Deloitte.

Integrated Annual Report Coöperatief Deloitte U.A.

2021/2022

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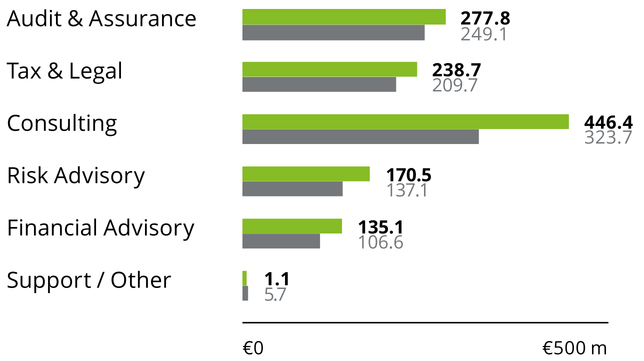
Key numbers of value creation

Key financial indicators

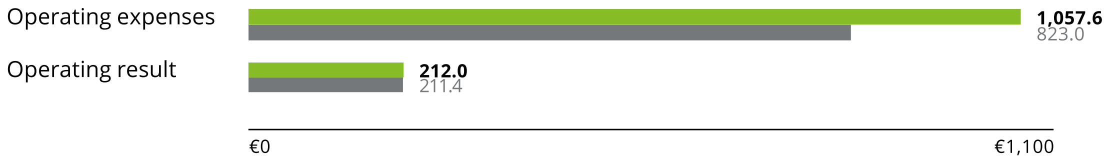
Revenue

■ **2021/2022** ■ 2020/2021

€1,269.6 m €1,032.0 m



Expenses/result



	2021/2022	2020/2021
Total FTE's	6,796	6,172
Partners	256	254
Employees	6,540	5,918
Average headcount	7,191	6,415

Client satisfaction (engagements)
FY21A 8.3 | **FY22A 8.3** | T2023 >8.0

Regulatory quality
FY21A 100% | **FY22A 100%** | T2023 >90%

Carbon emission reduction (Base FY19)
FY21A -71.9% | **FY22A -64.2%** | T2023 -25%

NPS at C-level among strategic clients
FY21A 62 | **FY22A 63** | T2023 >40

Talent engagement score
FY21A 7.5 | **FY22A 7.7** | T2023 >8

Employer of choice in relevant ranking
FY21A #6 | **FY22A #5** | T2023 Top 10

Employer of choice among STEM students
FY21A #21 | **FY22A #19** | T2023 Top 15

Female positions in leadership roles*
FY21A 29% | **FY22A 26%** | T2023 >30%

Female partners as % of total partners
FY21A 19% | **FY22A 21%** | T2023 22%

* Female representation in Supervisory Board 40% and in Executive Board 33%

About this Report

This is our seventh Integrated Annual Report (IAR or 'Report'). It contains information on our impact, value creation, strategy and related performance for the financial year that started on June 1, 2021 and ended on May 31, 2022. It builds on our previous IAR, published on September 28, 2021.

In line with our ambition to be the undisputed leader in professional services, we have created a roadmap towards full compliance with the (expected) requirements of the EU Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy. In this report, we have already started the implementation of this roadmap, among other aspects by implementing a new approach towards materiality of non-financial topics.

We publish our IAR as a fully interactive document alongside a (static) PDF. The text and numbers in the PDF have been subject to external assurance and the PDF therefore takes precedence in case of discrepancies. In addition to this Report, Deloitte Accountants B.V. publishes an annual Transparency Report that contains information on our Audit & Assurance practice's structure, governance and system of quality controls. This Transparency Report will be available on our website as from the end of September 2022. Our 2021/2022 IAR also covers the main themes and topics included in the Transparency Report.

Compared to previous reports, we have changed the structure to improve focus and relevance for our stakeholders. The management report now zooms in on our strategy, our (business) performance and our value creation. The detailed financial performance can be found in the financial statements in Annex 1. In the non-financial statements in Annex 2, we detail our approach of and progress on the non-financial topics that we deem material to our business.

We believe in maintaining an open and transparent dialogue and relationship with our stakeholders. By sharing this Report, we want to improve the understanding of how we create value by executing our strategy and fulfilling our purpose – to make an impact that matters. As always, we appreciate and welcome your feedback: it enables us to further improve our impact and related reporting in the years ahead. Please send your comments, questions or observations to NLBrandandCommunications@deloitte.nl .

Highlights from the Executive Board

Executive Board highlights, lessons learned and outlook

2021/2022 has been a year with two sides. On the one hand, the COVID-19 pandemic continued to hang over all of us like a dark cloud, putting pressure on our wellbeing. And almost directly after lifting the COVID restrictions, sadly, the war in Ukraine started. From geopolitical tensions, an overheated labour market, high inflation, an increasing equality gap in society to a collective concern about sustainability, we have operated in a challenging environment. On the other hand, we have been working in a favourable economic climate with a strong demand for professional services.

The complex environment that we find ourselves in, made us as Executive Board, together with our Supervisory Board, reflect on our strategy. Are we, as Deloitte Netherlands, on the right track? The answer is positive, we are confident that our 'Connect for Impact' strategy stands the test of these unprecedented times. It was the right choice to be more purpose-led, to support our clients in their transition to more responsible and sustainable business models and to contribute to societal challenges. Our increased impact and the results of the past years feed this confidence, but at the same time we recognise we must step it up even more.

In the past year, our clients have intensified their investments, driven by the need to accelerate digital transformation, to comply with new regulations, to realign their existing portfolios (resulting in an increase in mergers and acquisitions activity), and to be more sustainable. This fits our ambition to support our clients in their transition to become more responsible and sustainable, and in providing trust and transparency to capital markets and other stakeholders by high quality and relevant audits. Hence, we have further accelerated our investments around these topics (in particular in sustainability across advisory and audit) and intensified our collaboration within Deloitte NSE to benefit from our combined strength and investment power.

Through the work we do with our clients, by operating in ecosystems and by collaborating with the public and private sectors, we contribute to tackling big societal challenges. As Deloitte Netherlands, we have focused on our 'Future of' themes: Energy, Food, Health and Mobility. For these topics, we connect cross-business and cross-industry to accelerate transformation and take responsibility by orchestrating and bringing together stakeholders creating new ecosystems. How we do this and what impact we made, is captured in the client stories featured in our 'Connect for Impact' brand campaign.

It's now more evident than ever that it's not enough, for us or our clients, to comply with laws and regulations. Moral leadership is needed. To make conscious choices in the work we do and the clients we work with, we set up our Responsible Business Committee (RBC). This discusses dilemmas and ensures that we give the right level of consideration when accepting a client or engagement, not only through the lens of compliance and risk, but also from the perspective of people and our Purpose.

Companies are increasingly challenged and evaluated on more than their financial performance. We stepped up our efforts to increase the relevance of our audits by investing in topics such as fraud, business continuity and ESG. We strongly believe in the added value of our multidisciplinary model, including our in-depth knowledge and capabilities to deliver high quality audits. Additionally, we actively contribute to the (public) debate about the future of audit.

In addition to the support we provide clients in becoming responsible and sustainable businesses, we make an impact on our society through our Deloitte Impact Foundation, via employee-led initiatives and Deloitte wide-priority programmes, with an increase of contributed hours from 17,529 hours in 2020/2021 to 36,284 hours in 2021/2022. In 2021/2022, we have chosen to focus on three key themes. The first theme is 'WorldClass', with the ambition of giving 90,000 people a better future through various projects linked to educational equality and digital inclusion. Furthermore, we have focused on our second theme, 'Inclusive Society', for example, by zooming in on financial health through our collaboration with SchuldenLabNL . 'Sustainability', including our long-term partnership with The Ocean Cleanup, is our third key theme.

Very much in line with the work we do for our clients and through the Deloitte Impact Foundation, we invested in becoming a more sustainable firm ourselves, for example, by reducing our carbon footprint. To illustrate, we are well positioned to become carbon neutral for mobility and housing by 2025 as part of our WorldClimate programme.

Aside from our impact on clients and society, our impact on our people is vital for our success. It is essential to remain the employer of choice and to attract talent. And while operating in a labour market that is characterised by a structural shortage, our strong employee brand - that is best ranked amongst professional services firms – contributed to recruiting more than 2,500 outstanding people in 2021/2022. To support our growth in the longer term, we are also working on alternative talent solutions, including leveraging our near and off-shore competence centres .

We are proud that our employee engagement has risen (from a score of 7.5 to 7.7) despite several lockdowns including working from home full-time. Our renewed Employee Value Proposition (EVP) certainly contributed to this improved score. Our EVP focuses on creating a more inclusive talent experience, for example by offering flexible holidays and new policies for (rainbow) families. We support the continuous growth and development of our people, seeking to create a workplace where everyone can be his/her/their best self. We are striving towards a culture of recognition with fair and transparent total reward, so our overperformance is shared equally between employees and partners. To this end, we revised our flexible reward scheme.

It was, and will remain, a top priority for us to be a leading employer in terms of inclusion and diversity, so we have a holistic programme focusing on gender, cultural background, neurodiversity and LGBTQ+. As the Executive Board, we participate in our Reverse Mentoring Programme to deepen our understanding of the challenges and opportunities around I&D. We have found these conversations to be very valuable and inspirational. We invested in inclusive people leadership to reap the benefits of our diverse teams; this asks for strong and inclusive leaders. We aim to have more diverse teams on all tiers, from consultants to directors, and to partners. In the past year, progress has been made on all levels. For example, we have worked on developing our partner pipeline to reach our target of having 40% female partners by 2030. We are moving in the right direction with a growth from 10% in 2018/2019 to 21% female partners in 2021/2022, but we must keep prioritising this to reach our goal.

The robust demand for our services has resulted in a strong performance with a record growth of 23% in terms of revenue to €1,270 million. It is encouraging to observe that this strong performance is across all our businesses and industries. Our clients appreciate our services and impact with an average NPS score of 63% on c-suite level.

Our profit growth is modest with 0.3%, as we made the deliberate choice to re-invest in rewarding our people, to invest in our capabilities in the field of digital and sustainability and to digitalise further our own firm.

Lessons Learned

Looking back at our impact and results over the past year, we have made great progress. But to keep moving forward, we must learn from our experiences of the past year.

To start with, we have worked on high profile engagements in the public eye for clients in the public sector. It made us even more aware of the public interest related to these kind of engagements and how this affects our stakeholder landscape, and ultimately our reputation. These engagements are often more complex than is generally assumed, so going forward, we have to take the effects of our engagements on public opinion into consideration even more. The Responsible Business Committee, as a counselling committee, will help us to look at our engagements - especially those in the public domain - through the eyes of our Purpose, clients, people and society at large.

With an increasing part of our business focused on large technology-driven business transformations, the way we manage risk and anticipate possible interdependencies within our multidisciplinary model is more complex and requires more sophistication. This will be better embedded in our day-to-day business and our enterprise risk framework.

The high demand for our services in the past year, combined with the stretched labour market, resulted in a high work load for our people. In addition to that, the influence of the COVID-19 and the war in Ukraine have taken an extra toll on our people. In the past year, our focus has been on work-life balance for our people and providing support for those directly affected by the war in Ukraine. Looking ahead, our attention will be even more focused on wellbeing, especially as we expect the talent shortage to continue.

We are proud of our Purpose and call-to-action ‘to connect for impact’. It is key to make this as tangible and meaningful as possible in our daily work. For the upcoming year, we will further intensify the conservations with our people, clients and stakeholders on how we can achieve this.

Outlook

Looking forward, we are cautiously optimistic as we see a ‘mixed outlook’. On the one hand, we see risks on the horizon, with a high inflation combined with the overheated labour market putting pressure on margins and a volatile geo-political situation. On the other hand, the strong underling drivers for our businesses, such as further digitisation, sustainability and new regulations, will most likely be there in the medium to longer term.

We will continue therefore to invest in our people and are looking forward to the opening of our European Deloitte University in Paris to support continuous learning and development.

Across all businesses, we will continue to invest in our core propositions - digital, M&A and sustainability as well as in further enhancing the quality and relevance of our audits, with a focus on topics such as fraud, business continuity and ESG. With our deep-industry specific knowledge, we will tailor our propositions for our most important sectors and enrich them with assets: Deloitte intellectual property in software form.

We are determined to continue our journey to become a more integrated European business, where we are striking the balance between the benefits of global scale and the importance of keeping our local touch.

We look forward with confidence and pride and hope to increase our impact on our clients, people and the Dutch society.

Rotterdam, July 18, 2022

Hans Honig
Chief Executive Officer
Chairman of the Executive Board

Liesbeth Mol
Chief Quality Officer

Oscar Snijders
Chief Operating Officer

Our purpose and strategy

Connect for Impact

Our purpose is to make an impact that matters on our clients, our people and society. To reach our strategic goal by 2023, our purpose is fully embedded in our daily business.

Purpose is at the heart of how we take decisions and how we deliver projects. It is at the center of how we interact, how we make our voice heard in society, and how we operate our own business responsibly.

We believe purpose and profit go hand-in-hand. We can impact clients to become more resilient, successful and responsible, offer engaging work to people, contribute to society, and be profitable at the same time. Projects that help clients transition to more responsible business models are a great example of creating an impact.

How do we make an impact on clients?
Client impact is about ensuring that we connect our skills and services across a broad range of industry sectors and functional domains, to work on our clients' most critical, complex challenges and that our work continues to be of consistent high quality, every single day. We want to be top of mind when clients need help to become more resilient and responsible. They face major transformations, for example in the areas of technology, sustainability and reporting, where we bring in capabilities from across our businesses and industries.

How do we make an impact on society?
We want to play an active role in building a more responsible and resilient society in the Netherlands. We do this primarily by the client projects we engage in, and besides that we continue to make an impact through the Deloitte Impact Foundation. We grow our impact on society through our client work by being even more selective in the types of clients we work for and the engagements we perform.

How do we make an impact on people?
We continue to provide our people with opportunities for personal growth and development. Our Employee Value Proposition is designed to provide a career that is personalised and meaningful. This not only serves our goals but also enables our people to excel and be happy in their profession, contribute to their communities, and become the next generation of leaders in and outside Deloitte.

We will step up our approach to provide an inclusive workplace and leverage the diversity of our talent. Different people, different skills, and different perspectives combined to create value through the diversity of thought. This is a business imperative. And it is the right thing to do.

How do we operate our business?
When we talk to clients about doing business more responsibly, this also raises the bar for our own business: we want to practice what we preach.

To engrain sustainability in the DNA of Deloitte and empower our partners and people to become true sustainability ambassadors, we have created an approach that is aimed at reducing our negative operational impacts and maximizing the positive ones.

Strategy

In 2019/2020, we launched our Connect for Impact strategy – a purpose-driven strategy founded on strong values that gives direction in a rapidly changing world and rooted in our global and Deloitte North South Europe (NSE) approach.

Connect
Proactively connecting our clients, partners, suppliers, people and ecosystems; supporting our clients' transitions to becoming more sustainable and responsible businesses.

Impact
Driving tangible, measurable improvements to amplify our impact on our clients, our people and society. By focusing on long-term sustainability in the Netherlands, via key societal challenges: health, energy transition, mobility and food.

By 2023, our aspiration is to be the leader in professional services in the Netherlands: in terms of market position and quality and, most importantly, in the minds of our clients, stakeholders and talents.

Our strategic imperatives

To become the undisputed leader in professional services, we have built our strategy on five strategic imperatives where we will make purposeful step changes.

1. Embrace quality and responsible business
We live up to our values, creating impact for our clients, our people and for society in areas where we can make a difference and lead on quality. We therefore want to embed our purpose in the core of our business and in everything we do, prioritizing key societal challenges. We keep on strengthening our robust quality programs both in Audit and in our Advisory businesses.

2. Step up to market leadership
Market leadership is not (only) about size, but about the impact we make. Apart from occupying a leading market position in our chosen markets, we want to be the leader in the minds of our clients and other stakeholders, including our people. That is why we aim to strengthen our C-level network and profile in the public domain. In Advisory, our target is to secure our leading position; in Audit, we aim to lead on quality and innovation and establish a fair market share in the upcoming mandatory auditor rotations.

3. Invest in profitable growth
We look to continue our profitable growth in the coming years to enable us to further invest in our talent and innovation. To realise profitable growth throughout our client portfolio, we will leverage our multi-disciplinary growth platforms in North South Europe (NSE) and global (Sustainability, Cloud, M&A and SAP S/4HANA®) to grow our core, export our unique capabilities and leverage our assets. Our objective is to achieve a balanced portfolio, which allows for growth across all client segments.

4. Accelerate innovation
Leveraging our international cooperation, we want to expand our business model through the development of innovative software assets, shifting from a time-based model to a model where software assets play a key role in our delivery. We have prioritised our assets and are gearing up for further roll-out. In addition, we are digitising our own infrastructure by implementing cutting-edge ERM and CRM platforms – supporting our global Deloitte collaboration - as well as business specific digital platforms that we deploy for the execution of our engagements, automated controls, and communication and collaboration with our clients.

5. Strengthen engagement and inclusiveness
Our people determine the impact we have on clients and society. We believe in the power of diversity and recognise that this starts with an inclusive culture that allows every individual to grow in line with their personal needs and capabilities. We will therefore open up different career paths and embed inclusive leadership as the driving force of an inclusive culture. This will also be the foundation for significant improvements in diversity. We have redesigned our employee value proposition and implemented terms of employment that are up-to-date and offer the flexibility to cater to individual employees' needs. In addition, we stimulate entrepreneurship related to our markets by involving our partners and Young Deloitte in shaping the future of our firm.

Our strategy in action

Future of Food
Through our 'Future of' themes, we focus our voice in the market on key societal challenges. The Future of Food is one of them. Within this theme, it's about changing how we grow, produce and consume food in the future. We aim to drive the transformation of the entire food ecosystem by future-proofing clients and supporting them to align shifting nutritional needs within planetary boundaries.

Randy Jagt, leader of our Future of Food theme: 'Great examples of what we have achieved within the Future of Food are helping Cargill to set-up a data-driven digital platform that makes their supply chain significantly more transparent and helping DSM to reduce global greenhouse gas emissions from livestock'.

'To scale these kinds of initiatives to a system transformation, the Future of Food team and the Deloitte Centre for the Edge have started to orchestrate a net positive platform together with a number of food system players including farmers, food producers, retailers, catering, financial and research institutions.

Growing up in a family with nine kids, dinner time was the moment to come together, have conversations and exchange our experiences. These are the moments that matter, that have shaped me into who I am today and my commitment to connect for impact within the food ecosystem and realise a net positive food system. I'm incredibly proud to lead the Future of Food and work together with so many passionate and committed people. One of them is Vikranth Datla:

> 'I come from an agricultural family in the Southern part of India and my dad is a farmer. Agriculture has always been part of my life. So I empathise with the struggles of farmers and the challenges in the food ecosystem. My purpose is to create a positive impact in this area. Being part of the Future of Food team makes it possible to fulfil that purpose as we are working on accelerating the transformation of food ecosystems by addressing key challenges.'

Vikranth Datla (Senior Consultant, Consulting)

'Changing the system will require a change in the mindset of consumers. To address this internally, we launched our True Price coffee bar at our office in Amsterdam. It shows you the 'true price' of your cup of coffee considering the social and environmental costs and the barista asks consumers if they want to pay the true price. It resulted in nearly 60% of consumers paying the 'true price' for their coffee, but more importantly, it created a lot of awareness and triggered conversations.'

Cloud MDM
We see how cloud puts advanced technologies at the heart of our clients' business and how it enables them to rethink the meaning of value and measuring performance. It transforms the way of working, faster than they ever imagined and in ways they never considered.

At Deloitte, Cloud is defined as an MDM (Multi Disciplinary Model) which means that we approach our clients' journey towards Cloud through our combined Consulting, Risk Advisory and Tax & Legal businesses. With our extensive knowledge and experience in each sector, our full range of capabilities and solutions and strong business acumen, we help clients to accelerate and to make the right technology choices, and we guide them through a business transformation.

Michiel van den Heuvel, Cloud MDM leader: 'I enjoy seeing such a diverse team of Deloitte professionals give their best every day to help clients across all industries reap the benefits of cloud enabled business in a secure and compliant fashion.

To have Cloud at the heart of a business means that the adoption of technology will be faster and safer, people are more inventive and products are made more desirable. All that cloud can do – develop new markets, transform operating models, revolutionise customer experiences, launch unique partnerships – is amplified by all that Deloitte can do.'

It's great to be part of the Cloud MDM. The projects I'm involved in allow different approaches and give a lot of freedom to be creative. The diversity of ideas and skills within our team elevate the experience and quality of work. To me, it has always been interesting to understand and play around with building blocks and abstractions of things very prevalent in our lives, such as the internet. It's almost impossible to imagine our lives without the internet. Working within the Cloud MDM allows me to understand and contribute to a lot of what this world easier and more fun to navigate!

Pelle Jonasse (Working student, Consulting)

Inclusion & diversity: Neurodiversity

Our Deloitte Neurodiversity Network celebrates the diversity of human brains and minds. Its goal is to ensure that everyone at Deloitte Netherlands feels empowered to approach their jobs in ways that fit with how their mind, brain and thought process works. Neurodiversity encompasses a range of conditions that manifest themselves in various ways, including Autism Spectrum Condition, Attention Deficit Disorder, dyslexia, intellectual giftedness, and dyscalculia. These conditions are not abnormal, they are simply variations of the human brain.

Anne Dumonnet, Inclusion & Diversity Lead: 'By setting up a Neurodiversity Network, we want to give neurodivergent Deloitters a community to share their experiences, to create awareness within the firm and to enact change in policy and processes. In this past year, we have created a toolkit to learn about what neurodiversity can entail and how colleagues and managers can be of support. Additionally, we appointed trusted advisors and offer confidential counselling to support people with questions or dilemma's that they might have.'

'When I became aware of the Neurodiversity Network within Deloitte, it gave me a feeling of recognition and it was great to be a part of a community with a broader mindset of inclusion. It's innovative in the sense that a more diverse and inclusive workforce, including neurodiversity, will deliver better results in the end. Engaging in meaningful conversations with both neurodiverse and neurotypical colleagues enabled me to better understand the added value of a diverse 'brain landscape'.'

Elmer Gorseling (Manager, Consulting)

Responsible Business Committee
In 2021/2022, our Responsible Business Committee (RBC) discussed responsible business matters within client engagements such as purpose, values, reputation, people and society. The committee may invite subject matter experts to the dialogue, depending on the topic to be discussed. The RBC guides and supports engagement teams in applying and executing our shared values and principles. The aim is to give comfort that the opportunities we accept serve our purpose, and if they do not, that they will be adapted or rejected. The RBC ensures that we give the right level of public interest consideration when accepting a client- or engagement.

Jeroen Jansen, chair of the Responsible Business Committee (RBC): 'I encourage all professionals within Deloitte to bring new clients or engagements to the attention of the RBC if they are in doubt whether we should be working for that specific client or engagement. When there is a dilemma, it's never clear-cut and always nuanced. In performing our role as RBC, we include these nuances in every case by taking all relevant stakeholders into consideration, guided by the Company We Keep framework.

Besides the alignment with our shared values, we also take existing commitments, the public interest angle and the voice of our Deloitte colleagues into account. The voice of our Deloitte colleagues is for instance captured through periodic sounding sessions with the Young Deloitte Council.

'The Young Deloitte Council (YDC) represents all young Deloitters (colleagues that are 34 years or younger; up to manager). We bridge the gap between them and the Responsible Business Committee. There are periodical sounding sessions to discuss recent cases. As the members of the RBC are more senior, these discussions are to learn and calibrate their point of view. We also support communicating the efforts of the RBC to young Deloitters, to make it easier to reach out and raise any concerns about a project or client they might have. We make sure that the next generation is heard and that its opinions are considered.'

Machteld Eggink (Consultant, Consulting and Young Deloitte Council member)

Jeroen Jansen: 'As we are a large firm, we acknowledge that we will not be able to always serve the voice of all our colleagues. Therefore, all Deloitte professionals are free to decline to work on a specific engagement if that conflicts with their personal values.'

Employee Value Proposition
Our Employee Value Proposition (EVP) aims to create a distinctive experience for all Deloitters. In 2021/2022, we have taken important steps to execute our EVP including the implementation of a new reward program.

Petra Tito, CHRO: 'One of our strategic priorities for 2021/2022 was to launch our new Employee Value Proposition (EVP) and reward strategy. Our new EVP describes much more clear what we find important in our relationship with our employees and where we stand for as an employer: 'Passion for Purpose', 'Be the true you' and 'Never stop growing'.

To empower this, we strive towards a culture of recognition with fair and transparent total reward. With the introduction of our new reward strategy in October 2021 and the further investments we have decided upon in May, we offer a much more competitive compensation to our people and make a clear distinction between performance and development, the latter tying to our desire to put emphasis on personal growth as one of the key of our EVP.

Overall, our EVP is directly linked to our values, purpose and strategy. Our formulated employee experience ambition goals lead to actions putting our strategy into action with day-to-day interventions on topics like creating more inclusive talent processes and allowing our people to live their purpose in every day work.

Personally, I feel our new EVP describes our organisation's growth mindset very well, and I feel a personal connection with the pillars chosen as my aim is to create a healthy and inspirational workplace where our people can be their best (professional) self.'

'People are at the heart of our firm. Our Employee Value Proposition (EVP) shows what we stand for and offer as an employer. In the past year, I was fortunate to work on the changes in our Reward Strategy by exploring, creating and implementing new benefits that are in line with our EVP. It requires collaboration and teamwork with a lot of colleagues, and I'm proud to be part of this. It was a challenge, but it's great to work on something that affects and benefits all your colleagues!'

Franca van Cleef (Senior Manager, Support organisation)

Deloitte Impact Foundation

At the Deloitte Impact Foundation, we aim to make an impact that matters by leveraging our talent's core competencies, knowledge and network to help address some of society's most challenging problems, next to the impact we make on society through our client work. WorldClass, Sustainability and Inclusive Society are the three themes we focus on. Through pro bono work via a large variety of initiatives for NGOs, Foundations and social enterprises, we contribute to society by helping to reduce inequality and create a better environment for people and the planet.

Our approach

The Deloitte Impact Foundation has two approaches to its initiatives to impact our society, but also our people and our clients – creating a win-win situation for all stakeholders involved.

1. Maximising impact through collaboration via Deloitte-wide priority programmes

Worldwide, we all face major global and local challenges on societal, environmental and economical levels, and urgently need to find new sustainable paths. Deloitte's global network enables us to contribute by collaborating with external partners to address some of society's most challenging issues.

Examples of these Deloitte-wide initiatives are the WorldClass programme and the Financial Health programme within the 'Inclusive Society' theme.

Together, our people connect to accelerate our impact on society.

2. Employee-led initiatives

Through our internal social engagement platform all Deloitte Netherlands colleagues can start their own initiative or join an existing one to create societal impact. All colleagues can spend a percentage of their working time on such initiatives, and they are encouraged to get involved in issues and causes that are close to their hearts. These initiatives are supported by the board of Deloitte.

All these employee-led initiatives together make a great impact on society but that's not all. Participating in initiatives our colleagues are most passionate about gives them the satisfactory feeling of doing good, but also increases their engagement at Deloitte by providing unique learning experiences, broadening their internal and external network and teaching them new possibilities of collaborating.

How did we make an impact in 2021/2022?

In 2021/2022, we have contributed 36,284 hours to a variety of social causes via Deloitte Impact Foundation which is an increase compared to 2020/2021 when we contributed 17,529 hours. Compared to the results before COVID-19 started, we have exceeded the number of hours contributed by our colleagues but also the number of engagement and employees involved throughout all of our businesses.

We are proud of our achievements, but also the lessons we have learned in the prior years that resulted in our strategy 2020-2023, with a focus on our themes WorldClass, Sustainability and Inclusive Society to make a more significant, visible and inclusive impact.

World*Class*

Globally, millions of people are still being left behind. And even though we all agree that every talent counts, not everyone has the chance to develop his or her talent to the fullest. At Deloitte, we believe that we make the biggest societal impact when our professionals use their skills and expertise to help people to develop job skills, improve educational outcomes, and access opportunities to succeed in our society.

With the adaptation of the World*Class* Programme in the Netherlands, we are committed to broadening the horizon and investing in the talent development of vulnerable young people in the weaker economic districts of the major metropolitan regions: Amsterdam and Rotterdam.

Our World*Class* collaboration with CampusNL

This organisation ensures that the child acquires ownership of its own lifelong learning trajectory. CampusNL offers a personalized learning trajectory by focusing on stimulating curiosity, effective learning through intensive supervision, and outside-in experiences to which (new) talents can be discovered.

We use the professional skills and expertise of our employees to organize scalable and sustainable interventions:

1. We develop extra and new teaching material for children in primary and secondary education in areas such as energy, entrepreneurship, computer science, digitisation, technology, network- and job application, presentation skills, and skills & jobs of the future. We do this together with the education and business community in the Netherlands.
2. We help professionals to play a structural role within our education system through guest lecturers, teaching assistants, and other forms of in-person and/or virtual help. By doing so, we try to contribute to the existing problem of teacher shortage.
3. We give students advice and support in finding internships and/or jobs. Both at our own offices and through our own employees, as well as through our clients and partnerships.

Building Bots with Kids

This initiative is all about bringing technology closer and making it able for children to play around with this ever-existing topic at an early age. We find it important to allow children to become acquainted with as many aspects of technology as possible to better prepare for the future.

All these interventions together represent a concept that we call the *Enriched School Day*: equal opportunities for every child to develop broadly. Through multi-year public-private partnerships, we are building a sustainable ecosystem around the school for the child in which we mainly focus on scaling up working principles of existing projects in the Netherlands. Ultimately, it is all about scaling up the concept of the Enriched School Day for the target group in every region of our country.

JINC

This programme helps young people to get a good start on the labour market. Through ongoing activities, they are being introduced to all kinds of professions for them to discover which work suits their talents and how to apply.

Sustainability

Through our sustainability theme, we protect our natural environment by addressing the root causes and effects of global warming and degradation of land, water, air and food with an impact directly, but also indirectly in The Netherlands. Two of the initiatives within the Sustainability theme are:

WWF Netherlands

Nature is declining faster than ever, and financial institutions have an impact on nature through their financing and investing activities, such as deforestation and pollution. Therefore, they have a key role to play in shifting global financial flows toward nature-positive outcomes.

The Taskforce on Nature-related Financial Disclosures (TNFD) is developing a disclosure framework for corporates and financial institutions to act on, manage and disclose the risks and opportunities associated with their own impacts and dependencies on nature.

Together with WWF Netherlands, Deloitte has researched how the Dutch financial sector is integrating nature-related risks and how prepared it is for the TNFD framework, as financial institutions can use the TND as guidance to perform nature-related risk assessments and to start disclosing nature-related risks and opportunities.

The findings of the desk and market research are summarised in the report "Nature is Next: Towards integrating nature-related risks in the Dutch Financial Sector". The report provides ten recommendations for financial institutions to progress in assessing, managing and disclosing nature-related risks and opportunities across the three different dimensions of Learn, Act & Engage. These recommendations also have a global relevance, considering that financial institutions have global impacts and dependencies on nature via their international clients with activities and operations that cross multiple borders.

Digital Food Brigade

The Digital Food Brigade aspires to reduce food waste by transporting surplus food from supermarkets to a place of high demand.

In the Netherlands, almost 2 billion kilos of food is wasted annually in the food chain including some in supermarkets. At the same time, the number of customers of the Voedselbank is increasing due to due to the negative effects of higher energy prices and inflation on household income. The goal of the Digital Food Brigade is to reduce food waste by transporting surplus food from supermarkets to places with high demand.

In February 2022, a pilot of 6 weeks started in Amsterdam. Deloitte initiated the idea, brought together all partners and facilitated the pilot design, execution and evaluation. During these six weeks, PostNL drove by 17 locations of Dirk van den Broek in Amsterdam for four weeks, to pick up desired products that were approaching their expiration date and delivered those to the Voedselbank distribution centre. Here, the products were sorted and distributed to make their way to clients of the Voedselbank.

The pilot saved 2100kg-2800kg of beautiful, fresh produce from destruction and brought to good use.

Inclusive Society

This broad theme provides support for challenges related to the quality of life in the Netherlands such as living conditions, financial health, wellbeing, loneliness, and safety for all Dutch inhabitants.

Within the Inclusive Society theme, the Financial Health programme started with the aim to raise awareness and improve the financial health of households in the Netherlands. By reducing the number of people that experience financial stress and by contributing, through various projects, to a society in which people are in control of their finances, now and in the future. One of the projects within our Financial Health programme is:

Schuldenlab

In the Netherlands, two million households across all income groups already have payment arrears, 1.4 million of which are potentially problematic debt, and the economic fall-out of the COVID-19 pandemic, higher energy prices and inflation is likely to push these numbers even higher.

SchuldenLabNL is a non-profit aimed at fighting debt and the stress surrounding it. It does so by connecting the many local debt help initiatives scattered across the country, fostering innovation and getting their very best practices rolled out nationwide.

Through Deloitte Impact Foundation, Deloitte and SchuldenLabNL signed a partnership agreement and are committed to a working towards a debt-free Netherlands!

Our progress

Emeric van Waes, our Corporate Strategy Officer, on where we stand in realising our ambition, our focus during the last year of our 2020-2023 Connect for Impact strategy and his vision for the upcoming year.

Where do we stand on realising our ambition?
'The unprecedented events in the last two years with COVID-19, Black Lives Matter, the transgressive behaviour discussion and the war in Ukraine made us realise more than ever that it is vital and important to take responsibility as an organisation and make an impact on large societal challenges. It accelerated the execution of our purpose-driven Connect for Impact strategy 2020-2023, which is moving into its final year. We are well on track for many of our ambitions. At the same time, we need to realise that we are still in a highly volatile environment with increasing geo-political tensions, uncertainty and unrest concerning how we should tackle our impact on the planet, and the risk of stagflation or even a severe recession. I believe that as Deloitte we have a sound strategy and a robust organisation to weather these storms, but they could significantly impact the pace of the realisation of strategic objectives.

I am proud of the progress we've made on our 'Embrace quality and responsible business' imperative. Not only have we become a responsible business ourselves, by reducing our CO2-footprint and contributing via the Deloitte Impact Foundation projects, we've also supported many of our clients to transition to a more responsible and sustainable business model. Great examples are our contribution to the NorthH2 project with the Future of Energy, and our initiatives in the transformation of our food ecosystem with the Future of Food, and the launch of the Financial Health index.

We've made good progress on our 'Strengthen engagement and inclusiveness' imperative. Diversity has been a top priority and we are now close to achieving our ambition for gender diversity. And we made a leap forward in focusing on other dimensions, including cultural diversity and neurodiversity. While we still need to develop ourselves further, we are now a much more mature and inclusive organisation. Deloitte is driven by people and talent. And it is our job to support our people to be their true selves and become successful in life.'

What will we focus on during the last year of the 2020-2023 Connect for Impact strategy?
'We want to realise the ambitions we set three years ago and finish what we started. Our primary focus will be on continuing innovation of our own business. This will include providing more and more Operate Services, through which we support our clients with their day-to-day strategic, tactical and operational needs. We combine these Operate Services with innovative software solutions which provide analytical insights and resilient digital platforms. Our second focus area is further strengthening the delivery of our multi-disciplinary growth platforms: SAP S/4HANA®, Cloud, Sustainability, and M&A, and expanding our collaboration across businesses and industries.

But most important of all, is our focus on leadership development. As the world and its dilemmas become ever-more complex and difficult, and as recessions and geo-political tensions loom on the horizon, we need strong people leadership to help our employees navigate the challenges and build an inspiring, safe and strong Deloitte organisation. And of course, we will be formulating a new strategy for the coming four years.'

'What drives me, is that Deloitte is a leading powerhouse with a wide range of talent, knowledge and strength, tackling major societal problems every day. It is a true privilege to work together with so many talented and motivated people.'

- Emeric van Waes, Chief Strategy Officer

What is your vision on the future of our strategy?
'I believe Deloitte is an exceptional organisation with tremendous global reach and impact. In our future strategy, we will continue to differentiate ourselves through our collaborative working style, our ability to bring all the required disciplines together, our deep understanding of technology, and our passion to connect and make an impact.'

Value creation

Our strategy enables us to make an impact and create value for our stakeholders. In the chart below, we have indicated how our strategic imperatives are impacted by the capitals as defined by the IIRC and how we create value for our stakeholders.

Strategic pillar	IIRC Capitals impacted	Impacts
Embrace quality and responsible business	Social Intellectual Natural Manufactured	High quality audits that build trust in financial markets and society High quality advisory services that help our clients to become more successful and resilient and support them in the transition to more responsible businesses New and more powerful ecosystems that help accelerate solutions for our key societal challenges like the energy transition, social inequity, climate change, and economic inequality. New policies that drive our behaviour towards significant reduction in our CO_2 emissions
Step up to market leadership	Financial Social	Leadership in audit quality and audit innovation serving the public interest Strong customer advocacy in our client base visible in our high Net Promotor Score Leading position in significant number of our product-market combinations in our advisory business
Invest in profitable growth	Financial	Strong growth in our Multi-Disciplinary Model (MDM) growth platforms like SAP S/4HAHA®, Cloud, M&A and Sustainability and strong positions in our alliance partnerships including Salesforce, ServiceNow, AWS, Google and SAP Healthy growth in both top-line revenue and bottom-line performance Increased share of profit allocated to our people
Accelerate innovation	Intellectual	Robust growth of alternative talent pools to serve our clients, leveraging the strength of our international member firm network Increased deployment of our software assets and digital tooling leveraging investments in technology to provide more effective and efficient services to our clients
Strengthen engagement and inclusiveness	Human	High levels of engagement of all our people (employees and partners) Employer of choice for university graduates and experienced professionals Better representation of female talent in our leadership roles Empowered groups which are currently underrepresented within Deloitte through for instance Cultural Diversity Network, Be Proud at Deloitte and Neuro-Diversity Network

Primary SDGs impacted

Interactions with stakeholders

Central in our value creation are the capitals as defined by the IIRC. They input our strategy and are affected by its outputs and outcomes (impacts). These consequently feed into the Sustainable Development Goals.

We are mindful of the fact that our way of operating has positive and negative impacts. In Annex 2, we discuss these impacts in more detail for each of our material topics.

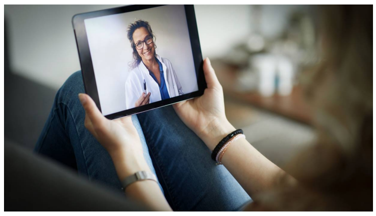
'Future of' themes

As part of our Connect for Impact strategy, we want to practice what we preach: being a purpose-led organisation. We focus our voice in the market through four societal challenges: our **'Future of' themes**. These four challenges are characterised by having cross-business and cross-industry impact. By setting-up and collaborating in ecosystems, we respond to our call-to-action: **Connect for Impact**.

Our selection of the 'Future of' themes is a strategic, yet dynamic one: the selection may change as societal challenges emerge or submerge. What they have in common is that with our 'Future of' themes, through our partnerships we create ecosystems to accelerate the transformations necessary to adapt to new realities and help solve the challenges that society faces around the topics that we have selected. Deloitte unleashes its expertise, cross-industry experience and thought power to make these ecosystems as efficient and effective as possible.

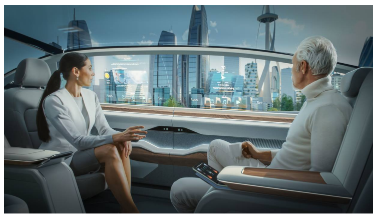
Future of Health

How can we prevent skyrocketing healthcare costs by means of presentation and early diagnosis? Which technological and behavioural measures lead to overall health, happiness and well-being?
With the Healthcare sector facing many challenges, such as escalating care costs due to an ageing population and pressure on budgets and the workforce, a new mindset is needed. We need to move from healthcare to health: with more focus on prevention, and an improved health consumer journey, where new health players will have to enter the ecosystem.



Future of Mobility

How can we ensure that transport of people and goods is emission- and accident-free, cheap, seamless and easy? What's the role of innovations like autonomous cars, green hydrogen aeroplanes and people movers?
As the way we travel is changing, we need to keep the Netherlands moving and enable seamless travel for people and goods in a sustainable way by using technology and 'as-a-service' solutions.



Future of Energy

How can we transition to a clean and green energy system? And what's the role of electricity, hydrogen and our behaviour in this changeover?
Energy will change drastically. It is going to be more sustainable, with renewable sources and less or zero carbon emissions to meet the climate agreement goals. Connecting the ecosystem with traditional parties, but also with start-ups and public institutions is key.

Future of Food

How can we create a food system without compromise that is sustainable, healthy, and even-handed? Which innovations bring about this food consumption, production and waste?
Because of sustainability and planetary boundaries and shifting nutritional needs, the food ecosystem will change, creating space for new players. For instance, personalised nutrition and responsible production and waste are important in this new world.

Our firm

About Deloitte

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and legal and related services. We have been providing professional services to clients, developing our talent and engaging with society for over 175 years. Our global organisation has grown in scale and diversity and now comprises approximately 330,000 people in more than 150 countries and territories, serving 80% of Fortune Global 500® companies and almost all the Amsterdam Exchange Index companies, providing assurance services or, to non-audit clients, advisory services. Following the Russian invasion of Ukraine, Deloitte has separated their practice in Russia and Belarus from the global network of member firms, meaning Deloitte no longer operates in Russia and Belarus.

Deloitte Netherlands is the Dutch firm of Deloitte North and South Europe (NSE) and as such is a separate and independent legal entity. Deloitte Netherlands operates in the Netherlands and in the Dutch Caribbean. For a full list of subsidiaries, please see our financial statements. Deloitte NSE comprises the following countries: the Netherlands (incl. Deloitte Dutch Caribbean), the UK & Switzerland, Ireland, Belgium, Finland, Denmark, Sweden, Norway, Iceland, Italy, Greece, Malta, Libya, Palestinian ruled territories, Cyprus, Lebanon, Jordan, Iraq, Egypt, Saudi Arabia, Kuwait, Bahrain, Qatar, the Republic of the Sudan, the United Arab Emirates, Oman and Yemen. Deloitte NSE brings together around 50,000 professionals, which helps us make an even greater impact in each of our markets. By working as one unified firm, we can achieve more – for our clients, our people and the communities we work in – than we would be able to on our own.

