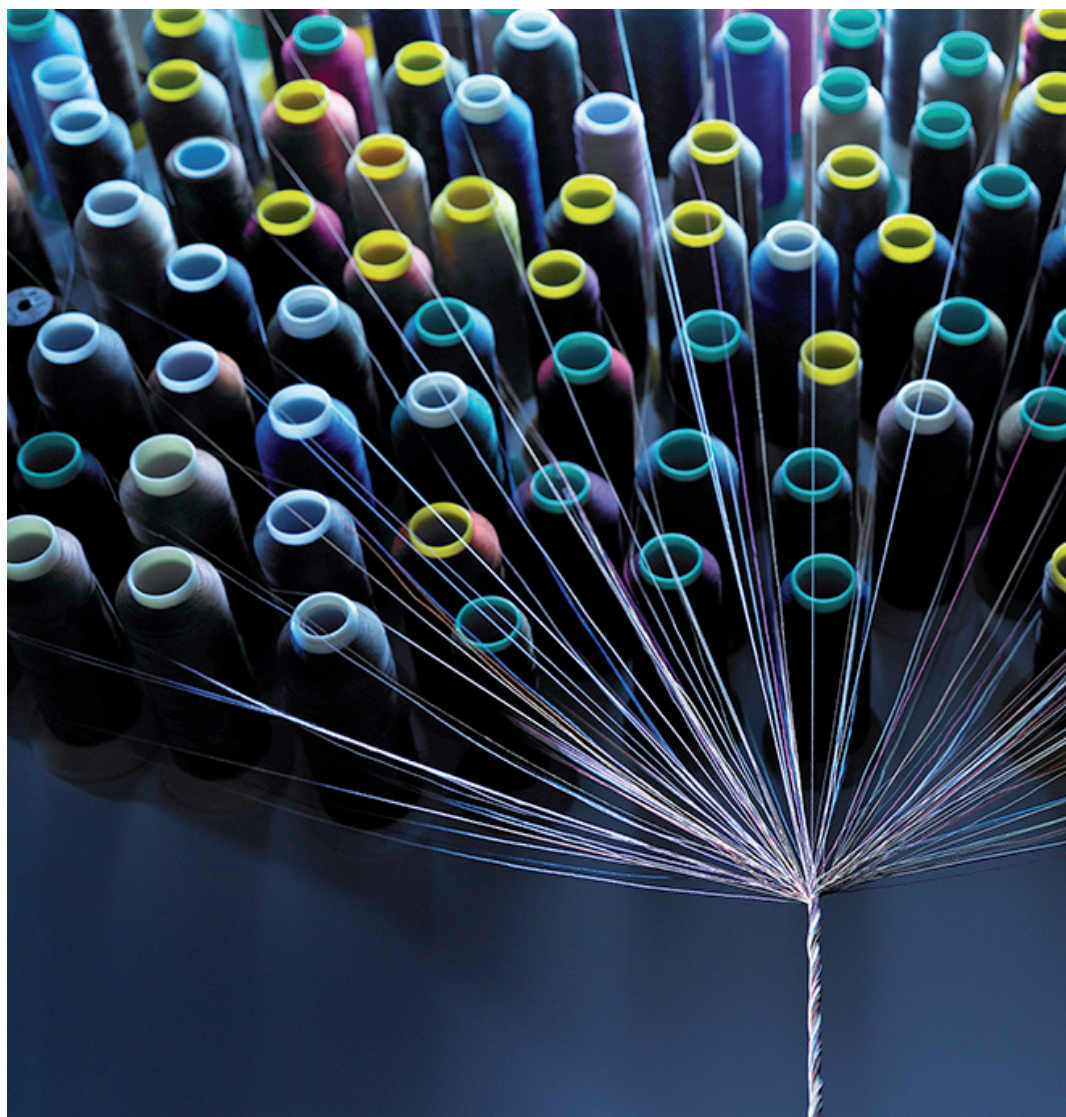




Deloitte Bulgaria
United Nations Global Compact
Communication on Progress Report
for 2013/2014





Statement of continued support

06.08.2014

To our stakeholders:

I am pleased to confirm that Deloitte Bulgaria reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A handwritten signature in dark blue ink, appearing to read "S. Peneva", with a stylized flourish at the end.

Sylvia Peneva

Country Managing Partner

Deloitte Bulgaria

Human Rights

Assessment, policy and goals

Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights

As a network, Deloitte recognizes that it has a responsibility to uphold human rights both in the workplace and more broadly within its sphere of influence. Deloitte not only works to address human rights issues within its communities but also seeks to respond to the urgent human rights challenges of our world in a manner commensurate with its ability to effect change within and across regions and borders.

