



Deloitte Central Europe Impact Report

Telling our story

December 2018

Table of contents

CEO's statement	3
A story that matters	6
Leading with integrity	7
Serving clients with distinction	9
Inspiring our talented professionals to deliver outstanding value	37
Contributing to society as a role model for positive change	53
GRI Index	65

CEO's statement

Welcome to the Deloitte Central Europe Impact Report. This annual publication sets out many aspects of our impact on society, our people and our clients over the FY2018 financial year throughout the 18 countries of which our dynamic and diverse region is formed. Our ambition is to become the undisputed leader in professional services, by having a positive and sustainable impact on the issues that matter most.

Impact is an important word for us. It helps us define the difference we make to society, by moving beyond our roles as auditors and advisors. It allows us to take our experience, energy and expertise into other areas, where we can help people of all backgrounds benefit from new thinking and new technologies.

Every day we challenge ourselves to identify the issues that are most important for our clients, our people, and for society as a whole. Then we ask ourselves how we can make an impact that matters on those issues.

Achieving this means pursuing our purpose on several fronts:

- We enable our clients to address the complex issues and accelerating disruption they face, supporting their compliance with changing regulation and helping them to create a secure and prosperous future for everyone. We aim to do this by being the most technologically-enabled and innovate provider of high-quality, value-added services.
- We provide the career of choice to the best talent. This means giving our people opportunities to fulfil their potential, engaging with cutting-edge technologies and some of the most fascinating business challenges facing us today and into the future.

- We aim to create an environment where our people can have the most positive impact on business and society. As a result, our professional services and the personal commitment and energy of our people act as a force of positive change in our communities, helping those who need our support across a diverse range of projects and initiatives.

You can read about many of our activities over the last year in this report. I hope you find them as inspiring as I do. I am also very proud that the activities of our people across Central Europe have contributed to Deloitte's inclusion for the first time in Fortune's 'Change the World' table, a prestigious list of companies that make social benefit part of their core business strategies.

This nomination recognises our commitment to helping our clients, our people and society adapt to technological change and prepare for the so-called 'Fourth Industrial Revolution' (Industry 4.0).

As technologies fuse, there will be less distinction between the physical, digital and biological spheres. In this new world, leaders like Deloitte will have a key role to play in narrowing the divide between technologically advanced communities and those that fall behind. It means taking action on many fronts, with a particular focus on helping individuals and businesses fulfil their potential.

By continuing to be led by our purpose, we will remain at the forefront of sustainable improvement for businesses, people, communities and society as a whole. The stories in this report highlight some of the many ways in which we make our own impact that matters here in Central Europe.

Alastair Teare
Chief Executive Officer
Deloitte Central Europe



Every day we challenge ourselves to identify the issues that are most important for our clients, our people, and for society as a whole. Then we ask ourselves how we can make an impact that matters on those issues.

Deloitte Central Europe covers 18 countries

Maksim Casli
Cluster Leader

- AL ALBANIA
- XK KOSOVO

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Country Leader

- PL POLAND

Diana Rádľ Rogerová
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- CZ CZECH REPUBLIC

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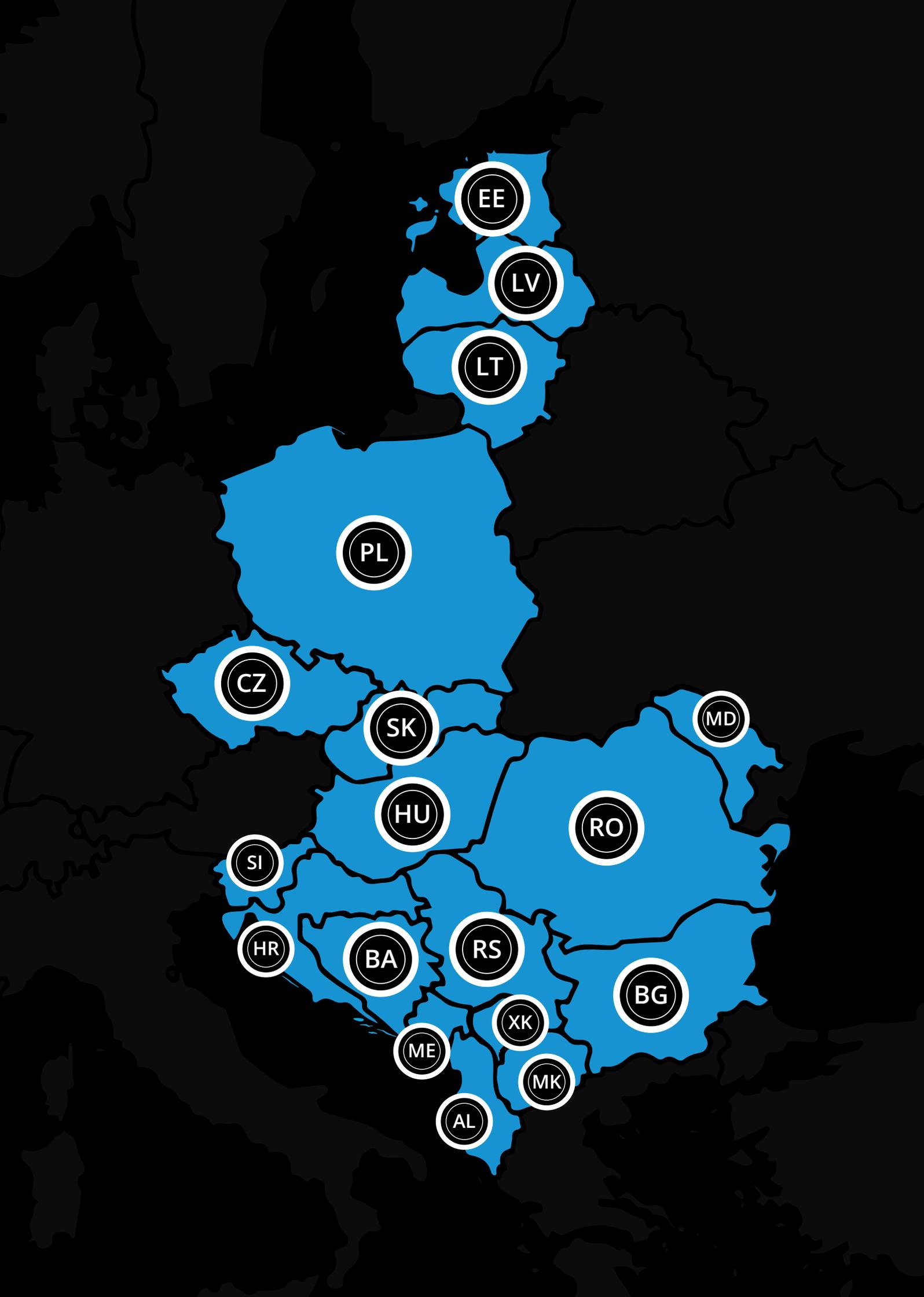
- MD MOLDOVA
- RO ROMANIA

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- ME MONTENEGRO
- RS SERBIA

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- EE ESTONIA
- LV LATVIA
- LT LITHUANIA



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A story that matters

At Deloitte, we believe that the truest measure of who we are and what we stand for is not our global scale, where we operate (in Central Europe or elsewhere), or the services we offer. Instead, it is all about our shared Purpose, which is to make an impact that matters.

As author Simon Sinek has said: “Profit isn’t a purpose, it’s a result. To have purpose means the things we do are of real value to others.”

So, while our own Purpose certainly helps our people to maximise their potential (see chapter '[Inspiring our talented professionals to deliver outstanding value](#)' on page 37), the benefits of being purpose-driven extend far beyond the confines of our own organisation. That is why we call this document an 'Impact Report', not a CSR Report or a Report to Society. We wish to have a positive impact on many aspects of the world we all share, including our clients and their customers, the communities where we live and work, the health and wellbeing of our people and their families, and the prospects of future generations.

Having a positive impact on our clients not only helps them fulfil their commercial ambitions (see chapter '[Serving clients with distinction](#)' on page 9). It also enables them to make a positive difference to society by developing innovative solutions to emerging problems, providing employment to millions, paying taxes and working in their communities. In other words, the enthusiasm, energy and professional insights of our people are helping our clients deliver their own sustainability ambitions. And when you operate on the scale of Deloitte, that can make a significant positive difference to many people’s lives, now and into the future.

In addition, empowering our people to make a difference authorises them to help make a positive impact on their communities – local, national and global. (see chapter '[Contributing to society as a role model for positive change](#)' on page 53). This not only provides direct support to many worthy causes, from giving underprivileged kids amazing experiences and lifelong memories to helping people with particular challenges achieve their full potential. It also gives purpose and meaning to the lives of our people, beyond simple career progression and professional satisfaction. It enables them to be more fully human, playing a role on a bigger stage than work alone by leveraging our scale and resources to make an amazing impact that matters.

This is what this report is about – some of the positive impact that Deloitte Central Europe has had across our region over the last year. There are many wonderful stories in this year’s report that perfectly express our belief that we are only as good as the good we do.

We hope this comes through in the commitment, behaviours and fundamental sense of purpose that are demonstrated in these stories – stories that demonstrate in action our defining Purpose of making an impact that matters in the world.

Gavin Flook

Clients & Industries Leader
Deloitte Central Europe



The enthusiasm, energy and professional insights of our people are helping our clients deliver their own sustainability ambitions.

Leading with integrity

Social media and other technologies have made the world we live and work in almost totally transparent. That means that virtually any sub-standard behaviour will eventually become public, and reputations will suffer. The only way to protect and sustain an organisation's reputation over the long term is to ensure that nothing occurs which could damage it in the first place.

That's where Corporate Governance comes in. Starting at the top, sound governance aims to ensure that all an organisation's people are enabled and encouraged to live and work at all times to the highest professional, ethical and behavioural standards.

At Deloitte Central Europe, we set these standards through a wide-ranging set of inter-related policies covering areas from ethics and risk to finance and security. Just as important as the individual policies is our overarching culture – one where we speak up if something doesn't feel right, where we respond rapidly to any raised concerns, and where we always deliver our very best effort. This culture is supported by the Deloitte Central Europe Code of Conduct, which articulates the standards to which all Deloitte people must hold themselves, wherever they live and work. The Code of Conduct commits Deloitte Central Europe and its people to the highest standards under three main headings:

- “We commit to serving clients with distinction”: this means operating with integrity at all times, delivering quality and professionalism underpinned by objectivity, fair business practices and confidentiality.
- “We commit to inspiring our talented professionals to deliver outstanding value”: the organisation treats its people from every background fairly and with respect, providing professional development opportunities and support throughout their careers with Deloitte.

- “We commit to contributing to society as a role model for positive change”: in particular, we are opposed to corruption, making every effort to eradicate it and financial crime of any sort; we operate a responsible supply chain, selecting suppliers through fair procurement processes; and we are serious about all aspects of social responsibility.

Based on our shared values – integrity, outstanding value to markets and clients, commitment to each other and strength from cultural diversity – the Code and its commitments together reflect our shared belief that at Deloitte ethics and integrity are fundamental, not negotiable. Of these, the foundation stone – the one that makes all the others powerful forces in their own right – is integrity. As we said in last year's Impact Report, “Nothing is more important than our reputation and, accordingly we commit to conducting business with honesty, distinctive quality and the highest standards of professional behaviour.”

These shared values and our CE Code of Conduct together provide the basis of our culture, shaping who we are, what we believe and how we behave. Ultimately, for us good isn't enough. We aim to be the best at all that we do, helping clients realise their ambitions; maximising the success of our people; and making a positive difference in society. This drive fuels the commitment and humanity that run deep through our every action.

Ahmed Hassan
Risk and Reputation Leader
Deloitte Central Europe



The one that makes all the others powerful forces in their own right – is integrity.



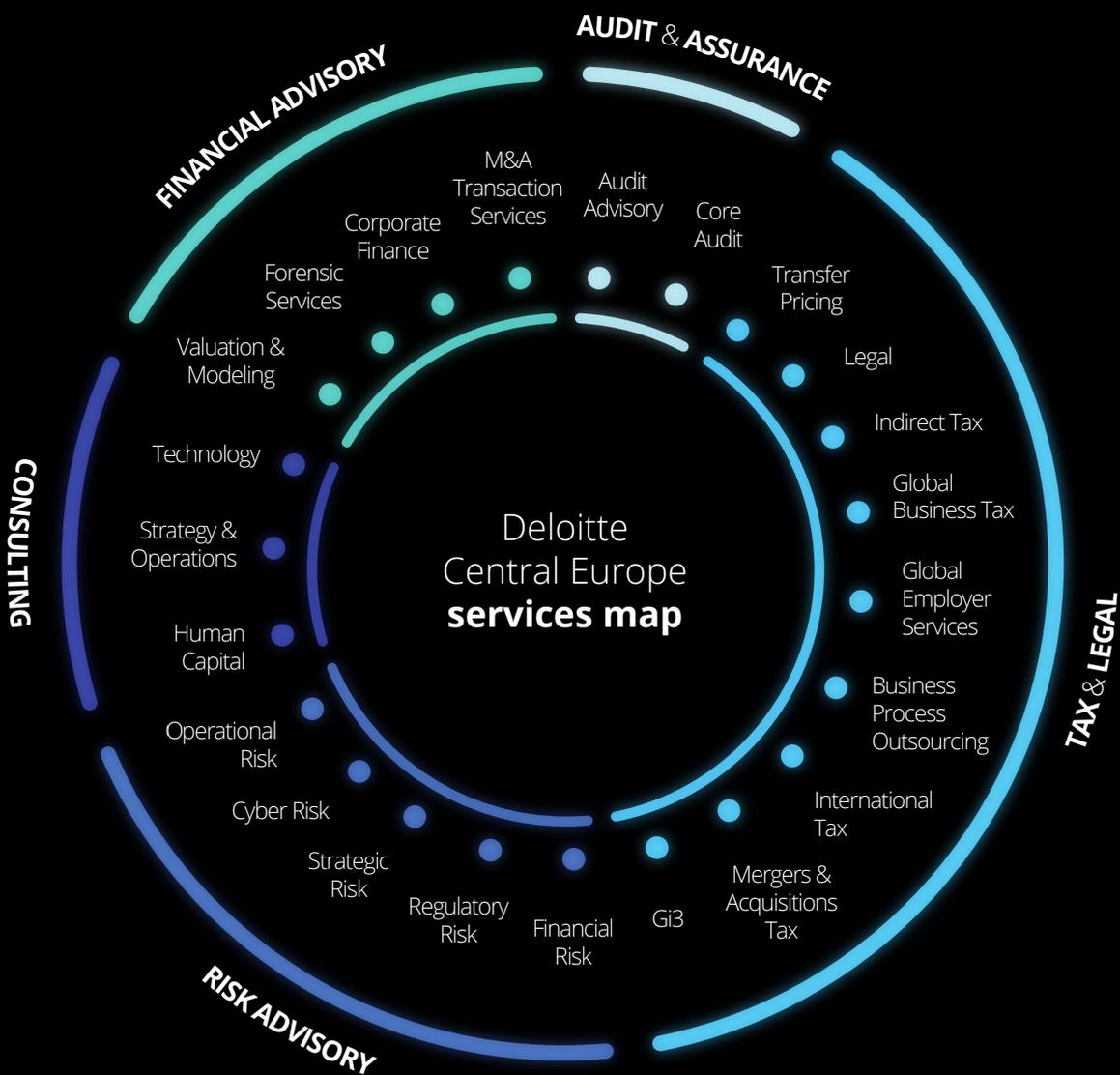
Serving clients with distinction

Rapid technological advance, the empowered consumer, increasing competitive pressures and growing sources of risk – clients look to Deloitte to help them counter and exploit disruptive forces in all areas of business. It's by investing in the knowledge of our people, the power of our technology, the influence of our brand and the reach of our footprint that we help our clients to succeed in an increasingly complex world.

Deloitte Central Europe legal and operational structure



Deloitte Central Europe service map



Setting standards of conduct and service quality

Our ambition to gain and maintain undisputed leadership in professional services across Central Europe means bringing the best of Deloitte, across businesses and borders, to help our clients face the most important and complex challenges.

For this reason, we take great care to ensure that we always deliver the highest standards of service – understanding our clients’ needs, expectations and circumstances, providing subject matter expertise and best practices and delivering our services with integrity and professionalism.

We recognise that industry specialisation and knowledge are essential, including navigating the growing trend of cross-industry competition and transfer of ideas, which technology enables. We address clients’ specific needs in six broad industries each of which comprises discrete, but often related, sectors – Financial Services; Consumer; Energy, Resources & Industrials; Life Sciences & Healthcare; Technology; Media & Telecom and Government & Public Services. Through these industries and sectors we bring global insight and best practices in the local context.

The Client Service Standards set out below are embedded in training undertaken by our professionals, our system of quality control and each service we deliver. We greatly value feedback on our performance and we are committed to continuous improvement. In addition to regular dialogue during and after each assignment, our online client feedback survey covers more than half of our Audit and Tax businesses and is being extended to all businesses. For our largest clients, formal interviews are held.

Client Service Standards:

1. Determine, on each engagement, who our clients are and directly ascertain their expectations for our performance.
2. Analyse our clients’ needs and professional service requirements.
3. Develop client service objectives that will enable us to fulfil our professional responsibilities, satisfy our clients’ needs, and exceed their expectations. Prepare an appropriate client service plan to achieve these client service objectives.
4. Execute the client service plan in a manner that ensures commitments are met, potential problems anticipated, and surprises avoided.
5. Establish effective and creative communications, both internal and external, to enhance client perceptions of the value and quality of our service.
6. Provide management with insights on the condition of their business and meaningful suggestions for improvement.
7. Continually broaden and strengthen our relationships with key management personnel to facilitate effective communication and foster client loyalty.
8. Ensure that any professional, technical, or client-service problem is resolved promptly with timely consultation in an environment of mutual respect.
9. Obtain from the client, either formally or informally, a regular assessment of our performance.
10. Receive fees that reflect the value of services provided and responsibilities assumed, and are considered fair and reasonable by our clients.

Audit and Assurance

Building business to lead in the 21st century

New technologies, new skills and new demands: how our response to change is creating a new Audit model.

Our Audit business has changed. We are transforming ourselves to be able to handle the new challenges and expectations of our people, our clients and markets in general. The regulatory landscape is also developing in line with the global trends we can see in the audit profession. The expectations of the public and regulators are on the rise.

To address increasing quality requirements we have rolled out a system that enables us to continuously monitor the quality of audits using Audit Quality Milestones. We have also increased the number of projects subject to our own 'In-flight' monitoring system. During the year, we have increased the number of health checks we perform on engagements under these quality measures by 20% over the previous year.

Another key part of the transformation of our business is directly linked to innovation. Some might be surprised to see words like "innovation" and "audit" connected, given the traditional view about the audit. We continue investing in the development and implementation of our suite of innovative audit and assurance tools, which includes SpotLight, Risk Matrix, Alchemy, Prion, Excel Analytics and many others. The key value of these analytics is a better and more comprehensive understanding of our clients' businesses. This ultimately results in higher quality of audits and us getting the right attention in the C-suite.

What would our organization be without people? We are committed to providing our people with the best-in-class practical education and experience that will prepare them for any challenges inside or outside Deloitte. This year we have launched an internal, on-demand learning

and knowledge platform enabling any professional to receive a tailored education at moments when needed. We have also developed a brand new onboarding programme focused on rapidly preparing new colleagues from across Central Europe to reach the high expectations of our clients.

There were many other activities going on during the year in the talent area. Development initiatives included, among others:

- various local programmes focused on nurturing our talent,
- the roll out of our Partner/Director School for 110 participants, with a focus on creating alignment among the leadership team on the new audit technologies we are about to deploy,
- onboarding 849 professionals to our Audit and Assurance business.