In the Netherlands, we employ over 7,000 people (excluding contractors) in 16 different offices around the country. This makes us one of the leading Dutch professional services providers in the areas of audit, tax and legal advisory, consultancy, risk advisory and financial advisory. Our practitioners work in multidisciplinary teams that add value to how we serve our clients, applying a broad vision and in-depth approach to resolve their challenges and realise their opportunities.

In November 2021. Deloitte has acquired MarketRedesign Scientific B.V., an advanced AI & Pricing Company. The company has been integrated into the services offered by Deloitte Consulting.

On April 1st 2022, Deloitte acquired GLO Integration, a leading IT specialist in the area of integration with specific expertise in Mulesoft, an integration platform for connecting applications, data and devices. GLO Integration has been added to the IT services of Deloitte Consulting.

Our leadership in 2020/2021 (per May 31, 2022)

Our leadership structure consists of a Supervisory Board, Executive Board and Executive Committee. Please see below an overview of the members.

Supervisory Board

- **Bas Verhart** – Member
- **Denise Larnder** – Member
- **Hans van der Noordaa** – Chairman
- **Nienke Meijer** – Member
- **Vincent Moolenaar** – Member

Executive Board

- **Oscar Snijders** – COO
- **Hans Honig** – CEO
- **Liesbeth Mol** – CQO

Executive Committee

Business Leads

- **Erik Nanninga** – Business Lead Consulting
- **Rob Bergmans** – Business Lead Audit & Assurance
- **Willem Blom** – Business Lead Tax & Legal
- **Harvey Christophers** – Business Lead Risk Advisory
- **Dagmar Enklaar** – Business Lead Financial Advisory

Industry Leads

- **Dominique van Seggelen** – Consumer
- **Eric Vennix** – Energy, Resources & Industrials
- **Peter Hofman** – Financial Services / Clients & Industries
- **Sjoerd van der Smissen** – Government & Public Sector
- **Michel Vreedeveld** – Technology, Media & Telecommunications
- **Ton van Abeelen** – Deloitte Private

Support Leads

- **Petra Tito** – Talent
- **Rianne Jans** – Finance
- **Carlo Renne** – Reputation & Risk Leadership
- **Emeric van Waes** – Corporate Strategy Officer

Our engagement approach

To consistently deliver high-quality services to our clients, we maintain a common engagement approach.

Prospect and opportunity → Client and engagement acceptance → Engagement team formation → Engagement execution → Quality assurance → Finalise engagement → Client feedback

Prospect and opportunity

Identification of business opportunities with existing or potential clients.

Client and engagement acceptance

Deloitte maintains strict acceptance procedures for clients and engagements. These procedures are aimed at:
- Complying with (international) laws and regulations;
- Avoiding reputational damage;
- Understanding client and engagement risks.

Engagement team formation

We assemble the service delivery team, taking into account:
- Competences of team members necessary to deliver the service;
- Independence of individual team members.

Engagement execution

The responsibility for the proper and timely execution of the engagement rests with the assignment manager who operates under the responsibility of the assignment partner. Work can only be performed if there is a signed engagement letter.

Quality assurance

Deloitte has formal Quality Assurance policies for all our services. Per type of engagement, they identify which quality assurance procedures apply (for example review of draft project deliverables by a third party).

Finalise engagement

After the engagement is finalised, for example, by issuing the end report or the assurance report, we file all the engagement documentation.

Client feedback

In many cases, client feedback is sought by means of Client Service Assessments, interviews or online questionnaires. The conclusions of the client feedback are fed into our CRM system.

Financial performance

Business results

After exceeding the one billion threshold 2020/2021 our revenues continued to grow in 2021/2022 reaching €1,270 million. The growth rate was 23.0% (2020/2021: €1,032 million). The primary drivers relate to our ability to deliver larger, more complex projects to strategic clients, our MDM platforms and overall strong market demand. In certain areas of our business growth was restrained by the availability of sufficient resources. Our strategy already included enhancing alternative client solutions and delivery models and a significant part of our growth relates directly to deploying more contractors and making more intensive use of various delivery centres across the globe.

As a consequence all businesses contributed to our revenue growth. Especially Financial Advisory, Consulting and Risk Advisory realised a healthy growth driven by more client serving staff. In addition, Audit & Assurance growth also benefitted from improved rates. Finally, in our Tax & Legal business revenues increased following more practitioners and improved performance in the year where 2020/2021 was impacted by COVID in the first quarters of the financial year. Our result before tax and management fee amounted to €201.6 million (2020/2021: €202.3 million).

As a percentage of revenues, our result before tax and management fees decreased to 15.9% from 19.6% in 2020/2021. This result is a consequence of increased salary costs as a result of the introduction of our Employee Value Proposition, as well as relieving the COVID-19 restrictions resulting in increased costs for travelling to our clients and offices, on site learning as well as client and personnel events. At a global, NSE and local level we continued our technology investments. Investments in innovation are not at a level we want it to be, impacted by COVID-19 restrictions that were still in place at the start of the year. This year a new policy on variable compensation is in place which combined with the good performance is beneficial to our employees. The variable compensation increases from €52.1 million in 2020/2021 to €79.2 million in 2021/2022.

Solvency and liquidity

Solvency based on equity, membership capital and subordinated loans (group's capital base) is 19.0% (18.1%). Our credit facilities were reduced to €185 million (2020/2021: €205 million). Our year-end cash balance decreased to €24 million following an adverse net cash flow. Our working capital defined as the sum of unbilled services, advanced billings and accounts receivable increased to €342 million, which is €49 million higher than last year. This is primarily driven by the increase in our operating activities. The increase is not driven by economic developments adversely impacting our cash position. For a full overview of and detailed notes to our financial performance, please see the Financial Statements, which are annexed to this report.

Taxation

As a responsible business, our policy is to fully comply with the letter and the spirit of Dutch tax legislation. To enhance our transparency on this topic, we have adopted a Tax policy, that can be found in the Annexes of this report.

Our Tax policy addresses the three main types of national taxation that are applicable to us: corporate tax, tax on wages and value added tax.

Corporate tax

Deloitte's partners/owners charge Deloitte a management fee through a personal management company These management fees are fully taxable at the level of the individual management company, in accordance with the regular Dutch corporate income tax rates. Deloitte's remaining profit is taxable at Deloitte level, subject to the regular Dutch corporate income tax rates.

All filings for corporate income tax returns from Deloitte and the individual management companies of the partners/owners are prepared centrally by Deloitte in line with the guidelines agreed with the Dutch Tax Authority (DTA). Cross-border projects or other international services are agreed with Chief Tax Officers in other countries to ensure Deloitte meets local rules and regulations.

Wage tax

All relevant filings are carried out in a timely manner and in accordance with local rules and regulations. Meetings are held regularly with specialists from the DTA to discuss pending and new tax issues, such as charging travel expenses, cost reimbursements and the so-called free space in the wage tax declaration.

All cross-border work situations (including secondments, projects and expats) are handled by a dedicated group of specialists to ensure that Deloitte and its employees meet all Dutch and local requirements.

Value added tax

On all incoming and outgoing transactions, we follow the rules and guidelines for value added tax (VAT). Specific transactions are subject to strict protocols to ascertain that VAT is reported correctly. VAT is also subject to the self-initiated sample as described above, and findings are reported to the DTA in full transparency.

Material topics

Each year, we evaluate the topics that we believe are material to Deloitte. This year, we have changed the approach to our evaluation to align it with the principle of 'double materiality' as defined by GRI 3: Material Topics 2021, and the EU Corporate Sustainability Reporting Directive. An explanation of our approach can be found on pages 124-129 of this report. Following our materiality assessment, we have identified the following material topics for our 2021/2022 reporting:

	Area	Topic	Links to strategic imperitive	Page
1.	Quality	Quality of services	Embrace quality and responsible business	144
		Privacy		148
		Data security		148
2.	Ethics & integrity	Ethics and integrity	Embrace quality and responsible business	145
		Anti-corruption	Step up to undisputed leadership	147
3.	Talent	Employee value proposition	Strengthen engagement and inclusiveness	136
		Inclusion and diversity		138
		Learning and development		140
		Wellbeing		141
4.	Innovation	Innovation	Accelerate innovation	151
5.	Impact on society	Climate & CO2 emissions	Embrace quality and responsible business	132
		Social impact (a.o. DIF)		142
		Sustainable procurement	-	149

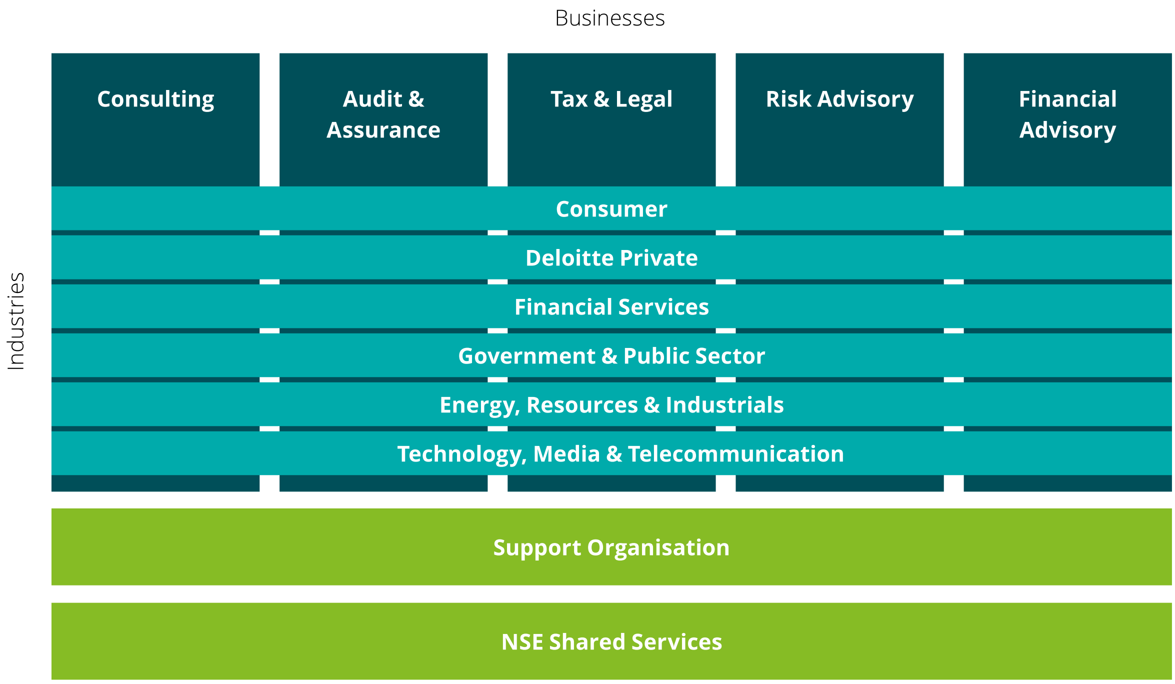
For a comparison of the material topics included in this report compared to those in our previous one, please see page 128.

Our businesses and industries

Deloitte is organised around five businesses: Audit & Assurance, Consulting, Tax & Legal, Risk Advisory and Financial Advisory. These businesses all work across various economic sectors that we consider as six industry groups: consumer; energy, resources and industrials; financial services; government and the public sector; technology, media and telecommunications; and the private sector. Our Support Organisation serves both the businesses and the industries. Working with a matrix of businesses and industries that is identical in every geography where Deloitte operates, allows us to meet the needs of our clients by combining expertise with experience.

In this section, we provide the 2020/2021 financial results and market developments of our five businesses and our Support Organisation, and explore their key challenges and opportunities. In addition, we discuss the main developments and activities within our industries.

Our strategic objectives are cascaded down to our businesses, who have plans in place to put our strategy into action by adding context and content to our five strategic pillars. The results of their activities feed back into our strategic dashboard.



Audit & Assurance

At Deloitte, we aim to carry out consistently high-quality audits and provide assurance services to non-audit clients. In our service delivery, we leverage expertise from the various businesses that are part of our multidisciplinary model. Whilst our financial audit professionals reside in our A&A legal entity, we engage, for example, IT-auditors and ESG-specialists from our Risk Advisory practice, forensic auditors and valuation specialists from our Financial Advisory practice, and Tax specialists from our Tax & Legal practice. In doing so, we strive to serve the public interest and to protect the public's trust and confidence in the capital markets, leveraging the breadth and depth of Deloitte's expertise towards the audit and assurance needs of our stakeholders.

Turnover in € million	Employees (FTE)	Partners
277.8 +11.5%	1,667 +4.9%	55 0.0%

Rob Bergmans, our Business Leader Audit & Assurance, on value creation and the priorities for the upcoming year.

How does Audit & Assurance create value?

'We create value by protecting the public trust and confidence in capital markets. Our core objective is to carry out consistently high-quality audits and to provide assurance services. We connect with the finance professionals and audit committees of the entities we audit, as well as with our people and with society. In doing so, we aim to deliver a superior quality experience that serves the public interest and inspires our people. With bright minds, effective processes, and world-class technologies we aim to deliver an impact beyond expectations. We excel in taking a holistic approach to Audit & Assurance by delivering on five key strengths: a level of quality beyond expectations, an open culture that stimulates meaningful dialogue, a multi-disciplinary model for nurturing inclusive thinking, upholding responsibility for all we deliver, and finally, being digital and technology-driven to ensure that we are pushing ourselves to keep innovating.'

> 'We live in a 'zero trust' world. As Deloitte, we aim to provide trust, to the colleagues working at Deloitte, to our clients and to all our stakeholders. I believe being connected is key.'
>
> - Rob Bergmans, Busines Leader Audit & Assurance

What are your priorities for the upcoming year?

From an outside-in perspective, I see the Environmental, Social and Governance (ESG) criteria as a key priority for the upcoming years, supporting our clients in establishing their ESG-frameworks and the related reporting. Either helping them strengthen their framework, or by assuring their external reporting. From an inside-out perspective, we are a people-driven business and our business is growing. Our focus is on attracting, developing and retaining a wide range of experts.

Consulting

At Consulting, we aim to help solve our clients' most complex issues and help them to lead in the markets where they operate. By delivering strategy and implementation, from both a business and technology view.

Turnover in € million	Employees (FTE)	Partners
446.4 +37,9%	1,730 +14.0%	74 +5.7%

Erik Nanninga, our Business Leader Consulting, on value creation and the priorities for the upcoming year.

How does Consulting create value?

Most of our clients are facing transformations in what we refer to as 'Future of' themes: Food, Mobility, Health, and Energy. We think along with clients about what this future could look like, and support them being successful within that, all the way from strategy to execution. By collaborating strongly within our business and Deloitte as a whole, we are an attractive one-stop-shop for clients. Sustainability plays an important role, not only in every transformation we partner in, but also in the core of our own business. For example, we contribute to NorthH2, one of the largest green hydrogen projects, and other clients that support our 'Future of' agenda.

'Seeing our people and practice successfully develop and grow, is what makes me most excited. Our continued growth provides us with real scale, which gives us the opportunity to deepen our industry and technical expertise and support our clients to make an even bigger impact.'

- Erik Nanninga, Business Leader Consulting

What are your priorities for the coming year?

We want to create an even more purpose-led business and help clients accelerate their impact on society's challenges. Strategy-led transformations on executive and boardroom level will be a top priority. We'll engage our talent by offering impactful client work, a strong coaching and learning environment, and by continuous development of a diverse practice, amongst other in gender, nationality and sexual preference. Learning and development will also be high on the agenda, with the Deloitte University opening in Paris (see also page 138).

Financial Advisory

At Financial Advisory, we aim to support our clients with the financial aspect of complex issues by offering end-to-end advisory solutions to help unlock and preserve value in mergers and acquisitions, restructuring, investigations and disputes.

Turnover in € million	Employees (FTE)	Partners
135.1 +26.7%	462 +13.2%	35 +9.4%

Dagmar Enklaar, our Business Leader Financial Advisory, on value creation and the priorities for the upcoming year.

How does Financial Advisory create value?

We add value by bringing high-quality expertise in areas the client does not have in-house. A great example in the field of sustainability is our work on the NorthH2 project. We are helping to develop business cases to realise the largest green hydrogen project in Europe. It's exciting to work on such an impactful project. After all, green hydrogen will enable the 'hard to abate' sectors to reduce their carbon footprint.

> 'Equality is what drives me. A diverse and inclusive team that can work together optimally in a safe environment is what I strive for. For me, that is the beginning of being a successful business.'

- Dagmar Enklaar, Business Leader Financial Advisory

What are your priorities for the coming year?

We intend to deepen our expertise in all industries, expand our capabilities in every service line and invest in societal themes. These include sustainability, smart cities, cross-industry ecosystems, sustainable business models and purpose. We expect the high demand for our M&A services to continue and see growth opportunities in the dynamic Real Estate market related for instance to sustainable cities and infrastructure. In Forensic & Financial Crime, we will continue to lead the way in AML, AML Tech and investigations. And in Benefits & Pension Advisory, we are expanding our services with reward strategy advice. Last but not least, keeping people motivated, attracting and retaining talent and fostering an inclusive and diverse workplace will remain a key focus.

Risk Advisory

At Risk Advisory, we aim to help clients to build trust, security and resilience to thrive and become more responsible businesses by supporting them to grow in a sustainable way, balancing the needs of all stakeholders.

Turnover in € million	Employees (FTE)	Partners
170.5 +24.4%	880 +27.0%	32 +3,2%

Harvey Christopher, our Business Leader Risk Advisory, on value creation and the priorities for the upcoming year.

How does Risk Advisory create value?

Our added value is around helping our clients to become more responsible businesses. By investing in world-class capabilities and assets and by managing risks in a responsible way or sustainability risk and reporting. We differentiate ourselves by being purpose-led and having talent that is really proud of their impact. Whether it is in the field of cyber and responsible digital transformation, responsible regulatory compliance and risk modelling, responsible use of data, or responsible cloud and technology modernisation.

'The increase in diverse talent we now have, united in the impact we have together for our clients, is something I really enjoy. We are becoming more balanced in aspects such as gender, culture, nationality. An important step in creating an environment in which quality and opportunity thrive.'

- Harvey Christophers, Business Leader Risk Advisory

What are your priorities for the coming year?

Becoming more sustainable and assessing the impact of key sustainability topics like climate and biodiversity change which is a top priority, for us and for our clients. In addition, it's a challenge for organisations to become more digital, whilst doing that in a responsible way. Operation system security and data ethics are related topics that have come up in the past years and that will remain important topics for our clients in the years to come.

But I expect our focus will also be on how companies respond to the Ukraine crisis with sanctions, new cyber threats and new reputational risks, and how businesses respond to the associated economic challenges as well.

Tax & Legal

At Tax & Legal, we aim to be the transformation partner for our clients. By working side-by-side with them, connecting them with expertise, capabilities, technology and innovative ideas and by bringing legal advice, strategy and technology together to develop innovative solutions and create value.

Turnover in € million	Employees (FTE)	Partners
238.7 +13.8%	935 +13.2%	55 -5.2%

Willem Blom, our Business Leader Tax & Legal, on value creation and the priorities for the upcoming year.

How does Tax & Legal create value?

We strive to be a transformation partner for our clients. We support clients to achieve their sustainability goals by helping them understand and apply the regulations relating to their business. Taxes are very important to keep society running and we are proud that we can contribute to the effective operation of tax authorities. We give input on new laws and share our ideas on the future of Tax & Legal: for instance, how taxes can be applied to more social themes. Through the Deloitte Impact Foundation, we create value on broader social themes by providing pro bono fiscal expertise to support the activities of The Ocean Cleanup, among other things. We are also an active partner of Capabuild, the organisation that helps tax authorities in developing countries to work more efficiently.

'Helping to finance societal progress with innovative and sustainable tax solutions, my goal is to create diverse teams that aim to lead clients through a sustainably successful transformation.'

- Willem Blom, Business Leader Tax & Legal

What are your priorities for the coming year?

Like our clients, a key challenge is to attract and retain talent. We will continue to offer an inclusive and diverse culture and opportunities to work on transformational projects such as the big global trend of Pillar Two. Implementation of this new legislation (which introduces a minimum effective tax rate of at least 15 per cent) requires extensive knowledge not just of tax and legal issues but also data and technology.

Support

At Support (Group Support Centre), we aim to take care of supporting processes in an efficient and effective way so that our practitioners can fully focus on their client work and adding value to our strategy execution.

Turnover in € million		Employees (FTE)		Partners	
1.1	-80.9%	866	-2.1%	5	-37.5%

Oscar Snijders, our COO and Support Leader (GSC), on value creation and the priorities for the upcoming year.

How does the Support Organisation create value?

We create value by being professionals for professionals. Our goal is to provide the best possible service to internal and external clients. And, given the rising complexity of service and quality requirements, we need to pick up our pace. Which is why we started the GSC 2.0 change programme last year. We discuss change topics regularly, challenging each other on how to work better together or how we can take the next step in an innovative way. A great example is the hybrid meeting floor pilot, which also attracted interest from other organisations wanting to learn from our experience.

The Deloitte Impact Foundation team, which is also based in the Support Organisation, enables our employees to use their knowledge and expertise to make an impact on society. For instance, following a huge flow of good ideas relating to the Ukraine conflict, some Deloitte assistants joined a work pool to support the Ukrainian embassy, which had almost no staff. They helped to manage the mailbox, to accommodate refugees in a holiday park and arrange telephones. A commitment we can all be proud of.'

'Looking at the high workload and uncertainties caused by world events, I am extremely proud of the commitment and flexibility of our people. The resilience to deal with all the changes is enormous.'

- Oscar Snijders, Chief Operations Officer

What are your priorities for the coming year?

Every major cultural change takes time so our focus will be on the GSC 2.0 programme. Other priorities are the integration with other NSE countries and the introduction of new systems for client and engagement acceptance as well as talent processes, and state-of-the-art tooling. And, of course, attracting and retaining talent and ensuring the well-being of our people. After two years of working from home, it's crucial to create the space to meet in person again and fuel the team spirit.

Consumer

Within the Consumer Industry, we are committed to creating winning strategies in the following sectors: Automotive, Consumer Products, Retail, and Transportation, Hospitality & Services. Our mission is to use proprietary data and judgement to help clients get closer to consumers.

Dominique van Seggelen, our Consumer Industry Leader, on value creation and the priorities for the upcoming year.

How does the Consumer Industry create value?
We create value by combining our knowledge, experience and capabilities, and by connecting services that reinforce each other to provide a tailor-made answer to the questions of our clients. Our strength is supporting our clients end-to-end and direct-to-consumer. And by working together with our clients as partners, we become successful.

'Our clients do not often ask for integrated services, but we know that this is exactly what they need. Making them look back on a major transformation with great satisfaction, is what drives me.'

- Dominique van Seggelen, Industry Leader Consumer

What are your priorities for the coming year?
We have seen so many worldwide disruptions, and what they have taught us is that welfare depends on the consumer. If they are willing to invest, our economy will continue to run. So digital capabilities, strong communication, excellent branding and good marketing and sales are important. In the coming year, we focus on our Customer and Marketing services.

Another priority is to support clients to become more responsible businesses. As a consumer myself, I would be proud to see more green and sustainable products.

Energy, Resources & Industrials

Within the Energy, Resources & Industrials (ER&I) industry, we are committed to provide comprehensive, integrated solutions to the energy sector. With our in-depth expertise in energy and resources, we help a significant number of the world's energy companies.

Eric Vennix, our Energy, Resources & Industrials Industry Leader, on value creation and the priorities for the upcoming year.

How does Energy, Resources & Industrials create value?

From the discussions we have with our clients, it's clear that the Future of Energy and the energy transition are important topics. There is increased investor and regulatory pressure and changing customer demand, and a growing realisation that there is a need to transform business models to remain relevant and competitive.

We add value by helping our clients with this transformation. We help Gasunie with transforming the gas infrastructure to hydrogen, and for the largest green hydrogen project in Europe, NorthH2, we carry out a comprehensive feasibility study to lay the foundations for a viable green hydrogen economy. At a societal level, we add value by working on a Marshall plan, together with our Deloitte Impact Foundation, that allows us to support society thrive in the Future of Energy.

'The fact that we were able to help our clients thrive in uncertain times, assisting them with their decarbonisation ambitions makes me confident that we are on the right path.'

- Eric Vennix, Industry Leader Energy, Resources & Industrials

What are your priorities for the coming year?

I expect that our focus will be on possible solutions for the impact of emission reduction goals on an organisation's valuations, operations, employees and markets. The risks of the transitions include depressed asset values, stranded assets and changing market demand. But we have also gone from a demand collapse during the pandemic to a supply shock caused by the war in Ukraine. These are serious tests of the energy systems in transition.

And with the energy transition at full speed, our national security of supply is under increasing pressure leading to a higher dependency on the import of energy. Together with the liberalisation of the energy market, placing the responsibility for security of supply on market players. Technology and digital will become key and I expect to see an increased demand for our services here.

Financial Services Industry

Within the Financial Services Industry (FSI), we aim to provide comprehensive integrated solutions to the banking and capital markets, insurance, and investment management sectors.

Pieter Hofman, our Financial Services Industry Leader, on value creation and the priorities for the upcoming year.

How does Financial Services create value?

'In all our projects we want to make a difference. Working with clients to not only answer their questions but also to go one step further with rethink and design. Asking: how can we make things better? How can we support the further development of the financial sector? How can we help to improve the overall financial health of society, enabling people to live a better life? We have become a market leader because of our in-depth client knowledge. We bring the best expertise we have to each project, in a multidisciplinary way providing our clients insights to solve complex issues they are facing. And of course, we evaluate our work asking our clients if we really have made an impact, allowing us to improve ourselves again and again.'

> 'Transaction Monitoring Netherlands is a project I am really proud of, helping banks make a next step in their journey to prevent money laundering. It is my ambition to make an impact together.'
>
> - Pieter Hofman, Industry Leader Financial Services

What are your priorities for the coming year?

Two ongoing priorities for our financial services clients are far-reaching digitisation powered by data and compliance issues relating to KYC (Know Your Customer) procedures. Sustainability will be a key topic with multiple dimensions which go beyond compliance with new laws and regulations. Clients are asking: how can we become a sustainable and responsible business ourselves? How can we support our clients in larger ecosystems? And what initiatives can banks, pension funds or insurers invest in to help accelerate sustainability developments like the energy transition, Future of Mobility, improving financial health or making homes more sustainable?

Government & Public Services

Within the Government and Public Services (G&PS), we are committed to think about the complex issues facing the public sector and improving public outcomes through our focus on people and by developing relevant, timely and sustainable solutions for our clients.

Sjoerd van der Smissen, our G&PS leader since May 2022, together with his predecessor (Rob Dubbeldeman) on value creation and the priorities for the upcoming year.

How does Government & Public Sector create value?

Rob: Our work creates value not only for our immediate clients but also for society. If we work on a project to improve the accessibility of an inner city, our client is the city authority, but our results benefit the city's residents. And when we work for a hospital, ultimately the patients will benefit. Connecting for impact is what drives us to work in this domain.

Sjoerd: We create value by delivering quality in helping our clients tackle their biggest issues, varying from (cyber) safety, health(care), responsible tax and trust. This enables us to make a positive impact on society.

'Being a good and welcoming employer, where everybody feels at home, is what I strive for. Together we can help the public sector, and thus the Netherlands, to tackle societal challenges more efficiently and effectively.'

- Sjoerd van der Smissen, Industry Leader Government & Public Sector

What are your priorities for the coming year?

Sjoerd: The public sector is facing various challenges. First, the sector must increasingly be able to find quick solutions to social issues during a crisis. Second, there is an urgent demand for digitalisation to improve services and workforce composition. Third, sustainability is a major task and a challenge for everyone. And the fourth challenge is redefining government and government spending. We will continue to share our knowledge, skills and best practice from our international network and connect to the 'Future of' themes, Health, Safety and Mobility.

Technology, Media & Telecommunications

Within the Technology, Media & Telecommunications (TMT) industry, we are committed to help shaping some of the world's most recognised TMT brands and helping companies of all shapes and sizes to thrive in a digital world by bringing together one of the world's largest pools of deep industry experts of which our Dutch colleagues are a valuable part.

Michel Vreedeveld, our Technology, Media & Telecommunications Industry Leader, on value creation and the priorities for the upcoming year.

How does Technology, Media & Telecommunications create value?

We work with our clients to help them address their most impactful challenges. And we are guiding our clients to face the tough challenges to build a more sustainable business. In Telecommunications and Technology, for instance, data centers consume large amounts of energy. We help our clients in transparent reporting on energy consumption and emissions. We provide impact studies, and support our clients in moving their data and operations to the cloud, with cloud providers that are already making their data centers more sustainable.

Our clients in Technology, Media & Telecommunications were especially affected by the global COVID-19 pandemic, some in a positive sense, others less so. For instance, in Media & Entertainment, cinemas and theaters came to a halt while Digital Entertainment thrived as consumers turned en masse to video-on-demand and streaming services. And because everyone was meeting online, data traffic grew strongly. We supported our Telecommunication clients to further automate their customer service, and these continuing needs for automation and digital optimisation are triggering far-reaching business transformations.

> 'Our planet is on fire and we have a big responsibility in guiding our clients towards a more sustainable business. Making an impact in co-development with our clients, is something that hugely inspires me.'
>
> - Michel Vreedeveld, Industry Leader TMT

What are your priorities for the coming year?

The digital transformation, which is continuing and accelerating fast, remains our top priority. The impact technology has on our industry and their consumers, is huge. Robotics, process automation and AI will increasingly influence our society. That is why we feel alliance partnerships are important. A perfect example is our partnership with Vodafone, in which we enable greater access to healthcare across Europe, using smart technology. We want to be purpose-led and contribute to a better society, challenge our people and help our clients move forward.

Deloitte Private

At Deloitte Private, we support non-listed private companies, family-owned businesses and individuals with a wide range of accountancy, tax and other businesses services.

Ton van Abeelen, our Deloitte Private Leader, on value creation and the priorities for the upcoming year.

How does Deloitte Private add value?

By working together between businesses and industries, we offer our private clients a wide range of services. Our vision is to be the number one provider of professional services in the private market by building long-term relationships with leading private companies and their owners, to profitably grow our market share while never compromising on quality. With a deep understanding of their business and of the private sector, we are providing valuable insights and guidance to address today's challenges and tomorrow's opportunities.

'Seeing our young talent develop, is what energises me. And doing what we are good at, helping our clients through complexity, growth, succession and transformation to ensure ongoing prosperity and societal good.'

- Ton van Abeelen, Industry Leader Deloitte Private

What are your priorities for the upcoming year?

If we look at our strategy, we are on track with the development of young talent, our business growth and profitability. So our focus for the upcoming year is on our multidisciplinary delivery model. We want to move forward and accelerate on how we work together cross-business and cross-industry.

Roles and Responsibilities

Deloitte NSE LLP (Deloitte NSE) is a member firm of Deloitte Touche Tohmatsu Limited (DTTL), a United Kingdom (UK) private company limited by guarantee. Deloitte NSE, with affiliates in 28 countries across Europe and the Middle East, is not engaged in professional practice itself. All trading continues through local country practices, including the practices of Deloitte Netherlands.

Deloitte Netherlands is the Dutch Affiliate of Deloitte NSE and Deloitte NSE No2 CLG, a legal entity according to Irish law. Both are members of Coöperatief Deloitte U.A. ('the Cooperative'), Deloitte NSE No2 CLG having a two-thirds majority of the voting rights in the General Meeting. Deloitte Holding B.V. (Deloitte Holding), a 100% subsidiary of the Cooperative, is the centre of the governance structure of Deloitte Netherlands.

The Board of Deloitte NSE is primarily responsible for ensuring high-quality governance and stewardship of Deloitte NSE. The elected NSE Chief Executive Officer (CEO) leads the NSE Executive. The NSE CEO is accountable to the NSE Board to deliver on the agreed long-term strategy of Deloitte NSE. Deloitte Netherlands, as well as the other national practices within NSE, maintains a significant degree of marketplace, talent and operating independence. Importantly, our Strategy 2023 is also fully aligned with the overall NSE Strategy 2023.

The Dutch Corporate Governance Code and Audit legislation

Deloitte, as a non-listed company, is different from the companies for which the Dutch Corporate Governance Code ('the Code') is intended. However, on a voluntary basis and in addition to applicable Dutch civil law, Deloitte applies the principles of the Code where relevant and acts in the spirit of the Code. Some of the best practices mentioned in the Code either may not be applied in identical form within Deloitte, or are not suited to being applied, such as protective measures against takeovers, the certification of shares, the publication of price-sensitive information and the information supplied to and discussions held with parties in the financial markets. Furthermore, neither the Executive Board nor the Supervisory Board members are granted share options.

Deloitte's Articles of Association and rules and regulations contain the best practices of the Code where relevant and are fully in line with the applicable Audit legislation, such as the Wta and Bta.

General Meeting

The General Meeting of the Cooperative brings together all members: the entire partner community, Deloitte NSE and Deloitte NSE No2 CLG. The members of the Supervisory Board are also invited to attend the General Meeting. The company's annual results, long-term policy and certain other matters referred to in the Articles of Association require the approval of the General Meeting.

Supervisory Board composition

The Supervisory Board is composed of five members: Hans van der Noordaa (Chairman), Nienke Meijer (Vice-Chair), Bas Verhart, Vincent Moolenaar and Denise Larnder. All members are independent. The Supervisory Board has drawn up guidelines for its size and composition, considering the nature of the firm and the expertise and experience required of Supervisory Board members. This information is available on our website.

Hans van der Noordaa, Chairman of the Supervisory Board of Deloitte Netherlands is a (non-voting) Independent Non-Executive member of the NSE Board. The Independent Non-Executive members of the NSE Board are remunerated for their role by Deloitte NSE.

Supervisory Board tasks and responsibilities

The Supervisory Board oversees and advises the daily policymakers of the Cooperative and Deloitte Accountants B.V., and supervises all general developments at Deloitte. The Supervisory Board is collectively responsible for the execution of its tasks and reports to the General Meeting. In fulfilling its duties, the Supervisory Board focuses on, among other things, the interests of the Audit firm and the public interest in ensuring the quality of statutory audits. The Supervisory Board always acts in the company's best interests, taking account of the relevant interests of all stakeholders.

The Supervisory Board is entrusted with the supervision of the policies and activities of the Executive Board and the daily policymakers of the Audit firm, inter alia in relation to the following: (i) Realisation of the company's objectives; (ii) Strategies pursued by the company and the risks involved; (iii) Design and implementation of internal risk management, quality and control systems; (iv) Quality, independence, integrity, ethics and other matters of public interest; (v) Deloitte's financial reporting process; and (vi) Deloitte's compliance with laws and regulations.

Supervisory Board committees

The Supervisory Board has formed three committees, each with its own rules of procedure: (i) Audit & Finance Committee; (ii) Quality, Integrity & Risk Committee and (iii) the Remuneration & Nomination Committee. The committees prepare the decision-making of, and frequently report to, the Supervisory Board.

Executive Board composition

The Executive Board is composed of three members: Hans Honig (CEO and Chair), Oscar Snijders (Chief Operating Officer) and Liesbeth Mol (Chief Quality Officer). Executive Board members are appointed for a period of four years and are eligible for re-appointment for a further period(s) of no more than four years.

Executive Board tasks and responsibilities

The Executive Board is responsible for, among other things, creating a strategic and policy framework and objectives, monitoring the implementation of policies and maintaining cohesion between the company's various businesses and service lines. The Executive Board reports to the Supervisory Board and to the General Meeting. Executive Board members are collectively responsible for leading and managing the company. The Executive Board acts in the company's best interest at all times when fulfilling its duties, considering the relevant interests of all stakeholders. It is responsible for observing relevant laws and regulations, managing the risks involved in the company's activities and overseeing its financial affairs.

Avoiding conflicts of interest

No member of the Executive Board takes part in discussions or decision-making processes that may give rise to a conflict of interest between the Board member and Deloitte. In such cases, Deloitte is normally represented by another person, who is appointed specifically for this purpose by the Supervisory Board. To our knowledge, no transactions involving any potential or real conflict of interest, as defined by the Code, took place in 2021/2022.

Executive Committee

The Executive Committee (ExCo) supports the Executive Board and has a role in the preparation and implementation of decisions taken by the Executive Board. The Committee structure is flexible in order to meet the changing needs of the organisation. On May 31, 2022, the Executive Committee consisted of 18 members (4 women, 14 men), reflecting our present operating structure.

Partnership Council

The Executive Board, with the approval of the Supervisory Board, has appointed a Partnership Council that consists of five partners. The Partnership Council is charged with giving support and advice to the Supervisory Board in the broadest sense of the word. The Partnership Council can give solicited and unsolicited advice in support of the Supervisory Board. The chairman of the Supervisory Board can decide to invite (a delegation of) the Partnership Council to (partially) attend meetings and other discussions of the Supervisory Board.

Report of the Supervisory Board

The Supervisory Board is pleased to presents its report for the Financial Year 2021/2022. In this report you will find more information about the Supervisory Board, its composition, the organisation and overview of its most important activities. It also contains the SB's Committee reports.

Financial Year 2021/2022 has been tragically overshadowed by the war in Ukraine, with devastating and sad consequences for the local population and Ukrainian Deloitte colleagues. It was heartwarming to see how Deloitte responded to this crisis, with projects and various initiatives. The firm itself also faced several challenges, in a year that was once again dominated by the COVID-19 crisis, with for example measures that were put in place by the government. A year in which Deloitte was also confronted with an ever-increasing shortage on the labour market, which encourages the firm to accelerate its search for alternative talent solutions. The rising inflation will be monitored and is another topic that forces the firm to respond. And challenges with regard to climate change require the firm to step up as a responsible business and proactively take the lead as transformation partner of clients. Important items that will remain high on the agenda going forward.

Despite these challenges, Financial Year 2021/2022 turns out to be a successful year financially. It makes us proud that clients continue to put their trust in Deloitte. That is a big compliment to all Deloitters, who have been and continue to be committed to helping clients, in the last over 2 years, in challenging circumstances. The Supervisory Board is grateful for their flexibility, resilience and dedication.

In this financial year, both Jacqueline Rijsdijk and Frans Eelkman Rooda have stepped down as Supervisory Board members, after 8 years of service. The firm owes them a big thank you for their dedicated work and advice. During their term, the firm has grown and changed significantly, and realised a step up in quality, succession management and inclusion & diversity, important items that are close to their hearts. With the appointment of both Denise Larnder and Bas Verhart in October 2021, the Supervisory Board is at full strength. Both new members have gone through an in-depth onboarding and AFM suitability testing process.

About the Supervisory Board

The Supervisory Board supervises and advises the daily policymakers of the Cooperative and Deloitte Accountants B.V., and supervises all current affairs at Deloitte. The Supervisory Board is collectively responsible for the execution of its tasks and reports to the General Meeting. The Supervisory Board acts in the firm's, including the Audit firm's, best interests, taking account of the relevant interests of all stakeholders, and the public interest in ensuring the quality of statutory audits. For more information on the responsibilities of the Supervisory Board, reference is made to the Supervisory Board regulations, including Committee charters, which are published are published on the Deloitte website and the chapter 'Roles & responsibilities' that is included in this report.

Composition of the Supervisory Board

The Supervisory Board of Deloitte NL comprises five external members. All members of the Supervisory Board are also independent within the meaning of paragraph 2.1.8 of the Corporate Governance Code and article 22a.4 of the Wta. In the opinion of the Supervisory Board, all independence requirements of paragraphs 2.1.8 till 2.1.10 of the Code and the Wta/Bta were met during 2021/2022.

Name	Date of appointment	End of present term
Hans (H.) van der Noordaa (chairman)	April 2020	April 2024
Nienke (E.C.) Meijer (vice-chair)	July 2017	July 2025
Vincent (V.G.) Moolenaar	November 2016	November 2024
Bas (S.E.) Verhart	October 2021	October 2025
Denise (D.J.) Larnder	October 2021	October 2025

1 Both Jacqueline Rijsdijk and Frans Eelkman Rooda have stepped down as Supervisory Board member on September 6, 2021, after eight years of service.

2 Nienke Meijer has been appointed as vice chair of the Supervisory Board.

The Supervisory Board's profile is available on the Deloitte website .

Committees
The Supervisory Board has assigned, under its responsibility, a number of its specific tasks to three subcommittees (Committees), that – since October 2021 – are comprised of the following Supervisory Board members:

Audit & Finance Committee	Remuneration & Nomination Committee	Quality, Integrity & Risk Committee
Denise Larnder (Chair)	Nienke Meijer (Chair)	Vincent Moolenaar (Chair)
Vincent Moolenaar	Hans van der Noordaa	Hans van der Noordaa
	Bas Verhart	Nienke Meijer
		Denise Larnder
		Bas Verhart

** In this year, the SB decided to formally merge the former Selection & Nomination Committee and the Remuneration Committee into the Remuneration & Nomination Committee.*

Notable conclusions and recommendations of Committee meetings were reported to the Supervisory Board during the regular meetings of the Board.

Supervisory Board meetings
In the Financial Year 2021/2022, the Supervisory Board has held the following meetings:

- 13 Supervisory Board meetings, divided into 6 regular meetings that were focused on strategic themes and industry and business updates, 5 meeting that were focused on current affairs, compliance related matters and committee reports and 2 extra meetings
- 1 strategy meeting
- 2 education meetings
- 3 General meetings chaired
- 16 Committee meetings
- Attendance rate 96%

*The annual meeting between the Supervisory Board and the AFM is scheduled to take place in July 2022.

