



Deloitte Central Europe Impact Report

Rising to the challenge

January 2020



**MAKING AN
IMPACT THAT
MATTERS**

since 1845

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CEO's statement

Welcome to the Deloitte Central Europe Impact Report for FY2019. Here we describe and explain many aspects of the positive impact that our actions during the year have had on our people, our clients and society as a whole across the 18 diverse countries that make up our region.

2020 is an important anniversary for us as it marks 175 years of Deloitte people all across the globe making an impact that matters. We have always been a values-driven organisation. Our Shared Values are the common ground on which the 312,000+ Deloitte people are united across geographies. These values are embedded in everything we do and are evidenced throughout our 175-year history.

Emphasising their vast cultural and practical importance, our Global CEO launched a refreshed and expanded set of Shared Values at the Deloitte World Meeting in July 2019:

- Lead the way
- Serve with integrity
- Take care of each other
- Foster inclusion
- Collaborate for measurable impact

These values include support for the people in our communities, action to help us all live more sustainably, caring for our colleagues and enabling our clients to achieve their commercial and societal objectives.

During the last year, we have continued or set in motion a number of initiatives that I believe have strengthened the impact we are making for our people, our clients and in our communities, and more, addressing pertinent issues and encouraging constructive change.

A highlight was our third annual CE Impact Awards, an internal employee competition that celebrates and rewards our people for making an impact that matters for our clients, our colleagues and wider society. Part of the reward for our winners is recognition in

this publication, and you can read more about all the initiatives that received an award and more on page 42.

For me, this is a wonderful and highly effective way of connecting our people and their everyday work with our strategy and purpose, directly strengthening Deloitte culture across our region.

This was also the second year of The Social Impact Award, a special recognition for the company in our Deloitte Central Europe Technology Fast 50 ranking that contributes most to achieving at least one of the UN Sustainable Development Goals (SDGs). This reflects our recognition that investors increasingly make decisions based on benefits to society and the environment as well as on profits. You can read about this year's winner on page 33.

We achieved another important step forward with our first ever Diversity & Inclusion Week, supporting our 'ALL-IN' strategy that aims to help us accelerate the representation and retention of women and other under-represented minorities throughout the organization. Several topics were openly discussed for the first time, including unconscious bias, LBGT+, women in leadership and more. See page 43 for more information.

We also have taken action to ensure that anybody can raise their voice at any time to air concerns and seek advice on ethical issues. For further details about our Deloitte Speak Up reporting line and non-retaliation policy, please see the report on page 7 by our Risk and Reputation Leader, Ahmed Hassan.

As I read the stories in this report, I believe in the positive impact of our values in action, which enables us all to make a difference that matters.

Alastair Teare
Chief Executive Officer
Deloitte Central Europe



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Deloitte Central Europe covers 18 countries

Maksim Casli
Cluster Leader

AL

ALBANIA

XK

KOSOVO

András Fülöp
Country Leader

HU

HUNGARY

Ivana Lorencovičová
Country Leader

SK

SLOVAKIA

Miloš Macura
Cluster Leader

ME

MONTENEGRO

MK

NORTH
MACEDONIA

RS

SERBIA

Marek Metrycki
Country Leader

PL

POLAND

Sylvia Peneva
Country Leader

BG

BULGARIA

Diana Rádl Rogerová
Country Leader

CZ

CZECH REPUBLIC

Alexandru Reff
Cluster Leader

MD

MOLDOVA

RO

ROMANIA

Igors Rodins
Cluster Leader

EE

ESTONIA

LV

LATVIA

LT

LITHUANIA

Yuri Sidorovich
Cluster Leader

BA

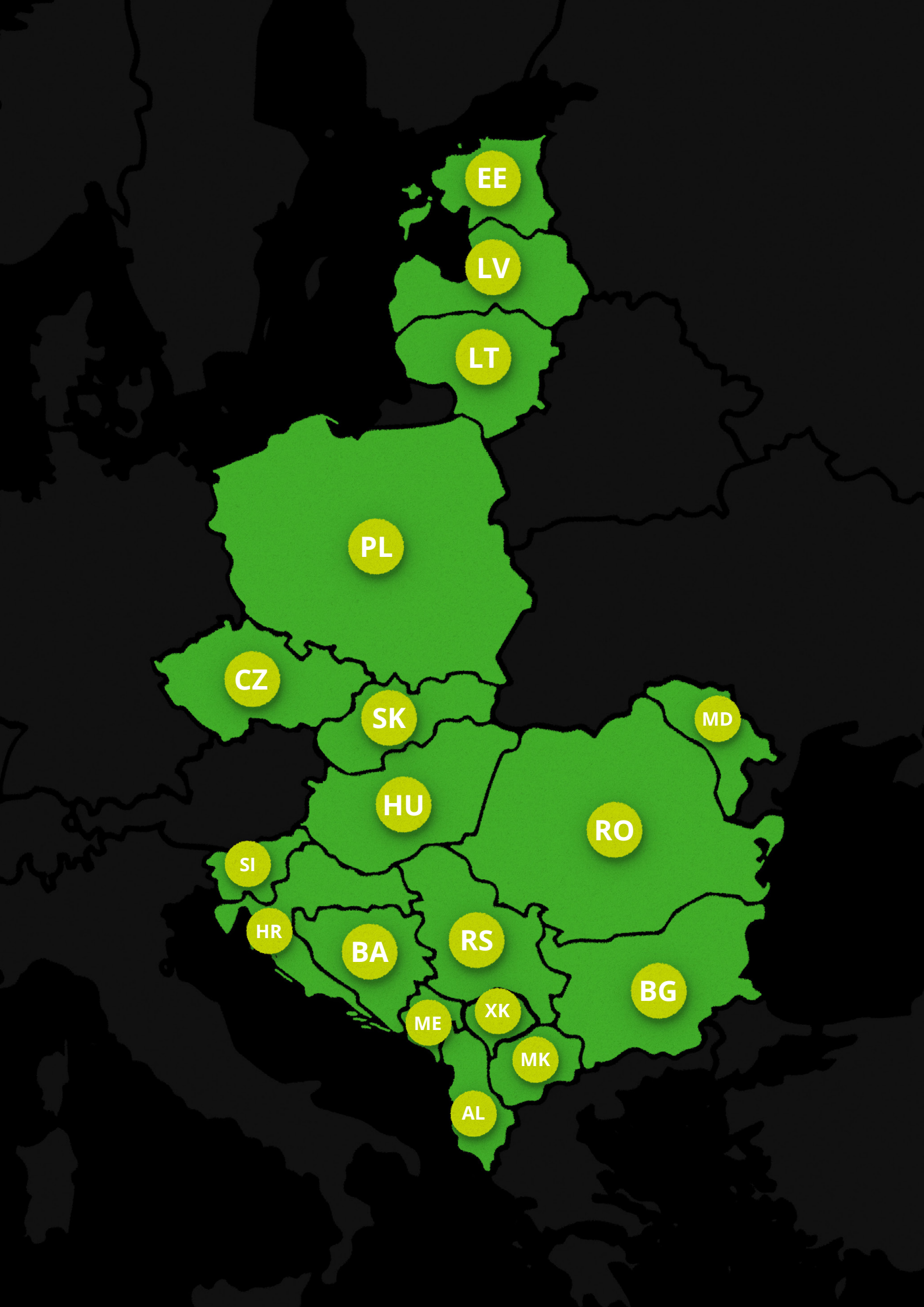
BOSNIA AND
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Telling the stories that matter

In the FY2018 Impact Report for Deloitte Central Europe, I wrote a few words about why we call this annual publication an 'Impact Report' – not a CSR or ESG report, or a report to society.

As I said at the time, "We wish to have a positive impact on many aspects of the world we all share, including our clients and their customers, the communities where we live and work, the health and wellbeing of our people and their families, and the prospects of future generations."

Nothing has changed my belief since that moment 12 months ago. So this year's Report again tells many stories of how, across the many diverse countries of our region, we have worked in every way we can to deliver value to others by making an impact that matters. Reading through the stories, I feel a definite sense of pride at every one of them, but particularly at their collective impact – helping to make today and tomorrow better, brighter and safer for millions of people.

In our first chapter, '**Delivering against client objectives**' we showcase examples of where we have helped clients in many areas, from enabling them to achieve their commercial ambitions to streamlining processes, addressing the threats of disease, supporting the arts, transforming organisations and much more. All these actions are life-enhancing in one way or another, helping businesses of every size – local, regional, national and global – deliver value to their communities, whether that's by providing employment and paying taxes or by addressing the social and environmental issues that matter most.

In chapter 2 – '**Powering ahead with our people**' – we describe how helping our employees be the best they possibly can be has a direct effect not just on our own performance but also on all the other ventures, causes, initiatives and lives our brilliant people touch. So the effects of empowering them with skills, encouraging their creativity and ambition, accelerating diversity and recognising their achievements spill over beyond the confines of Deloitte itself to have a positive impact on the 'real' world beyond.

The stories told in chapter 3, '**Impacts that matter on the lives around us**', cover many of our social initiatives, conceived and delivered at a corporate level as well as by committed individuals who are keen to help others. One particularly exciting theme that occurs more than once involves enabling young people to get a flying start at shaping their futures, learning skills early in their lives that will serve them well for decades to come.

I urge you to read the stories in this year's Report, which go to show what a positive impact people can have when they're given the opportunity and freedom to express their energy, enthusiasm and expertise in the ways that matter to them most.

Gavin Flook
Clients & Industries Leader
Deloitte Central Europe



Reading through the stories, I feel a definite sense of pride at every one of them, but particularly at their collective impact – helping to make today and tomorrow better, brighter and safer for millions of people.

Taking care of each other

In the CEO's statement you would have read about our refreshed Shared Values which were launched earlier this year.

These Shared Values includes a clear commitment to "Take care of each other" and so I would like to expand on this further.

At the start of 2019 we launched a new Deloitte Speak Up channel, which provides Deloitte practitioners with a safe and secure channel through which to report ethical issues that they may face – this represents a clear commitment from Deloitte to look after each other. You will be able to read more about **Deloitte Speak Up** later in this Report.

The two areas that I would like to focus on are **Non-Retaliation** – which is a clear commitment we make to all those having the courage to Speak Up and share their concerns – and **Anti-Corruption**, which is a key component of our Code of Conduct, one of our Global Principles of Business Conduct.

As far as Non-Retaliation is concerned, we want to ensure that anyone who raises their voice and reports an ethical concern - in good faith - is not subject to any kind of adverse treatment as a result of having the courage to speak up. The commitment to protect these individuals from any form of retaliation comes all the way from the CEO down, our commit to take care of each other no matter how difficult the situation may be.

The CE Non-Retaliation policy – which was launched in August 2018 – states the following;

This non-retaliation policy reaffirms Deloitte Central Europe's long-standing commitment to maintaining a workplace free from retaliation and is intended to protect Partners and employees who bring forward an ethics, compliance, corruption, or any other related matter in good faith, who or are involved in an ethics or related investigation, from retaliation.

One word that features more and more in the news today is **corruption**, or more importantly the fight **against** corruption, which continues against those intent on corrupt activity and who strive to find more intricate ways of veiling their corrupt actions.

Anti-Corruption forms an integral part of Deloitte's Ethics program, with Anti-Corruption Champions and Anti Money Laundering Compliance Officers actively engaged throughout the CE firm and forming the first line of defence in the war against corruption, another way of us taking care of each other, not only at Deloitte but also society as a whole which is also impacted by corruption.

Our Anti-Bribery and Anti-Corruption policy - which was launched back in 2012 and continues to be refreshed - forms the basis of our fight against corruption, with a clear pledge from leadership that Deloitte has a policy of zero tolerance towards corruption in any shape or form.

The fight against corruption continues and we are still a long way from victory, but all the time we continue to take care of each other then I'm sure we will win!

Ahmed Hassan
Risk and Reputation Leader
Deloitte Central Europe



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Delivering against client objectives

Supporting the few indirectly supports the many too: by enabling our clients to succeed, we help individuals and society as a whole succeed as well. The expertise and guidance of our professionals empowers public and private-sector organisations to create employment, invest in communities, deliver services and reduce their negative impacts.

Deloitte Central Europe legal and operational structure



Deloitte Central Europe service map

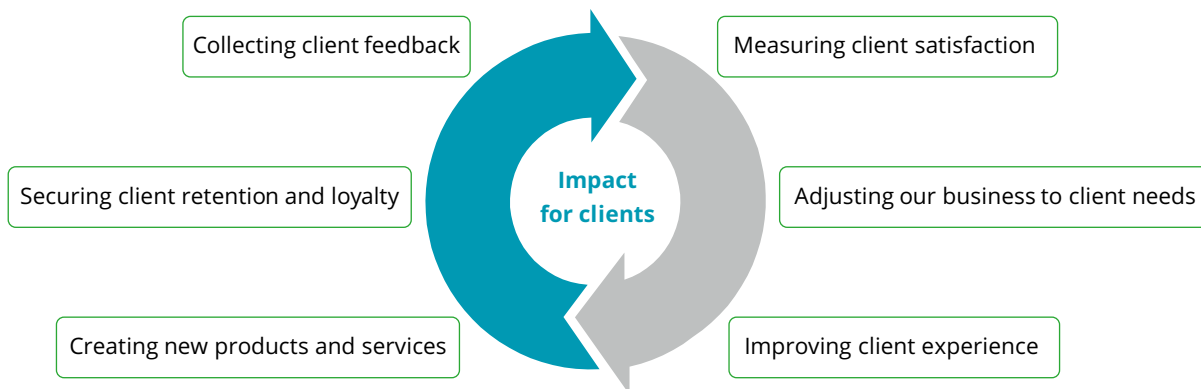


Surveying our clients to drive continuous improvement in service quality

Deloitte’s vision is to be the distinctive firm, standing out in our markets through the impact we have on the reputation and success of our clients. We seek feedback from our clients regarding the services we deliver through an online survey tool, utilising a “net promoter score” methodology. For our largest clients, thorough interviews are conducted by professionals

who are independent of the service team. Experience has shown that our clients are very willing to participate in the process and share their feedback, ideas, and even new opportunities with us. We welcome this opportunity to continuously improve our services and act upon what we learn.

What is client feedback all about?



- Online survey response rate: **37%**
- Number of online survey responses: **699**
- Net promoter score: **53***
- Number of executives interviewed: **71**
- Number of countries where interviews were held (X/18): **13**

*NPS = % very satisfied minus % dissatisfied, excluding % satisfied

Audit and Assurance: continuous transformation

Not just the numbers

What is audit? Audit is about much more than just the numbers. Those numbers tell a story. Of accomplishments and aspirations. Of projects completed and new plans laid. Audit shows where you stand and helps inform your next step. We provide the assurance that future visions are built on strong foundations, that they're informed by relevant insights and guided by sound decisions. In all we do, we illuminate the what, how and why of change so you're always ready for the future. Let me walk you through our Audit and Assurance business with the least possible use of numbers!

The audit universe keeps changing fast. Stakeholder and regulator expectations regarding the depth, quality and scope of the auditor's work are higher than ever. The audit of the financial statements of any company is no longer about compliance with an accounting framework. It is a holistic evaluation of the company's health, processes, controls, enabling technologies, sustainability of performance and future prospects. The traditional view of an auditor as a person skilled in accounting alone is gone. The auditor of the 21st-century needs an almost Renaissance-like set of skills – business acumen and accounting knowledge, supported by wide range of IT skills, the ability to analyse large volumes of data, expert knowledge in understanding different business models and the ability to dive deep into technical issues while maintaining a 10,000-foot overview of the complexities of the company's business.

The auditor is an expert in logistics, knowing which subject matter experts need to be brought into the audit as the business environment becomes more and more complex. The auditor is also an expert in coaching teams, in project management, in communication.... The list goes on and on. Our Audit business has changed. We keep transforming ourselves to be able to cope with the growing and evolving expectations of our stakeholders. The regulatory landscape is developing fast, driven by higher stakeholder demands on independent review of companies' performance. The expectations of the public and regulators keep increasing and we must be able to comply with them.

To address increasing quality requirements we keep enhancing our programs and systems that enables us to continuously monitor the quality of audits using Audit Quality Milestones which are implemented

on all audits covering Public Interest Entities (PIEs). These milestones are increasingly applied also on non-PIEs audits. We also keep increasing the number of projects subject to our own 'in-flight' monitoring system. All the tools (e.g. SpotLight, Risk Matrix, Alchemy, Prion, Excel Analytics and many more) I outlined in last year's Report as parts of our innovation process are already embedded in the majority of audits. Innovation never stops, and we are in the process of rolling out Deloitte Way Workflows (DWWs). DWWs are focused on the guided risk-assessment process, during which we are even more focused on identifying, understanding and addressing the key risks related to the company's business and financial statements. This is critical for planning the right audit approach to provide assurance for all stakeholders.

Focus on what matters. Don't be afraid of change.

Despite all our investments in technology, our people are still the key to our business. The best audit plan on Earth would be largely useless if not executed at the right time by the right professionals. To retain our talent, we need to give our people flexibility, state-of-the-art continuous education, competitive compensation and the right balance between their working and personal lives.

We are increasingly focused on workload management, expanding the usage of our Audit Delivery Center, which helps our professionals split their work between onsite and offsite audit teams and balance the workload. We are investing heavily in professional development, determined

to be best-in-class in learning across Central Europe. I strongly believe that further integration will provide our people with endless new opportunities for development and mobility.

We want to ensure that all our people are well prepared to work with our clients, so we have rolled out our 'Snowball' onboarding programme for all new colleagues across all geographies. To provide alternatives to our people and to use the skill set we have, we are in progress of rolling out our Assurance storefront focused on complex accounting assurance, disruptive events assurance, accounting operation assurance and business assurance.

Our focus on quality and people has been rewarded by the market. Our Audit and Assurance business grew by over 4% last year. We are also re-balancing our relationships with our clients to ensure they appreciate our work, our focus and our brand.

I am going to ask the question I asked in last year's Report: is our transformation finished? The simple answer is no. The transformation story goes on. Stay with us on this journey!

We are focused on serving the right clients with the right teams across the region. Our talent agenda will guarantee the right experience and right balance for our professionals. We are committed to providing our people with the experience needed to enable them to achieve their goals and ambitions and make an even bigger impact that matters.

Martin Tesař
Audit and Assurance Leader
Deloitte Central Europe

Reshaping the education of our new finance professionals

'Snowball' at Deloitte is transforming how we prepare our young professionals for their careers with us.

We have successfully rolled out this new onboarding programme for graduates joining our firm. We deliberately call it 'onboarding', not training. We have embedded the latest research on learning into the programme – simulations, gamification, learning by experience, feedback loops, coaching, audit technology, analytics, problem solving, team work... The list could go on and on.

As a result, 'Snowball' is helping new professionals accelerate their experience and career progression while raising the quality bar.

According to Martin Tesař, Audit & Assurance Leader for Deloitte Central Europe, "I am proud that we in Central Europe developed this programme and that it is being delivered by our professionals. It is great to see the level of involvement of our people delivering and shaping it. Reading the feedback from participants makes me confident that our transformation is heading in the right direction. And wait for the Avalanche! Coming soon."



Tax & Legal: a year of progress and awards

Our Tax & Legal teams in countries and regions across Central Europe had a very successful year in FY2019, particularly when measured in terms of awards for excellence across several areas of expertise.

The evening of 16 May 2019 in London, for example, was very important for several reasons. This was when the 2019 European Tax Awards ceremony was held, presented by The International Tax Review magazine to mark the most innovative and important projects of the year. Deloitte in Central and Eastern Europe (across Bulgaria, the Czech Republic, Romania, Slovenia and Slovakia) and Deloitte Poland were jointly named Tax Firm of the Year.

There were other Deloitte winners on the night as well. Deloitte Baltics (Estonia, Latvia and Lithuania) and Deloitte Hungary also won the award as Transfer Pricing Firm of 2019, another highlight of a year in which the firm made significant progress. This related not only to increased demand for transfer pricing services following the introduction of new legislation in Lithuania and Latvia – we also saw considerable growth as a result of the Lithuanian government's work to have the country recognised as a FinTech hub, enabling us to help new payment and electronic money institutions (EMIs), banks and other newcomers establish themselves in the country.

Our Hungarian Tax Team joint award as Transfer Pricing Firm of 2019 was just one highlight of a period when we helped many Hungarian family businesses and HNWLs establish wealth-preservation structures and manage family offices for their multi-country operations. It was also a highly successful year for M&A, with Deloitte being selected as an adviser in most major transactions. Our Tax team strengthened its position as Hungary's leading IFRS adviser too, while our Growth & Income specialists expanded their portfolio by helping governments through a set of new

state-aid advisory services. The Tax Technology team was a major player in enabling clients to meet new real-time reporting requirements, widely distributing the VATOnline solution and delivering new health-check and consultancy services.

In Bulgaria, our T&L team delivered three editions of its unique 4U initiative, in which participants create an agenda of subjects for Deloitte experts to explain and comment on. These are extremely popular events, due to their practical nature and quality of insight. We must also congratulate the team's Pieter Wessel, who ran the 55 kilometres between Sofia and Botevgrad – even though the charitable event that this is normally part of did not take place this year. That shows true dedication!

As well as its share of the Tax Firm of the Year title (see above), Deloitte Poland won several awards in the Rzeczpospolita newspaper's ranking of tax advisory firms: Poland's largest firm, based on the number of tax advisers; the firm providing services to most firms listed on the Warsaw Stock Exchange. Other key achievements include victory in a breakthrough excise-duty case, the team's leading position in tax education and the achievements of Paweł Banasik, named as the country's best real estate tax adviser.

Many of Deloitte Serbia's successes related to the country's fast-changing taxation landscape, providing several opportunities to take the initiative with clients. For example, when the government introduced a new package of tax incentives designed to encourage research and innovation by creative businesses, the team rapidly introduced them to clients across a range of sectors. Other legislative initiatives involving the Serbian T&L team included country-by-country reporting for transfer pricing, VAT, personal income tax on employee benefits and more.

Deloitte Serbia also hosted the regional tax conference in Belgrade during September 2018. While this focused on tax and legal frameworks, it also considered the latest developments across several neighbouring countries, including Slovenia, Croatia, Bosnia and Herzegovina, Macedonia and Montenegro.

Krzysztof Moczulski
Tax & Legal Leader
Deloitte Central Europe

Deloitte in Central and Eastern Europe (across Bulgaria, the Czech Republic, Romania, Slovenia and Slovakia) and Deloitte Poland were jointly named Tax Firm of the Year.

Acting as guardians of Kosovo's business environment

When Deloitte Kosovo was appointed by the Kosovo Banking Association (KBA) to clarify the tax treatment of local loss provisions, our team was embarking on a unique legal journey that would last for more than two years.

This followed a decision by the Tax Administration of Kosovo (TAK) to cease recognising loan loss provisions as tax deductible. This would potentially cost the country's banking sector significant administrative penalties and interest on late payments, in addition to a tax liability of more than EUR 25 million. Before this, banks in Kosovo treated loan loss provisions according to Central Bank of Kosovo (CBK) regulations.