Principle 2 - Make sure that they are not complicit in human rights abuses

In Deloitte workplace human rights take the form of non-discrimination and diversity in personnel practices, privacy, professional development and work-life balance. Deloitte has embedded concern for human rights in its core values, as a means of integrating respect for one another in the organisation's culture worldwide. Recruiting and retention activities reflect a desire to hire professionals who share Deloitte's values and commitment to responsible business. Deloitte policy and values concerning the internationally proclaimed human rights are made aware to all employees by the code of contact.

DTTL and its member firms take seriously their duty to keep their people safe and the Global Security (GSO) continues to help ensure that Deloitte's people are aware of particular risks before they travel. In FY13 GSO developed a series of general travel and country-specific e-learning courses. Deloitte professionals also have access to a comprehensive travel security website containing the latest security bulletins, assessments, country risk rating, and other resources for travelers. In addition, DTTL recently introduces a mobile application from its emergency services provider, International SOS, which allows Deloitte professionals to receive the latest security and health alerts and to access other resources.

Action implemented

Human resource policy and procedures supporting Human Rights

Child support

Each employee, regardless of gender, receives one-time child financial support as a special bonus for a new born baby. This programme was introduced in June 2007 and is an on-going activity.

Health and well-being project

The health and well-being of the employees is of great importance to Deloitte, and we have put programmes in place to help our employees stay healthy. All Deloitte Bulgaria employees receive additional health-care package, which includes systematic check-ups, consultations with specialists and medication.

Measurement of outcomes

Activity	Date of completion	Percentage of participants
Health programme	On-going	100%
Child support	On-going	100% new parents

One of the Ethical Principles adopted by Deloitte is:

Respect and Fair Treatment - "We treat all our colleagues with respect, courtesy, and fairness."

- We understand the impact that our individual behavior has on our firms, our colleagues, and society, and always work to take responsible action.
- We encourage and value the diverse mix of people, viewpoints, talents, and experiences found at Deloitte.
- We are fair in our behavior and our policies promote equal opportunity for all.

Staff training and awareness

Each employee receives a training of Deloitte Ethical Principles.

Dealing with incidents of Human Rights violations and Periodic review of results by senior management

The Ethics Officer helps motivate and sustain ethical behavior across our organization by offering tools, programmes and support to sustain the Ethical Principles and strengthen Deloitte Ethics Programmes.



Labour

Principle 3 - Businesses should uphold freedom of association & effective recognition of the right to collective bargaining

Principle 4 - The elimination of all forms of forced and compulsory labour

Principle 5 - The effective abolition of child labour

Principle 6 - Eliminate discrimination in respect of employment and occupation

Assessment, policy and goals

Our commitment or policy

Deloitte's Shared Values and Ethical Principles prescribe that all interaction between Deloitte and its employees must be characterized by integrity, trust, and mutual respect. Listening to its people allows Deloitte to prioritize their interest and concerns, and address them with appropriate communications, policies, programmes, and member firm services.

Deloitte's Shared Values and Ethical Principles also include non-discrimination and inclusion as integral parts of the way the network functions.

Deloitte Bulgaria introduced the flexible working hours policy.

Implementation and measurement

Talent engagement and growth

DTTL network's total workforce now comprises approximately 200,000 member firm partners and professionals worldwide. In Bulgaria Deloitte employs over 170 partners and professionals. Deloitte has earned recognition as a leader in cross-border student recruitment. The company is sustaining its commitment to providing fair, open and inclusive working environment. To deliver against these commitments Deloitte's approach to talent management is: understanding viewpoints, setting expectations, and developing solutions aimed at meeting those expectations.

Commitments to continuous learning and professional development, career and performance management, and customized career-life fit policies and programs are improving the working lives of member firm professionals and helping to create a differentiated and globally aligned talent experience.

Development

In FY 2013 in DTTL more than 2.1 million online course sessions were completed across the member firms, and 56,000 professionals attended more than 5,100 virtual classes. DTTL and its member firms administered an average of 49 hours of training per full-time employee – as tracked by the network's online learning platform. Deloitte University, a unique learning and leadership development center in Westlake, Texas welcomed more than 40,000 Deloitte professionals from 70 countries during FY2012. This facility provides a venue for Deloitte's people to connect in person, share ideas and insights, and develop or enhance their approaches to serving clients and doing business. More than 50,000 professionals from 70 countries passed through the doors of Deloitte University during the past year.

Flexibility

People across the Deloitte network have the flexibility to define success on their own terms. At every stage of their careers, people are encouraged to create the career and life experiences that excite and challenge them.