**3 General meetings have been chaired

In addition, the SB held meetings in private setting, and various meetings were held between individual Supervisory Board members and individual Executive Board members, Executive Committee members, the Compliance Officer Wta, the Chief Audit Executive (head Internal Audit Function), the external auditor, individual partners and professionals, the Works Council, Young professionals and the quartermasters who have been appointed by the Minister of Finance. All regular (Committee) meetings, that are held in presence of the Supervisory Board and Executive Board members and – in principle – two members of the Partnership Council and other invitees, are preceded by preparatory meetings with the appropriate executives, and the CEO and Chairman of the SB frequently interact. The SB members also join the partner update calls, which are used by the Executive Board to inform the partners on strategic developments. Given the importance of NSE, the SB had an extensive discussion with the NSE CEO Richard Houston, on the opportunities and challenges with regard to further development of NSE. The SB Chairman is also a (non-voting) independent Non-Executive member of the NSE Board, and provides feedback on NSE matters to the SB.

Most important Supervisory Board items on the agenda
Strategy 2023 | During 2021/2022, the Supervisory Board monitored the execution of strategy 2020/2023 in various ways: (i) by monitoring the progress based on the strategic KPI dashboard, (ii) by discussing challenges and key themes, like purpose, inclusion & diversity and sustainability and (iii) by having the annual 'zoom in' on the strategy performance and 'zoom out' session on the strategy. The SB also frequently interacted with Industry and Business Leads to monitor the execution of business strategies.

Crisis management | Looking back on the Financial Year 2021/2022, we are glad that government was able to lift the COVID-19 restrictions, which made it possible for many Deloitters to return to office, and now the firm is finding the right balance in the new hybrid way of working.
During the year, the Supervisory Board regularly discussed Deloitte's response to the devastating war in Ukraine, for example with regard to client / engagement continuance, risk management and supportive initiatives. With regard to the latter, Deloitte's response is heartwarming to see, with many initiatives aimed at helping Ukrainian and Russian colleagues and citizens. Overseeing the Executive Board's activities on risk management, client continuance and acceptance, IT security and the people agenda, will remain important topics on the Supervisory Board's agenda.

Audit Quality and the Future of Audit | The Supervisory Board has continued consistently and frequently to interact with Audit leadership and business about, for example, initiatives to further enhance quality, the System of Quality Control, client acceptance and continuance, implementation of the global, risk based audit standards (ISQM1), the company culture and interaction with external regulators and stakeholders. Reference is also made to the report of the Quality, Integrity & Risk Committee.

Succession management | In October 2021, both Denise Larnder and Bas Verhart were appointed for four years as Supervisory Board members, following a binding nomination of the Supervisory Board and after conducting a careful selection and nomination process. Succession management has been further intensified, aimed at identifying and developing future leaders of the firm.

Future of professional services | In the Financial Year 2021/2022 the Supervisory Board and Executive Board have talked about the aspirations and ambitions of the firm, where to play and what capabilities are needed. This has led to various follow up discussions, for example about alternative talent solutions, retention of Deloitters and recruitment of new people, and a discussion with the NSE CEO about his vision for the future and Deloitte's strategy on the operate business. The Supervisory Board also had discussions about the NSE systems integration, the IT landscape and internal projects and will monitor these closely.

Independence | Deloitte Netherlands leadership reinforces the approach to personal independence, as compliance with independence laws and regulations is of great importance to the Deloitte firm. The Supervisory Board has and will continue to challenge the Executive Board on this approach and the personal independence testing results.

Learning | With the increased complexity of for example the IT landscape, new business models and developments in a broad range of areas that the Supervisory Board oversees, the SB considers it of key importance to put time and effort in education. This year, several educational sessions took place outside regular meetings, including sessions focused on Cyber & security risks and ESG reporting. This initiative will continue in the new Financial Year.

Other important agenda items of the Supervisory Board | Besides recurring corporate topics such as the approval of Deloitte's Financial Plan and the Plan for Deloitte Accountants B.V., the Integrated Annual Report and financial/business and industry updates, other important agenda items for the Supervisory Board include: (i) Ethics & integrity, (ii) the transparency report of Deloitte Accountants, (iii) the brand and marketing strategy, (iv) acquisitions, (v) AFM reports and (vi) lessons learned with regard to the internal complaints procedure.

Most important Supervisory Board decisions
In Financial Year 2021/2022 the Supervisory Board has taken several decisions, some of which are recurring topics on the agenda, for example:

- Approval of Deloitte's Integrated Annual report, which also contains the financial statements, and the profit appropriation to the partners;
- Nomination of BDO for re-appointment as external auditor after a careful evaluation process, and approval of the engagement and fee letter;
- The Internal Audit Plan for 2021/2022;
- The financial plan of Deloitte NL group for 2022/2023, and approval of the budget of Deloitte Accountants B.V., after in depth discussion in the Audit & Finance Committee and Supervisory Board meetings;
- The decision of the Executive Board regarding the year end assessment of the Compliance officer Wta.
- The objectives of the Executive Board for 2021/2022.

In addition to these recurring topics, the most important decisions of the SB were to:

- Approve the resolution of the EB to appoint 11 candidates as director with authority to sign off on (statutory) audit engagements;
- Amend the SB regulations, to accommodate the merger of the Remuneration and Selection & Nomination Committee;
- Amend the Supervisory Board profile, after evaluation and in anticipation of the appointment of two new SB members;
- To approve the decision of the EB to update the Partner remuneration policy, following the new Employee Value Proposition for personnel last year;
- To amend the remuneration policy of the Executive Board members to create more transparency and predictability in the SB's decision-making with regard to setting the amount of the EB's fixed and variable remuneration;
- Review of the remuneration for the EB members, leading to an increase in the fixed remuneration and annual determination of the variable remuneration within the bandwidth as prescribed by the Audit regulatory framework.

Annual self-evaluation of the Supervisory Board
In September 2021, both Jacqueline Rijsdijk and Frans Eelkman Rooda stepped down as SB members. Denise Larnder and Bas Verhart were appointed in October 2021. In preparation for these appointments, the SB thoroughly evaluated the desired profile, composition and competencies of the Supervisory Board.

Lessons learned, especially relating to the oversight on the Audit firm have also been evaluated in a separate SB meeting. Since the appointment of Denise Larnder and Bas Verhart, all SB members are part of the Quality, Integrity & Risk Committee, therefore spending more time on key Quality and risk management topics in presence of all SB members. Overall, the SB members are satisfied with the new approach of the QIRC (see below), frequency of meetings, information provision and depth of discussions. In 2022/2023 the SB will seek a good balance between live and remote sessions, will set clear priorities for discussion, also regarding its supervision on the Audit firm, and will periodically monitor progress on KPIs of the EB in the separate SB Committees.

Due to COVID-19 and the appointment of two new SB members in this Financial Year, the performance evaluation of the SB has been postponed. A team meeting with internal support has been scheduled in July 2022, also to improve further the collaboration, to identify individual profiles and preferred styles and select priorities for 2022/2023 and beyond. At the end of Financial Year 2022/2023 the Supervisory Board will evaluate its collective performance, and individual performance of each member, with external support.

Annual performance evaluation Executive Board and Audit management
In accordance with relevant legislation, the Supervisory Board has also evaluated the performance of the Executive Board and the daily policymakers of Deloitte Accountants B.V. in 2021/2022. The Remuneration & Nomination Committee of the Supervisory Board has held two sessions i.e. mid-term and year-end with each member of the Executive Board regarding their individual performance and long term and short-term objectives. The Supervisory Board has also evaluated the performance of the Business Lead Audit & Assurance and NPPD Audit and provided feedback.

Highlights of the work of the Audit & Finance Committee during 2021/2022
The Audit & Finance Committee (A&FC) assists the Supervisory Board in fulfilling its oversight responsibilities regarding the quality of internal and external reporting, financial risk management, the control framework, internal audit, engagement with the external auditor, financing and tax. In doing so, it considers the outcome of internal audits, the audit report of the external auditor and assessments of compliance with applicable laws and regulations.

The A&FC held five regular meetings during 2021/2022, in presence of the A&FC members, the COO and CFO, two partners of BDO, the Risk & Reputation Lead, the Chief Audit Executive, one member of the Partnership Council and various members of Deloitte's Finance team. The AFC chair had additional informal and preparatory meetings with the COO and CFO, the Chief Audit Executive and BDO. The A&FC also met in a private setting with (i) the Chief Audit Executive and (ii) the external auditor.

In addition to the above, work of the A&FC was focused on, among other things:

- Set-up of Audit Quality Indicators for the external auditor;
- The Medium term outlook;
- Lessons learned from the SWIFT implementation;

- The materiality assessment of the Integrated Annual report;
- Updates on large transformation projects, Work in Progress, tax, liquidity management and an increase of the credit facility;
- Execution of this year's IAF plan, discussions about and monitoring internal audit report findings, recommendations, management's responses, including their implementation;
- Regular updates on the in control statement;
- Consideration of reliance on and assurance over NSE and Global systems.

Highlights of the work of the Quality, Integrity & Risk Committee during 2021/2022
The Quality, Integrity & Risk Committee (QIRC) assists the Board in fulfilling its oversight responsibilities regarding quality, integrity and risk management of the Executive Board. Within this scope, the QIRC discusses the principal strategic, operational, financial and compliance risks that the firm expects to be exposed to and the steps taken by management to mitigate those risks. It does so, based on reports of, among others, the Risk and Reputation Lead, key risk owners, the Compliance Officer Wta, the Director of Independence, the Ethics officer and General Counsel.

In Financial Year 2021/2022 the QIRC has changed the agenda set-up, to create more balanced attention to Audit on the one hand with selected deep dives and updates, and Advisory on the other hand, with the introduction of a separate live meeting in 2022/2023 in the presence of all Business Leads and Business Risk Leads of the Advisory businesses with special focus on delivery risks.

In 2021/2022 the QIRC, in presence of the QIRC members, the Chief Quality Officer, Risk & Reputation Lead, the Business Lead Audit and NPPD Audit for Audit related topics, two members of the Partnership Council and other invitees, held five regular meetings. Key highlights include:

- Audit Quality |Besides a regular update on Audit initiatives and progress on the Audit Quality Plan, the QIRC thoroughly discussed, among other matters, the Culture program, the ISQM1 implementation, Deloitte's client continuance process and portfolio risk review, cross border client acceptance, the annual audit of the System of Quality Control, evaluation of the conditional malus policy, the outcome of Partner and Director Year End evaluations, and Future of Audit selected priorities;
- Several businesses provided in-depth quality, integrity and risk management updates;
- The Committee discussed litigation and risk management cases, and lessons learned from, amongst others, the Steinhoff case;
- The QIRC discussed the process and update and monitored developments regarding Deloitte's Enterprise Risk Framework. Risks that are associated with the following topics were discussed: Multi Disciplinary Model, Talent, Confidentiality, privacy and security, and Public Interest. Portfolio management, including client acceptance and portfolio risk review of the Deloitte NL group were important agenda items too;
- The QIRC also discussed and received updates about confidentiality, privacy, security, business continuity management, ethics and independence.

Highlights of the work of the Remuneration & Nomination Committee during 2021/2022
The Remuneration & Nomination Committee (RNC) was established in October 2021, after the formal merger of the former Selection & Nomination Committee and the Remuneration Committee. The RNC advises the EB on the remuneration policy for partners and employees of Deloitte Netherlands, and prepares the SB's decision making on amendments to the remuneration policy of partners and employees of the Audit firm. The RNC also supports the Supervisory Board in decisions regarding the remuneration of the Executive Board members, including an assessment of their individual performance. Based on Audit legislation, decisions of the Executive Board regarding the remuneration of daily policymakers of the Audit firm are subject to approval of the Supervisory Board as well. In addition to the three Executive Board members, who are also daily policymaker of Deloitte Accountants B.V., this also concerns the two other statutory board members of Deloitte Accountants B.V.: the BL Audit & Assurance and the NPPD Audit. The RNC is furthermore responsible for preparing the selection and nomination by the Supervisory Board of new members of the Executive Board, daily policymakers of Deloitte Accountants B.V. and the Supervisory Board itself.

Up to and including September 2021, the Selection and Nomination Committee and the Remuneration Committee both have held two meetings. From October 2021 onwards, the RNC has held two regular meetings during 2020/2021, in presence of the RNC members, CEO, the CHRO and two members of the Partnership Council. The work was focused on, among other things:

- The annual and marginal review/test of the partner mapping process;

- Succession management, partner performance management, leadership development and the partner life cycle;

- Supervisory Board succession of two new SB members;
- Amendments to the remuneration policy of the EB members, and adjustment to the level of their fixed and variable remuneration;
- Executive Board and ExCo succession management, and succession management focused on Audit leadership, and key Audit roles;
- Audit leadership profiles and application of the remuneration policy within the Audit practice;
- (Preparation of) MY and YE conversations of the EB members.

Profile of the members of the Supervisory Board

Hans van der Noordaa (1961)
Member since 2020

Hans van der Noordaa has many years of (national and international) experience as a banker and insurer. He was CEO of Delta Lloyd (2015-2017) and was previously a member of the Executive Board of ING Bank and a member of the Executive Board of ING Group.

External positions and activities:

- Chairman of the Supervisory Board of War Child
- Member of the Advisory Board of Change Group OÜ
- Chairman of the Supervisory Board of the Johan Cruijff Arena
- Member of the Supervisory Board of Health [e] Foundation

Vincent G. Moolenaar (1963)
Member since 2016

Since November 1, 2016, Vincent Moolenaar has been a member of the Supervisory Board of Deloitte Netherlands. He has worked at Shell in various Commercial and General Management positions, including the position of Vice President Internal Audit for five years. In addition, he worked at Ahold as Chief Audit Executive from 2010 to late 2015 and from 2015 to late 2018 as Global Integration Program Leader of the merger of Ahold and Delhaize.

External positions and activities

- Chairman Supervisory Board 'Indentiteitsvoorzieningen & Digitalisering Notariaat Holding B.V.'
- Member Supervisory Board of 'Stichting Slachtofferhulp Nederland'
- Member Supervisory Board 'Stichting Museum Slot Loevestein'
- Member Supervisory Board of 'Stichting ProDemos'
- Council ('Raad') of the Corporate Chamber ('Ondernemingskamer') of the Amsterdam Court
- Member of the Advisory Board of the European Leadership Platform
- Member national selection committee for judges (LSR)
- Chairman Advisory Board 'Institute of Internal Auditors Netherlands'
- Board member 'alumni association Nyenrode New Board Program'
- Chairman Supervisory Board 'Stichting Reward Value'
- Chairman of the Program Board of the 'Executive Master Internal Audit' at the University of Amsterdam
- Auditor at the NVZD
- 'Day' Chairman Nyenrode Supervisory Board member cycle
- Coach at NGL International B.V.
- Chairman Supervisory Board Inkubis B.V.

Nienke Meijer (1965)
Member since 2017

Since July 1, 2017, Nienke Meijer has been a member of the Supervisory Board of Deloitte Netherlands. Nienke Meijer has extensive (management) experience in the areas of strategy development, innovation/digitalisation, human capital and media. She has worked at (a.o.) Wegener, 'Eindhovens Dagblad' and 'Dagblad de Limburger' in several senior management positions. In December 2019, Nienke Meijer has stepped down as Chair of the Executive Board of Fontys University.

External positions and activities:

- Member of the Supervisory Board of Post NL
- Member of the Board of Stichting Buitenboordmotor
- Member of the Board of Stichting de Volkskrant

Denise Larnder (1960)
Member since 2021

Denise Larnder has been a member of the Supervisory Board of Deloitte Netherlands since October 2021. Denise is a chartered accountant and is a fellow of the ICAEW. After a long career as an audit partner and external auditor at EY until December 2016, where she also held various management and quality roles, she made the definitive transition to being a Non-Executive Director. As an external auditor, she served various insurance companies and other highly regulated entities, acted as lead audit partner for the largest pension schemes, and engagement quality review partner for listed clients.

External positions and activities:

- Non-Executive Director Highway Insurance Company Limited
- Non-Executive Director Liverpool Victoria General Insurance Group Limited and LVI Company Limited
- Non-Executive Director Allianz (UK) Limited, Allianz Holdings Plc and Allianz Insurance Plc
- Member of the Governing Body University of Greenwich

Bas Verhart (1972)
Member since 2021

Bas Verhart has been a member of the Supervisory Board of Deloitte Netherlands since October 2021. Bas has many years of experience as an entrepreneur, mostly focused on the cutting edge of digital and media, and is (co-)founder of, among others, THNK School of Creative Leadership, Media Republic and DFFRNT. He is also the founder and initiator of various social initiatives, including The Green Challenge. Bas started in various Non-Executive Board roles from an early age and is (or has been) a member of various Advisory Boards. He was a member of the Innovation Platform and the Amsterdam Economic Board. Bas also acts as a keynote speaker. In the past he did this at the Amsterdam Global CEO Event, the Stanford Global Innovation Leadership Program and the World Future Trends Conference.

External positions and activities:

- Board member of DFFRNT
- Board member of Stichting Rare Earth

Risk management

As in previous years, our Business Continuity capabilities enabled us to respond adequately and navigate through the crises we had to face. In our responses we applied strict guiding principles to safeguard the safety of our people and enable our business to operate as normal as possible. In 2021/2022, we had to deal with continuous changing measures regarding COVID-19. With our crisis management structure we were able to navigate the organisation and our people through this crisis and maintain focus on the guiding principles. Also we have embedded the hybrid working model in our current office policies and will maintain the benefits of hybrid working for our people and clients.

The invasion of Ukraine by Russia in February 2022 was another significant event for Deloitte. Following the start of the war, significant sanctions were imposed on Russia by the US, UK and EU. Together with our NSE organisation, we established a crisis management structure to evaluate our compliance with all sanctions and the impact these sanctions had on our client base. Based on the sanctions imposed on Russia, we evaluated our client and engagement portfolio. For this we established a Special Review Committee with the task and authority to take decisions on accepting or continuing engagements that are potentially effected by the sanctions and the situation in Ukraine. In these decisions we not only took into account the strict impact of sanctions, but also we evaluated whether we wanted to continue engagements due to links with Russia. It is not only about 'can we do it', but also about 'do we want to do it'. Deloitte NL has not violated any of the sanctions and we also review ongoing client engagements in light of our risk appetite and values.

Deloitte NL has not violated any of the sanctions and we also review ongoing client engagements in light of our risk appetite and values.

Both the Russia/Ukraine war and the COVID-19 pandemic proved that intelligent risk management supported by mature incident response capabilities enables us to respond in case of unforeseen events and is key to sustaining performance.

Governance

Risk governance is embedded in our overall governance structure. The primary responsibility for identifying and managing risks, both internal and external, resides with line management, the Executive Committee and ultimately the Executive Board, with oversight from our Supervisory Board. In the annual risk workshop, our Executive Committee and Board refresh our risk profile and appoint risk owners for our priority risks. Risk owners are subsequently asked to implement robust risk mitigating plans and periodically report on the progress of risk mitigating activities. The Risk & Reputation Leader (RRL), who reports to the Chief Quality Officer, has day-to-day responsibility for the overall system of quality control for Risk Management and Reporting. As part of this responsibility the RRL oversees the Enterprise Risk Framework and corresponding risk and control system through, among other measures, periodic meetings with the individual risk owners to discuss and review mitigations.

On an annual basis, the Executive Board evaluates the performance of and acknowledges its overall accountability for the effectiveness of the risk and control system through an internal in-control statement. To substantiate the evaluation, the Board obtains input from line management, the RRL and the internal auditor, who assesses the key elements of the risk and control system. The Executive Board also considers the findings and reporting of the external auditor on the functioning of internal controls as part of their annual audit engagement.

Activities in 2021/2022

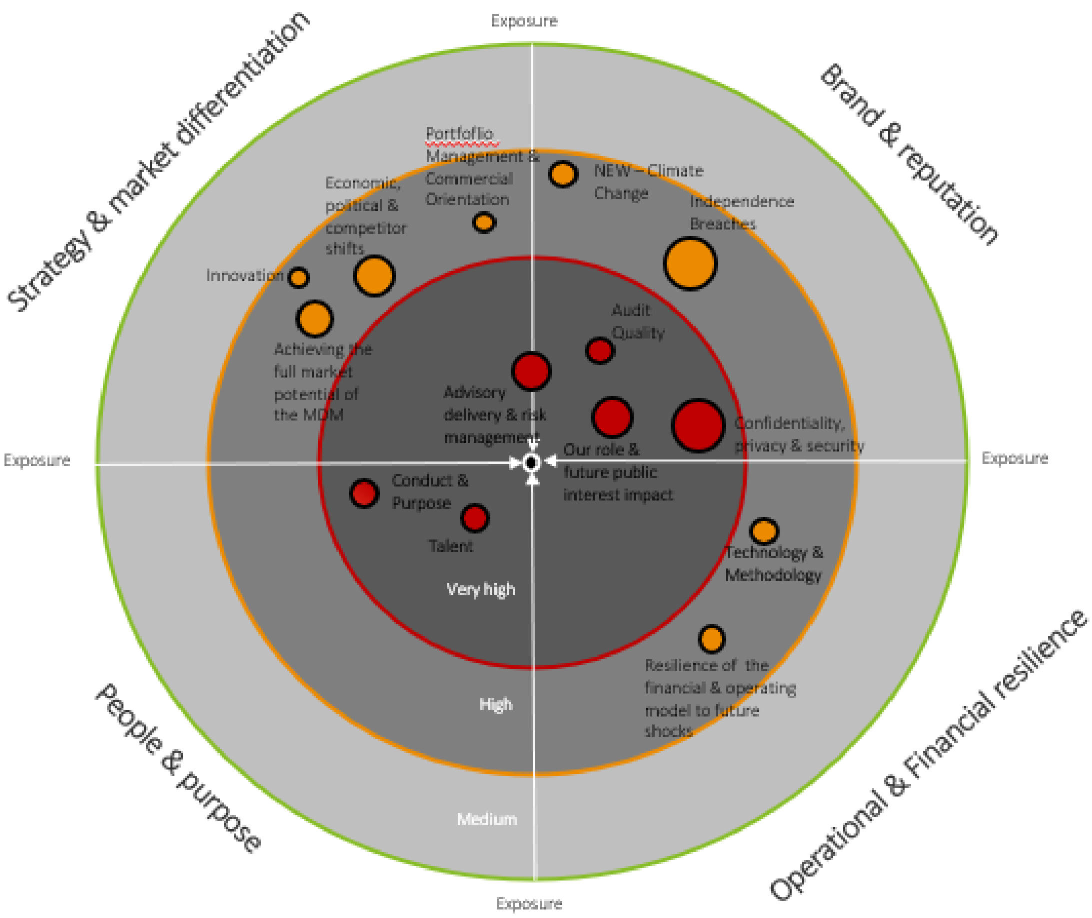
During the creation of the 2023 Strategy, risks have been assessed and mapped to our Ambition. Our Enterprise Risk Framework (ERF) is fully aligned with NSE, supplemented with specific NL risks, and supports us in the delivery of our Ambition. We identify, assess, prioritise, manage and monitor Enterprise-Wide Business Risks on an ongoing basis.

Late in 2021 the update of the NSE Enterprise Risk Framework was approved by the NSE Executive. Early in 2022, interviews with the NL Executive Board and members of the NL Executive Committee were conducted in order to validate the changes in the NSE ERF and to collect their perspective and key concerns with respect to the Dutch 2023 choices and ambitions.

Based on the input received, we were able to update all the risks in our ERF. During the discussions with our leadership, several themes were mentioned as top of mind. These 'top of mind' themes were translated into risk drivers for existing priority business risks and will be discussed in detail during the anticipated ExCo Risk Workshop later in 2022, ensuring a shared understanding and vision, and alignment on current and required mitigation.

The reputational risk of failing to achieve our net zero targets for climate change has been elevated to a priority risk having previously been a component of the Purpose risk. Other dimensions of climate change are included as components of the risks through which they will be managed: sustainability services (Client Portfolio and the MDM); business resilience (Confidentiality, privacy & security); our commitments, the "company we keep" and the impact on our people (Purpose, Public Interest, Client Portfolio, Conduct and People).
DTTL has performed a climate risk assessment for Deloitte in conformity with the standards as defined by the Taskforce for Climate Related Financial Disclosures. Their report is available on the Deloitte global website. Further details on our environmental and sustainability policies are included in Annex 2 of this report.

Priority Risk
The risk universe of DTTL Global Risk and the topics from dialogues with our Leadership represent the main risks of our risk universe. They are also the input for the annual re-assessment of our risk profile, in the context of Strategy 2023 and our risk appetite. Resulting from the annual re-assessment, we have agreed on risks and opportunities related to our strategy (see the risk radar below). The current exposure (or residual risk) is the likelihood of a risk crystallising and its impact given current ability to mitigate that risk. It is assessed on a scale of 'low' (green) to 'high' (red) taking both residual impact and residual likelihood into account.



'Top of mind' themes, to be discussed in the anticipated 2022 ExCo Risk Workshop, are integrated in the risks presented in **bold**

The 'top of mind' themes (Talent, Quality in large and complex tech-enabled engagements, Operate, Public Interest and Increased dependency on implementation of DTTL technologies) are integrated in our risks as presented in bold in the risk radar. Most of the risks in which the themes have been integrated have the highest exposure.

In the following table, the six risks assessed with a very high exposure are displayed. The risks associated with the employment of financial instruments are described in note 5 of the Financial statements. Our position regarding the use of derivatives can be found in the Derivatives and Hedge Accounting section.

Risk	Risk description	Risk area*	Risk appetite**	Mitigating measures
Audit quality	Failure to prevent systemic or major failure of audit quality.	Strategic, Laws & regulations, Financial	Low: Deloitte is committed to high quality execution	Pages 142-143
Advisory delivery & risk management	Failure to prevent systemic or major failure of advisory quality.	Strategic, Operational	Low: Deloitte is committed to high quality execution	Pages 142-143
Conduct & purpose	Failure to establish, embed and sustain Purpose driven, inclusive and ethical culture.	Strategic, Operational	Low: Deloitte is committed to our Purpose and shared values and strives to limit ethical breaches	Pages 7-9, 21-22
Confidentiality, privacy & security	Failure to manage data security and privacy.	Operational, Laws & regulations	Low: Deloitte is committed to preventing, being prepared for and responding to breaches and data loss in a timely fashion	Pages 146-147
Our role & future public-interest impact	Failure to anticipate, adapt to and respond to external scrutiny, criticism and regulation.	Strategic, Operational	Low: Deloitte is committed to making an impact that matters on our clients and society	Pages 21-22, 34-38, 142-143,
Talent	Failure to attract, develop and retain high-performing and diverse professionals and world-class leaders; failure to deliver the resource models of the future.	Operational, Financial	Low: Deloitte is committed to employing top class personnel through agile talent models.	Pages 21-22, 134-141

*The risks in the table above can be categorised in more than one of the four impact areas that we identify (see the above risk radar). For the sake of simplicity, we have placed them in the category that we deem to be most appropriate.

**Risk appetite is operationally translated in KRIs to monitor exposure and act if needed.

In control

Our ERF helps us to maintain control, have the right information available, comply with applicable laws and regulations, and meet our own high-quality standards. Based on the entire system of quality controls, our Executive Board is able to state that:

1. The report provides sufficient insights into material failings in the effectiveness of the internal risk management and control systems;
2. The aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
3. Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
4. The report outlines the material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after its preparation.

Annex 1
Financial statements

Consolidated statement of profit or loss and other comprehensive income for the year ended May 31, 2022

In € thousands	Note		2021/2022		2020/2021
Revenue	2.2	**1,269,587**		**1,032,011**	
Other operating income	2.3	1,234		2,366	
Total operating income			**1,270,821**		**1,034,377**
Costs of subcontracted work and other external costs	2.4	254,663		150,879	
Salaries and social security charges	2.5	621,891		522,125	
Amortisation of intangible assets and depreciation of property, plant and equipment	4.6	48,673		47,247	
Other operating expenses	2.6	133,502		102,708	
Total operating expenses			**1,058,729**		**822,959**
Operating result			**212,092**		**211,418**
Financial income	5.3		606		1,243
Financial expenses	5.3		(11,130)		(10,375)
Result before taxation and management fee			**201,568**		**202,286**
Management fee and compensation members of Coöperatief Deloitte U.A.	2.8		(192,414)		(161,526)
Result before taxation and after management fee			**9,154**		**40,760**
Taxation on result of activities	7.1		(7,441)		(14,223)
Profit for the year			**1,713**		**26,537**
Item that may be reclassified subsequently to profit or loss					
Reclassification adjustment cash flow hedge reserve		2,282		433	
Foreign exchange differences on translation of foreign operations		(205)		122	
Net income tax related to adjustment cash flow hedge reserve		(578)		(19)	
Items that may not be reclassified subsequently to profit or loss					
Movement in net fair value on investments in equity instruments classified as at Fair Value Through OCI		0		95	
Total other comprehensive income, net of income tax			**1,499**		**631**
Total comprehensive income for the year			**3,212**		**27,168**

Consolidated statement of financial position at May 31, 2022 (before result appropriation)

Assets (In € thousands)	Note	May 31, 2022	May 31, 2021
Non-current assets			
Intangible assets	4.2	14,063	18,920
Property, plant and equipment - owned assets	4.3	47,660	53,896
Property, plant and equipment - right-of-use assets	4.4	156,855	169,497
Deferred tax assets	7.2	9,490	10,921
Investments	4.5	2,179	2,054
Other non-current assets	8.1	6,174	378
Total non-current assets		**236,421**	**255,666**
Current assets			
Unbilled services	3.2	152,252	120,908
Trade and other receivables	3.3	245,421	242,209
Cash and cash equivalents	5.2	23,810	44,350
Total current assets		**421,483**	**407,467**
Total assets		**657,904**	**663,133**

Equity and liabilities (in thousands)	Note	May 31, 2022	May 31, 2021
Equity		**(2,914)**	**(5,462)**
Non-current liabilities			
Membership capital	5.1	6,200	6,050
Interest-bearing loans and borrowings	5.2	124,956	136,604
Lease liabilities	4.4	139,737	155,266
Provisions	8.2	1,574	4,055
Derivative financial instruments	5.2	0	1,971
Deferred tax liabilities	7.2	1,402	1,263
Total non-current liabilities		**273,869**	**305,209**
Current liabilities			
Trade and other payables	3.4	343,638	294,555
Interest-bearing loans and borrowings	5.2	4,560	10,106
Lease liabilities	4.4	37,751	34,479
Provisions	8.2	1,000	24,246
Total current liabilities		**386,949**	**363,386**
Total liabilities		**660,818**	**668,595**
Total equity and liabilities		**657,904**	**663,133**

Consolidated statement of changes in equity for the year ended May 31, 2022

in € thousands	Note	Legal reserves	Other reserves	Cash flow hedge reserve	Result for the year	**Total**
Balance at June 1, 2020		545	(37,600)	(2,118)	6,606	(32,567)
Profit for the year		0	0	0	26,537	26,537
Movement other comprehensive income		122	95	414	0	631
Total comprehensive income for the year		122	95	414	26,537	27,168
Deemed distribution		0	(116)	0	0	(116)
Profit appropriation prior financial year		0	6,659	0	(6,606)	53
Movement capitalised costs	2.8	(205)	205	0	0	0
Balance at May 31, 2021		**462**	**(30,757)**	**(1,704)**	**26,537**	**(5,462)**
Profit for the year		0	0	0	1,713	1,713
Movement other comprehensive income		(205)	0	1,704	0	1,499
Total comprehensive income for the year		(205)	0	1,704	1,713	3,212
Deemed distribution		0	(368)	0	0	(368)
Profit appropriation prior financial year		0	26,241	0	(26,537)	(296)
Movement capitalised costs	2.8	(204)	204	0	0	0
Balance at May 31, 2022		**53**	**(4,680)**	**0**	**1,713**	**(2,914)**

Consolidated statement of cash flow for the year ended May 31, 2022

(Prepared using the indirect method)

in € thousands	Note	2021/2022	2020/2021
Cash flow generated from operating activities	2.7	**70,454**	**103,388**
Interest received		23	45
Interest paid		(8,017)	(7,275)
Interest paid on lease liabilities	5.3	(2,214)	(2,504)
Corporate income tax paid		(13,660)	(6,040)
		(23,868)	(15,774)
Net cash from operating activities		**46,586**	**87,614**
Net cash from investing activities			
Investments in intangible fixed assets	4.2	0	(5,533)
Purchase of property, plant and equipment	4.3	(8,943)	(4,311)
Proceeds on disposals of property, plant and equipment	4.3	563	295
Acquisition of subsidiary, net of cash acquired	4.1	(4,228)	(5,335)
Investments in other financial assets	8.1	(1,243)	(166)
Repayment of other financial assets	8.1	502	97
Cash flow from/(used in) investment activities		**(13,349)**	**(14,953)**
Net cash from financing activities			
Stichting Financiering Deloitte/Members:			
- Receipts subordinated loans	5.2	12,350	7,583
- Repayment of subordinated loans	5.2	(10,834)	(10,439)
Net cash inflow from members		**1,516**	**(2,856)**
Receipts from non-current liabilities	5.1	650	375
Payments to non-current liabilities	5.1	(600)	(525)
Repayment of lease liabilities	4.4	(33,603)	(39,709)
Repayment of other (interest-bearing) loans	5.2	(21,532)	(3,200)
Net cash from / (used in) financing activities		**(53,569)**	**(45,915)**
Net cash flow		**(20,332)**	**26,746**
Cash and cash equivalents at start of financial year		44,350	17,524
Movements in cash and cash equivalents		(20,332)	26,746
Effect of foreign exchange rate changes		(208)	80
Cash and cash equivalents at end of financial year	5.2	**23,810**	**44,350**

Notes to the consolidated financial statements for the year ended May 31, 2022

1. Basis of preparation

1.1 Basis of preparation

Reporting entity

Activities
Coöperatief Deloitte U.A. ("the Company") is a cooperative which has its registered office and its principal place of business in Rotterdam, Wilhelminakade 1, The Netherlands and is registered with the Chamber of Commerce with number 63086174. Coöperatief Deloitte U.A. is the direct parent of Deloitte Holding B.V. and its subsidiaries**.** The ultimate controlling party of the Company is Deloitte NSE LLP, a limited liability partnership registered in England and Wales. The activities of Coöperatief Deloitte U.A. and the companies in its group ("The Group") consist mainly of Audit & Assurance, Tax & Legal, Risk Advisory, Financial Advisory and Consulting, as well as other forms of professional services. These activities are conducted by and for the account of the respective Group companies of Coöperatief Deloitte U.A. and Deloitte Holding B.V. which acts as holding companies and do not themself conduct any activities in the field of professional services as referred to in the previous sentence.

International relationships

On June 1, 2017 Coöperatief Deloitte U.A. became a member of Deloitte North West Europe, Deloitte NWE LLP, a member firm of Deloitte Touche Tohmatsu Limited (DTTL) with six Geographies: Belgium, Ireland (joined June 1, 2018), the Netherlands, the Nordics (Denmark, Finland, Iceland, Norway and Sweden), Switzerland, and the United Kingdom. On June 1, 2019 Greece, Italy and Malta joined Deloitte North West Europe with the name changed to Deloitte North and South Europe, Deloitte NSE LLP. On June 1, 2020, Deloitte Middle East (DME) has officially become part of Deloitte NSE. Deloitte NSE LLP is a member of Coöperatief Deloitte U.A. As of 15 December 2020 Deloitte NSE No2 CLG became a member of Coöperatief Deloittte U.A. and holds 2/3 of the votes in the general meeting of Coöperatief Deloitte U.A. Deloitte NSE No2 CLG is a subsidiary of Deloitte NSE LLP. Deloitte NSE LLP is a member firm of Deloitte Touche Tohmatsu Limited (DTTL), a UK private company limited by guarantee. Each member firm provides services in a particular geographic area and is subject to the laws and professional regulations of the particular country or countries in which it operates. DTTL does not itself provide services to clients. DTTL and each DTTL member firm are separate and distinct legal entities, which cannot obligate each other. DTTL and each DTTL member firm are liable only for their own acts or omissions and not those of each other. Each DTTL member firm is structured differently in accordance with national laws, regulations, customary practice, and other factors, and may secure the provision of professional services in its territory through subsidiaries, affiliates, and/or other entities.

Group relationships

Coöperatief Deloitte U.A. is the direct parent of Deloitte Holding B.V. and its subsidiaries. In these consolidated financial statement Deloitte refers to Coöperatief Deloitte U.A. and its subsidiaries. For a list of subsidiaries required by article 2:379 of the Dutch Civil Code reference is made to the notes to the company balance sheet.

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the EU and the requirements of Title 9, Book 2 of the Dutch Civil Code.

Functional and presentation currency
The financial statements are presented in euros (€) which is the functional and presentation currency of the Group. All amounts in the financial statements are presented in thousands of euros rounded to the nearest thousand, unless stated otherwise.

Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis. Unless stated otherwise for financial instruments not carried at fair value the carrying amount is a reasonable approximate of the fair value.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Changes in accounting policies for 2021/2022
In the current year, the Group has applied amendments to IFRS Standards and Interpretations issued by the Board that are effective for the annual period under review. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Going concern
The Executive Board has assessed the going concern assumption as part the preparation of the financial statements based on the available financial information including budget and forecast information. The assessment included both solvency, cashflow and performance metrics.

Capital base

Acquiring control in May 2016 and the subsequent legal merger of Stichting InterNos had a negative impact of approximately €53 million on equity of Coöperatief Deloitte U.A.. As of financial year 2016/2017, the members have agreed to retain an amount of Coöperatief Deloitte U.A.'s earnings annually until such time that the equity reduction caused by the restructuring is recovered. The retention amount is €1,043 until May 31, 2026.

Including subordinated loans and membership capital, the positive capital base of the Group amounts to €125,117 (May 31, 2021 €118,448). The subordinated loans are directly linked to the number of partners and will continue for the duration of their partnership. As a consequence of the generally stable number of equity partners, the company does not expect a situation of a noteworthy net repayment of such loans in the coming years. The restructuring is a non-cash event and did not impact the liquidity of the Group. Deloitte Holding B.V. continues to have positive equity as a basis to distribute its earnings to Coöperatief Deloitte U.A. on an annual basis.

Cash flow and performance

The performance of the Group remained strong. Intelligent risk management supported by mature incident response capabilities created opportunities and enabled us to respond in case of unforeseen events such as the Covid-19 pandemic and the Russia Ukraine War, and is key to sustaining performance.

Based on our strategy, we offer diverse business and service offerings combined with integrated solutions for our clients across businesses. Furthermore, no events or conditions, including the potential adverse effects of the Russia-Ukraine War are expected to raise doubt about the ability of the Group to continue in operation throughout the next reporting period.

The cash generating ability of the Group based on past performance and future planned performance, continues to show sufficient cash generation capability and is expected to form a solid basis for distributing funds from Deloitte Holding B.V. to Coöperatief Deloitte U.A., and from Coöperatief Deloitte U.A. to its members. In financial years 2021/2022 and 2020/2021, Coöperatief Deloitte U.A. generated €239 million and €249 million respectively in net cash from operating activities before management fee / compensation, with approximately between €13 million (2021/2022) and €15 million (2020/2021) in annual investments.

Furthermore, we consider that the combination of our focus on working capital management, available credit facilities, and the ability to manage upfront partner management fee distributions, equips us to meet our obligations and continue as a going concern. During the year, the available credit facilities (€98M, excluding the additional accordion option in the agreement) were not used. We operate, and expect to operate within the limits of our covenants.

Conclusion

The Executive Board is confident about the future outlook for the Deloitte Netherlands Group. The financial statements are prepared applying the going concern assumption. Our financial statements state those material risks and uncertainties that are relevant to the expectation of the Group's continuity for the period of twelve months after the approval of this report by the Executive Board.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary starts when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The company financial statements of Coöperatief Deloitte U.A. are included in the financial statements. Accordingly, in accordance with article 2:402 of the Dutch Civil Code, the company financial statements only contain an abridged profit and loss account.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS9 Financial Instruments, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Foreign currencies
The functional currency of all entities within the Group is the euro, except for Deloitte Dutch Caribbean B.V. In preparing the financial statements of each individual group entity, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

The significant accounting policies are described in the relevant individual notes to the Consolidated financial statements or otherwise stated below.

Accounting policies, not attributable to a specific section
Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Financial assets

Financial assets are classified and subsequently measured at amortised cost, 'at fair value through profit or loss' (FVTPL) or 'at fair value through other comprehensive income' (FVOCI). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulations or convention in the marketplace.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category comprises the majority of the financial assets of the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Effective interest method

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

An allowance is recognised for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to be received, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months after the balance sheet date (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). A default situation occurs when a debtor fails to make full-payment within 30 days after the agreed due-date, unless the related receivable has been disputed. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities are classified and subsequently measured as either financial liabilities 'at FVTPL' or 'amortised cost'. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effective interest amortisation is included as finance costs in the statement of profit or loss.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash flow statement

The cash flow statement is prepared using the indirect method. Changes in balance sheet items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items have been eliminated for the purpose of preparing this statement. Assets and liabilities acquired as part of a business combination are included in investing activities (net of cash acquired). Dividends received are classified as operating activities. Interest paid is also included in operating activities.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of the Consolidated financial statements in conformity with IFRS requires the Executive Board to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates inherently contain a degree of uncertainty. Actual results may differ from these estimates under different assumptions or conditions. The Group evaluates these estimates and judgments on an ongoing basis and bases the estimates on historical experience, current and expected future outcomes, third-party evaluations and various other assumptions that the Executive Board believes are reasonable under the circumstances. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions if and when they occur. For further discussion on these judgments and estimates, reference is made to the respective notes within these consolidated financial statements.

Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

This includes:

- Identifying the performance obligation (note 2.2)
- Contingent fees (notes 2.2)
- Expected credit losses (note 3.3)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material judgement to the carrying amounts of assets and liabilities within the next financial year as well as to the disclosure of contingent liabilities.

- Timing of satisfaction of performance obligations (note 2.2)
- Professional liability provision (note 8.2)

Other areas with judgments and estimates

Other areas with judgments and estimates, but not key estimates,

- determining the incremental borrowing rate (see note 4.4)
- useful lives of (in)tangible assets (see note 4.6)
- impairments (see note 4.7),

Significant sources of estimation uncertainty

We no longer consider future COVID-19 developments as a significant source of estimation uncertainty.

Given uncertainties on further developments and consequences resulting from crisis in the Russia-Ukraine War, we consider future developments in this area not as a significant source of estimation uncertainty. The impact of this uncertainty mostly impacts our assessment of expected credit losses related to trade receivables and unbilled revenues.