As a part of our transformation, we continue to refine and improve our delivery model. During the year, our Audit Delivery Center delivered 119% more hours on engagements than 12 months previously, helping our teams focus on the complex and quality issues at the client. Our processes are used as best-in-class and are also being mirrored by other regional delivery centers.

Our focus on quality and investments is also rewarded by the market. Our Audit and Assurance business achieved 5% growth over the previous year, thanks to our work with the largest clients in the region in various industries. This growth is also supported by our Assurance teams who are focused on complex accounting advisory, business processes

and internal controls advisory, CFO agenda services and many additional assurance propositions.

Is our transformation finished? The simple answer is no. To date, we have aligned our Assurance teams across Central Europe to enable knowledge sharing and connections with the right people on assurance projects irrespective of geography. But there is still much to be done.

Today, we focus on serving the right clients with the right teams across the region. Our talent agenda will guarantee the right experience to our professionals. We are committed to providing our people with the experiences, to enable them to achieve their goals and ambitions.

What is my dream related to Audit and Assurance? My dream is very simple – our audit professionals will be true integrators of technology, business and people elements for our clients' businesses. So, overall, Audit and Assurance has changed. We're changing ourselves to make an even bigger impact that matters.

Martin Tesař

Audit and Assurance Leader
Deloitte Central Europe

Inspiring the finance managers of the future

It's often difficult for young people from the Millennial generation to gain hands-on experience of what it's really like to be a finance manager in a real company.

That's why Radovan Frolo, Manager of Deloitte in the Czech Republic stepped in to help, working with the Scout Institute of Prague to deliver an innovative programme called 'Trial Boss'.

According to Radovan, "This allowed young people to experience first-hand facilitated learning sessions with a focus on the financial management of a medium-sized company. All five sessions were connected by a shared link: the real challenges and opportunities facing one of our clients (fashion business).

This approach meant that everybody was a winner. The participants gained valuable experience. Client's management received a range of new recommendations on many different aspects of their business. And the business community of the future stands to benefit from the input of an inspired new cohort of finance professionals.

Building on family values to share expertise for free

Over the 20 years she has spent working for Deloitte Czech Republic, Petra Kučerová, Audit Manager has built up a deep knowledge of everything to do with financial auditing. Petra is keen that organisations without the means of paying for professional services should also be able to benefit from her experience.

She therefore each year provides her auditing expertise for free to Mathilda, an NGO that specialises in improving the quality of life for people with impaired hearing. Working at Deloitte, she believes, provides great opportunities to help others by drawing on the resources available through the network and the contacts of our people.

Creating a healthier future

Work by our Internal Audit team in Tallinn has led directly to significant improvements in Estonia's healthcare system, enhancing the use of public money for better healthcare and reduced waiting times.

This followed the team's appointment by the Estonian Health Insurance Fund (EHIF), an engagement that led to the creation of the strongest-ever controls over medical service providers and pharmacies.

Just as important, it also enabled EHIF to improve its internal control environment and ensure that public funds are used in the best possible ways.

Led by Erki Usin and Veiko Hintsov from the Audit and Assurance department, the team's comprehensive work highlighted issues with the methodologies that EHIF has been using for the last 10 years. The changes now in place significantly increase the quality of EHIF's engagements with healthcare providers, positively impacting the lives of all Estonian citizens and charting a healthier future for the country.



Erki Usin and Veiko Hintsov from Deloitte Estonia.

Adding value to audit creates a powerful example of best practice

It was more than a decade ago that the European Commission (EC) instructed Romania to set up a supervisory organisation to ensure adherence to the rules that come with being part of the European Union.

And, in the 10-year life of Romania's National Agency for Integrity (ANI), only one firm has ever been its chosen external auditor despite a public tender being run every year. That firm is Deloitte.

From day one, despite ANI being a new institution under the fiercest scrutiny by the EC and Romanian public sector organisations, Deloitte demonstrated an understanding of what was required. Beyond standard deliverables, we prepared a letter to management with detailed recommendations on how to add value to ANI's internal processes, improving internal controls and developing tools to help achieve the ANI's strategic goals.

The EC acknowledged the organisation's performance, presenting it as a best-practice example for other countries to follow when setting up similar organisations. This supported the fact that a robust external audit, delivered by Deloitte, has strengthened the ANI, its credibility and its operational efficiency.

Consulting

Designing solutions and integrating systems

How flexibility, expertise and collaboration are enabling our Consulting business in Central Europe to be an end-to-end partner for our clients, from strategy to implementation, from business to technology.

At Deloitte Consulting, we design solutions and integrate systems.

Technology is our core offering, keeping us at the cutting edge of the Consulting arena. More than half of our Consulting business, in fact, is generated through our Technology service line, a contribution that is constantly on the increase.

Consulting has continued to grow by 11% from year to year, driven by technology-based offerings and innovative teams, propelling an increase in headcount to more than 1,100 professionals and 39 partners.

Attracting, developing and retaining the best talent remains a vital priority. With technology at our fingertips, we are more likely to be connected with work round-the-clock, blurring the boundaries between life and work.

With this in mind, ensuring our employees' engagement has become one of the ways in which we differentiate ourselves from our competitors. Listening to our people, we discovered that work-life balance is one of our key values. More than 22% of us choose flexible working conditions.

In our Human Capital Advisory service line, we have created meaningful impact by helping shape the 'Future of Work' with our report about jobs in the digital age. We consider this topic from multiple angles, including workforce transformation, talent acquisition and resiliency in the face of ongoing disruption.

The industries we work with continue to be dominated by Financial Services and Consumer and Industrial Products. We have also seen progress in Energy and Resources, and we expect this to continue. Our strategy includes a focus on the Telco industry as well as the Public Sector, specifically with EU-related programmes and Smart Cities.

The very nature of Consulting is diverse and innovative. Our greatest successes come from executing end-to-end solutions. We are specialists as well as architects. An example of this is Deloitte Czech Republic's work with the Czech automotive manufacturer ŠKODA AUTO.

Deloitte Czech Republic has very specific units of expertise, and almost 90% of our professionals collaborated with other departments to deliver projects within this engagement, proving that working together is the best way to achieve the best results.

In the case of ŠKODA AUTO, we faced the challenge of integrating several Deloitte teams. Without this collaboration and knowledge sharing, we would never have fulfilled our vision of being an end-to-end partner – from strategy to implementation, from business to technology.

We present a different face of Consulting in the case of a top-tier Dutch bank that has engaged a Deloitte team of modelling experts and data scientists drawn from Consulting teams from all around Europe. This international team helps ensure that the client's international agricultural lending activities are in full compliance with all internal and external standards.

The bank is redesigning its A-IRB* modelling landscape as part of its Modelling Landscape programme involving 6-10 projects (or so-called missions) until 2020. For the next two missions, the client selected Deloitte for provision of a flexible layer of modelling experts and data scientists to complement its own team.

The involvement of the Deloitte experts is expected to last for at least 12 months, working closely alongside bank employees and mission leads. This approach ensures effective knowledge transfer, particularly to younger employees, and full adherence to the bank's internal quality standards.

The mission that Deloitte Central Europe is specifically involved in is: to focus on the redevelopment of the rural** models, as a result of the simplification of the model landscape of the international agricultural sector portfolios. The project is a joint effort of Deloitte in Bulgaria, Czech Republic and Poland.

As we look toward the future, we plan to fine-tune and stabilise these implementations and initiatives. We are focused on offerings that are bundled with strong traditional domain expertise while prioritising fresh regional offerings and service lines. Re-use of assets, knowledge sharing and the ability to adapt to change will pave our way ahead for a strong 2019 and beyond.

Pavel Šiška

Consulting Leader
Deloitte Central Europe

** Advanced internal ratings-based approach*

*** International agricultural lending*

Deloitte Digital

Partnering at the cutting edge of innovation



Deloitte Digital, our centre of excellence for online and mobile strategy, design and development, played a key role during the year as a strategic business partner to some of Central Europe's most important and illuminating technology conferences and events.

Prominent among these were the simultaneous and closely related UX Poland and Filmteractive conferences in October 2017. UX Poland was attended by more than 500 delegates interested in innovative product and service design, while Filmteractive brought together innovators in content, platforms and technology with those who need them to engage consumers in unexpected ways.

We took the opportunity to hold the Deloitte Digital offline MeetUp during the conferences, the first event in the region to welcome 30 leaders, partners, directors and managers from our offices across Europe.

In another outstanding event later that same month, Deloitte Digital was once more a partner in presenting 'Masters & Robots', an event to empower visionaries in building the solutions of tomorrow. At the three-day event, we ran a client breakfast for companies working with robotics and delivered a workshop led by CSR expert Susan McPherson and Deloitte Partner and Sustainability Leader Irena Pichola. Hailed as one of last year's most innovative conferences, this gave visitors unprecedented access to innovators, connectors, futurists and entrepreneurs from right across our region.

Thanks to those events we were able to highlight accomplishments made to further promote careers and development in the sector.

Deloitte Digital was once more a partner in presenting 'Masters & Robots', an event to empower visionaries in building the solutions of tomorrow.

Determining banking's digital divide



In the past, researchers have faced consistency and comparability problems when reporting on the relative maturity of digital banking between different countries.

Then a group of Deloitte offices started to work together on using the same criteria to benchmark banks in countries as far apart as Spain, Russia and Luxembourg. Deloitte Central Europe was quick to participate, scaling up this approach and adding new geographies. Other markets then decided to join the benchmarking 'movement', enabling us to create something bigger together.

As a result, this successful approach was adopted right across Deloitte EMEA during 2018, with more than 60 partners and 160 consultants from 38 offices benchmarking a total of 248 banks and surveying over 8,000 customers. To ensure consistency and objectivity, the team developed a proprietary assessment framework, involving opening an account at every bank covered and undertaking in-depth customer research to understand how well needs are being met.

The results of this work are available for all to see in the Deloitte Digital 'EMEA Digital Banking Maturity 2018' report, whose content is based on more than 20,000 slides of analysis. This approach has delivered tailored, relevant and targeted reports on the state of digital banking in every participating country.

Securing the future of Poland's most popular sport

The Polish Football Association (PZPN) was given an ambitious goal by UEFA, European football's governing body, to increase youth and amateur participation. PZPN and Deloitte's teams delivered a plan to have 1 million registered Poles playing 'the beautiful game' until 2022.

It is well known that a competitive professional football league – and a successful national team – begins with popularizing football at the youth and amateur levels. To that end, PZPN set up the ambitious goal of increasing participation among non-professional players to 1 million over the next 4 years, meanwhile encouraging players to log all of their football activities with the association.

Much like with a successful sports team, a range of specialist talents was needed to support PZPN. Deloitte Poland's engagement team consisted of colleagues from Brand Strategy & Consumer Research, Digital Business Transformation, Technology Strategy & Architecture, Salesforce, and Experience Design service lines working closely together day-to-day. The team conducted comprehensive research, focus groups with adults and children, and interviews with over 1,500 players young and old in order to prepare their recommendation of digital products which were worked out together with PZPN. After collaborating with PZPN for a year, the team equipped the association with everything they will need – from a vision through to frameworks, processes, and recommended structure – to realize PZPN's ambitious goal.

Thanks to the team's efforts, the Polish Football Association has a blueprint for securing the future of football in Poland, beginning at the grassroots youth and amateur level.

Financial Advisory

Maintaining leadership

'Driving impact in defining moments' is our goal in Central Europe. This is helping us improve every aspect of our Financial Advisory business.

Across all the countries of Central Europe, more than 450 talented Deloitte Financial Advisory professionals work collaboratively to provide our clients with "one-stop-shop" services covering all aspects of a transaction. These range from corporate finance, M&A and due diligence to valuation, business modeling, pre and post-transaction management, legal advisory and tax-structuring services.

As a result of our unique approach, the penetration and revenues have been constantly increasing since the financial crisis of 2008.

Today, in fact, we are proud to be Central Europe's market leader in financial advisory services. In the first half of 2018, Mergermarket in Central Europe listed Deloitte's Central European Financial Advisory both as the region's top M&A Financial Advisor and its leading Transaction Service Advisor.

To further strengthen our presence in Central Europe, we also lead the market in terms of our exceptionally high-quality technologically enabled solutions and deliverables.

We are experiencing the challenges of digital transformation as well as advising companies on how best to address them. We are constantly developing our skill base in technology solutions whose implementation provides clients with higher added-value services.

We are proud to be Central Europe's market leader in financial advisory services.

And, in line with our business focus on helping clients with financial projects that involve large amounts of data or big data, we have built up a talented team of business analysts. These specialists currently work right across Central Europe, providing business intelligence services and visual analytics to deliver breakthrough solutions that change the way decision-makers use data.

We have not implemented technology in traditional services alone. We also use advanced solutions in the forensic service line that we established in 2017. Using sophisticated, market-leading technologies, the 70 highly educated and experienced professionals in the Deloitte Forensics & Investigation team can now advise clients on how best to mitigate any reputational or financial exposure to a range of vulnerabilities.

These include global corruption, financial crime, enterprise fraud, cybercrime, supply chain fractures and more.

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

In parallel with its intensive business activities, the Financial Advisory team continued its focus on enhancing levels of knowledge and understanding throughout business and society across Central Europe. We regularly issued thought-leadership and market intelligence publications during the year, with a particular focus on M&A, banking, insurance and the non-performing loan markets.

Our aim for this year is to strengthen further our unique regional approach, to invest in highly sophisticated services and technology, and to remain the outstanding employer of choice for the most talented people. Achieving this will enable us to serve our clients to their full satisfaction and to make no compromise on quality. In this way, we will further consolidate our leading market position in Central Europe.

Balázs Bíró

Financial Advisory Leader
Deloitte Central Europe

Rescue from the point of collapse

In an extremely challenging but very satisfying recovery programme, Deloitte Czech Republic has helped a client on the brink of collapse to turn its fortunes around.

The initial situation was bad. A collapse in sales and profits had left the business and its original owners in financial difficulties. The ownership structure was highly complex, with a lack of collaboration and disagreement about admitting a new investor. Banks were demanding accelerated repayment of secured lending, superseding payments to suppliers, and one bank was preventing any attempts to stabilise the situation.

What's more, the company's main competitor was pushing for the business to be wound up, its market position was deteriorating and there was little interest from serious investors.

Then Deloitte stepped in. The first act was to get nearly all the banks to agree to allow time for a rescue plan to be formulated. This short-term stabilisation convinced the owners to seek a new investor. Efforts to do so accelerated when the one non-cooperating bank initiated insolvency proceedings. As a result, an investor was found who was willing to buy out a large portion of the bank debt and undertake a pre-packaged reorganization of the company.

The business has since been stabilized, with clear leadership and sustainable revenue streams. The Deloitte team who enabled the recovery enjoyed overcoming the challenges and unexpected developments along the way.

Inspiring generosity through an important shared purpose

When nine committed and passionate people, including three current Deloitte employees and three alumni, got together to help create opportunities for high-potential but underprivileged children from small Polish communities, they didn't expect that in just three years the organisation they created would host a charity event raising close to EUR 35,000.

The organisation they established is 'Projekt Mokotów' foundation. Its mission is to create a better future, by helping the less privileged children develop various skills, such as confidence, curiosity, determination and decisiveness, together with collaborative and communications skills. Through various year-round activities, tailored-made programmes and individual mentoring, the foundation's purpose concentrates on development of these skills - educating, inspiring and giving children a 'softer' jump start into the future, improving also their self-esteem.

And the event was the M&A Charity Night, held in June, which brought together current and former Deloitte employees and clients along with many M&A specialists from the Polish and international financial services industry.

The amount of money raised at the event was significantly above the expectations, showing how a small group of people, when united by an important and meaningful cause, can have a significant social impact and inspire others to act.



Those in the care of "Projekt Mokotów" foundation.

Risk Advisory

A growing business for reducing risk...

The last financial year was a good one for our Risk Advisory business, with strong growth that we are confident will continue into 2019 and beyond.

During the year, we developed and launched a number of new service offerings that we believe will reduce clients' exposure to several classes of risk and further strengthen our competitive position.

And, as our service and client portfolios expand, so we continue to create exciting new career opportunities for our talented professionals across Central Europe.

Leading the way, both regionally and across the world, in several groundbreaking new technologies is not only helping us to create such opportunities. It is also enabling us to build upon our leadership position in the areas of risk that are most important and most challenging to our clients.

For example, during the year we launched a new product, using advanced analytics-based technology, which enables us to sense new strategic risks faced by our clients. In particular, this is already helping with the early identification of potential risks affecting their vendor networks. We are also working closely with clients to help them understand the impact on their businesses of possible strategic risks arising from new EU legislation and other emerging regulation.

We also strengthened our software asset management capabilities to help clients address operational risk. And, as well as building further new competencies in the area of financial and regulatory risk, we won several important new contracts, including engagements with the European Central Bank and the World Bank.

We launched a new product, using advanced analytics based technology, which enables us to sense new strategic risks faced by our clients. In particular, this is already helping with the early identification of potential risks affecting their vendor networks.

When it comes to addressing cyber risk, Deloitte is a global pioneer in developing new solutions. This makes it particularly exciting for us that the Automotive Cyber Center of Excellence in which we're planning to invest will be unique across our entire global network.

Automotive is already an area of particular expertise for Deloitte in the region: during 2018, we worked closely with several clients in the industry, helping them to test the security of their vehicles, manufacturing sites and office environments.

We also further strengthened our ethical hacking capabilities across the region and continued to build the advanced Cyber Forensic practice that we launched in 2017.

Marián Hudák

Risk Advisory Leader
Deloitte Central Europe

Tax & Legal

A leading light across the region

Right across Central Europe, the Deloitte Tax & Legal teams continued to top tables and win awards in FY2018. Just as important, colleagues in many countries gave their time to a wide range of CSR projects emphasising the sheer range of ways in which our professionals can make a positive impact.

We are the leading or second-ranked tax firm in many countries across Central Europe, and we continue to strengthen our position from year to year.

2018 was particularly good for our tax team in Hungary, named by the International Tax Review as the Hungarian Tax Firm of the Year. Our Tax team in Poland was identified as the country's largest by number of advisers, according to the Rzeczpospolita Tax Firms and Advisors Ranking, which also named us as the firm providing services to the largest number of companies listed on the Warsaw Stock Exchange.

Ongoing investment has also seen Deloitte Legal grow dynamically during the year, building the team across the region, increasing its revenues and markedly improving its market perception and position. For example, Rzeczpospolita ranked our legal firm as the fifth largest in Poland in 2018. The Legal 500, meanwhile recognised our Hungarian and Romanian legal firms as Tier 1 for both real estate and construction.

Key trends include continuing changes in the tax environment, with clients increasingly focusing on compliance and risk mitigation. We also saw increased demand for services related to transfer pricing. In addition, we developed a raft of new services related to tax relief (particularly for R&D) and developed a support programme for new investments.

Interest in the introduction of new GDPR regulations was intense. The integrated offer from our Legal and Consulting teams enabled us to deliver many projects in this area across multiple countries during the year.

Over recent years, the advance of technology in all areas has been the single biggest trend we've seen, and our tax practices are offering clients increasingly specialised tools. Our firms in Poland and the Czech Republic are leaders in this area, but Hungary, Romania and Serbia also developed important new solutions during the year.

In 2018, 212 of our people participated in seven tax 'gatherings' across the region, focusing on all part of the DCE Tax Regional Academy initiative. This provides key opportunities for practitioners from different countries to share knowledge and experience on specific areas of tax, building networks with colleagues from countries other than their own.