After two years of research and preparation, as well as a series of meetings with senior tax officials including the General Director of TAK, the Governor of the Kosovo Central Bank (CBK), the Minister of Finance and experts from the IMF mission in Kosovo, our team persuaded authorities to treat loan loss provisions as tax deductible.

As a result, TAK formally issued Public Ruling No. 1/2018, allowing loan loss provisions as tax deductible up to the maximum amount set by CBK. Our engagement has therefore had a huge impact, avoiding a very large burden on the banking sector and helping to make Kosovo's business environment significantly more secure.

Deloitte Legal: focusing on new regulation and economic models



Deloitte Legal continued to grow strongly during FY2019 across Central Europe, becoming established as a major player in the legal services markets of many countries across the region.

With major regulatory milestones in the shape of PSD2 and GDPR fully implemented, our professionals have been able to focus on the most important regulatory challenges now facing our clients. These are clearly in the area of environmental protection, including factors such as take-back programmes for manufacturers, recycling and the circular economy. We offer a range of services relating to compliance and regulation across all these issues and more.

We also recognise that these subjects are set to be the primary focus of discussions relating to the next wave of new business regulation and its impact on companies. Clearly, we need to hold such discussions not only with clients across Central Europe but also in individual markets with stakeholders such as trade unions, employer associations and chambers of commerce. In response to this need, during the year we facilitated a debate on regulation in the Czech Republic at the 10th annual 'Act of the Year' Forum, which we organise in partnership with organisations of this kind.

Along with other Deloitte businesses, we are closely studying emerging new economic models such as the sharing economy. We are involved in impact studies and are working to develop new concepts in partnership with clients ranging from large corporations to promising start-ups. We are also at an early stage of bringing together Deloitte Legal operations across different countries to add a collaborative, pan-regional perspective to how we provide such services.

In line with our social investment strategy, Deloitte Legal operations in many nations across Central Europe deliver pro bono support and advice to projects enabling us to help society.

While our main focus is on the provision of traditional legal services, the quality and scope of our financial understanding and range of services are exceptional. This is what enabled us to support the merger of the Kooperativa and Pojišťovna České spořitelny insurance companies during FY2019 to create the largest Czech insurer for more than 100 years.

In line with our social investment strategy, Deloitte Legal operations in many nations across Central Europe deliver pro bono support and advice to projects enabling us to help society. In Poland, for example, our team created a guide in partnership with the Forum of Donors (Forum Darczyńców) called 'When Companies and NGOs Work Together: the Legal and Financial Implications'. This presents the regulations involved in a practical way that makes it easy for social organisations and businesses planning to work together to understand their roles and obligations. In the Czech Republic, meanwhile, we provide the anticorruption NGO Transparency International with free long-term access to our legal expertise.

Jan Spáčil
Deloitte Legal Leader
Deloitte Central Europe

How Deloitte Legal is helping to develop talented young artists

WorldClass

Deloitte Legal in Lithuania has been providing free legal services and consultations to The Mstislav Rostropovich Charity and Support Foundation ever since it was established by the world famous cellist, conductor and philanthropist in 2003.

The Foundation aims to support children who are gifted in the performing arts, science and sports. Over the years, its collaboration with Deloitte Legal has enabled 120 talented children to achieve their dreams through opportunities such as improving their talent at famous foreign educational institutions and acquiring high-quality equipment for developing their skills.

Since its earliest days, the Foundation has been under the patronage of Deloitte Legal Partner Gintautas Bartkus. The Deloitte team as a whole has been inspired by its long-term involvement with talented kids. They are proud of their contribution to the Foundation, enabling talented young people to improve their skills, perform on the world's top stages and participate in prestigious international music, science and sporting events.

Consulting: an engaged team driving significant financial progress

As consulting professionals within Deloitte Central Europe, we deliver innovative solutions to manage complex problems. Our clients tell us that this is how we really add value for them. Profit is not our only measure of success, however, and we also place high significance on the alliances we build and the positive societal change we help to bring about.

Our team achieved this during the year in part thanks to an increasing focus on technology and technology-enabled service lines: Core Banking Transformation (CBT), Salesforce, Systems Integration, SAP, and Technology Strategy and Architecture (TSA). Other contributing factors were the booming market and our success in winning some major, long-term implementation projects. One of the most significant of these was a CBT project that has become an accelerator in the development of the Deloitte technology practice across the region.

We develop innovation throughout our ecosystem, within our alliances, and from our professionals.

In terms of leadership style, I strongly believe that the success of an organisation like ours is based primarily on empowering ambitious people and enabling them to do what they do best. This leads to the highest level of efficiency, driving innovation and positioning the organisation at the cutting edge of competition. Deloitte's employees are certainly engaged. According to the annual People Survey, our people believe that our key strengths come from supportive colleagues, a respectful culture and the opportunity to develop knowledge and skills. Our professionals are proud to work for Deloitte, and this attracts the best talent.

We also build strength through our alliances with other businesses. Our partnerships with start-ups usually begin with dealing with regulatory challenges, and we continue to assist them with scaling up and entering new markets. We help them

avoid failure and enable them to thrive, which improves the economy.

Overall we support our clients to manage complexity. When it comes to major issues, elaborate systems, sophisticated processes, people and clients, we can understand and offer added value with our analysis. We manage this effectively and efficiently. At the end of the day, we deliver.

For example, this year we launched a globally unique solution called dInvoiceBot. Utilising data analytics platforms combined with AI, it's the only robotic accountant for companies' invoice-processing needs. A fully automated end-to-end solution for processing incoming invoices, dInvoiceBot cuts the workload – or even eliminates the need of for – an accounts payable accountant. It also helps reduce the time between the receipt of an invoice and its full posting on the accounting system.

to heart, we launched Ladies in Advisory, a Deloitte network dedicated to attracting skilled women to the Consulting and Risk Advisory professions.

In this new fiscal year, we at Deloitte Consulting will maintain our innovative focus on building business-IT-aligned solutions. We will provide outstanding value to clients and markets. And we will continue to live our values, every day.

Pavel Šiška
Consulting Leader
Deloitte Central Europe

We develop innovation throughout our ecosystem, within our alliances, and from our professionals.

But we are not driven by profit alone. Our impact on our community is also meaningful to us. Our Public team is helping to resolve gender pay gap issues in the Czech Republic by working with Austrian experts and the Czech Ministry of Labour and Social Affairs. We found that the gender pay gap is particularly wide in the Czech Republic, because there are fewer women in higher positions than in other countries. Taking this information

Bank modernisation helps meet key objectives

When a Canadian bank chose Deloitte to implement a new core banking solution using the Temenos T24 transaction processing system, the modernisation was an important part of meeting the client's strategic and financial objectives.

The strategic partnership that we created to deliver the programme was based on building a close working relationship with the bank and Temenos.

The range of services delivered, based on our deep T24 expertise and commitment to quality and responsiveness, was wide ranging – from in-depth analysis of the requirements to developing the solution (including about 60 interfaces), integration, end-to-end migration and support following the go-live date. In addition, when challenges emerged during implementation, we brought in additional support from several of our other expert teams to keep the programme on track.

Assistance in the birth of the new #1 Czech insurer

Deloitte assisted in the merger of two insurance companies: Kooperativa and Pojišťovna České spořitelny; providing end to end assistance and support in regulatory, corporate law, employment law, actuarial, accounting, tax and risk management areas; completing the merger in only 12 months.

"Deloitte proved to be a reliable partner whose widely specialized team supported both companies in the successful merger effective 1 January 2019." – Martin Diviš, CEO Kooperativa.

Reduced costs make energy company more competitive

When the Slovak energy market was liberalised, a major incumbent energy company which had traditionally been active in both gas and electricity decided to strengthen its focus on electricity. This would involve transforming into a cross-commodity trading company and an important player in renewables.

When Deloitte was asked to help, our immediate response was to turn the client's trading department into an agile, modern and dynamic unit. New SaaS solutions played a key role, delivering the programme's three key components: energy trading risk management, advanced forecasting and optimised management of dispatching services.

Our input then included mentoring the client's analytical and trading teams to help with decision-making in a cross-commodity environment and transmission across borders. Importantly, the programme has reduced the client's baseline costs, enabling it to compete harder and win more business at auctions.

Deloitte Digital: at the cutting edge of strategic consulting



Innovation at Deloitte Digital starts in our centre of excellence for online and mobile strategy, design and development. These services played a key role during the year in proving Deloitte Digital as a strategic business partner for clients from the Financial Services (FSI), Retail, Technology, Media & Telecoms (TMT) and Medical Services industries. Customer-centric technology is our core offering, keeping us at the cutting edge of the consulting arena. More than 70% of our business, in fact, is generated by our technology service lines, a contribution that is constantly increasing.

As a response to changing market expectations, Deloitte Digital has successfully integrated its offerings. Collaboration between our experience design, advertising & marketing and Salesforce teams is key to providing our clients with end-to-end professional services and engaging with them on every level. Moreover, our areas of specialist expertise are also increasing. They currently comprise e-commerce, customer analytics (including data visualization), and digital strategy and transformation.

Deloitte Digital has continued to grow by 20% year-on-year, driven by our combined digital customer offering. This is propelling an increase in headcount to more than 140 professionals. Attracting, developing and retaining the best talent remains a vital priority. With technology at our fingertips, our people are increasingly likely to be connected with work 24/7, blurring the boundaries between life and work.

Our team is also expanding to other locations within Central and Eastern Europe. We now have a base in Budapest as well as in Warsaw, Łódź and Prague. We are collaborating more and more with Deloitte Digital in countries outside our core region. Thanks to our close collaboration, we appear before the client as a single team.

It is not only our clients who benefit from our high-quality digital services. We have also changed the daily working life of our employees by introducing **One Place**. This is a single platform that combines a number of internal systems from across Deloitte's complicated infrastructure. It improves user experience with its intuitive interface and provides the same functionalities as we had in the dispersed application landscape. However, as its name indicates, everything is in one place.

We also introduced a new approach to Digital Marketing during the last year, implementing a new content marketing strategy. Each month, we give our clients best-in-class content based on our competences and experience. We use our blog platform to promote Deloitte Digital, along with podcasts and webcasts featuring external experts and clients. Every quarter we invite our clients to **Digital Shots**, an event where they can learn and be inspired by our experts.

We also organise **UX Poland**, in partnership with Orange, PKO BP, Allegro and many more. This, our region's largest UX conference, celebrates its 10th anniversary this year. Its mission is to bring together people interested in innovative products, service design, platforms and technology, and those who need them to engage consumers in unexpected ways. This year's conference was a huge success – 500 delegates attended over its three days and 25 speakers gave presentations.

Jan Michalski
Deloitte Digital Leader
Deloitte Central Europe

Attracting, developing and retaining the best talent remains a vital priority.

Shining light on a successful transformation

Osram, one of the world's longest-established hi-tech companies, is a global pioneer in unlocking the potential of light to improve people's lives. When it wished to respond to a changing market and competitive environment, it turned to Deloitte Digital for help with its #TheNewOsram project.

This aimed both to transform how customers interact with the brand and to enable Osram to respond quickly to the continuous, rapid change in its markets. The main challenge facing the team was to help transform the business from being an organisation dominated by enterprise resource planning (ERP) into a client centric company.

Working closely with the client, Deloitte Digital provided a blueprint with guidelines and transparent indicators to harmonise business processes across the globe. The client also required a new CRM system and a B2B e-commerce store to streamline its response to customer needs. It selected products from the Salesforce ecosystem, which have successfully reduced the integration challenge and enhanced data flows.

Coping with the complexities of delivery across 38 markets

Deloitte Digital took a significant step forward last year to strengthen its position in the global e/m (electronic/mobile) commerce market.

This was enabled by a global delivery project for an international beauty company, in which our role was to roll out and integrate a range of omni-channel features on our client's e-commerce site across the EMEA, APAC and LATAM regions. These features are now giving end-users a 'high-touch' shopping experience that is increasing the scale of the client's direct-to-consumer business.

Our involvement was wide-ranging. First, we planned and implemented the roll-out of all new features across the 3 regions. Second, we delivered all technical components in the client's e-commerce environment, including content, web development, integration, project management and quality-checking. And third, we managed the release and transition process of all new features.

The greatest challenge we faced was around including all the differing technical, business and regulatory requirements of the 38 local markets involved while maintaining the pace the client required. By maximising the efficiency of each individual delivery to reduce time to market, we successfully launched all 38 implementations in just eight months.

Reinventing the digital ecosystem of leading health provider

When research showed one of Poland's largest private-health providers that more than half of clients were active users of digital channels and that almost 1 million appointments are booked digitally each year, it decided to change the way it engaged with its customers.

It involved Deloitte Digital in a wide-ranging project to reinvent its digital ecosystem, with the aim of boosting the number of digitally active clients to drive booking numbers. In particular, it wished to improve an unsatisfactory Net Promoter Score (NPS) relating to its online bookings to match those achieved by its call centre and reception teams.

Our Experience Design team walked the client through every step involved in scoping out a new system, from research to design, providing the product roadmap and prioritised features list. An early version of the new site will be released in Q1 2020, and multiple roll-outs will follow to deliver the whole ecosystem.

One of the biggest challenges facing the team was not only to provide the client with high-quality deliverables, but also to help transform the organisation. In our digital projects, change management is a key success factor.

A dramatic partnership that is promoting Polish culture

Our Brand Strategy & Consumer Insight team is making a direct contribution to Polish national culture through an exciting new partnership with the Teatr Wielki (Polish National Opera) company, with the aim of growing its target audience.

Already widely respected and recognised among culture lovers in Poland and across the world, Teatr Wielki now wants to make opera a form of entertainment that upmarket individuals aspire to, so positioning itself as an attractive partner for leading businesses. The first stage of the partnership involved diagnosing people's 'decision journey' and identifying the motivations and barriers involved. The next step for the project team will be to work with the Deloitte Greenhouse Lab, the client and external experts on creating a distinctive and effective strategy.

Deloitte has also become a friend of the Polish National Ballet, funding 'The Best Male Role' prize awarded at the Jubilee Ballet Gala on 25 April 2019, which marked 10 years since the ballet company was founded.

These cultural relationships go much further than simply making tickets accessible to our clients and employees. With our input, we also aim to have a positive impact on the ongoing development of both partners, challenging how things have been done in the past and helping to promote culture more effectively to the public and to business.

Deloitte.



Deloitte175

175 years of making an
impact that matters



**MAKING AN
IMPACT THAT
MATTERS**
since 1845

Financial Advisory: building on market leadership to explore new horizons

Success based on our people and our culture

According to the respected Mergermarket league tables, Deloitte Central Europe has consistently been among the region's leading M&A Advisors in terms of number of deals completed.

In my view, this achievement is due to a single factor: our Financial Advisory professionals' passion for excellence, which keeps them focused on providing a complete range of market-leading services. I am determined that we retain this lead throughout the next financial year, while investing in new business territories and technology-enabled solutions.

We have invested heavily in our teams in recent years, and now have many of the region's most tech-savvy millennials among our 500+ professionals. Combining their tech knowledge with the business expertise of our senior partners underpins a constantly developing service platform for our clients, delivering a range of individual success stories.

For example, we have set up a Data Analytics Centre of Excellence, from which a team of more than 25 specialists is providing analytics service across Central Europe. Using data tools, they can significantly accelerate a project's processes. And according to client feedback, our services are setting new quality standards for the market.

We also use data analytics in our highly successful Transaction and Portfolio Advisory services. In my opinion, using data science presents our business with tremendous opportunities moving forward, and we are committed to making even greater use of our knowledge and capabilities in this area. Technology also has a key role in our Forensics business. We have invested in the latest data collection, computer forensics, processing and review toolkit so that we can respond in the fastest and most efficient way to all client requests. Today, our Forensic business is the region's market leader and pacesetter in technology-

based crime advisory, investigations and dispute resolutions. Our professionals can anticipate and defuse emerging threats by uncovering potential issues that others may fail to find. And, by delving deeply into clients' business issues and gaining a superior understanding of industry-wide challenges, they can convert these threats into opportunities for growth, resilience and long-term advantage.

We are clearly differentiating our 'Deals' business (comprising Corporate Finance, M&A Transaction Services, Valuation & Modelling) from those of our competitors. Instead of the standard 'service-line by service-line' approach, we have developed common service line offerings for the key industries driving M&A activity across our region – Banking & Insurance, Consumer Business, Energy, Telecoms, Infrastructure and Healthcare. By offering a clear value proposition to each of these sectors, we can now provide a one-stop-shop covering all aspects of a transaction: M&A, due diligence, valuation & business modelling, complex buy-side/sell-side corporate finance advisory, pre- and post-transaction management, comprehensive legal advisory and M&A tax structuring. In order to offer

our clients even more complex solutions, we have extended our expertise further along the value chain by offering Value Creation Services, including separation planning and managed exit on the sell-side and target operating model planning and post-merger integration on the buy-side.

We continually publicise our experience and successes via our communications activities. I am really proud of the role played by our regular publications, like the Deloitte Central Europe Banking M&A Study, the Deloitte Central Europe Insurance M&A Study, the Deloitte Central Europe Non-Performing Loan Market Studies, the Deloitte Central Europe PE Survey and the Fast 50 Programme.

I am extremely confident that, with our continuously expanding team of high-quality professionals, our cross-border and cross-service collaboration and our growing track record, we have a great opportunity to achieve more success than ever during the year ahead.

Balázs Bíró
Financial Advisory Leader
Deloitte Central Europe

I am extremely confident that, with our continuously expanding team of highquality professionals, our cross-border and cross-service collaboration and our growing track record, we have a great opportunity to achieve more success than ever during the year ahead.

Working together to help our clients reach new heights

In 2018-19 OTP Group, one of the leading locally owned banking groups in Central and Eastern Europe, has acquired the subsidiaries of Société Générale in seven CEE countries. Via executing this landmark transaction package, OTP realized the most significant growth in its history. Deloitte provided financial, tax and IT due diligence services in five of these transactions. After the successful cooperation, in three of the countries our Post-Merger Integration team was selected to support OTP in the group alignment process. Our teams in all cases consisted of strong Financial Advisory and Tax teams working directly with the Client in the headquarters in Hungary, plus a dedicated team of local colleagues in each of the countries, ensuring that geographic, cultural and language barriers do not hinder the deals.

Risk Advisory: sustainable progress in a fast-moving market environment

FY2019 was another positive year for our Risk Advisory business across Central Europe, during which we continued our strong growth trajectory and helped many clients successfully address risks arising from new legislation and a fast-changing ethical and economic environment.

We developed a number of new service offerings, which we are confident will make us attractive to growing numbers of clients into the future. In doing so, we concentrated on leveraging new technologies to help us build and sustain a clear leadership position. And, as our business continued to develop, we successfully created career opportunities for our growing teams of risk professionals across the region.

In terms of the external environment, the year's most important developments involved banking reform. These included the EU's agreement of the Basel III regulatory accord and terms for the CRR/CRD5 reforms. These are set to substantially change the assessment mechanisms for credit, market and operational risk, and the adequacy of capital and liquidity. The transformation of the banking sector that this will bring about is driving a significant increase in the levels of risk-advisory support required by the sector.

In a series of other major developments, Bulgaria, Romania and Croatia have all declared their intention of joining the eurozone. The ECB has already undertaken its Comprehensive Assessment for Bulgaria and is set to do so for Croatia in FY2020 and Romania the following year. The supervisory systems in all three countries are clearly set for major change, providing important opportunities for us to support their lenders and regulators alike.

During the year, the Sustainability & Economics service line continued to become a more important element of our risk advisory work – helping clients from the private and public sectors transform their operations, fully in line with our mission of making a difference that matters.

Evidence-based decision-making is becoming increasingly important, enabled by a deep understanding of social and economic change. The teams at our Warsaw-based centre of excellence for sustainability and economics work closely with our network of practitioners across Central Europe, enabling our clients to develop long-term social and economic development strategies that respect the natural environment.

Overall, this was a year of client engagements in which we successfully added value across a range of particularly hot topics. Projects included allowing greater transparency in the market place, dealing with regulation around the circular economy, addressing single-use plastics, achieving inclusive social and economic growth, enabling high-quality urban development, driving social innovation and delivering sustainable finance.

Marián Hudák
Risk Advisory Leader
Deloitte Central Europe

As our business continued to develop, we successfully created career opportunities for our growing teams of risk professionals across the region.

Supporting a client to improve its ESG credit rates

Today, financial data alone is not enough for a company to gain a good credit score. Investors, lenders and regulators also want to see environmental, social and governance (ESG) information to base their decisions on.

So when EPIF Group, a leading European energy infrastructure utility focused on gas transmission, gas and power distribution, heat and power generation and gas storage, was awarded an 'average' ESG profile from two leading sustainability rating agencies, it turned to Deloitte for assistance with drafting new corporate ESG policies and the narrative of its first sustainability report.

We quickly set up a task force led by the Czech Sustainability Unit and including experts from Energy Consulting and Legal. The team initially performed a deep analysis in the agencies' methodologies and given results, prioritised issues, gathering data from all 18 of the Group's subsidiaries including their policies, initiatives and certifications, while benchmarking competitors, EU regulations and rating-agency expectations.

Over an intensive two-month period, focused on deep analysis and delivering best practice, the Deloitte team assisted the client with creation of five new ESG policies and drafting the report. As a result, the new policies and the recently published report would prospectively lead to an ESG rating upgrade, enable stakeholders to get comprehensive understanding of EPIF Group's business and the links between its strategy and commitment to a sustainable global economy.

Promoting the economic benefits of cancer prevention

During the year, Deloitte Poland continued the collaboration with Warsaw Genomics that first started in 2017 when our employees joined the company's 'Badamy Geny' gene-testing programme to determine their risk of cancer – the cause of 24% of deaths in Poland.

Our support increased and accelerated during 2019. We published a special report called 'Prescription in the genes: genetic screening as an element of cancer prevention that brings wider economic benefits.' We also hosted a PR event for journalists, driving heightened public awareness of the importance of cancer prevention and the economic benefits of introducing genetic screening of the population.

Warsaw Genomics' innovative Badamy Geny programme is based on genomic sequencing, which quickly, accurately and cheaply allows individuals to assess the risk of contracting hereditary cancers. Deloitte has supported the programme right from the start, with more than 1,100 of our people participating in the programme and taking the test. We not only promoted the concept among our employees to achieve this level of involvement – we also refunded the company all the costs associated with testing this large number of people.

Financial Services Industry: helping clients navigate the future

The Deloitte specialists serving the Financial Services Industry (FSI) across Central Europe are mainly focused on the banking and insurance sectors. With more than 800 practitioners based in 44 offices across 18 countries, we work with most of the region's leading institutions.

The market place is changing fast. Future success stories will be those that do most to embrace new technologies, stay open-minded and sufficiently flexible to adopt fast-evolving business models and place customers at the centre of every strategy.

These winners will also remember that customers are only interested in financial services as a means to an end – to be more secure, or able to access and use their money more easily and efficiently. Financial products are becoming invisible to customers: they will continue to buy and use them, but they will have no need to understand how they work.