Diversity

Deloitte believes that an organization that is diverse is stronger. This is why strength from cultural diversity is a Deloitte shared value, and why diversity is an integral part of talent and business strategies. It is also why Deloitte fosters a culture in which people have access to opportunities to do their best work and are valued for their contributions, empowered, and are committed to excellence in client service and sustained growth.

Deloitte's focus on diversity and inclusion earned the organization a third-place ranking in Diversity Inc's Top10 companies for Global Diversity.

The Global Retention and Advancement of Women Council, comprising partners, principals, and directors from Deloitte member firms, was charged with driving the global effort to increase the representation of women in leadership.

Representation of women

For 2013 FY in DTTL women are 45 percent of total member firm personnel, 35 percent of managers, and 45 percent of new hires. In Deloitte Bulgaria as of the date of the COP 33 percent of the partners are women, the managers and directors team includes 41 percent women. In the local practice Deloitte employs totally 54 percent women.

Projects

Deloitte took part in the Manager for a Day project – part of the Junior Achievement programme and hosted 2 students for a day. Deloitte employees helped the young people by contributing to their knowledge about the professional service companies and the daily business operations.

As a member of the Local network of the Global compact UN, Deloitte took part in the initiative of the network "I am proud of the work of my parents". The children of the employees visited the company and had the chance to experience the daily working environment of their parents. They had the opportunity to explore careers at an early age and build on their knowledge about different professions.

The employees of Deloitte Bulgaria participated in several sports fundraising initiatives - local and regional, organised by Begach Running Club. And while having fun and building team spirit Deloitte people managed to generate funds and contribute to social and charity causes.

DTTL

Monetary value of community investments (US\$ million)

Aggregate community investments	179
Aggregate donations	75
Deloitte people donations	30
Aggregate hours of volunteer and pro bono work by Deloitte people (Thousand hours)	873

Deloitte Bulgaria

Monetary value of community investments (BGN)

Aggregate donations	50,040
Partner and employee donations	35,000
Aggregate hours of volunteer work and probono by Deloitte people	2,264



Projects

Following its principles for societal impact and economic prosperity, Deloitte supports a number of projects and partners:

- Supporting the foundations in their programmes and projects: Bulgarian Food Bank Foundation, BNP Paribas Bulgaria, St Nikola Foundation, BCAAF, SOS Kinderdorf, Give a book foundation.
- Supporting the National School of Music, American College of Sofia, Bulgarian theaters and artists, Homes for elderly and homes for children.

Christmas campaigns

The employees of Deloitte Bulgaria organized a Christmas Bazaar on which they sold homemade food and souvenirs and collected funds to support the Christmas campaign of “For Our Children” Foundation. The collected money supported families at risk of abandoning their children.

Deloitte employees provided individual Christmas presents for the children from the Berkovitsa home for children abandoned by their parents. Partners of the initiative was Give a Book Foundation through which Deloitte people provided books for the children. We launched the project in 2012, but we continue together, not only to give books, to provide the necessary furniture and equipment for the children from the home, but also to interact with them, talk about favourite characters from books and favourite sports and games. This project is part of the Deloitte initiatives to support disadvantaged children.

Deloitte Bulgaria is an annual participant in the traditional AmCham – Bulgarian Charity Aid Foundation Volunteer Days.

Environment

Principle 7 - Businesses should support a precautionary approach to environmental challenges

Principle 8 - Undertake initiatives to promote greater environmental responsibility

Principle 9 - Encourage the development and diffusion of environmentally friendly technologies

Assessment, policy and goals

Environmental Sustainability

Deloitte believes that businesses and institutions need to become more sustainable in order to secure long-term prosperity for society and themselves. DTTL and its member firms are committed to minimizing environmental harm from their activities, particularly with respect to the greenhouse gas emissions, which is the major environmental issue of DTTL and the member firm network.

Deloitte continues to improve virtual workplace capabilities for their people so they can travel less, and they are working with clients to find modes of providing services that require less travel without compromising the quality of client work. DTTL and its member firms are also engaging with their suppliers to reduce the impacts of procurement and purchasing.

Implementation and measurement

In line with the environmental policy for GHG reduction Deloitte has implemented and is encouraging among staff the use of:

- Video-conference facilities for virtual meetings
- On-line training programmes
- Conference calling facilities
- Webinars
- Electronic storage of data, work and training materials, archives.
- Complete electronic internal communication

“Green dot” programme

The activities implemented as part of the “Green dot” programme include:

- Bins for collecting waste paper
- Using recycled printer toners
- Using environmental friendly technologies: printers, copiers.
- Separate garbage collection
- Two-sided printing set as default option for printers
- Introducing the message “Please consider environment before printing this e-mail” as an obligatory part of all e-mail signatures
- Reduced usage of plastic cups
- Electricity saving lighting
- Building with energy saving systems for heating and cooling
- Building matching LEED criteria



Anti-Corruption

Principle 10 - Businesses should work against all forms of corruption, including extortion and bribery.

