by management of the macroeconomic level. The next in the context of conducting the relevant analysis is the risk approach to the formation of a strategy for the development of the investment attractiveness of the economic system of

the state. This approach determines the paradigm of the formation of two main directions, namely: 1) investment attractiveness; 2) investment risk. The main stages of formal strategic planning can be presented in the form of a diagram (Fig. 1.2.9).

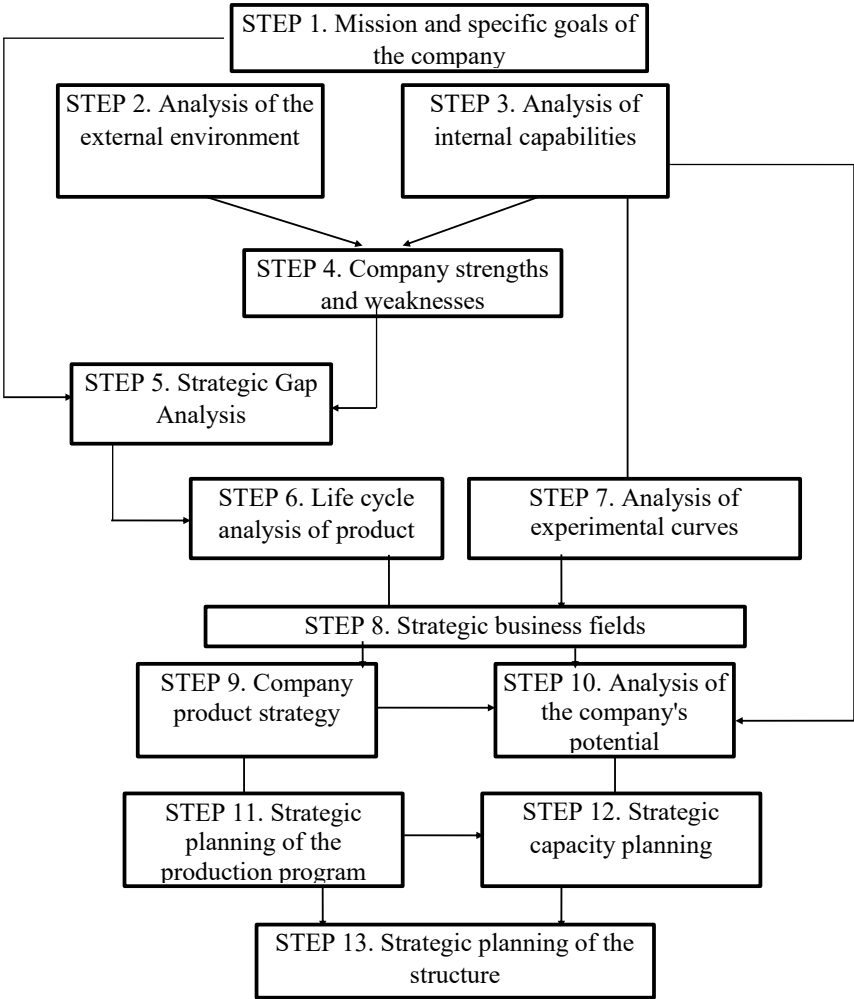


Fig. 1.2.9. The main stages of formal strategic planning of an enterprise in the agricultural sector of the economy through the prism of analysis of modern non-financial reporting tools

One of the conditions for the company to formulate its strategy is the occurrence of sudden changes in the environment. Their cause may be market saturation, technological changes, unforeseen success of a new product, the emergence of numerous new competitors, etc.

Having certain difficulties, the company must solve two extremely critical problems:

- choose a new direction of growth from many alternatives that are difficult to assess;
- direct the efforts of a large team to achieve strategic goals.

The answer to these questions reveals the essence of the development and implementation of the strategy. At such moments, strategy becomes a vital management tool with which the company can withstand changing environmental conditions.

Today, the economy of Ukraine is in a state of development of market relations, its enterprises are given the opportunity to independently manage in market conditions. Of particular importance is the ability of enterprises to plan their activities in such a way as not to go bankrupt, and even better - to make a profit, thereby increasing the welfare of the population. Based on the diversity of characteristics of enterprises, different approaches to the organization of the strategic management system in general and strategic planning in particular are possible.