Consumers, therefore, will increasingly receive a radically simplified and streamlined experience.

In addition, the world is increasingly influenced by a few global technology giants that are setting the standards for customer engagement and user experience, against which all interactions are judged. An 'expectation gap' has therefore opened between what a bank, advisor or insurer can deliver and how they should deliver it.

This is driving a need to re-evaluate trust in financial services. Most consumers are in a 'trust but verify' mode. They no longer trust brands – instead, they trust the experiences that they and other people have, which can easily be shared and compared. When a brand is effectively a 'façade' that consumers can easily peep behind, transparency is almost a given today.

The seamless experiences that customers expect and receive are driving a material shift in the digital agenda in financial services. These experiences are built and delivered via a range of technologies including mobile app engagement, insight-driven AI, mass personalisation, digital assistants, the IoT and more.

We aim to help our Financial Services clients transform smoothly to these demands, empowering them to provide the digital solutions, services and user experiences their customers expect. This partly involves 'translating' complex financial processes and tools into the everyday language of the consumer, creating a simple, smooth and efficient user experience that improves customer engagement, loyalty and trust.

It also makes financial solutions and tools accessible and easy-to-learn, even for those in danger of being left behind by the digital revolution. We see it as a key part of our social responsibility agenda to provide access and financial education for the vulnerable groups as well.

András Fülöp

Financial Industry Services Leader
Deloitte Central Europe

Future success stories will be those that do most to embrace new technologies, stay open-minded and sufficiently flexible to adopt fast-evolving business models and place customers at the centre of every strategy.

Innovating to manage key risks in the Slovenian banking system

In banking, non-maturity deposits accounts are products such as checking, savings and transaction accounts that do not have a set maturity date. For banks, these play an important role in managing interest rate and liability risk – particularly in countries like Slovenia, where they represent around 70% of total deposits.

Close monitoring and supervision is required to ensure the stability of these deposits during periods of economic change. So it was an important step forward for the country's banking system when, working with the Slovenian Central Bank, a Deloitte team developed innovative models to manage the risks involved.

Drawing on data and analytics, regulatory requirements and state-of-the-art mathematical approaches, the team created the models before embedding them in user-friendly tools. Now, the client can use a range of features, including stress-testing and models validation, to understand the trends at play and gain far better insight into interest rate and liability risk.

CE Impact Awards Winner

Improving financial awareness among young people

WorldClass

The Deloitte Grants and Incentives team in Hungary has played a major role in launching a national programme with the aim of helping the country's students become more savvy when it comes to managing their finances.

Working with the Ministry of Finance, the Hungarian National Bank, the National Fund for Financial Awareness and MasterCard, we played a key role in the 'Cashless Education Initiative', created to address an important issue affecting every level of society in countries around the world.

Initially piloted in 14 high schools, and featuring appearances by bands and influencers, the initiative attracted very high levels of participation. After just one year, a substantial positive shift was measured in students' financial thinking, with parents and teachers agreeing that the project has had a major impact on young people's financial understanding.

It also showed us the positive impact on socially significant issues that can be achieved when private and public institutions collaborate in the right way.



Deloitte Private: supporting privately owned companies and family businesses across the region

Deloitte.
Private

Dedicated exclusively to serving privately owned companies of all sizes, Deloitte Private has set in motion a number of new initiatives which will have a lasting positive impact in different countries across the region.

In Poland, for example, our team has focused on the need for succession planning in family-owned businesses. The team believes that 'Family Constitutions' enable such businesses to have longer lives. As the founders of businesses set up in the 1990s move towards retirement, succession issues are becoming increasingly important. Drawing on the great experience in this area of Deloitte UK's Peter Leach, the Polish team has created a methodology to help multiple generations of family businesses to develop and agree a shared future vision for the company. This enables founders and successors alike to be comfortable with what lies ahead.

We delivered succession projects with many businesses during the year. The founder of one of these, Marek Maj of Krakow-based Smay, was so pleased with the service that he agreed to make a series of [short video interviews](#) about it.

In Hungary, Deloitte Private responded positively to growing demand from family-owned businesses and wealthy individuals for setting up private foundations and or family trusts to supplement their existing wealth-preservation structures. Arrangements of this sort can clarify and support a company's long-term future for generations to come as well as immediate issues like the first round of succession.

Also in Hungary, the team has spotted the emergence of a new group of clients – start-up companies seeking advice from VCs and strategic consultants to help them manage the legal, tax and risk implications of their rapid growth and their strategic

relationships with future investors. The broad capabilities of the Deloitte Private team position it well to meet these needs.

The Polish team has created a methodology to help multiple generations of family businesses to develop and agree a shared future vision for the company.

In the Czech Republic, we have worked with the Association of Small and Medium Enterprises and Tradesmen (AMSP) to help set a nation-wide legal definition of a family business, with the aim of supporting the local business community.

We also launched a new programme, [the Czech Best Managed Companies Awards](#), as part of a plan to create a global platform through which private companies can collaborate and share experience. The initiative also recognises and celebrates companies' successes and areas of excellence, offering professional support to help them continue on a positive trajectory for years into the future.

Gábor Kóka
Deloitte Private Leader
Deloitte Central Europe

Initiating the first legal step to help family businesses thrive

Although family businesses are the backbone of the Czech economy, little has been done to support them – especially when it comes to legislation. Deloitte Private and Deloitte Legal saw an opportunity to help by creating a legal definition for this type of business. They did this on their own initiative, having recognised through their daily work how valuable such a piece of legislation would be.

Family businesses tend to bring a multi-generational perspective and authenticity to the business environment. They often operate away from big cities, providing local employment opportunities and protecting the countryside against depopulation. They also tend to be highly stable and can support the economy during recession.

Yet, until now, there was no national regulation to clearly define what a family business is. Our team of lawyers contributed to creating a precise definition, leveraging proven methods from across Deloitte's global network.

The impact of this work has been remarkable. In May 2019, government approval made the Czech Republic one of the first EU countries to have such a definition. This was a significant first step towards creating more comprehensive regulation for family businesses, enabling better support for obtaining grants and employing family members. Deloitte's work made a valuable contribution to a broader economic issue, identifying and then helping to fill holes in national legislation.

Oil, Gas & Chemicals Sector: helping CE power companies face future challenges together

The future of Central Europe's energy markets over the next decade (2021-2030) will clearly be closely connected to the EU agenda.

At Deloitte, our focus is therefore on helping energy companies to anticipate and prepare for the new avenues opened by the EU's energy policy, which is now shifting from a national perspective towards regional cooperation and integration.

In addition, the key focus for the sector is energy and climate change. The main challenge facing the region's energy companies will be decarbonisation, implying significant carbon abatement costs for both the industry and consumers.

We see tremendous opportunities connected with energy efficiency in buildings, as countries in the region step up their efforts to comply with the EU's Fourth Energy Package Directive and Regulations.

Last but not least, the transformation of the sector will need to be accompanied by significant progress in research and innovation. National and regional energy players will need to pay more attention to this area and invest significantly more to ensure their future market competitiveness.

Răzvan Nicolescu

Oil, Gas & Chemicals Sector Leader
Deloitte Central Europe



The key focus for the sector is energy and climate change. The main challenge facing the region's energy companies will be decarbonisation, implying significant carbon abatement costs for both the industry and consumers.

50

Technology **Fast 50**
2018 CENTRAL EUROPE

The CE Fast 50: identifying companies that make a real difference

We ran the Deloitte Central Europe Fast 50 Technology programme for the nineteenth consecutive year during 2018, once again measuring and comparing the rates of growth achieved by the region's most dynamic companies over the three preceding years.

Average growth among the 50 businesses who made the ranking hit a new record high of 1,190%. This made it the third year that the average growth rate has broken through the 1,000% mark, again highlighting the medium-term sustainability of Central Europe's continuing tech boom.

Number one in the Fast 50 was Czech 3D-printing specialist Prusa Research, which grew by an extraordinary 17,118%. The Rising Stars award, for businesses under three years old, went to Croatian smart street-furniture business INCLUDE. And top place in the Big Five category (for fast-growing larger companies whose scale makes it difficult for them to compete in revenue growth with smaller businesses) was achieved by Czech online and real-world fashion retailer, ZOOT.

Lithuania's Brolis Semiconductors became the third winner of the Deloitte Most Disruptive Innovation (MDI) award that highlights those businesses doing most to pioneer disruptive new ideas or technologies. This highly innovative company is using breakthrough infrared photonic technology to develop a new kind of sensor that can take critical blood readings without breaking through the skin.

But perhaps most exciting of all was the first ever Social Impact Award, given to the company that in the jury's opinion has done most to help achieve at least one of the United Nations' Sustainable Development Goals (SDGs). New technologies can contribute to the achievement of social goals in many ways, and that developed by the inaugural winner – Saule Sp. Z o.o. – is no exception. This pioneering Polish company has created a new generation of solar panels in the form of a thin, flexible foil that can be used to cover entire buildings.

In many ways, this typifies what the Fast 50 is all about – young companies that are making a real and important difference to people's lives, right across the planet.

Delivering insights to CE's deal-makers

Twice a year since 2003, the Deloitte Central Europe Private Equity Confidence Survey has tracked the changing sentiment of the region's private equity investment community. The Survey is prepared with the strong – and increasing – participation of professionals from private equity funds across Central Europe.

Questions focus on a wide range of relevant issues, from the overall economic climate and availability of debt finance to transaction volumes, investment opportunities and trends in vendor pricing expectations.

The Deloitte CE PE Confidence Survey report also contains a 'Deals Watch' section listing the region's most important investments and exits over the previous six months. It is promoted via various channels, including report websites, social media, press releases and client mailings.

The findings of the 32nd edition of the survey were discussed at the 'Insights into the CEE M&A and Private Equity Market' conference in Vienna in March 2019. It was the subject of a panel discussion chaired by Deloitte Partner Mark Jung (CE Head of Private Equity) and featuring high-profile industry figures such as Brian Wardrop (Managing Partner, ARX Equity Partners), Tamas Nagy (Co-Head of the Direct Equity Team, EBRD), Tamas Szalai (Investment Director, CEE Equity) and Andrej Babache (Partner, Mid Europa Partners).

GreenFROG Award

Green Frog Award marks the best in company reporting

Launched in Hungary in 2000, the Deloitte Green Frog Award scheme is now recognised throughout Central Europe and the Commonwealth of Independent States (CIS) as a key driver of quality and best practice for integrated and non-financial reporting.

With Russia and other CIS countries joining the initiative for the first time in 2018, a record total of 112 reports were considered by an independent jury made up of recognised experts. The two titles – Best Integrated Report and Best Sustainability Report – were decided in Zagreb on 16 April 2019, during the Deloitte Investing in Sustainability conference.

The winner of the Best Integrated Report award was Orange Poland. Two companies (Russian mining company Nornickel and Czech brewer Plzeňský Prazdroj) shared the award for Best Sustainability Report. According to Maria Ibisz, Deloitte Manager at Sustainability Consulting Central Europe, "Not only has the number of non-financial reports grown, but their quality is constantly improving too. By rewarding the best reports, we're aiming to increase awareness of the benefits and business value of sustainable development."

The CFO Program

The 2019 CFO Survey: outlook is positive despite a slight decline in optimism

The tenth annual Central Europe CFO survey, which was published during the year, marked a slight reversal in the rising business optimism that had held sway since 2016. Overall, however, the 674 respondents from 17 countries who participated were still broadly optimistic about the future outlook for the region.

A dominant 75% of CFOs, for example, were either positive or neutral about their own companies' prospects when it came to indicators like revenues, operating margins, CAPEX, employment and the ability to serve debts. The skills they expect to be hardest to find are around technical knowledge and work experience, but they plan to address these issues by improving remuneration and delivering more training.

In terms of the economic outlook, average GDP growth was expected to be 2.3% in 2019 (0.1% less than the previous year). This slight decline in expectations was matched by a slide in predictions for unemployment to fall, with 38% expecting a fall compared with 47% in 2018. The slightly less positive mood was marginally countered by a slight reduction in the proportion of CFOs expecting a rise in Consumer Price Inflation (from 85% to 82%).

CFOs also expected a slight increase in external uncertainty, with rising costs being the main risk factor. Almost three-quarters (73%) believe that this is not a good time to take more financial risk in their decision-making.

Looking further into the future, 32% of CFOs believe that technology will displace humans from the finance function in 10 years' time. That is despite the fact that only 11% of organisations to date have adopted machine learning, the most popular cognitive tool adopted by companies, and 77% use no cognitive tools of any sort.

CFO Conference in Croatia receives praise from clients and prospects

One of the highlights of the fifth Croatian CFO Conference, called 'Leading Finance to the Future', was the presentation of the CFO of the Year award to Krešimir Bubalo, CFO and the Board Member of the Pevec d.o.o., FMCG company. Our sincere congratulations go to him.

The conference, held on 15 May at Zagreb's Plaza Event Centre, was hosted by Marina Tonžetić, Deloitte Partner and leader of the CFO initiative. She introduced a fascinating line-up of speakers from Deloitte and other organisations including SAP, the government of the Republic of Croatia and Zagreb University's Faculty of Economics and Business. A special surprise guest was doctor Nikolina Sesar, Croatia's first female neurosurgeon.

Following insights into the opinions of Croatian CFOs revealed by the 2018 CE CFO Survey, the conference closed with a high-level panel discussion on the subject of leading in extraordinary times.

According to Marina Tonžetić, "The conference once again had relevant topics and excellent feedback, with our clients and prospects alike telling us how interesting they found its content."



Deloitte Croatia: 'Leading Finance to the Future' CFO Conference.

Meeting Gen Z in their own territory!

Many people are asking how global companies can connect and become more relatable to their future workforce, especially Generation Z. The innovations team at Deloitte Czech Republic decided to take on this challenge in a creative and daring manner, meeting with young people head on. By organising workshops and panel discussions at the Czech Republic's most popular music festival, 'Colours of Ostrava', the team connected music and fun with business and technology to bring an artistic twist to our corporate image.

Not only did the events we organised fill the entire auditorium with visitors who wanted discussions to continue long after they finished – we also received considerable attention online.

As an exclusive video partner of the MeltingPot Forum, we produced daily videos and interviews. These were regularly live-streamed, delivering more than 13,000 views. The project created a unique positive impact on our brand promotion while sharing Deloitte's values to a broader public.

Our mission was to be part of an event which attracts Generation Z and where we could be perceived as a trend-setter. Deloitte Czech Republic is the first company in the CE region, and the first of the Big Four, to take part in a music festival. The company stand was part of the MeltingPot Forum, which was visited by more than 8,000 festival-goers. Our workshops and [panel discussions](#) on various topics such as 'Coding your own robot', 'Data analytics in music' and 'Gen Z in leadership' were always fully booked. As an added extra, our stand also offered unique airbrush tattoos of our brand motifs – more than 3,000 people took us up on the offer!



Deloitte Czech Republic: 'Colours of Ostrava'.

Innovative and futureproof: Deloitte at Brain Bar

During 2019, Deloitte in Hungary established a strategic partnership with Brain Bar, Europe's biggest future festival, with the aim of creating further differentiation from our competitors and building an authentic employer brand as an organisation that is both innovative and futureproof.

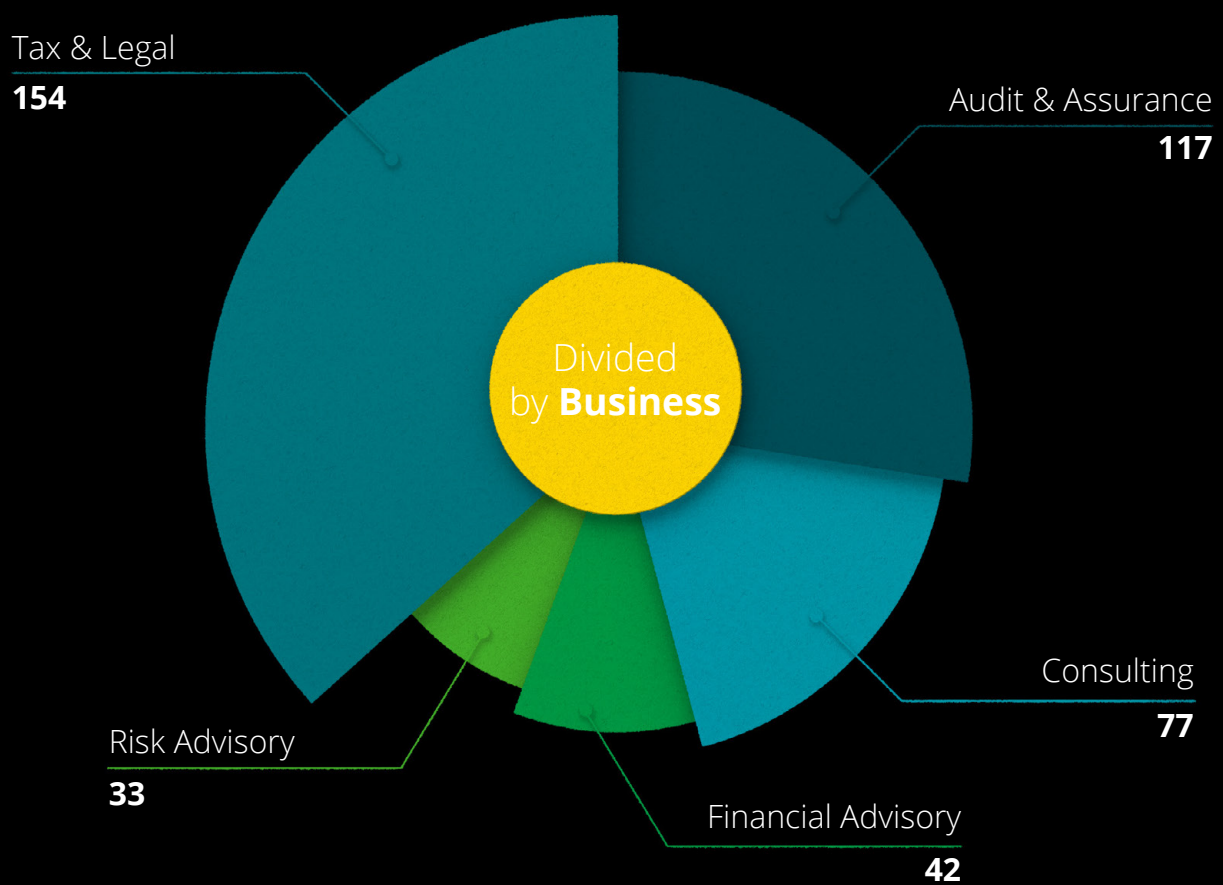
As one of five strategic partners, we played a major role throughout the event, which welcomed 15,000 visitors over its two days. We not only provided three keynote speakers – one from Hungary and two from the Deloitte global network – who presented to over 1,650 people. We also hosted a series of special activities, including a 'KidsXO' event for 8 – 14-year-olds (see page 62 for full details), a car-hacking demo by our Cyber Risk Services Team, a workshop on 'Design Thinking & Agile Methodology' and we recognized a disruptive technology startup with a special Deloitte award at the 'Blastoff' pitch competition.

In addition, we provided students with a competency survey to help them identify their future jobs. The 170 participants filled in the competency survey on tablets, with the data displayed in a real time infographic on a giant LED screen near the Deloitte lounge.

We have fulfilled our vision: enabling students, job seekers and even potential clients to get to learn more about Deloitte by getting introduced to our innovative services.

Deloitte Central Europe FY2019* revenue overview (in EUR millions)

Total revenue: **423**



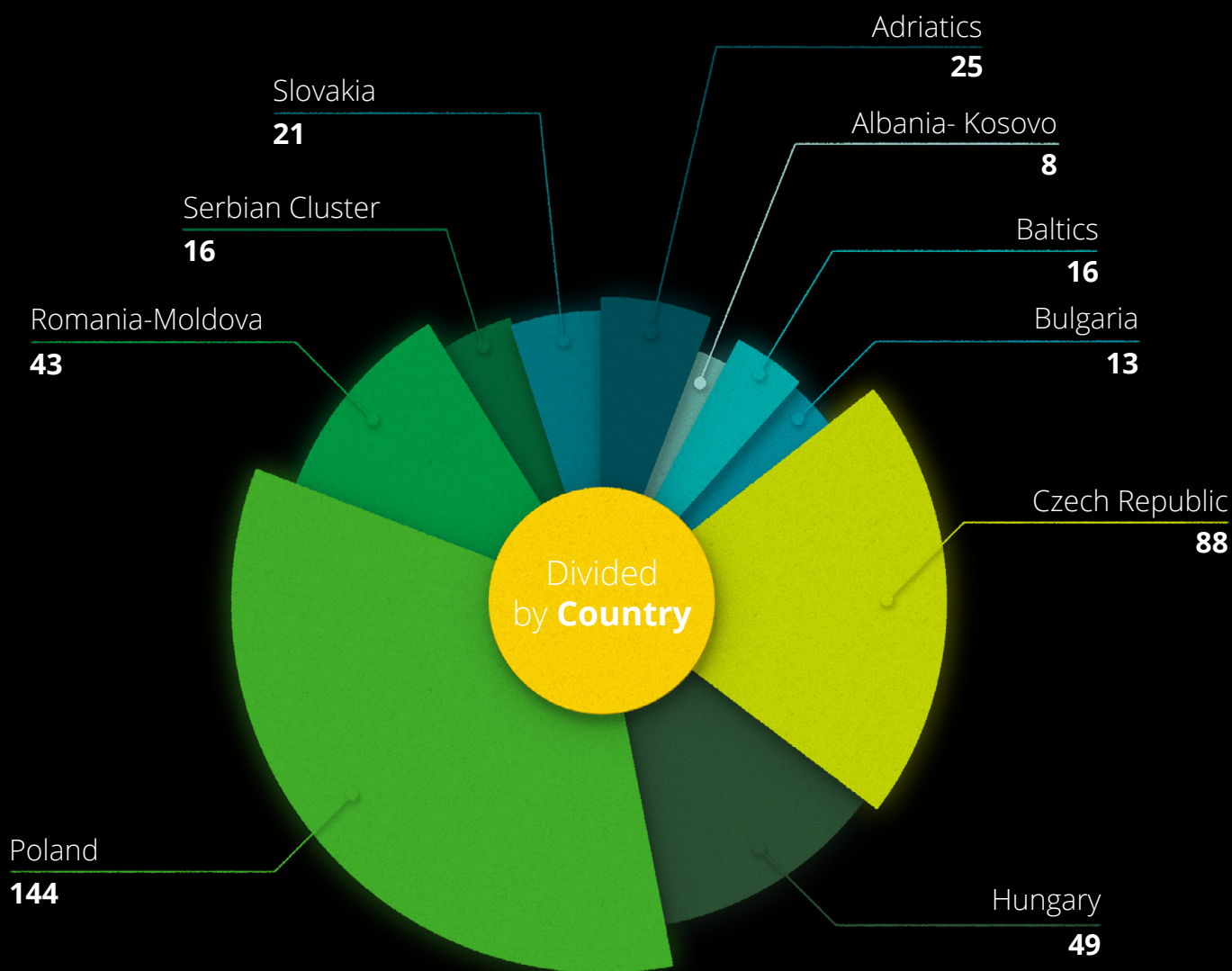
Growth Net Income: **7%**



*Our reporting period is fiscal year 2019 (FY2019): 1 June 2018 – 31 May 2019

Deloitte Central Europe FY2019* revenue overview (in EUR millions)

