



United Nations Global Compact Communication on progress Report for 2020 *A Year of Connection, Action and Impact*

Statement of continued support

15.01.2022

To our stakeholders

The year since our last report was like no other during our lifetimes.

In 2020, we were all facing a global shutdown caused by a pandemic that scientists were struggling to understand and overcome. Our world changed profoundly during those 12 months. The past year was difficult and fraught with uncertainty. But it also showed what can be achieved at speed and scale when businesses, governments and society work together to tackle some of the toughest challenges.

Deloitte understands and embraces its responsibility to lead by example, to drive change through cooperative efforts, and to innovate to overcome challenges. Deloitte's focus during the past year has been on deploying our global capabilities to **help clients respond, recover and thrive**; on **enabling our professionals to stay healthy and perform at the highest levels possible**; and on helping communities bounce back so that people everywhere have access to opportunities.

Guided by Deloitte's *Shared Values—to lead the way, take care of each other, foster inclusion, collaborate for measurable impact and serve with integrity*—we reinvented the way we interact with clients and learned how to be effective virtually. Our people amazed us every day with their ability to find innovative ways of serving Deloitte clients and meeting them wherever they were—figuratively speaking.

They adapted quickly to working remotely and maintaining their professionalism, even when family responsibilities beckoned just a short distance off screen.

As part of our vision to be the Standard of Excellence, Deloitte member firms have a long-term commitment to corporate responsibility and to being trusted industry advisors to businesses and communities. Therefore, as a part of the Global Deloitte Firm, Deloitte Bulgaria EOOD reaffirms its support to the 10 principles of the UN Compact with respect to human rights, labour and anti-corruption.

The current Communication on Progress describes in details our company's efforts to follow the ten principles in the unprecedented 2020.

Sincerely yours,

Sylvia Peneva

Country Managing Partner

Deloitte Bulgaria EOOD

This report serves as a communication on progress to the United Nations Global Compact for Deloitte Bulgaria for 2020

UN Global Compact Principle**Disclosure**

Human Rights**Principle 1:**

Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2: make sure that they are not complicit in human rights abuses.

Part of Deloitte's purpose is to contribute to society, building confidence and trust, upholding integrity, and supporting the community. Deloitte recognizes that it has a responsibility to uphold human rights both in the workplace and more broadly within its sphere of influence. Deloitte has formally outlined the responsible business principles we believe in, and the commitments Deloitte has made via [a Responsible Business Practices statement](#). This statement serves to align decision-making and activities across all Deloitte firms and addresses a number of areas including human rights. In Deloitte Bulgaria, human rights take the form of non-discrimination and diversity in personnel practices, privacy, professional development, and work-life balance.

What actions have been taken?

- We educate all Deloitte professionals on ethics and integrity and adhere to robust regulatory compliance, anti-corruption, and ethics policies.
 - We have committed to the principles described in the [Deloitte Central Europe's Code of Conduct](#) (Code of Conduct). This document provides the ethical framework on which we as employees of the firm base our decisions. It is based upon the [Global Principles of Business Conduct](#) and Shared Values of the DTTL network of Member Firms. The Code of Conduct has been popularised among the employees of Deloitte Bulgaria and is available to the public.
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- We have also a strict system **of ethics governance** throughout the organization. Our responsible business commitments are overseen by the Deloitte Global Risk, Regulatory, and Public Policy leader, with support from the Deloitte Global Chief Ethics officer and Deloitte Global People and Purpose officer. Deloitte offers specific channels for reporting incidents that appear to demonstrate irresponsible business conduct. We firmly prohibit retaliation against those who report in good faith or who otherwise participate in related investigations. Our ethics reporting channels are available to Deloitte professionals, and we also provide a reporting channel for third parties.
 - We support efforts to drive sustainable development, and we respect human rights standards.
 - We foster a culture and working environment where our professionals treat each other with respect, courtesy, and fairness, promoting equal opportunity for all.
 - We do not tolerate harassment or unfair discrimination in our working environments.
 - We understand the broader impact that our work has on society, our professionals, and our clients, and we conduct business with those interests in mind.
 - Health and well-being of the employees is of great importance to Deloitte, and we have put programs in place to help our employees stay healthy. All Deloitte Bulgaria employees annually receive additional health-care package, which includes systematic checkups, consultations with specialists and medication as well as dental services. With the start of the pandemic, we also ensured that our employees have the right instruments to work from home since for us their health and safety was what matters most.