World experience shows that, based on general principles, each enterprise chooses one or another system, emphasizes individual aspects of its activities, introducing this guideline as the basis for planning. Approaches to the organization of the strategic planning process can be diverse. Most foreign companies use strategic planning as a tool for achieving high economic indicators in their activities: income, profit, profitability, etc. Economic analysis of the possibilities of evolutionary development of the enterprise allows you to calculate the so-called lower limit of the «strategic gap», that is, performance indicators that can be achieved based on trends that have developed in previous periods. However, as a rule, passive registration and imitation of trends do not suit enterprises that are trying to ensure their profitable existence in the long term.

Thus, the strategic planning process is a tool that helps in making management decisions. Its task is to ensure innovations and changes in sufficient volume to adequately respond to changes in the external environment. Strategic planning does not end with any immediate action. Usually it ends with the establishment of general directions, the passage of which ensures the growth and strengthening of the organization's positions.

Non-financial reporting brings significant benefits to enterprises in the agricultural sector of the national economy:

- helps to build a socially responsible business management process;
- builds trust in the enterprise from various groups of influence (stakeholders);
- increases the transparency of the enterprise, as it contains information on the social and environmental aspects of its activities with information on economic results;
- increases the readiness of the enterprise to work in other markets, as it is, in a way, a signal of its maturity, which is useful when the company enters international markets, where the issue of social responsibility of business is of great importance;

– strengthens business relations, as effective communication with business partners allows the enterprise to obtain reputational benefits as open to cooperation by establishing clear requirements for counterparties and transparency regarding the principles of its work.

In general, “the introduction of non-financial reporting of enterprises into Ukrainian practice is a significant step towards European standards of conducting business transparently and responsibly, as well as a «signal» to a foreign investor that the company has a long-term development strategy, cares about its corporate reputation and, accordingly, is worthy of establishing partnerships with it” (Poplavska, 2020).

Non-financial reporting strengthens business relationships and contributes to the expansion of markets, creating opportunities for the company to demonstrate its transparency and openness to cooperation. Effective communication with business partners allows you to set clear requirements for counterparties, which increases the reputational benefits of enterprises in the agricultural sector of the national economy.

The presence of non-financial reporting allows Ukrainian enterprises to maintain and expand business with transnational companies, as well as enter markets where social responsibility of business is an important factor in the competitive struggle. Demanding consumers and compliance with all standards determine a high level of profitability in these markets.

Ukrainian business is only beginning to actively integrate into the global practice of non-financial reporting. Most reports of Ukrainian agrarian companies are available only in Ukrainian, which limits their audience and influence at the international level (Strapchuk, 2022). The small experience of non-financial reporting in Ukraine means that enterprises are quite cautious in disclosing information about their non-financial indicators. This is manifested in significant differences between reports both in terms of volume and detail of information disclosure.

The introduction of non-financial reporting increases the level of trust between the company and its stakeholders, creating the basis for long-term partnerships. This is especially important for attracting investors and partners, because transparency in reporting indicates the reliability and maturity of the company. In addition, conducting socially responsible business helps to attract young professionals who are interested in ethical principles and employer responsibility. Despite the significant role of non-financial reporting, many Ukrainian enterprises in the agricultural sector still do not have sufficient experience in this matter. The lack of a single concept and standardization of non-financial reporting in Ukraine complicates its practical application and increases the level of uncertainty in information disclosure.

Therefore, the introduction of non-financial reporting is an important step in the process of business management in the context of sustainable development and social responsibility. Enterprises of the agricultural sector of the economy that effectively integrate these principles into their activities have much greater chances of success, both in the national and international contexts. However, to ensure efficiency, it is necessary to develop standards and methodologies for compiling such reports, which will ensure unity and transparency in the business environment.

The paradigm of determining priority aspects of sustainable progressive development of the economy of Ukraine determines the potential need to level environmental risks in order to ensure their comprehensive diversification and analytical review of key concepts. The context of the above characteristics determines the urgent need to form generalized complementary mechanisms to ensure a high level of investment attractiveness of enterprises of the agricultural sector of the economy of Ukraine in the context of globalization transformations and potential transformational shifts.