Krzysztof Moczulski

Tax & Legal Leader
Deloitte Central Europe

Over recent years, the advance of technology in all areas has been the single biggest trend we've seen, and our tax practices are offering clients increasingly specialised tools.

'Taxnology' – an event with impact

Technology's disruptive role on organisations, business models and the economic landscape as a whole is immense. It was its impact on tax in particular that we decided to highlight in Deloitte Romania's Annual Tax & Legal Conference, which we called 'Taxnology'.

We held the event in October 2017 at the JW Marriott Bucharest Grand Hotel in partnership with Reff & Associates, the firm representing Deloitte Legal in Romania. As well as technology's impact on taxation, the plenary session that occupied the morning focused on the most recent fiscal changes. The dedicated workshops that followed took an interactive approach to the topics.



Alexandru Reff, Country Managing Partner, Deloitte Romania.

Providing a deeper understanding of the VAT system

Deloitte has had a key role in creating and marketing the first book ever published in Bosnia and Herzegovina that brings together and investigates topics relating to VAT in the European Union with relevant case law.

'EU VAT Directive - Comments with practical examples' was written by Dr Wolfgang Berger (senior policy adviser at the Austrian Ministry of Finance and lecturer at the University of Vienna) and Samir Hadžić, Manager at our Tax & Legal practice in Sarajevo. The aim of the book is to contribute to and deepen the knowledge of all interested parties in the region, giving consumers, taxpayers and tax authorities a more complete understanding of the VAT system. When the book was published in late 2017, its launch was supported by a special event in Sarajevo. This was an event to remember, attended by many Deloitte clients and associates sharing a wide range of different qualifications and levels of experience.

From the brink of disaster to competing again

Deloitte Czech Republic has had Plastic Parts & Technology (PP&T) as a client since 2009. That year the country was hardest hit by the global economic crisis, also impacting the local automotive industry in which PP&T was primarily engaged.

When the owners started working with Deloitte, they decided to take action to turn the business around. Although it was running at a loss, PP&T obtained an investment loan from a bank with which it purchased new production technologies, built a brand new shop floor, and integrated Industry 4.0 methodologies.

On top of making substantial investments into changing the company's production portfolio, the owners – at the insistence of the Deloitte team – also changed PP&T's focus from the automotive to the medical goods industry.

Deloitte helped PP&T to obtain grants that contributed significantly towards the total of EUR 11 million that was invested in the company between 2011 and 2018.

Thanks to these investments, the shift in focus from one industry to several, and the overall recovery of the global economic situation, PP&T generated a profit in 2014 and has been prospering ever since. The experience of working with Deloitte had given the owners new hope of turning their business around, becoming a much more modern and professional company.

Keeping Kosovo on track to EU membership

When the Insurance Association of Kosovo hired Deloitte to help challenge a ruling from the country's tax authority on VAT law, the value of our victory in the case far outstripped the EUR 30 million in additional tax liabilities that was central to the case. By ensuring that local VAT legislation will in future continue to be interpreted in line with the rulings of the European Court of Justice (ECJ), Deloitte Kosovo's work is helping to keep the country on track for membership to the European Union.

In addition, the firm's work, in close partnership with Deloitte Bulgaria and other member firms from across Central Europe, has directly contributed to a more stable and predictable tax environment for the Kosovan business community as a whole. In fact, a debt of thanks is due to the core team who worked on the case: Ruzhdi Zenelaj, Mal Osmani, Leonik Mehmeti, Arif Hoti, and Afrone Rudi, all from Deloitte Kosovo.



The core team from Deloitte Kosovo who worked on the case.

Meet Lithuania's first accounting android

We are always working hard to improve compliance, service quality and turnaround time for clients of our Business Process Solutions (BPS) service.

Increasingly, this means digitising the way we operate – and now, in a significant breakthrough, two of our outstanding professionals created the first robot in Lithuania that's capable of undertaking accounting work for our BPS clients.

The innovators in question are Rusnė Šuminskaitė and Rokas Mykolas Daveikis of our team in Vilnius. Together, they have helped us take a giant leap forward in delivering outstanding value for our clients, not only saving them time and money but also assuring them of service quality that is even higher than before.

Deloitte Legal

Delivering more than legal advice



In Central Europe, Deloitte Legal operates across 14 CE countries. Altogether, it has access to the specialist expertise of more than 360 lawyers who can work in a wide range of international and local languages. Members of Deloitte Legal are among the largest law firms in countries like Poland, Romania and the Czech Republic.

We deliver specialist legal services across a full range of specialist areas: Banking & Finance; Business Integrity; Capital Markets; Competition Law; Consumer; Data Protection and Intellectual Property; Corporate, Commercial and M&A; Employment; Energy & Environment; Insolvency Law; Litigation; Public Sector; and Real Estate.

Some of the facts and figures associated with Deloitte Legal's activities in FY2018 are surprising for their size and significance. For example, in our M&A practice, the 170 transactions and aggregate deals in which we were involved had a total value of more than EUR6.8bn.

Likewise, in the technology area, the number of banks and other financial institutions we helped with PSD2 preparation or digital transformation totalled 17.

Turning to preparation for the implementation of GDPR, we worked with some 200 companies across Central Europe, in a massive array of industries, from banking, automotive, manufacturing and energy to telecoms, media, retail, waste management, distribution, architecture and more.

Looking ahead to 2019, Deloitte Legal is currently preparing to launch a portfolio of Legal Management Consulting Services across Central Europe.

We also handled more than 350 tax litigation cases for over 200 clients, representing a combined value of more than EUR400m. And we took two cases, worth a combined EUR5m, to the European Court of Justice.

In Romania we host Global Legal Centre of Excellence - a team that is pioneering alternative delivery models for legal services, legal technology and helps in developing new products and service offerings for the global Deloitte Legal practices and their clients.

Looking ahead to 2019, Deloitte Legal is currently preparing to launch a portfolio of Legal Management Consulting Services across Central Europe.

Andrei Burz-Pînzaru

Deloitte Legal
Deloitte Central Europe

Focus on Romanian financial services

Our work in Romania on the EU 'PSD2' Payment Services 'AMLD IV' Anti-Money Laundering Directives typifies how we have been at the forefront of local debates regarding these new regulatory initiatives.

For example, more than 80% of Romania's banks contributed their insight to our market survey on PSD2. And, in the build up to the introduction of AMLD IV, we organised 20 training sessions and industry events in partnership with the Romanian Banks Association.

Setting best-practice principles for producers across CE

As transition to the circular economy approaches, waste management and the protection of natural resources are fast rising up government agendas across Central Europe. Actions include the introduction of Extended Producer Responsibility (EPR) legislation, which places greater responsibility on producers for end-of-life treatment and disposal of their products.

To co-ordinate the complex collection and treatment networks that are involved, so-called Producer Responsibility Organisations (PROs) are springing up. But the novelty of the situation means that existing public regulation and a lack of best practice and governance are threatening the credibility of EPR as a whole.

That's where Deloitte Czech Republic comes in. Drawing on competencies including legal, consulting, sustainability and more, we're already helping local producers of electronic devices and tyres in several ways:

- bringing together a 'critical mass' of collaborating companies,
- setting up a level playing field for all participants,
- establishing operational and governance formats that ensure sustainability and credibility.

We have already developed three such networks in the Czech Republic and Slovakia, setting best-practice principles for the Central Europe as a whole and demonstrating how mobilising competing businesses on a shared platform can deliver benefits for society as a whole.

Deloitte Private

Helping to build the big businesses of the future



At Deloitte, we recognise that with the right support, today's privately owned firms can grow into the global businesses of tomorrow.

Deloitte Private is a community of specialist practitioners that provides services to privately owned companies and their owners, family-owned businesses, individuals with substantial assets, equity funds and companies backed by private equity.

These companies are the backbone of our economy, which is why we aim to help them develop and flourish in local and international markets to become the big businesses of the future.

In the past, smaller providers could offer enough for privately owned companies to simultaneously pursue their goals and grow in their chosen markets. Now we have entered an era when markets work much more internationally. This is why more and more privately owned companies are choosing to work with Deloitte.

Close personal relationships

Our experience with Private clients tells us that they prefer to work on a one-to-one basis. We therefore build relationships around a single contact person who has deep understanding of the client and great knowledge of the range of issues they face.

When needed, this person then brings in expert specialists to address any situation that arises, helping to sustain and support our clients' growth.

Naturally, different businesses have different issues and opportunities to be addressed depending on their stage of development. This is when clients derive the greatest benefit from our network, drawing on our unrivalled range of experience to provide the best solutions.

Privately owned companies are the backbone of our economy, which is why we aim to help them develop and flourish in local and international markets to become the big businesses of the future.

Our activities during the year

Every business needs peer-to-peer time. We provide the networking space for participants to share insights on agreed focus areas and the hot topics on the market.

We also ran many initiatives and activities, from organising children's workshops on economic topics and developing the Deloitte Family Business Library, to providing internships in our offices for successors to family businesses, running roadshow conferences across Poland and working with an SME association in the Czech Republic. In addition, we managed the Technology Fast 50 rankings across the region.

Marcin Diakonowicz

Deloitte Private Leader
Deloitte Central Europe

Scanning the future for ER&I companies across Central Europe

It's through growing our team and improving its capabilities that we aim to help our Energy, Resources & Industrial clients in their continuous efforts to succeed going forward.

Our Energy, Resources & Industrials (ER&I) industry team continues to get stronger year on year. As of FY2018, it has 15 partners and more than 20 directors focusing on Energy & Resources companies across the countries that comprise the Deloitte Central European region. We already serve most of the largest companies in our region in a wide range of sectors, from Oil & Gas, Power and Utilities to Mining.

Fiscal advisory services continue to represent the largest part of the services we provide to these companies, comprising around 35% of the total revenues for the year. At the same time, our overall advisory service saw a significant boost during the year, achieving growth of more than 18%, driven by our focus on developing products and solutions for key players across our region. We also saw an increase in our services to other key accounts outside the main four geographies of Poland, Romania, Hungary and the Czech Republic.

In line with trends in the Energy & Resources industry, we developed and implemented risk-management solutions for clients. These included IT solutions to automate complex and time-consuming financial risk-management processes and reporting requirements for financial instruments. For example, we developed the innovative 'Exante' IT system, which satisfies a wide range of needs and expectations for risk and finance managers. These include commodity-price, foreign-exchange, interest-rate and credit risk, as well as hedge accounting and lease liability/right-of-use asset accounting issues.

Our experts looked into the outlook for energy companies, considering new areas of potential, assessing where growth might come from and analysing the challenges facing the sector.

We also helped to implement a number of tools for power and utility companies that address operational efficiency issues through optimised workforce management. A number of geographies are experiencing a changing energy landscape. We therefore helped to design a strategy for state-owned energy companies, in which we analysed how traditional structures are being disrupted, identifying and detailing a target operating model for vertically integrated utility companies.

Providing regulatory review and support was another key differentiating factor for our Energy & Resource team. In some geographies, our experts looked into the outlook for energy companies, considering new areas of potential, assessing where growth might come from and analysing the challenges facing the sector. They also studied some of the key areas within the Oil & Gas sector and provided comparative analysis.

To summarise, we are serving most of the large E&R companies in our region and have achieved a scalable size, in terms both of the team and its capabilities. Our focus now remains not only building on our existing expertise and skillset, but also on further developing our technology capabilities. We are also examining the next phase for the major E&R companies, in which digitalisation will have a significant impact on the current operating models.

Farrukh Khan

Energy & Resources Leader
Deloitte Central Europe

Integrating privacy into all we do

The implementation of the European Union's new personal data regulation was one of 2018's most important achievements.

Deloitte Central Europe welcomed the new EU General Data Protection Regulation (GDPR) and the improved consistency of privacy and security requirements relating to the handling of personal data that it brings across the EU.

We have amended all our existing policies and procedures on personal and confidential data protection and processing to support compliance with the GDPR requirements.

The existing activities within the Deloitte Central Europe Privacy and Confidentiality framework (mainly the privacy by design and by default, privacy impact assessments) were reviewed. As a result privacy is now integrated into all our projects and initiatives and services we provide. Data security and data protection are also inherent part of our strategic planning.

In addition, we have established a number of internal projects to address the gaps identified during the analyses and the areas of increased risk, to enhance our compliance programmes in light of the new GDPR requirements.

We continuously monitor regulatory requirements and best practices to ensure we comply with all specific national and local requirements as well as any guidance issued.

We faced no material service disruptions or other negative impacts on our service delivery as a result of these important legal and regulatory changes.

Deloitte Central Europe welcomed the new EU General Data Protection Regulation (GDPR) and the improved consistency of privacy and security requirements relating to the handling of personal data that it brings across the EU.

Integrated teamwork helps us beat GDPR deadline

One of the most intensive projects during the last financial year was the highly complex task of enabling DNB Baltics, one of the largest banks in Latvia, Lithuania and Estonia, to prepare for the introduction in 2018 of the EU-wide GDPR data-protection and privacy legislation.

The two-stage project kicked off with a detailed examination of the gaps in preparation for GDPR that existed at the Bank, and an analysis of how well prepared it was to respond to the requirements of the new legislation.

In the second stage, our integrated team worked closely with the client on detailing a comprehensive compliance roadmap, comprising end-to-end guidance and detailed recommendations.

Drawing on the energy and expertise of more than 20 Deloitte professionals from six countries, the task was successfully completed over a demanding two-month time-frame, well in advance of the 25 May 2018 deadline.

Building communities for growth

Helping Polish boards rise to new governance challenges

New regulatory requirements around corporate governance are putting pressure on supervisory boards to be more skilled and professional than ever before. Deloitte Poland has developed a programme that helps Polish board members rise to the new challenges they face. Over the last year, we issued a quarterly newsletter on the subjects involved, organised our third annual 'Modern Supervisory Boards' conference (in association with the Rzeczpospolita national daily newspaper), delivered a workshop for audit committees and hosted a discussion panel for board chairpersons. All these activities support our aim of becoming a key partner for the boards of Polish companies as they focus on sharpening yet further the expertise of their directors.

Empowering Poland's leaders for social good

This was the third year in which we have acted as General Partner to the Leadership Academy for Poland (LAP), a nonpartisan social-good organisation that each year grants a fellowship to around 40 outstanding mid-career Polish professionals. Drawn from sectors including non-profit, academia, public administration, media, culture and sports, these talented individuals have the proven potential and commitment to leave a positive mark on the world. LAP's intensive leadership and management development programme, based on the world-class Harvard model, enables them significantly to deepen their understanding of leadership and the unique contribution they can make to society. Since 2017, we have also supported the 'LAP Alumni Nest' network, which supports LAP graduates in further developing their leadership skills through continuous education.



The Leadership Academy for Poland meeting.

CE Impact Awards Winner

Helping start-ups set the pace

Today's start-up companies are tomorrow's industry leaders – and Deloitte Czech Republic is determined to help as many as possible reach their full potential.

In a pioneering research project for one of the largest online tech companies, we've undertaken a detailed analysis of the start-up environment across the Czech Republic and Slovakia, compiling comprehensive information for the very first time. Gaining coherent insight into the start-up community makes it possible for future initiatives in the sector to be more efficient and productive. Critically, we believe that it will enable many more innovation projects to receive the awareness they deserve, ensuring that fewer fly under the radar.

In another programme, our Prague-based Innovation team has created a database of more than 500 Czech start-ups, monitoring their progress against a fast-moving business background. The top performers are invited to the specially created Deloitte 'Popup Accelerator' events, where they can learn from Deloitte advisers and from one another.

Eight of these events have been held to date, on a range of different subjects and markets sectors. The eighth one was called 'Industry 4.0' and provided a forum for Deloitte consultants to source new technology solutions for innovation-hungry clients.

The CFO Program

The CE CFO Programme: enabling CE's CFOs to stay ahead

At Deloitte, we aim to be recognised as the pre-eminent adviser to the CFO. This is the basis of the global CFO Programme, which has been developed in 12 countries across the Central Europe region.

The programme serves as an umbrella for a wide range of regional and local CFO-focused activities, including surveys, forums, conferences and the annual CFO survey and report. Together, these aim to help CFOs manage the complexities of their roles, tackle their companies' most compelling challenges and adapt to strategic shifts in the market.

There were several highlights across the region in 2018. For example, when a small group of Latvian CFOs pointed out that there were few opportunities for them to share information and learning, Deloitte was quick to pick up the challenge. The result is the CFO Club, a series of informal quarterly meetings where CFOs can get together to share ideas and experience.

Deloitte in Croatia hosted its fourth CFO Conference in March 2018. Called 'CFO of the Future', this welcomed more than 120 guests from the country's leading companies for a full day's discussion of key subjects including robotics and artificial intelligence in finance, the impact of blockchain technology, and non-financial reporting.



The annual CFO Conference in Serbia.

We aim to be recognised as the pre-eminent adviser to the CFO. This is the basis of the global CFO Programme.

Also in Croatia, we launched the second iteration of the Next Generation CFO Academy which targets high-achieving professionals with the potential to become finance leaders within two to five years.

In Serbia, we saw the third year of the close collaborative relationship between our Tax Department and the CFO Association of Serbia. This continues to strengthen as we fulfil our shared aims of working together on a wide range of tax and audit-related activities, the annual CFO Conference and the CFO of the Year scheme.

50[™] | Technology Fast 50 2017 CENTRAL EUROPE

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

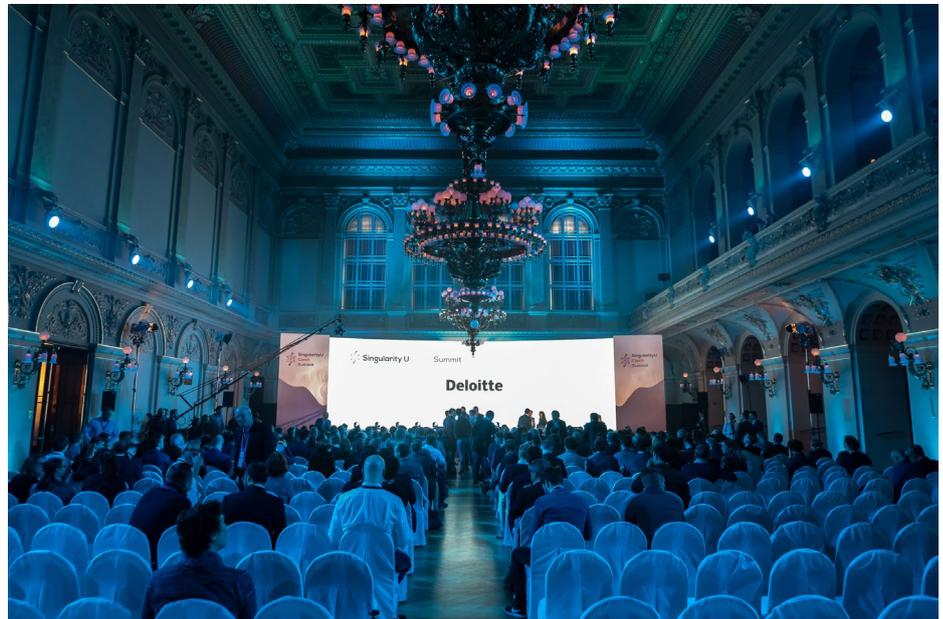
We ran the Deloitte Central Europe Fast 50 Technology Programme for the 18th consecutive year during late 2017, once again measuring and comparing the rates of growth achieved over the three preceding years by the region's most dynamic companies from 18 countries.

This time, average growth among the 50 businesses that made the ranking hit a record high of 1,127 per cent. This made it the second consecutive year that average growth broke through the 1,000 per cent barrier, highlighting the medium-term sustainability of Central Europe's continuing tech boom.