Labour

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

As described above, the Global Code outlines our ethical commitments as an organization and expectations across the Deloitte organization. Global Code elements directly address labour principles through a number of provisions including the following:

Respect, diversity and fair treatment

- We foster a culture and working environment where our people treat each other with respect, courtesy, and fairness, promoting equal opportunity for all.
- We encourage and value a diverse mix of people, view-points, talents, and experiences.
- We create inclusive working environments that not only address individual needs but allow our people to utilize their unique strengths.
- We do not tolerate harassment or unfair discrimination in our working environments

Professional development and support

- We invest in our people to develop the professional knowledge and skills necessary for them to effectively perform their roles.
- We help our people reach their potential through investments in personal and professional development.
- We provide a safe work environment for our people and expect our clients to do the same

Diversity and inclusion power the workforce of the future

To succeed in solving clients' toughest challenges, Deloitte believes that its workforce must reflect the world around it.

What actions have been taken?

• Talent Engagement and growth

Despite all our investments in technology, our people are still the key to our business. The best audit plan on Earth would be largely useless if not executed at the right time by the right professionals.

Principle 5:
the effective abolition
of child labour; and

To retain our talent, we need to give our people flexibility, state-of-the-art continuous education, competitive compensation and the right balance between their working and personal lives.

Principle 6: the
elimination of
discrimination in
respect of
employment and
occupation.

Therefore, we are investing heavily in professional development, determined to be best-in-class in learning across Central Europe. We want to ensure that all our people are well prepared to work with our clients, so we have our 'Snowball' onboarding program for a third year in a row for all new colleagues in the Audit and Assurance Department.

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

In 2019 we have successfully rolled out this new onboarding program for graduates joining our firm. We deliberately call it "onboarding" not training. We have embedded in it simulations, gamification, learning by experience, feedback loops, coaching, audit technology, analytics, problem solving, teamwork, etc.

As a result, "Snowball" is helping new professionals accelerate their experience and career progression.

ServiceNow Bootcamp training

IT ServiceNow Bootcamp is an opportunity to gain practical knowledge about how technology can be used in business as well as how to implement technology projects in practice. It is organized several times a year and the best Participants of Bootcamp are offered paid internships.

As of 2020 we organize online workshops, the aim of which is to learn what challenges IT ServiceNow developers face at each stage of development and how to deal with them. Our experts cover issues in the field of architecture, business processes, analysis, integration, data management, etc.

Principle 5:
the effective abolition
of child labour; and

Unexpected twists, obstacles, unique
opportunities and creative space are guaranteed
for the participants.

Principle 6: the
elimination of
discrimination in
respect of
employment and
occupation.

Creating more awareness of why diversity matters

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

Deloitte leaders strive to achieve gender balance
across the Deloitte organization. Deloitte Talent
has set aspirational goals for all Deloitte firms
and has developed consistent initiatives
spanning the entire career lifecycle—from
recruitment, promotion and succession
processes to mentoring, sponsorship and agile
working.

Deloitte's focus on gender equality does not end
with our own organization. Through several of its
WorldClass societal impact projects, Deloitte aims
to positively impact the lives of women and girls
outside our organization. Stories of Deloitte's
work around the world comprised Deloitte
Global's first-ever Global Gender Impact Report.
The report's theme—the "Butterfly Effect"—
illustrated how small actions can have
widespread and lasting impact. The report was
released on International Women's Day 2020.

Having this in mind, it is important that as of 31st
December 2020 in Deloitte Bulgaria we had 254
employees - 151 women and 103 men (out of
which managers - 31 women and 28 men).

Supporting mental health

- Deloitte believes that supporting mental health
is a critical aspect of inclusion and is working
to address the stigma that still too often exists
within society on this topic. The organization
recognizes the importance of Deloitte people
knowing where and how to seek support when
they are experiencing mental health
challenges, and being comfortable they can
raise such concerns without fear of stigma.

The COVID-19 pandemic prompted Deloitte Central Europe to develop and roll out a series of podcasts focusing on ways in which Deloitte people can look after their mental health, focusing on common challenges faced during periods where people may be feeling especially worried, isolated or overwhelmed.

During the past year Deloitte Central Europe launched a special employee assistance program for all our people (including those on a long-term leave), to mediate a professional help with various challenges life may throw.

The employee assistance ***program You can count on us!*** is available to all staff and their immediate family members 24 hours a day, 7 days a week. Whether someone is in distress, needs some psychological support, professional legal advice, or financial consultation, this is where he/she can turn to. Examples of the areas in focus are:

- Personal issues, such as divorce/relationship problems, fatigue, burnout, depression, family related matters, alcohol/drug additions or any other crisis situations;
- Legal issues, such as real estate related matters (sell/buy, mortgage...), heritage;
- Financial issues, such as taxation, tax declarations, loans, debts, other difficult financial situations, etc.