The set of the above characteristics necessitates an in-depth analysis of the essence and main characteristics of the category of "non-financial reporting of enterprises of the agricultural sector of the economy of Ukraine" in order to form a comprehensive mechanism for determining progressive long-term vectors of strategic development at the macroeconomic level.

Theoretical aspects of building an integrated system of financial and non-financial indicators have been sufficiently studied in the scientific literature: the Balanced Scorecard (BSC); comprehensive models of measuring and assessing business efficiency, such as: The Performance Prism, the Tableau de Bord, the European Foundation for Quality Management (EFQM) model, the EP2M model, etc.

One of the technological platforms that can be used for integrated reporting of enterprises in the agricultural sector of the economy of Ukraine is XBRL (eXtensible Business Reporting Language). This platform improves the processes of creating, processing, distributing and analyzing information thanks to a standardized set of definitions, markings, calculations, references and contexts applied to digital and text data. High-quality content created using XBRL can be recognized as one of the approaches to sustainable development of agricultural business. Investigating the methodology for auditing non-financial reporting of enterprises in the agricultural sector of the economy of Ukraine, it can be determined that the basis of such an audit is a set of socially oriented processes and phenomena of the enterprise, which are in the spectrum of the plane of social responsibility, are part of the general system of business management and are subject to audit procedures. Due to the lack of generally accepted standards for the definition, collection and reporting methodology when choosing an economic basis for assessing non-financial indicators of enterprise activity, it is advisable to focus on a specific area of activity of the enterprise in the context of business processes. This complicates the comparison of non-financial reports of different enterprises, as well as the comparison of reports of one enterprise from year to year due to different compilation methodologies. As a result, in practice, auditors feel confident not about the entire non-financial report, but only about its individual indicators or their groups. An important aspect of the audit is the assessment of data collection methods and processes for preparing non-financial reporting in accordance with established verification criteria, which are the basis for conducting an external audit and forming an audit opinion, providing a basis for assessing, measuring and interpreting the subject of control by both the auditor and the user.

The selection of criteria for external audit of non-financial reporting of enterprises of the agricultural sector of the economy of Ukraine also has its own characteristics.

Criteria for external audit of non-financial reporting may include audit standards and assurance, guidelines for reporting in the field of sustainable development, codes of professional ethics of auditors, internal regulations in the field of social responsibility and other regulatory documents.

Methods of non-financial assessment, based on the use of quantitative accounting data, indicators of the physical condition of accounting objects and other physical indicators, include the assessment of:

- functional activity of objects;
- effectiveness of management accounting;
- identified deviations from the norms in material and labor specifications;
- results of the activities of participants in the production process, allowing to assess the contribution of each of them to the total volume of production without the influence of financial factors;
- results of the activities of structural units to motivate participants in business processes and others.

In the context of providing assurance to non-financial information, the most significant methodological problem is to improve the quality of information disclosure and provide evidence regarding the reliability of non-financial report indicators. This issue concerns, first of all, the process of preparing information - its collection, classification and generalization. According to International Standards on Auditing (ISA), accounting and information support for non-financial reporting is one of the most important contextual factors that ensures a high level of information reliability.

The conceptual paradigm of ensuring sustainable economic development determines the need to level potential risk zones in order to diversify them and reorient the strategic context of economic growth. In this aspect, it is necessary to take into account the degree of influence of foreign investment on ensuring a reduction in the risk of potential economic threats, the formation of strategic guidelines for sustainable development, and the expansion of the degree of influence of innovative transformations.

Since the beginning of the full-scale invasion, Ukraine has received financial support from international partners for a total of 66 billion US dollars. In the period 2022-2023, the main foreign investors were companies (brands) that already had facilities in Ukraine at the time of the full-scale invasion. Among them: Carlsberg, Cersanit, Kronospan, Laude, Nestle, Phillip Morris, Velux and others. The vast majority of these international corporations allocated funds for the relocation of production, repair of damaged facilities, and social projects. However, the unconditional focus of the international community is on the defense industry in Ukraine. International corporations BAE Systems (Great Britain), Baykar (Turkey) and Rheinmetall (Germany) are working to start building new enterprises on the territory of Ukraine even during military operations on its territory. As part of this, it is planned to invest more than 300 million US dollars in the Ukrainian economy. In addition, foreign investors pay special attention to investing capital in the construction sector in Ukraine. For example, in 2023, corporations such as Rolls-Royce

(Great Britain), Chicago Atlantic (United States of America), and Wasatch Group (United States of America) invested more than 250 million US dollars of investment capital.