First place in the 2017 ranking went to Czech online flight-booking business Kiwi.com, which was 2016's fifth-placed Rising Star (under the name Skypicker.com). After a stunning year, its four-year growth rate leapt from 1,534 per cent in the previous ranking to 7,165 per cent.

The Rising Stars award, for businesses under three years old, went to Lithuanian 3D-model marketplaces CGTrader, which delivered a four-year growth rate of 3,329 per cent. Top place in the Big Five category (for fast-growing larger companies whose scale makes it difficult for them to compete in revenue growth with smaller businesses) was achieved by Czech online and real-world fashion retailer, ZOOT.

The second annual winner of our Most Disruptive Innovation (MDI) award, which marks those businesses that might not have made the ranking but are pioneering highly disruptive new ideas or technologies, was Serbia-based heating, ventilation and air-con innovator DADANCO Europe.



The Singularity University Summit in Prague.

The Central Europe Fast 50 initiative is part of the Deloitte Europe, Middle East and Africa (EMEA) Fast 500 programme. This in turn is part of the global Deloitte Technology Fast 500 programme, which includes regional rankings for North America and Asia-Pacific as well as EMEA.

A singular opportunity to involve young people in innovation

At Deloitte, we recognise how important it is to help talented young people engage with disruptive technologies. After all, they are the generation that will both execute and be impacted by today's and tomorrow's emerging breakthroughs.

This is why we have partnered with the Singularity University (SU). This is a global learning and innovation community that helps people and organisations across the planet use artificial intelligence, robotics, digital biology and other technologies to learn, connect and innovate together.

In March 2018, the Czech Republic hosted the Singularity University Summit, which we recognised as a fantastic 'bridging' opportunity for young people to get involved in innovation.

So we gave free entry to the event for all 32 winners of our 'Young Guns Hackathon' (see more on page 63), enabling them to broaden their horizons and meet inspiring people. We also organised the very first 'KidsXO' (see more on page 60), a brand new event that exposed the youngest generations to some of the most dynamic new technologies and innovations.

By connecting these bright youngsters with established professionals, we aim to have a powerful positive impact on society's views on the future of technology.

Reporting on R&D: insight into innovation

During 2018, we published the sixth edition of the Deloitte Central Europe Corporate Research & Development Report, enabling us to gain and share insight into the key trends and attitudes at play across the region.

We carried out interviews with more than 300 respondents from nine countries – Croatia, the Czech Republic, Estonia, Hungary, Lithuania, Poland, Romania, Slovakia and Slovenia. It was encouraging to see from their responses that companies across the region are planning to spend more on R&D during the years ahead. Slightly more than half of all respondents (52%) predict their companies will spend more over the next one to two years, while over two thirds (67%) plan to increase R&D spending over the next three to five years.

But it was slightly worrying to see that 12% of the region's companies use no form of IP protection at all, even though participants in this survey paid more attention to this area than in the 2016 edition. More than two thirds (67%) use company secrets policies, making these the most commonly used forms of protection.

Deloitte Central Europe Private Equity Confidence Survey

The Private Equity Confidence Survey has been tracking the changing sentiments of the Central European investment community every six months since 2003. Between June 2017 and May 2018 we conducted two surveys and proudly presented 30th and 31st editions of the programme.

The survey results show the condition of the Central European private equity (PE) market, investments, exits, and fundraising news reported by deal doers. The survey also reveals how the economic climate is evaluated by this community and what they expect to focus on in a 6-month perspective, i.e. new investments, portfolio management, or raising new funds. Investors are also asked about the size of transactions and efficiency of their financial investments and where they see the highest competition for new investment opportunities.

The survey results are shared with clients and various media outlets (print, electronic, social) across CE. The new edition of Deloitte Central Europe Private Equity Confidence Survey was launched on December 17, 2018.

GreenFROG Award

Green Frog Award

First launched in Hungary in 2000, the Deloitte 'Green Frog Award' (GFA) for sustainability and integrated reporting has subsequently been embraced across Central Europe by Croatia, the Czech Republic, Hungary, Poland and Romania.

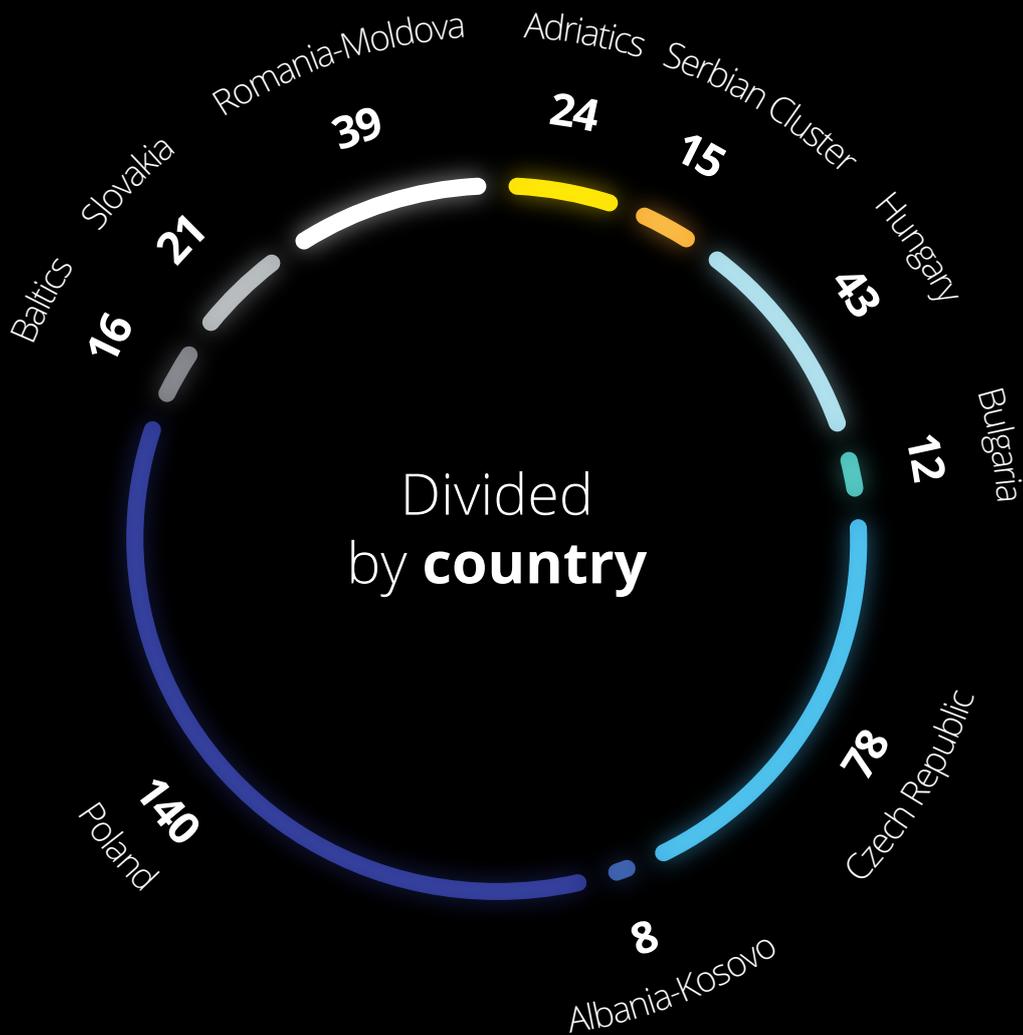
Today, the GFA is one of the most sought-after awards for companies' non-financial and integrated reports, assessed on criteria including, sustainability performance, materiality, creativity, impact measurement and the integration of financial and non-financial information.

Under the scheme, national winners progress to compete for two main regional GFAs, marking the best sustainability and the best integrated report, as well as awards in several other categories.

The Private Equity Confidence Survey has been tracking the changing sentiments of the Central European investment community every six months since 2003.

Deloitte Central Europe FY2018 revenue overview (in € millions)

Total revenue: **396€**

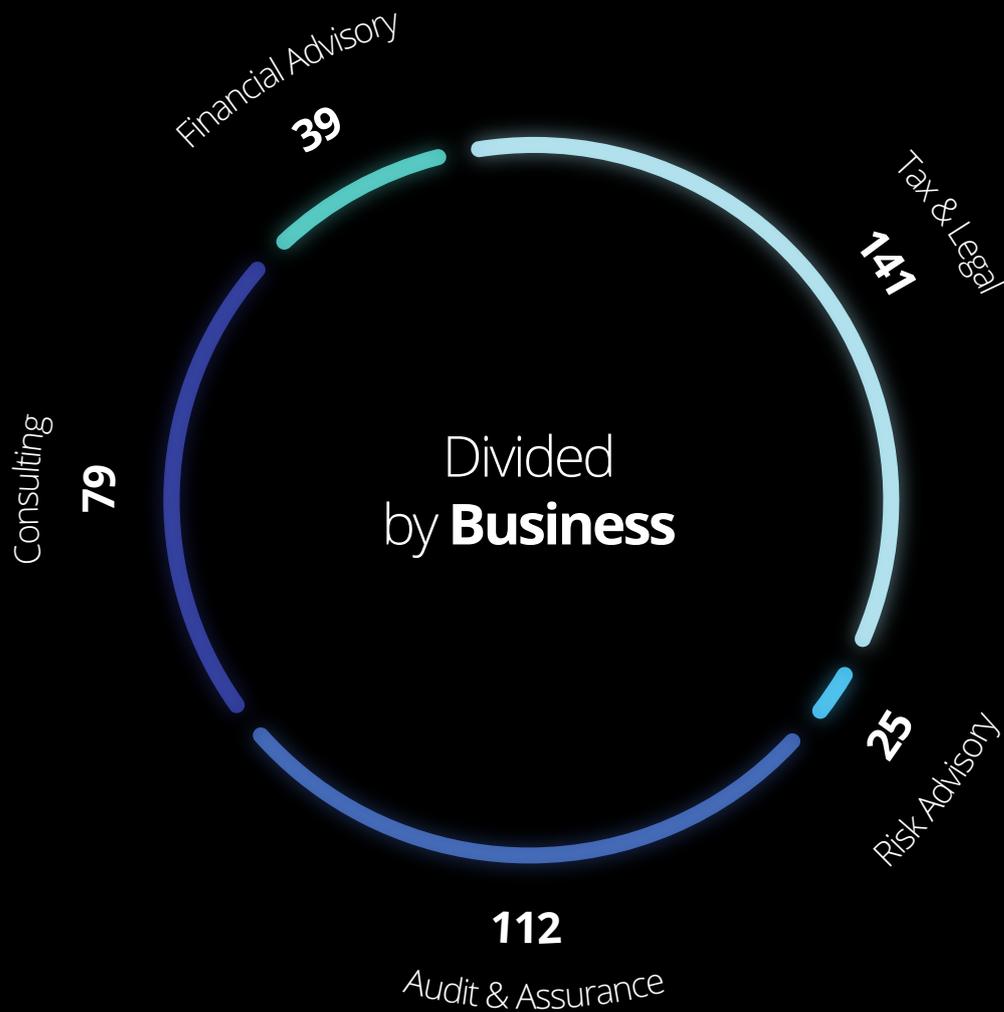


Growth NSR: **10%**

Growth net income: **11%**

Deloitte Central Europe FY2018 revenue overview (in € millions)

Total revenue: **396€**



Growth NSR: **10%**

Growth net income: **11%**

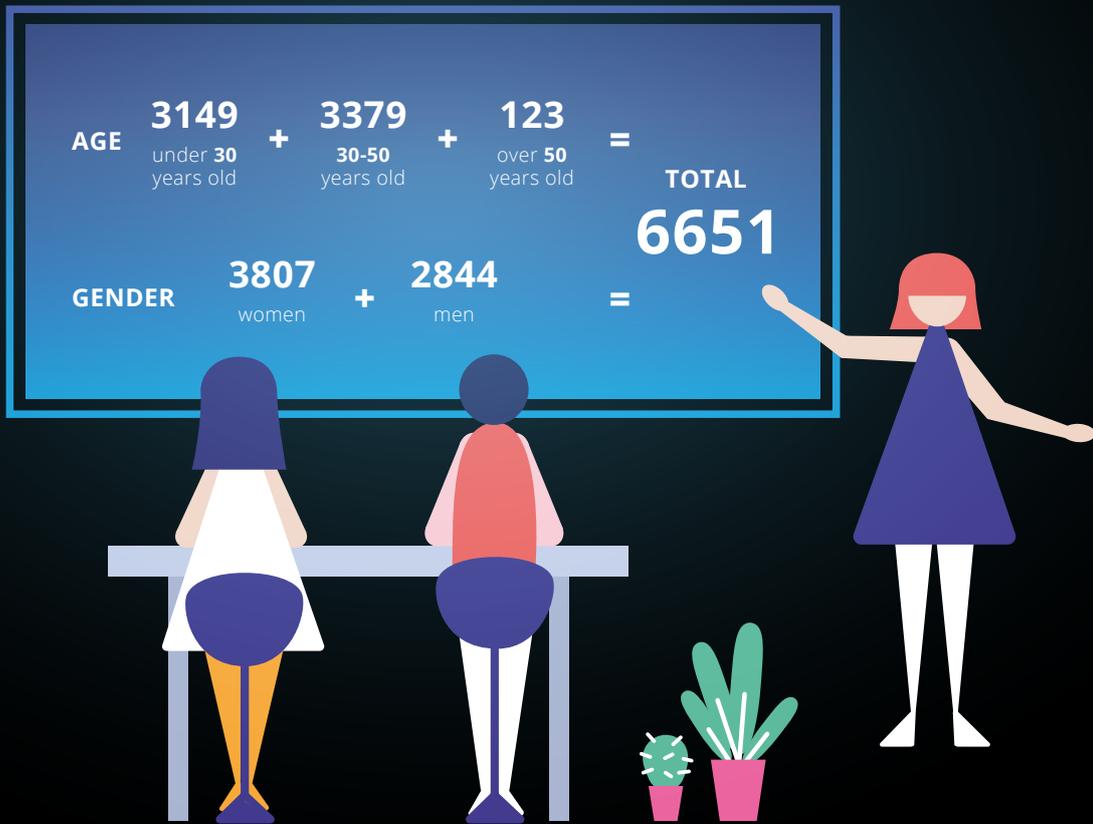


Inspiring our talented professionals to deliver outstanding value

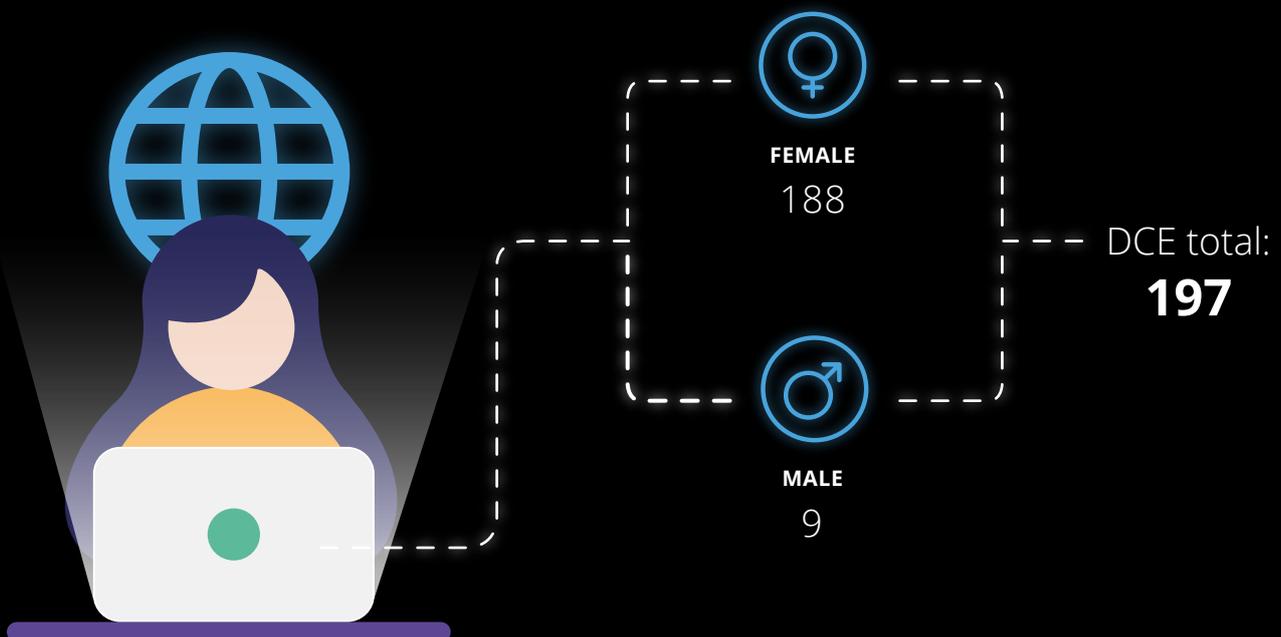
It's by making the working lives of our people challenging, interesting and inspiring that we help them become the best they can be. Investing in their talent through sector-leading development, mentoring and learning programmes helps them make a difference for their clients, their colleagues and their communities.

Deloitte Central Europe

Number of employees by gender and groups in FY2018



Number of employees that took full-time maternity/paternity leave



Empowering our people to unleash their potential

At Deloitte Central Europe, people are the key to achieving our objectives and making an impact that matters. And we recognise that proper leadership supports other people to make the most of themselves.

That is what makes enabling every Deloitte person to reach his or her full leadership potential so important.

Our aim is to ensure that generation upon generation of Deloitte people learn from one another's strengths, abilities and insights to underpin a sustainable culture of improvement and growth. This is the overriding goal of a number of programmes offered to our people through Deloitte University as well as our own regional approach to education and leadership development in Deloitte Central Europe.

One such example is the Deloitte Central Europe Leading from the Edge Programme (see more on page 40) which takes selected senior managers on a journey to better understand themselves, others and the environment in addition to developing and sharpening key skills in becoming inspiring and impactful leaders in Deloitte.

Our approach to performance management also plays a key role in development, using frequent check-in conversations about priorities, performance, and alignment to strengths and providing developmental support. Operating a diverse and inclusive organisation is also fundamental in this area, and we seek to leverage our differences as a strength that makes our organisation better. Initiatives include focusing on creating an environment that enables women to achieve their ambitions and that embraces generational diversity.

All this is underpinned by our approach to wellbeing, which reflects the local demands and challenges that our people face across the region. As such, we adapt our wellbeing offer to match the diversity of our employees, enabling us to support our people at all stages of their lives and careers.

People are the key to achieving our objectives and making an impact that matters. And we recognise that proper leadership supports other people to make the most of themselves.

Leading from the Edge: a leadership programme with a difference

Deloitte Central Europe has developed an innovative new leadership development programme with a vital twist. Based on mentorship, it aims to support the development of the 15 hand-picked partner mentors just as much as the up to 40 senior managers whose leadership potential it is designed to maximise.

This high-impact, 12-month programme consists of three live sessions (6 days in total). The first session, held in October 2018, focused on understanding oneself, other people and the environment and systems that surround us.

The intensity of the event was unrelenting, with highlights including nine partners sharing their personal stories on various aspects of leadership, the input of four external speakers and presentations by six senior leaders on the Deloitte strategy and vision for Central Europe.

The feedback from all participants was highly positive, and each is now better empowered to be a fully impactful leader in Deloitte. In particular, the senior managers felt that the opportunity to develop their own work purpose statement was a mind-opening step towards better understanding what they truly want to achieve with Deloitte.

Based on mentorship, the 'Leading from the Edge' Leadership Programme aims to support the development of the 15 hand-picked partner mentors just as much as the up to 40 senior managers whose leadership potential it is designed to maximise.