The consultations are available in local language or in English and can be provided via phone, online/in person meeting (for psychological consultations), or over email if requested.

“My Future colleagues” program

The world of work is changing – and some jobs are changing faster than others. According to some research, soon we'll only be as good as the skills we possess. But which skills are they, and how can we make sure we keep the pace?

Deloitte's project “My future colleagues” aims at presenting to students some essential trends in the job market.

In an environment where new skills emerge as fast as others become extinct, employability is less about what you already know and more about your capacity to learn. Thus, with this project we are aiming at educating young people in a comprehensive way focusing on:

- What does it mean to work in a big international company? What are the pros and cons of being part of a professional services firm?
- How tax, accounting, audit, law and finance work and why they exist at all? What are the most important skills we need to possess in order to fulfil properly our duties?
- How can we be competitive in the constantly changing working environment?

Eleventh-graders from the National Trade and Banking High School, who took part in the first edition of the project, visited the office of Deloitte Bulgaria at the beginning of 2020. The purpose of the meeting with “our future colleagues” was to inform them what we do at Deloitte and what skills are needed to practice our professions (and also the professions of the future). While they were with us, the students had the opportunity to get into the auditor's shoes by making a real inventory and examining three important items in a company's financial statements. In addition, they were managers of „The coolest factory” AD and managed to buy „The Old Factory” AD at a very reasonable price, referring to a consulting report.

Happy childhood in a family

In 2020, despite the pandemic situation, Deloitte Bulgaria is again among the partners of the "For Our Children Foundation", which helps to have more children's smiles. This time Deloitte donated 5,000 BGN in support of the Children's House project of the Foundation.

Since its establishment in 2012, 57 children have been cared for in the Children's House, 7 of whom have returned to their native families,

38 have been adopted, and 6 are growing with the love and care of their foster parents. The funds helped provide the best care for the children in the family home and the preparation and placement of each of them in a family environment - biological, adoptive, or foster family, ensuring continuity, predictability, and security in the process, both for the child and for the family.

Deloitte has a long-term partnership with the "For Our Children Foundation". In addition to the donation for the Children's House project, the employees of our firm got involved with personal funds to help other causes of the foundation. Thanks to them and other supporters of the foundation, the sensory hall in the Early Childhood Development Centre in Sofia was equipped and renovated, where children with developmental difficulties make their small steps on the path to their growth.

"For Deloitte, sustainability, and accountability to employees, partners, and society as a whole have always been part of our day-to-day operations. Our corporate social responsibility strategy focuses on investment opportunities in society, where our contribution leads to real change. That is why we are glad that we have the opportunity to support the Children's House project and to give a chance more children to receive the care and family environment they need to grow up as well as ensure a better future for them."- commented Sylvia Peneva - Managing Partner of Deloitte Bulgaria.

Support for elderly people

As part of the Christmas Campaign in 2020 Deloitte Bulgaria also supported elderly people (some of them with mental and physical disabilities) in retirement homes. Thanks to us a Christmas lunch was organised and they also received warm clothes and winter shoes, as well as personal hygiene products.

UN Global Compact Principle	Disclosure
Environment	
<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p>	<p>Deloitte has formally outlined the responsible business principles we believe in and the commitments Deloitte has made via a Responsible Business Practices statement. This statement serves to align decision-making and activities across Deloitte and addresses a number of areas, including the environment.</p>
<p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p>	<p>Environmental sustainability continues to be a C-suite level priority for Deloitte and advancing Deloitte’s progress on sustainability and climate change has been prominent on the agenda of the Deloitte Societal Impact Council, a senior leadership group focused on Deloitte’s social impact and responsible business agenda.</p>
<p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>	<p>During FY2020, one of the main activities of the Societal Impact Council was to define Deloitte’s commitment to addressing climate change. As a result, WorldClimate, a new climate change strategy, was formulated to focus the organization on making responsible climate choices.</p>
<p>What has been done?</p> <ul style="list-style-type: none"> <p>Client-focused capabilities</p> <p>Deloitte’s sustainability service lines continue to grow. They currently include environmental sustainability services related to strategy, resource productivity, risk mitigation, attest services and supply chain. Renewable energy services are also expanding as clients explore innovative supply arrangements. And Deloitte has engaged with clients on a broad range of environmental sustainability topics including energy, water, greenhouse gas emissions, plastics, circular economy and supply chain.</p> <p>Environmental goals – WorldClimate</p> <p>Deloitte launched WorldClimate—our strategy to drive responsible climate choices within our organization and beyond - in FY2020 to address the</p> 	