The synergistic effect of transformational changes in the sphere of sustainable development of the economic system of the state determines the need to monitor the level of investment attractiveness of the national economy and identify key aspects of progressive shifts.

The economy of Ukraine functions taking into account the need to defend its national interests in the international arena. The formation of favorable conditions for ensuring an increase in the level of investment attractiveness of the economy involves the following fundamental economic transformations (Fig. 1.2.10).

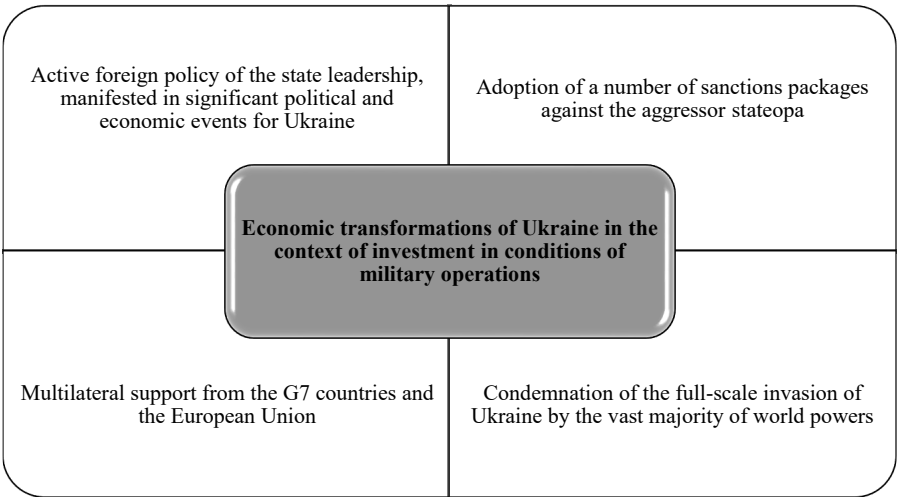


Fig. 1.2.10. Economic transformations of Ukraine in the agrarian sector of the economy in the context of investment in conditions of military operations

Taking into account the above, it can be argued that there is an urgent need to increase the level of the investment attractiveness index of the agricultural sector of the state economy by reducing the negative impact of factors of the external economic environment, revising legislation and making changes in accordance with the standards of the European Union countries, carrying out reforms, creating innovation zones, stopping military operations on the territory of the country, developing special refinancing programs.

The investment agenda of the national economic system reproduces the features of the implementation of a complex of strategic vectors for ensuring economic transformations. The choice of mechanisms and tools for regulating the conceptual

principles of forming a strategy for developing the investment attractiveness of the national economic system depends on the spectrum of solving priority problem aspects, namely: the sectoral affiliation of the state's economic system, the level of its competitiveness in the world arena, the state of the institutional environment, the state of regulatory and legal support, etc.

Thus, it is obvious that the formation of a single generalized reference model for managing the investment attractiveness of the national economic system is impossible.

The corresponding study of the obtained economic calculations is based on measuring the spectrum of influence of factors of external and internal economic influence on the formation of the level of investment attractiveness of the economic systems of the state of the world in order to cluster them according to the following main types of clusters, namely:

- cluster with a high level of investment attractiveness of the economic system of the state;
- cluster with a sufficient level of investment attractiveness of the economic system of the state;
- cluster with a moderate level of investment attractiveness of the economic system of the state;
- cluster with a low level of investment attractiveness of the economic system of the state.

The dynamics of comparative analysis of the state of the economic systems of the world through the prism of indicators of the level of their investment attractiveness, the comparative aspect of data for 2020 and 2023 is presented in Table. 1.2.1.

In order to conduct a comparative analysis of the spectrum of the corresponding clustering of the level of investment attractiveness of the economic system of the world, two periods were selected - 2020 and 2023. To assess the comprehensive impact of the dispersion, cluster and discriminant analysis of the specified problematic aspect of determining the level of investment attractiveness of the economic system of the state, a special software package Statistica and Deductor Academic were used.

In the context of changes in the economic system of the state, new priorities for the system of development of the investment attractiveness of the national economy for the current period are being formed (Fig. 1.2.11).