2. Operational performance

2.1 Financial information per business

The businesses of the Group comprise Audit & Assurance, Tax & Legal, Consulting, Risk Advisory and Financial Advisory which engage in business activities for external clients and Support/Other which mainly provides internal services. All operating businesses operating results are reviewed regularly by the Executive Board to assess their performance for which there is discrete financial information available. Business results that are reported to the Executive Board include items directly attributable to a business. Corporate costs, such as cost of fixed assets, accommodation-, office-, IT- and innovation expenses are the responsibility of the Support/Other business and are allocated on a reasonable basis to the five businesses. The Group mainly operates in the Netherlands and the Caribbean business is not material to the Group, there is only one geographic business.

The pricing of transactions between the different businesses is determined in accordance with objective and commercial principles. There are no differences between the principles for the valuation of assets and liabilities in the financial statements and the business information. The Group voluntarily discloses information per business but does not apply IFRS 8.

2021/2022

in € thousands	Audit & Assurance	Tax & Legal	Consulting	Risk Advisory	Financial Advisory	Support & Other / Eliminations	Consolidated
Third party revenue	277,770	238,689	446,394	170,519	135,121	1,094	1,269,587
Intercompany revenue	26,623	13,061	44,297	18,160	42,896	(145,037)	0
Total revenue	304,393	251,750	490,691	188,679	178,017	(143,943)	1,269,587
Other income	0	0	0	0	0	1,234	1,234
Operating result	**27,766**	**44,467**	**74,947**	**17,128**	**42,464**	**5,320**	**212,092**
Share in result of nonconsolidated associated companies							0
Financial income and expenses							(10,524)
Management fee and compensation members Coöperatief Deloitte U.A.							(192,414)
Corporate income tax							(7,441)
Net result after taxation							**1,713**
Current assets	92,839	85,600	144,956	42,600	53,695	1,793	421,483
Non-current assets	937	1,132	7,510	5,348	0	219,315	234,242
Investments	0	20	0	0	0	2,159	2,179
Total assets	**93,776**	**86,752**	**152,466**	**47,948**	**53,695**	**223,267**	**657,904**
Current Liabilities	60,291	42,544	81,575	31,481	18,652	152,406	386,949
Non-current liabilities	962	3,724	879	26	0	143,322	148,913
Total equity / subordinated loans	32,523	40,484	70,012	16,441	35,043	(72,461)	122,042
Total liabilities and equity	**93,776**	**86,752**	**152,466**	**47,948**	**53,695**	**223,267**	**657,904**

2020/2021

in € thousands	Audit & Assurance	Tax & Legal	Consulting	Risk Advisory	Financial Advisory	Support & Other / Eliminations	Consolidated
Third party revenue	249,144	209,725	323,656	137,115	106,643	5,728	1,032,011
Intercompany revenue	18,735	7,299	34,315	6,130	27,301	(93,780)	0
Total revenue	267,879	217,024	357,971	143,245	133,944	(88,052)	1,032,011
Other income	0	0	0	0	0	2,366	2,366
Operating result	**31,394**	**45,029**	**81,296**	**17,732**	**33,346**	**2,621**	**211,418**
Share in result of nonconsolidated associated companies							0
Financial income and expenses							(9,132)
Management fee and compensation members Coöperatief Deloitte U.A.							(161,526)
Corporate income tax							(14,223)
Net result after taxation							**26,537**
Current assets	110,268	94,632	115,757	36,070	42,428	8,312	407,467
Non-current assets	937	937	3,909	5,388	49	242,392	253,612
Investments	0	20	0	0	0	2,034	2,054
Total assets	**111,205**	**95,589**	**119,666**	**41,458**	**42,477**	**252,738**	**663,133**
Current Liabilities	49,267	53,650	49,700	25,014	16,057	169,698	363,386
Non-current liabilities	26,293	238	766	33	0	160,019	187,349
Total equity / subordinated loans	35,645	41,701	69,200	16,411	26,420	(76,979)	112,398
Total liabilities and equity	**111,205**	**95,589**	**119,666**	**41,458**	**42,477**	**252,738**	**663,133**

2.2 Revenue

Accounting policies

Revenue recognition

The Group generates revenue primarily by delivering professional services to clients, with the types of services offered being similar within each of its services lines of Audit & Assurance, Risk Advisory, Tax & Legal, Consulting and Financial Advisory. Each service line offers a wide range of services and, when delivered to individual clients, these are almost always bespoke in nature. However the performance obligations tend to be consistent from client to client and the ones the Group most commonly satisfies are:

- External audit services
- Direct and indirect tax compliance services
- Technology solution design and implementation
- Reports on business or compliance issues
- Project management services

As a provider of professional services the Group generally does not have obligations for returns, refunds or other similar obligations, nor does it have warranties or other related obligations.

Revenue of services

The amount of consideration the Group receives varies both service to service and from client to client, reflecting the bespoke nature of the services the Group provides. The consideration typically reflects the skills and experience of the individuals who provide the services as well as the availability of similar skills and experience in the wider professional services market. These factors tend to vary from service line to service line. The consideration the Group receives is typically based on one or more of four principal pricing mechanisms:

- Time and material
- Fixed fee
- Contingent fee
- Transaction revenues

The Group adjusts its estimate of revenue throughout the contractual period of services, and for amounts which are variable, such as contingent fees, at the earlier of when the most likely amount of consideration the Group expects to receive changes or when the consideration becomes fixed.

Most of the Group's contractual arrangements comprise a single performance obligation. For those contractual arrangements that comprise multiple performance obligations, the transaction price is allocated on the basis of the relative estimated stand-alone selling price of each performance obligation. Other than for contingent fee arrangements which are constrained in accordance with the requirements of IFRS 15, in virtually all contracts the Group has an enforceable right to payment for services rendered and, given the bespoke nature of the services provided, recognises revenue over time as such services are rendered. The Group measures progress in satisfying the performance obligations as follows:

- For time and material arrangements, the Group is able to recognise revenue on the basis of time charged to date. This output method approach uses the practical expedient in IFRS 15 with the amount recognised as revenue reflecting the amount that the Group has the right to invoice to its customers.
- For fixed fee arrangements, the Group uses an input method based upon the value of the services (determined based upon the number of hours charged and the undiscounted hourly rates) charged to the engagement to date compared to the total expected inputs. Chargeable time for employees tends to be the most significant input and this is charged to individual contracts (and performance obligations) via timesheet reporting. Revenues are recognised as employee time is used to provide the services.
- Contingent fees are usually recognised when the contingency is resolved (refer to critical accounting judgements for further detail).
- Transaction related fees are priced on a "per unit" basis, such as data storage or data processing fees, and are typically recognised as the underlying transactions or usage take place, for the same reason as time and materials arrangements.

The Group typically invoices its customers monthly or quarterly in arrears, or for smaller projects at the end of the engagement, but payment terms do vary depending on the types of services being offered or for individual contractual agreements. When performance obligations have been satisfied, revenue is recognised and contract assets are simultaneously created. Contract liabilities represent amounts received for performance obligations which are not yet satisfied. The Group has determined that no significant financing component exists in respect of its professional services as the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Costs to obtain or fulfil a contract

Certain costs of obtaining a contract are capitalised where the Group would not have incurred those costs if the contract had not been obtained (incremental costs). This would typically be when up-front costs are incurred at contract inception that generate or enhance resources of the Group that will enable the Group to deliver services over the lifetime of the contract. Such amounts are not material for the Group.

Key accounting estimates and judgments

Identifying the performance obligation

Determining the number of performance obligations in the contractual arrangements with the Group's customers sometimes involves judgement. Whilst the Group's contractual arrangements often contain extensive details in relation to the services to be provided, in many cases these are considered to comprise a single performance obligation. Even when multiple deliverables are to be provided to a customer these are often judged to be a single performance obligation either because there is a significant service of integration performed by the Group in delivering these services or because the services represent a series of substantially similar services all recognised over time (for example, the provision of multiple internal audit reports under an internal outsourcing contract). If performance obligations were determined differently, then this could affect both the timing and extent of revenue recognised in a financial period. Where we are delivering multiple performance obligations, these are often delivered at the same time, so the determination of what performance obligations exists has limited practical impact on the accounting for revenue.

Contingent fees

The Group provides various services where the amount of consideration is dependent upon the outcome of the services provided; for example, tax claims and corporate finance services. The uncertainty around the fees ultimately receivable under these arrangements is generally only fully resolved when a matter is concluded. Where the Group has sufficient historical experience with similar contracts in order to be able to estimate the expected outcome of a group of existing contracts reliably, revenue is estimated using the expected value method. Fees are only included in revenue to the extent that it is highly probable that the cumulative amount of revenue recognised in respect of a contract at the end of a reporting period will not be subject to a significant revenue reversal when a matter is concluded. If the Group accounted for contingent fees differently than this could occur in two ways, either that (a) the variable consideration constraint outlined in IFRS 15 should not be applied at all, or (b) that the constraint should be applied to all contingent fee engagements. In the case of scenario (a), this would result in the recognition of revenue over time, as work was performed, if it was considered that the services met one or more of the criteria for recognition over time. In the case of (b), this would result in the recognition of revenue once the uncertainty is fully resolved.

Timing of satisfaction of performance obligations

Revenue recognition requires the Group to estimate the expected results of current engagements based on an estimate of time and costs to be incurred, the estimate of expected additional billing on fixed fee projects and the assessment of and the collectability of unbilled amounts. For larger engagement this process is inherently complex.

Revenue from continuing operations

The following is an analysis of the Group's revenue for the year from continuing operations.

In € thousands	2021/2022	2020/2021
Audit & Assurance	277,770	249,144
Tax & Legal	238,689	209,725
Consulting	446,394	323,656
Risk Advisory	170,519	137,115
Financial Advisory	135,121	106,643
Support/Other	1,094	5,728
	1,269,587	**1,032,011**

Revenue is mainly realised in the Netherlands.

Remaining performance obligations

As at the year end date, there are contracts with customers where the Group has unsatisfied or partially unsatisfied performance obligations.

The majority of services performed by the Group are in respect of contracts with an expected duration of 1 year or less either because the services are expected to be provided within a 12 month period or because the customer and/or Deloitte has the right to terminate the contract without substantive penalty upon the delivery of written notice. For amounts arising from such contracts the Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about the remaining performance obligations. Contracts with a duration of more than one year does not exceed 0.5% of total revenues. This also applies to contracts where the amount recognised as revenue is based on the amount which the Group has the right to invoice.

2.3 Other operating income

The other operating income relates to income not comprising services to clients.

In € thousands	2021/2022	2020/2021
ICT hosting for external parties	1,176	2,249
Book results of disposed assets	58	117
	1,234	**2,366**

2.4 Costs of subcontracted work and other external costs

These are services and expenses directly attributable to engagements.

2.5 Personnel Expenses

Accounting policies

Retirement benefit costs and termination benefits

The Group has a defined contribution plan for all employees. Contributions payable to the pension plan administrator are recognised as an expense in the profit and loss account. Contributions payable or prepaid contributions as at year-end are recognised under current liabilities and accruals, and receivables and prepayments, respectively.

Short term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Personnel Expenses

In € thousands	2021/2022	2020/2021
Salaries [1]	468,929	396,607
Social security charges	58,321	53,884
Pension costs	31,493	27,909
Staff cars	32,070	25,839
Other personnel expenses	31,078	17,886
	621,891	**522,125**

1 Salaries contains €3,648 (2020/2021 €3,628) fixed compensation of the Board.

The cost of staff cars have been reclassified compared to last year. In prior year cost of staff cars were part of the operating costs. The reason for this reclassification is to align with management reporting. The reclassification in the prior year resulted in personnel expenses to increase with €25,839 and other operating expenses to decrease with €25,839.

Workforce

The average number of equity partners and employees working in the Group, in FTE, and broken down by activity:

	2021/2022				2020/2021			
	Equity partners	Fee Earners	Support staff	Total	Equity partners	Fee Earners	Support staff	Total
Audit & Assurance	55	1,615	52	1,722	55	1,546	43	1,644
Tax & Legal	55	906	29	990	58	812	14	884
Consulting	74	1,707	23	1,804	70	1,496	21	1,587
Risk Advisory	32	864	16	912	31	683	10	724
Financial Advisory	35	460	2	497	32	406	2	440
Support/Other	5	3	863	871	8	70	815	893
	256	**5,555**	**985**	**6,796**	**254**	**5,013**	**905**	**6,172**

2.6 Other operating expenses

Accounting policies

Expenses are decreases in assets, or increases in liabilities, that result in decreases in equity, other than those relating to distributions to holders of equity claims.

Other operating expenses

Other operating expenses are specified as follows:

In € thousands	2021/2022	2020/2021
Accommodation costs	12,801	12,641
International member firm fees	33,707	26,252
Office and IT costs	54,157	36,438
Other costs	32,837	27,377
	133,502	**102,708**

The cost of staff cars has been reclassified compared to last year. In prior year cost of staff cars were part of the operating costs. As of fiscal year 2021/2022 these costs are included in the personnel expenses (see note 2.5). The reason for this reclassification is to align with management reporting. The comparative figures have been adjusted accordingly.

In addition, a reclassification is made between other costs and office and IT costs in the comparative figures. The reason for the reclassification is to align with the management reporting. An amount of €28.713 has been reclassed between these categories.

2.7 Cash flow generated from operating activities

in € thousands	Note	2021/2022	2020/2021
Net cash from operating activities			
Profit for the year		1,713	26,537
Adjustments for:			
- Taxation on result of activities	7.1	7,441	14,223
- Financial income	5.3	(606)	(1,243)
- Financial expenses	5.3	11,130	10,375
- Depreciation and amortisation	4.6	14,283	12,833
- Depreciation of right-of-use assets	4.4	34,390	34,414
- Amortisation of non-current assets	8.1	0	595
- Results on disposal of property, plant and equipment	2.3	(58)	(117)
Cash flows before movements in working capital		**68,293**	**97,617**
Net foreign exchange (loss)/gain		(707)	989
Change in management fee/compensation members of Coöperatief Deloitte U.A.	3.4	(3,245)	15,640
Change in unbilled services and advance billings	3.2	(21,855)	(30,015)
Change in trade receivables	3.3	(24,766)	(13,491)
Change in trade payables	3.4	52,815	32,988
Decrease in provision	8.2	(81)	(340)
Cash flow generated from operating activities		**70,454**	**103,388**

2.8 Management fee and compensation members of Coöperatief Deloitte U.A.

The profit distribution is based on the Associate Agreement Deloitte as of June 1, 2017. The Cooperative will pay the members of the Cooperative a management fee and a final compensation excluding, an amount that is not distributed in order to supplement the negative equity of the Cooperative. For 2021/2022 the amount is €1.0 million (2020/2021: €26.7 million). The Group has a financial obligation to compensate partners pursuant to their Associate Agreement with the Group during the fiscal year and such amounts are recognised as an expense and not as an appropriation of profit. During the year a management fee was paid with a targeted range of 70%-80% of the total partner remuneration. A liability will be recognised, after deducting any amount already paid as management fee for the partner remuneration. If the amount already paid exceeds the amount to be paid, an asset is be recognised to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

In € thousands		2021/2022		2020/2021
Result before management fee and taxation		**201,568**		**202,286**
Deduction of profits for compensation of negative equity	1,043		26,715	
Movement legal reserve not payable to members	(204)		(205)	
Adjustments not payable to members [1]	874		27	
Proposed deduction of profits (Net result after taxation)		1,713		26,537
Corporate income tax		7,441		14,223
Available for distribution to members		**192,414**		**161,526**
Management fee (to be) distributed to members	174,691		142,482	
Compensation available for members	17,723		19,044	
		192,414		**161,526**
		0		**0**
Average number of members in fte [2]		253		251
Average management fee and earnings available for distribution per member (x €1,000)		761		644

1 Adjustments mainly relates to goodwill amortisation, and these differences between management accounts and IFRS will not be paid as compensation to members.

2 Members of the Executive Board receive a fixed compensation which is not included under management fee and compensation. For the management fee and transactions with related parties reference is also made to the accounting principles for determination of the result. The Group has transactions with the members for which the nature and scope are disclosed in the notes to the consolidated financial statements. Management fee and compensation paid in the financial year amounts €202,837 (2020/2021 €144,233).

3. Working capital

3.1 Changes in working capital

In € thousands	May 31, 2022	May 31, 2021
Movement in Unbilled services and advance billings to customers	31,344	38,658
Movement in Trade and other receivables	3,212	19,780
Movement in Trade and other payables	(49,083)	(68,060)
	(14,527)	**(9,622)**

3.2 Unbilled services and advance billings to customers

Accounting policies

Unbilled services

Unbilled services (contract assets) represent revenues recognised in satisfying performance obligations where the Group's right to consideration is conditional upon something other than the passage of time, such as our performance for other performance obligations being completed in accordance with the terms of the contract, or the final revenue amount being agreed with the customer prior to amounts being billed. These amounts will become unconditional when performance obligations are completed in accordance with the terms of the contract, or when the customer has agreed to the amount of final billings. These amounts will be billed to the customer in accordance with the agreed-upon contractual terms.

Advanced billings

Advanced billings (contract liabilities) arise when payments are received from customers in advance of the Group satisfying the performance obligations under the contract. These liabilities are extinguished and revenues recognised as (or when) the Group satisfies the performance obligations, which is normally within one year after balance date.

Key accounting estimates and judgments

Unbilled services and advance billings to customers are specified as follows:

In € thousands	May 31, 2022	May 31, 2021
Net unbilled services and advance billings to customers	106,136	84,004
Advance billings to customers (contract liabilities)	46,116	36,904
Unbilled services (contract assets)	**152,252**	**120,908**

Amounts are not yet billed and measured at expected realisable value and are neither past due nor impaired. Billing in excess of project revenue earned is included in trade and other payables. Compared to last year unbilled services and advance billing increased in line with the increased revenue.

During the year ended 31 May 2022 a substantial majority of the Group's €37 million recorded progress billings as at 31 May 2021 was recognised as revenue.

3.3 Trade and other receivables

Accounting policies

Trade Receivables

Trade receivables are recognised when the right to consideration becomes unconditional and an invoice to the customer is raised. The Group's customers, including member firms in the DTTL network, are required to settle invoices on invoice presentation or on such other date as is agreed in the engagement terms for that client. The Group's standard terms state that invoices are due for settlement 30 days after the invoice date and after this date invoices are considered past due. DTTL network firm transactions are non-interest bearing. The Group applies the simplified approach to recognise lifetime expected credit losses for its trade receivables and amounts due from customer as required or permitted by IFRS 9.

Key accounting estimates and judgments

Expected credit losses

The credit period of services rendered is between 14 and 90 days. No interest is charged on trade receivables. The Group has recognised an allowance for the Expected Credit Losses (ECL), for which a simplified approach has been used based on a lifetime expected loss for non-impaired items. The concentration of credit risk is limited to the fact that the customer base is large and unrelated. Given the current developments in the Russia-Ukraine War and impact thereof, the risk of default has slightly increased. For trade receivables we have limited relevant historical data and experience reflecting sufficiently the current conditions on which to base the estimate in the ECL matrix. Uncertain is what the duration of the negative consequences will be. To date, we have experienced a limited effect of the for trade receivables collections. Our existing collection policies enable us to closely monitor developments in our receivables. The billing and subsequent collection are still meeting our targets. We see no noteworthy developments in delayed payments or changes in credit limits. We have not added one or more additional scenarios to the existing scenarios. See note 5.4.2 on how the Group manages its credit risks.

Trade and other receivables

In € thousands	May 31, 2022	May 31, 2021
Accounts receivable	235,965	208,791
Other receivables, prepayments and accrued income	9,456	33,418
	245,421	**242,209**

Accounts receivable

Accounts receivable are generally payable between 14 and 90 days. The balance is shown net of allowance for doubtful debts:

In € thousands	May 31, 2022	May 31, 2021
Accounts receivable – gross	241,062	211,958
Allowance for doubtful debts	(5,097)	(3,167)
	235,965	**208,791**

The credit period of services rendered is between 14 and 90 days. No interest is charged on trade receivables. The Group has recognised an allowance for the Expected Credit Losses (ECL), for which a simplified approach has been used based on a lifetime expected loss for non-impaired items. The concentration of credit risk is limited to the fact that the customer base is large and unrelated.

The maximum exposure to credit risk of trade receivables and unbilled services at the reporting date is the carrying value thereof.

The movement in the allowance for doubtful debts during the reporting period is as follows:

In € thousands	2021/2022	2020/2021
Balance at the beginning of the year	3,167	3,235
Exchange rate differences	17	(38)
Amounts written-off during the year as uncollectible	(171)	(221)
Amounts recovered during the year	8	42
Movement in provision	2,076	149
	5,097	**3,167**

Ageing of past due and impaired accounts receivable as of the reporting date is as follows:

In € thousands	May 31, 2022 Gross receivable	Provision [1]	May 31, 2021 Gross receivable	Provision
Not past due	189,671	(740)	165,896	(216)
< 30 days	26,325	(551)	25,980	(119)
30-90 days	13,452	(462)	10,620	(145)
90-180 days	5,845	(454)	3,174	(228)
180-365 days	3,674	(1,574)	3,451	(996)
> 365 days	2,095	(1,316)	2,837	(1,463)
	241,062	**(5,097)**	**211,958**	**(3,167)**

1 Gross carrying amount includes individually credit impaired receivables of approximately €1.7 million which were excluded from the ECL rate calculation.

All of the above impairment losses relate to receivables arising from contracts with customers.

3.4 Trade and other payables

The specification of the trade and other payables is as follows:

In € thousands	May 31, 2022	May 31, 2021
Salaries and other personnel costs	109,983	86,481
Taxes and social security contributions	60,378	58,852
Trade payables	44,155	36,872
Management fees payable to members	46,042	51,890
Advance billings to customers	46,116	36,904
Pension liabilities	4	99
Other liabilities and accruals	36,960	23,457
	343,638	**294,555**

4. Investments

4.1 Acquisitions and business combinations

Accounting policies

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that represent ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interest' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS. When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Acquisitions during the year

During the year 2021/2022 the group has acquired three businesses that qualify as a business as defined in IFRS 3. The individual business combinations are immaterial for the group. All acquisitions are consulting related activities, in the field of ServiceNow implementations, pricing software and business integration.

Acquisition related costs were expensed in the current year. Assets and liabilities acquired have been recognised at fair value as at the acquisition date. The fair values matched the book values, and no additional intangibles were recognised.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

In € thousands	
Non-current assets	
Property, plant and equipment	99
Intangible assets	122
Current assets	
Trade and other receivables	1,550
Cash and cash equivalents	669
Current liabilities	
Trade and other payables	(83)
Other current liabilities	(953)
Total identifiable assets acquired and liabilities assumed	1,404
Goodwill	3,503
Total consideration	**4,907**

Satisfied by:

In € thousands	
Cash	4,907
Contingent consideration arrangement	0
Total consideration	**4,907**

Net cash outflow arising on acquisition:

In € thousands	
Cash consideration	4,907
Less: cash and cash equivalent balances acquired	(669)
Total consideration transferred	**4,238**

The acquisition agreements include contingent payments focussed on the retention of the sellers and key personnel. These payments are employee benefits and are not part of the consideration. These are recognized over time. The expenditure of this consideration will be incurred the next two fiscal years. The undiscounted amount of the contingent payment is estimated to be €1.2 million.

Of the goodwill total €2 million is not deductible for income tax purposes as these are related to share based acquisitions.

The acquired businesses were integrated directly after the acquisition date into existing business activities, hence no separate revenues and results attributable to the Group are recorded. If the acquisitions had been completed on the first day of the financial year, Group revenues for the year would have be an estimated €10.5 million and Group profit would have been €3 million before partner renumerations.

4.2 Intangible assets

Accounting policies

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Movement in intangible fixed assets

in € thousands	Goodwill	Other intangible assets	Assets under construction	**Total**
Cost	6,170	1,281	2,314	9,765
Accumulated amortisation and impairments	(387)	(245)	0	(632)
At June 1, 2020	**5,783**	**1,036**	**2,314**	**9,133**
Additions to business acquisitions	0	28	0	28
Additions	2,875	10,039	(2,314)	10,600
Fully depreciated	0	0	0	0
Accumulated amortisation fully depreciated	0	0	0	0
Amortisation	0	(841)	0	(841)
Impairment	0	0	0	0
Movement 2020/2021	**2,875**	**9,226**	**(2,314)**	**9,787**
Cost	9,045	11,348	0	20,393
Accumulated amortisation and impairments	(387)	(1,086)	0	(1,473)
At May 31, 2021	**8,658**	**10,262**	**0**	**18,920**
Reclassification cost [2]	0	(7,848)	0	(7,848)
Reclassification accumulated amortisation [2]	0	366	0	366
Additions to business acquisitions	0	122	0	122
Additions [1]	3,503	0	0	3,503
Amortisation	0	(1,000)	0	(1,000)
Movement 2021/2022	**3,503**	**(8,360)**	**0**	**(4,857)**
Cost	12,548	3,622	0	16,170
Accumulated amortisation and impairments	(387)	(1,720)	0	(2,107)
Book value as of May 31, 2022	**12,161**	**1,902**	**0**	**14,063**

1 Addition consists of investment related to acquisitions during the year.

2 Relates to the change in Accounting policy as explained below

Change in Accounting policy

The IFRS Interpretations Committee agenda decisions clarifying how arrangements in respect of a specific part of cloud technology, Software-as-a-Service (SaaS), should be accounted which the Group has adopted in 2021/2022. The adoption of the agenda decisions has result in a reclassification of part of the related intangible assets to prepaid assets (€5.5 million, see note 8.1) and recognition of the remainder as an expense (€1.9 million). In prior year the impact of the change was not reasonably estimable as the Group had to commence its assessment of the impact of the IFRIC agenda decision.

See note 4.7 impairments for the cash-generating-unit breakdown.

4.3 Property, plant and equipment

Accounting policies

Property, plant and equipment is valued at acquisition cost or production cost, less accumulated depreciation and, where applicable, impairment losses.

Fixed assets under construction are valued at production cost. Production cost comprises licensing costs, direct labour costs, expenditure on services from third parties and the attributable share of other operating costs. The present value of estimated future dismantling cost related to the contractual obligation to restore leased office buildings is recorded as part of the Right-of-Use assets and depreciated in a straight line over the term of the lease, with recognition of the liability as a provision.

Movements in property, plant and equipment

in € thousands	Leasehold improvements	Fixtures and fittings	Computer equipment	Assets under construction	**Total**
Cost	67,589	25,925	44,624	0	138,138
Accumulated depreciation	(36,416)	(15,207)	(27,100)	0	(78,723)
At June 1, 2020	**31,173**	**10,718**	**17,524**	**0**	**59,415**
Additions to business acquisitions	0	2	33	0	35
Exchange differences	(10)	(4)	(1)	0	(15)
Additions [1]	2,030	657	1,047	2,897	6,631
Disposals [2]	0	(2)	(771)	0	(773)
Accumulated depreciation on disposals	0	0	595	0	595
Depreciation	(4,435)	(1,797)	(5,760)	0	(11,992)
Movement 2020/2021	**(2,415)**	**(1,144)**	**(4,857)**	**2,897**	**(5,519)**
Cost	69,604	26,575	44,932	2,897	144,008
Accumulated depreciation	(40,846)	(17,001)	(32,265)	0	(90,112)
At May 31, 2021	**28,758**	**9,574**	**12,667**	**2,897**	**53,896**
Exchange differences	8	5	0	0	13
Additions [1]	356	250	7,224	(291)	7,539
Disposals [2]	0	(9)	(2,271)	0	(2,280)
Accumulated depreciation on disposals	0	7	1,768	0	1,775
Depreciation	(4,394)	(1,845)	(7,044)	0	(13,283)
Movement 2021/2022	**(4,030)**	**(1,592)**	**(323)**	**(291)**	**(6,236)**
Cost	69,980	26,826	49,885	2,606	149,297
Accumulated depreciation	(45,252)	(18,844)	(37,541)	0	(101,637)
Book value as of May 31, 2022	**24,728**	**7,982**	**12,344**	**2,606**	**47,660**

1 Of the additions €569 (2020/2021: €2,320)) is related to the movement in investments in property, plant and equipment not paid as per May 31.

2 The book value of the disposals together with the book results (see note 2.3) forms the gain of the disposals mentioned in the cash flow statement.

The Group has beneficial ownership of the leasehold improvements, fixtures and fittings but not legal ownership, Other fixed assets mainly relate to hardware and software.

4.4 Right-of-use assets and lease liabilities

Accounting policies

Leasing

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss. Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the profit or loss (see note 8).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient . For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

Movement in right-of-use assets and lease liabilities

in € thousands	Buildings	Vehicles	**Total**	**Liabilities**
Cost	156,521	49,880	206,401	
Accumulated depreciation	(19,543)	(15,195)	(34,738)	
At June 1, 2020	**136,978**	**34,685**	**171,663**	**163,277**
Additions	8,861	17,905	26,766	26,269
Remeasurements	3,447	2,216	5,663	5,663
Decrease of scope	0	(181)	(181)	(154)
Disposals	(2,302)	(2,683)	(4,985)	0
Accumulated depreciation on disposals	2,302	2,683	4,985	0
Depreciation	(18,685)	(15,729)	(34,414)	0
Unwinding interest	0	0	0	2,504
Payments	0	0	0	(42,214)
Payments in the following year	0	0	0	(79)
Movement 2020/2021	**(6,377)**	**4,211**	**(2,166)**	**(8,011)**
Cost	166,527	67,137	233,664	
Accumulated depreciation	(35,926)	(28,241)	(64,167)	
At May 31, 2021	**130,601**	**38,896**	**169,497**	**155,266**
Additions	8,086	16,100	24,186	23,954
Remeasurements	(2,856)	1,176	(1,680)	(1,813)
Decrease of scope	(586)	(172)	(758)	(797)
Disposals	(4,331)	(5,767)	(10,098)	0
Accumulated depreciation on disposals	4,330	5,768	10,098	0
Depreciation	(18,621)	(15,769)	(34,390)	0
Unwinding interest	0	0	0	2,214
Payments	0	0	0	(35,815)
Movement payments in the following year	0	0	0	(3,272)
Movement 2021/2022	**(13,978)**	**1,336**	**(12,642)**	**(15,529)**
Cost	166,840	78,474	245,314	
Accumulated depreciation	(50,217)	(38,242)	(88,459)	
Book value as of May 31, 2022	**116,623**	**40,232**	**156,855**	**139,737**

The weighted average incremental borrowing rate (IBR) applied to the lease liabilities was 1.24% (2020/2021: 1.28%).

Maturity profile

The remaining weighted average lease term was 6.1 years (2020/2021: 6.8 years). The undiscounted value of lease commitments amounts to €177 million (2020/2021: €190 million). The maturity is as shown below.

In € thousands	May 31, 2022	May 31, 2021
0-1 year	37,751	34,479
1-2 year	35,000	33,985
2-3 year	29,268	30,729
3-4 year	24,445	25,323
4-5 year	19,732	20,973
> 5 year	31,292	44,256
	177,488	**189,745**

For the off balance commitment for separate non-lease components please see note 8.3.

Lease-related amounts recognised income and expenses

In € thousands	2021/2022	2020/2021
Depreciation cost on right-of-use assets (included in Depreciation)	34,390	34,414
Interest cost on lease liabilities (included in Financial expenses)	2,042	2,532
Cost relating to variable lease payments not included in the measurement of the lease liability (included in Other costs)	519	1,184
Income from sub-leasing right-of-use assets (included in Accommodation costs)	(3,143)	(2,244)
	33,808	**35,886**

4.5 Investments

Accounting policies

Investments

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture.

Other investments are financial assets measured at fair value through OCI.

Movement of the investments

In € thousands	2021/2022	2020/2021
Book value as of June 1	2,054	2,000
Movements:		
Additions	493	50
Repayments	0	(91)
Deemed distribution to Deloitte NSE LLP	(368)	0
Increase in fair value during the year	0	95
Book value as of May 31	**2,179**	**2,054**

Related to the non-voting redeemable shares in Deloitte NSE Investments Limited ("DNSEI"), an NSE group entity the Group made additional contributions. The additional amount subscribed was €493. For the purposes of these financial statements, an amount of €368 was accounted for as a deemed distribution to Deloitte NSE LLP. The fair value of the current year's capital contribution relating to this equity instrument is €125.

The composition of the participating assets is as follows:

In € thousands	May 31, 2022	May 31, 2021
Joint Venture:		
Africa Talent by Deloitte (pty) ltd, South Africa (50%)	0	0
Other investments:		
Nautilus Indemnity Holdings Ltd, Bermuda (11.3%)	354	354
Deloitte European Support Services Ltd, England (5%)	20	20
EMEA Holdings S.a.r.l., Luxembourg (6.67%)	570	570
Deloitte NSE Investments Ltd, England (0%, non-voting shares)	1,180	1,055
Deloitte CIS Limited (11.8%) [1]	5	5
A-Technologies Holdings Limited, England (0.43%)	50	50
Deloitte University EMEA BVBA, Belgium (0.3%)	0	0
	2,179	**2,054**

1 Via a 29.41% participating interest in IHC Interposed Holding Company 1 SAS, established in France. This is a related party.

Africa Talent by Deloitte (pty) ltd (50%) is a joint venture with Deloitte South Africa. The entity is established January 12, 2022. Currently this entity is in its start-up phase. No capital has been paid as of May 31, 2022.

All minority interests are valued at fair value through other comprehensive income. In respect of the equity investment made in Deloitte NSE Investments Limited, a discounted cash flow valuation methodology was used to derive the fair value. This was based on an expected return of capital from the underlying project that NSE has invested in at an estimated future point in time. Consequently, this fair value measurement is a Level 3 within the fair value hierarchy as set out in IFRS 13.

4.6 Amortisation of intangible assets and depreciation of property, plant and equipment

Accounting policies

Amortisation of intangible assets

For intangible assets acquired separately and acquired in a business combination amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Category	Years
Goodwill	Not amortized
Other intangible assets	3 – 5
Intangibles under construction	Not amortized (yet)

Depreciation

Depreciation is based on the estimated useful life of the asset and calculated using the straight-line method based on the cost, taking account of any residual value. The assets starts to depreciate from the date the assets are ready for their intended use.

Category	Years
Leasehold, improvements	5-15
Fixtures and fittings	5-15
Computer equipment	2-15
Assets under construction	Not depreciated (yet)

In € thousands	2021/2022	2020/2021
Intangibles assets amortisation	1,000	841
Property, plant and equipment - owned assets:		
Depreciation	13,283	11,992
Property, plant and equipment - right of use assets:		
Depreciation	34,390	34,414
	48,673	**47,247**

4.7 Impairment tests and impairments

Accounting policies

Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Key accounting estimates and judgements

Goodwill

The recoverable amounts of these cash-generating units are determined based on value in use calculations which use the most recent historical cash flows and weighed average cost of capital of the Group as a basis. The cash generating units are relatively large compared to the allocated goodwill. The indefinite growth rate applied is -10.0% (2020/2021 -10.0%). We estimated the recoverable amounts by applying a discount rate of 20% (2020/2021 20%). As a result of analysis, the Executive Board recognised no impairments as of May 31, 2022 (May 31, 2021 €0). We have also performed a sensitivity analysis. The Executive Board assessed that no reasonably possible change in any of the above basis assumptions would cause the carrying values of the units to exceed their recoverable amounts.

Goodwill

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

In € thousands	May 31, 2022	May 31, 2021
Audit & Assurance - Audit Services	937	937
Tax & Legal - Business Tax	937	937
Consulting - Customer & Marketing	3,281	1,300
Consulting - Human Capital	2,609	2,609
Consulting - Enterprise Technology & Performance	1,522	0
Risk Advisory - Regulatory Risk	2,875	2,875
	12,161	**8,658**

No impairments of goodwill were recognised in 2021/2022 (2020/2021: €0).

Other intangible assets

Other intangible assets has been allocated for impairment testing purposes to the following cash generating units:

In € thousands	May 31, 2022	May 31, 2021
Risk Advisory - Regulatory Risk (customer relations and trademark)	1,587	2,172
Consulting - Customer & Marketing	98	0
Financial Advisory - Corporate Finance Advisory	0	49
	1,685	2,221
Risk Advisory - capitalised development costs software client related	136	340
Support - development software for internal use (ERP software)	81	7,701
	1,902	**10,262**

No impairments of other intangible assets were recognised in 2021/2022 (2020/2021: €0).

5. Capital management and financial risk management

The members A of Coöperatief Deloitte U.A. are private companies owned by holding companies of each individual partner. Under the Associate Agreement each member of Coöperatief Deloitte U.A. has placed (the workforce of) each partner at the disposal of Deloitte Holding B.V. and its Group companies in which the relevant professional activities for that partner are performed. Based on the revised Associate Agreement as of June 1, 2015 a management fee, which approximates 80% of the expected consolidated net amount of operational and financial income and expenses of Deloitte Holding B.V., is paid to the members of Coöperatief Deloitte U.A. through Stichting Financiering Deloitte. In accordance with the associate agreement, the Executive Board determines the level of the management fee, based on 70%-80% of the expected results, at the beginning of the financial year. The level of the management fee can be adjusted by the Executive Board if results deviate from the expected results.

In addition to the members' capital, members of Coöperatief Deloitte U.A. (and the previous shareholders of Deloitte Holding B.V.) provided subordinated loans to Stichting Financiering Deloitte. Loans subject to the Claw-Back Clause can be continued after the end of the Associate Agreement for the maximum of 6 years. Deloitte has implemented a Claw-Back scheme with a six year term for profit-sharing partners who serve as external auditors and are involved in statutory audit engagements. In case of a Claw-Back Event the amount accrued under the Claw-Back scheme is not paid out to the audit partner.

Payments of management fees by virtue of the Associate Agreement and other payments (with exception of distribution of profits) to members take place through Stichting Financiering Deloitte. Stichting Financiering Deloitte provides a subordinated loan to Coöperatief Deloitte U.A. The profile of this subordinated loan is ultimately equal to that of the subordinated loans provided by the individual members of Coöperatief Deloitte U.A. to Stichting Financiering Deloitte.
This loan is subordinated to all creditors and lender banks. Coöperatief Deloitte U.A. as shareholder of Deloitte Holding B.V. contributed €7 million (May 31, 2021: €13 million) into Deloitte Holding B.V. via an additional capital contribution, and a subordinated loan. These transactions between above entities are all non-cash transactions and settled in current account. Stichting Financiering Deloitte was established by the (former-) Deloitte partners, members of Coöperatief Deloitte U.A. as an entity to protect the interests of the members collectively from a financing perspective should a calamity arise that could affect the members.

The control over Stichting Financiering Deloitte lies with the members who amongst others have the right at all times to elect and dismiss its board members. Consequently, Stichting Financiering Deloitte is not controlled by the Group and therefore is not included in these consolidated financial statements.

The Group is not subject to any externally imposed capital requirements. Covenants are applied with regards to the bank loans, see note Bank loans.

5.1 Membership capital

Accounting policies

Upon termination of the membership of an equity partner, the Cooperative must redeem the balance of the membership capital within one month. The membership capital does not meet the conditions of IAS 32 paragraphs 16A and B. There is a contractual obligation of the Cooperative to redeem the balance of the membership capital. The membership capital includes a contractual obligation to deliver cash (management fee) to the members. And the membership capital cannot be considered the most subordinate class of issued financial instruments of the Group. Hence these membership capitals are puttable financial instruments which meet the definition of a financial liability.

The Group derecognises liabilities related to membership capital when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount and the consideration paid and payable is recognised in profit or loss.

Membership capital

Members who enter into an Associate Agreement with the Group are required to deposit a membership fee of € 25 per member. The membership fee will be repaid after ending the membership of the company.

In € thousands	May 31, 2022	May 31, 2021
Non-current liability	6,200	6,050
Current liability	225	325
	6,425	**6,375**

A summary of the movements in membership capital is presented below:

In € thousands	Total number of Members	Total members capital
Balance as of June 1, 2021		6,050
Repayments falling due within one year		325
Membership capital as of June 1, 2021	255	6,375
New memberships during the financial year	26	650
Retired memberships during the financial year	(24)	(600)
Membership capital as of May 31, 2022	257	6,425
Repayments falling due within one year		(225)
Balance as of May 31, 2022		**6,200**

5.2 Interest bearing loans and borrowings

Accounting policies

Loans and borrowings comprises the majority of financial liabilities of the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Loans and borrowings are derecognised when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

In € thousands	May 31, 2022	May 31, 2021
Non-current liabilities		
Subordinated loan Stichting Financiering Deloitte	121,831	117,860
Non-subordinated loan Stichting Financiering Deloitte	3,125	458
Bank loans	0	18,286
Total	**124,956**	**136,604**
Current-liabilities		
Subordinated loan Stichting Financiering Deloitte	4,104	6,560
Non-subordinated loan Stichting Financiering Deloitte	231	0
Bank loans	0	3,221
Total	**4,335**	**9,781**
Total Interest bearing loans and borrowings	**129,291**	**146,385**

The movements during the year of liabilities arising from finance activities are as follows:

In € thousands	Subordinated loans Stichting Financiering Deloitte	Non-subordinated loans Stichting Financiering Deloitte	Bank loans	Total
Balance June 1, 2021	124,420	458	21,507	146,385
Additional borrowing	12,350	2,898	0	15,248
Repayments	(10,835)	0	(21,532)	(32,367)
Repayments in the following year	(4,104)	(231)	0	(4,335)
Other non-cash changes	0	0	25	25
Balance as of May 31, 2022	**121,831**	**3,125**	**0**	**124,956**

In € thousands	Subordinated loans Stichting Financiering Deloitte	Non-subordinated loans Stichting Financiering Deloitte	Bank loans	Total
Balance June 1, 2020	127,733	0	24,660	152,393
Additions to business acquisitions	0	0	(63)	(63)
Additional borrowing	7,125	458	0	7,583
Repayments	(10,438)	0	(3,114)	(13,552)
Repayments in the following year	(6,560)	0	(3,221)	(9,781)
Other non-cash changes	0	0	24	24
Balance as of May 31, 2021	**117,860**	**458**	**18,286**	**136,604**

Subordinated loan Stichting Financiering Deloitte

Members who enter into an Associate Agreement with the Group are obliged to provide a subordinated loan of €0,475 million per member to Stichting Financiering Deloitte. In turn the foundation provides a subordinated loan for the same amount and under the same conditions to Coöperatief Deloitte U.A. On its turn Coöperatief Deloitte U.A. provides a subordinated loan for the same amount less share premium of €7 million (May 31, 2021: €13 million) and under the same conditions to Deloitte Holding B.V. The subordination relates to all third party creditors and banks. The loans are subordinated to all existing and future liabilities of the Group and, together with the Group equity, make up the capital base of the Group.