Diversity and inclusion: creating a culture where everyone wins

Increasingly, the most successful businesses across the world are those that allow everyone's talents to flourish – those that recognise the importance of an environment where 'people feel involved, respected, valued, connected, and able to bring their 'authentic' selves to the team and to the business'.

At Deloitte Central Europe, we regard ourselves as an organisation of this kind. To formalise and protect the unique culture we have created here, we have set regional Diversity and Inclusion strategic ambitions, designed to ensure our working environment is free from any form of discrimination. In this way, we aim to make Deloitte a place where people feel valued and have the confidence to share their ideas and opinions.

Our aim is to build an inclusive culture which embraces all differences and addresses unconscious bias to build high-performing team. Creating an inclusive environment requires everyone understands the benefits, which is why we consider it a critical imperative that our leaders recognise and ensure that all our people feel valued, respected and supported. We do this through a number of programmes described below and in the following articles. Two such examples are around our attention to gender and generational diversity.

More than half our people in Central Europe are women. Achieving a culture that embraces gender diversity is not only important, it is essential. This is why we run a number of initiatives to accelerate the progress of high-potential female talents. These include coaching, mentoring, personalised target setting and the SheXO Club programme (see page 42 for details).

The world is changing fast. To succeed in it, we need an inclusive, multi-generational environment where people can learn from one another and be accountable through mutual respect and trust. We recognise the cultural impact of demographic change, meaning that the needs and ambitions of Baby Boomers, Generation X, Millennials/GEN Y and the upcoming GEN Z are all different. We therefore aim to create a culture in which we can meet all shared business goals by working together closely and productively.

Our people tell us that the work atmosphere, teamwork and quality of relationships with colleagues are the major reasons why they stay with us. We aim to provide them the opportunities and environment that enable them to develop and grow at all levels.

Creating an inclusive environment requires everyone understands the benefits, which is why we consider it a critical imperative that our leaders recognise and ensure that all our people feel valued, respected and supported.

Celebrating International Women's Day with formalised parental policy

We are committed to providing agile working practices that provide the flexibility everybody needs.

When it comes to leave and flexible working, we have policies covering:

- standards for maternity and parental leave, covering career support both before, during and after a career break, including the potential for promotion and continued connectivity while absent,
- time-off, including maternity, parental and paternity leave, statutory vacations, bonus days, sick leave, special and unpaid leave, in line with local legislative and best-practice requirements,
- a range of flexible (time and place) working arrangements, dependent on individual situations and requirements.

Every year, International Women's Day is an important event for Deloitte employees throughout Central Europe.

It provides an opportunity to emphasise the importance of women's solidarity across the world. Recognising that issues change with time, this annual focal point for women's rights inspires us to discuss the topics of greatest current importance.

Particular emphasis was given to the day this year with the decision to formalise Deloitte Central Europe's maternity and parental leave policy. The policy now clarifies what working parents can expect when preparing to take leave, while they are away and when they return to Deloitte.

In particular, it ensures that all people leaving on maternity or parental leave are engaging in discussions with their counsellors in advance. These discussions should make the transition smoother, for example discussing how they can stay in touch with the office while away, explaining how and when their performance will be fairly reviewed and how Deloitte can help make the return to work easier.

In another initiative, we also joined in with the International Women's Day theme of #PressforProgress. This saw Deloitte team members join a global call for gender equality, using the hashtag to add their voices to those of millions of others from right across the world.

SheXO Club | by Deloitte

SheXO: supporting female leadership across Central Europe

The Deloitte SheXO Club was launched in 2011 to give female executives in large businesses across Central Europe a welcoming and empowering environment for networking, mutual support and sharing ideas and experiences.

As well as regular leadership-themed meetings, SheXO promotes publications on female professional development, sponsors research into the key challenges faced by senior women, and hosts conferences on female leadership. Increasingly these initiatives are having a positive impact on national policy-making across the region.

SheXO's activities have steadily accelerated in multiple Central European territories, with different countries often putting their own individual spin on it. In highlights from several countries:

- Latvia: opening of the Club in Latvia in January 2018 made by the Minister of Finance, which happens to be a lady and also a very prominent chess player.
- Poland: hosted talks by Saul Singer, co-author of 'Start-Up Nation: The Story of Israel's Economic Miracle', and investigative journalist Julia Angwin, who wrote 'Dragnet Nation: A Quest for Privacy, Security, and Freedom in a World of Relentless Surveillance'
- Slovenia: held a brunch with female presidential candidates last year at presidential elections in Slovenia in order to raise awareness about gender equality and women role in politics.
- Croatia: held a lecture on Business manners by Ms. Milada Privora, former Head of the State Protocol to the Republic of Croatia and Head of the Protocol of the President of the Republic of Croatia.
- Czech Republic: organized at the Eli Beamlines laser centre, a scientific facility outside Prague which houses the most powerful laser in the world, the ladies had a tour of the facility, including a lecture by scientist Kateřina Falk and an explanation of various uses of lasers.

LeadersIN - mentoring the female leaders of the future

Now in its fourth year, a cross-mentoring programme for female managers from Deloitte Poland that was first proposed at a Women's Initiative Meeting organised by Deloitte today features some of the biggest names in global business – most impactful tech, consumer and other companies.

LeadersIN aims to empower women in business by developing leadership and management skills through working closely with a board-level mentor, female or male, from one of the 27 participating companies.

In this way, women are enabled to accelerate along their chosen career path with a view to taking on senior – and even C-suite – roles in their organisations.

Vital Voices Poland Foundation has been invited to define the programme's objectives and take over its management. Once they have completed the programme, participants are encouraged to continue their association, not only with their mentors but also with the initiative's wider communities.

Fostering tomorrow's leaders through mentorship

Deloitte Czech Republic's Innovation team's interns paired up with partners to spur mutual growth

We've heard it before: Generation Z is generally more open, sharing, and digitally native. Generation X, from which many of Deloitte's present leaders are culled are more reserved, and approach technology like social media with trepidation because of the risks they perceived in saying the wrong things or from being perceived as acting contrary to their actual nature.

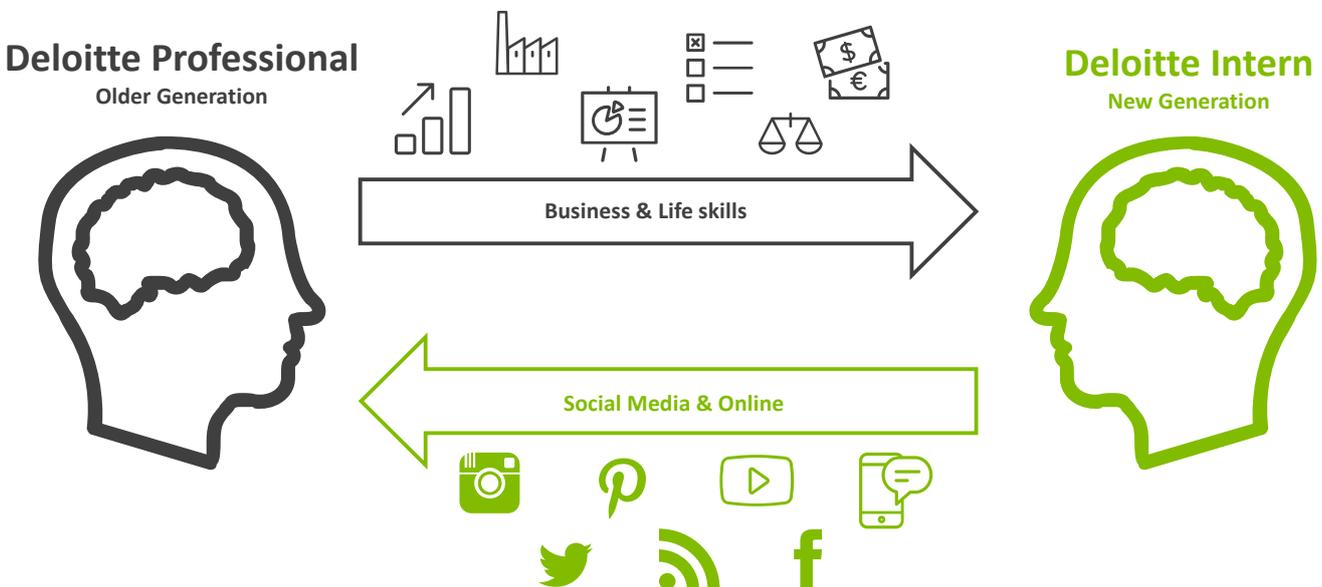
Deloitte Czech Republic's Innovation team saw an opportunity in this generational dilemma by pairing Czech partners with Innovation team interns. The goals were to raise the profiles of the Czech partner group to help all colleagues in the firm see how approachable the partners are, while also giving the partners an opportunity to mentor future leaders of the next generation.

The Reverse Mentoring programme kicked off in June 2017. Deloitte experts from different businesses were paired with interns with whom they share common interests and to whom they would be able to contribute new ideas.

Giving interns exposure to senior professionals in their area of specialization helps the interns build self-confidence, improve communication and presentation skills, and better plan their career path.

The main impact of Reverse Mentoring has been how it has spurred both interns and partners to grow at a rate they would not be able to achieve alone.

REVERSE MENTORING PROGRAM



Promoting positive change

An engaged mind, an energised body and a sense of purpose. These are the three key pillars on which Deloitte Poland has built its ongoing Well-being Programme, with the aim of creating an organisation where people are encouraged to draw on their passions and skills to drive the company's growth.

Activities to engage the mind include lectures of external experts, private sessions with a family psychologist, visiting the internist in the Deloitte office, regular 'People@Deloitte' meetings to share ideas and experiences, family events, after-hours games (boardgames, playing cards) and much more.

The year's many sports and exercise-based activities for energised bodies include a range of fitness classes at the company's Calypso Gym, jogging sessions with a professional coach, relay and triathlon races, charity challenges, company basketball, football, volleyball and shooting teams, taking part in business leagues and competitions and many other events.

Activities aiming to instil a sense of purpose focused on helping Deloitte people to better understand the sense of being human. These include focus on important, global challenges and educational campaigns to raise employee awareness ('No-Car Day', 'Bicycle Week', 'No elevators day') and activities aiming at breaking down barriers between able-bodied people and those with disabilities and the 'Social iNITIATIVES of Deloitte employees' programme that supports positive social change (see more on page 57).

Wellbeing becomes part of our DNA

The lives of Deloitte employees in Latvia are being significantly improved by a programme launched at Christmas 2017 by our Senior Manager, Inga Sadurska, who had been thinking about how to have a meaningful impact on her colleagues' health and happiness.

When she proposed her ideas for a Well-being Programme, with the aim of providing a range of prevention-based counselling and learning services, people immediately saw the value and gave the programme their full support.

Now, of Inga's colleagues are fully involved, providing ideas and support. And, with so many people now driving it forward, the programme has achieved a great deal since the beginning of 2018. Five workshops have been held on topics ranging from managing stress to healthy eating, running, reducing eye strain and creating an ergonomically healthy working environment.

That's not all – the team has launched the Baltics Running Challenge, taking on colleagues from Lithuania and Estonia. Healthy snacks are available in the office every day, and our employees responded to a blood-donation drive, giving enough to save more than 50 lives.

An engaged mind, an energised body and a sense of purpose. These are the three key pillars on which Deloitte Poland has built its ongoing Well-being Programme.

The Wings Programme was created out of a desire to bring to life the ‘maximizing potential’ pillar at the heart of Deloitte Hungary’s culture, which focuses not only on business results but also personal success stories and employee engagement.

Encouraging colleagues to fulfil personal dreams

Deloitte Hungary’s Wings Programme supports employees in achieving personal goals and shares their journeys. The Wings Programme is an initiative of Deloitte Hungary that in its first year supported 12 personal aspiration projects, a total of 50 participants, with financial or time-based contribution. And everyone in Hungary can feel part of their colleagues’ exciting journeys thanks to regular progress updates and communications.

The Programme was created out of a desire to bring to life the ‘maximizing potential’ pillar at the heart of Deloitte Hungary’s culture, which focuses not only on business results but also personal success stories and employee engagement.

After a number of workshops and open discussions among colleagues, the Wings Programme took flight. The jury and organizers selected 12 projects to be officially supported this year.



Ágnes Faragó from Deloitte Hungary, walking the El Camino - one of 12 projects supported within the Wings Programme.

Colleagues learning from the best of the best

Marijana Jularić, Marketing Manager at Deloitte Slovenia, is possibly better known to the outside world as a former world karate champion with 16 national titles to her name.

And now, following her retirement from competitive sport, she spends her waking hours away from Deloitte as a karate teacher – not just a few days a week but every afternoon and evening, including weekends.

In so doing, Marijana is contributing greatly to wellbeing among her colleagues, teaching not only them but their children too about the powerful mental, physical and spiritual benefits that this extraordinary sport brings with it. This is particularly important at a time when digital entertainment is turning so many children away from sport and exercise.

As her colleague Meta Mežnar, Marketing and Communications Services Manager at Deloitte in Ljubljana, puts it: 'We are very lucky to have an ambassador of an active lifestyle who has dedicated three-quarters of her life to an individual sport and still does it alongside her work.'

The 'beautiful game': uniting Deloitte practitioners from across the world

It was 15 years ago that Deloitte Central Europe first came up with the idea of hosting a six-a-side football tournament in Prague.

In its first year, 26 men's teams were invited to the Czech capital to take part in what was then called 'Deloitte Euro 2004'. Since then the tournament has grown into a truly global event.

The tournament continues to build on its strength, with new teams attending every year. The latest edition marked the 15th anniversary with the participation of around 750 Deloitte practitioners representing over 60 men's and women's teams.



Marijana Jularić and her students.



Various teams during the Deloitte Prague Cup.

The Deloitte Prague Cup, as it is now known, has grown in both popularity and stature. Today, it gives Deloitte practitioners from around the globe the opportunity to travel to Prague, meet and network with colleagues from other member firms while playing a sport that unites so many different nationalities and cultures. Rather than taking our word for it, just read the testimonials of tournament participants about what makes the Prague Cup such a thrilling event and what impact it makes on those touched by it. The supporting photo montage is a picture that tells a thousand words.

Employee training and education

The opportunity to develop professional skills that enhance career prospects has long been regarded as one of the most important benefits we can offer our people.

Right across Deloitte Central Europe, we are committed to helping our people make the most of their potential by providing valuable and high-quality learning resources. One example is in Deloitte Romania, where a wide range of business skills is taught from the moment a new employee joins the team through their New Hire Orientation Milestone programme. This two-day familiarisation programme for new hires in our Tax and Audit teams provides the knowledge and insight they need to integrate easily into Deloitte. Next on the learning journey is the New Senior Orientation Milestone programme, which addresses the needs of those promoted or hired as senior staff members giving them new knowledge about their new role and responsibilities, understanding of client expectations and their role as counselors to other colleagues.

Other business-oriented courses available to our people in Romania cover key issues from time management to presentation, selling, business writing, influencing and communication skills.

In the Czech Republic, our team uses training to care for our people. The 'Happiness at Work as Burnout Prevention' course helps to prepare Senior Consultants for the added stresses involved with becoming managers. With a focus on mental health, it aims to ensure that people can make the transition at no cost to their personal wellbeing.

One key responsibility for newly promoted managers is winning new business. In Poland, a two-day workshop addresses this key requirement, increasing understanding of how to build trusting relationships, addressing what they most value about working with Deloitte and focusing on an improved understanding of individual strengths and areas for development.

The opportunity to develop professional skills that enhance career prospects has long been regarded as one of the most important benefits we can offer our people.

A focus on education

For some years, the Deloitte team in Albania has been keen to have a positive social impact on the country by helping to support and improve its educational system. This initiative started three years ago and targeted specifically higher education. Since then it has developed into all levels of education, allowing children of all ages to gain better access to education regardless of their family background, social-economic situation or location.

A key project is the collaborative support the team is providing since 2015 to the Universities of Tirana and Turin, Italy in running two Masters' programmes. In the first of these, on Finance, Accounting & Audit, eight Deloitte lecturers work for 185 hours preparing and delivering lectures to 35 students on average, in each academic year.

And in the second, every academic year on average 25 IT & Business Process Management students benefit from lectures delivered by eight of the Deloitte team members.

One organisation that Deloitte Albania supports – Teach for Albania, part of the global Teach for All network – has a straightforward belief: that the quality of education a child receives should be determined by his or her own talent, not the country or family he or she comes from.

Its mission is to recruit, select and train outstanding students or professionals from a range of fields to teach for two years in problem schools. And its aim is to reduce illiteracy rates and increase the numbers of students who continue their education beyond the nine-year minimum.



Roden Pajaj from Deloitte Albania during one of the trainings.

A key part of Deloitte's role is to provide the teachers with intensive training on developing positive communication with the children, their parents and community members. At the same time the trainings are developing team dynamics and leadership skills and supplemented with ongoing support throughout the academic year. The teachers evaluated the Deloitte teaching programme as the best and most useful they received during their work with Teach for Albania.

A key part of Deloitte's role is to provide the teachers with intensive training on developing positive communication with the children, their parents and community members.

A pioneering approach to Audit recruitment

High levels of demand for our Audit services mean that we need to bring new professionals in the discipline up to speed more rapidly, enabling them to undertake real client work sooner in their careers and to the highest possible levels of quality.

From two-week intern to full-time employee

In early 2018, Deloitte Lithuania once again played host to students in the Project Patirk ('Experience it') internship programme organised by the student association at the ISM University of Management and Economics.

First, it is all about coaching, not teaching. The Deloitte's training Programme also includes real-life client interaction from the beginning. And it is highly interactive, with simulated scenarios playing an important role.

These needs, along with changing Audit requirements, have led the Deloitte team in the Czech Republic to create an entirely new three-month training programme, based on cutting-edge learning techniques.

First, it is all about coaching, not teaching. It also includes real-life client interaction from the beginning. And it is highly interactive, with simulated scenarios playing an important role.

Many members of the team rallied around to help develop the programme, and it has been rolled out – and will be rolled out across other countries in Central Europe next summer.

Young people joined us for a two-week period, working closely as team members in our Audit, Consulting, Tax and Business Process Solutions (BPS) departments. A number of them enjoyed the experience so much that they have now joined our team fulltime.

The ISM project enables students to choose a company from among 22 participating businesses, picking up knowledge to prepare for their future by learning first-hand from established professionals.

The project has always been a great success, and we have received positive feedback from students every time that we have taken part. Clearly, with several choosing Deloitte as their employer, 2018 was another good year.

Critical thinking in business futurology

It was in the spring of 2017 that our Brand and Strategic Innovations Director Senta Čermáková successfully launched the Startup and Innovation team in Deloitte Central Europe. But almost as soon as that project was complete, she started to look for other ways of spreading the 'innovation wave'.

The main challenge she faced was in how to create a platform of 'reciprocal exchanges', where Senta could share her expertise in the area of technology and business with clever and ambitious students capable of contributing fresh ideas to this ever-changing field.

Senta started teaching her own subject, 'Critical thinking in business futurology' in the autumn of 2017. This was within the broader framework of the prestigious Master's in International Management from The Global Alliance in Management Education, known as the 'CEMS MIM' programme. According to her, 'Teaching drives innovation'.

The syllabus comprised several different sets of topics, ranging from Customer Relationship Management systems to Blockchain technology. In most classes, Senta was also accompanied by guest speakers who were specialists in the area of innovation under discussion.

Having the opportunity to pass on knowledge to the brightest management students from across the world enabled Senta not only to have productive discussions on the future of business and technology, but also to receive relevant feedback from the students. Some of them were keen to join Deloitte and have since been hired to work for us.