Total revenue: **423**



Growth Net Income: **7%**



Adriatics: Bosnia and Herzegovina, Croatia, Slovenia

Baltics: Estonia, Latvia, Lithuania

Serbian Cluster: North Macedonia, Montenegro, Serbia, Republika Srpska

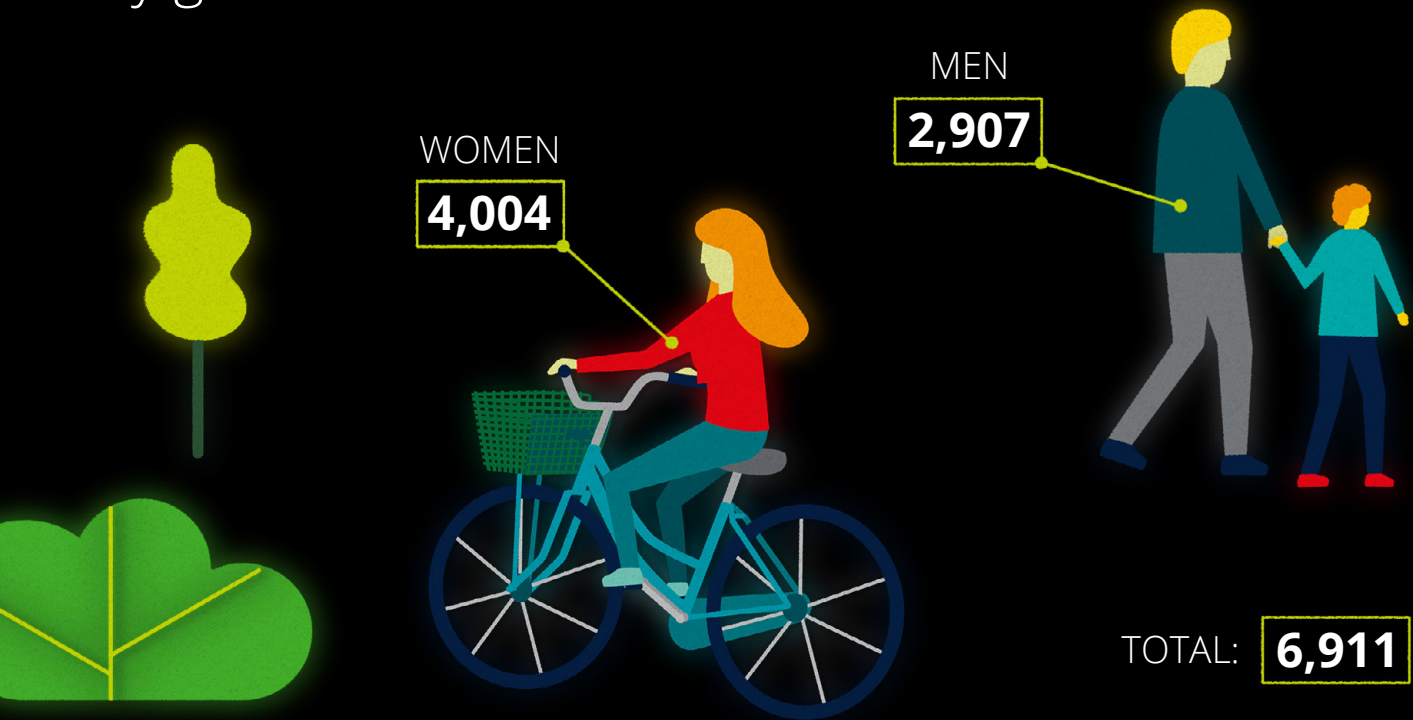
*Our reporting period is fiscal year 2019 (FY2019): 1 June 2018 – 31 May 2019



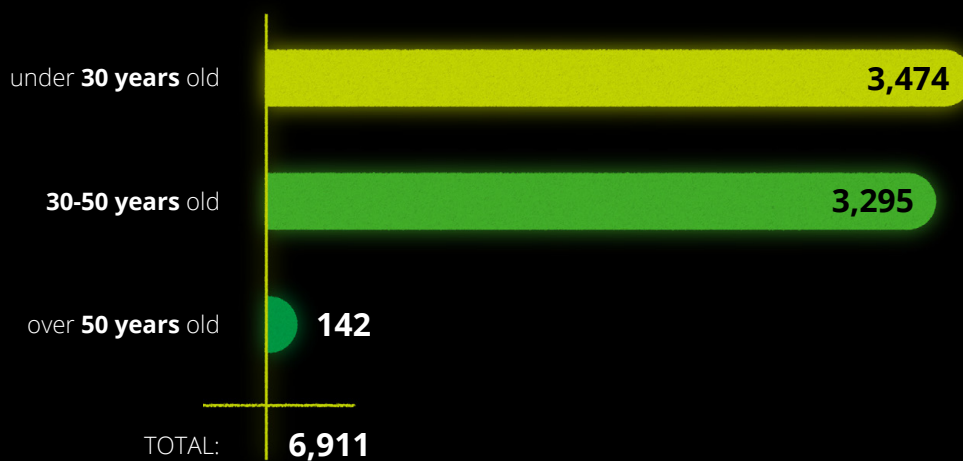
Powering ahead with our people

Like any employer, we want our people to be as effective and professional in their working lives as they possibly can be. So we aim always to select the best – and then to make them even better. Making major investments in their skills and expertise not only helps Deloitte compete and win. It also enables our people to take a lead in society at large and achieve extraordinary things.

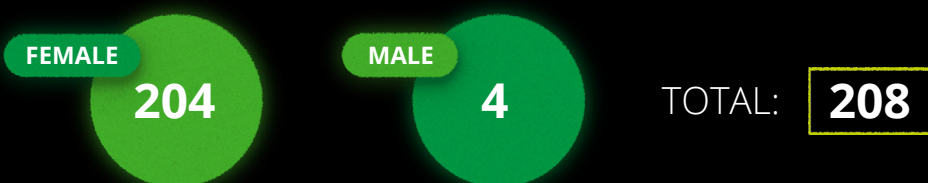
The total number of employees by gender



The total number of employees by age groups



Number of employees that started full-time maternity/paternity leave:



Creating more awareness of why diversity matters

We see all kinds of diversity at work in Deloitte Central Europe. We come from different backgrounds and countries. We are introverts and extroverts. We all have individual strengths. Above all, we all deserve to be at our best and be able to show 100% of our potential at work.

During the past year, we have been running a number of initiatives that help us create a more inclusive working environment.

At the beginning of March, we organised a series of livestream webinars to promote and raise awareness of our Diversity & Inclusion agenda among professionals across Deloitte Central Europe. These also had the aim of inviting everybody to discuss women's progression, parenthood, LGBT+ and dealing with unconscious bias.

We are committed to going 'ALL IN' to increase the representation and retention of under-represented groups across all levels of our organisation, with a particular focus on women. This is why we are starting to create more awareness about how we hire and retain women, how we create opportunities for their promotion and how we mentor female successors.

The SheXO Club has been expanding, and has broken out of the CE region for the first time to reach the world's largest market. On 30 August 2019, the SheXO Club was launched at Deloitte China's Beijing office, with special guests including Sharon Thorne, Deloitte Global Chair, and Janet Foutty, Deloitte US Chair.

We have also continued our engagement in LeadersIN, Poland's cross-company mentoring programme that is designed to support talented women in business and help them fulfil their potential by acquiring new skills and improving those they already have.

Iva Georgijew
Diversity & Inclusion Leader
Deloitte Central Europe

Focusing on talent to release our full potential

At Deloitte Central Europe, we know that the single most important factor that differentiates us from the competition across our region is the collective talent of nearly 7,000 people. This is what has once again enabled us to set a new record for revenues in 2019, up by 7% on last year's record – and it is what enables us to have an impact that matters in many areas of life across the region.

These areas range from assuring the success and sustainability of its businesses to creating opportunity for the region's most talented individuals and supporting some of its most vulnerable young people.

Adding to the skills of our employees is therefore a major focus for us, and 2019 certainly saw many initiatives designed to achieve precisely this. You can read about several in this section of the Report, from the Adriatic Learning Week to the Summer Innovation Academy in the Czech Republic. These were both new this year and additional to many established learning programmes that continue to give us the edge.

By no means all our focus was on our existing colleagues, however. As a future-focused organisation, we are also determined to give young people across our region an insight into the worlds of innovation and expertise where the success stories of the next decade will take root.

Examples in this Report include our input into the Czech Republic's LegalTech Hackathon, how we are enabling students to influence Slovenia's tax regime and introducing young people in Latvia to the great potential offered by careers in tax. In addition, you can read about how our Innovation team is working to build a culture where closer interaction between business and society in all its facets will be business as usual.

Adham Hafoudh
Talent Leader
Deloitte Central Europe

The 2019 Impact Awards – promoting positive change for thousands of lives

The 2019 Deloitte CE Impact Awards initiative was enormously successful, with nominations received for close to 100 separate initiatives from right across Central Europe.

The purpose of the Awards is to recognise and share examples of activities that have in one way or another made a significant positive impact that matters on our clients, our people and on society as a whole. You can read the details about some of the award winners and other entries in this Report.

Winners in the 'Clients' category were our Czech Innovation team, for their work on mingling business innovation and social responsibility (page 50), and a Bosnian team rewarded for its exceptional client work. Winners in the 'Talent' category were D&I Week, encouraging open discussion and actions across a range of diversity and inclusion topics (see page 43), and the Deloitte Prague Cup, now in its 16th year. This brought together more than 1,000 of our people from across the world to celebrate their love of football (page 52).

The 'Society' award was shared by two wonderful stories: how our Legal team in Albania saved an abandoned boy from life on the streets (page 59); and how we support a Warsaw café that's staffed by people affected by autism and hosts events that help disadvantaged members of society (page 65).

All the awards highlighted so far were selected by a special jury. There were also two other winners, voted for by our employees across Central Europe. These were two educational initiatives – the first aims to ensure a fair education for all children in Albania, no matter their background (page 62). And the second teaches young people in Hungary to manage their financial and monetary affairs (page 29).

All the examples highlighted in this Report, the many others that were considered, and all the other individual acts of kindness, generosity and commitment that take place across our network every day, have an enormous impact that matters for many thousands of people. We hope they inspire you as much as they inspire us.



The purpose of the Awards is to recognise and share examples of activities that have in one way or another made a significant positive impact that matters on our clients, our people and on society as a whole.

CE Impact Awards Winner

Let's talk about unconscious bias, women leadership, LGBT+ and more

In the days between March 4 and 8, a series of livestream webinars were organized to promote and better explain the Deloitte Central Europe Diversity & Inclusion agenda. The first ever Diversity & Inclusion Week hosted 22 speakers – the majority were employees from Deloitte CE, which curated 7 webinars that have been viewed by nearly 1,000 Deloitte employees.

The main objective of the very first Diversity & Inclusion Week was to engage people in conversations about Diversity & Inclusion and its influence on business and its ability to drive change, challenge stereotypes and inspire future generations. This caused a major impact on creating awareness about what it truly means to lead an inclusive culture, which fosters a better workplace and a sense of belonging. The impact was groundbreaking in the sense that certain topics were openly discussed such as unconscious bias and LGBT+ and fatherhood in Deloitte.

The Diversity & Inclusion Week was the result of several months of conceptual work on webinar topics. It was crucial to provide the same level of experience to all staff no matter the size of the country or resources. Project organizers decided to use technology in the form of interactive webinars which enabled people from all countries to participate live or replay them later.



The main objective of the very first Diversity & Inclusion Week was to engage people in conversations about Diversity & Inclusion and its influence on business and its ability to drive change, challenge stereotypes and inspire future generations.

SheXO Club | by Deloitte

SheXO club expansion delivers new forum for China's businesswomen

The Deloitte SheXO Club, launched in Poland in 2011 to help women in business with their personal and professional growth, has over the years built a stronghold across Central Europe with further operations in Bosnia and Herzegovina, Croatia, the Czech Republic, Hungary, Romania, Slovakia and Slovenia.

And now, for the first time it has broken out of the CE region to find a new home in the world's largest market. Beijing was the scene on 30 August 2019 of the first SheXO lunch to be hosted by Deloitte China, attended by special guests including Sharon Thorne, Deloitte Global Chair, and Deloitte US Chair Janet Foutty.

This marks a significant step forward, not only for the SheXO concept as it starts to gain a truly global presence, but also for China's businesswomen who now have a powerful new forum for networking, exchanging ideas and developing their leadership skills.

This was also an important year for SheXO in the country where it all started. Key developments in Poland included the launch of a new digital stream among other meeting topics. The digital stream was launched by a meeting with the "Dragnet nations" author Julia Angwin followed by "The future of technology. HU- the human element" topic presented by Supreet Sin Manchanda.



Deloitte SheXO Club officially launched in China

The Deloitte SheXO Club, launched in Poland in 2011 to help women in business with their personal and professional growth, has over the years built a stronghold across Central Europe with further operations in Bosnia and Herzegovina, Croatia, the Czech Republic, Hungary, Romania, Slovakia and Slovenia.

Helping female leaders get to the top of Polish business

Once again, Deloitte has participated in Poland's LeadersIN cross-mentoring programme, designed to help talented women in business fulfil their potential by acquiring new skills and improving those they already have.

Deloitte was one of the leading organisations behind the programme's launch five years ago. Today, LeadersIN attracts businesses whose most senior leaders, male as well as female, are willing to act as mentors to talented female managers with at least seven years' professional experience. The programme's main attraction is the opportunity it gives women to develop their abilities under the guidance of some of the best-known business figures from leading Polish and international organisations.

As ever, care was taken to ensure that the 50 mentors and 50 mentees who participated this time only worked with people from other companies, combining the experiences of different organisations, industries and genders to give participants an understanding of different perspectives.

Iva Georgijew, Deloitte Partner and CE Leader of Diversity & Inclusion, is a member of the programme's council and a LeadersIN mentor. "The past editions of LeadersIN have confirmed that the programme is working and helping to increase the number of female leaders in Poland" she said.

Assessing women's role in the Croatian economy

The last year was an exceptionally busy period for Deloitte Croatia's SheXO programme. With the clear mission of advocating female empowerment in the business environment, the Croatian team embarked on an ambitious project – launching a survey to assess the position of Croatian women in the economy.

The survey results were presented on International Women's day in March 2019 at [an event](#) jointly organised by the SheXO Club and the Croatian Employers Association, which represents more than 6,000 leading corporates in the country. [The survey results](#) found that women are still underrepresented on supervisory boards and in management positions, with less than 20% of the share. Women also continue to find it more difficult to climb the career ladder compared to their male counterparts.

By publicising the survey results and organising other high-profile events, the SheXO Club Croatia has established itself as a key influencer in promoting female leadership in the country. The positive impact has had a 'contagious' social effect by encouraging women to pursue their professional aspirations of becoming either corporate leaders or entrepreneurs.

As well as the survey, SheXO Croatia organises events throughout the year. [A lecture by renowned business coach](#) Manpreet Dhillon deserves a special mention, when she talked about Inclusive leadership during an event hosting the Canadian Trade Mission. SheXO also teamed up with the leading business magazine, Lider, supporting and participating in its annual 'Top 10 Women in Business' [award ceremony](#).



Mentees of 4th edition of the LeadersIN cross-mentoring programme

Greater diversity at the top will make business in Poland more competitive

The Champions of Change club is the first organisation in Poland to bring the chairmen of large companies together to support women and diversity in business. On 25 October 2018, Deloitte in Poland CEO, Marek Metrycki was one of six CEOs of leading Polish and international businesses to sign the declaration that brought it into existence.

The club's key objectives are to promote best practice and initiatives to increase the number of women in senior management and executive positions, to eliminate the gender pay gap and to introduce effective new tools to make better use of women's and men's talents. The founding members emphasised that while they recognise the importance of being inspired by international trends and ideas, their primary focus will be on developing solutions that specifically target Polish issues.

This, they believe, will translate into better use of diverse teams, consequently driving greater competitiveness for the country's companies.

During the club's first 12 months, the members created working teams made up of experts from the founding companies, identifying and developing good practices in terms of the diversity and inclusion activities in their organisations and the wider market place. They also focused on developing training programmes to build high-performing diverse teams and on creating 'All Roles Flex' tools to enable flexible career paths for all.

Fuelling the fundraising power of football

It was in early 2019 that Deloitte Bulgaria formed a women's football team. Its official debut in a charity tournament was such a positive bonding experience that the members immediately decided to continue their good work. This time, they aimed to support the Children with Onco-hematological Diseases Association, which was raising funds to help Bulgarian child cancer survivors participate in the World Children's Winners Games in Moscow.

One of the biggest problems for children with cancer is the lack of available state financial aid during recovery. This fact inspired the team to do everything in their power to uphold every child's right to the best possible treatment and social integration, insisting that no child or family should ever have to face cancer alone.

The team hosted a home-made breakfast campaign, baking pastries and cakes to promote the need among their colleagues for active participation in the cause. The engagement of Deloitte professionals, families and friends led to BGN 1,200 being raised – around 150% of target. Using the motto "Nothing is more rewarding than putting a smile on a child's face", the team will continue to support a number of causes by raising money and playing football.

Telling the future at Marie Claire conference

According to the World Economic Forum, creativity is set to be one of the key skills for success during 2020.

Clearly, our people are the creative fuel of Deloitte. It's our role to change Deloitte itself and the industry we operate in, drawing on our creativity to capture the imagination of all observers and present our organisation as a futuristic business that's ahead of its time.

So when we decided to exhibit at Marie Claire's 'Women@Work' conference for businesswomen in the Czech Republic, we were determined to give visitors a taste of our creativity in action. Not only did two of our highly talented women – Diana Rádł Rogerová (Managing Partner, Deloitte Czech Republic) and Tereza Bardi (Senior Manager) – gave a presentation on how new generations are set to change the way we look at work, we also had a fortune teller, 'Vestirna', on the Deloitte stand who could answer any question about the future.

In fact, the questions were being sent directly to David Marek, Chief Economist at Deloitte Czech Republic. He and his team fired the answers back at the speed of light. We are committed to using more creative solutions like this one at future events, attracting more people to Deloitte and building our reputation as a future-focused organisation.

According to the World Economic Forum, creativity is set to be one of the key skills for success during 2020.

Bringing out the leader in everybody

At Deloitte Central Europe, the only way for us to achieve our full potential as the regional leader in professional services is for all of our people to be as good as they possibly can be.

They, after all, are what enable us to make an impact that matters in every area of our operations. This makes it a fundamental responsibility of our leaders to ensure that their collective knowledge and experience, as well as that of every senior member of the firm, is cascaded throughout the organisation to benefit our employees, our clients and wider society.

Only in that way will every one of us achieve our full leadership potential, enabling us all to set a positive example and be of practical help to everybody we come into contact with.

This is why we run a number of learning and education programmes throughout Deloitte, both globally and regionally. You can read in this report about several such initiatives, from Deloitte the Leading from the Edge programme (page 47) to the Adriatic Learning Week (page 49), which was launched this year especially for our people in Croatia, Bosnia and Herzegovina and Slovenia.

This approach to education does not stop at the boundaries of our organisation. We also consider our potential colleagues of the future, and are closely involved in offering learning opportunities to children, teenagers and young adults in several initiatives across the region.

Other key factors in enabling our people to perform at their best include our focused approach to performance management, ensuring the diversity and inclusivity of our organisation and caring for the wellbeing of all every employee. We tailor our approach to meet the individual local demands and challenges that our people face every day, ensuring they all have important roles to play in shaping our sustainable culture of improvement and growth.

At Deloitte Central Europe, the only way for us to achieve our full potential as the regional leader in professional services is for all of our people to be as good as they possibly can be. This makes it a fundamental responsibility of our leaders to ensure that their collective knowledge and experience, as well as that of every senior member of the firm, is cascaded throughout the organisation to benefit our employees, our clients and wider society.

Building a mindful culture for future generations of leadership

A year after its launch in October 2018, the unique Deloitte Central Europe 'Leading from the Edge' mentoring programme celebrated its first class of graduates. These 33 senior managers, identified by their country leaders as top performing senior managers and potential leaders of the future, were hand-picked to fast-track their development to ensure they reach their full potential.

The most important part of the programme was definitely the commitment by 15 partner mentors to support the senior managers over the 12 months of the program. During the year, each senior manager was able to get the full attention of their individual mentor through check-in calls and mentoring and coaching sessions during and outside of the live sessions.

The 3 live sessions totalling 6 days of intensive leadership experiences were held during the year. These sessions involved leading professionals – from within and outside Deloitte – facilitating immersive experiences in panels, design thinking workshops and focused brainstorming groups. The programme is designed to support our future leaders in better understanding themselves, understanding others, understanding the firm and developing key leadership skills.

The first session was focused on understanding selves, others and the environment in which we work. This included:

- 1 A test and analysis of all participants' individual strengths, as well as sessions on leadership style with an experienced professional from Gallup Strengths.
- 2 Creating a leadership manifesto on the basis of interviews conducted in advance of the session.



'Leading from the Edge': this year's graduates

- 3 An inspiring presentation by John Hagel from the Deloitte Center for the Edge from San Francisco and exploring the challenges that future leaders will face in a zoom-out, zoom-in exercise involving the business leaders.
- 4 Strategy panels with the business leaders and a member of the Deloitte Central Europe Executive Committee.
- 5 Developing a work purpose statement as a guiding star for why we do things as leaders.

The second session focused on leadership in practice with interactive exercises on communicating with impact facilitated by Dramatic Resources from the UK and an inspiring session on 21st century leadership facilitated by Potential Project which addressed mindfulness, selflessness and compassionate leadership.

The third session focused on wellbeing as leaders, providing practical strategies for leaders to care for themselves and their teams. This included a personalised assessment of health and fitness based on DNAfit testing, enabling external experts to provide fact-based guidance on what solutions will work best for each individual.

The Leading from the Edge program for the class of 2018/2019 received extremely positive feedback from both the participants and the partner mentors who also participated fully in the live sessions. The next class of 2019/2020 is now planned with even bigger interest of partners to become mentors.

'DAD' - using fun and laughter as the building blocks of collaboration, inspiration and togetherness

The magical coastal town of Vodice in Croatia was the "in" place to be between 1 and 3 July 2019. Hosting the first ever 'Deloitte Adriatic Days' (DAD), this bustling town brought our people together across the Adriatics - Bosnia and Herzegovina, Slovenia and Croatia - together sharing in the excitement and amusement of a unique team-building experience, where having fun was the key driver to collaboration, synergies and bonding.

This three-day DAD concept, exclusively designed to help our employees be more inspired, motivated and fulfilled, was built around vibrant words that describe our people: Dedicated, Amazing and Driven.