The interest paid is equal to a 3-month Euribor plus 4% with a minimum of 4% and a maximum of 8%. The loans are repaid at the termination of the Associate Agreement. The maturity date of these loans depends on joining and leaving of members and therefore cannot be expressed in years.

Non-subordinated loan Stichting Financiering Deloitte

In 2021/2022 some of the calculated Claw-Back Reserves of active partners exceeds the amount of €0,475 million. These partners provided a non-subordinated loan to Stichting Financiering Deloitte for the amount above the subordinated loan. In turn the foundation provides a non-subordinated loan for the same amount and under the same conditions to Coöperatief Deloitte U.A. On its turn Coöperatief Deloitte U.A. provides a non-subordinated loan for the same amount and under the same conditions to Deloitte Holding B.V. The interest paid is equal to a 3-month Euribor plus 4% with a minimum of 4% and a maximum of 8%. At the termination of the Associate Agreements these loans will been repaid within a six year term.

Bank loans

Deloitte Holding B.V.

Deloitte Holding B.V. has fully repaid the bank loans provided by ING Bank and Rabobank in 2021/2022. For more information on the loans and credit facilities, see Liquidity risk (note 5.4.3)

Deloitte Dutch Caribbean B.V.

Deloitte Dutch Caribbean B.V. has fully repaid the loan provided by MCB Bank N.V. in 2021/2022. The original maturity date was February 28, 2023.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks. Cash is at free disposal of the Group.

The Group did have no bank overdrafts as per May 31, 2022 (May 31, 2021: €0).

In € thousands	May 31, 2022	May 31, 2021
Cash and bank	23,810	44,350
	23,810	**44,350**

5.3 Net finance costs

The net finance cost comprises financial income and expenses, including the fair value change of derivatives at fair value through profit or loss.

Finance expenses mainly comprises interest expense calculated using the effective interest rate method, interest in respect of lease liabilities. Exchange gains and losses are respectively presented as expenses in the net finance cost.

In € thousands	2021/2022	2020/2021
Financial instruments measured at amortised cost:		
Interest income and similar income	24	45
Financial instruments measured at FVTPL:		
Change in fair value interest rate swaps	0	254
Other:		
Market value discount provisions	82	7
Reversal of impairment on financial assets [1]	500	0
Exchange differences	0	937
Financial income	**606**	**1,243**
Financial instruments measured at amortised cost:		
Interest paid and similar costs	(7,207)	(7,251)
Interest paid on lease liabilities	(2,042)	(2,532)
Change in fair value interest rate swaps	(1,174)	0
Other:		
Impairment losses on financial assets [1]	0	(592)
Exchange differences	(707)	0
Financial Expense	**(11,130)**	**(10,375)**
Net finance costs	**(10,524)**	**(9,132)**

1 see note 8.1 for reference (section Other non-current assets)

5.4 Financial Risk management

The financial instruments shown on the balance sheet mainly regard financial fixed assets, receivables, cash, subordinated long-term and current liabilities and amounts owed to suppliers and trade credits. These financial instruments give rise to credit, liquidity, interest rate and foreign currency risks.

5.4.1 Derivatives and hedge accounting

Accounting policies

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate risks, such as interest rate swaps. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Currently no hedge accounting is applied.

Embedded derivatives

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. As at the balance sheet date (and comparative periods), the Group did not have any embedded derivatives.

5.4.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risks arises primarily from trade and unbilled receivables and other financial assets such as cash and deposits with banks and financial institutions. The Group's maximum exposure to credit risk is the carrying value presented in the statement of financial position. The risk of non-collectability is mainly restricted by the multitude and diversity of parties owing to the Group.

The ageing of trade receivables and provisions for impairment are included in note 3.3. Impairment risks of trade receivables are assessed on an individual basis and provisions are set-up accordingly. Given the current Russia-Ukraine War developments, the risk of default is expected to have slightly increased. Unbilled receivables are typically billed within a month after arising and invoices are generally payable between 14 and 90 days after presentation. For accounts receivable we have provided for expected credit losses bases on the information at hand, including forward looking information. In order to mitigate the risk of credit losses in receivables we are monitoring developments in our accounts receivable positions. In case of an expected increased collection risk, a client specific provision is recognised. Currently we have not seen a noteworthy delay in allowed payment terms.

The Group has no agreements that in the case of default the Group is only required to pay or receive the net amount of the various contracts that are owed to and due from the counterparty. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies.

5.4.3 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial liabilities as they fall due. Liquidity risks arises from the ongoing financial obligations of the Group, including settlement of financial liabilities such as trade and other payables, as well as bank loans and subordinated loans of members. The Group's liquidity management policy is to ensure as far as possible that there are sufficient liquid funds available to be able to meet its liabilities when due without incurring unacceptable losses or damaging its reputation.

Bank loans

Deloitte Holding B.V.

Deloitte Holding B.V. had bank loans provided by ING Bank and Rabobank, each participating for 50%. After repayments made in May 2022, the loans were fully repaid at May 31, 2022.

The interest on the loans was equal to 6 months Euribor-rate increased by a surcharge between 1.25% and 1.75%. An interest rate swap was entered, for more information see the section Interest rate risk.

Deloitte Dutch Caribbean B.V.

Deloitte Dutch Caribbean B.V. has fully repaid the loan provided by MCB Bank N.V. in 2021/2022.

Credit facilities

Deloitte Holding B.V.

Deloitte Holding B.V. has a credit agreement with ING Bank and Rabobank. In the latest amendment (May 30, 2022) the additional commitments were increased from €50 million to €80 million. The facility enables the Group to respond to the negative effects of adverse economic conditions, but also opportunities and to invest in new plans and ventures based on the strategy of the Group. The facility includes current account facilities and is partly used to provide guarantees. As a security for the amounts owed to credit institutions, the current account facility and the bank loans various covenants have been agreed regarding the balance sheet and the result.

	May 31, 2022		May 31, 2021	
In € thousands	Total facility	Used	Total facility	Used
Revolving Facility A (termination date May 30, 2027)	105,000	7,041	105,000	7,000
Accordion Increase Revolving Facility A (termination date May 30, 2027)	80,000	0	50,000	0
Revolving Facility B (termination date December 31, 2021)	0	0	50,000	0
Total Facilities Deloitte Holding B.V.	**185,000**	**7,041**	**205,000**	**7,000**

Financial Covenants and securities

Deloitte Holding B.V.

For the credit facilities and loans provided by ING Bank and Rabobank covenants are agreed and in place.

The securities consist of the joint and several liability of Coöperatief Deloitte U.A., Deloitte Holding B.V., Deloitte Accountants B.V., Deloitte Belastingadviseurs B.V., Deloitte Consultancy Holding B.V., Deloitte Consulting B.V., Deloitte Financial Advisory B.V., Deloitte Group Support Center B.V., Deloitte Forensic & Dispute Services B.V., Deloitte Risk Advisory B.V., Deloitte Benefits & Pension Advisory B.V., Deloitte Legal B.V. and Deloitte Accountancy & Advies B.V.

Based on the agreement as of May 30, 2022 the Group will ensure that the following financial and non-financial ratios are met:

- The tangible Net Worth shall exceed €10,000 in the first three Quarters of each Financial Year and shall exceed €25,000 in the last Quarter of each of Financial Year.
- The Quarterly measured leverage basis of Total Net Debt on each Quarter Date and rolling 12 Months EBITDA shall be lower than 2 to 1 at all times.
- In case the additional facility is called, additional covenant requirements will apply including a minimum liquidity position of €13,000.
- Based on the achievement of agreed Sustainability KPI targets (base year 2019) the interest margin will be either reduced (maximum 5 basis points) or increased (maximum 5 basis points).
    - Reducing absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions 70% by 2030 from a 2019 base year
    - Reducing Scope 3 GHG emissions from business travel 50% per FTE by 2030
    - Sourcing 100% renewable energy for Deloitte's buildings

1 "Tangible Net Worth" means the sum of all paid-up capital, free reserves and Subordinated Debt of the Group, less all intangible assets.

As of May 31, 2022 the Group is in compliance with the covenants in the credit agreements.

Maturity analyses

The following tables detail the Group's remaining contractual maturity for its financial and tax liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

In € thousands	< 1 year	to 2 years	2 to 5 years	>5 years	Total
May 31, 2022					
Non-interest bearing	205,437	575	1,725	2,875	210,612
Variable interest rate instruments [1]	10,226	16,799	47,537	66,594	141,156
Lease liabilities	37,751	35,000	73,445	31,292	177,488
	253,414	52,374	122,707	100,761	529,256
Interest rate swaps [2]	0	0	0	0	0
Taxes	60,378	0	0	0	60,378
Total	**313,792**	**52,374**	**122,707**	**100,761**	**589,634**

In € thousands	< 1 year	to 2 years	2 to 5 years	>5 years	Total
May 31, 2021					
Non-interest bearing	190,538	575	1,725	2,875	195,713
Variable interest rate instruments [1]	15,165	19,723	61,654	64,972	161,514
Lease liabilities	34,479	33,985	77,025	44,256	189,745
	240,182	54,283	140,404	112,103	546,972
Interest rate swaps [2]	636	545	819	0	2,000
Taxes	58,852	0	0	0	58,852
Total	**299,670**	**54,828**	**141,223**	**112,103**	**607,824**

1 It is assumed that there is a repayment of subordinated loans of €11 million per annum.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

5.4.4 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risks mainly relate to:

- Short-term debit and credit facilities carrying variable Euribor based interest with a surcharge;
- Subordinated loans, carrying variable Euribor-based interest with a surcharge capped at a minimum of 4% and a maximum of 8% for the compulsory subordinated loans;

A reasonable change in the interest rate would have an immaterial impact on pre-tax profits and equity of the Group.

5.4.5 Foreign currency risk

Foreign currency risks, mainly dollar risks, arising from future operational cash flows and financing activities in foreign currencies may be hedged by means of forward exchange contracts if considered necessary. No hedging activities took place in the year under review. A reasonable change in the exchange rates would have an immaterial impact on pre-tax profits and equity of the Group.

5.4.6 Fair value measurements

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Group has participating interest. Participating interests are measured at fair value. This value is equal to or approximately the cost of the investment, except for the investment in Deloitte NSE Investments Limited (refer to note 6.2).

6. Governance and related parties

6.1 Key management remuneration

The members of the Executive Board and the Supervisory Board are the key management of the Group. The remuneration of members of the Executive Board comprises a fixed compensation plus a fixed expense allowance, and a long term bonus. As of June 1, 2017 the members of the Executive Board receive a fixed annual compensation plus fixed expense allowance. For the NSE business all Executive Board members have been involved and contributed in their respective capacity to various management work streams for NSE.

Total remuneration of the members of the Executive Board in the year under review was as follows:

in € thousands	Short-term benefits	Other long term benefits	2021/2022	Short-term benefits	Other long term benefits	2020/2021
W.F.J. Honig (as of June 1, 2019)	1,222	90	1,312	1,227	75	1,302
O. Snijders (as of October 1, 2019)	926	90	1,016	926	75	1,001
E. Mol (as of February 1, 2020)	926	90	1,016	927	75	1,002
Total	**3,074**	**270**	**3,344**	**3,080**	**225**	**3,305**
Number of members of the Executive Board in FTE's			3			3

The members of the Supervisory Board were remunerated only short-term benefits as follows:

in € thousands	2021/2022	2020/2021
H. van der Noordaa	108	97
J.P. Rijsdijk (until September 6, 2021)	20	75
F. Eelkman Rooda (until September 6, 2021)	20	75
V.G. Moolenaar	84	78
E.C. Meijer	83	78
S.E. Verhart (as of October 18, 2021)	53	0
D.J. Larnder (as of October 18, 2021)	46	0
Total	**414**	**403**
Number of members of the Supervisory Board per May 31	5	5

6.2 Related party transactions

Trading transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. All transactions were made on terms equivalent to those that prevail in arm's length. Please refer to notes 1, 3.4, 4 and 5 for details on transactions of the Group and the Group's shareholder. We also refer to note 1 regarding international relationships of Deloitte Holding B.V.

	Provision of services to related parties	Purchases of services from related parties	Amounts due from related parties	Amounts due to related parties
	2021/2022	**2021/2022**	**2021/2022**	**2021/2022**
Deloitte NSE LLP group subsidiaries	83,937	50,026	20,036	5,471
Deloitte NSE LLP group associates	22,875	72,928	3,955	4,392
	106,812	**122,954**	**23,991**	**9,863**

	Provision of services to related parties	Purchases of services from related parties	Amounts due from related parties	Amounts due to related parties
	2020/2021	**2020/2021**	**2020/2021**	**2020/2021**
Deloitte NSE LLP group subsidiaries	50,797	33,778	20,024	8,594
Deloitte NSE LLP group associates	24,208	56,891	5,927	4,786
	75,005	**90,669**	**25,951**	**13,380**

Management has updated its assessment of related parties identifying additional entities as Associates of the Deloitte NSE LLP group. These additional related parties have been reflected in the table above, including adjusting the comparative amounts to be on the same basis.

Deloitte NSE Investments Limited ("DNSEI")

The Group subscribed to different classes of non-voting redeemable shares in Deloitte NSE Investments Limited ("DNSEI"), an NSE group entity set up to hold NSE group investments in strategic projects. The total amount subscribed was €5,024 (2021: €4,531). For the purposes of these financial statements, an amount of €3,844 (2021: €3,476) is accounted for as a deemed distribution and movement in net fair value on investments in equity instruments classified as at fair value through OCI to Deloitte NSE LLP. The remaining amount of €1,180 (2021: €1,055) is the fair value of this equity investment. See note 4.5 Investments

6.3 Fees paid to the independent auditor

The independent auditor's fee included in the office costs can be specified as follows:

In € thousands	2021/2022	2020/2021
Audit of the financial statements	374	420
Other audits	55	35
Tax advisory services	0	0
Other non-audit services	0	0
	429	**455**

The independent auditor's fee is based on the agreed upon fees for the audit and other engagements for the year under review and any additional fees for out of scope work regarding the prior year.

7. Income and deferred taxes

7.1 Income taxes

Accounting policies

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before taxation' as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Income tax recognised in profit or loss

In € thousands	2021/2022	2020/2021
Current tax		
In respect of the current year	6,421	14,063
In respect of prior year	51	22
	6,472	14,085
Deferred tax		
In respect of the current year	1,547	157
Net income tax related to adjustment cash flow hedge reserve	(578)	(19)
	969	138
Total income tax expense recognised in the current year	**7,441**	**14,223**

The income tax expense for the year can be reconciled to the accounting profit as follows:

In € thousands	2021/2022	2020/2021
Result before taxation	9,154	40,760
Income tax expense calculated at 25,33% (2020/2021: 25%)	2,319	10,190
Effect of income that is exempt from taxation	(22)	(10)
Tax losses not recognised	9	82
Effect of expenses that are not deductible in determining taxable profit [1]	5,388	5,188
Application local, nominal rates (higher/lower rates)	(31)	(20)
Effect of rate adjustment deferred taxes	(273)	(1,229)
Income tax prior year	51	22
Income tax expense recognised in profit or loss	**7,441**	**14,223**

1 The management fee will be taxed at the member level and compensation is taxed at Group level. The Group has an agreement with the tax authorities regarding a minimum taxable amount of 7% of the membership capital of the members of Coöperatief Deloitte U.A.

Coöperatief Deloitte U.A. and its wholly-owned subsidiaries in the Netherlands form one tax group for company tax purposes. There are no losses available for set off against tax liabilities.

Current tax assets and liabilities

In € thousands	May 31, 2022	May 31, 2021
Current tax liabilities	(451)	(7,677)
	(451)	**(7,677)**

7.2 Deferred taxes

Deferred tax assets and liabilities

In € thousands	May 31, 2022	May 31, 2021
Deferred tax assets	9,490	10,921
Deferred tax liabilities	(1,402)	(1,263)
	8,088	**9,658**

Of the deferred tax assets €2.2 million is expected to expire next year, €7.2 million is expected to expire on regular yearly basis up and until 2025/2026. The deferred tax liabilities are expected to be carried forward indefinitely.

Movement deferred tax in the year ended May 31, 2022

In € thousands	Opening balance	Recognised in the profit or loss	Exchange differences	Closing balance
Deferred tax assets/(liabilities) in relation to:				
Goodwill and intangibles [1]	7,646	(1,677)		5,969
Property, plant and equipment	1,431	624		2,055
Provisions	(29)	(9)	(3)	(41)
Interest rate swap	518	(518)		0
Tax losses	92	0	13	105
	9,658	**(1,580)**	**10**	**8,088**

Movement deferred tax in the year ended May 31, 2021

In € thousands	Opening balance	Recognised in the profit or loss	Exchange differences	Closing balance
Deferred tax assets/(liabilities) in relation to:				
Goodwill and intangibles [1]	8,355	(709)	0	7,646
Property, plant and equipment	814	617	0	1,431
Provisions	(32)	0	3	(29)
Interest rate swap	583	(65)	0	518
Tax losses	101	0	(9)	92
	9,821	**(157)**	**(6)**	**9,658**

1 Goodwill and intangibles relates to goodwill which is amortised and is deductible for tax purposes but not under IFRS.

Deferred tax assets not recognised in the Consolidated statement of financial position

An amount €609 (2021: €621) of carryforward losses has not been recognised as a deferred tax assets because it is not probable that sufficient taxable profit will be available to utilise the deferred tax asset in time.

8. Other disclosures

8.1 Other non-current assets

Accounting policies

Software-as-a-Service (SaaS) arrangements

SaaS arrangements (service contracts) provide the Group with the right to access the cloud provider's application software over the contract period. The Group does not receive a software intangible asset at the contract commencement date. Access to the supplier's software does not, at the contract commencement date, gives the Group the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The configuration and customisation costs do not result in an intangible asset of the Group. Instead, the Group recognises the costs as an expense when the configuration or customisation services are received. If the Group pays the supplier before receiving those services, the prepayment is recognised as an asset. The amortisation of the prepayment is recognised as an operating expense over the term of the service contract.

Costs incurred for the development that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

The movement of the other non-current assets is as follows:

In € thousands	2021/2022	2020/2021
Cost price	3,571	4,392
Accumulated impairments	(3,193)	(2,769)
Book value as of June 1	378	1,623
Movements:		
Reclassification	5,532	0
Amortisation	(484)	0
Issued loans	750	0
Reversal of impairment / (Impairment)	500	(592)
Exchange rate differences	0	(52)
Repayments	(502)	(601)
Book value as of May 31	**6,174**	**378**
Cost price	6,174	3,571
Accumulated impairments	0	(3,193)
Book value as of May 31	**6,174**	**378**

The balance can be broken down as follows:

In € thousands	2021/2022	2020/2021
Software-as-a-Services (SaaS) arrangements	5,047	0
Loans to associate companies	750	0
Other	377	378
Book value as of May 31	**6,174**	**378**

8.2 Provisions

Accounting policies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. If the expected outflow of the obligation is within one year the provision will be recognised as current liability.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Professional liability

The provision for professional liability relates to the liabilities from claims. Claims have been submitted against the legal entities that belong to the Group. A strong defence will be mounted against these claims. The Group has professional indemnity insurance for claim coverage. If a present obligation exists for which it is probable there will be a transfer of benefits, and a reliable estimate can be made of the amount of the obligation, then a provision is recognised. Reimbursements from the professional indemnity insurance are also recognised when, and only when, it is virtually certain that reimbursement will be received when settling the obligation.

Occupational liability

The provision occupational disability relates to liabilities existing as at balance sheet date regarding own risk for continued payment of the salaries (including employer's contribution) of personnel that as at the balance sheet date are expected stay totally or partial disabled regarding the Return to Work (Partially Disabled) Regulation ("WGA") for which the Group is covering its own-risk, and regarding own-risk for the Health Law, former personnel who left disabled or were disabled within 28 days after leaving the company. A provision has been formed for the amount expected to be due in the future, and the provision includes an estimated future annual increase of the disability entitlements by 2.0% (prior year 2.0%). A discount rate is set at 0.1% (prior year 0.1%). Amounts paid concerning disabled personnel are deducted from this provision.

Dismantling cost

The present value of estimated future costs related to the contractual obligation to restore leased office buildings is recorded as an asset in property, plant and equipment until May 31, 2019 and in Right-of-Use assets since June 1, 2019 and depreciated in a straight line over the term of the lease, with recognition of the liability as a provision. Each reporting period the present value is reassessed, and changes resulting from the unwinding of the discount are recognised in financial income and expense.

Key accounting estimates and judgments

Professional liability provision

The professional liability provision is based on assumptions of, the existence of a present obligation and measurement of the expected amount to settle the claim. Furthermore an assessment is made if the estimated provision falls inside the scope of insurance policies or if the amount exceeds the maximum coverage of the insurance policies.

Movement in provisions

in € thousands	Professional liability [2]	Unoccupied premises [1]	Dismantling cost [1]	Occupational disability	**Total**
Balance as of June 1, 2021	26,015	0	1,543	743	28,301
Additions	160	0	59	165	384
Charged	(25,420)	0	(38)	(43)	(25,501)
Released	0	0	(198)	(330)	(528)
Unwinding of discount and effect of changes in the discount rate	0	0	(62)	(20)	(82)
Balance as of May 31, 2022	**755**	**0**	**1,304**	**515**	**2,574**

in € thousands	Professional liability [2]	Unoccupied premises [1]	Dismantling cost [1]	Occupational disability	**Total**
Balance as of June 1, 2020	20,225	63	1,458	817	22,563
Additions	7,480	0	182	229	7,891
Charged	(1,686)	(63)	(2)	(89)	(1,840)
Released	(4)	0	(75)	(227)	(306)
Unwinding of discount and effect of changes in the discount rate	0	0	(20)	13	(7)
Balance as of May 31, 2021	**26,015**	**0**	**1,543**	**743**	**28,301**

The breakdown of provision in current and non-current is as follows:

in € thousands		**May 31, 2022**			May 31, 2021	
	Current	Non-current	Total	Current	Non-current	Total
Professional liability	755	0	755	23,855	2,160	26,015
Dismantling costs	19	1,285	1,304	161	1,382	1,543
Occupational disability	226	289	515	230	513	743
Balance as of May 31	**1,000**	**1,574**	**2,574**	**24,246**	**4,055**	**28,301**

1 The provision for unoccupied premises and dismantling cost is related to the reduction of the office network and future dismantling cost.

2 The difference between provision and own risk is recognised as receivables from insurers.

The Group is involved in a number of disputes in the ordinary course of business which may give rise to claims. A provision for professional liability is made for all claims where costs are probable to be incurred and can be measured reliably. The Group carries professional indemnity insurance and no separate disclosure is made of the detail of claims as to do so could seriously prejudice the position of the Group. Substantially all the recognised provision for professional liability is covered by this type of insurance resulting in an impact on the results that is limited to the own risk amount per insured claim. The corresponding receivable on the insurance company is recognised separately under the other receivables. Management assesses provisions for claims and litigation on an ongoing and individual basis. The proceedings are normally long-term in nature and estimates may be revised by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. These uncertain events can have an effect on the amount and timing of the outflows of both the provision and the related insurance receivable. Variations in outcome will not have a significant net impact on the financial position of the Group given that the Group is deemed to carry sufficient professional indemnity insurance to cover negative scenario's.

8.3 Commitments and guarantees

Fiscal unity

The legal entity is part of a fiscal unity for corporate income tax and VAT purposes and for that reason it is jointly and severally liable for the tax liabilities of the fiscal unity as a whole.

Lease and rental obligations

The Group has entered into long-term rental agreements for offices, operational lease contracts for cars and copying/printing machines and facility services. The Group does not have an option to purchase the leased assets at the expiry of the lease periods. Leases are negotiated for an average term of 5 years and rentals are indexed annually. Some contracts have renewal options, these are taken into account when it is reasonably certain the Group will exercise the option to extend the term of the lease.

Non-cancellable commitments related to operational leases

In € thousands	May 31, 2022	May 31, 2021
Not later than 1 year	11,950	12,751
Between 1 and 5 years	27,787	24,911
Later than 5 years	5,194	5,386
	44,931	**43,048**

The amounts comprise other costs not in scope of IFRS 16.

Non-cancellable sublease commitment

In € thousands	May 31, 2022	May 31, 2021
Not later than 1 year	2,544	2,499
Between 1 and 5 years	3,633	6,242
Later than 5 years	0	0
	6,177	**8,741**

Other obligations

Other obligations are related to ICT, facility services and marketing contracts.

In € thousands	May 31, 2022	May 31, 2021
Not later than 1 year	23,551	18,712
Between 1 and 5 years	1,965	3,365
Later than 5 years	0	0
	25,516	**22,077**

Facility services

As of December 1, 2006 the Group outsourced facility services to a third party. Related staff was transferred to the new service provider. The contract will be yearly renewed for 12 months. The Group has undertaken to re-employ the former employees (approx. 28) or to employ them with a succeeding facility supplier if the contract is not renewed.

Membership

The Group is a member of Deloitte NSE LLP, Deloitte Touche Tohmatsu Limited and Deloitte EMEA Co-operation Limited. The Group is obliged to pay annual subscription and services fees.

Guarantees

Stichting Financiering Deloitte

Members who enter into an Associate Agreement with the Group are obliged to provide a subordinated loan to Stichting Financiering Deloitte. In turn this foundation provides a subordinated loan for the same amount and under the same conditions to Coöperatief Deloitte U.A. The subordination relates to all third party creditors and banks. The loans amount to €121,831 as per May 31, 2022 (May 31, 2021: €117,860) and are subordinated to all existing and future liabilities of the Group and, together with the membership capital and equity, make up the capital base of the Group. Coöperatief Deloitte U.A. and its subsidiaries are jointly and severally liable to members for what is owed to them by Stichting Financiering Deloitte with regard to the financial resources borrowed from the members by Stichting Financiering Deloitte and re-issued to Coöperatief Deloitte U.A. The Group has agreed certain security covenants with Stichting Financiering Deloitte, including a negative pledge covenant as well as the granting of securities at the first request of Stichting Financiering Deloitte. With respect to the ranking of these securities rights, covenants have been agreed between the Group, Stichting Financiering Deloitte, ING Bank and Rabobank (as lenders under Deloitte's credit facility). This entails that the rights of Stichting Financiering Deloitte are subordinated to those of third party creditors and the lender banks.

The Supervisory Board

The Group has indemnified the members of the Supervisory Board from the financial consequences of claims from third parties (including defence costs) resulting from or related to the supervisory task of the members of the Supervisory Board and to the extent the insurance of the Group does not cover matters concerned.

Bank guarantees

Bank guarantees amounting to approximately €7,041 (May 31, 2021 €7,041) have been issued to third parties.

Other guarantees

Liberty Mutual Surety issued guarantees on behalf of the material subsidiaries of Deloitte Holding B.V. to Tax-authorities covering the own-risk of the Return to Work (Partially Disabled) Regulation ("WGA") related to the calendar years 2014, 2015 and 2016. As security for these guarantees the material subsidiaries of Deloitte Holding B.V. issued a joint and several liability undertaking.

Claims

The Group also has other contingencies, for which, in the opinion of management, the risk of loss is possible but not probable. Contingencies involve inherent uncertainties including, but not limited to, court rulings and negotiations between affected parties. We cannot currently predict yet the outcome of claims and litigations with sufficient reliability. The Group is party in a settlement in which Deloitte Accountants B.V. is jointly and severally liable for the total obligation, based on this agreement a contingent liability exists for the part which is to be met by other parties. However, based on available information it is not expected that they will have a significant impact on the financial position of the Group. Furthermore, the Group is deemed to carry sufficient professional indemnity insurance.

8.4 Application of new and revised International Financial Reporting Standards (IFRSs)

There are no new IFRS accounting standards, amendments to existing standards or new IFRIC interpretations published that are not yet effective that are expected to have a material impact on the Group in future reporting periods and on foreseeable future transactions. In the prior year the Group has applied an early adoption of the amendments to IAS 37.

8.5 Subsequent events

There are no subsequent events.

Company financial statements

Company statement of profit or loss and other comprehensive income for the year ended May 31, 2022

In € thousands	Note	2021/2022	2020/2021
Share of result from participating interests	3.	**1,713**	**26,537**
Other income and expenses after taxation	2.	17,723	19,044
Result after taxation and before compensation		**19,436**	**45,581**
Compensation members of Coöperatief Deloitte U.A.		(17,723)	(19,044)
Profit for the year		**1,713**	**26,537**
Item that may be reclassified subsequently to profit or loss			
Other comprehensive income, net of income tax		1,499	631
Total comprehensive income for the year		**3,212**	**27,168**

Company statement of financial position at May 31, 2022

(before appropriation of result)

Assets (In € thousands)	Note	May 31, 2022	May 31, 2021
Non-current assets			
Investments	3.	10,414	13,570
Other non-current assets	3.	118,006	105,318
Total non-current assets		**128,420**	**118,888**
Current assets			
Trade and other receivables	5.	25,921	35,336
Total current assets		**25,921**	**35,336**
Total assets		**154,341**	**154,224**

Equity and liabilities (in € thousands)	Note	May 31, 2022	May 31, 2021
Equity	6.	**(2,913)**	**(5,462)**
Non-current liabilities			
Membership capital	9.	6,200	6,050
Interest bearing loans and borrowings	8.	124,956	118,318
Total non-current liabilties		**131,156**	**124,368**
Current liabilities			
Trade and other payables	10.	21,538	28,432
Interest bearing loans and borrowings	8.	4,560	6,885
Total current liabilities		**26,098**	**35,317**
Total liabilities		**157,254**	**159,685**
Total Equity and liabilities		**154,341**	**154,223**

Notes to the company financial statements

Statutory financial statements

The sections Group financial statements and Company financial statements contain the statutory financial statements of Coöperatief Deloitte U.A. A description of the Company's activities and Group structure is included in the Consolidated financial statements.

1. Accounting policies

Accounting policies applied

The company financial statements of Coöperatief Deloitte U.A. have been prepared in accordance with the requirements in Title 9 Book 2 of the Dutch Civil Code. Coöperatief Deloitte U.A. prepares its consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU IFRS). Coöperatief Deloitte U.A. applies the exemption as included in section 2:362 paragraph 8. Participating interests in Group companies are valued at net asset value determined on the basis of Title 9 Book 2 of the Dutch Civil Code. The share in the results of participating interests in Group companies is reported in accordance with the principles of valuation and profit determination that apply to the consolidated financial statements. In accordance with article 2:402 of the Dutch Civil Code, the company financial statements only contain an abridged profit and loss account. Reference is made to the accounting policies section in the consolidated financial statements and the respective notes.

Other income and expenses

The other income and expenses includes the annual fees received from the various Group companies for providing the partners work force for the company.

Taxation

The company and its wholly-owned subsidiaries make up a fiscal unity and therefore jointly and severally liable for the tax liabilities of the fiscal unity as a whole. The corporate income tax is calculated as if the company and its subsidiaries were individually separately liable for tax and is offset against the current account of the parent company, Coöperatief Deloitte U.A. Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets (if applicable) are only valued insofar as their realisation is likely. Deferred tax assets are recognised on the balance sheet of the company until they are realised.

Notes to the specific items of the balance sheet

2. Other income and expenses after taxation

Other income and expenses after taxation are specified as follows:

In € thousands	2021/2022	2020/2021
Intercompany charges	18,053	20,030
Net of financial income and expenses	(438)	(1,334)
Taxation	108	348
	17,723	**19,044**

3. Receivables from Group companies

Amounts owed by Group companies are unsecured subordinated loans.

In € thousands	Interests in Group companies	Receivables from Group companies	Total
Gross value	13,570	105,318	118,888
Accumulated depreciation and impairments	0	0	0
Book value as of June 1, 2021	13,570	105,318	118,888
Movements:			
Issued loans	0	15,723	15,723
Conversion share premium to loan	(6,000)	6,000	0
Share in result of participating interests	1,713		1,713
Movement cash flow hedge reserve	1,704		1,704
Movement in net fair value on investments in equity instruments classified as at fair value through OCI [1]	0		0
Deemed distribution [1]	(368)		(368)
Movement legal reserve foreign currency translation	(205)		(205)
Repayments		(9,035)	(9,035)
Book value as of May 31, 2022	**10,414**	**118,006**	**128,420**
Gross value	10,414	118,006	128,420
Accumulated depreciation and impairments	0	0	0
Book value as of May 31, 2022	**10,414**	**118,006**	**128,420**

In € thousands	Interests in Group companies	Receivables from Group companies	Total
Gross value	12,518	83,145	95,663
Accumulated depreciation and impairments	0	0	0
Book value as of June 1, 2020	12,518	83,145	95,663
Movements:			
Issued loans	0	7,958	7,958
Conversion share premium to loan	(26,000)	26,000	0
Share in result of participating interests	26,537	0	26,537
Movement cash flow hedge reserve	414	0	414
Movement in net fair value on investments in equity instruments classified as at fair value through OCI [1]	95	0	95
Deemed distribution [1]	(116)	0	(116)
Movement legal reserve foreign currency translation	122	0	122
Repayments	0	(11,785)	(11,785)
Book value as of May 31, 2021	**13,570**	**105,318**	**118,888**
Gross value	13,570	105,318	118,888
Accumulated depreciation and impairments	0	0	0
Book value as of May 31, 2021	**13,570**	**105,318**	**118,888**

1 See note 4.5 and note 6.2 of the consolidated financial statement

4. Consolidated Group companies

The following subsidiaries are included in the consolidated financial statements and recognised as interest in Group companies for the company financial statements:

Name	Registered office	Share in the issued capital May 31, 2022	Share in the issued capital May 31, 2021
Deloitte Holding B.V.	Rotterdam	100%	100%
Deloitte Accountants B.V.	Rotterdam	100%	100%
Deloitte Belastingadviseurs B.V.	Rotterdam	100%	100%
- Deloitte Belastingadviseurs New York B.V.	Rotterdam	100%	100%
- Deloitte Legal B.V.	Rotterdam	100%	100%
- DL Liaison Ltd. [2]	England	0%	100%
Deloitte Consultancy Holding B.V.	Rotterdam	100%	100%
- Deloitte & Touche Acquistion B.V.	Rotterdam	100%	100%
- Deloitte Consulting B.V.	Amsterdam	100%	100%
- MarketRedesign Scientific B.V. [3]	Amsterdam	100%	0%
- Integration Holding B.V. [4]	Rotterdam	100%	0%
- G MS B.V. [4]	Rotterdam	100%	0%
- G Hosting B.V. [4]	Rotterdam	100%	0%
- G Consultancy B.V. [4]	Rotterdam	100%	0%
Innovative Trade Services B.V. [1]	Rotterdam	100%	100%
- Deloitte Innovation B.V.	Rotterdam	100%	100%
Deloitte Financial Advisory B.V.	Rotterdam	100%	100%
- Deloitte Benefits & Pension Advisory B.V.	Rotterdam	100%	100%
- Deloitte Forensic & Dispute Services B.V.	Amsterdam	100%	100%
Deloitte Group Support Center B.V.	Rotterdam	100%	100%
- Deloitte Education B.V.	Rotterdam	100%	100%
- Deloitte Group Support Center Overseas Services B.V.	Rotterdam	100%	100%
Deloitte Risk Advisory B.V.	Rotterdam	100%	100%
- IP Consultancy Holding B.V.	Vlijmen	100%	100%
- IP-CON B.V.	Vlijmen	100%	100%
- Africa Talent by Deloitte (pty) ltd [5]	South Africa	50%	0%
Deloitte Accountancy & Advies B.V.	Rotterdam	100%	100%
Deloitte Overseas Projects I B.V.	Rotterdam	100%	100%
Deloitte Overseas Projects II B.V.	Rotterdam	100%	100%
Deloitte Overseas Projects III B.V.	Rotterdam	100%	100%
Deloitte Dutch Caribbean B.V.	Curaçao	100%	100%
Stichting Deloitte Impact Foundation	Rotterdam		

1 On May 6, 2022 the name of Innovation Holding B.V. has been changed to Innovative Trade Services. B.V.

2 The liquidation of DL Liaison Ltd. has been finalised on September 10, 2021

3 On November 1, 2021 Deloitte Consulting B.V. acquired the shares of MarketRedesign Scientific B.V.

4 On March 31, 2022 Deloitte Consulting B.V. acquired the shares of Integration Holding B.V. and its subsidiaries G MS B.V., G Hosting B.V. and G Consultancy B.V.

5 Africa Talent by Deloitte (pty) ltd (50%) is a joint venture with Deloitte South Africa. The entity is established January 12, 2022.

5. Trade and other receivables

Trade and other receivables are specified as follows:

In € thousands	May 31, 2022	May 31, 2021
Current account owed by Group companies	3,317	8,456
Other receivables, prepayments and accrued income	22,604	26,880
	25,921	**35,336**

6. Shareholders' Equity

For breakdown reference is made to the consolidated statement of changes in equity.

Other reserves

Deloitte Holding B.V. assumed the assets and liabilities of Stichting InterNos at December 31, 2016 with approximately €53,403 (net of deferred tax) being written-off to equity. This former goodwill of Stichting InterNos is considered a prepayment to members regarding their capital (goodwill) repayments to former partners and is therefore stated as prepayment of equity resulting in a negative equity.

Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or include as a basis adjustment to the non-financial hedged item, consistent with the Group's accounting policy. The interest rate swap has been fully settled in 2021/2022.

Legal reserves

The legal reserves are for €136 related to the capitalised own production from a subsidiary and negative €83 related to foreign exchange differences on translation of foreign operations from a subsidiary.

7. Non-current liabilities

Non-current interest bearing loans and borrowings are specified as follows:

In € thousands	May 31, 2022	May 31, 2021
Subordinated loans Stichting Financiering Deloitte	121,831	117,860
Non-subordinated loans Stichting Financiering Deloitte	3,125	458
	124,956	**118,318**

Repayment obligations falling due within one year are included in current liabilities:

In € thousands	May 31, 2022	May 31, 2021
Membership Capital	225	325
Subordinated loans Stichting Financiering Deloitte	4,335	6,560
	4,560	**6,885**

The movements during the year of liabilities arising from finance activities are as follows:

In € thousands	Subordinated loans Stichting Financiering Deloitte	Non-subordinated loans Stichting Financiering Deloitte	Total
Balance June 1, 2021	124,420	458	124,878
Additional borrowing	12,350	2,898	15,248
Repayments	(10,835)	0	(10,835)
Repayments in the following year	(4,104)	(231)	(4,335)
Balance as of May 31, 2022	**121,831**	**3,125**	**124,956**

In € thousands	Subordinated loans Stichting Financiering Deloitte	Non-subordinated loans Stichting Financiering Deloitte	Total
Balance June 1, 2020	127,733	0	127,733
Additional borrowing	7,125	458	7,583
Repayments	(10,438)	0	(10,438)
Repayments in the following year	(6,560)	0	(6,560)
Balance as of May 31, 2021	**117,860**	**458**	**118,318**

8. Subordinated and non-subordinated loans Stichting Financiering Deloitte

Subordinated loans

Members who enter into an Associate Agreement with the Group are obliged to provide a subordinated loan to Stichting Financiering Deloitte. In turn this foundation provides a subordinated loan for the same amount and under the same conditions to Coöperatief Deloitte U.A. On its turn Coöperatief Deloitte U.A. provides a subordinated loan for the same amount less share premium of €7 million (May 31, 2021: €13 million) and under the same conditions to Deloitte Holding B.V. The subordination relates to all third party creditors and banks. The loans amount to €121,831 as per May 31, 2022 (May 31, 2021: €117,860) and are subordinated to all existing and future liabilities of the Group and, together with the membership capital and equity, make up the capital base of the Group. The interest paid is equal to a 3-month Euribor plus 4% with a minimum of 4% and a maximum of 8%. The loans are repaid at the termination of the Associate Agreement. The maturity date of these loans depends on joining and leaving of members and therefore cannot be expressed in years.

Non-subordinated loans

In 2021/2022 some of the calculated Claw-Back Reserves of active partners exceeds the amount of €475. These partners provided a non-subordinated loan to Stichting Financiering Deloitte for the amount above the subordinated loan. In turn this foundation provides a non-subordinated loan for the same amount and under the same conditions to Coöperatief Deloitte U.A. On its turn Coöperatief Deloitte U.A. provides a non-subordinated loan for the same amount and under the same conditions to Deloitte Holding B.V. The interest paid is equal to a 3-month Euribor plus 4% with a minimum of 4% and a maximum of 8%. At the termination of the Associate Agreements these loans are conversed to a subordinated loan and, together with the subordinated loan of €475, will been repaid within a six-year term.

9. Membership capital

See note 5.1 of the consolidated financial statements.

10. Trade and other payables

In € thousands	May 31, 2022	May 31, 2021
Management fees to be paid to members Coöperatief Deloitte U.A.	19,149	19,044
Tax	442	7,669
Other liabilities and accruals	1,947	1,719
	21,538	**28,432**

11. Off-balance sheet commitments

Fiscal unity

The legal entity is part of a fiscal unity for corporate income tax and VAT purposes and for that reason it is jointly and severally liable for the tax liabilities of the fiscal unity as a whole.

Stichting Financiering Deloitte

Coöperatief Deloitte U.A. and its subsidiaries are jointly and severally liable to members for what is owed to them by Stichting Financiering Deloitte with regard to the financial resources borrowed from the members by Stichting Financiering Deloitte and re-issued to Coöperatief Deloitte U.A. The Group has agreed certain security covenants with Stichting Financiering Deloitte, including a negative pledge covenant as well as the granting of securities at the first request of Stichting Financiering Deloitte. With respect to the ranking of these securities rights, covenants have been agreed between the Group, Stichting Financiering Deloitte, ING Bank and Rabobank (as lenders under Deloitte's credit facility). This entails that the rights of Stichting Financiering Deloitte are subordinated to those of third party creditors and the lender banks.