Assessment, policy and goals

Deloitte maintains a steadfast commitment to quality and risk management, which supports the member firms' abilities to serve the public interest and deliver services that consistently meet high standards. DTTL revised existing policies on potential conflict of interest, for reissuance during FY2013, and its policies on compliance with the Foreign Corrupt Practices Act. All member firm people annually confirm their compliance with member firm anti-corruption policies.

DTTL has adopted a global anti-corruption policy that addresses matters such as bribery, facilitation payments, political and charitable contributions, and gifts and entertainment. This policy was supported with guidance to member firms on conducting corruption risk assessment and third party due-diligence.

In Bulgaria the country-leader sits in the Anti-corruption committee of the Local Global Compact Network.

Our commitment or policy

At the heart of our business culture are the Ethical Principles, adopted by each of Deloitte's member firms and linking directly to our Global Shared Values. These nine principles define the standards of ethical behaviour that unite all the people of DTTL's member firms. In particular, the principles offer guidance about appropriate ethical and professional conduct covering areas that are critically important to the member firms' clients, their people and society. The principles are: Honesty and Integrity; Ethical Behaviour; Competence; Objectivity; Confidentiality; Fair Business Practices; Responsibility to Society; Respect and Fairness; Accountability and Decision-making.

In FY13 DTTL created our own Anti-Corruption Academy within the Deloitte Global Center for Corporate Governance, with support from member firms' Financial Advisory practices. The Academy works with member firm governance centers and their anti-corruption and public policy experts to provide education and training on combating corruption, money laundering, and fraud; and to build effective compliance and internal control programs.

Implementation

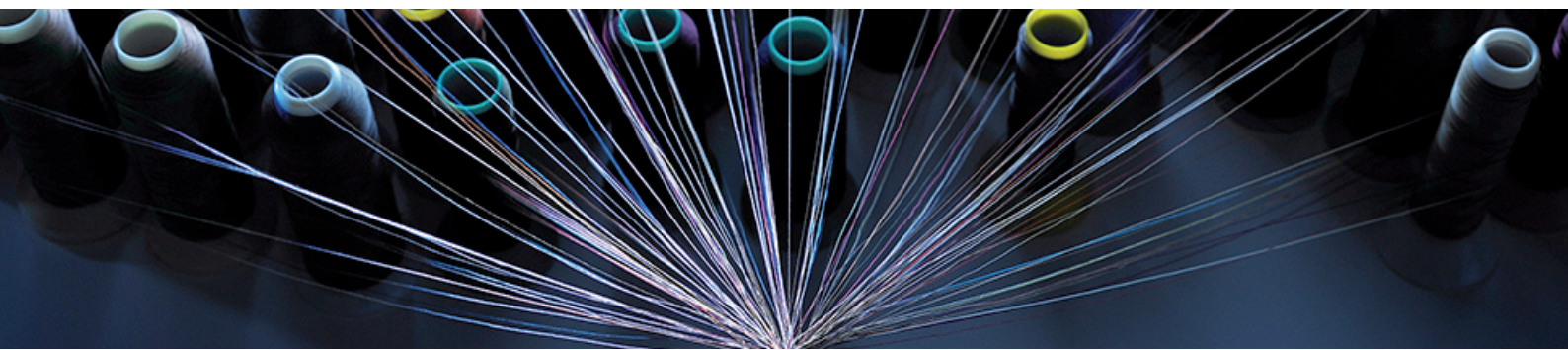
Actions implemented

Educational programme on the Ethical Principles of the Member Firms of Deloitte

Educational programme on the Ethical Principles is mandatory for all our employees. It is an on-line education that uses examples and scenarios from the real life, as well as the resource on ethical business that can be used by our experts around the clock. Deloitte also provides the independence and compliance surveys, ensuring that our business practice is according to the adopted rules and procedures.

Independence compliance confirmation

Filling the Independence Compliance Confirmation (ICC) on-line system is required for all employees. Maintaining compliance with the Firm's independence policies is an important part of Deloitte's professional responsibilities, and is something we take very seriously.



Actions implemented

Deloitte Ethics Officer helps motivate and sustain ethical behavior across our organization by offering tools, programs and support to sustain the Ethical Principles and strengthen Deloitte Ethics Programmes.

Activity	Percentage of participants
Ethics education	100%
Independence training	100%

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