Therefore, the system-functional approach to the strategic provision of the functioning of the system for the development of the investment attractiveness of the national economy is formed on three main postulates, namely:

- conducting a comprehensive in-depth analysis of the economic situation in the state, taking into account the specifics of its problematic aspects;
- formulating a strategic plan for ensuring the progressive development of the national economic system in the long term;
- monitoring and ensuring an effective level of management of innovative changes (for example, outsourcing, formulation of key economic indicators, benchmarking at the macroeconomic level, etc.).

Table 1.2.1

Dynamics of comparative analysis of determining the state of economic systems of countries in the world through the prism of indicators of their investment attractiveness, comparative aspect of data for 2020 and 2023

YEARS / CLUSTERING DYNAMICS	2020		2023	
	Cluster name	Cluster composition	Cluster name	Cluster composition
	Cluster with a high level of investment attractiveness of the state's economic system	Austria, Belgium, Netherlands, Norway, Sweden, Denmark, Finland, France, Germany, Luxembourg, Switzerland, United Kingdom	Cluster with a high level of investment attractiveness of the state's economic system	Sweden, Denmark, Finland, France, Germany, Luxembourg, Switzerland, United Kingdom
	A cluster with a sufficient level of investment attractiveness of the state's economic system	Ireland	A cluster with a sufficient level of investment attractiveness of the state economic system	Czech Republic, Ireland
	Cluster with a moderate level of investment attractiveness of the state's economic system	Czech Republic, Poland	Cluster with a moderate level of investment attractiveness of the state's economic system	Poland, Kazakhstan, Bulgaria, Turkey, Montenegro, Lithuania
	Cluster with a low level of investment attractiveness of the state's economic system	Greece, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Montenegro, Albania, Armenia, Belarus, Bulgaria, Croatia, Cyprus, Estonia, Georgia, Portugal, Romania, Turkey, Ukraine	Cluster with a low level of investment attractiveness of the state's economic system	Greece, Belarus, Cyprus, Estonia, Romania, Ukraine, Portugal

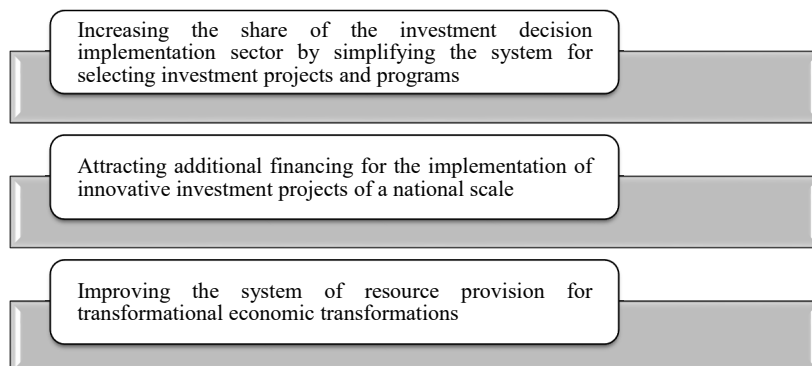


Fig. 1.2.11. Current priorities of the system for developing the investment attractiveness of the national economy in conditions of a full-scale military invasion

World practice shows a high degree of interest in the implementation of investment transformation processes at the macroeconomic level. The investment agenda emphasizes the complexity of solutions for the system for the development of investment attractiveness, taking into account the need to implement a range of structural economic transformations and transformational shifts.

The formation of strategic priorities and operational objectives of the strategic management system for the development of the investment attractiveness of the agricultural sector of the economy of Ukraine necessitates the identification and analysis of a large number of threats to this system through the prism of innovative support, transformational economic transformations in the medium and long term.

The following factors have the greatest share among the factors of direct influence on the investment attractiveness of enterprises in the agricultural sector of the national economy:

- human resources;
- duration of the investment program;
- condition of property and financial resources;
- amount of expenses.

Improving the indicators of these factors will positively affect the investment attractiveness of the enterprise and the inflow of investments in general.