The Supervisory Board

The company has indemnified the members of the Supervisory Board from the financial consequences of claims from third parties (including defence costs) resulting from or related to the supervisory task of the members of the Supervisory Board and to the extent the insurance of the company does not cover matters concerned.

Guarantees

The company has issued a joint and several liability statement to the provisions of Section 2:403 of the Dutch Civil Code with respect to Deloitte Accountancy & Advies B.V. and Deloitte Group Support Center B.V.

12. Other notes to the financial statements

Average number of employees

During 2021/2022, 0 employees were employed on a full-time basis (2020/2021: 0).

Remuneration of members of the Executive Board and the Supervisory Board

For the remuneration of members of the Executive Board and the Supervisory Board reference is made to note 6.1 in the consolidated financial statements.

Appropriation of result for the financial year June 1, 2020 until May 31, 2021

The annual report 2020/2021 was adopted in the general meeting held on September 27, 2021. The general meeting has determined the appropriation of result in accordance with the proposal being made to that end.

Proposed appropriation of result for the financial year June 1, 2021 until May 31, 2022

The Executive Board proposes, with the approval of the Supervisory Board, that the result for the financial year 2021/2022 amounting to €1,713 will be added to the other reserves. The financial statements do not yet reflect this proposal.

Rotterdam, July 18, 2022

Executive Board	Supervisory Board
W.F.J. Honig (Chair)	H. van der Noordaa (Chair)
E. Mol	D.J. Larnder
O. Snijders	E.C. Meijer
	V.G. Moolenaar
	S.E. Verhart

Annex 2
Non-financial statements

Summary of performance

Description	Note	2021/2022	2020/2021
ENVIRONMENTAL INFORMATION			
CO2 emissions	2.1		
Scope 1 CO2 emissions		7,878 tonnes	7,836 tonnes
Scope 2 CO2 emissions		1,833 tonnes	853 tonnes
Scope 3 CO2 emissions airtravel		1,424 tonnes	310 tonnes
Other Scope 3 CO2 emissions		N/A	12,846 tonnes
Total CO2 emissions (Scope 1,2 and 3)		N/A	21,845 tonnes
SOCIAL INFORMATION			
Employee value proposition	3.1		
% employees receiving regular performance reviews		77%	79%
Inclusion and diversity	3.2		
Female positions in leadership roles		26%*	29%
Female partners as % of total partners		21%	18%
Learning and development	3.3		
Training hours per FTE		89.8 hours/FTE	71.3 hours/FTE
Wellbeing	3.4		
Sickness leave		4.1%	3.4%
Social impact	3.5		
# Hours spent on DIF projects		36,284 hours	17,529 hours
Monetary value of hours spent on DIF projects		€5.8 million	€2.6 million
GOVERNANCE INFORMATION			
Quality of services	4.1		
NPS at C-level among strategic clients		63	62
Client satisfaction (engagement)		8.3	8.3
Regulatory reviews that are satisfactory		100%	100%
Ethics & Integrity	4.2		
# ethical incidents reported		94	64
% of employees trained in ethics & integrity		86%	97%
Anti-corruption	4.3		
# cases of corruption		0	0
% of employees trained in anti-corruption		96%	96%
% of EB and SB members trained in anti-corruption		100%	100%
Privacy & security	4.4		
# data leaks discovered		77	95
# client complaints regarding data security		0	0
# data leaks reported to authorities		3	0
Sustainable procurement	4.5		
Contracts that include Supplier Code of Conduct		100%	100%

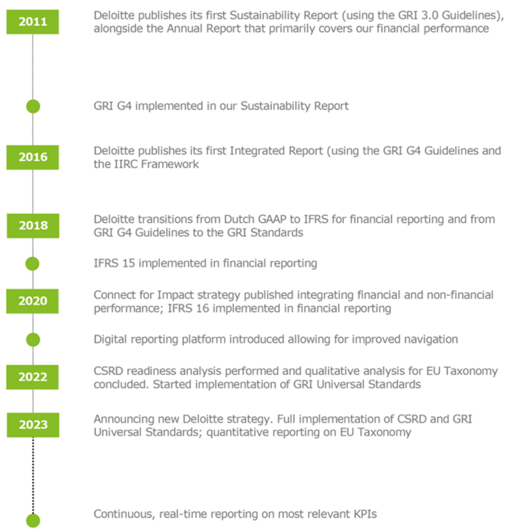
* % female Supervisory Board members: 40%; % female Executive Bard members: 33%

1. BASIS OF PREPARATION

This Report has been prepared in accordance with the GRI Standards: Comprehensive option, and the International <IR> Framework of the International Integrated Reporting Council (IIRC). The GRI Content Index is included in this report (see pages 154-159). This Report also serves as our Communication on Progress, as prescribed by the United Nations (UN) Global Compact, of which Deloitte Netherlands is a participant. In this context, we report our impact with a focus on the UN Sustainable Development Goals that we deem most relevant to Deloitte.

Deloitte aims to be at the forefront of public reporting and has a long-standing practice of voluntarily disclosing audited, financial and non-financial information. Reporting to us is an evolutionary process where every year, we aim to improve on what we have done before and implement the latest reporting insights and requirements. In this year's Integrated Annual Report, for the very first time, we treat non-financial information similarly to our financial information, as this reflects our Connect for Impact strategy in which these two domains are also fully integrated. In addition, in line with the requirements from the Corporate Sustainability Reporting Directive (CSRD) and the new Global Standards from GRI, we have implemented the principle of double materiality in selecting the topics that are included in this Annex, and - also in anticipation of the CSRD - we have disclosed our full Scope 1, 2 and 3 carbon emissions. Finally, we have completed our qualitative analysis of the EU Taxonomy requirements in preparation of its effective date for our sector in 2025.

The evolution of our reporting



Following the EU Taxonomy, Deloitte will be required to report the percentage of eligible and aligned turnover, capex, and opex (contributing to the six environmental objectives from the EU Green Deal) for our financial year 2024/2025. We have therefore identified the eligible and possibly aligned activities contributing to the first two environmental objectives of as part of our CSRD preparations. As the activities and technical screening criteria for the remaining four environmental objectives will be published towards the end of 2022, we will keep an eye out for more possibly eligible activities in the coming year.

The most notable eligible capex will most likely refer to the lease of our buildings, classified under the activity 7.7 “Buying real estate and exercising ownership of that real estate”, as four of our buildings in the Netherlands have at least an Energy Performance Certificate (EPC) class A.

The most notable eligible turnover will most likely refer to activity 9.3 ‘Professional services related to energy performance of buildings’ as Deloitte is an accredited auditor for the energy performance of buildings, and develops performance assessments for real estate clients.

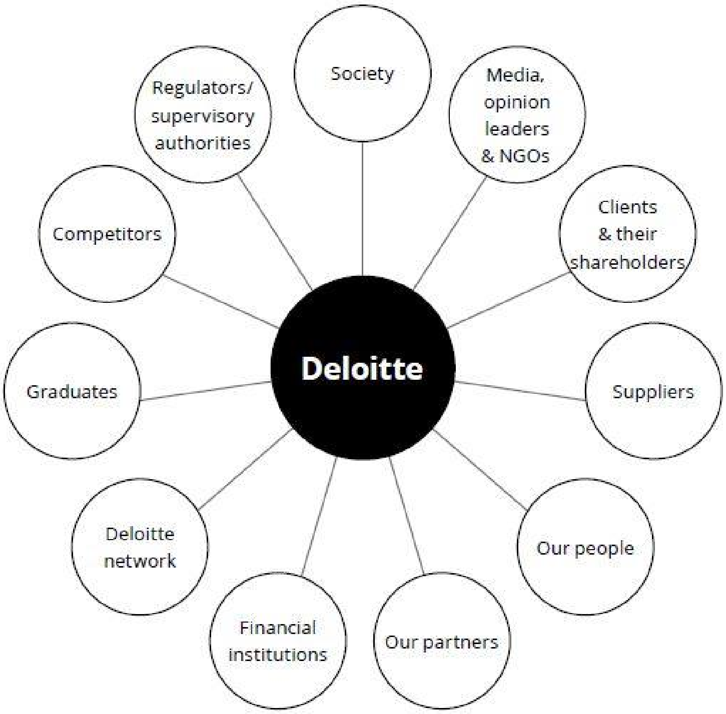
The most notable eligible opex will most likely refer to Activity 6.5 ‘Transport by motor bikes, passenger cars, and light commercial vehicles’, as a substantial amount of the passenger cars leased by Deloitte have tailpipe CO_2 emissions equal to 0g CO_2 e/km.

1.1 Scope

In this Report, 'Deloitte' refers to Coöperatief Deloitte U.A. and its subsidiaries as listed in the 'Notes to the specific items on the financial statements' in Annex 1. This year, we have integrated the performance of Deloitte Dutch Caribbean (DDC) in our non-financial data, unless otherwise indicated. Coöperatief Deloitte U.A. is the firm for the Dutch geography within Deloitte North and South Europe (NSE), the second-largest member firm of Deloitte Touche Tohmatsu Limited.

1.2 Materiality

We interact with our stakeholders to seek their opinions and their expectations. This process allows us to define a timely and adequate response to the issues they deem important for our business and for our ability to make an impact that matters.



We actively seek our stakeholders' views

We aim to take our stakeholders seriously. To this end, throughout the year, we actively engage in dialogue or seek their opinions in other manners such as through (social) media scanning.

Table 01: Means of stakeholder engagement

Stakeholder groups	How we seek their views
Clients & their shareholders	Client Service Assessments
	Engagement quality assessments
	Client meetings and (digital) events
	Requests for proposals
	Clients & Industries research
	External research and ratings
	Media scanning
Our people	Talent survey
	Sustainability survey and focus groups
	Discussions with Works Council
	Formal and informal meetings, including virtual townhalls
	Feedback / comments from individuals
Our partners	Formal and informal partner meetings
	Receiving feedback
Graduates	Surveys and research
	Participation in campus events
	Recruitment sessions
Deloitte network	Active participation in key DTTL and NSE governance bodies
	International cooperation around issues or assignments
Regulators	Formal and informal meetings
	Media scanning
Media, Opinion leaders & NGOs	One-on-one engagements
	Cooperation with knowledge institutes such as universities
	Media scanning
Society	Active participation of Deloitters in society
	Media scanning
Competitors	Active participation in trade and industry platforms
	One-on-one sessions around themes or issues
	Media scanning
Suppliers	Contract management
	Media scanning
Financial institutions	One-on-one engagements
	Media scanning

Our engagement in 2021/2022
In 2021/2022, we focused on the following stakeholder groups as we deem these groups to have the greatest impact on our business:

- - Employees
- - Clients
- - Deloitte network
- - Regulators
- - Competitors
- - Financial institutions
- - Public opinion

For stakeholder groups that we did not explicitly engage with, we build on the stakeholder insights we obtained over the past reporting years. For the stakeholders mentioned above, we provide an overview of the insights that we gained for updating our materiality matrix.

Employees

In Q2/Q3, we conducted and internal sustainability survey. One of the aims of this survey was to obtain better insights into the sustainability topics that our employees deem of particular interest. The Top 10 looks as follows:

1. Climate change
2. Human Rights
3. Health and safety
4. Career development
5. Biodiversity
6. Inclusion & diversity
7. Energy
8. Training & education
9. Vitality
10. Anti-corruption

In focus groups, we have discussed the outcomes to seek clarification. This has led to the conclusion that Human Rights are considered especially relevant in the context of the clients that we work for and the suppliers we source from. Human rights as safeguarding the rights of people working for Deloitte were not considered material as legal safeguards in the Netherlands were considered sufficient. Health & safety has a relatively high score which can best be regarded in the context of the time that the survey was open for reply at a time where the COVID virus delta variance was very much in the rise in the Netherlands leading to high hospitalisation numbers. Our one-on-one encounters with employees confirmed the results from the survey as well as their interpretation by us.

In addition, we have examined the results of the Global Millennial Survey 2021 that focuses on the key drivers and concerns for millennials and Gen Zs. The outcomes of the survey are that topics like health care / disease prevention, unemployment, climate change, economic growth, training & education, sexual harassment, diversity & inequality, and anti-corruption are deemed important by this group of young (future) professionals from across the globe.

We experience active participation from our employees on the topics of CO_2 emissions, inclusion & diversity, and vitality (a.o. well-being and work-life balance).

Clients

Our clients turn to Deloitte for relevant insights and high quality professional services that help their businesses become more responsible and sustainable, and thus progress and thrive. Quality, in all its aspects, is the key driver for our success, as is our ability to quickly adapt to changing needs from our clients regarding the expertise they need from us. To ensure both quality and adaptability, continuous learning, and development of our people and the ability to innovate are key requirements, as is international cooperation.

To perform our services, in many cases our clients entrust us with sensitive data. The integrity of our IT systems and the prevention of data leaks is of vital importance to the trust that our clients have in Deloitte. Privacy and data security are therefore important topics to us.

Especially larger corporate clients and public sector clients are increasingly aware that their responsibility reaches beyond their direct operations and also involves parts of their value chain. Typical topics that these clients are interested in are human rights, CO_2 emissions, corporate citizenship, and social impact. Of these topics, CO_2 is by far the most important one.

Deloitte network

Through the Deloitte network (DTTL), we have a practice of reporting our CO_2 emissions to the Carbon Disclosure Project (CDP). In 2019, Deloitte announced targets for CO_2 reductions to be achieved by all its member firms. In addition, DTTL maintains policies and programmes in place in the area of corporate citizenship (WorldClass). Next to these sustainability related practices, DTTL maintains strict guidance in the areas of quality, ethics & integrity, privacy, data security, and anti-corruption.

In 2020, DTTL launched the WorldClimate programme. Through Deloitte NSE, Deloitte Netherlands is in the process of implementing and executing this programme. Through a maturity matrix that has been developed on an NSE level, NSE geographies cooperate in achieving the objectives that were defined.

Regulators / public policy

We have formal and informal engagements with our regulators. During the reporting year, the focus of our regulators remained on the following themes:

- Culture of quality
- Structure of accountancy firms
- Workload and stress
- Inclusion & diversity / inequality

In addition, we experience an interest in our 'Future of' agenda.

These themes related to the following topics: quality of services, credibility/trust/integrity, inclusion & diversity, vitality, and social impact.

Competitors

We have benchmarked our material topics and related performance against those of the other Big4 firms. This benchmark shows that to a large extent there is an overlap between the topics that the firms deem material to their business.

Public opinion

We constantly monitor public opinion and actively scan media for emerging topics. Our efforts in 2021/2022 did not result in any additional topics being identified that impact Deloitte's approach or reporting.

Financial institutions

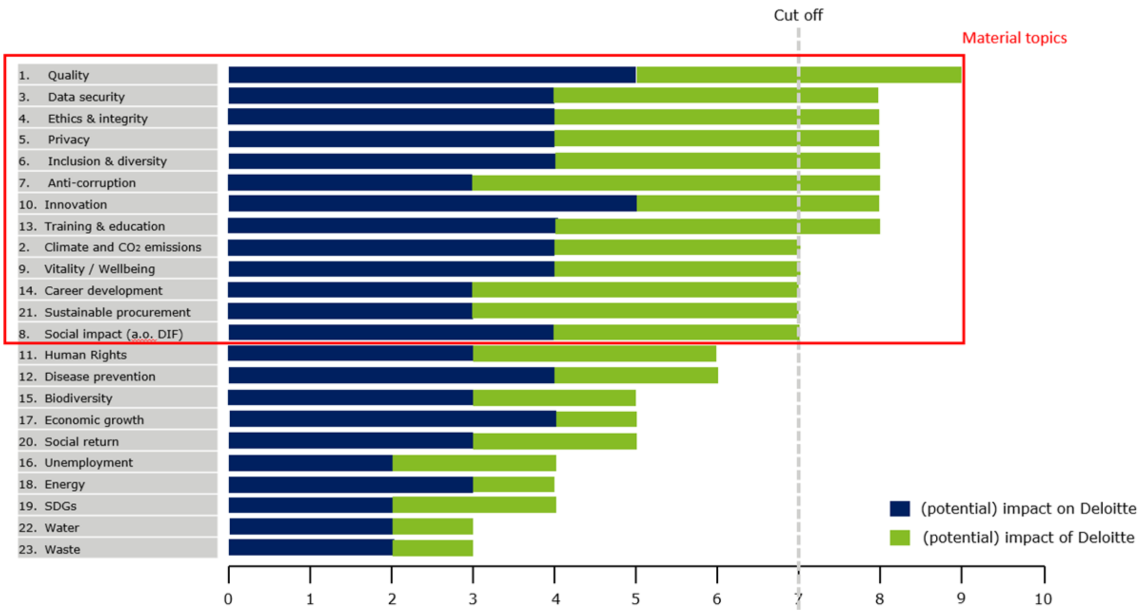
We have discussed sustainability in relation to our credit facilities with the banks that we use for financial transactions. Of course, all topics that relate to Deloitte's ability to do business (quality, talent attraction and retention, innovation, etc.) have the interest of our banks as they ultimately determine our financial viability. In the context of a sustainable financing credit facility that we agreed upon in May 2022, a discount on interest due has been agreed when we fulfil agreed targets on CO_2 reduction, inclusion & diversity and talent engagement.

Scoring the topics
On the basis of the information and documentation presented above, we have scored the various topics per stakeholder category. We have attributed greater weight to the categories employees, clients, DTTL and public policy. This leads to the following long list of topics in order of relevance to stakeholders:

1. Quality
2. CO_2 emissions
3. Data security
4. Ethics & integrity
5. Privacy
6. Inclusion & diversity
7. Anti-corruption
8. Social impact (a.o. DIF)
9. Vitality / Wellbeing
10. Innovation
11. Human rights
12. Disease prevention
13. Training & education
14. Career development
15. Biodiversity
16. Unemployment
17. Economic growth
18. Energy
19. SDGs
20. Social return
21. Sustainable procurement
22. Water
23. Waste

Assessing impacts

After identifying the relevant topics, we have assessed the actual and potential impacts of the topics. To this end, we have scored the (potential) impacts of a topic on Deloitte on a five point scale (with 1 being low and 5 being high). Simultaneously, we have also scored the (potential) impact that Deloitte has on a topic on a five point scale. We added both numbers up, making the minimum score 2 and the maximum score to achieve 10 points. Our scoring is currently based on our own professional judgement and will be further validated in stakeholder round tables in the course of our financial year 2022/2023 to be ready to transition on a timely basis to the GRI Universal Standards 3 and to anticipate the expected content of the CSRD.



Material topics

Following our assessment, we have identified the following material topics for our 2021/2022 reporting:

Table 2: Material topics

Area	Topics 2020/2021	Topics 2021/2022
1. Quality	- Quality of services - Client satisfaction / NPS - Credibility / Trust - Privacy - Data security - Reviews by supervisory authorities	- Quality of services - Privacy - Data security
2. Ethics	- Ethical standards - Integrity - Anti-corruption	- Ethics & integrity - Anti-corruption
3. Talent	- Career development - Inclusion & Diversity - Training & education - Vitality	- Employee value proposition - Inclusion and diversity - Learning and development - Wellbeing
4. Innovation	- Technology enabled solutions	- Innovation
5. Impact on society	- Social impact - Sustainable Development Goals - Environmental sustainability - Contribution to societal challenges	- Climate & CO_2 emissions - Social impact (a.o. DIF) - Sustainable procurement
6. Economic performance	- Profitable growth - International cooperation - Cost effectiveness	- none

Compared to our previous IAR, we no longer separately report on Client satisfaction / NPS, Credibility / Trust, Reviews by supervisory authorities, Profitable growth, International cooperation, and Contribution to societal challenges, as they are an integral part of our strategy and are as such reported in our strategy section. Cost effectiveness and Sustainable Development Goals do not meet the impact criteria. However, we do use the SDGs to explain our value creation in the context of our strategy execution. To align the wording of our material topics with our internal programmes, we have renamed the following topics: 'Training & education' to 'Learning and development', 'Career development' to 'Employee value proposition', 'Vitality' to 'Wellbeing', and 'Environmental sustainability' to 'Climate & CO_2 emissions'.

1.3 Reporting boundaries

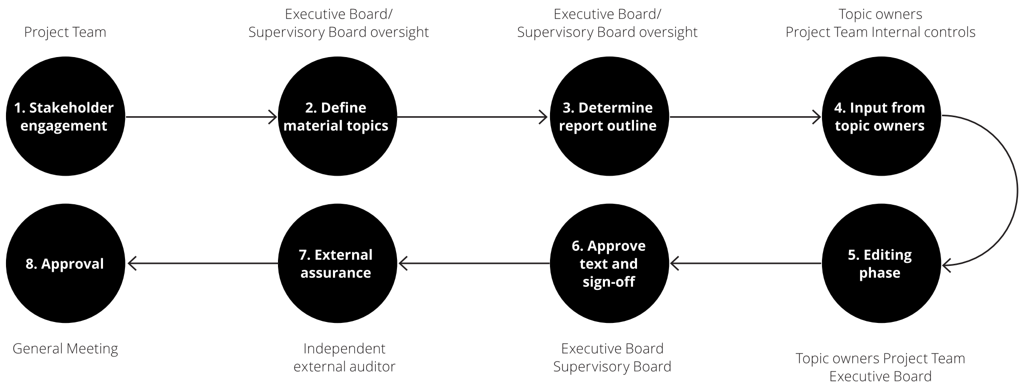
There is an overlap of topics and related opportunities noted by our internal and external stakeholders. Most of these topics relate to our internal organisation. For this reason, our reporting on these topics is limited to our performance within our direct sphere of influence, unless indicated otherwise (for example, where we discuss our value creation in a broader context).

1.4 Reliability and completeness

We have collected the relevant performance data from our business information systems as supported by our internal control and monitoring systems, and from suppliers and other sources. This is centrally recorded and thereafter reviewed by our Finance & Control department. We have engaged our independent external auditor, BDO Audit & Assurance B.V., to provide reasonable assurance on both the financial and the non-financial information on the PDF version of this report. The combined independent auditor's and assurance report of BDO Audit & Assurance B.V. can be found in Annex 4 of the PDF.

1.5 Reporting process

Process for defining report content



Central to our approach to reporting is the IAR Project team. This team is headed by our Chief Financial Officer and consists of representatives from Finance & Control and Finance & Accounting, combined with specialists from our Risk Advisory business's Sustainability Group and supported by Brand and Communication. Content planning and development takes place under the supervision of the Executive Board with internal oversight by Audit & Finance Committee and the the Supervisory Board. The Report is published after approval by the General Meeting.

2. Environmental information

2.1 Climate and CO_2

Impacts
Our day-to-day activities result in CO_2 emissions. We burn fuels to heat our buildings, purchase electricity to charge our cars and we buy airline or railway tickets to travel to international clients and attend internal network meetings. We also have suppliers who emit CO_2 to produce and transport their goods or render their services to us. The CO_2 we emit contributes to global warming which results in widely known environmental impacts such as accelerated sea level rise, more intense heat waves, loss of biodiversity, and much more. This indirectly impacts the wellbeing and safety of people around the globe, but also organisations. Extreme weather events can significantly impact sites and supply chains. This can jeopardise the continuity of our clients and thus impacts our engagements, but it also affects suppliers that provide goods or services for the operations of our own organisation.

Governance
To reduce the negative impact from our business on global warming, DTTL has adopted the World*Climate* programme. The objective of World*Climate* is to achieve net zero for all direct and indirect CO_2 emissions by Deloitte worldwide by 2030. This science-based target is to be achieved by reducing where we can and compensating in a meaningful way where we must. The 2030 goals include:

- Reducing our business travel emissions by 50% per FTE from 2019 levels;
- Sourcing 100% renewable energy for our buildings;
- Converting 100% of our fleet to hybrid and electric vehicles;
- Engaging with our major suppliers with the goal of having two-thirds of them adopt science-based targets for carbon reduction within five years;
- Investing in meaningful market solutions for emissions we cannot eliminate.

Other elements of World*Climate* are Embed sustainability, Empower individuals, and Engage ecosystems.

As we had already set ambitious CO_2 emission targets in our Connect for Impact strategy, we have fully embraced the World*Climate* programme and have even been able to commit to carbon neutrality for housing and mobility by 2025. This is five years ahead of the DTTL target. For other indirect emissions we follow the timeline defined by DTTL.

To realise the reduction of our CO_2 emissions we have set up a robust governance structure for internal sustainability. We have a dedicated Internal Sustainability Team in place that reports directly to the COO, and have created a Sustainable Operations Team that consists of various topic owners (housing, fleet, travel, IT, procurement, talent and communications) to design and implement policy. Our businesses are connected through a Climate Champions Network; a group of passionate sustainability adapts from across our businesses. We have also assigned senior leaders from each business to form a group of Sustainability Operational Excellence Leads. This group is responsible for embedding sustainable practices in the daily operations of their businesses.

Activities in 2021/2022
In order to achieve our CO_2 reduction targets, we have updated our mobility and travel policies at the beginning of this fiscal year.

Our mobility policy offers our employees the choice between a leased car, a cash option or public transport. When employees opt for a leased car, we encourage them to lease energy efficient cars by including the energy costs in the available lease budget. This makes choosing an energy efficient car more attractive. Furthermore, all contracts of fossil fuel cars will not extend beyond 2025 in order to phase out the use of fossil fuel powered vehicles and transition to fully electric or hydrogen powered cars. So far, the mobility policy has proved to be effective as around 70% of all new leased car orders in 2021/2022 were fully electric. However, the global chip shortage has resulted in delivery delays, which means that not all ordered electric cars are already in use.

Our updated business travel policy outlines the conditions that we have set for international travel, both in terms of approvals designed to prevent unnecessary travel - for example by switching to virtual and or hybrid meetings -, and of travel choices to prevent unnecessary CO_2 emissions and costs. In line with our reduction ambitions, we switched to rail instead of flying for short international travel where practical, and have defined additional guidance concerning travel class on international flights.

For housing, we aim to rent office space in leading energy-efficient buildings. Examples are our office in Amsterdam ('The Edge'), which has a BREEAM Outstanding certificate, and our office in Rotterdam ('Maastoren'). Where we are the main tenant, we purchase renewable energy. For example, we have joined the energy marketplace of GroenDus for our Eindhoven and Utrecht offices as well as our data center in Amsterdam. This energy marketplace matches supply and demand for sustainable energy sources. Where we are not the main tenant, we aim to offset our share in the energy related emissions. We continuously work to optimise our buildings, and are therefore actively implementing the 'Better Buildings Toolkit' that has been developed by DTTL.

In order to track whether our CO_2 emissions decline as a result of our actions and policies, we have developed a CO_2 Emissions Dashboard for fleet and air travel. This dashboard is updated every quarter with the latest data we receive from our suppliers. The dashboard showcases CO_2 emissions per business, fiscal year and even per cost center. It is accessible to all our employees in order to provide transparency but also to stimulate our employees to change their own behaviour and choices. It also feeds into our strategic dashboard, allowing us to discuss our performance against target within our Leadership. As our CO_2 reduction target is incorporated in our Connect for Impact strategy, it is part of the criteria for flexible reward of our Executive Board. We have also developed a Carbon Forecasting Tool to forecast the effects of our policies on our CO_2 emissions. This tool has been built in Anaplan and is integrated with other planning tools of our organisation.

Deloitte NSE has compensated the CO_2 emissions from 2020/2021 for all NSE geographies by investing in a number of certified carbon avoidance and renewable energy projects from third parties. Once total CO_2 emissions for Deloitte NSE in 2021/2022 have been verified, NSE will buy credits to fully compensate these.

Results
Last year, we saw a steep decline in CO_2 emissions as a result of the pandemic. This year, CO_2 emissions continue to be well below our maximum target due not only to travel and commuting restrictions, but also because of the continued electrification of our fleet and introduction of the new travel policy. In the final months of this year, we noticed a slight increase in CO_2 emissions as travel and commuting restrictions were lifted, but it still remains well below target compared to the pre-COVID situation. This increase, however, does require more action and communication activities in the near future in order to make sure that our CO_2 emissions do not go back to or even beyond 2019 levels.

Table 03: Energy consumption, CO_2 emissions and intensity

	2021/2022		2020/2021		2019/2020		Related emisions 2021/2022	
Total emmissions per scope								
Scope 1 CO2 emissions	7,898	t	7,836	t	14,685	t		
Scope 2 CO2 emissions	1,833	t	853	t	735	t		
Scope 3 CO2 emissions airtravel	1,424	t	310	t	9,175	t		
Other Scope 3 CO2 emissions	N/A*	t	12,846	t	17,360	t		
Total CO2 emissions (Scope 1,2 and 3)	N/A*	t	21,845	t	41,955	t		
Housing								
Electricity consumption	8,220,649	kWh	7,775,283	kWh	8,760,710	kWh		
- renewable sources	4,745,781	kWh	4,585,410	kWh	N/A	kWh		
- non-renewable sources or unknown	3,474,867	kWh	3,189,873	kWh	N/A	kWh		
Specific electricity consumption	107.2	kWh/ m2	101.0	kWh/ m2	116.3	kWh/ m2		
Scope 1 thermal energy consumption	2,982	GJ	3,020	GJ	3,403	GJ	76	t
Scope 2 thermal energy consumption	1,926	GJ	1,911	GJ	2,169	GJ	52	t
Total thermal energy consumption	4,908	GJ	4,931	GJ	20,961	GJ		
Specific thermal energy consumption	0.064	GJ/ m2	0.064	GJ/ m2	0.278	GJ/ m2		
Mobility								
Total kilometres driven by lease cars	73,277,920	km	52,567,212	km	90,850,301	km		
Number of lease cars	3,269		3,352		3,523			
- electric cars (incl. plug-in hybrids)	1,325		872		685			
Kilometres/lease car	22,416	km	15,680	km	25,788	km		
Total petrol consumption	2,673,352	l	2,524,161	l	4,514,237	l	7,443	t
Total diesel consumption	109,951	l	193,570	l	581,182	l	359	t
Total LPG consumption	297	l	297	l	483	l	1	t
Total electricity consumption cars	4,171,283	kWh	1,650,136	kWh	1,590,645	kWh	1,781	t
- renewable sources	0	kWh	0	kWh	0	kWh		
- non-renewable sources or unknown	4,171,283	kWh	1,650,136	kWh	1,590,645	kWh		
Total kilometres travelled by air	6,669,721	km	1,534,794	km	35,859,527	km	1,424	t
Total hotel nights	11,269		1,558		N/A		353	t
Kilometres by air per FTE	956	km	251	km	5,918	km		
Total kilometres travelled by train	3,667,012	km	1,513,020	km	13,749,589	km	8	t
Train kilometres per FTE	526	km	248	km	2,269	km		
Mobility CO2 intensity	132	g CO2/ km	158	g CO2/ km	175	g CO2/ km		
Total CO2 intensity	1.64	t CO2/ FTE	1.47	t CO2/ FTE	4.06	t CO2/ FTE		

Totals housing and mobility			
Total CO2 emissions	11,516 t	9,051 t	25,695 t

* Our Scope 3 emissions are to a large extent calculated by DTTL and NSE. Their data was not available in time for review by our Audit & Finance Committee. In the online version that will be published toward the end of September, we will, however, include this data.

Going forward

Our thorough insight into our CO_2 emissions and ability to forecast our CO_2 emissions through our Carbon Forecasting Model allows us to make adjustments to our policies where needed. We will therefore closely monitor our CO_2 emissions in the upcoming year, especially when COVID restrictions remain lifted as this could lead to increased business travel activities.

3. Social information

3.1 Employee value proposition

Impacts
For many of our employees, Deloitte is the starting point of their careers. On an annual basis, some 2,000 students and young graduates are given the opportunity to join our firm as practitioner, working student or intern. Through learning on the job, teaming, and continuous training and education, we facilitate both personal and professional growth.

Our people work on a wide variety of assignments with both emerging and leading Dutch and international companies. We believe that making an impact by helping clients solve complex challenges provides our people the opportunity to further develop, which in return strengthens their sense accomplishment.

During their careers at Deloitte, our people are offered a growth path that can eventually lead them to be eligible to become a partner or director in the firm. At the same time, many of our recruits find their ways to successful and rewarding positions outside Deloitte. We believe that the insights and experiences gained over the years can be leveraged in their new job environment, creating a positive impact on their employer's organisation and business environment.

Governance
We aim to create a culture that supports our people to achieve their full potential by focusing on their strengths. Our approach to performance is designed to give our people a better career experience, moving away from annual appraisals to regular conversations that provide continuous feedback and support throughout the year.

We want to create an environment where people feel they have purpose; they belong and can learn, develop and grow every day. We aim to achieve this by supporting our people through ongoing coaching and creating opportunities for them to identify, use and build their strengths.

We distinguish four roles in our approach to career development:

1. The **Business Leader** is responsible for the performance management decisions and leverages performance data to make operating decisions within the team. The Business Leader plays a prominent role in the Talent and Business Reviews and uses the input received from Team Leaders and Coaches to take reward decisions at the end of the fiscal year.
2. Every employee has a **Coach** to help them identify, grow and leverage their strengths, and work towards their long-term career goals. Coaching increases engagement and retention. It provides continuity, assisting team members in identifying and understanding their strengths, forming a holistic view of performance across engagements or projects and influencing career decisions and opportunities.
3. The **Team Leader** is responsible for the performance and general wellbeing of the people who work for them. Teams Leaders will have regular check-ins with their Team Members to understand what's going on in their teams and to assess their team's strengths, how to divide work and get the best from their people and deal with any issues early on. They are the first point of contact for performance conversations throughout the year, helping Team Members to understand their performance and providing pointers on how they can further develop and improve.
4. The **Team Member** receives day to day support from their Team Leader, who is accountable for setting clear expectations about the work they are doing and with whom they have regular check-in's. They receive regular feedback on their performance during check-ins, focusing on developing strengths along with supporting those areas they may need to develop. Team Members have access to a coach to help them understand their motivations and barriers.

Activities in 2021/2022
In 2021/2022, we have implemented our new Employee Value Proposition (EVP) and as part of that, the Experience Ambition is to show people, within and outside the Deloitte network, what we stand for and offer as an employer. In the EVP, passion for purpose, true inclusion and continuous personal growth are the drivers. Through the moments that matter most to our people and their everyday interactions, we are committed to providing an exceptional human experience and a career that is personalised and meaningful. This is made tangible through seven ambitions (the Employee Ambition).

1. 'My impact is recognised and rewarded' | A culture of recognition with fair and transparent total reward;
2. 'My health and wellbeing is a priority' |, Mental health and wellbeing are prioritised, and individuals supported to be themselves;
3. 'My leadership is trusted and transparent' | Authentic, inspiring and inclusive leadership, with open and honest communication;
4. 'My performance is supported' | Goals are personalised, with ongoing coaching and feedback supporting the development of strengths;
5. 'My work is meaningful and challenging' | Work that is challenging that also has a social purpose and a greater meaning;
6. 'My development and growth opportunities are wide ranging'| Continuous learning and development with varied career options supported by talent mobility
7. 'My work environment is positive'| Inclusive, flexible and professional working environment.

As part of our EVP, we put in place a new reward programme that contains changes in different reward elements such as salary, allowances, variable pay, and benefits, a package where flexibility (choices), fairness, equality, inclusiveness and trust, clear expectations, and open communication are the key principles. In addition, our rewards package contains several provisions to promote wellbeing and connection in the broadest sense.

Results

Table 04: Turnover by gender in reporting year

Employment category	Turnover male	Turnover % male	Turnover female	Turnover % female
Partners	11	4%	3	4%
Directors	24	9%	4	5%
Senior managers	71	13%	36	15%
Managers	124	18%	76	23%
Aspirant / jr. managers	359	16%	284	15%
Supporting staff	9	24%	58	16%

Table 05: % of employees receiving regular performance & career development reviews*

	2021/2022	2020/2021
Total	77%	79%
By gender	**2021/2022**	**2020/2021**
Male	76%	78%
Female	79%	82%
By category	**2021/2022**	**2020/2021**
Partners	2%	N/A
Directors	54%	57%
Senior managers	85%	86%
Managers	91%	92%
Aspirant / jr. managers	92%	92%
Supporting staff	82%	85%

* Our partners are not part of the regular performance cycle. For partners we maintain a performance management system that is also used to determine their annual profit share and that takes into account such aspects as quality, integrity, inclusive leadership, commercial performance and relationship management.

3.2 Inclusion and diversity

Impacts
Deloitte has a moral, corporate and societal obligation to be a diverse and inclusive organisation: diverse in reflecting the clients and society we serve, and inclusive to ensure that all employees and partners regardless of their gender, cultural background, ethnicity, age, sexual orientation, gender identity, neurodiversity or disability, can be their authentic selves and fulfil their potential. Welcoming diversity and enabling colleagues to thrive enables Deloitte to leverage the well-researched and recognized business benefits of diversity:

Organisations with inclusive cultures are:

- 6 x more innovative,
- 6 x more adaptive
- 3 x high performing
- 2 x more financially successful

Over and above our moral obligation and the business benefits of I&D, we have a corporate responsibility to address the growing inequalities that are destabilizing society. The Global 2030 SDGs challenge us to use our corporate position to influence the socio-political and corporate landscape within the Netherlands by challenging government, our clients and supply chain to reflect the vision of I&D we aspire to.

Governance
It is our mission to have an inclusive workplace, in which every individual can be their true self and can fulfill their potential. This relies upon a substantial, long-term culture change. To achieve this, we take a holistic approach:

Focusing on data to better understand our demographics, employee experience and to measure our progress. This includes targets relating to female headcount, promotion, retention and recruitment in all Businesses and levels of the organisation.

Holding our leaders accountable to their Inclusive Leadership responsibility and actively engaging all of our employees to **embed inclusion** in their daily practice.

Changing the system to create an environment that nurtures the behaviour necessary to drive the culture change. This includes changes to both policies and processes.

This approach is underpinned by a governance structure that is led by our CEO and the Executive Board and includes:

- A dedicated central I&D Team committed to setting and executing a company-wide I&D strategy and plan by working in close collaboration with the broader Talent organisation and Communications team.
- All Business Leads, responsible for driving our gender diversity targets within their Business and holding partners accountable to their Inclusive Leadership responsibility
- I&D Ambassadors both within the business and for our ERGs
- I&D Councils within each Business to set and execute a Business specific I&D plan aligned to our corporate ambition
- Employee Resource Groups including the Deloitte Women's Network, GLOBE (LGBTIQ+), Neurodiversity Network and the Cultural Diversity Network who represent the employee voice and provide subject matter guidance of topics relevant to their target audience.

Activities in 2021/2022
The focus for 2021/2022 has been on embedding I&D in daily practice. This has included continuing to raise awareness and facilitate open dialogues among our people and leaders through initiatives such as reverse mentoring and our inclusion curriculum. Our Inclusive Leadership programme has been embedded into our Leadership Development programmes so that all Directors and Partners in the organisation have received comprehensive training on what it means to be an inclusive leader at Deloitte. This has also been cascaded down to all Managers and Senior Managers in the firm.

I&D has been embedded in our event management process in line with our Panel and Proposal Promise which strives for a ratio of 40% male, 40% female and 20% other visibly different individuals in all internal and external panel events. We have also introduced new policies to equalise the parental experience for primary and secondary careers and rainbow families, and to support the needs of transgender colleagues in the transition process. These policy changes have been driven by the insights gained from our Diversity Measurement Survey which exposed the demographics of our workforce and sentiments of inclusion and belonging.

We have also maintained our focus on proactively monitoring our gender representation across the organisation in line with our targets for female headcount, recruitment, retention and promotion in our Quarterly I&D Reports. Whilst we see top line improvement in gender diversity in overall headcount, we have been challenged by rapid growth across the business and especially in areas such as technology where female talent is more scarce. We have addressed such challenges by diversifying the recruitment team, broadening our search and investing in new partnerships, piloting new recruitment methodologies and revising our vacancy texts.

Results
We recognize that we are in a critical point of our I&D journey where change is being felt by colleagues across the organisation. This results in both positive sentiments such as our reversed mentoring programme, and the flourishing of our Cultural Diversity Network who successfully hosted their first cross business Iftar in April, but also questions from some of those in the 'majority' population who feel isolated and hindered by our I&D agenda. Addressing these emotions is crucial for 2022/2023 to deepen colleagues understanding of why I&D is important and what it actually means for them as an individual. We want to reassure all colleagues that I&D is about everyone, not a specific demographic group.

Although for Deloitte I&D goes beyond gender or age, in line with the GRI Standards, we monitor gender equality to ensure progress also in this area.

Table 06: Gender diversity (status per May 31)

Diversity figures female (%)	2021/2022	2020/2021
Partners	21%	18%
Directors	23%	19%
Senior managers	31%	31%
Managers	33%	34%
Aspirant / jr. managers	45%	43%
Supporting Staff	90%	91%

Table 07: Job category by age in 2021/2022 (average for financial year)

By category	< 30 years	30-50 years	> 50 years
Partners	0%	63%	37%
Directors	0%	75%	25%
Senior managers	0%	87%	12%
Managers	11%	83%	6%
Aspirant / jr. managers	70%	27%	3%
Supporting Staff	35%	39%	27%

Table 08: Ratio of basic salary of women to men per job category 2021/2022

	2021/2022		2020/2021	
By category	Men	Women	Men	Women
Partners	N/A	N/A	N/A	N/A
Directors	100%	94%	100%	95%
Senior managers	100%	98%	100%	98%
Managers	100%	98%	100%	99%
Aspirant / jr. managers	100%	99%	100%	99%
Supporting Staff	100%	112%	100%	110%

Gender Pay Equity Analysis
As part of our zero tolerance approach to gender pay equity, in 2020/2021, we conducted a gender pay equity analysis using a multi-variant regression model to identify statistically significant gender pay and bonus differentials between employees doing very similar or the same work. The analysis identified two salary cohorts with statistically significant differences for gender pay equity, representing approximately 1% of the population and four bonus cohorts with statistically significant differences for gender pay equity, representing approximately 5% of population.