Senta Čermáková from Deloitte Czech Republic teaching 'Critical thinking in business futurology'.

When IT becomes a business driver...

When the IT team in a business shifts from being a support function into a true business partner, it is almost certain to have a dramatic positive impact on business performance.

The Deloitte Change the Business (CTB) team across Central Europe has proved this in action, working with practitioners in developing technology-led innovations that are helping to win and retain clients, saving time and driving income.

Recognising themselves as enablers of change and innovation, the team's key objective is to help practitioners deliver the value clients need through technology. To make this happen, CTB has created the 'Engine' platform, which enables all Deloitte colleagues to submit innovative ideas that CTB can bring to life with skilled project managers and technology vendors.

Today, Engine has led to the creation of several initiatives, including:

- 'Deloitte Proposals' - platform for creating and sharing proposals in the form of clear-structured web pages;
- 'Amplify' - platform for managing client engagements in real time;
- 'Deloitte Store' - an intuitive internal e-commerce site to streamline and optimize the process of purchasing Deloitte branded goods;
- internal video repository;
- an app to help members of the Leadership Development Programme track their strategic goals.

Having the opportunity to pass on knowledge to the brightest management students from across the world enabled Senta not only to have productive discussions on the future of business and technology, but also to receive relevant feedback from the students.

Deloitte Central Europe WorldClass impact





Contributing to society as a role model for positive change

Being a leader does not just mean heading up a client team or setting business strategy. It's also about setting an example in society, encouraging businesses and citizens to take more responsibility for the challenges faced in their communities and by society at large.

Seeking continuous improvement in our sustainability performance

As part of a global organisation with more than 280,000 employees across the world, Deloitte Central Europe is highly aware of its responsibilities as an environmental steward.

We're committed to helping all our people adopt a sustainability approach, not only in their professional lives but also by encouraging the same mindful approach in the communities where we live and work.

Our core activities, based around providing professional services have little direct environmental impact. So we need to pay most attention to factors such as commuting to work, business travel and managing our business premises.

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

The Deloitte network uses the CR360 online sustainability management system to capture sustainability data on member firms. During 2018, we improved data coverage across most of Deloitte Central Europe.

Different countries hold different forms of certification. For example, Deloitte Poland has an energy-management system that complies with the ISO 50001 specification. There is evidence that this is reducing energy costs, enabling effective supervision over energy consumption and making it easier to set goals, monitor performance and take any necessary action.

Our practices in the Czech Republic and Slovakia, meanwhile, hold the ISO 14001 standard for

environmental management systems, which provides a practical and systematic approach to managing impacts including waste management, utility consumption and our carbon footprint.

We're committed to helping all our people adopt a sustainability approach, not only in their professional lives but also by encouraging the same mindful approach in the communities where we live and work.

When it comes to good practice in our real estate, we have policies that control the use of lighting, heating and cooling to minimise energy usage and greenhouse gas (GHG) emissions.

Turning to travel, we significantly reduced our use of both diesel and gasoline throughout our vehicle fleet in 2018, travelling more by rail and air. Collectively, we reduced our overall travel-related emissions by around 14%.

We also saw a marked reduction in the amount of waste paper generated in our offices across the region. By doing our best to use recycled paper and limiting its use by not printing emails, workshop materials and other documents, we cut our usage in 2018 by 16.7 tonnes, from 88.7 in 2017 to 72 tonnes.

We recognise that we still have progress to make on all fronts and remain committed to further improving our environmental performance in 2019 and the years ahead.

Supporting employees' initiatives

Inspiring cancer patients to keep up the fight

As someone who has battled cancer herself, Miglena, Manager at the Tax & Legal department in Deloitte Bulgaria saw first-hand how many others like her became depressed, lacked enthusiasm, and did not want to continue the battle for their health and life.

Following her motto of "if you are in need of support, try supporting others as well," Miglena was determined to make a difference. She wanted to do something to lift spirits, give encouragement, and inspire cancer patients to do more than just survive.

First, for Deloitte Bulgaria's 25th anniversary internal impact competition, Miglena proposed and won a project to improve cancer patients' self-confidence through aesthetic treatments. With her colleagues Biliana Borisova and Severina Miteva, and the support of Deloitte Bulgaria, Miglena oversaw the project, resulting in the participants feeling better and more confident in themselves.

Next, when Miglena heard about the [Oncology Games](#) project, she was among the first to sign up. The mission of the Oncology Games is to raise awareness about cancer and demonstrate that sport helps cancer patients deal with oncological disease in a positive way, and that it can even help improve their quality of life. Miglena and her team of Bulgarian survivor-athletes travelled to Rome to participate in the Games, coming away with 12 medals (with 2 individual medals for Miglena).

Building a home for at-risk children and families

On the occasion of celebrating Deloitte Romania's 25th anniversary, the local office wanted to take part in an initiative that would highlight the nature of Deloitte's impact on the country's people, clients, and society.

In collaboration with the Hospice Association, an NGO working for health and social justice, colleagues from Deloitte Romania pitched in to renovate a center for children and families affected by rare or life-threatening diseases.

If you are in need of support, try supporting others as well.

The renovated center will include a few apartments to accommodate families, one unit with beds for the ill, a center an intuitive internal e-commerce site to streamline and optimize the process of purchasing Deloitte branded goods for therapy and educational support, as well as a center for family therapy.

The work carried out by Deloitte colleagues consisted of painting, furnishing, renovating and cleaning a social home in Romania's rural area.

Colleagues bonded and genuinely had fun, but also embraced the feeling of building something together, shaping something entirely from scratch, and making a lasting impact on a neglected part of their society.

Helping kids gain insight into the universe

The skies are huge and dramatic in Poland's Bieszczady Mountains, with exceptionally low light pollution allowing people to enjoy an incredible, up-close experience of the universe.

This is why Barbara Czyżowicz, Social Media Manager at Deloitte Poland, has for the last three years co-ordinated an initiative that enables children from local schools to visit a tourist lodge on the massive Otryt ridge – all at no cost to their families.

But it's about more than simply being in the mountains. The lodge is fitted out with a high-quality telescope, and during 2018 over 125 kids had the opportunity to study the skies through it as part of a series of short science camps.

The grandeur of the sights they experience, together with the remoteness of the lodge itself, leave an unforgettable impression on the children, many of whom have never before stayed anywhere without running water or electricity. It teaches them the value of co-operative working when preparing food or starting a fire.

The popularity of the programme, in which more than 600 children have participated since 2016, means there is a waiting list for groups wishing to participate, highlighting its value to those lucky enough to have already done so.



The Observatory in Otryt Ridge, Bieszczady Mountains.

CE Impact Awards Winner

15 minutes of your time may save a life

Since being selected for Deloitte Poland's internal Social Initiatives project, Ewelina Toczek, Consultant with the Tax Department in Poland, has registered 43 people as potential stem cell donors, which means as many people may get a second lease on life – thanks to just 15 minutes of a colleague's time.

Ewelina has been involved with DKMS Foundation, a non-profit advocacy group that works to raise awareness of the needs for donors for stem cell transplants, which people with blood cancers need for treatment, since her student days. DKMS Foundation also helps people sign up with national bone marrow registries.

A few years ago, Ewelina herself donated her stem cells to a woman from Germany, giving her a second lease on life. Since experiencing for herself how much impact a stem cell donation can make – and how relatively easy it is for the donor – she has made it her mission to spread awareness. "It is important to convince and register as many people as possible," comments Ewelina, "because every single registered person may go on to help a sick stranger in a critical moment of need."



The donor drives event at Deloitte office in Warsaw.

Ewelina was overcome with emotion when she was informed by DKMS Foundation that a person who registered through one of her drives went on to donate his bone marrow to a recipient in France.

Ewelina has since organized two registration drives for the Deloitte office. Deloitte Poland is supporting the initiative by financing the costs of every new registrant, who requires a DNA test that costs 40 EUR.

'Helping kids gain insight into the universe' and '15 minutes of your time may save a life' stories were a part of the 'Social INITIATIVES of Deloitte employees' competition in Poland. After the competition's success in the last two years, employees of Deloitte in Poland were encouraged to make an impact that matters on their environment for the third time in a row.

The competition is a part of a broader Deloitte employee volunteering programme for the development of innovative solutions that helps address the most important social challenges in Poland. The winning initiatives were related to Deloitte Well-Being programmes and promoted physical activity and the health of local communities. This year many projects supported education and the future of young people. Employees got involved in various activities related to equal opportunities and helping other people, from small children staying in hospitals or growing up in orphanages, to the elderly.

From all projects received, the Competition Council chose 23 winning initiatives of our employees, one student project and one idea submitted by the Alumni. Each initiative was donated with approx. 2500 EUR. Three winning projects were a continuation of last year's initiatives. In total, approximately 100 Deloitte employees, 12 foundations, 5 associations and 6 organizations were involved in the implementation of the projects.

Memories are made of this...

It can be very difficult for children from orphanages and day centres to try out new things, meet new people and try out sports.

That's why in 2018 a team from our Vilnius office once again decided to help arrange an unforgettable day for local kids, aiming to inspire positive emotions rather than give them material possessions.

Working with partners from the Vilnius International Club and several other public and private-sector organisations, the Deloitte team helped to organise a fabulous line-up of attractions for 150 underprivileged children. Their contribution included contacting sponsors, advertising the event, hiring a bouncy castle and being present on the day to help everyone make an impact that matters.

And the day was an outstanding success for all concerned. Among its highlights were opportunities for the kids to use equipment from the Lithuanian armed forces, police and fire brigade, to scrum down with rugby players, mess about with US soldiers, meet bikers, watch a dog show and feast on ice cream and a barbeque.



Kids day at Deloitte Lithuania.

© Magda Grigonienė

A team from our Vilnius office once again decided to help arrange an unforgettable day for local kids, aiming to inspire positive emotions rather than give them material possessions.

CE Impact Awards Winner

Giving hope and help to needy families

The Financial Advisory (FA) team in Deloitte Albania inspires their colleagues to make an impact by contributing to families in need. Now the team is supporting multiple families with contributions of money and time, as well as building a shelter for another.

It all started in March when Daniel Davidhi met a young mother of three who needed aid so she could send her children to school. Daniel shared her message with the rest of his FA team, and everyone pitched in with contributions for the family. From that day, the FA team has been collecting money and food for families in dire circumstances, and even visiting families in order to help them.

From the FA team, the initiative expanded to all of Deloitte Albania. It has become part of the company's culture and all employees receive a newsletter about charity activities underway. In the FA team's view, the most meaningful contribution from their side is giving those in need hope that life can be better. And thanks to the rest of their colleagues in Deloitte Albania, that impact is growing greater by the day.

Tax & Legal: providing CSR support across Central Europe

Right across Deloitte's Central Europe footprint, our Tax & Legal professionals are committed to making an impact that matters on their communities. A particular focus is on helping underprivileged families and providing young people with insights they don't gain during mainstream education.

Some country-by-country highlights include projects in:

- **Baltics:** we launched the Baltics Summer Tax School, an intensive week of training for promising students from Latvian, Lithuanian and Estonian universities to provide insight they would not gain from their studies.
- **Bulgaria:** working with the For our Children Foundation, our people helped 117



The Financial Advisory team from Deloitte Albania contributing to families in need.

The initiative has become part of the company's culture and all employees receive a newsletter about charity activities underway.

underprivileged children 'smile for Easter' by giving them the clothes, books and games they most want and need.

- **The Czech Republic:** we regularly host charitable events in the spacious atrium in our Prague offices, often raising substantial sums for charities that specialise in buying medical equipment. Charity Day in December 2017, for example, successfully raised more than CZK 45,000 (EUR1,750) for the city's St Borromeo Hospital.
- **Hungary:** our team members collected shoeboxes of toys and sweets during the build-up to Christmas for donation to the SOS Children's Villages, a long-established organisation that supports families at risk and children with no parental care.
- **Poland:** many of our professionals gave their time to the 'Children's University', teaching the country's youth about economic fundamentals as early as possible. Altogether, 85 Deloitte experts and 39 people from two clients (Nowy Styl Group and ABC Czepczyński) delivered 209 workshops to 4,000 children aged from 6 to 11. We have also provided pro bono services to the philanthropic 'Forum Darczynców', including using the knowledge of our tax and legal specialists to develop the content of a publication called 'Cooperation between business and NGOs'
- **Romania:** in collaboration with the Hospice Association, an NGO working for health and social justice, colleagues from Deloitte Romania helped to renovate a centre for children and families affected by rare or life-threatening diseases. This will include a few apartments to accommodate families, one unit with beds for the ill, a centre for therapy and educational support, and another for family therapy.

Helping kids to become innovators of the future

Building on the success over several years and in many countries of the Deloitte SheXO Club (see page 42 of this report), we launched 'KidsXO' in 2018 to help children fuel and develop their potential for absorbing knowledge by fearlessly and relentlessly asking questions.

We are firm believers in the importance of equipping future generations with all the tools they will need to succeed. That has never been more important than it is today, as technology continuously drives change by pushing back the boundaries of human knowledge.

We held the first KidsXO event in partnership with Singularity University in Prague, providing young minds with a rare and privileged glimpse into the future world of science and technology. At the event, they saw how technology is enabling new phenomena to come into existence all the time, from bionic implants to lab-grown 'slaughter-free' meat.

We believe that such exposure allows children to broaden their horizons and see themselves as the innovators of the future. Following the success of this pilot, KidsXO is now a permanent part of our agenda around social improvement.



The KidsXO event in the Czech Republic.

We are firm believers in the importance of equipping future generations with all the tools they will need to succeed. That has never been more important than it is today, as technology continuously drives change by pushing back the boundaries of human knowledge.

CE Impact Awards Winner

Giving children tools to succeed in life

Deloitte Poland is working to educate Poland's youth about economic fundamentals as early as possible to equip them to make sound decisions when they come of age, with the support of Foundation Children's University and two clients.

Colleagues saw an opportunity to make an impact on their local communities when they considered that Poland's primary education system is not equipping children with economic know-how. Working with the Foundation, Children's University (Uniwersytet Dzieci), and clients Nowy Styl Group and ABC Czepczyński, they set out to make a difference together.

The Kraków-based Foundation recruited the pupils while Deloitte Poland provided lecturers (including practitioners and clients) and lecture rooms in 3 Deloitte offices across Poland to offer lessons in economics to primary school pupils.

85 Deloitte professionals and 37 representatives of clients (private companies, family businesses as well as international corporations) worked together to deliver 209 workshops for 4,000 students of ages 6-11.

With this initiative, Deloitte Poland is educating children about economics earlier than normal, empowering them to make smarter decisions later in life – and turning some students on to the subjects of economics and entrepreneurship. The project also supports the educational mission of Deloitte's clients and builds client advocacy, leading to stronger client relationships, including those formed while Deloitte practitioners delivered lectures and workshops alongside client representatives.



Kids during one of the Children's University events.

Deloitte Poland is educating children about economics earlier than normal, empowering them to make smarter decisions later in life – and turning some students on to the subjects of economics and entrepreneurship.

Three cities. Seven activities. One amazing day.

More than 160 people from Deloitte Slovakia's three offices in Bratislava, Kosice and Zilina had an amazing day in June 2018. This was Impact Day, when our motivated colleagues delivered seven projects chosen from a total of 15 nominated by employees.

Five of these took place in Bratislava, with the complete restoration of a playground in one kindergarten and the creation of a new one at another, an equally in-depth makeover on a flowerbed at a school for blind and partially sighted children, and a 'deep clean' of the area surrounding an elementary school.

But not all the work was for children. Senior citizens in Bratislava benefited too, with gardening and decoration support, companionship (both at home and for local walks) and tram trips into the city.

Deloitte volunteers in Zilina, meanwhile, helped to clean a water works, while colleagues painted a wall at a volunteering centre in Kosice, which has been selected as the European Capital of Volunteering for 2019.

Shaping the school of the future

If Poland is to continue its rapid develop for years into the future and ultimately eliminate the development gap, the country's education system needs to undergo refreshment.

This is the view of Deloitte's leadership in Poland, and is the driving force behind our continuing 'School of the Future' programme. With the aim of targeting the country's decision-makers with persuasive advocacy, the programme launched in 2017 with a workshop of around 50 Deloitte professionals to generate recommendations on what the future education landscape should look like.



The team from Deloitte Slovakia during Impact Day.



'Eduktor 2018' Conference in Warsaw.

We have built on this with a programme of activities including our CEO's participation in the 'Eduktor 2018' Conference, a high-level discussion organised by the Rzeczpospolita daily at the Economic Forum in Krynica.

Unearthing hidden talent in Generation Z

A cross-business team from Deloitte Czech Republic organized the Young Guns Hackathon to select the most talented young minds who would be sent to the SingularityU Summit in Prague (see more on page 32), one of the foremost platforms driving discussions about our digital future.

The Hackathon event challenged university students in an intense 3-day competition where students were split into teams to compete in digital video creation and app development.

Students participated in professional workshops led by experts from relevant fields. Together with support from mentors, competing teams produced compelling results in both categories.

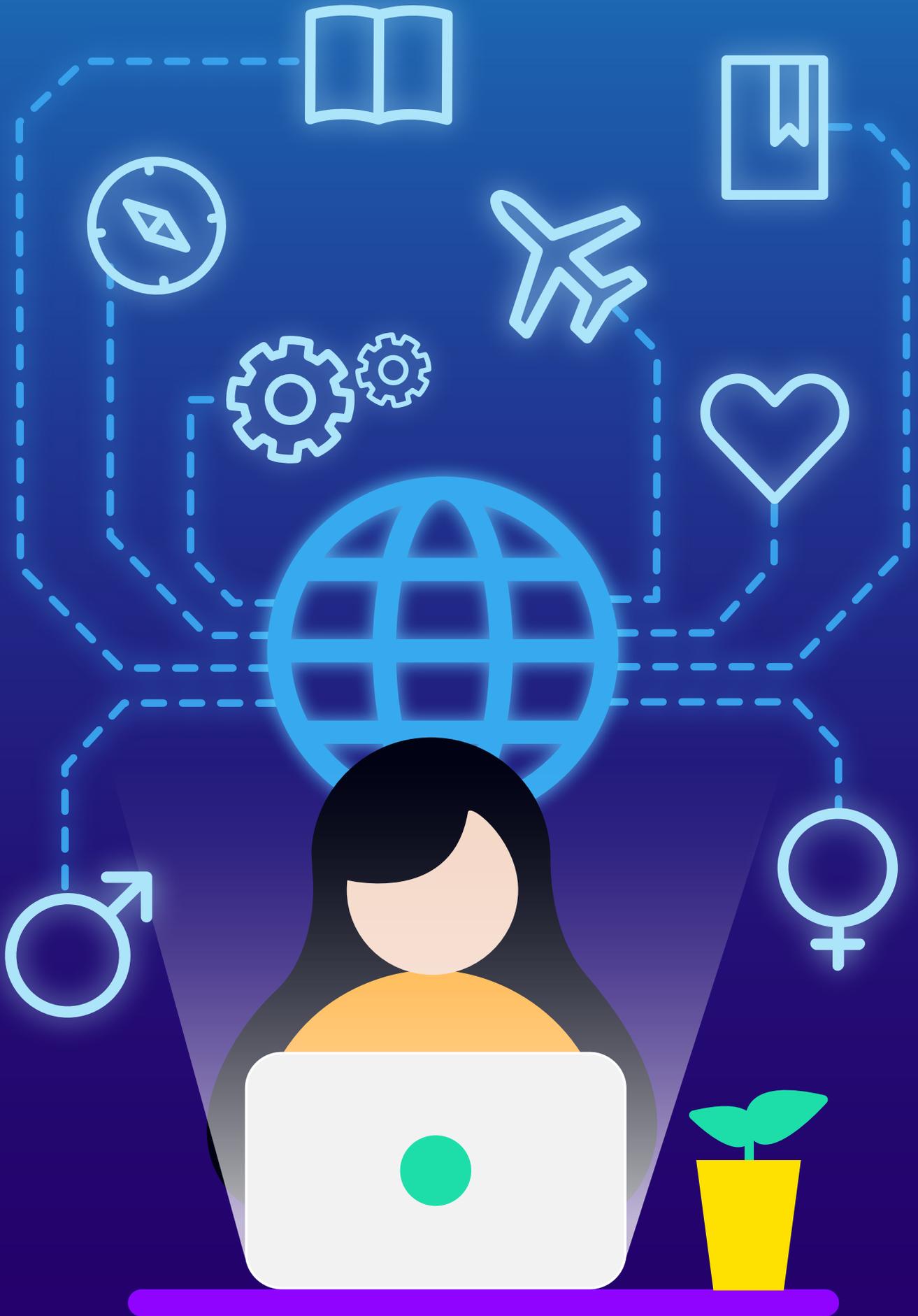
Winners received passes to attend the SingularityU Summit in Prague. They represented Generation Z in a forum where ideas about the technology and the world of tomorrow were to be discussed by some of the world's leading thinkers.