In the management aspect, it is advisable to consider the investment attractiveness of an enterprise as a system of financial, economic and other relations that arise in the process of ensuring the effective development of the enterprise and meeting the requirements of potential investors. To assess the state of this system, you can use a variety of indicators that reflect various aspects of the enterprise's activities that are important for its future and interesting for investors. Based on the above, we will define the concept of "management of the investment attractiveness of an enterprise" as a process of purposeful influence of the enterprise's management on the system of financial, economic and other relations that arise in the process of ensuring the effective development of the enterprise and meeting the requirements of potential investors. The purpose of this process is to ensure the investment attractiveness of an enterprise in the agricultural sector of the economy. Taking into account the requirements of potential investors and the influence of external environmental factors, the enterprise's management develops a set of actions that form, coordinate and control financial, economic, production, labor and other relations within the enterprise in order to ensure its investment attractiveness. Based on the results of the assessment, an analysis of the factors and reasons for its change is carried out, then decisions are made to regulate internal relations and planned tasks are established or adjusted for each direction of the enterprise's activity in accordance with the main task of managing the investment attractiveness of the enterprise - ensuring positive dynamics of the state of the investment attractiveness system of the enterprise. To increase the probability of fulfilling the planned tasks to improve the investment attractiveness of enterprises in the agricultural sector of the national economy, motivation of this process is necessary, aimed at improving the financial and economic performance of the

enterprise, the results of which are monitored and evaluated, like other areas of activity. Based on the main tasks and areas of activity to ensure investment attractiveness, the following main functions of managing the investment attractiveness of enterprises in the agricultural sector of the economy can be distinguished:

- planning;
- organization;
- motivation;
- assessment and control;
- analysis;
- regulation;
- coordination.

In today's dynamic conditions of social development and fierce competition, it is important for every enterprise in the agricultural sector of the economy to be competitive, successfully withstand competition, and create value for society. Financial stability and successful operations of enterprises in the agricultural sector are directly related to non-financial indicators and the orientation of activities, positions in ratings, reputation, openness, and social responsibility. One of the effective modern tools for improving work and achieving competitive advantages is non-financial reporting. Currently, the conditions for managing an enterprise go beyond financial and economic indicators and also require data on social and environmental aspects of activities. European integration processes and the entry of domestic enterprises in the agricultural sector into the world market require the introduction of modern practices of interaction between both the state and business, and, in turn, business and society, which would make it possible to strengthen the mutual responsibility of all participants in public life and create conditions for their further successful development. As practice shows, 75% of global investment fund managers believe that a company's sustainability performance affects its investment attractiveness. The provision of non-financial indicators in companies' annual reports is becoming increasingly common around the world.

Non-financial reporting contains information about economic performance, social and environmental performance. Non-financial reporting refers to the disclosure and reporting of a company's performance in the field of sustainable development to internal and external stakeholders (stakeholders). The main objective of non-financial reporting is to inform about the economic, environmental and social consequences of the company's daily activities. This report also reflects the organization's value and management model, demonstrates the connection between its strategy and commitment to a sustainable global economy. Non-financial reporting is a tool for corporate social responsibility. The main goal of non-financial reporting is to help enterprises in the agricultural sector of the economy measure, understand and communicate to stakeholders about their economic, environmental, social and management activities, and then set goals and manage changes more effectively. That is, this report serves as the main platform for communicating sustainable development results and impacts – positive or negative – which becomes a real basis for creating social, environmental, and economic benefits for everyone.

Non-financial reporting has different:

- forms of preparation, from those defined and approved by international standards that determine its content and format, to those compiled in a free form according to one's own ideas and concepts;

- names, namely: sustainable development report; corporate social responsibility report; social report; report on progress in implementing the principles of the Global Compact; integrated report, etc.

Non-financial reporting compiled according to GRI standards, as a tool for managing a company to measure social responsibility, has its advantages - both internal and external. Internal advantages include:

- deepening the understanding of risks and opportunities;
- emphasis on the connection between financial and non-financial indicators;
- impact on long-term management strategy, policy and business plans;
- streamlining business processes, reducing costs and increasing efficiency;
- benchmarking and assessing development performance in accordance with the implementation of laws, regulations, codes, standards and voluntary initiatives;
- comparing productivity within the enterprise.

Among the external benefits:

- improving the reputation and trust in the enterprise;
- involving external stakeholders to assess the true value of the organization, its tangible and intangible assets;
- identifying the impact of the organization on expectations for sustainable development.