The energy encompassed in these words was lived by all throughout this three-day event. Each day housed a specific theme. The first of these was 'Team Building Day', focused on strengthening our spirit of togetherness through activities like the Deloitte Adriatic Olympics, which featured many fun-filled sports challenges and brought with it heaps of laughs and entertainment.



'Deloitte Adriatic Days': participants

The second day, 'Corporate Day', reinforced our Deloitte' mission, vision and success, and employed key techniques such as smart-casual business line meetings where we could look back as a firm, on our challenges, which we positively overcame, and our successes achieved. What better way to end this day than with a festive party, on a terrace overlooking the Adriatic Sea, entertained by a live band and plenty of chatter. Finally, 'Employee's Day' was 100% focused on our people, recognising their achievements to ensure they feel empowered, valued and appreciated.

Our three-day 'DAD' event was enthusiastically received, earning top ratings from our participants. We do not stop there but continue to raise the bar and our people have heartily put forward their ideas on how to make our 2020 'DAD' shine even brighter.

This three-day 'Deloitte Adriatic Days' concept, exclusively designed to help our employees be more inspired, motivated and fulfilled, was built around three vibrant words that describe our people: Dedicated, Amazing and Driven.

CE Impact Awards Winner

Taking a group approach to improving skills

It's because we believe in the boundless potential of our colleagues at Deloitte that we actively invest so much time and resources in personal development.

A new initiative launched in the Czech Republic during the year was designed to improve our people not only as individuals but also as team members, helping to drive collective innovation and positive change. We were confident that taking a group approach to development would improve interpersonal relationships while increasing the potential of the whole team.

With the goal of improving participants' technical and soft skills alike, the Summer Innovation Academy (SIA) is a series of full and half-day workshops presented by well-known professionals and open to everybody at Deloitte. The subjects are wide-ranging, from presentation skills and video production through the art of improvisation, understanding body language, using social media for business and end-to-end web design and development.

Now, these new skills are being used by colleagues during their everyday lives at Deloitte, including those just starting their careers with us, helping them all to be more creative and to communicate better.



Deloitte Czech Republic: Summer Innovation Academy.

How one day committed to health awareness can have a life-long impact

On February 15th 2019, Konstancja Tanjga-Nawrot of our Warsaw office organised an event called "[Health day - love for the heart](#)". During the day employees had the opportunity to participate in important medical check-ups and workshops about subjects we often neglect due to lack of time. Employees measured their blood sugar and pressure, performed a body composition test (BMI), an online ECG and spirometry. A dietitian, sports coach, cardiologist and internist were also there to give advice and hold consultations.

Why are such short but significant health sessions so important? Lifestyle diseases present some of the biggest health issues facing modern society in developed and rapidly developing countries, including diabetes, obesity, depression, heart and vascular diseases and even cancer. The project's mission was to encourage employees to think consciously about their well-being and rethink their daily lifestyle. The immediate and future business impact of not doing so is of no small consequence, as a company's productivity largely depends on the health of its workforce.



Deloitte Poland: Health day - love for the heart

About 600 people took part in the event, where they also had the chance to freshen up their first aid knowledge and participate in relaxation sessions (using Schultz autogenic training), take part in quizzes and donate blood.

Ethical integrity receives a boost from new Speak Up service

“If something doesn’t feel right, it probably isn’t.” That’s the mantra behind Deloitte SpeakUp, a new 24/7 multilingual service launched during the year to replace the Ethical Dilemmas reporting channel across our Central Europe region.

The new service takes into account the fact that there are times when people do not feel comfortable seeking advice about ethical issues, from conduct to corruption, from sources like a manager, team leader, HR or the CE Ethics Officer.

Deloitte SpeakUp, which is operated by NAVEX Global, offers an alternative – a website and local phone numbers that our people can use confidentially (anonymously if they choose and where permitted by local laws*) to consult on issues or report misconduct with a non-Deloitte consultant. The case is then – referred to our CE Ethics team, who investigate further whilst taking all – necessary steps to maintain confidentiality.

Our Risk & Reputation Leader Ahmed Hassan says: “I’m extremely proud of this new service and believe it is an important step forward in ensuring that our people have the confidence to follow their conscience with no worries about the consequences of speaking up. It’s a vital building block in ensuring our total ethical integrity.”

*Local legislation in Hungary and Lithuania prevents us from taking anonymous reports.



Deloitte Czech Republic: new office.

New office buildings mirror our culture and approach to work

The Deloitte offices in Romania and the Czech Republic have moved into cutting-edge, environmentally friendly new offices, both of which reflect how we work – mirroring our culture and business footprint.

In Bucharest, ‘The Mark’, as the new building is called, has many contemporary technical features including a special ventilation system and a smart façade that allows plenty of natural light to fill the offices. Deloitte employees were invited to participate in the decision-making process on several key features of the new building, including the design of the kitchenettes on every floor, the chairs and coffee machines they use every day, and even the design of a bas-relief in the client area, at the reception.

In Prague, Deloitte has taken over more than 12,000m² in the seven-storey Churchill I building between the main station and the University of Economics, allowing a total of 2,300 workstations. The space includes a multimedia creative environment on an area the size of 5 tennis courts. Again, environmental considerations are at the top of the agenda, and the LEED ‘gold’-certified building has intelligent air-conditioning and uses rainwater for flushing toilets.

CE Impact Awards Winner

The love of football brings together over 1,000 Deloitte employees from around the globe

On a global scale, the Deloitte Prague Cup is a truly unique event that brings together Deloitte employees from across the world. What makes the project even more special is that the inspiration behind this massive gathering is not of an economic or business nature. It's driven by a simple desire to interact with others for the love of sport.

In 2019, the [Deloitte Prague Cup](#) brought together a record 95 teams from 30 countries, 1,050 participants, male and female, who played 222 football matches and scored a total of 710 goals. The organisers and participants also raised money which was donated to a local orphanage. The impact of such an event cannot be measured against standard KPIs. However, the participants managed to achieve something which our organisation continuously encourages – to create genuine connections and relationships with colleagues from other departments, areas of expertise and countries. So the Deloitte Prague Cup is an ideal example and true manifestation of our 'As One' philosophy.



Deloitte Prague Cup: players and supporters.

To add a little more history – 16 years ago a group of passionate people from Deloitte Central Europe came up with the idea of hosting a football tournament in Prague. Since then, the tournament has grown into a truly global event. The tournament continues to build on its strength, with new teams participating every year. The Deloitte Prague Cup has grown in both popularity and stature. Today, it gives Deloitte practitioners from around the globe the opportunity to travel to Prague, to meet and network with colleagues from other member firms while playing a sport that unites many different nationalities and cultures.

Innovation fuelled by coffee and energy drinks...

Organising and delivering the Czech Republic's first LegalTech Hackathon was quite a challenge. Our first task was to recruit contestants, meaning we had to be in touch with every law and technology-oriented university in the country. A total of 30 contestants duly arrived from universities in Prague, Brno, Olomouc and Plzen.

Next, we had to determine the format of the competition, and we met with many interesting people with experience of such events as speakers or members of the jury. We successfully lined up speakers from a range of innovative companies, including IBM and Avast, as well as our own Brand and Strategy Innovation Director Senta Cermakova. In total, a team of 40 Deloitte staff, including lawyers, associates and assistants, were on hand to make the event run smoothly.

Over the weekend of the Hackathon itself, we were extremely impressed by both the energy of the five competing teams as well as the quality of the innovations they developed. Sleep was hard to come by: the teams worked for 40 hours, fuelled by 2 kilograms of coffee and 50 cans of energy drinks. But it was all worthwhile, particularly for the brains behind the winning innovation, Reklamacech, an app designed to help consumers lodge a complaint about any form of poor service.

Highlighting the opportunities of a career in tax

Our tax team in Latvia is always looking for bright young people to help us build a team that values passion, curiosity and business drive.

However, young people often do not recognise how satisfying working in tax can be. For example, the Latvian tax team is usually a central contact point for clients, carrying out a range of interesting cross-departmental engagements with the client's business at heart. Yet, because there is a lack of university programs that prepare graduates specifically for a career in tax and thus little visibility of how interesting the tax world can be, it is widely seen as a mainly compliance-driven role.

It was to overturn this view and to help young people find tax as interesting as the Deloitte team does, our Tax and Audit teams this year created the Deloitte Summer Academy, a three-day event packed with challenging questions and practical experience of tax and audit work.

As a result, we have attracted 10 topclass students who are not only joining us to strengthen our team but also to spread the word about how interesting it is to work in tax and audit at Deloitte. All the facilitators involved in the event – Senior Managers, Directors and Partners – were astonished by high quality of students selected to attend the event.

Empowering students to influence Slovenia's tax system

WorldClass

Deloitte Slovenia has teamed up with students from the University of Ljubljana to prepare an in-depth analysis of a new law on the issue.

The Tax team in Slovenia mentored students on the project, called 'Po kreativni poti do znanja' (the creative path to knowledge). They held a series of weekly workshops, sharing knowledge, expertise and experience from the field to help the students understand the issues and guide them in preparing their report. This resulted in a 100-page comparative analysis, along with guidelines and several focus points for the new legislation and a brochure for the general public.

The impact of the project was three-fold. First, the University of Ljubljana and Deloitte successfully exchanged knowledge, connecting the private sector with higher education. Second, students obtained general taxation knowledge, experienced project work and gained an understanding of what it's like to work at a professional advisory firm. Finally, by highlighting issues with the existing tax regime, it stimulated a broader public debate on the future system.

Over the weekend of the Hackathon itself, we were extremely impressed by both the energy of the five competing teams as well as the quality of the innovations they developed.



Impacts that matter on the lives around us

Caring about the world around them, supporting worthwhile causes, taking action to help the disadvantaged, standing up for beliefs, sharing knowledge with those it will do most to help – our people achieved all this and much more during the year, helping to fulfil our global purpose of making an impact that matters – everywhere we can.

Environmental sustainability that matters

As part of a global organisation with more than 312,000 employees, Deloitte Central Europe is highly aware of its impact on and responsibility for the environment. In 2019, Deloitte (DTTL) announced its first global reduction goals for greenhouse gas (GHG) emissions by FY2025 compared with FY2017. These are: a 36% reduction per unit of area in our building emissions; an 11% reduction in our vehicle fleet emissions; and 10% per full-time equivalent in our travel emissions. In Central Europe, we are currently considering how best to contribute to these goals.

Because our core activities are based around providing professional services, they have little direct environmental impact. Our work as consultants is connected with attending meetings, which often requires travel. This is our biggest GHG emission factor. To minimise this negative impact, we are trying both to restrict travel and to find more sustainable alternatives. Obviously, it is impossible to stop all travel, so for the first time Deloitte has decided that all emissions arising from our global use of air travel during FY2019 should be offset through the purchase of carbon credits, verified by a third party.

Our sustainability focus is on three key areas: collecting data on our performance; ensuring we qualify for internationally recognised sustainability standards; and carrying out good practices in areas such as energy usage, travel, waste management (including single-use plastics) and climate protection.

The Deloitte network uses the CR360 online sustainability management system to capture the sustainability data of our member firms across the globe. During FY2019, we again improved the coverage and quality of data across most of Deloitte Central Europe.

Different countries hold different forms of environment-related certification. For example, selected entities of Deloitte Poland have an energy management system

that complies with the ISO 50001 standard, which has been confirmed in a recent external audit. There is evidence that this is reducing energy costs, enabling effective supervision over energy consumption and making it easier to set goals, monitor performance and take any necessary action.

Our practices in the Czech Republic and Slovakia, meanwhile, hold the ISO 14001 standard for environmental management systems, which provides a practical and systematic approach to managing impacts including waste management, utility consumption and our carbon footprint.

Our global greenhouse gas reduction emissions goals:



36% reduction per unit of area in our building emissions



11% reduction in our fleet emissions



10% per full-time equivalent reduction in travel emissions

In our offices, we have policies that control the use of lighting, heating and cooling to minimise energy usage and greenhouse gas emissions. In recent year we have left older offices for more energy-efficient ones in Prague and Bucharest. In Warsaw's Q22 – our largest building – we have set up selective waste collection, dividing waste into five different categories.

All emissions from Deloitte's use of air travel during FY2019 globally was offset through the third-party verified purchase of carbon credits.

We still have much progress to make on all fronts. We remain committed to further improving our environmental performance, in 2020 and for the years ahead.

The growing role of non-financial reporting

In recent years, non-financial reporting has grown significantly in importance for businesses across the globe. It enables companies to report in far greater detail and depth on their widest impacts and outcomes – not just the purely financial information that annual reports used to include.

There are five ‘capitals’ beside finance that companies are now encouraged to report on: manufacturing, human, social & relationship, intellectual and natural. When done properly, this gives a complete view of the organisation, its impacts, activities and ESG (Environment, Society, Governance) performance. Critically, reporting in this way clearly presents the organisation’s values and governance model, demonstrating how its strategy is linked to its commitment to sustainability.

This starts a conversation that matters with investors, clients, employees and business partners, encouraging a deeper dive into the culture of the company.

According to Irena Pichola, Deloitte Partner and Leader of Sustainability Consulting Central Europe, “Companies use non-financial reporting to achieve benefits including stronger internal strategic management, building relationships, enhancing transparency and so improving their reputation. Awareness and the focus on ESG is growing continuously, across our region as much as anywhere else.”

At Deloitte Central Europe, our Sustainability Consulting team has vast experience in helping clients prepare non-financial reports, including the external assurance involved. We also run the Green Frog Award scheme every year to identify and reward done by an independent jury those companies from across Central Europe and the CIS with the best sustainability and integrated reports – see page 33 for details on this year’s initiative.

Helping clients and partners with sustainability challenges

During the year, the Deloitte Sustainability Consulting Central Europe team was involved in a range of interesting and important sustainability-related programmes for our clients.

The largest project of this kind was a programme of work completed in January, when our team was part of a consortium helping Poland’s 44 largest cities prepare for the impact of climate change. Together with 4 other organisations, we delivered 132 workshops engaging with over 450 specialists and 7,000 representatives of local authorities and other partners to help ensure that the adaptation plans prepared for each city are accurate, appropriate and future-proof.

 [More about the project.](#)

In a related initiative, we also helped the Polish Chamber of Insurance prepare for publication a complex report called ‘Climate of risk. How can prevention and insurance reduce the impact of natural disasters on the environment?’ The report contains serious warnings that larger losses caused by weather events will take place unless a consistent risk-management policy is put in place. It calls upon state authorities, society and the insurance sector to work together on tackling the issues involved.

 [Download the report.](#)

In partnership with InnoEnergy, we also produced a report called the ‘Clean Air Challenge’, launching it in Brussels to an audience of politicians and policy-makers. It identifies a range of innovative solutions designed to reduce air pollution and save EUR 183 billion across the European Union over the next seven years.

 [Download the report.](#)

Finally, in partnership with ING Bank Śląski, Adamed Pharma and Żywiec Zdrój S.A., we produced a report – ‘Closed Loop, Open Opportunities’ – that was presented at the 2018 United Nations Climate Change Conference in Katowice. This highlighted the benefits and opportunities that Poland and Polish businesses would gain from making the shift to a circular economy. It explained the data and arguments involved, highlighting the direction that needs to be taken and describing the instruments of public policy that are available to make it happen.

 [Download the report.](#)

Initiatives for a greener footprint

Right across Deloitte's footprint covering 18 countries in Central Europe, people are actively committed to doing what they can to combat the greatest global emergency we face – environmental pollution and the accelerating impact of climate change that inaction will allow.

Poland, for example, is identified by the World Health Organization (WHO) as having 33 of the 50 dirtiest cities in the European Union. This is because 80% of the EU's private homes that use coal for heating are in Poland.

To further strengthen Deloitte employees' awareness of the issues and focus their minds on what they can do to help, on 5 June 2019 Konstancja Tanjga-Nawrot worked with United Nations environment volunteers to deliver a day of action under the slogan 'Beat Air Pollution'. More than 300 people took part in the day's events, which included individuals registering their personal resolutions on the dla.planety.pl platform.

Konstancja was also behind another initiative in Poland – this time series of 5 'zero waste' meetings with colleagues, encouraging them to address waste in the workplace under the headings 'the zero waster's toolbox', 'packaging', 'healthy household chemistry', 'healthy DIY cosmetics' and 'zero waste on the go'. Each 1.5-hour meeting was held in two parts: first, information on the negative impact of our daily choices on the climate crisis. And second, practical classes on what individuals can do to improve.

Deloitte employees globally took action on 'World Cleanup Day' (15 September 2018) to clear up litter and mismanaged waste from our beaches, rivers, forests and streets. In Lithuania, for example, our team swept through Vilnius, removing litter from its parks and other recreational areas as part of a global force making an impact that matters in countries across the world.



Deloitte Poland: 'Zero waste' workshops.

In an important national initiative, Deloitte Czech Republic has launched 'Deloitte Green' concept with the aim of 'gradually changing the mindset from taking from society towards giving back'. In one of its first large-scale actions, Deloitte Green joined forces with the municipality of Prague to create cleaner neighbourhoods. One high-profile exercise was the clearance of rubbish from the banks of the Vltava River, where the environment had become so choked with rubbish that it was impossible to access it. Thanks to the successful cooperation and positive feedback from locals, Deloitte GREEN has launched and is planning more of those activities in the future. Besides "outdoor activities" is established working group helping to address and actively participating on the solving of the sustainability issues related to changes in internal processes, communication with vendors, cooperation with local NGOs and schools. Main focus of both streamlines is to promote the transformation from traditional to circular economy by real examples.

In Hungary, the Deloitte team has decided it can do most by first 'cleaning its own backyard'. So when it created a specialist Corporate Responsibility & Sustainability team, the first task was to make our Budapest office cleaner and more sustainable. Among other actions, individual waste bins were removed and replaced by segregated collection points on each floor. All plastic cups were removed, and each employee was given an eco-friendly water bottle. We even launched an online sustainability competition on Battlejungle, our gamification platform to promote key messages.

In all cases, as employees become more sensitive to the issues, their habits at home change too, with more thought being given to the potential consequences of every action.

iNICJATYWY

społeczne pracowników Deloitte

Taking the initiative at Deloitte Poland

Since 2016, the 'Social INITIATIVES of Deloitte Employees' competition has been a vital part of a broader volunteering programme aimed at developing solutions that have an impact that matters on most important social challenges in Poland.

In the 2019 competition, the Competition Committee focused particularly on employee volunteering and the team's active involvement in the project. When assessing the winning ideas the Competition Committee looked specifically for innovative projects featuring the direct personal involvement using the competences, energy and teamwork skills of Deloitte employees. There must also be clear evidence that the beneficiaries are engaged in proposed projects.

Brief descriptions of some of the winning projects follow.

Helping young diabetics counter the disease through exercise

Justyna Starosielec and a team of colleagues at Deloitte Poland have been instrumental in setting up 'Sweeties Corner', a unique and highly innovative initiative at Warsaw's Independent Public Clinical Hospital that helps children suffering from diabetes to exercise under the watchful eye of medical staff.

According to Dr Agnieszka Szypowska, head of the Paediatric Diabetology and Paediatrics department at Warsaw's Medical University, "Creating a place to exercise will achieve many things. It will not only be physically beneficial and enable children to have a better time while in hospital. It will also help us see how a child's body responds to exercise

following a diagnosis of diabetes – sport helps to metabolise sugar, which is crucial in the proper treatment of the disease." Aleksandra Myczkowska-Utrata, President of the Management Board of the Sweeties Foundation for Children with Diabetes, said: "We care about educating people about the disease, including families who have never had to face it before. Hence initiatives like Sweeties Corner."

The Deloitte team worked closely with the Sweeties Foundation on setting up the new initiative, with a special focus on organising and assembling all the sports equipment and other components involved in Sweeties Corner.

Showing young people that their votes matter too

With the goal of encouraging more people to vote in the European elections in May 2019, Deloitte Slovenia committed itself to creating greater public awareness – particularly among young people – of the importance of European institutions.

Our team highlighted the importance of Slovenia's EU membership through various activities, including video production and enhanced media promotions. This shaped our brand image in a positive way, showing that Deloitte is a company which sincerely cares about important social issues. Our activities resonated through the social and business sphere, creating a strong impact among potential voters and encouraging them to vote.

What mainly motivated our team was the alarming lack of interest shown by young people, who appeared to feel their vote didn't matter and were unconvinced about the importance of European institutions. In response, we produced a video interviewing young people about what Europe means to them. But the event that attracted most attention was a round-table discussion, '[Only an Ambitious Europe Can Win](#)', featuring

Herman Van Rompuy (former President of the EU Council and Belgian Prime Minister), Frans Van Daele (Head of Cabinet of the President of the EU Council) and Jernej Štromajer PhD (Slovenia's State Secretary at the Ministry of Education, Science and Sport).

CE Impact Awards Winner

A boy's story - off the streets and into a safe home

Deloitte Albania's legal team is well versed in corporate and financial law, but when we received a request to help with a difficult child-abuse case, we immediately agreed to help.

The case involved a neglected 12-year-old boy living on the streets, a suspected victim of human trafficking and in a poor state of health and hygiene. A legal issue was preventing social services from giving him the care and education he needed. After an unsuccessful attempt in the Tirana District Court to remove him from the unsafe environment and poor parental control, the social services team asked the Deloitte legal team to help challenging the decision in the appeals court on a pro bono basis.

Our legal team studied the case in detail and helped social workers to build a very strong appeal against the original decision. The arguments presented in court served as grounds to change the decision and the boy was placed in the care of social services.

The boy is once again attending school, has improved his behaviour and is in a healthy living environment. These are the immediately noticeable positive impacts, but the most important of all lies in the fact that he will be able to lead a healthy and normal life.

WorldClass impact



WorldClass
total investments:

EUR 100,613

Individuals reached
in FY2019*:

5,288 individuals

(2,898 direct reach
and 2,390 indirect reach)

Volunteer
and pro bono time:

1,166 hours

Societal investments

Total societal investments:

EUR 772,781

Volunteer
and pro bono time:

5,714 hours



A truly WorldClass programme impacting 50 million futures

WorldClass

Under our global 'WorldClass' initiative, Deloitte operations across the world have the combined goal of impacting 50 million futures by 2030, enabling people everywhere to avoid being left behind and capable of fulfilling all the potential unleashed by the so-called 'Fourth Industrial Revolution'.

That revolution is taking place around us today, accelerating technology, digitisation and ideas to create incredible opportunities across all areas of life. However, millions of people are already being left behind, lacking the education, skills and training they need to compete. This is causing widening inequality, declining productivity and rising social tensions.

This is why we are committing our most valuable asset – 264,000 professionals around the globe – to ensuring that these people get their fair share of opportunity. By collaborating with businesses, government and educators, we can transform learning and enable them to access the skills they need to meet future job demands.

During FY2019, we reached 3.8 million individuals across the world through 593,700 hours of volunteer and pro bono time – an investment worth US\$85.2 million. Across Central Europe, our firms and people donated 1,166 hours to help 5,288 individuals, giving us a strong foundation for achieving yet more in the years ahead.