These cohorts have been investigated further to understand the contributing factors to these pay and bonus differentials and corrections made were necessary. Insights from this exercise have been leveraged in the 2020/2021 reward cycle.

Going forward
In 2022/2023, we will continue to develop our data driven approach to I&D through increased monitoring of the diversity of the workforce and our gender targets. To drive further progress in embedding our plan, we will also be focusing on how to foster psychological safety within the organisation.

3.3 Learning and development

Impacts
Deloitte is a knowledge rich firm. The value we create is driven by our talent and using their intellect. We acquire knowledge and experience by recruiting top graduates and experienced hires. To be able to offer outstanding value to our clients, we further develop their knowledge and skills, and aim to keep our talent's skills and knowledge up to standards through our formal and informal learning curriculum. We actively share our insights to elevate public knowledge and understanding of the complex challenges that we work on. By engaging in continuous learning, our professionals are able to develop themselves further, advancing their careers and strengthening their employability, elevating their impact.

Deloitte depends on renowned academic institutions to educate our future and current professionals and business leaders. Our external costs invested in learning and development amount to €6 million. These costs help our employees develop, and in return contribute to the financial stability of educational facilities. We see it as our role to participate and actively contribute to the academic world and lead the debate: 259 of our professionals are internally registered to hold additional positions in universities and colleges.

Knowledge is not only a key input for our business model, it is also a key output. As an organisation, we partner with knowledge centers on a variety of complex topics. Examples of such partnerships are our associations with Singularity University in Eindhoven and Nyenrode University in Breukelen. Through our partnerships, we are able to further develop content that is mutually beneficial to both the universities involved as well as for Deloitte.

Through our 'Future of' agenda we create ecosystems to which we input our knowledge and insights for the benefit of our clients and society at large. Frequently, we publish in-depth articles to enrich public knowledge around current themes. Recent examples of such articles are our publication "Healthy, sustainable, and responsibly sourced food: our bright future for 2050" and our energy outlook for 2050.

Deloitte actively participates in think tanks such as the Working Groups of the Dutch Chartered Accountants Association and the Foundation on Auditing Research (FAR), to advance professional standards. Furthermore, we cooperate with universities to jointly develop and transfer valuable academic insights to our client base.

Governance
In our vision, learning is a continuous development approach that comprises formal education as well as environment, experience and blended-learning opportunities. 'Never Stop Growing', an important pillar within our Employee Value Proposition, underlines the importance of offering continuous learning and development opportunities with varied career options supported by talent mobility for our professionals.

We believe we grow leaders for the future, build world class capabilities for maximum client impact and consistently deliver an exceptional development experience for our people. The opportunity for the future is to improve the impact on our client engagements, to enhance the talent experience of our professionals and optimise learning investments and resources. Therefore, in 2021/2022 we have continued to focus on the future of learning and the technology landscape.

The future of learning is a learning environment that includes a learning culture and the right use and mix of live in-person, virtual and digital learning. Our new Deloitte University Europe campus in Paris which is due to open end of 2022, will play an important role in our learning experience, offering a mix of in person, digital and virtual modalities.

We will explore other, new, innovative technology to improve and enhance our learning programme to create a professional and leadership development experience that caters to the requirements of today's professionals, is uniquely their own, and is integrated into everyday life.

To cater to this view, we have implemented a global learning platform (CURA) that meets our professionals in their moment of need to provide personalised client, industry and skills-based knowledge as well as social networking and collaboration opportunities. CURA is a learner-driven content curation system that brings personalised internal and external content to the Deloitte professional. This innovative platform creates learning opportunities and supports the personal and everyday learning experience.

Activities in 2021/2022
Due to COVID-19, In 2020/2021 we transitioned to digital and virtual delivery to continue the delivery of learning and development opportunities to our professionals. As of March 2020, we transformed the technical and professional learning curriculum from in person live trainings to digital and virtual learning. When COVID restrictions in the Netherlands were lifted at the end of February 2022, we experienced a revitalisation of real-time learning events, albeit that digital learning continues and will continue to play an important role.

Results
Partly as a result of the successful introduction of CURA, learning hours in 2021/2022 increased to 94.3 hours/FTE (2020/2021: 71.3) while total investments (including external costs) increased to €8.5 million (2020/2021: €5.7 million). We believe this investment is key to supporting our people in their growth and ability to make a positive impact.

Table 09: Average training hours per FTE

	2021/2022	2020/2021
Total	89.8	71.3
By gender		
Male	93.1	74.8
Female	85.1	65.8
By category		
Partners	26.2	23.1
Directors	38.9	32.1
Senior managers	44.2	40.1
Managers	62.9	54.3
Aspirant / jr. managers	113.7	91.6
Supporting Staff	37.2	14.8
Interns	188.2	137.5
Average training days per Business		
Audit	18.7	16.0
Consulting	10.2	7.2
Financial Advisory	6.9	6.0
Tax & Legal	7.8	6.7
Risk Advisory	13.6	9.4
Others	2.1	1.5

3.4 Wellbeing

Impacts
For many people, having meaningful work in a positive and stimulating work environment contributes significantly to the quality of life. By paying attention to topics such as inclusiveness, work-life balance, physical fitness and mindfulness, we aim to keep our people happy and healthy.

Unfortunately, our high-performance culture can also negatively impact our colleagues, for example through excess workload, stress and pressure to perform. This is first and foremost a personal tragedy for those directly involved but also comes at a cost to Deloitte: based on third-party research, we estimate that 20% of both our lost days and of our employee turnover are caused by problems relating to work-life balance.

Governance and activities in 2021/2022

Our approach to wellbeing has four main focus areas:

1. **Mental health** | In a high performance culture such as ours, it is important that we remain focused on the mental wellbeing of our people. In order to promote good mental health, we offer various tools and tips that our people can use to stay connected and engaged, and maintain their mental balance. Especially during the COVID lockdowns, we increased our activities in this area, for example by organizing a dedicated wellbeing week that was focused on mental health.
2. **Physical health** | Deloitte has a Company Fitness Scheme that offers employees the opportunity to exercise at a relatively low cost. Two of our offices offer in-company fitness (Amsterdam and Rotterdam) and we have arrangements with external sports clubs throughout the Netherlands for fitness outside of our offices. In addition, our Deloitte FIT programme and app offer our people challenges and the possibility to try out new sports, stimulating our people to connect with each other through sports.
3. **Illness and recovery** | When an employee is absent due to illness for a longer period, a self-directed treatment plan is drawn up. This means that if an employee becomes ill or incapacitated for work, the manager and their employee make customised arrangements. They are supported in making these arrangements by the Case Manager Health, as well as the Occupational Health and Safety Officers for medical advice. The Case Manager Health plays an important central and coordinating role in the deployment of external professionals, such as company doctors, labour experts and other external providers who can assist in promoting employability.
4. **Working from home** | We are convinced that hybrid working - where our people make conscious decisions as to where they work - is here to stay. Working from home is an integral part of hybrid working and has proven benefits for work-life balance. We feel it's very important to be able to work in a good and ergonomically sound way, both in the office and at home. To ensure that our people can operate in an ergonomically sound manner whilst at home, we have created a once every 7 years personal budget for every employee to set up their home office in a responsible way. In addition, every Deloitter is entitled to a monthly allowance to compensate them for the additional costs of working from home. Finally, through our webshop, we offer technical peripherals and accessories to make working from home easier and more comfortable.

Results

The absenteeism in 2021/2022 was higher compared to the previous year. This is mainly due to the effects of the COVID pandemic, which has impacted the health and well-being of employees in a number of ways.

The virus itself caused an increase in absenteeism in addition to the prolonged flu wave in the autumn of 2021. On the other hand, employees had to manage circumstances resulting from the measures taken against the virus. Working from home, sometimes in combination with home education and the absence of external childcare, made those conditions tough. In addition customer demand from our clients remained high and there were no leisure facilities available (sports, recreational, cultural entertainment and food and drink facilities closed). These circumstances had a negative impact on the wellbeing of employees.

Deloitte acted quickly with support in optimising working conditions at the home workplace and in providing preventive support by offering on-line coaching on an individual basis via Heycoach. We notice that there is an increased need for support from Deloitte as an employer in the field of wellbeing.

During the COVID-pandemic, Deloitte has chosen that those who wanted to go to the office, should be able to show the CoronaCheck app when asked. We didn’t require our people to be vaccinated: a negative corona test or proof of recovery were also accepted. Going to the office was never compulsory as Deloitte had and has embraced the concept of hybrid working. We made this choice because as an employer, we feel we have the obligation to create a safe working environment for all our people.

Table 10: Sickness leave

	2021/2022			2020/2021		
	Total	**Male**	**Female**	**Total**	**Male**	**Female**
Lost day rate	72,550	32,275	40,275	53,692	22,673	31,019
Sickness leave	4.1%	3.1%	5.6%	3.4%	2.3%	5.0%

3.5 Social impact

Impacts
As an external accountant of both financial and non-financial information, we help build the trust that is necessary to facilitate informed decisions on financial and non-financials transactions, e.g. decisions to invest, divest or grant a government subsidy. Through our advisory work, we enable organisations to better understand their business and operating environment, thereby creating value for their stakeholders. We believe the societal impact of our assurance and advisory work to be greater than the revenues received.

We realise that, increasingly, we can only tackle complex challenges in partnership with others. To this end, creating effective ecosystems is a fundamental principle of our 'Future of' agenda. Together with our partners, we want to find solutions to social challenges around food, energy and mobility.

The social contribution of Deloitte is completed by the Deloitte Impact Foundation. Deloitte Impact Foundation offers Deloitters the possibility to input their unique skills and experience to non-profit organisations, making a positive impact on society.

Governance and activities in 2021/2022
Both the 'Future of' agenda and Deloitte Impact Foundation are part and parcel of our Connect for Impact strategy. For a summary of the governance and activities in 2021/2022, please see pages 16-20.

4. Governance information

4.1 Quality of services

Impacts
High quality audit and advisory services are imperative to our license to operate. Without high levels of quality, we would be unable to make an impact on our clients and society. To this end, Quality of services is an important focus area in our Connect for Impact strategy.

Providing social trust by delivering high quality services is crucial for the functioning of reliable economic and social ecosystems, such as financial markets. Hence, our quality ambitions are closely linked to SDG16 (Peace, justice and strong institutions) and are part and parcel of our Connect for Impact strategy. Failure to deliver high quality services to our clients can lead to economic damage and fines and ultimately, to a loss of social trust in our firm.

Governance
Our ambition to become the undisputed leader in professional services goes beyond mere volume of our business and includes to be leading in audit and advisory quality, the impact we make, and the position we have in the minds of our clients, stakeholders and people.

We believe the path to undisputed leadership in quality is through high consistent quality of our service delivery, our people and of our unique and integrated transformation solutions. The only way to create this is through differentiation. Differentiating on quality goes beyond technical quality and asks for unique propositions delivered in Deloitte's own unmatched multidisciplinary model. Furthermore, through our client work we want to have a tangible impact on the key societal challenges in the Netherlands. The societal challenges are translated in the 'Future of' themes.

We have an overarching system of quality control that is currently being enhanced through the implementation of the international quality management standard ISQM1. In addition, we have established a differentiated model around our central commitment to quality that has enabled our success. To achieve our business aspiration to become the undisputed leader and really differentiate on quality, we have initiatives across the different elements of our quality model. Progress on these initiatives is being measured based on a set of (strategic) KPIs.

Activities in 2021/2022
We continued to build trust in the financial reporting ecosystem by being at the forefront of Audit and using Deloitte's broad and deep advisory expertise in increasing the relevance of our audits, for example in ESG, cyber, fraud, continuity, non-financial information and analytics.

For our Advisory Businesses, MDM is and remains the preferred strategy for serving clients, bringing together unrivalled breadth of capabilities and increasing seamless collaboration across all businesses to provide unique propositions across our designated growth platforms. It is a top priority to deliver the quality clients and society expect from us in these large and complex end-to-end transformation engagements. In order to guarantee the quality on these complex transformation engagements we have an active monitoring programme in place where periodic in-flight reviews are performed during engagement performance and additional risk mitigation is taken if needed. Besides that, we closely measure and monitor the client satisfaction scores.

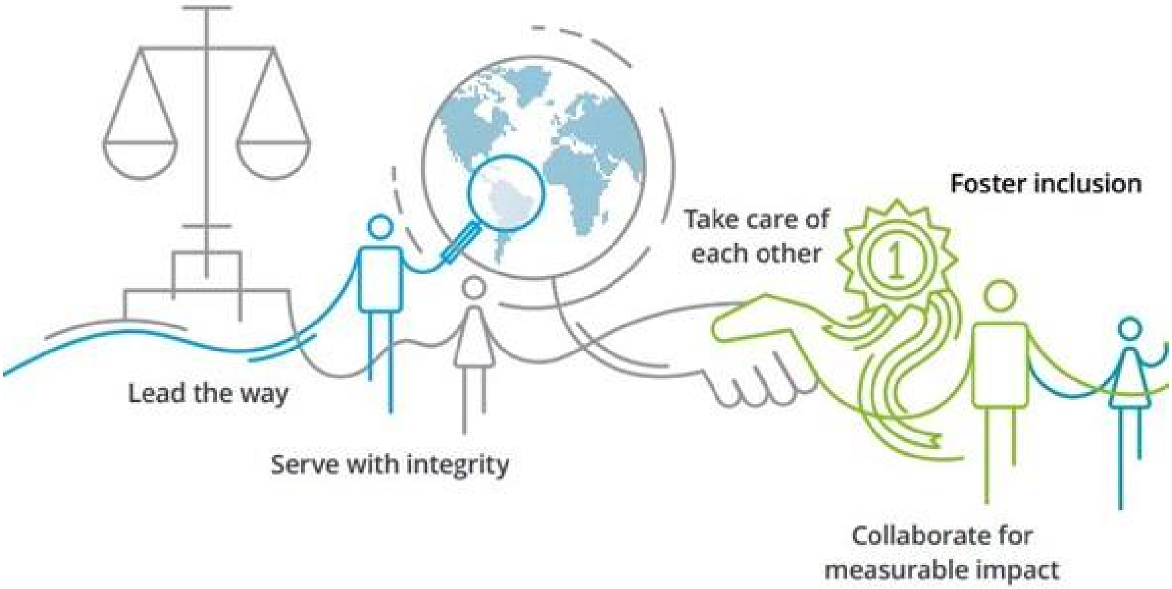
It all comes down to Connect for impact, our call to action and an essential part of the success of our Deloitte strategy. This is more than connecting with clients, partners or suppliers. It also means the connection between our people. At many of our large clients, we provided services from more than one business line. To further improve our collaboration, we are moving towards an allocation system that stimulates collaboration between service lines, implemented enhanced training of our Lead Client Service Partners and their account teams, and further increased collaboration between service lines through our MDM platforms.

To strengthen partner career management and development, we have created the Partner Life Cycle programme. This programme targets career stages and role/succession development and is catered to fit personal needs. We provide necessary and optional learnings, conversations and guidance to grow into, and successfully transition to different partner roles.

Results
Progress on our initiatives is being measured based on a set of (strategic) KPIs (see page 4).

4.2 Ethics and integrity

Impacts
Our culture of ethics and integrity is fundamental to our Purpose, to making an impact that matters and becoming the undisputed leader in professional services. The number one action to achieving this Purpose is to stand firm for doing the right thing.



Our NSE Code of Conduct sets out our DTTL Shared Values and Global Principles of Business Conduct. These are critical to our reputation and continued success, and are embedded in everything we do: how we serve clients, how we direct our businesses, how we work together and how we contribute to society. Fundamentally, the reputation of our firm rests on the personal ethics of every Deloitter. Our ethics programme is designed to build trust in our professions and among our professionals, strengthen our reputation and relationships with stakeholders, minimise ethical risk, and help all our people to make the best professional choices. This becomes even more important given our growing and more diverse organisation.

Governance
There is an appointed Ethics Leader in the Netherlands, who is responsible for helping our professionals and leaders in our firm to understand what is expected of them, ensuring that they comply, and seeing that there are appropriate consequences for ethical lapses. The Ethics Leader helps our leaders to set an ethical tone at the top and to build a culture of integrity.

Communication is key to building a consultative and "speak-up" culture. Our Chief Quality Officer is - in her role of NSE Ethics Leader - responsible for ethics within the NSE Firm. The NL- and NSE Ethics Leaders are supported by a Deputy Ethics Officer. Furthermore, the NL Ethics team currently consists of two confidential counsellors ('vertrouwenspersonen') and will soon be expanded by an extra internal and an external confidential counsellor. The confidential counsellors are tasked with being the first point of contact for reporters, guidance during the process and aftercare, and have a duty of confidentiality according to the law. It's not their role to find out the truth, but rather to support the reporter in proposing and discussing possible solutions. Employees, suppliers, business relationships, and other parties can also file a report - if they wish anonymously - using Speak Up, our 24/7 hotline that is run by an independent party. Twelve ethics ambassadors (partners and directors) in our businesses help to broaden the scope of the ethics programme, reaching out to all partners and Deloitte professionals, acting as linking pin between the business and the ethics team, and promoting our core values at a business level. On a periodic basis, the NL Ethics Leader reports on ethics issues and trends and the progress on the ethics programme to the NL Executive Board and NL Supervisory Board.

Activities in 2021/2022
In 2021/2022, all newly promoted partners have attended - or will attend - the 'Leading with Integrity workshop', an interactive two-hour session that is delivered across the Deloitte network to all our partners around the world to help them drive consistency in the way they lead and build our Deloitte culture. All promoted directors have attended the Masterclass Ethical Leadership to emphasise the importance of setting an ethical tone at the top and building and maintaining a culture of integrity in their new leadership role. 86% of our professionals completed the 'Ethics refresher' (existing partners and employees) or the 'Ethics champion' training (new hires). These learnings provide our people with 60 minutes to pause and reflect on the behaviors that are expected, consider ethical dilemmas, and find out more about what happens after a report has been made.

Especially in the last quarter of 2021/2022, we have seen an increase in the number of reported incidents this year (a total of 94 in 2021/2022, compared to a total of 64 during 2020/2021 and 91 in 2019/2020). Although we cannot be sure about the exact explanation, we assume the return to office after COVID contributes to this observation. Furthermore we believe that the increasing reports of sexual misconduct in the Dutch news has put 'ethics and integrity' broadly on the agenda. As a direct response to this development, we organised dialogue sessions within our offices to facilitate the conversation with our employees about ethical and unethical behaviour, what do we expect from each other and the channels to report.

In September 2021, we measured the effectiveness of the ethics programme through our annual voluntary ethics survey. Many of our partners and employees across businesses responded to the survey, providing us with a clear view on how they see Deloitte as an ethical employer.

The survey results show that:

- There is an increased perception that Deloitte is an ethical place to work (98%, +1%).The overall awareness as well as the knowledge where to report (82%, -3%) unethical conduct has decreased.
- More people reported observed or experienced misconduct and there was a strong feeling that their report was addressed. Experienced retaliation also increased.
- Most observed or experienced unethical conduct is related to 'Respect & Fair treatment'.
- Leadership has the most important influence on how our people experience ethics. There is important room for improvement for leadership to regularly put ethics on the agenda.

In addition, we relaunched the Values game, a virtual easy-to-use tool that is designed to kickstart conversations about culture, values and ethical dilemmas. It is meant to create awareness and mutual understanding and can be an easy and meaningful way to connect within teams while working remotely.

Results
A total of 94 cases have been reported in 2021/2022. From February – May 31 the number of cases has more than doubled. The strongest increase is in the cases related to (sexual) harassment (nearly a fourfold increase) and to 'fair treatment and inequality' which are more than doubled. Obvious reason for this rise is the return to the office and the growing number of (informal) events after a long period of working from home due to COVID. Four cases concerned incidents of alleged discrimination of which one case is still under investigation and one has been concluded 'unsubstantiated'. The other two cases were related to the COVID policy.

Table 11: Incidents: number of reported occurrence

Type	2021/2022	2020/2021
Professional conduct	5	16
Fair treatment or inequality	54	25
Harassment and sexual harassment	19	5
Corruption	0	0
Other or inquiry	16	18

Going forward
Our Ethics Operational Plan 2021-2023 is based on the number and nature of the ethics incidents and results of our ethics survey (see above). The main priorities are:

- We need to further stimulate role model behaviour.
- We have to pay important attention to creating trust in reporting and mitigating (the risk of) retaliation.
- We must increase awareness of our ethics programme and reinforce a strong "speak-up" culture.

4.3 Anti-corruption

Impacts
Anti-Corruption has always been part of Deloitte's ethical principles. We are against corruption in all its forms and want to contribute to good governance, economic development, and the improvement of social welfare wherever we do business. As Deloitte, we are committed to make an impact on society, as a role model for positive change and our responsibility is to familiarise ourselves, understand and act in accordance with all relevant policies and laws both in spirit and in intent. The impact of corruption and Financial Crime as a whole is huge and the consequences are global, resulting not only in financial losses but also in criminal behaviour and humanitarian disasters.

Governance
The Anti-Corruption programme strategy and objectives are determined by our Anti-Corruption Committee and the progress of our operational plan is regularly discussed within this committee. Members of this Committee are all subject matter experts and relevant stakeholders of the Anti-Corruption programme. Together with our Reputation & Risk Leader, the Committee is responsible for actively overseeing the Anti-Corruption programme.

Our fully implemented and comprehensive Anti-Corruption Framework consists of seven different elements that mitigate the risk of corruption within Deloitte and supports our employees and partners with guidelines to report corruption if needed. These elements include: Governance, Policies, procedures and guidelines, Training & Communications, Risk assessment, Testing & Monitoring, Third Party Due Diligence, Consultation, Incident Response and investigations

Anti-Corruption is fully implemented in our policies, procedures and guidelines. Next to the global policies, Deloitte Netherlands also has to comply with the NSE Anti-Bribery and Corruption policy and applicable legislation.

Activities in 2021/2022

Risk assessment
In June 2021 the Anti-Corruption risk assessment was performed at NSE level. In this year's assessment, senior risk leadership across the business and Geographies of NSE were consulted and actively involved. As procedures are already in place to mitigate the key risk areas, no gaps in controls were identified. The overall results were shared with the Anti-Corruption Committee.

Portfolio Risk Reviews
Furthermore, during the year, Anti-Corruption as a risk was discussed with our Assignment Partners in the Portfolio Risk Reviews. The Assignment Partners are asked to take a critical look at their portfolio concerning the corruption risks and make sure necessary mitigating measures are implemented.

Testing & Monitoring

The Anti-Corruption Framework is tested and monitored yearly. The focus is on two aspects: the operating effectiveness of the Anti-Corruption elements, and process level testing.

Internal Audit (IAF) performed specific internal audit procedures for Deloitte the Netherlands in the period from March 2020 – March 2021. Following the risk assessment no gaps in controls were identified, and the only actions raised related to enhancing guidance and awareness in some areas for ongoing programme enhancement. Other actions focus on the bedding in of existing processes and continuing to increase awareness and reviewing future testing and monitoring activities to stay in line with regulatory and global requirements.

All findings and actions resulting from the internal audit were closed at the beginning of 2022.

Results

In 2021/2022, no incidents of corruption were reported through our internal reporting systems. In parallel, no legal cases were brought forward implicating Deloitte in any (alleged) incident of corruption. Per May 31, 2022, the completion rate of our mandatory anti-corruption training stood at 96%.

Deloitte reported 233 instances (2020/2021: 174) of unusual transactions that we encountered in our work for clients to the Financial Intelligence Unit of Dutch government during the reporting year. By reporting these transactions, Deloitte contributes to the prevention of money laundering and financing of terrorism and complies with the reporting obligations of the Dutch Money laundering and terrorism financing Act (WwFT).

Going forward

Due to the changing landscape and increase of various legislation in the financial crime area, the Global and NSE Financial Crime Community has been introduced in 2021. The purpose of this community is to exchange knowledge and experience in preventing and detecting financial crime and to secure compliance with legal requirements across our network.

Financial Crime encompasses three pillars being Anti-Corruption, Anti Money Laundering and Sanctions/Trade Controls. In February 2022, Russia invaded Ukraine and this has lead to a range of sanctions imposed on Russia by the US, UK and EU. Deloitte NL has subsequently implemented various initiatives to ensure we do not violate any of these sanctions.

Our ambition is to further develop and expand the existing relationships and enhance the collaboration within the three pillars.

4.4 Privacy and security

Impacts

Companies gather a considerable amount of data. Making sure that data is safe, is an onerous task. We use the data from our clients to deliver our services and support them in more inclusive and responsive decision-making. Our clients will only trust us with their data if they are convinced that their data is secure with us. The prevention of data leakage is therefore a top priority as data leaks can harm our clients, and our reputation as a trusted business partner, and lead to significant monetary fines. Deloitte follows a well-defined data breach procedure in order to adequately address any data breach.

Governance

In order to safeguard and address Deloitte's privacy compliance, strategy and governance, a privacy policy is implemented and a dedicated Privacy Office that is part of the Reputation & Risk Leadership Office is in place. The Privacy Office is – among other responsibilities – tasked with examining privacy aspects of processes and systems through our internal Data Privacy Impact Assessment (DPIA). In addition, Deloitte has selected Privacy and Cyber Champions both within our business and in our Support Organisation. These champions are trained to be the first line of defence in the organisation concerning privacy and confidentiality aspects that arise within the business. By making use of Privacy and Cyber Champions, Deloitte creates privacy and security awareness within the organisation. Having the Privacy and Cyber Champions as the first line, the Privacy Office as the second line, the Data Protection Officer as the third line of defence, and a robust internal audit Member Firm standard programme in place, enables Deloitte to operate in a privacy and GDPR compliant manner. Lastly, Deloitte organises a quarterly "Privacy committee" in which multiple key topics regarding privacy and confidentiality are discussed at a high level. Examples are the privacy strategy, trends and other possible attention points.

New Global tools and vendors go through an extensive Data Protection Assessment Service (DPAS) to provide NSE privacy and confidentiality SME's all the information needed for their approval or non-approval. Local software tools and vendors are assessed through the Global Technology Operating Model (GTOM) process, meaning all relevant Subject Matter Experts (SME's) will review the application in one meeting from a privacy, security and IT perspective. This way Deloitte only cooperates with vendors that ensure the same level of data protection and confidentiality as Deloitte.

New Assets that Deloitte develops for clients go through the Certify to Sell process which also includes privacy, confidentiality and security assessments. Moreover, to ensure employees operate in a privacy and confidentiality minded manner, privacy and security awareness is at the top of Deloitte's training agenda. This is reflected in the "Secure the Future" privacy & security training that all employees must complete.

Activities in 2021/2022
Working from home during the COVID-19 crisis has accelerated the demand for new and innovative tooling to connect both with clients and colleagues. For all new tooling, we maintain solid and robust assessment of privacy and data security measures in order to safeguard client and Deloitte data. Our IT and security teams stepped up to the challenge enabling all our practitioners to work from home in safe and secure environments while also offering additional tooling and other resources, thus providing a robust environment for our people, also at home.

Results
Despite our efforts, in 2021/2022 77 data leaks were internally reported. We received no complaints regarding breaches of client privacy or loss of customer data. In three cases, we notified personal data breaches to the supervisory authority in conformity with the legal requirements of the 'Wet meldplicht datalekken' (Law on mandatory reporting of data leaks).

One report filed concerned a notebook from a team member involved with the investigation into the purchase of personal protective equipment as commissioned by the Dutch Ministry of Health, Welfare and Sport (VWS) had gone missing. Deloitte has taken its responsibility and has notified both VWS and the Dutch Data Protection Authority of this loss.

4.5 Sustainable procurement

Impacts
We buy goods and services to operate our business with a total influenceable spend of around €200 million. Our main procurement categories are:

- External staffing: our flexible workforce structurally consists of a variety of independent experts. In addition, we have contracts with staffing agencies through which we can employ temporary specialists on demand;
- Housing: all our office space is rented;
- Mobility: we operate a fleet of approximately 3,500 leased cars and have preferred suppliers for international travel;
- Facility services: all our facility services (such as cleaning, security, catering, maintenance) are outsourced; Technology: we purchase hardware, software and IT services to deliver our services.

Due to the nature of our business, most of our suppliers are based in the Netherlands. In the reporting year there were no major changes in our strategic supplier base.

Our procurement activities have both positive and negative impacts. The main positive impact is that we fuel economic activity and growth. Secondly, by maintaining long-term relationships with strategic suppliers, we believe that we are able to grow together, not only economically, but as responsible businesses that are coming up with new solutions to the challenges that we jointly face. Examples of such relationships are our standing relationships with LeasePlan, CBRE and Shell.

On the downside, for certain goods there are risks of undesired activities down the supply chain. These risks can be in the areas of integrity, environmental performance, or human rights compliance.

Governance
To ensure that we make the right purchasing decisions, we have implemented due process. Every new vendor must be assessed using our Business Relationship Assessment Tool. After an assessment request has been made, the supplier is subject to a due diligence process for independence issues (Does working with the supplier jeopardise our independence as an (audit) firm?), integrity related issues (Does the supplier have a known case history for corruption, money laundering or other unwanted behaviour?) and other relevant topics (What is the general reputation of the supplier? Is there a known case history regarding breaches of commonly accepted standards?). We maintain a list of preferred suppliers who are fully vetted in our BRAT process.

All suppliers are subject to our General Purchasing Conditions. These govern the relationship between the supplier and Deloitte, and contains – among others - the obligation for the supplier and their subcontractors to adhere to the Deloitte Supplier Code of Conduct. The Code contains provisions around human rights, labour, environment, ethics, and integrity and anti-corruption. In addition, the Code creates the possibility and channels to report suspected breaches of the Supplier Code.

General oversight and support for our procurement process lies with our Procurement team. The Procurement team based in the Netherlands is part of our global procurement team (CoRe). CoRe Procurement manages global and local procurement programmes on behalf of Deloitte member firms. With subject matter experts located around the world, CoRe Procurement oversees our global supplier spend, while leveraging the full capabilities of the Deloitte network to reduce costs, create efficiencies, and improve supplier service levels.

As a large part of our total CO_2 emissions are caused by the goods and services that we buy, as part of our WorldClimate programme DTTL has committed to 67% of our suppliers (by emissions) to adopt emission reduction targets congruent with the Paris 1.5º ambition by 2025. The progress against this target is tracked by DTTL.

Activities in 2021/2022
We have put a lot of focus on our strategic suppliers developing Science Based Targets to help them create a strategy to achieve the goals of the Paris Agreement. A part of this is that we are working with our strategic suppliers to have them report their carbon emissions to the Carbon Disclosure Project (CDP).

Furthermore, even though our Supplier Code of Conduct contains a lot of requirements around sustainability, we have analysed multiple ways to embed sustainability in all of the steps, tools, templates and contracts applicable to the procurement process.

Adding to this, we have developed a sustainable procurement team that specialises in creating awareness around sustainability and how to ensure that sustainability aspects are becoming more apparent in our supplier selection, contracts and negotiations.

We ensure that all of our new suppliers are approved by our Reputation and Risk Leadership office after a thorough business relationship assessment. During a supplier assessment, we check whether the new supplier relationship can jeopardise our independence and if the new supplier is known for unethical or illegal behaviour, for example money laundering, human rights violations, or corruption). For high-risk purchases or contracts greater than €150k, there is always involvement from our Procurement professionals. In addition, for certain categories of services, such as IT, there are additional requirements around data security and system integrity. We perform regular checks to confirm that this process is always being followed.

Results
All of our procurement personnel are trained in our WorldClimate ambitions. They are equipped to support our businesses in sustainable decision making throughout the procurement process.

All of our new suppliers are approved by the Reputation and Risk Leadership office through a Business Relationship Assessment.

As our General Purchasing Conditions are mandatory in all our purchasing agreements, we believe the coverage of our Supplier Code of Conduct to be 100%.

We can still improve on implementing more sustainability requirements into our existing contracts. In order to achieve this, we need to connect more with our longer standing suppliers to start the conversation.

Going forward
In the near future we are working towards an environment where we have more data available to us about our suppliers and their environmental impact. We are looking at ways to evaluate our suppliers through sustainability scores. Based on this, we will work the suppliers to help them achieve the goals set out in the Paris Agreement.

Adding to this, we are developing a sustainable procurement team that specialises in creating awareness around sustainability and how to ensure that sustainability aspects are becoming more apparent in our supplier selection, contracts and negotiations.

4.6 Innovation

Deloitte takes innovation seriously. To help our clients to stay at the forefront of innovation, already in 2007 Deloitte Netherlands has set up its separate, central Innovation department. Over the past years, innovation has grown in importance and our innovation professionals work in multiple teams to help Deloitte and our clients to innovate. We believe that innovation starts with insight and seeing challenges in a new way. We believe that our expertise breadth and scale, combined with passion for business challenges, make a powerful combination that help our clients to stay ahead of change, at the same time as creating an impact that matters.

Deloitte Center for the Edge
Deloitte Center for the Edge partners with CEOs and senior executives to make sense of and profit from emerging opportunities on the edge of business and technology. We help leaders understand the fundamental changes shaping the world, navigate the short-term challenges and identify long-term opportunities. Center for the Edge, anchored in Silicon Valley with teams in Australia and Europe, conducts original research and develops substantive points of view, organises exclusive sessions, and leverages an ecosystem of partners for new corporate growth.

Deloitte Monitor Innovation
Through a combination of design, strategy, social science, and technology, Monitor Deloitte works to unearth new opportunities and drive transformational growth for our clients. We help our clients to set innovation strategy, design, build, and launch innovations while becoming better innovators. We do this by using applied design methods to ensure people are always at the center of every solution.

Deloitte Greenhouse
Deloitte Greenhouse is an innovative environment that changes the way Deloitte clients solve their business challenges. By taking participants outside of their everyday environments, Greenhouse LAB sessions disrupt conventional thinking, spur creativity, bring about new perspectives, and lead to tangible solutions.

Deloitte Innovation BV
Inspired by fast shifting client needs, and the need for new knowledge and skills, Deloitte set up its Innovation department in 2007. Back then Deloitte Innovation BV was mostly known for accelerating and incubating new corporate ventures within Deloitte. Today, however, besides offering diverse programmes and incubating new businesses, Deloitte Innovation focuses on building new knowledge and capabilities in the fields of Artificial Intelligence , Blockchain and Quantum Computing .

Annex 3
Supporting documentation

- Glossary
- Basis of reporting
- GRI Content Index
- Deloitte tax policy
- Deloitte offices in the Netherlands

Glossary

A&FC	The Audit & Finance Committee of the Supervisory Board
AFM	Autoriteit Financiele Markten
AI	Artificial intelligence
AWS	Amazon Web Services
BEPS	Tax base erosion and profit shifting
BSO	Business Support Organisation
Bta	Besluit toezicht accountantsorganisaties
CEO	Chief Executive Officer
COO	Chief Operational Officer
CQO	Chief Quality Officer
CSA	Client Service Assessment
CTA	Commissie Toekomst Accountancy
DDC	Deloitte Dutch Caribbean
DIF	Deloitte Impact Foundation
DTTL	Deloitte Touche Tohmatsu Limited
ER&I	Energy Resources & Industrials
ExCo	Executive Committee
FA	Financial Advisory
FSI	Financial Services Industries
FY	Fiscal year
G&PS	Government and public sector
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IoT	Internet of things
KPI	Key Performance Indicator
LS	Life sciences
LTP	Legal technologist programme
M&A	Mergers and acquisition
MCA	Monitorings Commissie Accountancy
MDM	Multi Disciplinary Model
NBA	Nederlandse Beroepsorganisatie Accountants
NGO	Non-goventmental organisation
NSE	Deloitte North and South Europe
OECD	Organisation for Eceonomic Cooperation and Development
PCAOB	Public Company Accounting Oversight Board
QIRC	Quality Integrity & Risk Committee of the Supervisory Board
RC	Remuneration Commiittee from the Supervisory Board
RPA	Robot Process Automation
SAP S/4HANA®	The latest generation ERP software from SAP
SDG(s)	Sustainable Development Goal(s)
SNC	Selection & Nomination Committee of the Supervisory Board
SRS	Sustainability Reporting Standards
STEM	Science, Technology, Engineering en Mathematics
TMT	Technology, Media and Telecommunications
Wta	Wet toezicht accountantsorganisaties

Basis of reporting

The information presented in this report is collected from various online and offline, internal and external resources. In many cases, interviews with partners and employees took place in order to write the text. For the data, a variety of systems were used, including but not limited to our SAP systems and specific project data.

Strategic KPIs
In calculating the value of our strategic KPIs, we have applied the following data definitions:

Client satisfaction (engagements): the average score received from clients on post-engagement questionnaires sent out by the businesses during the financial year.

Regulatory quality: % of regulatory reviews (reviews issued by PCAOB, AFM, NBA, ADR, and Inspectie OCW), of which the results were communicated in the reporting year that are satisfactory as a percentage of all regulatory reviews issued in the reporting year.

Carbon emission reduction: the % in which mobility related carbon emissions were increased or decreased compared to comparable emissions in the base year 2018/2019 (32,190 tonnes). This year was chosen as reference year by DTTL for the global World*Climate* programme.

NPS at C-level among strategic clients: the net promotor score as determined during the client service assessment conversations, in which we regard a score of 9 or higher (on a 1-10 scale) as active promotors. Where clients indicate to be an active promotor and is considering a score between 8 and 9, the independent interviewer will seek confirmation with the client. When confirmed, these clients are also categorised as active promotors.

Talent engagement score: average weighted score for talent engagement as measured by the Deloitte Talent Survey that is performed throughout the year.

employer of choice in relevant ranking: ranking in the benchmark study performed by Universum in the Netherlands for the universities: University of Amsterdam, VU University Amsterdam, University of Groningen, Erasmus University Rotterdam, University of Tilburg, Technical University Eindhoven, Delft University of Technology for Business / Commercial studies and for STEM profiles.

Female positions in leadership roles: # women in Supervisory Board, Executive Board and Executive Committee divided by total membership of Supervisory Board, Executive Board and Executive Committee.

Female partners as % of total partners: # female partners divided by total # of partners.

Talent data
Unless otherwise indicated, our Talent data excludes interns as inclusion would distort insights provided by the indicators used (e.g. on important areas such as % of employees receiving regular performance & career development reviews, and employee turnover).

Lost days is the total of absent planned work days in one year. Sickness leave is calculated by dividing the number of lost days by the total planned work days in one year.

Anti-Corruption/Ethics Training: % of employees working for the firm as per May 31, 2022 successfully completed the mandatory anti-corruption/ethics e-learning on or before May 31, 2022.

Ecological footprint
The data included in the ecological footprint table of this Annex is gathered through a number of means:

- Total kilometres driven by lease cars as well as the number of lease cars in use are obtained from our supplier.

- Total litres of petrol, diesel and LPG, and electricity in kWh are obtained from our supplier. For conversion of these fuels to CO_2 emissions we used the most up to date emission factors based on www.co2emissiefactoren.nl :

  - Petrol: 1 litre equals 2.784 kilogrammes CO_2
  - Diesel: 1 litre equals 3.262 kilogrammes CO_2
  - LPG: 1 litre equals 1.798 kilogrammes CO_2
  - Electricity: 1 kWh equals 0.427 kilogrammes CO_2

- As we do not separately monitor business trips, commuting and privat use of lease cars, our data includes all these elements.

- For the conversion of natural gas consumption to MJ, we used the conversion factor from the GasUnie: caloric value per m3 is 35,17 MJ.

- Total kilometres travelled by plane are obtained from our travel agents. It is standing policy that we use the most recent conversion factors. Hence, for the calculation of the related CO_2 emissions, we have used the 2021 conversion factors as provided by DEFRA (www.defra.gov.uk) using a classification that distinguishes economy, premium economy, business class and first class and categorises air travel in domestic, short-haul international and long-haul international flights. For the various subgroups, the following CO_2 conversions are used:
  - Domestic average: 0.24587 kg CO_2/kilometre per passenger
  - Short-haul international average: 0.15353 kg CO_2/kilometre per passenger
  - Short-haul international economy class: 0.15102 kg CO_2/kilometre per passenger
  - Short-haul international business class: 0.22652 kg CO_2/kilometre per passenger
  - Long-haul international average: 0.19309 kg CO_2/kilometre per passenger
  - Long-haul international economy class: 0.14787 kg CO_2/kilometre per passenger
  - Long-haul international premium economy class: 0.23659 CO_2/kilometre per passenger
  - Long-haul international business class: 0.42882 kg CO_2/kilometre per passenger
  - Long-haul-international first class: 0.59147 kg CO_2/kilometre per passenger

- The total kilometres travelled by train are obtained from our supplier Nederlandse Spoorwegen. For the calculation of related CO_2 emissions for national rail, we used a conversion factor of 0.002 kg CO_2/kilometre per passenger as published by Nederlandse Spoorwegen.
- For international rail, the total kilometres travelled are provided by our travel agency. For the calculation of related CO_2 emissions for international rail, we used a conversion factor of 0.0046 kg CO_2/kilometre per passenger for intracontinental rail travel between different countries and of 0.0346 kg CO_2/kilometre per passenger for intracontinental rail travel within the same country (taking an international train for a domestic journey).

- To calculate the carbon emissions caused by hotel stays by Deloitte partners and employees, we have multiplied the total number of hotel nights with 31.3 kg CO_2. This conversion factor has been developed by DTTL on the basis of the Cornell University Hotel Benchmarking tool.