The GRI sustainable development reporting standards are developed taking into account the real contributions of stakeholders and are enshrined in the public interest. Along with this, there are other standards and reports that are rapidly gaining popularity, including the international IIRC standards and SASB standards (USA), which relate to sustainable development issues.

In the context of a full-scale military invasion of the territory of Ukraine, the aspect of ensuring the protection of the national economic system from the influence of fluctuations of various kinds becomes paramount. Therefore, ensuring a high level of investment attractiveness of the national economic system through the prism of digital processes plays a conceptual role in the formation of globalization transformational shifts. To overcome the consequences of crisis phenomena and expanded reproduction in Ukraine, it is necessary to activate and increase investment activity, which would ensure this expanded reproduction with a constant flow of financial resources. Table 1.2.2 presents the latest stages of the process of ensuring strategic management of the system for developing the investment attractiveness of the agricultural sector of the economy of Ukraine in the context of transformational shifts and economic fluctuations.

As a result of the study of the current state of investment attractiveness in the economy of Ukraine, it can be stated that the dynamics of the investment attractiveness index of the economy of Ukraine has been decreasing in recent years, which is due to the influence of a number of factors of external and internal economic transformations, the consequences of a full-scale military invasion of the country's territory.

Table 1.2.2

The latest stages of the process of ensuring strategic management of the system for developing the investment attractiveness of the Ukrainian economy in the context of transformational shifts and economic fluctuations

No.	Name of the strategic management stage	The purpose of the strategic management stage	Research methods used at this stage
1.	Conducting a critical analysis of the degree of influence of external and internal economic factors	Identification of potential and existing economic threats, grading them by degree of risk and formulating key aspects of solving problematic issues	Foresight, factor method, generalization, grouping, comparison
2.	Formulation of priority strategic goals in the medium and long term	Definition, formulation and detailing of tactical and strategic priorities and operational objectives of the strategic management process of the system for developing the investment attractiveness of the state economy	Foresight, generalization, grouping, theory of logic
3.	Conducting strategic analysis at the macroeconomic level	Critical analysis of the state of the economic environment in the country, assessment of its level of competitiveness on the world stage	SWOT analysis, comparison, analysis and synthesis, grouping, foresight, clustering
4.	Formulation of a list of major and secondary potential risks and economic threats to the strategic management system for the development of the investment attractiveness of the state economy	Formulation of a list and grouping, reorientation and prioritization of potential threats to the strategic management system for the development of the investment attractiveness of the state economy	Grouping, comparison, generalization, analysis and synthesis, analytical hierarchy process, classification, cognitive map, expert assessments
5.	Conducting a critical assessment of the level of investment attractiveness of the national economic system	Detailing and development of methodological support for assessing the level of development of the investment attractiveness of the state economy	Grouping, comparison, generalization, analysis and synthesis, classification, expert assessments, scaling, cluster analysis, correlation analysis
6.	Creation and modeling of possible scenarios for the development of events regarding the impact on the level of investment attractiveness of the national economic system	Development and implementation of mechanisms to ensure a high level of development of the investment attractiveness of the state economy in difficult conditions of influence of factors of the external and internal economic environment.	Scenario approach, abstraction, scaling, cluster analysis, idealization, cognitive map
7.	Formulation of tactical and strategic steps to ensure a high level of investment attractiveness of the national economic system	Creation of a set of fundamental mechanisms to ensure a high level of development of the investment attractiveness of the economy through a set of tactical and strategic steps at the macroeconomic level.	Grouping, generalization, systematic approach
8.	Development of comprehensive mechanisms to ensure a high level of investment attractiveness of the national economic system in conditions of risk diversification	Development and implementation of a set of strategic plans, priority mechanisms, and strategic measures to ensure a high level of development of the investment attractiveness of the state economy.	Target programming, idealization

Summarizing the above, it becomes obvious that determining the level of investment attractiveness is a parallel process to carrying out investment research and assessing the investment environment at the micro level, which will become a serious basis for increasing investment attractiveness in market conditions.