Many of the initiatives described in this Report are part of our WorldClass programme – you can read them wherever you see the WorldClass icon.

Our goal with WorldClass is to empower 50 million people globally by 2030, by providing them access to the education and skills required to find meaningful work in the new economy. The world is on the brink of a seismic shift with the emergence of the Industry 4.0 wave, and to thrive in it, we must work together so that no one is left behind.

Punit Renjen, Deloitte Global CEO

CE Impact Awards Winner

Enabling a high-quality education for every Albanian child

WorldClass

Deloitte Albania, by joining the global educational initiative 'Teach for all', aims to make a positive impact on the country's educational system. In 2018, our talent team launched an ongoing collaboration with 'Teach for Albania'. This initiative focuses on equipping teachers with impactful teaching and leadership skills to improve access to quality education for every child, regardless of background.

This has a positive impact, because through this, we aim to improve their active learning process. It also strengthens a child's self-value, shifting towards a growth mindset, which helps them to grow up trusting that success is based on meritocracy and determination.

A key part of Deloitte's role is to provide the teachers with intensive training with the aim to improve their skills in communication with children, improve the learning process with the aim to develop children's critical thinking, problem solving skills as well as their growth mindset. In addition, core topics included developing teachers' leadership skills to act as impactful leaders in their communities especially with parents, to work in teams with the broader teaching community and to understand the importance that Emotional Intelligence has in their role.

In addition, our people provided constant monitoring and ongoing advice for the teachers throughout the academic year, mainly focused on career coaching, with the aim to enable teachers to advise pupils on career choices and as well as with open discussions on generation diversity, human capital trends, open and honest communication etc.

Creating the leaders of future innovation

WorldClass

Launched at the SingularityU Czech Summit in 2018, the first ever Deloitte KidsXO welcomed more than 500 8–18 year-olds to a series of events designed to give them an indelible experience of new technologies.

Top of the agenda was our desire to give this key generation a better grasp of the future, so that they can picture themselves today as leaders of future innovation. Not only did it give participants an immediate understanding of the newest technologies through events on topics like mobility, creativity, AI, robotics, 3D printing and more – it also helped to foster a sense of confidence when it comes to using and integrating such technologies in their everyday lives.

With events hosted by organisations ranging from the Czech Institute of Informatics, Robotics and Cybernetics to Prague International Airport, KidsXO is a success story that's best exemplified by 13-year-old Adam Koza, who gave a presentation on his ideas about the future of medicine.

The concept of the event caught the eyes of other Deloitte offices as well: Deloitte Hungary has organized their own version of KidsXO at Europe's biggest future festival, Brain Bar. The undoubted highlight of the event was a keynote presentation by Mikaila Ulmer, who is CEO of her own company at the age of just 14. Other memorable moments included an interactive tour of Brain Bar led by our volunteers, and a workshop on cyber bullying & awareness with Deloitte Hungary Risk Advisory Director Kristóf Kerényi. See page 35 for more about the BrainBar.



Deloitte Hungary: KidsXO at BrainBar.

Deloitte KIDS University delivers workshop programme to promote self-esteem

WorldClass

We ran the third cycle of the Deloitte KIDS University during 2019. Originally launched in Poland in 2017 with our partners the Children's University Foundation and ABC Czepczyński, this innovative programme aims to provide children with the knowledge needed to strengthen their belief in their own abilities.

During 2019, we ran the first cycle of Deloitte Kids University workshops, delivering seven events with a focus on various aspects of finance and economics for around 140 children. Eight of our own professionals and two client representatives were involved, tailoring the events to different age groups in a way designed to arouse curiosity and encourage further exploration.

There were three main themes for the workshops: 'Money and Payments', aimed at six and seven-year-olds; 'Costs and Revenues' for an audience aged nine and ten; and 'Taxes and State Budget' for ten-to-twelve year-olds.

In an additional and highly popular programme, our risk advisory specialists delivered a workshop on cybersecurity, enabling kids aged from nine to twelve to learn about preventing their passwords from being cracked.



Deloitte Poland: Deloitte KIDS University.

Looking ahead to 2020, we plan to expand the workshop programme to 25 events for 500 children, covering all the same topics as during 2019 with the addition of a new module on ecology.

This innovative programme aims to provide children with the knowledge needed to strengthen their belief in their own abilities.

The message of Devox4Kids: programming can be fun!

WorldClass

At Deloitte, we think it's very important that children find out how easy it is to be more creative with computers than just watching videos or posting comments on social media.

This was the inspiration behind the Devox4Kids conference we helped to organise and host at the University of Warsaw's Faculty of Mathematics, Informatics and Mechanics in September 2018. A non-profit initiative run entirely by volunteers, this aimed to show just how much fun computer programming can be.

Dividing the children into groups of 12, selected by age and level of advancement, we helped them learn the basics of programming in JavaScript through fighting monsters in CodeCombat. They had opportunities to learn about robotics (using Lightbot, Lego MindStorms, Dr Technico, Photon, MBots and Skriware) and through gaming (with Scratch and Minecraft). And we gave them access to free online solutions that have enabled them to continue learning after the event itself.

As well as this focus on the children themselves, the event also included a series of workshops and lectures for parents, relating to computer education and online security.



Deloitte Lithuania: 'Let's be together' event.

Helping children grow in confidence and belief

WorldClass

For 18 years, a team from Deloitte Lithuania has played an important role in the educational 'Let's Be Together' initiative. With a core objective of enabling children from local foster homes integrate into society, the programme is built on an ethos of goodwill that makes the kids feel both important and needed.

One of its strongest features is the positive way in which it promotes diversity. The organisers continuously aim to invite people from many different backgrounds to participate, enabling the children

to expand their knowledge and horizons by experiencing a wide range of cultures, traditions and personalities.

The Deloitte team plays a key role here, inviting people from embassies and consulates as well as a wide range of other public and private institutions. This is helping to establish Deloitte Lithuania as a promoter of goodwill in the country. The team is also delighted that more volunteers from other Lithuanian organisations join 'Let's Be Together' every year, enabling the organisers, volunteers and children themselves to learn more and more from one another as every year passes.

With a core objective of enabling children from local foster homes integrate into society, the programme is built on an ethos of goodwill that makes the kids feel both important and needed.

Riding to the rescue!

When an orphanage in the Polish city of Rzeszów was planning to organise a summer bicycle tour for the children in its care, it was disappointed to find that it had two bikes too few.

But help was at hand. When members of the HR and IT teams at Deloitte's Business Services Centre in the city heard about the problem, they were quick to act. A cake fair was rapidly organised, with each team member baking a cake for sale to office colleagues. Together with money provided by Deloitte, this raised enough to buy not only the two bicycles but plenty of healthy snacks and cosmetics as well.

The team delivered everything in person to the orphanage, where the director expressed her and the children's gratitude with a special certificate thanking everybody involved.

Playing ping-pong for a worthy cause

When Maja Zemljić of Deloitte Croatia decided to upgrade the firm's existing annual ping-pong tournament and attach the event to a worthy cause, she contacted the director of Zagreb's 'Dječji dom' (Home for children) to propose the possibility of raising money for their institution.

Altogether, 63 players raised EUR 1,000. This had an important positive impact for the children, all without parents or proper parental care, as the contribution was used to help build a new playground for the home. This was the first time that Deloitte Croatia decided to use the tournament to raise money, and colleagues gave full rein to their generosity. The event inspired a charitable vibe among our employees, encouraging them to get involved in similar projects in the future. At the same time, Deloitte Croatia is building our brand by associating it with a humanitarian and caring spirit as well as business excellence.

CE Impact Awards Winner

Helping autistic people play a full role in society

WorldClass

For the last two years, Marta Wójcicka of Polish e-marketing team has been running projects with the aim of helping people with autism enter the workplace and develop both personally and professionally. As she says, "It helps to diversify the labour market, encourages others to look at people with atypical disabilities in a new way, and helps such people become active contributors to the economy."

The project is a part of the 'Social INITIATIVES of Deloitte Employees' contest. This helped her to run a project including a series of workshops on soft skills as Warsaw's Życie Jest Fajne (Life is Cool) café, which employs staff with autism.

Founded by the Ergo Sum Foundation in 2016, this was the first business in Poland to take this approach. Today, it also helps disadvantaged members of society, for example providing homeless people find food, clothes and sometimes work as well. As a result, people with disabilities are able to help others and contribute to society.

The workshops were designed and run by another Deloitte colleague, Gabrysia Kustos from the Talen team in Poland, who is a highly experienced psychologist and coach. In addition, a meeting and lecture for employees at our Warsaw office helped spread greater awareness of autism.

The grant money was used to make a video promoting the café and to add new stairs to a mezzanine, increasing the café's service area.



Deloitte Croatia: Ping-pong tournament.

Building a fraud resilient society

Fraud and corruption are social phenomena with devastating impact on everything around us, causing tremendous inefficiencies in how we use our natural and man-made resources. One could claim that corruption is inevitable but this should not become an excuse for being ignorant to the problem.

This is why Deloitte Slovenia “raised a hand” in 2018 and organized a first Financial Crime Academy that brought together more than 60 participants keen to learn about the theory and practice of countering money laundering, the financing of terrorism, corruption, fraud and other forms of financial crime. The event was highly successful, widely reported in the media and attracting significant interest from businesses across many sectors of the economy. That success encourage us to make a step forward and to assume an active role in spreading the message of the International Fraud Awareness Week founded nearly 20 years ago by the Association of Certified Fraud Examiners in Adriatic region covering Slovenia, Croatia and Bosnia and Herzegovina.

At the time of writing, our plans for the November 2019 initiative are advanced, including fraud awareness training for employees and the community as well as the creation of several events on subjects ranging from protecting whistle-blowers and the cutting edge of cybersecurity to preventing corruption in areas such as health care and arbitration. We are also seeking to engage young people, carrying out university surveys to find students’ views on fraud and corruption, holding competitions for the best short movie and Instagram file, and hosting the first ever Youth Financial Crime Academy. All this with aim to bring people together in creation of fraud resilient society.

Mapping remote areas to save lives

Deloitte Czech Republic held its first ever ‘Mapathon’ on 29 January 2019, in association with Médecins Sans Frontières and The Missing Maps Foundation. By creating digital maps of unmapped territories in North Kivu in the Democratic Republic of Congo, this aimed to help doctors and humanitarian workers reach regions infected with Ebola.

Many places remain unmapped, especially in developing and war-ridden countries. Without maps, it is often impossible for volunteers and doctors to reach places in time to provide healthcare, basic utilities and prevent disease from spreading.

That’s why the Missing Maps Foundation holds monthly ‘Mapathon’ meetups, where volunteers are invited to create and edit maps on an open source platform. The combined efforts of more than 30 people from the mapping community and 40 from Deloitte delivered a huge impact for any Mapathon, mapping 4,223 buildings and 681 kilometres of road.

The positive effect has been immense, enabling medical assistance and supplies to reach people in the newly mapped area much faster. This was our chance to show how much Deloitte Czech Republic cares about the wellbeing of others and how we are prepared to share our resources and knowledge for a good cause.



Deloitte Czech Republic: Mapathon.

Deloitte.



50 million futures prepared
for a world of opportunity

WorldClass



GRI Index

Reporting process and materiality

The chief objective of the Deloitte Central Europe Sustainability Report is to provide all Deloitte stakeholders with a broad and balanced picture of our regional Firm's impact on society, our purpose-driven business activities and the actions that exemplify our aspiration to become the undisputed regional leader in professional services. We strive to address stakeholders' interests and questions, while explaining our motivations, priorities and approaches. We identify our key stakeholders as those who:

- help influence Deloitte's success;
- are highly affected by what we do;
- affect the markets, regulations and industries in which we operate; or
- affect the supply of resources that we need to serve our clients, our talent and society.

In the context of this Report, material aspects were selected based on the previous Deloitte Central Europe Impact Report FY2018, Deloitte Global Report FY2018, virtual dialogue session with stakeholders as well as interviews with employees representing different countries. All aspects shown in the matrix are material to Deloitte Central Europe.

Defining content for the Deloitte Central Europe Report

Deloitte professionals engage continuously with key stakeholders, both internal and external, as part of their routine business. Along with this ongoing engagement, Deloitte Central Europe conducted a formal stakeholder engagement process and materiality assessment to identify key areas of impact upon which to focus the content.

Scope and methods for performance measurements

Performance measures for societal impact and environmental sustainability are based on widely recognised guidelines. For reporting on societal impact, the reporting standards from the Committee Encouraging Corporate Philanthropy and the London Benchmarking Group were considered. The monetary value of community activities was estimated according to the type of service performed. The value of volunteer work was based on local staff costs. Estimates of carbon emissions were prepared according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard created by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) with emissions accounted for on the basis of operational control. While the reporting for FY2019 includes a significant number of Scope 3 sources, it does not consider full upstream and

downstream emissions across all sources. Data that formed the basis of the reporting was obtained from financial reporting systems, other internal records and outside sources such as travel agencies, utilities, and property managers. Deloitte recommends its member firms to select the most accurate, source-specific, localised and recently published GHG emission factors available for each emission source, such as specific emission factors for a local electric utility. Member firms are provided by Deloitte Touche Tohmatsu Limited with default emission factors, the majority of which come from the following sources:

- the GHG Protocol published by the WRI and WBCSD;
- the International Energy Agency (IEA);
- the UK's Department for Environment, Food and Rural Affairs (DEFRA); and
- the US Department of Energy (US DOE).

Reported GHG emissions from air travel are those resulting from professionals flying for business reasons in accordance with Deloitte Global and member firm policies. The majority of business air travel data was obtained from member firm travel systems.

The GHG emissions inventory in the Report includes emissions from accommodation at hotels, guest houses and apartments for business reasons and in accordance with Deloitte and member firm policies. Data was collected from corporate travel agency records, travel expense reports and internal records.

Stakeholder engagement

Our strategic approach to social responsibility is expressed in building positive relationships with all stakeholders and leads to substantial growth of their commitment. We strive to ensure that all decision-making processes involve the interests of particular groups that are relevant to our business, whether by having an impact on us or by being subject to our influence. We also endeavour to provide our stakeholders with timely communication, tailored to their diverse needs. Our stakeholder mapping and engagement processes are based on global experiences as well as local practices in the region.

The Report

This report is has been prepared in accordance with the GRI Standards: Core option and was not externally verified. Our reporting period is fiscal year 2019 (FY2019): 1 June 2018 – 31 May 2019. We are publishing our impact reports in an annual cycle and the most recent previous report was published in December 2018. Impact reports are also being published by Deloitte Global. The Global Impact Report FY2019 is available [here](#).

GRI INDEX







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GRI – Global Reporting Initiative

Rules and basis for reporting - GRI 101





















| GRI indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|-------------------------------|---|
| 101 | Rules and basis for reporting | GRI Introduction (page 70). |

Profile indicators – GRI 102

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|-----------------------------|---|--|
| Organization profile | | |
| GRI 102-1 | Name of the organisation | <p>Standard Legal Description Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms and their related entities. DTTL (also referred to as “Deloitte Global”) and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.</p> <p>Deloitte Network Profile Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte’s approximately 264,000 people make an impact that matters at www.deloitte.com.</p> <p>About Deloitte Central Europe Deloitte Central Europe is a regional organisation of entities organised under the umbrella of Deloitte Central Europe Holdings Limited, the member firm in Central Europe of Deloitte Touche Tohmatsu Limited. Services are provided by the subsidiaries and affiliates of Deloitte Central Europe Holdings Limited, which are separate and independent legal entities. The subsidiaries and affiliates of Deloitte Central Europe Holdings Limited are among the region’s leading professional services firms, providing services through more than 6,000 people in 44 offices in 18 countries.</p> |
| GRI 102-2 | Activities, brands, products and services | <p>We deliver 17 service lines serving 21 sectors across six industries.</p> <p>Deloitte Central Europe services map (page 10).</p> <p>Globally, Deloitte delivers these services to clients across 21 sectors in six industries to help them rise to their business challenges and be more successful in their chosen fields. These industries and sectors are:</p> <ul style="list-style-type: none">  Technology, Media & Telecom (Telecom, Media & Entertainment; Technology)  Consumer (Consumer Products; Retail, Wholesale & Distribution; Automotive; Transportation, Hospitality & Services)  Energy, Resources & Industrials (Power & Utilities; Mining & Metals; Oil, Gas & Chemicals; Industrial Products & Construction)  Financial Services (Banking & Capital Markets; Insurance; Investment Management; Real Estate)  Life Sciences & Health Care (Health Care; Life Sciences)  Government & Public Services (Health & Social Care; Defence, Security & Justice; Civil Government; International Donor Organisations; Transport) <p>Services are provided by the subsidiaries and affiliates of Deloitte Central Europe Holdings Limited, which are separate and independent legal entities. The subsidiaries and affiliates of Deloitte Central Europe Holdings Limited are among the region’s leading professional services firms.</p> |

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|--|---|
| GRI 102-3 | Location of headquarters | Deloitte Central Europe Holdings Limited, 1 Lampousas 1095 Nicosia, Cyprus |
| GRI 102-4 | Location of operations | Deloitte Central Europe covers 18 countries (see map on page 4). |
| GRI 102-5 | Ownership and legal form | <p>Deloitte Central Europe is a regional organisation of entities organised under the umbrella of Deloitte Central Europe Holdings Limited, the member firm in Central Europe of Deloitte Touche Tohmatsu Limited. Services are provided by the subsidiaries and affiliates of Deloitte Central Europe Holdings Limited, which are separate and independent legal entities.</p> <p>Deloitte Central Europe covers 18 countries (see map on page 4).</p> |
| GRI 102-6 | Markets served | <p>Today, we provide audit, consulting, financial advisory, risk advisory, tax & legal and other services to deliver a range of powerful business solutions to some of the most well-known and respected companies in Central Europe.</p> <p>More about our services on page 10.</p> |
| GRI 102-7 | Scale of the organisation | The subsidiaries and affiliates of Deloitte Central Europe Holdings Limited are among the region's leading professional services firms, providing services through more than 6,000 people in 44 offices in 18 countries. |
| GRI 102-8 | Information on employees and other workers | See page 86. |
| GRI 102-9 | Description of the supply chain | Significant elements of our supply chain include talent benefits, travel and hospitality services, IT hardware and software, professional services and real estate |
| GRI 102-10 | Significant changes to the organisation and its supply chain | The changes in the organisation's size can be seen in 102-8. |

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|---|---|
| GRI 102-11 | Explanation of whether and how the precautionary approach or principle is addressed by the organisation | <p>Quality Control System: We implement quality-control procedures which provide reasonable assurance that professional and client-service standards are consistently applied to all client engagements. We also ensure compliance with global and regional processes that are specific to Deloitte. Our quality controls seek to ensure that all audit operations comply with the IEASBA International Code of Ethics for Professional Accountants, the International Standard on Quality Control (ISQC) 1, national audit standards and more.</p> <p>Ethical standards and shared values: Ethical standards and shared values are enshrined in the Deloitte Central Europe Code, which enables us to develop a business environment that operates in accordance with the requirement for integrity, confidentiality and accountability. The standards are based on ethical requirements determined in the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), standards issued by the International Federation of Accountants (IFAC) and additional national regulations.</p> <p>Commitment to independence: We operate policies and principles that ensure the firm, its employees and their family members are prohibited and prevented from holding interests or shares in any restricted entities.</p> <p>Data security and confidentiality: Clients increasingly demand the protection of the confidential information they entrust to us. This is why we undertake a range of confidentiality initiatives, including those within the Deloitte Global Confidential Information Programmes. These include the rollout of client-specific Confidentiality Information Management Plans (CIMPs), ongoing communication on privacy, confidentiality and data-protection matters, regular training interventions and Information Security Management System (ISMS) project implementations according to ISO 27001. Since April 2017, the system has been certified throughout Central Europe.</p> <p>Risk management and mitigation: Risk management and mitigation is another fundamental means of protecting our clients' interests. We have set up conflict-check, independence teams and regulatory and compliance teams (responsible for independence, conflicts, privacy and confidentiality) for Deloitte Central Europe. We have strengthened security, regulatory and compliance (responsible for privacy and confidentiality) as well as ethics and anti-corruption teams. We invest heavily in this area, and our risk operations team based in Rzeszow, Poland now has more than 100 full-time employees, who are supported by subject matters specialists in the area of risk.</p> <p>Compliance: We have structures in place to ensure with reasonable certainty that Deloitte personnel act at all times in compliance with all relevant applicable laws and regulations. We also seek to enable our clients to do so. Increasing emphasis on compliance with standards of corporate governance is now a major challenge for companies' supervisory boards. To meet new expectations, Deloitte has developed a Supervisory Boards Development Programme with the aim of supporting members of supervisory boards in developing their professional careers and increasing their competencies.</p> <p>Business Continuity and Risk Resilience: We have expanded our existing framework on Crisis Management in Deloitte Central Europe and introduced a globally-deployed tool for emergency communication with our practitioners. We have implemented a Business Continuity Management System (BCMS) in line with ISO 22301 as of May 2019. Certification is planned to follow in subsequent years.</p> <p>Societal impact and sustainability: Performance measures for societal impact and environmental sustainability are collected in line with DTTL global reporting process and are based on widely recognised guidelines. For reporting on societal impact, the reporting standards from the Committee Encouraging Corporate Philanthropy and the London Benchmarking Group were considered. Estimates of carbon emissions were prepared according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, created by the World Resources Institute and the World Business Council for Sustainable Development, with emissions accounted for on the basis of operational control. Data that formed the basis of the reporting was obtained from financial reporting systems, other internal records, and outside sources such as travel agencies, utilities and property managers.</p> <p>Data for this Report was collected and presented in accordance with Global Reporting Initiative (GRI Standards) guidelines.</p> |