Other countries in Central Europe were inspired by the Hackathon event and took a similar approach to unearthing their own talents. In all, a total of 32 Central European 'Young Guns' were sent to attend the SingularityU Summit.



Students during the Young Guns Hackathon.

Students participated in professional workshops led by experts from relevant fields. Together with support from mentors, competing teams produced compelling results in both categories.



GRI Index

Reporting process and materiality

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

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

In the context of this report, material aspects were selected based on the previous Deloitte Central Europe Impact Report FY2017, Deloitte Global Report FY2017 and FY2018, external benchmark of topics reported by other Big 4 firms to public, key tender & legal requirements in Central Europe countries, and people survey draft results. All aspects shown in the matrix are material to Deloitte Central Europe.

Defining content for the Deloitte Central Europe Report

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

Scope and methods for performance measurements

Performance measures for societal impact and environmental sustainability are based on widely recognized guidelines. For reporting on societal impact, the reporting standards from the Committee Encouraging Corporate Philanthropy and the London Benchmarking Group were considered. The monetary value of community activities was estimated according to the type of service performed. The value of volunteer work was based on local staff costs.

Estimates of carbon emissions were prepared according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard created by the World Resources Institute and the World Business Council for Sustainable Development with emissions

accounted for on the basis of operational control. While the reporting for FY2018 includes a significant number of Scope 3 sources, it does not consider full upstream and downstream emissions across all sources.

Data that formed the basis of the reporting was obtained from financial reporting systems, other internal records, and outside sources such as travel agencies, utilities, and property managers.

Deloitte recommends its member firms to select the most accurate, source-specific, localized, and recently published GHG emission factor available for each emission source, such as specific emission factors for a local electric utility. Member firms are provided by Deloitte Touche Tohmatsu Limited with default emission factors, the majority of which come from the following sources:

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

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

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

Stakeholder engagement

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

GRI INDEX

Rules and basis for reporting	68
Profile indicators	68
Management approach	74
Topic indications	75
Economic topics	75
Economic performance	75
Market presence	75
Anti-corruption	77
Anti-competitive behaviour	77
Environmental topics	78
Materials	78
Energy	78
Emissions	78
Effluents and Waste	78
Social issues	79
Employment	79
Occupational health and safety	79
Education and training	80
Diversity and equal opportunity	81
Non-discrimination	81
Customer privacy	81
Socioeconomic compliance	82

GRI – Global Reporting Initiative

Rules and basis for reporting – GRI 101

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 101	Rules and basis for reporting	GRI Introduction (page 66) .

Profile indicators – GRI 102

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 102-1	Name of the organization	<p>Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.</p> <p>Deloitte provides audit, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients’ most complex business challenges. To learn more about how Deloitte’s approximately 245,000 professionals make an impact that matters, please connect with us on Facebook, LinkedIn, or Twitter.</p> <p>Deloitte Central Europe is a regional organization of entities organized under the umbrella of Deloitte Central Europe Holdings Limited (which is a holding entity of Deloitte Central Europe), the member firm in Central Europe of Deloitte Touche Tohmatsu Limited. Services are provided by the subsidiaries and affiliates of Deloitte Central Europe Holdings Limited, which are separate and independent legal entities.</p> <p>The subsidiaries and affiliates of Deloitte Central Europe Holdings Limited are among the region’s leading professional services firms, providing services through more than 6,000 people in 44 offices in 18 countries.</p>
GRI 102-2	Activities, brands, products and services	<p>We deliver 17 service lines serving 21 sectors across 6 industries.</p> <p>Deloitte Central Europe services map (page 10).</p> <p>Globally, Deloitte delivers these services to clients across 21 sectors in 6 industries to help them rise to their business challenges and be more successful in their chosen fields. These industries and sectors are:</p> <ul style="list-style-type: none">  Technology, Media & Telecom (Telecom, Media & Entertainment; Technology)  Consumer (Consumer Products; Retail, Wholesale & Distribution; Automotive; Transportation, Hospitality & Services)  Energy, Resources & Industrials (Power & Utilities; Mining & Metals; Oil, Gas & Chemicals; Industrial Products & Construction)  Financial Services (Banking & Capital Markets; Insurance; Investment Management; Real Estate)  Life Sciences & Health Care (Health Care; Life Sciences)  Government & Public Services (Health & Social Care; Defense, Security & Justice; Civil Government; International Donor Organizations; Transport) <p>Services are provided by the subsidiaries and affiliates of Deloitte Central Europe Holdings Limited, which are separate and independent legal entities. The subsidiaries and affiliates of Deloitte Central Europe Holdings Limited are among the region’s leading professional services firms.</p>

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 102-3	Location of headquarters	Deloitte Central Europe Holdings Limited, 1 Lampousas 1095 Nicosia, Cyprus.
GRI 102-4	Location of operations	<i>Deloitte Central Europe covers 18 countries (see map on page 5).</i>
GRI 102-5	Ownership and legal form	<p>Deloitte Central Europe is a regional organization of entities under the umbrella of Deloitte Central Europe Holdings Limited, the member firm in Central Europe of Deloitte Touche Tohmatsu Limited. Services are provided by the subsidiaries and affiliates of Deloitte Central Europe Holdings Limited, which are separate and independent legal entities. The subsidiaries and affiliates of Deloitte Central Europe Holdings Limited are among the region's leading professional services firms.</p> <p><i>Deloitte Central Europe covers 18 countries (see map on page 5).</i></p>
GRI 102-6	Markets served	<p>Today, we provide audit, consulting, financial advisory, risk advisory, tax & legal and other services to deliver a range of powerful business solutions to some of the most well-known and respected companies in Central Europe.</p> <p><i>More about our services on page 10.</i></p>
GRI 102-7	Scale of the organization	Deloitte Central Europe operates through 44 offices, employing more than 6,000 of the most talented people from every market and working for over 13,000 clients.
GRI 102-8	Information on employees and other workers	<i>See page 82.</i>
GRI 102-9	Description of the supply chain	Significant elements of our supply chain include talent benefits, travel and hospitality services, IT hardware and software, professional services, and real estate.
GRI 102-10	Significant changes to the organization and its supply chain	<i>The changes in the organisation's size can be seen in 102-8.</i>

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 102-11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	<p>The main constituents of our operational basics are: Quality Control System: we implement quality-control procedures that provide reasonable assurance that professional and client-service standards are consistently applied in all client engagements. As well as ensuring compliance with global and regional processes that are specific to Deloitte, our quality controls seek to ensure all audit operations comply with the IFAC Code of Ethics for Professional Accountants, the IFAC International Quality Control Standard No. 1, national audit standards and more.</p> <p>Ethical standards and shared values: enshrined in the Deloitte Central Europe Code, these enable us to develop a business environment that operates in accordance with the requirement for integrity, confidentiality and accountability. The standards are based on ethical requirements determined in the Professional Accountants Ethical Code issued by International Ethics Standards Board for Accountants (IESBA), standards issued by International Federation of Accountants (IFAC) and additional national regulations.</p> <p>Commitment to independence: we operate policies and principles that ensure the firm, its employees and their family members are prohibited and prevented from holding interests or shares in any restricted entities.</p> <p>Data security and confidentiality: Clients increasingly demand the protection of the confidential information they entrust to us. This is why we undertake a range of confidentiality initiatives, including those within the Deloitte Global Confidential Information Programmes. These include the rollout of client-specific Confidentiality Information Management Plans (CIMPs), ongoing communication on privacy, confidentiality and data protection matters, regular training interventions and Information Security Management System (ISMS) project implementation according to ISO 27001. Since April 2017, the system has been certified throughout Central Europe.</p> <p>Risk management and mitigation is another fundamental means of protecting our clients' interests. We have set up conflict-check, independence teams and regulatory and compliance teams (responsible for privacy and confidentiality) for Deloitte Central Europe. We have strengthened security, regulatory and compliance (responsible for privacy and confidentiality) as well as ethics and anti-corruption teams. We invest heavily in this area, and our specialist Risk team, based in Rzeszow, now has more than 100 full-time employees.</p> <p>Compliance: we have structures in place to ensure reasonable certainty that Deloitte personnel act at all times in compliance with all relevant applicable laws and regulations. We also seek to enable our clients to do so: increasing emphasis on compliance with standards of corporate governance is now a major challenge for companies' supervisory boards. To meet new expectations, Deloitte has developed a Supervisory Boards Development Programme with an aim to support supervisory boards' members in professional career development and increasing their competences.</p> <p>Business Continuity and Risk Resilience. We have expanded our existing framework on Crisis Management in Deloitte Central Europe and introduced a globally deployed tool for emergency communication with our practitioners. We are in process of implementing Business Continuity Management System (BCMS) in line with ISO 22301. The full alignment should be reached by the end of 2018 and the certification is planned for 2019.</p> <p>Performance measures for societal impact and environmental sustainability are collected in line with DTTL global reporting process and are based on widely recognized guidelines. For reporting on societal impact, the reporting standards from the Committee Encouraging Corporate Philanthropy and the London Benchmarking Group were considered. Estimates of carbon emissions were prepared according the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard created by the World Resources Institute and the World Business Council for Sustainable Development with emissions accounted for on the basis of operational control. Data that formed the basis of the reporting was obtained from financial reporting systems, other internal records, and outside sources such as travel agencies, utilities, and property managers.</p> <p>Data for this report were collected and presented in accordance with Global Reporting Initiative (GRI Standards) guidelines.</p>

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 102-12	Externally developed economic, environmental, and social statements, principles, or other initiatives adopted or endorsed by the organization	<p>Deloitte Central Europe entities actively engage on various economic and social forums. Some of the most significant are (selected examples):</p> <ul style="list-style-type: none">  Croatia: The Foreign Investors Council in Croatia  Czech Republic: Singularity University  Hungary: Family Business Network Hungary, Alliance for Ecommerce  Poland: Leadership Academy for Poland  Serbia: UN Global Compact, Responsible Business Forum
GRI 102-13	Membership in associations and organizations	<p>Deloitte Central Europe entities actively engage as part of various associations. Some of the most significant are (selected examples):</p> <ul style="list-style-type: none">  Croatia: German Croatian Chamber of Industry and Commerce, The Croatian Employers' Association  Czech Republic: Prague Chamber of Commerce  Hungary: Joint Venture Association, German Chamber of Commerce  Latvia: German Chamber of Commerce  Macedonia: Institute of Certified Auditors of Republic of Macedonia, American Chamber of Commerce  Montenegro: American Chamber of Commerce, Institute of Certified Auditors  Poland: American Chamber of Commerce, Polish Private Equity and Venture Capital Association  Serbia: American Chamber of Commerce, Serbian Association of Corporate Directors
GRI 102-14	Statement from senior management	<i>See CEO's statement on page 3, "A story that matters" (6), "Leading with integrity" (7).</i>

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 102-16	Values, principles, standards and norms of behaviour.	<p>Our values are what promote and enable the behaviours that support us in achieving our purpose. They are at the heart of the Deloitte culture, distinguishing our people from all competitors:</p> <ul style="list-style-type: none"> • Integrity: behaving with the highest levels of integrity is fundamental to who we are, supporting our strong commitment to sustainable, responsible business practices; • Outstanding value to markets and clients: through constant vigilance and unrelenting commitment, we play a critical role in helping the capital markets and our clients operate more effectively; • Commitment to each other: we recognise that our culture of borderless collaboration is a powerful competitive advantage, and we go to extraordinary lengths to support our people; • Strength from cultural diversity: working with people of different backgrounds, cultures and thinking styles helps our talent grow into better professional leaders. <p>The ethical behaviour of our people is the foundation of Deloitte Central Europe's success. Everybody in our firm has a responsibility to make sure that what they do every day ensures our name remains synonymous with quality. That's why, around the world, highly respected and often market-leading organisations trust Deloitte professionals to carry out their most ambitious projects, manage highly confidential information and develop ideas, approaches and initiatives that can alter the course of their businesses.</p> <p>For this reason, we need to continue earning that trust every day and in everything we do, making ethical behaviour non-negotiable for Deloitte professionals. That is why we actively integrate ethics into all our key initiatives and processes, always stressing quality and consistency of approach. It is a key driving force in making an impact that matters.</p> <p>Deloitte's ethical principles are at the heart of our governance structure and inform key strategic activities such as our training and assessment processes. Our Deloitte Central Europe Code of Conduct, based upon Deloitte's Global Principles of Business Conduct and Shared Values, provides the ethical framework on which we as employees of the firm base our decisions. https://www2.deloitte.com/global/en/pages/about-deloitte/articles/ce-Code-of-Ethics-Professional-Conduct.html</p> <p>The ethical principles are an important element of the Deloitte Central Europe Code of Conduct, to which our people sign a fresh compliance confirmation when joining and every year that follows. As well as being personally responsible for knowing, understanding and complying with the Code, every employee has a responsibility for upholding it and reporting any potential or actual violations. Workshops and e-learning are also used to reinforce the message to our people, with Ethics also embedded into the Onboarding experience for new hires.</p> <p>On 1 June 2017 Andy Newman has taken on the role of Deputy Chief Ethics Officer for the Central European firm, where he will be responsible for the continued integration of Ethics into our broader Quality agenda as it underpins everything we do here at Deloitte, while we seek to make an impact that matters for our clients and our people.</p>
GRI 102-18	Governance structure	Directors acting on behalf of Deloitte CE Holdings Limited: Maria Pilia-Louka, Maria Marathefti, Eric Daniel Olcott, Alastair Teare, Dionysios Chrysostomides.
GRI 102-40	List of stakeholder groups engaged by the reporting organization	See the Stakeholders engagement summary on pages 84 – 89.
GRI 102-41	Employees under collective agreements	Deloitte Central Europe has no employees covered by collective-bargaining agreements.
GRI 102-42	Basis for identification and selection of stakeholders involved by the organization	Our strategic approach to social responsibility is expressed in building positive relationships with all stakeholders and leads to substantial growth of their commitment. We strive to ensure that all decision-making processes involve the interests of particular groups that are relevant to our business, whether by having an impact on us or by being subject to our influence. We also endeavour to provide our stakeholders with timely communication, tailored to their diverse needs. Our stakeholder mapping and engagement processes are based on global experiences as well as local practices in the region.

GRI Indicator number	Indicator name	Cross reference / Direct answer																					
GRI 102-43	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	See the Stakeholders engagement summary on pages 84 – 89.																					
GRI 102-44	Key topics and concerns raised by stakeholders and the organization’s response, also through their reporting	See the Stakeholders engagement summary on pages 84 – 89.																					
GRI 102-45	Entities included in the consolidated financial statement	Deloitte Central Europe ('Deloitte CE') is a regional organization of entities under the umbrella of Deloitte Central Europe Holdings Limited ('Deloitte CE Holdings'). Professional services are provided by the subsidiaries and affiliates of Deloitte CE Holdings, which are separate and independent legal entities. These services are provided in Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Slovenia, Serbia, Slovakia and in other countries outside Central Europe in cooperation with other Deloitte Touche Tohmatsu Limited (DTTL) member firms. The financial statements represent the combined financial results and statement of financial position of the activities carried out in these countries.																					
GRI 102-46	Process for defining the report content	GRI Introduction (page 66).																					
GRI 102-47	Identified important topics	Listed in GRI Content Index.																					
GRI 102-48	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement and their impact (e.g., mergers, acquisitions, change of base years/periods, nature of business, measurement methods)	<p>G4-EC1: Direct economic value generated and distributed</p> <p>FY2017 revenues according to the new structure for FY2018:</p> <table border="1"> <thead> <tr> <th></th> <th>FY2018</th> <th>FY2017</th> </tr> </thead> <tbody> <tr> <td>Audit & Assurance</td> <td>112</td> <td>109</td> </tr> <tr> <td>Risk Advisory</td> <td>25</td> <td>19</td> </tr> <tr> <td>Consulting</td> <td>79</td> <td>73</td> </tr> <tr> <td>Financial Advisory</td> <td>39</td> <td>32</td> </tr> <tr> <td>Tax & Legal</td> <td>141</td> <td>128</td> </tr> <tr> <td></td> <td>396</td> <td>361</td> </tr> </tbody> </table>		FY2018	FY2017	Audit & Assurance	112	109	Risk Advisory	25	19	Consulting	79	73	Financial Advisory	39	32	Tax & Legal	141	128		396	361
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		<p>G4-EN1, G4-EN2: Paper use</p> <table border="0"> <tr> <td>  <p>100% Recycled 14.8 Metric Tonnes</p> </td> <td>  <p>≥30% Recycled 62.36 Metric Tonnes</p> </td> <td>  <p><30% Recycled 11.58 Metric Tonnes</p> </td> <td> <p>Resource Use 88.74 Metric Tonnes</p> </td> </tr> </table>	 <p>100% Recycled 14.8 Metric Tonnes</p>	 <p>≥30% Recycled 62.36 Metric Tonnes</p>	 <p><30% Recycled 11.58 Metric Tonnes</p>	<p>Resource Use 88.74 Metric Tonnes</p>																	
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GRI 102-49	Significant changes from the previous report regarding the scope, reach or measurement methods employed in the report	n/a																					
GRI 102-50	Reporting period	Fiscal year 2018 (FY2018) - 1 June 2017 - 31 May 2018																					
GRI 102-51	Date of most recent previous report (if any)	December 2017																					
GRI 102-52	Reporting cycle	Annual cycle																					

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 102-53	Contact data	<ul style="list-style-type: none"> • Gavin Flook, gflook@deloittece.com • Halina Frańczak, hfranczak@deloittece.com • Izabela Krasuska, ikrasuska@deloittece.com • Aleksandra Gryko, agryko@deloittece.com • Katarzyna Swat, kswat@deloittece.com • Breanna Minarovych, bminarovych@deloittece.com • Rafał Rudzki, rrudzki@deloittece.com
GRI 102-54	Indication of whether the report was compiled as per the GRI Standard in the Core or Comprehensive option	This report has been prepared in accordance with the GRI Standards: Core option.
GRI 102-55	GRI Index	See page 68.
GRI 102-56	Policy and current practice with regard to seeking external assurance for the report	The report is not externally verified.

