

SUSTAINABLE BUSINESS MODELS FOR UKRAINE'S ECONOMIC RECOVERY

After the widespread destruction and challenges caused by the war, Ukraine faces the task of rebuilding its economy based on the principles of sustainable development. The green economy is seen as a promising model that combines economic growth with environmental protection and social welfare. It is an alternative approach to the "brown" (carbon-intensive) economy, aimed at minimising negative impacts on nature, using resources efficiently and ensuring a decent standard of living for the population. The transition to a green economy opens up opportunities for Ukraine to "build back better," integrate into the European Green Deal, and increase its competitiveness in the long term.

Business models that simultaneously ensure economic performance, environmental responsibility and social justice are considered sustainable. Unlike traditional models that focus solely on profit, sustainable business models integrate sustainable development goals and aim to solve environmental and social problems while creating value for business. In other words, they are based on the concept of the "triple bottom line," where not only financial indicators are measured, but also the impact on the environment and society. In the green economy, sustainable businesses strive to minimise the use of non-renewable resources, reduce emissions and waste, and implement circular (cyclical) processes and innovations to preserve ecosystems.

Ukraine today finds itself in a unique situation: on the one hand, it has suffered enormous losses to its infrastructure and environment as a result of the war; on the other hand, it is determined to move towards the European Union, which requires the implementation of the principles of the European Green Deal. The Ukrainian government and society remain committed to decarbonisation and the ecological modernisation of the economy, even during the war.

Despite the extremely difficult circumstances, Ukraine is already taking steps towards a "green" recovery. A policy of integrating environmental requirements into reconstruction plans is being developed: the principle of "build back better" is at the heart of the national recovery plan presented at the conference in Lugano in 2022, where sustainability and greening are identified as priorities. In 2025, a National Comprehensive Assessment of Ukraine's Green Transition was presented with the support of the Stockholm Environment Institute, which analysed 12 key sectors (energy, industry, transport, construction, agriculture, etc.) in terms of their readiness for the green transition [1]. The conclusions of this assessment are optimistic: despite the destruction caused by the war, reconstruction opens a unique window of opportunity for the ecological modernisation of all sectors of the economy. Instead of simply restoring the old infrastructure, new clean technologies can be introduced, energy efficiency can be improved, and sustainable infrastructure compatible with EU goals can be built [2].

Thus, Ukraine faces more challenging starting conditions for the green transition than countries that have been successful in the past. War, lack of funds, and old infrastructure are serious constraints. At the same time, Ukraine can take advantage of the benefits of catch-up development: borrow the best ready-made solutions, avoid mistakes made by others, and leapfrog several stages of technological development.

Based on the above, specific steps can be formulated to help integrate sustainable business models into Ukraine's economic recovery process.

- Integrate sustainability into strategy and business processes - Ukrainian companies should clearly define sustainability as one of their key values and goals. In practical terms, this means developing a corporate sustainability strategy: assess their impact on the environment and society, set quantitative targets (reducing emissions, saving resources, improving working conditions), and implement environmental management;
- audit and optimise the entire supply chain — businesses should take a broader view of their value chain: where they source their raw materials, how they manufacture their products, how they deliver them, and what happens to the goods after use. It is recommended to choose suppliers who comply with environmental standards (ISO 14001 certification, environmentally friendly materials, etc.) and require them to follow appropriate practices;
- Implement circular economy principles in the products/services offered — launching business models such as "Product-as-a-Service" is promising. In Ukraine, it is possible to create similar clusters where enterprises exchange material and energy flows for the benefit of all.
- Attract investment in clean technologies and digital transformation — Ukrainian enterprises, especially industrial ones, should plan modernisation with a focus on decarbonisation and digitisation.
- Measure, monitor and report on sustainability indicators - modern businesses must prove the reality of their "green" achievements - both for their own management and for investors/partners. Therefore, Ukrainian companies should start tracking key indicators: greenhouse gas emissions (direct and indirect), electricity and fuel consumption, waste volumes, water use, social indicators (number of employees, working conditions, gender balance, etc.). It is also worth publicly reporting on your efforts (for example, adding an ESG or sustainability section to your annual report), as this will increase trust among partners and society and distinguish real actions from potential greenwashing.
- Incorporate sustainable principles into reconstruction plans and development strategies.
- Develop and implement incentives for businesses to adopt sustainable models. The state has a whole arsenal of economic tools at its disposal to steer businesses towards sustainability. Based on European

experience, the following can be proposed: tax breaks and preferences; financial and credit support; incentives for renewable energy and clean energy; green public procurement;

- introducing effective environmental regulation and control, bringing them closer to EU standards;
- developing green energy and infrastructure at the national level.

Compliance with these recommendations can ensure that Ukraine's post-war economic recovery takes place on a qualitatively new basis – fundamentally sustainable, resource-efficient and competitive on a global scale.

The recommendations for businesses and the government, developed based on the analysis, outline a roadmap for the green transition. Businesses are encouraged to make sustainable development part of their strategy, optimise supply chains, implement circular models, invest in clean technologies and digitalisation, learn from best practices, and measure their impact. Government policy should consolidate green principles in reconstruction, stimulate business with tax and financial levers, strengthen environmental regulation in line with European standards, develop green energy and infrastructure, as well as train personnel and raise environmental awareness among the population. Implementing these recommendations will help ensure that the "green" course does not remain on paper but is realised in specific projects – from energy-efficient buildings and solar power plants to new processing plants and environmentally-oriented start-ups in Ukraine.

Ukraine today faces a historic choice: to rebuild its economy according to the old "brown" model or to make the leap to a new paradigm of sustainable development. The study shows that sustainable business models in the context of the green economy can and should become the foundation of post-war recovery. The main conclusions are as follows:

The principles of sustainable business models lie in the harmonious combination of economic efficiency with environmental and social responsibility. Such models are guided by integrated sustainability values, cover the entire product life cycle, involve stakeholders, introduce innovative technologies, and focus on long-term social benefits rather than short-term profits.

The current state of Ukraine's green economy is contradictory: on the one hand, the war has caused enormous damage to infrastructure and the environment, creating additional challenges, on the other hand, there is still political will for a green course (NDC targets of 65% emissions by 2030, climate neutrality by 2060) and significant potential (renewable energy resources, IT sector, human capital). Opinion leaders see reconstruction as a unique opportunity to modernise the economy based on low carbon and resource efficiency, to "turn crisis into opportunity". Success will depend on overcoming challenges such as lack of finance, outdated technology, institutional weakness and the need to address pressing social issues in parallel.

This study confirms that sustainable business models are not a burden but a driving force for economic recovery. Integrating sustainability principles will strengthen national security (through energy independence), economic stability (through diversification and new industries), social cohesion (through the creation of green jobs and improved quality of life), and environmental sustainability (through the restoration of the country's natural capital). This approach is fully in line with Ukraine's European integration aspirations and global trends in combating climate change and environmental degradation.

References:

1. National Comprehensive Green Transition Assessment for Ukraine – SEI, 2025. URL: 2022.global-climatescope.org
2. Five Principles of a sustainable business model. Falmouth University, 2023. URL: falmouth.ac.uk