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|--|---|
| GRI 102-12 | Externally developed economic, environmental and social statements, principles, or other initiatives adopted or endorsed by the organisation | <p>Deloitte Central Europe entities actively engage on various economic and social forums. Some of the most significant are (selected examples):</p> <ul style="list-style-type: none">  Bulgaria: Bulgarian Business Leaders Forum (BBLF), Institute of Internal Auditors  Croatia: The Foreign Investors Council in Croatia  Czech Republic: Singularity University  Hungary: RICS, Business Council for Sustainable Development in Hungary (BCSDH), UNICEF, Association of Hungarian Insurance Companies (MABISZ), Property Developers' Round Table Association (IFK), Hungarian Leasing Association  Latvia: Foreign Investors' Council (FICIL)  Poland: The Polish Association of Listed Companies, Leadership Academy for Poland, Kids University  Romania: The Foreign Investors Council, Coalitia pentru Dezvoltarea Romaniei, Romanian Business Leaders  Serbia: UN Global Compact, Responsible Business Forum, Foreign Investors Council (FIC)  Slovakia: European Compliance Forum |
| GRI 102-13 | Membership of associations and organisations | <p>Deloitte Central Europe entities actively engage as part of various associations. Some of the most significant are (selected examples):</p> <ul style="list-style-type: none">  Bulgaria: American Chamber of Commerce, British Bulgarian Business Association  Croatia: German - Croatian Chamber of Industry and Commerce, Croatian Employers' Association  Czech Republic: American Chamber of Commerce, British Chamber of Commerce, German Chamber of Commerce, Czech Institute of Directors  Estonia: Finance Estonia  Hungary: Joint Venture Association, Hungarian Chamber of Commerce and Industry, Association of Hungarian Automotive Industry (MAGE), Confederation of Hungarian Employers and Industrialists (MGYOSZ), German-Hungarian Chambers of Industry and Commerce  Latvia: Chamber of Commerce  Lithuania: Lithuanian Venture Capital Association  Montenegro: American Chamber of Commerce, Institute of Certified Auditors  North Macedonia: Institute of Certified Auditors of Republic of Macedonia, American Chamber of Commerce, Economic Chamber of Macedonia  Poland: French-Polish Chamber of Commerce (CCiFP), Polish-Portuguese Chamber of Commerce (PPCC)  Republic of Srpska: Chamber of Commerce and industry of Republic of Srpska, Association of Employers of Banking, Financial and Insurance Organizations of Republic of Srpska  Romania: The American Chamber of Commerce in Romania, La Chambre Française de Commerce et d'Industrie en Roumanie, The Netherlands Romanian Chamber of Commerce, The British Romanian Chamber of Commerce, The Hellenic-Romanian Bilateral Chamber of Commerce, The Association of Business Service Leaders  Serbia: American Chamber of Commerce, Serbian Association of Corporate Directors, CFO Association of Serbia  Slovakia: American Chamber of Commerce, Austrian-Slovak Chamber of Commerce, British Chamber of Commerce |

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|-----------------------------|--|---|
| Strategy | | |
| GRI 102-14 | Statement from senior management | See CEO's statement on page 3, "Telling the stories that matter" (6), "Taking care of each other" (7). |
| Ethics and integrity | | |
| GRI 102-16 | Values, principles, standards and norms of behaviour | <p>Our values are what promote and enable the behaviours that support us in achieving our purpose. They are at the heart of the Deloitte culture, distinguishing our people from all competitors:</p> <ul style="list-style-type: none"> • Integrity: behaving with the highest levels of integrity is fundamental to who we are, supporting our strong commitment to sustainable, responsible business practices; • Outstanding value to markets and clients: through constant vigilance and unrelenting commitment, we play a critical role in helping the capital markets and our clients operate more effectively; • Commitment to each other: we recognise that our culture of borderless collaboration is a powerful competitive advantage, and we go to extraordinary lengths to support our people; • Strength from cultural diversity: working with people of different backgrounds, cultures and thinking styles helps our talent grow into better professional leaders. <p>The ethical behaviour of our people is the foundation of Deloitte Central Europe's success. Everybody in our firm has a responsibility to make sure that what they do every day ensures our name remains synonymous with quality. That's why, around the world, highly respected and often market-leading organisations trust Deloitte professionals to carry out their most ambitious projects, manage highly confidential information and develop ideas, approaches and initiatives that can alter the course of their businesses.</p> <p>For this reason, we need to continue earning that trust every day and in everything we do, making ethical behaviour non-negotiable for Deloitte professionals. That is why we actively integrate ethics into all our key initiatives and processes, always stressing quality and consistency of approach. It is a key driving force in making an impact that matters.</p> <p>Deloitte's ethical principles are at the heart of our governance structure and inform key strategic activities such as our training and assessment processes. Our Deloitte Central Europe Code of Conduct, based upon Deloitte's Global Principles of Business Conduct and Shared Values, provides the ethical framework on which we as employees of the firm base our decisions. https://www2.deloitte.com/global/en/pages/about-deloitte/articles/ce-Code-of-Ethics-Professional-Conduct.html</p> <p>The ethical principles are an important element of the Deloitte Central Europe Code of Conduct, to which our people sign a fresh compliance confirmation when joining and every year that follows. As well as being personally responsible for knowing, understanding and complying with the Code, every employee has a responsibility for upholding it and reporting any potential or actual violations. Workshops and e-learning are also used to reinforce the message to our people, with Ethics also embedded into the Onboarding experience for new hires.</p> <p>On 1 June 2017 Andy Newman has taken on the role of Deputy Chief Ethics Officer for the Central European firm, where he will be responsible for the continued integration of Ethics into our broader Quality agenda as it underpins everything we do here at Deloitte, while we seek to make an impact that matters for our clients and our people.</p> |
| Governance structure | | |
| GRI 102-18 | Governance structure | Directors acting on behalf of Deloitte CE Holdings Limited: Maria Pilia-Louka, Dionysios Chrysostomides, Maria Marathefti, Alastair Teare, Eric Olcott. |

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|--------------------------------|--|--|
| Stakeholders engagement | | |
| GRI 102-40 | List of stakeholder groups engaged by the reporting organisation | See the Stakeholder engagement summary on pages 88 – 93. |
| GRI 102-41 | Employees under collective agreements | Deloitte Central Europe has no employees covered by collective-bargaining agreements. |
| GRI 102-42 | Basis for identification and selection of stakeholders involved by the organisation | See the Stakeholder engagement summary on pages 88 – 93. |
| GRI 102-43 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group | See the Stakeholder engagement summary on pages 88 – 93. |
| GRI 102-44 | Key topics and concerns raised by stakeholders and the organisation's response, also through their reporting | See the Stakeholder engagement summary on pages 88 – 93. |
| Reporting practise | | |
| GRI 102-45 | Entities included in the consolidated financial statement | <p>Deloitte Central Europe ('Deloitte CE') is a regional organisation of entities under the umbrella of Deloitte Central Europe Holdings Limited ('Deloitte CE Holdings'), the member firm in Central Europe of Deloitte Touche Tohmatsu Limited.</p> <p>Services are provided by the subsidiaries and affiliates of Deloitte CE Holdings, which are separate and independent legal entities. These services are provided in Albania, Bosnia & Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, North Macedonia, Moldova, Montenegro, Poland, Romania, Slovenia, Serbia, Slovakia and in other countries outside Central Europe in co-operation with other Deloitte Touche Tohmatsu Limited (DTTL) member firms. The financial statements represent the combined financial results and statements of financial position of the activities carried out in these countries.</p> <p>Core entities of Deloitte CE Holdings are: Deloitte Poland Sp. z o.o., Deloitte Digital Sp. z o.o., Deloitte Consulting S.A., Deloitte CZ Services, s.r.o., Deloitte Albania sh.p.k., Deloitte Bulgaria EOOD, Deloitte Tax EOOD, Deloitte Central Europe Services Centre s.r.o., Deloitte Advisory s.r.o., Deloitte Audit s.r.o., Deloitte Advisory Services d.o.o., Deloitte Lietuva UAB, Deloitte Consultanta SRL, Deloitte Tax SRL, Deloitte d.o.o., Deloitte Audit s.r.o., Deloitte Advisory s.r.o., Deloitte BPS a.s., Deloitte Doradztwo Podatkowe Dąbrowski i Wspólnicy Sp. k., Deloitte Legal, Pasternak, Korba, Moskwa, Jarmul i Wspólnicy Kancelaria Prawnicza Sp. k., Deloitte d.o.o., Deloitte Uzletviteli es Vezetesi Tanacsado Zrt., Deloitte Konyvvizsgalo es Tanacsado Kft, Deloitte Latvia SIA, Deloitte Audyt Sp. z o.o., Deloitte Audit SRL, Deloitte Revizija d.o.o., Deloitte Tax s.r.o., Deloitte d.o.o. Beograd, Reff & Asociatii.</p> |
| GRI 102-46 | Process for defining the report content | See the GRI Introduction on page 70. |
| GRI 102-47 | Identified important topics | Listed in the GRI Content Index. |

| GRI Indicator number | Indicator name | Cross reference / Direct answer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------|--|--|---|---------------|-----------------|---|-------------------------------|---------------|----------------------|----------|------------------------|--------|----------------------|--------|-----------------------|--------|--------|----------|-----------------------|-------------|----------------------|--------|-------------|-----------|------------|--------|---------------|--------------|----------------------|--------|---------------------|--|--|--------|---------------------------------|--|--|-----------------|------------|---------------|-----------------|---|-------------------------------|------------|----------------------|-------|------------------------|--------|----------------------|---|-----------------------|--------|--------|-------|-----------------------|-----------|----------------------|-----|-------------|-----------|------------|-----|---------------|-----------|----------------------|-----|---------------------|-----------|------------|-----|---------------------------------|------------------|-------------------|------------|
| GRI 102-48 | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement and their impact (e.g., mergers, acquisitions, change of base years/periods, nature of business, measurement methods) | <p>We are constantly improving the quality of our non-financial data that we report. One of the examples are environmental data on GHG emissions. Data for FY2018 included numbers that were later again verified and recalculated, also due to emission factor change:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p>Total Scope 1 GHG Emissions 989.71 Emissions (metric tonnes CO₂e)</p> </div> <div style="text-align: center;">  <p>Total Scope 2 GHG Emissions 2,790.06 Emissions (metric tonnes CO₂e)</p> </div> <div style="text-align: center;">  <p>Total Scope 3 GHG Emissions 9,471.01 Emissions (metric tonnes CO₂e)</p> </div> <div style="text-align: center;"> <p>Total Scope 1, 2, 3 GHG Emissions 13,250.79 Metric Tonnes CO</p> </div> </div> <p>Proper FY2018 data for GRI 305-1, 2 and 3:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p>Total Scope 1 GHG Emissions 1,008 metric tonnes CO₂e</p> </div> <div style="text-align: center;">  <p>Total Scope 2 GHG Emissions 3,310 metric tonnes CO₂e</p> </div> <div style="text-align: center;">  <p>Total Scope 3 GHG Emissions 5,749 metric tonnes CO₂e</p> </div> <div style="text-align: center;"> <p>Total Scope 1, 2, 3 GHG Emissions 10,066 metric tonnes CO₂e</p> </div> </div> <p>Transport indicators taken from our internal CR360 system:</p> <table border="1"> <thead> <tr> <th>Indicators</th> <th>Activity data</th> <th>Unit of measure</th> <th>Emissions (metric tonnes CO₂e)</th> </tr> </thead> <tbody> <tr> <td>Aggregate Air Travel Distance</td> <td>22,494,101.31</td> <td>Passenger Kilometres</td> <td>1,956.61</td> </tr> <tr> <td>Aggregate Bus Distance</td> <td>57,910</td> <td>Passenger Kilometres</td> <td>344.55</td> </tr> <tr> <td>Aggregate Hotel Stays</td> <td>34,081</td> <td>Nights</td> <td>1,090.59</td> </tr> <tr> <td>Aggregate Rail Travel</td> <td>2,579,614.5</td> <td>Passenger Kilometres</td> <td>292.38</td> </tr> <tr> <td>Car Rentals</td> <td>2,469,895</td> <td>Kilometres</td> <td>855.92</td> </tr> <tr> <td>Hired Vehicle</td> <td>1,386,603.75</td> <td>Passenger Kilometres</td> <td>217.62</td> </tr> <tr> <td>Owned Vehicle Fleet</td> <td></td> <td></td> <td>640.84</td> </tr> <tr> <td>Total Reimbursed Vehicle</td> <td></td> <td></td> <td>5,039.76</td> </tr> </tbody> </table> <p>Proper transport indicators for FY18:</p> <table border="1"> <thead> <tr> <th>Indicators</th> <th>Activity data</th> <th>Unit of measure</th> <th>Emissions (metric tonnes CO₂e)</th> </tr> </thead> <tbody> <tr> <td>Aggregate Air Travel Distance</td> <td>28,600,754</td> <td>Passenger Kilometres</td> <td>2,523</td> </tr> <tr> <td>Aggregate Bus Distance</td> <td>57,910</td> <td>Passenger Kilometres</td> <td>6</td> </tr> <tr> <td>Aggregate Hotel Stays</td> <td>36,035</td> <td>Nights</td> <td>1,153</td> </tr> <tr> <td>Aggregate Rail Travel</td> <td>2,579,615</td> <td>Passenger Kilometres</td> <td>121</td> </tr> <tr> <td>Car Rentals</td> <td>1,672,552</td> <td>Kilometres</td> <td>845</td> </tr> <tr> <td>Hired Vehicle</td> <td>1,208,006</td> <td>Passenger Kilometres</td> <td>266</td> </tr> <tr> <td>Owned Vehicle Fleet</td> <td>1,789,556</td> <td>Kilometres</td> <td>639</td> </tr> <tr> <td>Total Reimbursed Vehicle</td> <td>2,063,316</td> <td>Kilometres</td> <td>836</td> </tr> </tbody> </table> | Indicators | Activity data | Unit of measure | Emissions (metric tonnes CO ₂ e) | Aggregate Air Travel Distance | 22,494,101.31 | Passenger Kilometres | 1,956.61 | Aggregate Bus Distance | 57,910 | Passenger Kilometres | 344.55 | Aggregate Hotel Stays | 34,081 | Nights | 1,090.59 | Aggregate Rail Travel | 2,579,614.5 | Passenger Kilometres | 292.38 | Car Rentals | 2,469,895 | Kilometres | 855.92 | Hired Vehicle | 1,386,603.75 | Passenger Kilometres | 217.62 | Owned Vehicle Fleet | | | 640.84 | Total Reimbursed Vehicle | | | 5,039.76 | Indicators | Activity data | Unit of measure | Emissions (metric tonnes CO ₂ e) | Aggregate Air Travel Distance | 28,600,754 | Passenger Kilometres | 2,523 | Aggregate Bus Distance | 57,910 | Passenger Kilometres | 6 | Aggregate Hotel Stays | 36,035 | Nights | 1,153 | Aggregate Rail Travel | 2,579,615 | Passenger Kilometres | 121 | Car Rentals | 1,672,552 | Kilometres | 845 | Hired Vehicle | 1,208,006 | Passenger Kilometres | 266 | Owned Vehicle Fleet | 1,789,556 | Kilometres | 639 | Total Reimbursed Vehicle | 2,063,316 | Kilometres | 836 |
| Indicators | Activity data | Unit of measure | Emissions (metric tonnes CO ₂ e) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aggregate Air Travel Distance | 22,494,101.31 | Passenger Kilometres | 1,956.61 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aggregate Bus Distance | 57,910 | Passenger Kilometres | 344.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aggregate Hotel Stays | 34,081 | Nights | 1,090.59 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aggregate Rail Travel | 2,579,614.5 | Passenger Kilometres | 292.38 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Car Rentals | 2,469,895 | Kilometres | 855.92 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hired Vehicle | 1,386,603.75 | Passenger Kilometres | 217.62 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Owned Vehicle Fleet | | | 640.84 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Reimbursed Vehicle | | | 5,039.76 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Indicators | Activity data | Unit of measure | Emissions (metric tonnes CO ₂ e) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aggregate Air Travel Distance | 28,600,754 | Passenger Kilometres | 2,523 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aggregate Bus Distance | 57,910 | Passenger Kilometres | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aggregate Hotel Stays | 36,035 | Nights | 1,153 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aggregate Rail Travel | 2,579,615 | Passenger Kilometres | 121 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Car Rentals | 1,672,552 | Kilometres | 845 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hired Vehicle | 1,208,006 | Passenger Kilometres | 266 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Owned Vehicle Fleet | 1,789,556 | Kilometres | 639 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Reimbursed Vehicle | 2,063,316 | Kilometres | 836 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GRI 102-49 | Significant changes from the previous report regarding the scope, reach or measurement methods employed in the report | n/a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GRI 102-50 | Reporting period | Fiscal year 2019 (FY2019): 1 June 2018 - 31 May 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GRI 102-51 | Date of most recent previous report (if any) | December 2018 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|---|---|
| GRI 102-52 | Reporting cycle | Annual |
| GRI 102-53 | Contact data | <ul style="list-style-type: none"> • Gavin Flook, gflook@deloittece.com • Halina Frańczak, hfranczak@deloittece.com • Izabela Świetlicka, iswietlicka@deloittece.com • Brennan Minarovych, bminarovych@deloittece.com • Sylwester Nagórka, snagorka@deloittece.com • Katarzyna Swat, kswat@deloittece.com • Rafał Rudzki, rrudzki@deloittece.com |
| GRI 102-54 | Indication of whether the report was compiled as per the GRI Standard in the Core or Comprehensive option | This report has been prepared in accordance with the GRI Standards: Core option. |
| GRI 102-55 | GRI Index | See page 70. |
| GRI 102-56 | Policy and current practice with regard to seeking external assurance for the report | The report is not externally verified. |

Management approach – GRI 103

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|--|--|
| GRI 103-1 | Explanation of topics identified as significant, with an indication of their restriction | |
| GRI 103-2 | Management approach and its elements | See CEO's statement on page 3, "Telling the stories that matter" (6), "Taking care of each other" (7). |
| GRI 103-3 | Assessment of management approach | See CEO's statement on page 3, "Telling the stories that matter" (6), "Taking care of each other" (7). |

Topic indications

Economic topics

Economic performance – GRI 201

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|---|------------------------------------|
| GRI 201-1 | Direct economic value generated and distributed (including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments) | See pages 36 – 37. |

Market presence – GRI 203

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|---|---|
| GRI 203-1 | Infrastructure investments and services supported | Read about the CE Impact Awards on page 50. |
| GRI 203-2 | Significant indirect economic impacts | See page 60. More about WorldClass on page 61. |



Total societal investments

EUR 772,781



Volunteer and pro bono time

5,714 hours

WorldClass investments

WorldClass total investments



EUR 100,613



Individuals reached in FY2019

5,288
individuals

2,898
direct reach

2,390
indirect reach

Volunteer and pro bono time



1,166
hours

Anti-corruption – GRI 205

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|--|---|
| GRI 205-2 | Communication and training about anti-corruption policies and procedures | <p>In Deloitte Central Europe, we have an Anti-Bribery & Anti-Corruption Policy in place which was last updated in June 2018. This policy is also supported by an Anti-Corruption e-learning programme which was launched in 2017 and is mandatory for all new joiners within six weeks of joining the firm. It is also a mandatory refresher for all practitioners who joined Deloitte prior to 1 September 2017. A number of communications have been prepared and shared with CE practitioners concerning this and other e-learning initiatives. Compliance with these is tracked via monthly Compliance Tracking Reports until such time as full compliance with mandatory requirements has been achieved.</p> <p>A new initiative titled 'Leading with Integrity' was launched at the end of FY2019 and will continue into FY20. This is focused on providing Deloitte Partners and Directors with a two-hour classroom training experience, giving them guidance on how to set the appropriate tone at the top, encourage consultation and lead by example.</p> |
| GRI 205-3 | Confirmed cases of corruption and activities undertaken as response | No reports of corruption or corrupt behaviour were received during FY2019. |

Anti-competitive behaviour – GRI 206

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|---|---|
| GRI 206-1 | Legal actions for anti-competitive behaviour, anti-trust and monopoly practices | There are currently no legal actions pending regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in Deloitte Central Europe. Also, there have been no such reported incidents that might lead to potential issues or litigation. |

Environmental topics

Materials – GRI 301

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|------------------------------------|---------------------------------|
| GRI 301-1 | Materials used by weight or volume | See page 94. |
| GRI 301-2 | Recycled input materials used | Included in 301-1 |

Energy – GRI 302

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|--|---------------------------------|
| GRI 302-1 | Energy consumption within the organisation | See page 94. |

Emissions – GRI 305

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|---|---------------------------------|
| GRI 305-1 | Total direct greenhouse gas emissions by weight | See page 94. |
| GRI 305-2 | Energy indirect (Scope 2) GHG emissions | Together with 305-1 and 305-3 |
| GRI 305-3 | Other indirect (Scope 3) GHG emissions | Together with 305-1 and 305-2 |

Effluents and Waste – GRI 306

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|---|---------------------------------|
| GRI 306-2 | Total weight of waste by type and disposal method | See page 94. |

Social issues

Employment – GRI 401






| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|--|---|
| GRI 401-1 | New employee hires and employee turnover | See page 95. |
| GRI 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | In general, in Deloitte Central Europe most benefits available to full-time employees are also available to temporary or part-time employees. |
| GRI 401-3 | Parental leave | See page 96. |

Occupational health and safety – GRI 403

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|--|---|
| GRI 403-3 | Workers with high incidence or high risk of diseases related to their occupation | <p>To ensure appropriate protection of staff in and out of the office, Deloitte Central Europe implements a Crisis Management Programme and Business Continuity Management System (BCMS; based on the ISO 22301 standard).</p> <p>The Crisis Management Programme and BCMS consist of a set of protocols and procedures that have to be followed in event of an emergency. It also assigns responsibilities to specific groups of people from teams including Leadership, Office Administration, IT, HR and Communication, who play a crucial role in dealing with emergencies. Each Deloitte Central Europe office has a Business Continuity Plan with detailed instructions and key contact details.</p> <p>The performance, effectiveness and continual improvement of the BCMS are reviewed and monitored periodically. We ensure that all business continuity-related policies and Business Continuity Plans are up to date and tested regularly. We also have a Business Continuity Risk Assessment in place, which includes the monitoring of risk and controls as well as action to eliminate identified gaps.</p> <p>Furthermore, as part of the Security Awareness Programme, all Deloitte Central Europe personnel receive up-to-date information on security standards and correct behaviours with a 'security first' mindset.</p> <p>In the event of an emergency, the Emergency Communication System allows Deloitte Central Europe to notify our personnel, offer critical guidance to affected employees and swiftly account for everyone's well-being. Depending on the circumstances, the Security Team can establish contact via any combination of SMS text messages, voice calls and emails.</p> |

Education and training – GRI 404

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|---|---------------------------------|
| GRI 404-1 | Average hours of training per year per employee | See page 96. |