The main stages of strategic management in the context of assessing the role of non-financial reporting in the formation of the investment attractiveness of enterprises in the agricultural sector of the national economic system are the following:

- 1) conducting a critical analysis of the degree of influence of external and internal economic factors;
- 2) formulating priority strategic goals in the medium and long term;
- 3) conducting a strategic analysis of the macroeconomic level;
- 4) formulation of a list of major and secondary potential risks and economic threats of the strategic management system for the development of the investment attractiveness of the state economy;
- 5) conducting a critical assessment of the level of investment attractiveness of the national economic system;
- 6) creation and modeling of possible scenarios of events regarding the impact on the level of investment attractiveness of the national economic system;
- 7) formulation of tactical and strategic steps to ensure a high level of investment attractiveness of the national economic system;
- 8) development of comprehensive mechanisms for ensuring a high level of investment attractiveness of the national economic system in the context of risk diversification;
- 9) monitoring the status of the strategic management system for the development of the investment attractiveness of the national economic system;
- 10) development of scenarios for the prospective development of the investment attractiveness of the national economic system in the short, medium and long term.

In Ukraine, there are several fundamental approaches to assessing the degree of effectiveness of the functioning of the state-level mechanism for responding to threats to the surrounding economic environment (Fig. 1.2.12). Thus, taking into account the above, it is necessary to create and use a state mechanism for rapid response to threats to the surrounding economic environment, namely, a strategy for protecting the country's economic system.

At the current stage of development of the economic system, it is necessary to take into account the social and public position of the enterprise, which is very important in the conditions of a post-industrial society. The inclusion of non-financial reporting in the reporting, which reflects, along with financial and economic indicators, non-financial indicators and an integral indicator, will allow assessing the role and significance of the enterprise in solving socially significant problems. Those enterprises that have long set their sights on foreign investors and operate outside Ukraine understand the importance and value of a positive image of their enterprise, and this is not only its profitability, which can be seen in financial reporting, but also the strategic vision, development prospects, which are revealed in non-financial reporting. In recent years, Ukrainian enterprises have been increasingly deepening their integration into international business and international

reporting standards. Therefore, taking into account the global practice of developed countries and the need to introduce a comprehensive analysis of the issue, it is advisable to create a separate expert approach in the context of assessing the degree of effectiveness of responding to threats from the surrounding economic environment.

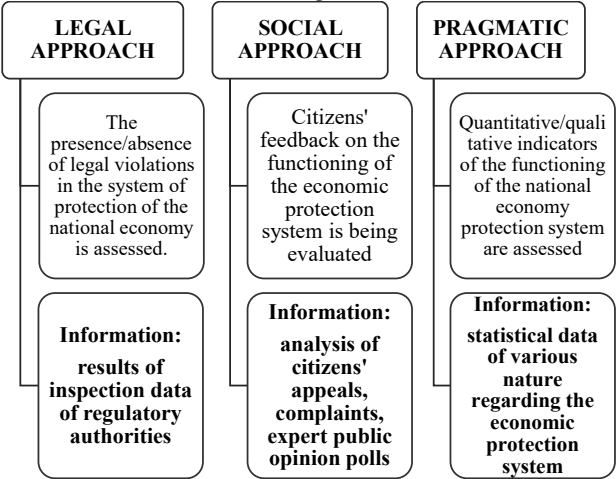


Fig. 1.2.12. Fundamental approaches to assessing the degree of effectiveness of the functioning of the state-level mechanism for responding to threats from the surrounding economic environment in forming the investment attractiveness of enterprises in the agricultural sector of the economy

The corresponding approach, in the context of the fundamental characteristics, will include a symbiosis of the previous three approaches to assessment, adding an expert assessment of determining the effectiveness of the functioning of the national economy protection system in the conditions of a full-scale military invasion. The appropriate assessment will be based on the main complex questions of a detailed examination for different groups of respondents, which in its entirety will form the public opinion of various groups of the population regarding the general economic situation in the country and the determination of its individual prospects. The impartiality and openness of the appropriate expert survey will eliminate possible potential risks to the system of protecting the economy of Ukraine in the medium and long term.

Taking into account global trends towards increased responsibility of business for the use of natural resources, the priority goal of the post-war recovery of the Ukrainian economy, and in particular the agricultural sector, should be the transition to sustainable management technologies and the development of sectoral environmental accounting and reporting. Achieving this task requires the joint efforts of the state, as a subject of state agrarian policy, the scientific community, as a subject of information support, and agricultural enterprises.