Management approach – GRI 103

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 103-1	Explanation of topics identified as significant, with an indication of their restriction	<p>IMPORTANCE TO STAKEHOLDERS</p> <p>High</p> <p>Transparency</p> <p>Privacy, data security, confidential information protection</p> <p>Indirect economic impact</p> <p>Service quality and accuracy</p> <p>Thought leadership</p> <p>Diversity and inclusion</p> <p>Ethics and integrity</p> <p>Corporate governance, values & corporate culture</p> <p>Sustainability management system</p> <p>Client satisfaction and managing long term relationships</p> <p>Reduction of environmental negative impact</p> <p>Public policy engagement</p> <p>Community investment & engagement</p> <p>Labour practice: health, safety and well-being of employees</p> <p>Business performance</p> <p>Talent training and development</p> <p>Compensation and benefits</p> <p>Low</p> <p>Low High IMPORTANCE TO DELOITTE CENTRAL EUROPE</p>
GRI 103-2	Management approach and its elements	See CEO's statement on page 3, "A story that matters" (6), "Leading with integrity" (7).
GRI 103-3	Assessment of management approach	See CEO's statement on page 3, "A story that matters" (6), "Leading with integrity" (7).

Topic indications

Economic topics

Economic performance – GRI 201

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 201-1	Direct economic value generated and distributed (including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments)	<i>See page 34.</i>

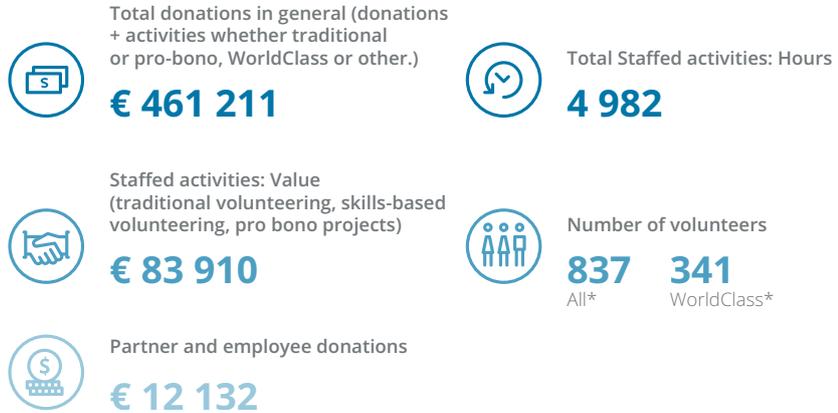
Market presence – GRI 203

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 203-1	Infrastructure investments and services supported	<p>An example of the activity: Deloitte Central Europe Impact Awards</p> <p>Deloitte Central Europe Impact Awards is an employee competition which celebrates and awards our people for making an impact that matters for our clients, talent and society.</p> <p>Stories about how they, their team or another colleague made an impact in FY2018 were collected and evaluated, the best stories won a motivating prize and are featured in the annual Impact Report.</p> <p>The awards were open to all employees below partner (partners could still nominate others) across Deloitte Central Europe, who could enter via a dedicated internal microsite.</p> <p>The objectives of the competition:</p> <ul style="list-style-type: none"> • Connect our people and their everyday work with the firm's strategy and purpose • Recognise our people for their hard work in a fun way

GRI Indicator number	Indicator name	Cross reference / Direct answer
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GRI 203-2

Significant indirect economic impacts



WorldClass

In June 2017, Punit Renjen, Global CEO, announced an organization-wide societal impact initiative – WorldClass. Through this initiative, Deloitte is committed to preparing fifty million futures for a world of opportunity.

Advances in technology and digitization are transforming the ways in which we work, live, and learn. The skills people need to thrive within this new world economy are changing. While these advances present incredible opportunity to individuals and society, millions are being left behind. By applying our skills, experience, and global reach, we will make a significant impact in helping those who may otherwise be left behind.

WorldClass builds on the strengths of the many innovative programs already being delivered by Deloitte. By aligning around a common goal and mission, Deloitte is inspiring increased commitment and investment in education, skills development, and access to opportunity.

WorldClass impact

Total WorldClass with formal confirmation of attributability to Deloitte



WorldClass investments

Total WorldClass donations (this number is WorldClass portion included in the general total donations)



* 837 is the total number of volunteers for the region. And among that 837, 341 volunteered in WorldClass activities.

**“People reached” refers to the total number of people, external to Deloitte, impacted directly and indirectly by WorldClass programs in Central European region. Direct reach is defined as the total number of individuals who participate or benefit directly from support provided by Deloitte professionals. Indirect reach is defined as the total number of individuals reached indirectly as the result of capacity-building with the collaborating organization. Some ways Deloitte may help an organization build its capacity is by giving donations, providing consultative services or creating a technology-enabled solution.

Anti-corruption – GRI 205

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 205-2	Communication and training about anti-corruption policies and procedures	In Deloitte Central Europe we have implemented CE Anti-Bribery & Anti-Corruption Policy which was updated in June 2018. This policy is also supported by an Anti-Corruption e-learning that is mandatory for all new joiners and also an Anti-Corruption refresher e-learning that was launched in 2017 and is mandatory for all practitioners who joined Deloitte prior to 1 September 2017. A number of communications have been prepared and shared with CE practitioners concerning this and other e-learning for which compliance is tracked via monthly Compliance Tracking Reports until such time as full compliance with mandatory requirements has been achieved. Please find attached a couple of examples of AC related communications from the past year.
GRI 205-3	Confirmed cases of corruption and activities undertaken as response	No reports of corruption or corrupt behaviour were received during FY2018.

Anti-competitive behaviour – GRI 206

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	There are currently no legal actions pending regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in Deloitte Central Europe. Also, there has been no incident of the above mentioned character reported so far, that might lead to any potential issue or a litigation.

Environmental topics

Materials – GRI 301

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 301-1	Materials used by weight or volume	See page 90.
GRI 301-2	Recycled input materials used	

Energy – GRI 302

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 302-1	Energy consumption within the organization	See page 90.

Emissions – GRI 305

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 305-1	Total direct greenhouse gas emissions by weight	See page 90.
GRI 305-2	Energy indirect (Scope 2) GHG emissions	
GRI 305-3	Other indirect (Scope 3) GHG emissions	

Effluents and Waste – GRI 306

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 306-2	Total weight of waste by type and disposal method	See page 90.

Social issues

Employment – GRI 401

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 401-1	New employee hires and employee turnover	See page 91.
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>Benefits provided in different DCE countries, examples of the most popular:</p> <ul style="list-style-type: none"> • health insurance and care policy; • parental leave and childbirth bonus; • passport plus (travel insurance); • sports cards; • wellbeing programmes; • sport activities; • language courses; • company events; • massage therapist.
GRI 401-3	Parental leave	See page 92.

Occupational health and safety – GRI 403

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 403-3	Workers with high incidence or high risk of diseases related to their occupation	<p>At Deloitte Central Europe, our primary concern is for the safety of all our colleagues. As part of a highly diverse global organisation with a presence in many nations and territories, we are therefore particularly alert to the potential dangers affecting people while travelling. This refers to the vast majority of our employees. In order to minimise the risks involved with travel, we insist that all employees travelling on Deloitte business make arrangements through the firm's own travel desk. This ensures that Deloitte has a record of everybody's whereabouts while travelling, enabling them to be reached and supported in the event of any type of emergency.</p> <p>Employees are urged to download Deloitte's own emergency services app, which provides security advice, medical services and immediate response to all emergency situations for employees and their families when travelling outside their country of residence.</p> <p>There is also a specialist Deloitte Global Security Office (GSO) webpage on the Deloitte Resources site, which provides recommendations and important news to anyone who is travelling or considering doing so. In addition, the GSO is on constant standby to help keep Deloitte people safe, particularly during times of emergency or when called upon by clients to work in high-risk areas of the world.</p> <p>To ensure appropriate protection of staff in and out of the office Deloitte Central Europe acts in line with the Crisis Management Programme which one of the main concern is to ensure health and safety of our practitioners.</p> <p>Programme consists on different crisis scenario that may have impact on employees and agreed crisis management strategies. Programme assigns responsibilities to specific group of people from different teams like Leadership, Office Administration, IT, HR, Communication who play the crucial role in this programme, they are all trained how to react and what to do in case of an emergency situation. Additionally all Deloitte CE personnel is informed through the Security Awareness Programme how to act on a daily basis to build the secure and safe working environment.</p> <p>To be able to stay in touch with all employees and ensure the smooth and consistent communication Deloitte Central Europe implemented Emergency Communication System which allows to send message/collect required information to/from all Deloitte employees in case of an emergency.</p>

Education and training – GRI 404

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 404-1	Average hours of training per year per employee	See page 92.
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	<p>See 'Leading from the Edge (page 40).</p> <p>Examples from various markets across Central Europe:</p> <div style="margin-bottom: 10px;">  <p>Czech Republic: Training 'Happiness at Work as Burnout Prevention' This training is offered regularly every two months. It is a part of our programme 'Ready for M' intended for Senior Consultants aiming to become Managers. Its focus is on mental health.</p> </div> <div style="margin-bottom: 10px;">  <p>Poland: Deloitte Learning Academy FY2018: 133 trainings, 1365 person-days trainings. 58,3% participants think that this programme met their expectations. The training programmes offered since FY15 are covered on three different levels:</p> <ul style="list-style-type: none"> • Training courses run for Deloitte employees by our HR professionals and department experts called Deloitte Learning Academy; • Open courses offered all over the year by Polish training firms. <p>Training courses run for Deloitte employees by experienced national and international trainers - on 'as needed basis'.</p> <p>The main objective of the soft skills programme is to help you develop your competencies according to your development priorities agreed with your Counselor.</p> </div> <div style="margin-bottom: 10px;">  <p>Romania: New Hire Orientation Milestone: mandatory for junior staff hired in Tax and Audit, in autumn; 2 days long; the programme gives them the initial knowledge and understanding of the business, in order to integrate easily in the company and teams; 60 participants</p> <p>New Senior Orientation Milestone: mandatory for all employees promoted or hired during the year as Senior Staff; all Service lines are included; 2.5 days long; the programme gives them the knowledge about their new role, the expectations in terms of business responsibilities, understanding of clients expectations, their role as Counselors for less experienced staff, in order to take over their role faster; 46 participants.</p> <p>Business Chemistry: standard 2-3 hours training to understand the system and be able to apply it in improving communication with colleagues and clients; started with monthly sessions with new hires in May 2018 and continued in FY19 with sessions also for teams (on request); in FY 19 included in all local milestones as a tool for taking over the new role; 10 participants.</p> </div> <div>  <p>Slovakia: The Future Managers programme is designed as continuous professional development. After an initial two-day session focusing on key topics, the participants will define practical areas or skills they want to focus on in the following months. The follow up webcasts will support them in applying the newly-gained knowledge in practice.</p> <p>The yearly curriculum of the programme comprises 2 days of intensive training and the participants can choose one of the following modules:</p> <ol style="list-style-type: none"> 1. Leadership skills – leading, developing and motivating people 2. Business communication 3. High impact presentation and communication skills </div>

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	In Deloitte we have implemented a transformed performance management approach which is based on regular and continuous process of addressing the performance feedback, personal development and career progression providing each of our employee access to regular discussions on his / her priorities, course of action, performance feedback, strengths and well-being.

Diversity and equal opportunity – GRI 405

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, and other indicators of diversity	See page 92.

Non-discrimination – GRI 406

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 406-1	Total number of incidents of discrimination and corrective actions taken	<p>During the course of FY2018 we had 11 (eleven) cases of an Ethical nature reported to us, however, none of these cases related to instances of discrimination.</p> <p>Inappropriate behaviour should never be ignored and it is the responsibility of each of Deloitte's employees to speak up in case something feels wrong. At Deloitte, retaliation is never tolerated against any individual who raises an ethical concern in good faith. Deloitte Central Europe is committed to maintaining a working environment that promotes ongoing and open communication among its Partners and employees.</p> <p>To demonstrate how seriously we consider this subject, we launched a new non-retaliation policy. This policy is designed to protect from retaliation any individual who brings forward any ethics, compliance, corruption, or other related issue in good faith, as well as those who are involved in an ethics or related investigation. By implementing this policy we also commit to monitoring for actual or potential instances of retaliation and investigating all reports of retaliation in a confidential and timely manner.</p> <p>It is the responsibility of every individual at Deloitte to report concerns of retaliatory behaviour. Whenever an individual believes that he or she has been the subject of retaliation or has knowledge of an actual or potential violation of this non-retaliation policy they should report the situation or conduct in question to a relevant officer.</p>

Customer privacy – GRI 418

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	See page 93.

Socioeconomic compliance – GRI 419

GRI Indicator number	Indicator name	Cross reference / Direct answer
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	During FY2018 we remained substantially complaint in 15 countries of our regional operations. In few markets there were a few minor matters of non-compliance with tax, labour and regulatory legislation. None of those matters were material for our operations at the regional level.

GRI 102-8: Information on employees and other workers

	Headcount			FTE		
	 Female	 Male	Total	 Female	 Male	Total
Albania	86	43	129	86	42,5	128,5
Bosnia and Herzegovina	38	24	62	38	24	62
Bulgaria	143	93	236	139,25	91,3	230,55
Croatia	115	68	183	114	68	182
Czech Republic	601	508	1109	497,88	454,95	952,83
Estonia	51	16	67	44,775	15	59,775
Hungary	291	342	633	273,188	337,05	610,24
Kosovo	26	32	58	25,5	31,5	57
Latvia	92	58	150	86,9	57,5	144,4
Lithuania	65	39	104	62,5	38,5	101
Macedonia	11	9	20	11	9	20
Moldova	9	6	15	9	6	15
Montenegro	16	8	24	15	8	23
Poland	1062	915	1977	988,775	853,375	1842,2
Republika Srpska	11	12	23	10,5	12	22,5
Romania	504	229	733	498,675	227,35	726,03
Serbia	113	79	192	113	79	192
Service Centre	89	66	155	77,98	64,35	142,33
Slovak	182	112	294	168,05	109,6	277,65
Slovenia	85	54	139	84	54	138
SSC Rzeszow	217	131	348	216	130,6	346,6
DELOITTE CENTRAL EUROPE TOTAL	3807	2844	6651	3560,0	2713,6	6273,5

Full time			Part time		
 Female	 Male	Total	 Female	 Male	Total
86	42	128	0	1	1
38	24	62	0	0	0
134	88	222	9	5	14
114	68	182	1	0	1
408	409	817	193	99	292
37	14	51	14	2	16
245	328	573	46	14	60
25	31	56	1	1	2
83	56	139	9	2	11
60	38	98	5	1	6
11	9	20	0	0	0
9	6	15	0	0	0
15	8	23	1	0	1
892	780	1672	170	135	305
10	12	22	1	0	1
489	225	714	15	4	19
113	79	192	0	0	0
64	60	124	25	6	31
144	106	250	38	6	44
84	54	138	1	0	1
214	130	344	3	1	4
3275	2567	5842	532	277	809

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

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

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

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

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

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

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

GRI 301-1, 2: Materials



GRI 302-1: Energy

Aggregate Electricity Use Electricity Use - All Sources



On-site Combustion



GRI 305-1, 2, 3: Emissions

Indicators



GRI 306-2: Effluents and Waste

Deloitte Central Europe FY18



GRI 401-1: New employees hires and employee turnover

	The total number of new employee hires during the reporting period by gender	The total number of employees	The total number of new employee hires by gender	Rate of new employee hires during the reporting period by gender	
		FY2018	FY2018	FY2018	
New employee hires	 Women	3807	1098	28.84%	
	 Men	2844	1337	47.01%	
	Sum	6651	2435	36.61%	
	The total number of new employee hires during the reporting period by age group	The total number of employees	The total number of new employee hires by age group	Rate of new employee hires during the reporting period by age group	
	FY2018	FY2018	FY2018		
	under 30 years old	3149	1391	44.17%	
	30-50 years old	3379	1037	30.69%	
	over 50 years old	123	7	5.69%	
	Sum	6651	2435	36.61%	
Employee turnover	The total number of employee turnover during the reporting period by gender	The total number of employees	The total number of employee turnover by gender	Rate of employee turnover during the reporting period by gender	
		FY2018	FY2018	FY2018	
	 Women	3807	916	24.06%	
	 Men	2844	741	26.05%	
	Sum	6651	1657	24.91%	
	The total number of employee turnover during the reporting period by age group	The total number of employees	The total number of employee turnover by age group	Rate of employee turnover during the reporting period by age group	
		FY2018	FY2018	FY2018	
		under 30 years old	3149	675	21.44%
		30-50 years old	3379	956	28.29%
		over 50 years old	123	26	21.14%
	Sum	6651	1657	24.91%	

GRI 401-3: Parental leave

	Number of employees that took parental leave	Number of employees that took parental leave including number of employees that took fulltime parental leave	Number of employees who returned to work after parental leave ended	Number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work
 Female	188	188	126	84
 Male	9	9	19	7
Deloitte Central Europe Total	197	197	145	91

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

Employee category	The total number of employees by employee category	Total number of training hours provided to employees by employee category	Average training hours per employee by employee category
	FY2018	FY2018	FY2018
Partners	198	6245,5	32
Directors	169	10670,1	63
Senior Managers	347	20466,6	59
Managers	928	55556,4	60
Senior staff	1178	68884,6	58
Staff	1348	64175,2	48
Junior staff	1414	91799,1	65
Administrative	1485	12966,9	9

404-1 values differ from the numbers presented in 102-8 disclosure. The indicator is calculated for all staff (regardless its definition) that was defined as active in the period of FY2018.

GRI 405-1: Diversity and equal opportunities

Number of Partners per age category in Deloitte Central Europe					
Age category	Female	%	Male	%	Grand Total
less than 50	29	15%	124	63%	153
more than 50	4	2%	39	20%	43
Grand Total	33		163		196

GRI 418-1: Customer privacy

Report the total number of substantiated complaints received concerning breaches of customer privacy, categorized by:	Total number (FY2018)	Description	Data source
Complaints received from outside parties and substantiated by the organization	0	n/a	n/a
Complaints from regulatory bodies	0	n/a	n/a
Report the total number of identified leaks, thefts, or losses of customer data.	9*	7 confidential data disclosures and 2 personal data disclosures**	incident logs are archived by Deloitte Central Europe Regulatory & Compliance

* Poland - 3, Romania - 2, Slovakia - 1, Lithuania - 1, Bulgaria - 1, Deloitte Central Europe - 1; ** Five cases of confidential data disclosure by sending an email to wrong recipient, two cases when email addresses were disclosed to other recipients and one case of confidential data disclosure on public website. Subsequently we have received 5 complaints (3 from clients and 2 from wrong recipients). There were no complaints received from regulatory bodies/authorities.

Transport indicators taken from our internal CR360 system:

Indicators	Activity data	Unit of measure	Emissions (metric tonnes CO2e)
 Aggregate Air Travel Distance	22,494,101.31	Passenger Kilometres	1,956.61
 Aggregate Bus Distance	57,910	Passenger Kilometres	344.55
 Aggregate Hotel Stays	34,081	Nights	1,090.59
 Aggregate Rail Travel	2,579,614.5	Passenger Kilometres	292.38
 Car Rentals	2,469,895	Kilometres	855.92
 Hired Vehicle	1,386,603.75	Passenger Kilometres	217.62
 Owned Vehicle Fleet			640.84
 Car (Diesel) (Europe)	1,579,784.4	Kilometres	282.58
 Car (Petrol) (Europe)	209,771.6	Kilometres	38.95
 Aggregate Owned Vehicle Fleet - Fuel use	127,647	Litres	319.31
 Car (Diesel) - Fuel Use	96,294	Litres	250.38
 Car (Petrol/Gasoline) - Fuel Use	31,353	Litres of petrol/gasoline	68.92
Total Reimbursed Vehicle			5,039.76



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