GRI content index

Standard	Description	Reference(s)	Notes
GRI 102: General disclosures (2016)			
Organisational profile			
102-1	Name of the organisation	Front cover	
102-2	Activities, brands, products, and services	p. 33-45	
102-3	Location of headquarters	p. 63	
102-4	Location of operations	p. 165	
102-5	Ownership and legal form	p. 63	
102-6	Markets served	p. 33-45	
102-7	Scale of the organisation	p. 3	
102-8	Information on employees and other workers	p. 160	
102-9	Supply chain	p. 147-149	
102-10	Significant changes to the organisation and its supply chain	p. 147-149	
102-11	Precautionary Principle or approach	p. 55-57	
102-12	External initiatives	p. 160-161	
102-13	Membership of associations	p. 160-161	
Strategy			
102-14	Statement from senior decision-maker	p. 7-9	
102-15	Key impacts, risks, and opportunities	p. 7-9, 33-45, 55-57	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	p. 143-144	
102-17	Mechanisms for advice and concerns about ethics	p. 143-144	
Governance			
102-18	Governance structure	p. 28	
102-19	Delegating authority	p. 46-47	
102-20	Executive-level responsibility for economic, environmental, and social topics	p. 161	
102-21	Consulting stakeholders on economic, environmental, and social topics	p. 161	
102-22	Composition of the highest governance body and its committees	p. 46-47	
102-23	Chair of the highest governance body	p. 46-47	

102-24	Nominating and selecting the highest governance body	p. 47
102-25	Conflicts of interest	p. 47
102-26	Role of highest governance body in setting purpose, values, and strategy	p. 46-47
102-27	Collective knowledge of highest governance body	p. 161
102-28	Evaluating the highest governance body's performance	p. 51
102-29	Identifying and managing economic, environmental, and social impacts	p. 125-127
102-30	Effectiveness of risk management processes	p. 55-57
102-31	Review of economic, environmental, and social topics	p. 7-9
102-32	Highest governance body's role in sustainability reporting	p. 129
102-33	Communicating critical concerns	p. 161
102-34	Nature and total number of critical concerns	p. 144
102-35	Remuneration policies	https://www2.deloitte.com/nl/nl/pages/over-deloitte/articles/raad-van-commissarissen.html
102-36	Process for determining remuneration	https://www2.deloitte.com/nl/nl/pages/over-deloitte/articles/raad-van-commissarissen.html
102-37	Stakeholders involvement in remuneration	https://www2.deloitte.com/nl/nl/pages/over-deloitte/articles/raad-van-commissarissen.html
102-38	Annual total compensation ratio	p. 161
102-39	Percentage increase in annual total compensation ratio	p. 161
Stakeholder engagement		
102-40	List of stakeholder groups	p. 125-127
102-41	Collective bargaining agreements	p. 161
102-42	Identifying and selecting stakeholders	p. 125
102-43	Approach to stakeholder engagement	p. 125-127
102-44	Key topics and concerns raised	p. 127-128
Reporting practice		
102-45	Entities included in the consolidated financial statements	p. 116
102-46	Defining report content and topic Boundaries	p. 5
102-47	List of material topics	p. 32

102-48	Restatements of information		Due to an expanded scope of strategic clients, the NPS score for 2020/2021 has been updated from the original score of 68 to 62. We have aligned the data definition for gender diversity (table 06 on page 137) with our strategic dashboard. As a result we now report on the composition of job categories per May 31 instead of the average throughout the year.
102-49	Changes in reporting	p. 5	
102-50	Reporting period	p. 5	
102-51	Date of most recent report	p. 5	
102-52	Reporting cycle	p. 5	
102-53	Contact point for questions regarding the report	p. 5	
102-54	Claims of reporting in accordance with the GRI Standards	p. 123	
102-55	GRI content index	p. 154-159	
102-56	External assurance	p. 167	

Material topics

Climate and CO2 emissions

GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	p. 130-133	
103-2	The management approach and its components	p. 130-133	
103-3	Evaluation of the management approach	p. 130-133	
GRI 305: Emissions (2016)			
305-1	305-1 Direct (Scope 1) GHG emissions	p. 130-133	
305-2	305-2 Energy indirect (Scope 2) GHG emissions	p. 130-133	
305-3	305-3 Other indirect (Scope 3) GHG emissions	p. 130-133	
305-4	305-4 GHG emissions intensity	p. 130-133	
305-5	305-5 Reduction of GHG emissions	p. 4, p. 130-133	
305-6	305-6 Emissions of ozone-depleting substances (ODS)		Not applicable: Deloitte doesn’t emit ozone depleting substances
305-7	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Not applicable: there are no such significant emissions within Deloitte

Employee value proposition

GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	p. 134-135	
103-2	The management approach and its components	p. 134-135	
103-3	Evaluation of the management approach	p. 134-135	
GRI 404: Training and Education (2016)			

404-2	Programs for upgrading employee skills and transition assistance programs	p. 161
404-3	Percentage of employees receiving regular performance and career development reviews	p. 135

Inclusion and diversity

GRI 103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	p. 136-138
103-2	The management approach and its components	p. 136-138
103-3	Evaluation of the management approach	p. 136-138
GRI 405: Diversity and Equal Opportunity (2016)		
405-1	Diversity of governance bodies and employees	p. 136-138
405-2	Ratio of basic salary and remuneration of women to men	p. 136-138
Own indicator	Female positions in leadership roles	**p. 4**
Own indicator	Female partners as % of total partners	**p. 4**

Learning and development

GRI 103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	p. 138-139
103-2	The management approach and its components	p. 138-139
103-3	Evaluation of the management approach	p. 138-139
GRI 404: Training and Education (2016)		
404-1	Average hours of training per year per employee	p. 139

Wellbeing

GRI 103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	p. 139-141
103-2	The management approach and its components	p. 139-141
103-3	Evaluation of the management approach	p. 139-141
Own indicator	Sickness leave	p. 140

Impact on society

GRI 103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	p. 16-20, 141
103-2	The management approach and its components	p. 16-20, 141
103-3	Evaluation of the management approach	p. 16-20, 141

Own indicator	#hours spent on DIF projects	p. 17

Quality of services

GRI 103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	p. 142-143
103-2	The management approach and its components	p. 142-143
103-3	Evaluation of the management approach	p. 142-143
Own indicator	Total engagement satisfaction	p. 4
Own indicator	Net promotor score	p. 4
Own indicator	% regulatory reviews that are satisfactory	p. 4

Ethics and integrity

GRI 103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	p. 143-144
103-2	The management approach and its components	p. 143-144
103-3	Evaluation of the management approach	p. 143-144
Own indicator	Ethics incidents	p. 144

Anti-corruption

GRI 103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	p. 145-146
103-2	The management approach and its components	p. 145-146
103-3	Evaluation of the management approach	p. 145-146
GRI 205: Anti-corruption (2016)		
205-1	Operations assessed for risks related to corruption	p. 145-146
205-2	Communication and training about anti-corruption policies and procedures	p. 145-146
205-3	Confirmed incidents of corruption and actions taken	p. 144

Privacy and data security

GRI 103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	p. 146-147
103-2	The management approach and its components	p. 146-147
103-3	Evaluation of the management approach	p. 146-147
GRI 418: Customer Privacy (2016)		

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 146-147	

Sustainable procurement

GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	p. 147-149	
103-2	The management approach and its components	p. 147-149	
103-3	Evaluation of the management approach	p. 147-149	
GRI 308: Supplier Environmental Assessment (2016)			
308-1	New suppliers that were screened using environmental criteria		Not available. We are setting up procedures and systems to report on this indicator from 2023/2024 onwards
308-2	Negative environmental impacts in the supply chain and actions taken		Not available. We are setting up procedures and systems to report on this indicator from 2023/2024 onwards
GRI 414: Supplier Social Assessment (2016)			
414-1	New suppliers that were screened using social criteria		Not available. We are setting up procedures and systems to report on this indicator from 2023/2024 onwards
414-2	Negative social impacts in the supply chain and actions taken		Not available. We are setting up procedures and systems to report on this indicator from 2023/2024 onwards
Own indicator	Applicability of our Supplier Code of Conduct	p. 147-149	

Innovation

GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	p. 149	
103-2	The management approach and its components	p. 149	
103-3	Evaluation of the management approach	p. 149	

SRS 102-8: Information on employees and other workers

Employment and turnover

	2021/2022	2020/2021
Average FTE's	6,796	6,103
Average headcount	7,191	6,415
Total experienced hires (excl. partners)	277	124
● < 30 years old	19	7
● 30 - 40 years old	164	61
● 40 - 50 years old	79	45
● > 50 years old	15	11
Total partner hires	19	15
Total graduate hires	1449	733
● < 30 years old	1217	614
● 30 - 40 years old	200	105
● 40 - 50 years old	21	11
● > 50 years old	11	3
Total internship (Stagiairs)	812	489
Total exits	1059	847
● < 30 years old	498	345
● 30 - 40 years old	409	347
● 40 - 50 years old	95	99
● > 50 years old	57	56
Total divestments	0	0

Part-time / Full time population (%)

	Part-time 2021/2022	Full-time 2021/2022	Part-time 2020/2021	Full-time 2020/2021
Population of Deloitte	19%	81%	17%	83%

SRS 102-12 and 102-13: Memberships and charters

Deloitte Netherlands fully supports the commitments made by the global DTTL organisation to the UN Global Compact (UNGC), the World Economic Forum's Partnering Against Corruption Initiative (PACI) Principles, the Global Corporate Citizenship Initiative (GCCI), and the Global Reporting Initiative (GRI). Wherever possible, we translate these initiatives into local activities and initiatives and share our knowledge and experience with other member firms and our clients.

Our support for these commitments enables us to:

- Have an understanding of sustainability initiatives undertaken by other geographies and member firms, and identify opportunities to leverage and learn from these activities
- Translate the commitments made by DTTL to the UNGC, World Economic Forum's PACI Principles and Global Corporate Citizenship Initiative and the GRI, into activities for Deloitte Netherlands
- Set targets for Deloitte Netherlands.

UN Global Compact (UNGC)

The UNGC is a voluntary international network of corporations, UN agencies, trade unions and non-governmental organisations that supports ten universal principles. Deloitte has made a public pledge to promote corporate responsibility in the areas of human rights, labour, the environment and anti-corruption.

The Netherlands Network of the UNGC is an initiative of Dutch business leaders that aims to further the contribution of private business – within its sphere of influence – to sustainable development. We actively participated in the Board of the Netherlands Network. The Integrated Annual Report also serves as the annual communication on progress regarding the UNGC.

GRI
We are an organisational stakeholder of the Global Reporting Initiative (GRI) and have published external sustainability reports based on the GRI Reporting Guidelines and Standards for a number of years. Due to our continued support, we were awarded inclusion in the GRI Gold community.

MVO Nederland
We are an active member of the network of Sustainably Responsible Organisations (MVO) in the Netherlands.

World Economic Forum
Deloitte supports the World Economic Forum and its initiatives. We focus on the role of business in society; a theme that was originally introduced in 2012 and has consistently been built on since then.

International Integrated Reporting Council (IIRC)
Deloitte has joined the IIRC, an international body that aims to develop standards for integrated reporting. Integrated Reporting is an approach to corporate reporting that demonstrates the linkages between an organisation's strategy, governance and financial performance and the social, environmental and economic context within which it operates. By reinforcing these connections, Integrated Reporting can help business to take more sustainable decisions and enable investors and other stakeholders to understand how an organisation is really performing. On an international level, Deloitte is part of the Council and participates in Working Groups.

Anders reizen
'Anders reizen' is a platform of Dutch companies and (non-) governmental organisations that shares knowledge and best practices between participants in the area of carbon friendly travel (road, rail and air) and thus inspires a change of behaviour within the participating organisations and in Dutch society at large.

SRS 102-20: Executive-level responsibility for sustainability
Sustainability falls under the responsibilities of our Chief Operations Officer who is a member of the Executive Board.

SRS 102-21: Consulting stakeholders
Stakeholder consultation takes place throughout the firm and the results are reported back to the Executive Board both in formal (strategic dashboard) and informal manners.

SRS 102-27: Collective knowledge of highest governance body
There are no specific programmes in this area.

SRS 102-31: Review of economic, environmental, and social topics
The Executive Board meets in principle every week to discuss all issues relevant to Deloitte. Meetings of the Supervisory Board have taken place 13 times in the reporting year (also see the Report from the Supervisory Board in the Integrated Annual Report).

SRS 102-33: Communicating critical concerns
We maintain formal and informal ways of raising critical concerns. Formal ways include the General Meeting of Members of Coöperatief Deloitte U.A., functional meetings and the Works Council meetings.

Our culture is characterised by low thresholds. This is illustrated by open communication channels between the Board and employees. During special focus meetings and in internal media such as townhall meetings and other channels, employees are invited to give their constructive feedback on policies and organisational performance.

SRS 102-38 Annual total compensation ratio
In 2021/2022, the ratio within Deloitte amounted to 11.0 (2020/2021: 12.2).

SRS 102-39 Annual total compensation ratio
The income of the highest paid individual increased with 0.8% in 2021/2022 (2020/2021: 6.1%). At the same time the increase of the average income for partners and employees amounted to 8.2% (2020/2021: 7.0%).

SRS 102-41 Collective bargaining agreements
There are no collective bargaining agreements applicable to Deloitte.

SRS 404-2 Programs for upgrading employee skills and transition assistance programs
We manage career endings on a case-by-case basis depending on the circumstances and the needs of the employee.

Deloitte tax policy

Introduction

The public debate around tax has been shifting rapidly for a number of years. Whereas past discussions were generally focused on effective tax rates or being in control of tax risks, the topic has now evolved and sits within a much broader context. For example, themes like tax in the boardroom, sustainable tax and fair share are now widely discussed. Society's general mindset around tax has shifted.

In this context, stakeholders expect Deloitte Netherlands to reflect on how we deal with our own tax affairs – and not only our internal stakeholders, such as the Supervisory Board, the global Deloitte organisation or the Workers Council, but also external stakeholders like our business partners, or the public in general.

In this section, we describe our attitude as a taxpayer, regarding both Deloitte and our partners/owners, our relationship with the Dutch tax authorities and our responsibilities as a member of the global Deloitte community. This section aims to reflect on our transparency about our tax position and to address our leading role on this topic in society.

For the avoidance of doubt, this document does not refer to Deloitte's position as a financial and tax advisor during its business operations.

Deloitte policy

Deloitte's tax policy is based on three pillars.

1. Deloitte is a purpose-driven organisation acting within a global network. In this network, our Global Principles guide the way we do business, enabling us to take a leading role in society and protecting our brand and reputation. As part of these principles, every Deloitte member firm needs to obey international and local tax rules. This applies to the organisation itself and to its partners/owners. Among other requirements, all tax reporting in the name of Deloitte and of the corporate entities held by the partners who own Deloitte must be done in a timely manner and in compliance with all relevant local tax rules. Furthermore, Deloitte will not enter into aggressive tax planning positions. Deloitte Global requires Deloitte to confirm annually that it meets these principles.
2. Deloitte aims to act as a responsible party in Dutch society, not only meeting the requirements according to local rules, but also showing leadership towards its stakeholders. Therefore, Deloitte and its partners/owners will not be involved in aggressive tax planning or in structures which could be defined as artificial. We pay our fair share of corporate income tax in the countries where we do business. We commit ourselves to pay wage withholding tax in the countries where our employees do work according to the applicable rules. We do not make use of so-called tax havens where no effective business is carried out. All our tax-related reporting is part of an integrated internal control framework that includes a range of checks and balances to minimise the risks where possible.
3. Deloitte has entered into an agreement with the Dutch Tax Authority (DTA), which is called Horizontal Monitoring ('Horizontaal Toezicht'). This system consists of three elements:
    i. We regularly discuss our tax control framework, as part of our overall Internal Control Framework over Financial Reporting (ICFR), with the DTA. Suggested improvements are implemented after approval;
    ii. Annually, we perform a randomly selected sample in our system on all our incoming and outgoing payments to test the compliance of the relevant tax aspects. The DTA is involved throughout this process and receives an integral report on findings and identified improvements;
    iii. We discuss, in our quarterly meetings with the DTA, all our pending and new tax affairs and our filings in a fully transparent manner.

The DTA changed its policy towards Horizontal Monitoring in 2020 and selected Deloitte to enter into an Individual Control Plan ('Individueel Toezicht-plan'). The DTA have indicated to continue above mentioned approach in their Individual Control Plan (ICP), with the three elements (Tax control Framework, Annual Sample Testing, Quarterly meetings) for the period 2022 onwards.

Governance
Deloitte is organised as a corporate entity. The Executive Board consists of three persons, of which one has the function of Chief Operating Officer (COO). The COO is responsible for all finance matters including tax matters. The CTO issues an annual report on Deloitte's tax position to the Supervisory Board's Audit & Finance Committee.

The CTO leads a group of experts dedicated to corporate tax, wage tax and indirect tax matters. These specialists regularly discuss pending issues, the impact of new regulations and new developments within the organisation, and they take appropriate actions if needed. These actions can be proactive, when new regulations or developments are recognised, or reactive, if matters arise from the ICFR or the annual sample mechanism. All findings and changes are discussed in full transparency with the DTA in the context of the Individual Control Plan..

Furthermore, Deloitte's CTO is part of a group of CTOs within Deloitte Global. The group discusses, on a regular basis, anticipated trends and developments in the tax environment and possible measures or adjustments in the global Deloitte organisation's tax policy.

Tax position

Corporate tax
Deloitte's partners/owners charge Deloitte a management fee through a personal management company These management fees are fully taxable at the level of the individual management company, in accordance with the regular Dutch corporate income tax rates. Deloitte's remaining profit is taxable at Deloitte level, subject to the regular Dutch corporate income tax rates.

All filings for corporate income tax returns from Deloitte and the individual management companies of the partners/owners are prepared centrally by Deloitte in line with the guidelines agreed with the DTA.

Cross-border projects or other international services are fine-tuned with CTOs in other countries to ensure Deloitte meets local rules and regulations.

Wage tax
All relevant filings are carried out in a timely manner and in accordance with local rules and regulations. Meetings are held regularly with specialists from the DTA to discuss pending and new tax issues, such as charging travel expenses, cost reimbursements and the so-called free space in the wage tax declaration.

All cross-border work situations (including secondments, projects and expats) are handled by a dedicated group of specialists to ensure that Deloitte and its employees meet all Dutch and local requirements.

Findings from the annual self-initiated sample as described above (in B.3.ii) are reported in full transparency. We also indicate potential improvements or adjustments that can be made to prevent issues recurring in the future.

Value added tax
On all incoming and outgoing transactions, we follow the rules and guidelines for value added tax (VAT). Specific transactions are subject to strict protocols to ascertain that VAT is reported correctly. VAT is also subject to the self-initiated sample as described above, and findings are reported to the DTA in full transparency.

Relationship with stakeholders
We address this subject in three parts: (i) our shareholders, (ii) the Deloitte Organisation and (iii) our business partners, clients and society.

1. For Deloitte's direct shareholders (the partner/owners), we have implemented a system of internal controls to ascertain that all partners/owners are aligned to the same principles. The partners/owners charge Deloitte through a personal management and holding company. All matters related to tax compliance for these entities are serviced by a dedicated group of specialists (Partner Administration Services, PAS) to ensure all tax positions are aligned to our Global Principles. The CTO is involved throughout the process. Furthermore, all partners/owners are required to file their personal income tax returns annually. The returns are monitored by PAS to ascertain that no tax positions are used that might conflict with our tax compliance principles.
2. Regarding Deloitte as an organisation, as mentioned above, tax is a theme discussed within the Audit & Finance Committee of the Supervisory Board. This is a safeguard to ascertain that no positions are taken that might result in tax charges afterwards or that might trigger reputational consequences.
3. Deloitte acts as a responsible party in the business community, taking the lead in debates and actively accompanying clients as they navigate business decisions and sustainability questions. In that context, Deloitte recognises that a proper tax policy is essential to being regarded as a professional organisation within our business community.

With attitudes towards tax in our societies rapidly evolving, large corporates in particular are subject to scrutiny. Consequently, we understand that, as Deloitte is one of the leading voices in these public debates, we need to establish and abide by clear policies and controls within our own organisation.

Deloitte offices in the Netherlands

Annex 4
Other information

- Appropriation of result according to articles of association
- Combined independent auditor’s and assurance report

Appropriation of result according to articles of association

In Article 18 of the Cooperative's articles of association the following has been presented concerning the appropriation of result:

1. The profit is fully distributed to the Members.
2. The General Meeting decides on appropriation of the profit based on a proposal by the Executive Board approved by the Supervisory Board. Profit will be distributed after adoption of the financial statements evidencing that this is permissible.
3. Based on a proposal by the Executive Board approved by the Supervisory Board, the General Meeting may decide to distribute to the Members profit of the current fiscal year.
4. If the Cooperative sustains a loss in any fiscal year, the Executive Board will submit to the General Meeting a proposal approved by the Supervisory Board regarding treatment of the loss. The General Meeting will take a decision with respect to treatment of the loss following the proposal submitted by the Executive Board as referred to in the first sentence of this paragraph. If losses have been charged to the capital accounts, no profit will be distributed until such losses have been made up.

Combined independent auditor's and assurance report

To: the general meeting and Supervisory Board of Coöperatief Deloitte U.A.

Summary
The full text of the independent auditor's report, which includes the audit opinion on the financial statements and the reasonable assurance report on the other (integrated) information included in the Integrated Annual Report has been included in the following pages.

The other (integrated) information in scope of our audit is included in the sections Key numbers of value creation, About this report, Executive Board highlights, lessons learned and outlook (excluding outlook), Our purpose and strategy, About Deloitte, Roles and Responsibilities (excluding the Report of the Supervisory Board), Risk management, Annex 2: Non-financial statements, Annex 3: Supporting documentation (hereafter: the other (integrated) information in the Integrated Annual Report).

	Financial statements	Other (integrated) information in the Integrated Annual Report
Opinion	Unqualified opinion on financial statements.	Unqualified reasonable assurance opinion on other (integrated) information in the Integrated Annual Report.
Materiality	• Materiality of €14,000,000. • Approximately 7% of reported income before tax and management fee.	Based on our professional judgement we determined materiality levels for each relevant part of the other (integrated) information and for the other (integrated) information as a whole.
Key audit matters	• Valuation of unbilled services and advance billings to customers. • Valuation of professional liability provision.	True and fair view on material theme Quality of services.

A. Report on the audit of the financial statements and other (integrated) information 2021/2022 included in the Integrated Annual Report

Our opinion
We have audited the financial statements 2021/2022 of Coöperatief Deloitte U.A. based in Rotterdam, the Netherlands. The financial statements comprise the consolidated financial statements and the company financial statements.

WE HAVE AUDITED	OUR OPINION
The financial statements comprise: 1. the consolidated and company statement of financial position as at May 31, 2022; 2. the following statements for 2021/2022: the consolidated and company income statement, the consolidated and company statements of comprehensive income, changes in equity and cash flows; and 3. the notes comprising a summary of the significant accounting policies and other explanatory information.	In our opinion, the accompanying financial statements give a true and fair view of the financial position of Coöperatief Deloitte U.A. as at May 31, 2022 and of its result and its cash flows for 2021/2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

Other (integrated) information in the Integrated Annual Report	Other (integrated) information in the Integrated Annual Report
The other (integrated) information comprises: 4. Key numbers of value creation, About this report, Executive Board highlights, lessons learned and outlook (excluding outlook), Our purpose and strategy, About Deloitte, Roles and Responsibilities (excluding the Report of the Supervisory Board), Risk management, Annex 2: Non-financial statements, Annex 3: Supporting documentation (hereafter: the other (integrated) information in the Integrated Annual Report). The other (integrated) information includes prospective information such as ambitions, objectives, targets and expectations. Inherent to this information is that the actual results may differ in the future and are therefore uncertain. We do not provide any assurance on the achievability of prospective information in the Integrated Annual Report.	In our opinion, the other (integrated) information presents, in all material respects, a reliable and adequate view of: • the policy and business operations with regard to corporate responsibility; and • the thereto related events and achievements for the year ended May 31, 2022 in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) (Universal Standards) and the supplementary internally applied reporting criteria as disclosed on pages 152-153.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the Dutch Standard 3810N 'Assurance-opdrachten inzake maatschappelijke verslagen' (Assurance engagements relating to sustainability reports), which is a specific Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000: 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements and the other (integrated) information in the Annual Report' section of our report.

We are independent of Coöperatief Deloitte U.A. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements and the (other) integrated information as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Reporting criteria financial statements
The information outlined in the scope of our engagements needs to be read and understood together with the reporting criteria, for which Coöperatief Deloitte U.A. is solely responsible for selecting and applying, taking into account applicable laws and regulations related to reporting. The criteria used for the preparation of the consolidated and company financial statements are EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, respectively.

Reporting criteria other (integrated) information in the Integrated Annual Report
The other (integrated) information needs to be read and understood together with the reporting criteria. Coöperatief Deloitte U.A. is solely responsible for selecting and applying these reporting criteria, taking into account applicable laws and regulations related to reporting.

The reporting criteria used for the preparation of the other (integrated) information are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied supplemental reporting criteria as disclosed on page 152-153 of the annual report. The absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Materiality
Based on our professional judgement we determined the materiality for the financial statements as a whole at €14,000,000. The materiality is based on a benchmark of income before tax and management fee (representing approximately 7% of reported income before tax and management fee). We applied this benchmark based on our analysis of the common information needs of users of the financial statements. On this basis, we believe that the income before tax and management fee is an important metric for the financial performance of the group. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of €700,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Materiality other (integrated) information in the Integrated Annual Report
Based on our professional judgement we determined materiality levels for each relevant part of the other (integrated) information and for the other (integrated) information as a whole. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and the company.

We agreed with the Supervisory Board that misstatements which are identified during the audit and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.

Scope of the group audit
Coöperatief Deloitte U.A. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Coöperatief Deloitte U.A.

Our group audit mainly focused on significant group entities. We consider an entity significant when:

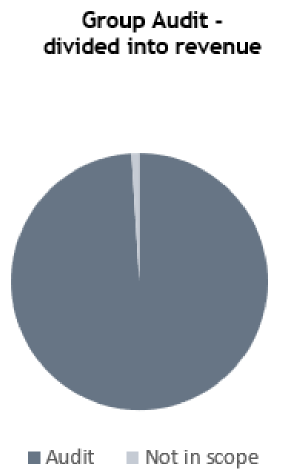
- it is of individual financial significance to the group;
- the component, due to its specific nature or circumstances, is likely to include significant risks of material misstatement, whether due to fraud or error of the group financial statements.

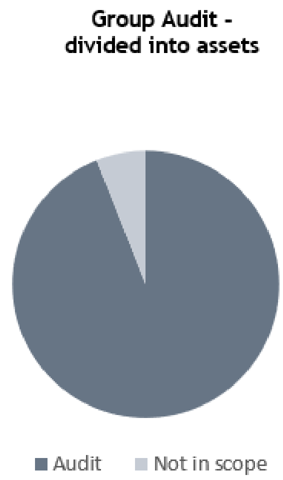
To this extent, for the purpose of the audit of the consolidated financial statements, we performed audit procedures for all of the following significant group entities:

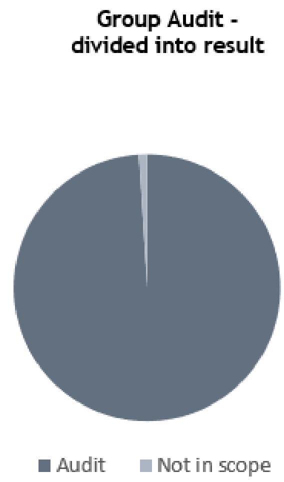
- Deloitte Risk Advisory B.V.
- Deloitte Accountants B.V.
- Deloitte Belastingadviseurs B.V.
- Deloitte Consulting B.V.
- Deloitte Financial Advisory B.V.
- Deloitte Holding B.V.

In addition, we performed specific audit procedures for other group entities.

For clarification purposes we hereby show our scope divided into revenue, assets and result:







By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Audit approach going concern

As explained in the section 'Going concern' in note 1.1 of the financial statements, management has carried out a going concern assessment and identified no going concern risks. Our procedures to evaluate the going concern assessment of management includes:

- We agreed the opening cash position used in the cash flow forecast to the audited position at May 31, 2022;
- We performed an accuracy check on the mechanics of the cash flow forecast model prepared by management;
- We assessed managements' financial forecasts prepared for a period of at least 12 months from the date of these financial statements. This included consideration of the reasonableness of key underlying assumptions by reference to current and future expected operating and capital expenditure, including any effects of uncertainties of the COVID-19 pandemic and the Ukraine conflict; and
- We evaluated the adequacy of disclosures made in the financial statements in respect of going concern.

These audit procedures did not lead to any material findings regarding the going concern assumption of the Company.

Audit approach fraud risks and non-compliance with laws and regulations

In accordance with Dutch Standards on Auditing, we are responsible for obtaining reasonable assurance that the financial statements and the other (integrated) information taken as a whole are free from material misstatements, whether due to fraud or error.

Inherent to our responsibilities for the audit of the financial statements and the other (integrated) information taken, there is an unavoidable risk that material misstatements will not be detected, even though the audit is planned and performed in accordance with Dutch law. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error because fraud may involve sophisticated and carefully organized schemes designed to conceal it. Such attempts at concealment may be even more difficult to detect when accompanied by collusion. The primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and with management.

In conducting an audit of financial statements and the other (integrated) information taken, we take into account the applicable legal and regulatory framework for the group. However, the auditor is not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. It is the responsibility of management, with the oversight of those charged with governance, to ensure that the group's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in the financial statements.

Our objectives

In accordance with the Dutch Standard 240 'De verantwoordelijkheden van de accountant met betrekking tot fraude in het kader van een controle van financiële overzichten' (The auditor's responsibility to consider fraud in an audit of financial statements) our objectives in relation to fraud are:

- To identify and assess the risks of material misstatement of the financial statements due to fraud;
- To obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- To respond appropriately to fraud or suspected fraud identified during the audit.

In accordance with the Dutch Standard 250 'Het in aanmerking nemen van wet- en regelgeving bij controle van financiële overzichten' (Considering of laws and regulations in an audit of financial statements) our objectives in relation to non- compliance with laws and regulation are:

- To obtain sufficient appropriate audit evidence regarding compliance with the provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements;
- To perform specified audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements; and
- To respond appropriately to non-compliance or suspected non-compliance with laws and regulations identified during the audit.

Our risk assessment

We performed risk assessment procedures to identify potential risks of material misstatements due to fraud and non-compliances with laws and regulations. As part of this work we evaluated the group's risk assessment, inquiries with management and those charged

with governance. We also specifically evaluated whether fraud risk factors are present based on the framework of the fraud triangle during several team discussions and considered any unusual or unexpected relationships based on analytical procedures. As part of this assessment, we specifically assessed how fraud risks can arise in the revenue recognition as part of the unbilled revenue process and reflected this in our risk assessment and audit approach.

Following these procedures, and the presumed risks under the prevailing audit standards, we considered (presumed) fraud risks related to management override of controls and related to the overstatement of (unbilled) revenues. We consider these fraud risks to also be prevalent as a result of the nature of the group, where the compensation of partners and senior management personnel are driven and based on the annual profits achieved. The partners/senior management therefore might have pressure or incentives to unjustly modify certain aspects of the financial statements in order to increase the profits achieved with the aim to increase their respective compensation. This would especially be relevant for financial statement areas such as unbilled revenue and provisions, such as the professional liability provision or other areas involving significant estimates.

In relation to our risk assessment on non-compliance with laws and regulation, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable for Coöperatief Deloitte U.A.. The potential effect of laws and regulations on the financial statements varies considerably. Resulting from our risk assessment procedures, we considered adherence to (corporate) tax law and financial reporting with a direct effect on the financial statements as an integrated part of our audit procedures to the extent these are material for the financial statements.

In addition to the aforementioned laws and regulation, Coöperatief Deloitte U.A.is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance through imposing fines or litigation. Examples of such other laws and regulations are those relating to the supervision of the Financial Market Authority (AFM) based on the Wta and data privacy laws. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect such breaches.

Our response to the risk of fraud and non-compliance with laws and regulation

We determined an overall audit response to address the assessed fraud risks and designed and performed tailor-made audit procedures whose nature, timing and extent are responsive to the assessed risk.

Our audit procedures to respond to these fraud risks include, amongst others:

- We inquired the procedures for compliance with laws and regulations with relevant personnel, including Board of Directors, Reputation & Risk Leader and the Ethics Officer.
- We inspected minutes of meetings of the Supervisory Board, Executive Board and Quality Integrity & Risk Committee.
- We inspected correspondence with regulators.
- We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks.
- Supplementary to reliance on the internal controls, we performed substantive audit procedures, including detailed testing of journal entries with a risk-based approach.
- We reviewed significant accounting estimates for biases and evaluated whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud. As part of this we performed a retrospective review and evaluated the judgements and decisions made by management in making the estimates in the current year.
- We remained alert for indications of fraud throughout our other audit procedures and evaluated whether identified findings or misstatements were indicative of fraud.
- We incorporated an element of unpredictability in the selection of the nature, timing and extent of audit procedures performed.
- We assessed matters reported on the group's whistleblowing and complaints procedures and assessed, where deemed necessary, the results of management's follow-up of such matters.
- We obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.
- We evaluated whether final analytical procedures performed near the end of the audit, when forming an overall conclusion as to whether the financial statements are consistent with our understanding of the group, indicate a previously unrecognized risk of material misstatement due to fraud.

Our response in addressing fraud risks related to the valuation of unbilled services and advance billings to customers, and the potential bias in significant estimates in the provision for professional liability is detailed in our key audit matters.

Our audit procedures in relation to non-compliance with laws and regulations notably consists of:

- We inquired the procedures for compliance with laws and regulations with relevant personnel, including Board of Directors, Reputation & Risk Leader and the Ethics Officer.
- We inspected minutes of meetings of the Supervisory Board, Executive Board and Quality Integrity & Risk Committee.
- We inspected correspondence with regulators.
- We obtained sufficient appropriate audit evidence regarding compliance with the provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements, where we also included a specialist in the area of corporate tax law.
- We performed limited procedures in relation to other laws and regulations, i.e. we performed inquiries with management and those charged with governance as to whether the group is in compliance with such laws and regulations and we inspected correspondence, if any, with the relevant authorities.
- During the audit, we remained alert to the possibility that other audit procedures applied may bring instances of non-compliance or suspected non-compliance with laws and regulations to our attention.
- We obtained management representation that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing integrated annual report are adequately disclosed in the financial statements.

The audit procedures described above have resulted in sufficient and appropriate audit evidence to mitigate or rebut the potential fraud risks and non-compliance risks. For an overview of our responsibilities and those of the management regarding the financial statements and the risks of fraud and non-compliance, we refer to section D. of this statement.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements and other (integrated) information. We have communicated the key audit matters to the Supervisory Board**.** The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements and the other (integrated) information as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

VALUATION OF UNBILLED SERVICES AND ADVANCE BILLINGS TO CUSTOMERS	**OUR AUDIT APPROACH**
As at May 31, 2022 the recognised unbilled services (contract assets) amounts to € 152 million. Refer to note 3.2 - Unbilled services and advance billings to customers. The valuation of unbilled revenues and advanced billings to customers as at the financial year-end requires a significant degree of management estimate that may be complex and inherently subjective in nature. This requires the group to estimate the expected results of current engagements based on an estimate of time and costs to be incurred, the estimate of expected additional billing on fixed fee projects and the assessment of the collectability of unbilled amounts. We considered the valuation of unbilled services to be a key audit matter due to its significance, subjectivity in the estimates of the valuation of the unbilled revenues and the fraud risk in revenue recognition.	We evaluated the design and tested implementation of both automated and manual internal controls within the organisation relating to the valuation of the unbilled revenues and advance billings to customers. We tested the operational effectiveness of the internal controls that were considered relevant for our audit, to validate the appropriate recognition of revenues and the existence and accuracy of gross unbilled revenue prior to the application of provisions. In addition to the reliance taken on effective internal control measures in place, we applied tailored data analytical procedures focusing on partner portfolio profitability and partner portfolio profitability trends -including major contrary effects within portfolios- to identify any tendencies through management bias. Furthermore, we performed substantive audit procedures on specific elements not yet fully addressed by aforementioned procedures, i.e. cut-off testing including realisation of success fees, onerous contracts and (non) chargeable hours. In addition, we performed substantive audit procedures regarding the valuation of unbilled services and advance billings by testing the estimate of expected results and recorded fees, including any overruns and scope changes to supporting documentation (e.g. contracts) for a sample of projects. We also tested journal entries related to unbilled services and advance billings to customers. Finally, we assessed the adequacy of the related disclosures in the financial statements.
VALUATION OF PROFESSIONAL LIABILITY PROVISION	**OUR AUDIT APPROACH**
The group is involved in a number of disputes in the ordinary course of business which may give rise to claims. Refer to note 8.2 – *Provisions* and note 8.3 – *Claims* for the disclosures with respect to such claims and legal proceedings. The professional liability provision is based on assumptions of, amongst others the existence of a present obligation and measurement of the expected amount to settle the claim. Furthermore an assessment is made if the estimated provision falls inside the scope of insurance policies or if the amount exceeds the maximum coverage of the insurance policies. We considered the valuation of the provision for professional liability provision a key audit matter due to the high degree of subjectivity and complexity in the assumptions.	In addition to testing the design and operating effectiveness of the provisional indemnity claims process and related control procedures, the audit procedures mainly comprised of substantive audit procedures. These procedures notably consisted of: • obtained and read the company's insurance arrangements related to professional liability; • assessed the completeness of registered claims by discussing the claims with the in-house legal counsel, validating that registered claims are consistent with the partner confirmations, a review of legal expenses, internet research, review of the minutes of meetings of the company's Executive Board and Supervisory Board and obtaining the correspondence with regulators; • discussed and challenged the appropriateness of key assumptions and on the existence of a present obligation by evaluating management position papers, discussion with in-house legal counsel and by having direct communication with the company's external lawyers, in respect of a sample of both current year and prior year matters, including review of supporting documentation and correspondence; • obtained confirmation from insurers of the claims notified to them as at May 31, 2022 to verify the completeness of registered claims; • attended meetings of the Audit & Finance Committee of Deloitte Coöperatief U.A. where the professional liability matters were discussed, including claims received, as well as the results of internal and external (regulatory) investigations; • performed back-testing procedures to assess the appropriateness of the estimates of prior year; • reviewed the website of the Authority of the Financial Markets (AFM) to assess the completeness of investigations that we have been made aware of, as well as their current status; • we assessed the collectability of receivables towards the insurers, amongst others by means of validating that claims fall within the scope of the insurance agreements. Furthermore, we assessed the adequacy of the related disclosures relating to professional liability in the financial statements.

FAIR VIEW ON MATERIAL THEME QUALITY OF SERVICES	OUR AUDIT APPROACH
With regard to the other (integrated) information one of the most material themes in the materiality matrix (annex 2) is Quality of services. As a result, this theme is the most important part of our audit of the other (integrated) information in the Integrated Annual Report.	We determined which information in the other (integrated) information refers to the material theme Quality of services. We made a distinction between numerical information and text claims. With respect to this information we determined the design of the internal control framework regarding this theme. Regarding the numerical information, we reconciled the numerical information to underlying databases. We determined the reliability of the information in these databases by reconciling the information to supporting external and internal information. For the text claims, we examined a selection of the texts based on professional judgement, and made a reconciliation with supporting external and internal information.

Limitations to the scope of our audit

The other (integrated) information includes prospective information such as ambitions, strategy, plans, expectations, estimates and risk assessments. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the other (integrated) information in the Integrated Annual Report.

The references to external sources or websites in the other (integrated) information are not part of the other (integrated) information in the Integrated Annual Report as audited by us. We therefore do not provide assurance on this information. Our opinion is not modified in respect to these matters.

C. Report on other information included in the Integrated Annual Report

In addition to the financial statements and our auditor's report thereon, the Integrated Annual Report contains other information that consists of:

- Key numbers of value creation;
- About this Report;
- Executive Board highlights, lessons learned and outlook;
- Our purpose and strategy;
- About Deloitte;
- Our businesses and industries;
- Roles and Responsibilities;
- Risk management;
- Annex 2: Non-Financial statements;
- Annex 3: Supporting documentation;
- Annex 4: Other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. Refer to paragraph A for elaboration of the elements of other information for which we obtained reasonable assurance.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

D. Report on other legal and regulatory requirements

Engagement
We were engaged by the Supervisory Board as auditor of Coöperatief Deloitte U.A. for the audit of the financial year ended May 31, 2022 on July 14, 2021.

No prohibited non-audit services
We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

E. Description of responsibilities regarding the financial statements

Responsibilities of management and the Supervisory Board for the financial statements and other (integrated) information in the Integrated Annual Report
Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. The Management Board is also responsible for the preparation of the other (integrated) information in accordance with the reporting criteria of Coöperatief Deloitte U.A., based on the reporting criteria for other (integrated) information in the Integrated Annual Report. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements and the other (integrated) information that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing Coöperatief Deloitte U.A.'s reporting process.

Our responsibilities for the audit of the financial statements and the other (integrated) information in the Integrated Annual Report
Our responsibility is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud. We apply the 'Nadere voorschriften kwaliteitssystemen)' (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit on the financial statements included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Our audit of the other (integrated) information in the Integrated Annual Report included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of the company;
- Identifying and assessing the risks if the sustainability information is misleading or unbalanced, or contains material misstatements, whether due to errors or fraud. Designing and performing further audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk that the sustainability information is misleading or unbalanced, or the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. These further procedures consisted amongst others of:
    - Interviewing management (and/or relevant staff) at corporate (and business/division/cluster/local) level responsible for the sustainability strategy, policy and results;
    - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the sustainability information;
    - Determining the nature and extent of the audit procedures for the group components and locations. For this, the nature, extent and/or risk profile of these components are decisive.
    - Obtaining assurance information that the sustainability information reconciles with underlying records of the company;
    - Evaluating relevant internal and external documentation, on a test basis, to determine the reliability of the information in the sustainability information;
    - Performing an analytical review of the data and trends.
- Obtaining an understanding of the systems and processes for collecting, reporting and consolidating the sustainability information, including obtaining an understanding of internal control relevant to our audit, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by the management board;
- Evaluating the overall presentation, structure and content of the other (integrated) information, including the disclosures;
- Evaluating whether the other (integrated) information represents the underlying transactions and events free from material misstatement;
- Reconciling the relevant financial information with the financial statements;
- Evaluating the consistency of the sustainability information with the information in the annual report which is not included in the scope of our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determine the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 18 July, 2022

For and on behalf of BDO Audit & Assurance B.V.,

Drs. A. Thomson RA

Deloitte.