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|--|--|
| GRI 404-2 | Programmes for upgrading employee skills and transition assistance programmes | <p data-bbox="544 412 655 434">See page 46.</p> <p data-bbox="544 461 871 483">See 'Leading from the Edge' (page 47).</p> <p data-bbox="544 510 1011 533">Examples from various markets across Central Europe:</p> <div data-bbox="544 568 1485 678"> <p> Czech Republic: We offer 'Happiness at Work as Burnout Prevention' training every two months as part of our 'Ready for M' programme, intended for Senior Consultants aiming to become Managers. Its focus is on mental health.</p> </div> <div data-bbox="544 689 1485 869"> <p> Poland: The training programmes offered since FY2015 are on three different levels: training courses run for Deloitte employees by our HR professionals and department experts called the Deloitte Learning Academy; open courses offered throughout the year by Polish training firms; and training courses run on an 'as-needed' basis for Deloitte employees by experienced national and international trainers. The main objective of our soft skills programme is to help employees develop their competencies according to their development priorities agreed with their Counsellors.</p> </div> <div data-bbox="544 880 1485 1294"> <p> Hungary: Learning initiatives include:</p> <ul data-bbox="600 958 1485 1294" style="list-style-type: none"> • Deloitte Business School (DBS): locally organised soft-skills training courses designed for all employees up to senior manager level. DBS offers a wide range of training courses including business development, communication, coaching skills, delegation and time management. • Leading Yourself Programme: a holistic year-long development programme designed for Senior Consultants, with the aim of accelerating individual development, increasing self-awareness and preparing participants for future leadership roles. • Manager Development Programme (new): for managers who have been in managerial position for at least a year, this 12-month development programme for selected participants includes training, workshops and team coaching with internal and external facilitators. • New Skills Academy: locally organised courses focusing on new skills not connected to professional topics. Between four and six courses per year. People can apply for places. Examples of courses already delivered include 'Technology for non-techies', creative writing and storytelling. </div> <div data-bbox="544 1305 1485 1709"> <p> Romania: New Hire Orientation Milestone (Discovering Deloitte): mandatory for junior staff hired in Tax and Audit, in August and September; 2 days long; the programme gives them the initial knowledge and understanding of the business, in order to integrate easily in the company and teams; Business Chemistry session included in the programme; 60 participants.</p> <p>New Senior Orientation Milestone (Becoming a Senior): mandatory for all employees promoted or hired during the year as Senior Staff; all Service lines are included; 2 days long; the programme gives them the knowledge about their new role, the expectations in terms of business responsibilities, understanding of clients expectations, their role as Counselors for less experienced staff, in order to take over their role faster; Business Chemistry session included in the programme; 64 participants.</p> <p>Business Chemistry: standard 3 hours training to understand the tool and be able to apply it in improving communication with colleagues and clients; started with monthly sessions with new hires in May 2018 and continued in FY19 with sessions for both new hires (monthly) and for teams (on request); 175 participants (excluding the participants in milestone sessions).</p> </div> <div data-bbox="544 1731 1485 1912"> <p> Slovakia: Future Managers programme is a continuous professional development programme. After an initial two-day session focusing on key topics, participants define the practical areas or skills they want to focus on in the following months. The follow up webcasts will support them in applying their newly-gained knowledge in practice. The programme's annual curriculum comprises two days of intensive training, and participants can choose one of the following modules: 1. Leadership skills – leading, developing and motivating people 2. Business communication 3. High impact presentation and communication skills.</p> </div> |
| GRI 404-3 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category | In Deloitte we have implemented a performance management approach which is based on regular and continuous process of addressing the performance feedback, personal development and career progression providing each of our employee access to regular discussions on his / her priorities, course of action, performance feedback, strengths and well-being. |

Diversity and equal opportunity – GRI 405

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|---|---------------------------------|
| GRI 405-1 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, and other indicators of diversity | See page 96. |

Non-discrimination – GRI 406

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|--|--|
| GRI 406-1 | Total number of incidents of discrimination and corrective actions taken | During FY2019 we received 34 ethical reports, five of which were categorised as relating to either discrimination or harassment. This marked increase in reports over the previous year – when 11 cases were reported – follows the successful implementation of a new Deloitte Speak Up tool at the start of FY19. This is operated by a third-party provider (Navex) and provides Deloitte practitioners with a safe and confidential channel for reporting ethical issues either by phone or via a web platform. Deloitte Speak Up also allows practitioners to report in an anonymous manner, as permitted by the local laws in the territory where they are based. This new channel supports Deloitte's commitment to developing a 'Speak-Up' culture among our practitioners, where individuals feel safe and empowered to raise their voices whenever faced with an issue or concern. |

Customer privacy – GRI 418

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|--|---------------------------------|
| GRI 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | See page 97. |

Socioeconomic compliance – GRI 419

| GRI Indicator number | Indicator name | Cross reference / Direct answer |
|----------------------|--|--|
| GRI 419-1 | Non-compliance with laws and regulations in the social and economic area | During FY2019 we had no significant non-compliance issue in all countries of our regional operations. There were no non-compliance issues with laws and regulations in the social and economic area. |

GRI 102-8: Information on employees and other workers

| Location | Headcount | | | FTE | | |
|--------------------------------------|--------------|--------------|--------------|----------------|----------------|----------------|
| | Female | Male | Total | Female | Male | Total |
| Albania | 94 | 50 | 144 | 94 | 50 | 144 |
| Bosnia and Herzegovina | 38 | 21 | 59 | 38 | 21 | 59 |
| Bulgaria | 158 | 102 | 260 | 154.3 | 101.1 | 255.4 |
| Croatia | 115 | 75 | 190 | 114 | 73.5 | 187.5 |
| Czech Republic | 670 | 558 | 1,228 | 554.4 | 495.9 | 1050.3 |
| Estonia | 43 | 9 | 52 | 40.3 | 8 | 48.3 |
| Hungary | 328 | 361 | 689 | 308.7 | 355.8 | 664.5 |
| Kosovo | 32 | 21 | 53 | 31.5 | 20.5 | 52 |
| Latvia | 84 | 56 | 140 | 81.8 | 55.5 | 137.3 |
| Lithuania | 66 | 37 | 103 | 62.6 | 36.5 | 99.1 |
| Moldova | 9 | 6 | 15 | 9 | 6 | 15 |
| Montenegro | 15 | 14 | 29 | 14.5 | 12.5 | 27 |
| North Macedonia | 14 | 11 | 25 | 13 | 11 | 24 |
| Poland | 1,033 | 847 | 1,880 | 963.3 | 797 | 1,760.3 |
| Republika Srpska | 11 | 14 | 25 | 11 | 14 | 25 |
| Romania | 497 | 242 | 739 | 492.8 | 241.5 | 734.3 |
| Serbia | 141 | 100 | 241 | 133 | 91.5 | 224.5 |
| Service Centre | 95 | 69 | 164 | 79.6 | 65.4 | 145 |
| Slovakia | 186 | 112 | 298 | 164.3 | 106.1 | 270.4 |
| Slovenia | 95 | 55 | 150 | 93 | 54.5 | 147.5 |
| SSC Rzeszow | 280 | 147 | 427 | 264.2 | 142.8 | 407 |
| DELOITTE CENTRAL EUROPE TOTAL | 4,004 | 2,907 | 6,911 | 3,717.1 | 2,760.1 | 6,477.2 |

| Full time | | | Part time | | |
|--|--|---|--|--|---|
|  Female |  Male |  Total |  Female |  Male |  Total |
| 94 | 50 | 144 | 0 | 0 | 0 |
| 38 | 21 | 59 | 0 | 0 | 0 |
| 149 | 100 | 249 | 9 | 2 | 11 |
| 113 | 72 | 185 | 2 | 3 | 5 |
| 456 | 442 | 898 | 214 | 116 | 330 |
| 34 | 6 | 40 | 9 | 3 | 12 |
| 262 | 343 | 605 | 66 | 18 | 84 |
| 31 | 20 | 51 | 1 | 1 | 2 |
| 80 | 55 | 135 | 4 | 1 | 5 |
| 59 | 36 | 95 | 7 | 1 | 8 |
| 9 | 6 | 15 | 0 | 0 | 0 |
| 14 | 11 | 25 | 1 | 3 | 4 |
| 12 | 11 | 23 | 2 | 0 | 2 |
| 872 | 749 | 1,621 | 161 | 98 | 259 |
| 11 | 14 | 25 | 0 | 0 | 0 |
| 485 | 240 | 725 | 12 | 2 | 14 |
| 125 | 83 | 208 | 16 | 17 | 33 |
| 67 | 63 | 130 | 28 | 6 | 34 |
| 141 | 101 | 242 | 45 | 11 | 56 |
| 92 | 54 | 146 | 3 | 1 | 4 |
| 257 | 141 | 398 | 23 | 6 | 29 |
| 3,401 | 2,618 | 6,019 | 603 | 289 | 892 |

GRI 102-40, 43, 44: Stakeholders engagement summary

| Key stakeholder groups | Engagement approach and typical frequency of interaction | Examples of organisations that we co-operate with |
|---|---|---|
| <p>Member firm clients</p> | <p>Ongoing</p> <ul style="list-style-type: none"> • Client interaction during engagements • Client satisfaction process • Business development activities/programs • Conferences • Proposal responses and follow up on losses • Client feedback | <ul style="list-style-type: none"> • Publicly interest entities, including their audit committees and boards of directors • Privately owned company clients • Government clients • Non-profit clients • Past and potential clients |
| <p>Deloitte people, their families and future talent</p> | <p>Ongoing</p> <ul style="list-style-type: none"> • Internal discussions • Alumni network • Social media (external and internal) • Recruiting events • Exit interviews • Confidential ethics hotline • Training sessions • Community involvement and volunteering opportunities <p>Multiple times a year</p> <ul style="list-style-type: none"> • Performance reviews and career conversations • Town hall meetings • Affinity groups • People survey • Partner meetings • Coaching and mentoring | <ul style="list-style-type: none"> • Current, former, retired, and prospective employees • Spouses/partners, children and other family members of Deloitte employees |

| Sample topics | Samples of response | Area of high stakeholder concern |
|---|---|--|
| <ul style="list-style-type: none"> • Service needs of clients • Independence • Ethics • Security and privacy concerns • Value of trusted advisor relationship • Need for industry understanding • Sustainability reporting • Supply chain risks and standards | <ul style="list-style-type: none"> • New service offerings • Organising client service around industries • Lead client service roles and responsibility • Adoption of anti-corruption policy • Adoption of policy regarding privacy programmes and leadership • IT security policies • Voluntary sustainability reporting • Supply chain policies and codes of conduct • Chief Confidentiality Officer | <ul style="list-style-type: none"> • Ethics and integrity • Client satisfaction • Governance risk and compliance • Protection of public interest • Anti-corruption • Corporate responsibility commitment • Privacy and data security • Environmental performance • Supply chain risks/ issues • Value of service |
| <ul style="list-style-type: none"> • Job satisfaction elements • Work / life balance • Career advancement • Fair treatment • Privacy • Security • Contributions to society • Environmentally sustainable operations • Access to technology • Diversity • Ethics • Travel and mobility • Wellness | <ul style="list-style-type: none"> • Flexible working arrangements • Benefits package to family members • Mentoring programmes • Opportunities for global deployments • Industry training • Wellness programmes • Updates to software and hardware • Education, safety and support mobile applications • Volunteering programmes • Ensuring safety of engagement teams • Travel safety policies • Internal contesus such as CE Impact Awards or 25 initiatives in Poland - encourage people to make an impact that matters • Deloitte Speak Up line • Refreshed Shared Values | <ul style="list-style-type: none"> • Employee development • Diversity and fair treatment • Ethics and integrity • Client satisfaction • Privacy and data security • Governance, risk and compliance • Corporate responsibility commitment from leadership • Environmental performance • Health and safety • Community engagement • Labour rights • Compensation • Work/life balance • Professional standards • Professional performance • Wellness |

| Key stakeholder groups | Engagement approach and typical frequency of interaction | Examples of organisations that we co-operate with |
|--|---|--|
| Governments and regulators | <p>Ongoing</p> <ul style="list-style-type: none"> • Proactive engagement with regulators on topics impacting the profession and the capital markets • Contribution to shaping new regulation • Participation in development of standards • Website and current event monitoring • Responsiveness to inquiries | <ul style="list-style-type: none"> • Audit oversight bodies • National financial market regulators • Finance ministers and central bank governors • International law enforcement and security agencies • Multinational fora • Government ministers (aligned to topics) • Embassies |
| Professional associations, networks and international multi-stakeholder organisations | <p>Ongoing</p> <ul style="list-style-type: none"> • Involvement in committees and working groups • Representation on leadership councils • Attendance at conferences (ad hoc) • Collaboration on industry white papers • Speaking engagements • Participation in development of standards • Organisational stakeholder meetings • Meetings, conferences and correspondence • Steering committee membership • Taskforce and working group participation | <ul style="list-style-type: none"> • Peer networks Associations of certified/ chartered accountants • Associations of tax professionals • Management consulting professional associations • Financial advisory professional associations • Chambers of Commerce • World Business Council for Sustainable Development • International Integrated Reporting Committee • Global Reporting Initiative • Cross-industry business alliances |

| Sample topics | Samples of response | Area of high stakeholder concern |
|--|--|--|
| <ul style="list-style-type: none"> • Audit quality • Auditor independence • Transparency • Market competitiveness • Corporate governance • Diversity and inclusion • Confidentiality and data privacy • Safety and security threats, criminal incidents and crisis events • International trade • Jobs and skills • Innovation | <ul style="list-style-type: none"> • Audit standards • Advisory and advocacy groups • Responses to regulatory inquiries • Issuance of transparency reports • Independence policies and monitoring • Employee diversity programmes • Supplier diversity programmes • Threat assessments and safety recommendations • Research and insights • Thought-leadership | <ul style="list-style-type: none"> • Protection of public interest • Governance, risk and compliance • Anti-corruption • Public policy positions • Ethics and integrity • Diversity and fair treatment • Privacy and data security • Transparency • Environmental performance • Security threats to operations and people • Inclusive growth • Future of work |
| <ul style="list-style-type: none"> • Adherence to professional performance standards • Governance • Sustainable development • Standards for auditing of nonfinancial information • Economic outlook • Establishment of and adherence to international norms • Understanding of frameworks and initiatives • Economic, social, and humanitarian development | <ul style="list-style-type: none"> • Standards for engagement acceptance and performance • Commentaries on proposed standards • Training • Pro bono engagements • Internal and external training • Thought-leadership • Changes to global report content • Voluntary reporting on sustainability | <ul style="list-style-type: none"> • Protection of public interest • Ethics and integrity • Governance, risk and compliance • Professional standards • Professional performance • Employee development • Public policy positions • Ethics and integrity • Anti-corruption • Public policy • Protection of the public • Diversity and fair treatment • Education • Youth unemployment • Governance, risk and compliance • Corporate responsibility commitment • Privacy and data security • Environmental performance • Human rights • Health and safety • Community engagement • Physical security • Social progress and equality |

| Key stakeholder groups | Engagement approach and typical frequency of interaction | Examples of organisations that we co-operate with |
|--|--|--|
| Non-profit organisations, local communities and media | Ongoing <ul style="list-style-type: none"> • Local representation • Pro bono engagements • Collaborations • Volunteering • Social media • Electronic mail • Meetings and conferences • Speaking engagements | <ul style="list-style-type: none"> • Local business and community organisations • Social non-profit organisations supported • Local media |
| Suppliers | Ongoing <ul style="list-style-type: none"> • Negotiations • Meetings • Proposals • Industry meetings | <ul style="list-style-type: none"> • Software suppliers • Hardware suppliers • Travel service suppliers • Consultants |
| Educational institutions / academia | Ongoing <ul style="list-style-type: none"> • Participation in programmes • Collaborations • Recruiting • Guest lecturing and speaking engagements | <ul style="list-style-type: none"> • Students of high potential who receive educational scholarships from Deloitte |

| Sample topics | Samples of response | Area of high stakeholder concern |
|---|--|---|
| <ul style="list-style-type: none"> • Training Performance improvement • Funding • Marketing • Specific agendas germane to their cause (e.g., sustainability, education, humanitarian action, diversity) • Local business promotion • Cross-sector collaboration • Transparency in reporting | <ul style="list-style-type: none"> • Skills-based volunteering • Community volunteering • Impact Day • Pro bono engagements • Foundation and member firm monetary and in-kind gifts • Voluntary sustainability reporting • CE Impact Awards | <ul style="list-style-type: none"> • Youth education and unemployment • Diversity and fair treatment • Ethics and integrity • Anti-corruption • Human rights • Transparency • Corporate responsibility commitment • Public policy positions • Privacy and data security • Environmental performance • Community involvement • Protection of public interest • Social progress and equality |
| <ul style="list-style-type: none"> • Contract terms including pricing and payment • Features and functionality • Issue resolution • Confidentiality • Sales projections • Opportunities for (mutually) sustainable solutions • Opportunities for collaboration • Real estate and facilities suppliers | <ul style="list-style-type: none"> • Establishment of alliances • Establishment of preferred vendors • Establishment of green purchasing practices • Contracts • Supply chain audits | <ul style="list-style-type: none"> • Ethics and integrity • Anti-corruption • Diversity and fair treatment • Privacy and data security • Sustainability practices |
| <ul style="list-style-type: none"> • Subject-matter knowledge • New perspectives • Leading research • Career placement | <ul style="list-style-type: none"> • Volunteering • Pro bono engagements • Matching gifts • Guest lecturers • Funding of chairs and scholarships at universities | <ul style="list-style-type: none"> • Education • Ethics and integrity • Diversity and fair treatment • Employee development • Anti-corruption • Human rights |

GRI 301-1, 2: Materials

Paper usage



100% Recycled
7
Metric Tonnes



≥30% Recycled
13
Metric Tonnes



<30% Recycled
45
Metric Tonnes

Total paper usage
65
Metric Tonnes

GRI 302-1: Energy

Aggregate Electricity Use Electricity Use - All Sources



Electricity from Grid – total
7,367,631
kilowatt hours



Emissions from the electricity
4,404
metric tonnes CO₂e

On-site Combustion



Diesel
722
litres



Natural Gas
186,150
m³



Emissions from on-site combustion
373
metric tonnes CO₂e from diesel

GRI 305-1, 2, 3: Emissions

Indicators



Total Scope 1 GHG Emissions
1,425
metric tonnes CO₂e



Total Scope 2 GHG Emissions (marked-based)
4,404
metric tonnes CO₂e



Total Scope 3 GHG Emissions
7,814
metric tonnes CO₂e

Total Scope 1, 2, 3 GHG Emissions
13,643
metric tonnes CO₂e

GRI 306-2: Effluents and Waste

Deloitte Central Europe FY19



Total amount of waste generated
86,787
kilogrammes



Amount of waste recycled
30,244
kilogrammes





Electric and electronic devices recycled
~163
pieces





Toners cartridges recycled
~165
pieces

GRI 401-1: New employees hires and employee turnover

| | The total number of new employee hires during the reporting period by gender | The total number of employees | The total number of new employee hires by gender | Rate of new employee hires during the reporting period by gender |
|---|---|-------------------------------|--|--|
| | | FY2019 | FY2019 | FY2019 |
| |  Women | 4,004 | 1,332 | 33.27% |
|  Men | 2,907 | 1,123 | 38.63% | |
| Sum | 6,911 | 2,455 | 35.52% | |

New employee hires



| | The total number of new employee hires during the reporting period by age group | The total number of employees | The total number of new employee hires by age group | Rate of new employee hires during the reporting period by age group |
|-------------------|---|-------------------------------|---|---|
| | | FY2019 | FY2019 | FY2019 |
| | under 30 years old | 3,474 | 1,640 | 47.21% |
| 30-50 years old | 3,295 | 800 | 24.28% | |
| over 50 years old | 142 | 15 | 10.56% | |
| Sum | 6,911 | 2,455 | 35.52% | |

| | The total number of employee turnover during the reporting period by gender | The total number of employees | The total number of employee turnover by gender | Rate of employee turnover during the reporting period by gender |
|---|---|-------------------------------|---|---|
| | | FY2019 | FY2019 | FY2019 |
| |  Women | 4,004 | 1,055 | 26.35% |
|  Men | 2,907 | 996 | 34.26% | |
| Sum | 6,911 | 2,051 | 29.68% | |

Employee turnover

| | The total number of employee turnover during the reporting period by age group | The total number of employees | The total number of employee turnover by age group | Rate of employee turnover during the reporting period by age group |
|-------------------|--|-------------------------------|--|--|
| | | FY2019 | FY2019 | FY2019 |
| | under 30 years old | 3,474 | 1,070 | 30.80% |
| 30-50 years old | 3,295 | 927 | 28.13% | |
| over 50 years old | 142 | 54 | 38.03% | |
| Sum | 6,911 | 2,051 | 29.68% | |

GRI 401-3: Parental leave

| | Number of employees that started parental leave in FY2019 | Number of employees that started parental leave in FY2019 including number of employees that started fulltime parental leave | Number of employees who returned to work in FY2019 after parental leave ended | Number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work or by December 2019, if they returned after December 2018 |
|--|---|--|---|--|
|  Female | 204 | 204 | 112 | 107 |
|  Male | 4 | 4 | 3 | 2 |
| Deloitte Central Europe Total | 208 | 208 | 115 | 109 |

GRI 404-1: Average hours of training per year per employee

| Employee category | The total number of employees by employee category* | Total number of training hours provided to employees by employee category | Average training hours per employee by employee category |
|-------------------|---|---|--|
| | FY2019 | FY2019 | FY2019 |
| Partners | 214 | 19,831.1 | 92.67 |
| Directors | 281 | 24,465 | 87.06 |
| Senior Managers | 456 | 40,548.4 | 88.92 |
| Managers | 1,157 | 94,573 | 81.74 |
| Senior staff | 1,528 | 98,708.3 | 64.6 |
| Staff | 1,533 | 88,341.2 | 57.63 |
| Junior staff | 1,837 | 142,640.4 | 77.65 |
| Administrative | 1,274 | 40,217.8 | 31.57 |

*For the purpose of this indicator, the total number of employees includes all employees that were an active staff member between 01.06.2018 and 31.05.2019 (FY2019) and have participated in the trainings.

GRI 405-1: Diversity and equal opportunities

| Number of Partners per age category in Deloitte Central Europe | | | | | |
|--|-----------|----------|------------|----------|-------------|
| Age category | Female | % | Male | % | Grand Total |
| less than 50 | 31 | 19% | 136 | 81% | 167 |
| more than 50 | 5 | 12% | 36 | 88% | 41 |
| Grand Total | 36 | - | 172 | - | 208 |

GRI 418-1: Customer privacy








| Report the total number of substantiated complaints received concerning breaches of customer privacy, categorised by: | Total number (FY2019)* | Description | Data source (attachments) |
|---|------------------------|---|--|
| Complaints received from outside parties and substantiated by the organisation | 0 | n/a | n/a |
| Complaints from regulatory bodies | 0 | n/a | n/a |
| Report the total number of identified leaks, thefts or losses of customer data. | 6 ** | 4 confidential data disclosures and 2 personal data disclosures *** | Incidents logs are archived by Deloitte Central Europe Regulatory & Compliance |

* Data provided for the period January – December 2018

** Romania – 2, Poland – 2, Czech Republic – 1, Bulgaria – 1;

*** Four cases of client confidential data disclosed to another client, one case of disclosure within the same client and one case of disclosure within Deloitte. Subsequently we have received three complaints (two from clients and one from a wrong recipient). There were no complaints received from regulatory bodies/ authorities.

Transport indicators taken from our internal CR360 system:

| Indicators | Activity data | Unit of measure | Emissions (metric tonnes CO ₂ e) |
|---|------------------|----------------------|---|
|  Aggregate Air Travel Distance | 44,017,798 | Passenger Kilometres | 4,113 |
|  Aggregate Bus Distance | 47,650 | Passenger Kilometres | 4 |
|  Aggregate Hotel Stays | 48,350 | Nights | 1,513 |
|  Aggregate Rail Travel | 2,663,657 | Passenger Kilometres | 118 |
|  Car Rentals | 729,180 | Kilometres | 745 |
|  Hired Vehicle | 991,565 | Passenger Kilometres | 216 |
|  Owned Vehicle Fleet | 2,941,234 | Kilometres | 1,052 |
| Total Reimbursed Vehicle | 2,578,298 | Kilometres | 1,105 |



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