WorldClimate



Cut emissions
Net-zero by 2030



Embed sustainability
Address internal policies
and practices



Empower individuals
Educate and inspire Deloitte
people to act on climate change



Engage ecosystems
Engage with ecosystems to
address climate change

world's urgent climate crisis with achievable, measurable and science-based actions. Deloitte leaders, committed to align with the 1.5°C decarbonization pathway because anything less ambitious will not have the necessary impact. Deloitte's *WorldClimate* carbon reduction goals are validated by the Science Based Targets initiative.

WorldClimate recognizes it will take collective action to combat climate change. That's why we have adopted a three-pronged approach—actions we take, actions we inspire our people to take, and actions we take with others in our ecosystem.

Deloitte has committed to achieving net-zero greenhouse gas emissions by 2030 for its operations. To get there, we are embedding sustainability into policies and practices throughout the organization. And we are empowering our people to make climate-friendly decisions and influence others to do the same.

Before the COVID-19 pandemic, Deloitte had one of the largest airfare spends in corporate travel. Our affinity for flying wasn't unique. Obviously, that changed last year.

Deloitte significantly reduced all forms of travel during the COVID-19 pandemic and replaced it with virtual work. And because most business-to-business interactions were conducted home to home, nearly every office that would have hosted those meetings sat dormant. Our altered behaviors, combined with proactive actions taken in FY2020, caused Deloitte's recorded carbon emissions from fleet, buildings and business travel in FY2021 to decrease 86% from prepandemic (FY2019) levels.

The changes necessitated by the COVID-19 pandemic—combined with Deloitte's ability to continue serving clients effectively despite the hurdles—caused us to reexamine how business operates. We know travel is beneficial. We know many things can be done more efficiently when people are together in the same room.

Net-zero greenhouse
gas emissions by 2030



- 1 Reduce Deloitte's business travel emissions by 50% per full time equivalent from FY2019 levels
- 2 Source 100% renewable energy for Deloitte facilities
- 3 Switch fleets to 100% electric or hybrid vehicles
- 4 Engage Deloitte's supply chain to set science-based emissions reduction targets
- 5 Invest in meaningful market solutions to compensate for remaining emissions

We now understand, though, how Deloitte can operate differently and still maintain the same high levels of service and quality.

- **Responsible supply chain**

As a leading professional services organization, Deloitte's responsible supply chain actions are an opportunity to make a global impact that matters. During FY20 Deloitte developed a Supplier Code of Conduct. Further, environmental assessment questions were included in vendor proposals submitted to Deloitte Global's procurement group. Suppliers completing that proposal template are requested to answer questions about environmental sustainability policies and processes.

- **People**

Another important part of Deloitte's strategy focuses on our people. While their impact on climate is not a part of Deloitte's measured footprint, we recognize that one of the most powerful ways to promote action on climate change is through our people. Our ambition is to enable our people to make positive climate choices at home and at work, and to amplify these actions through their personal networks.

- **TCFD**

Deloitte recognizes the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as a useful framework for assessing and reporting on climate-related risks and opportunities.

UN Global Compact Principle	Disclosure
Anti-corruption	<p data-bbox="539 327 1253 627">We actively support multiple efforts to eradicate corruption throughout the world. The Deloitte Global Anti-Corruption team and member firm Anti-Corruption leaders work closely with senior Deloitte leaders to build and enhance a globally consistent anti-corruption program across the Deloitte network, which includes the following elements:</p> <ul data-bbox="539 627 1302 1893" style="list-style-type: none"> <li data-bbox="539 627 1302 855">• A Deloitte Global anti-corruption policy that includes requirements for member firms’ own anti-corruption programs and addresses matters such as bribery, facilitation payments, political and charitable contributions, and gifts and entertainment; <li data-bbox="539 855 1302 975">• Anti-corruption training that includes applicable policies, corruption red flags and case scenarios; <li data-bbox="539 975 1302 1096">• Support activities: including communications, workshops and webinars—to facilitate the sharing of leading practices; <li data-bbox="539 1096 1302 1324">• Annual member firm anti-corruption self-assessments and other guidance and tools (such as guidance on anti-corruption testing and monitoring) to measure the effectiveness of anti-corruption programs across the Deloitte network; <li data-bbox="539 1324 1302 1444">• A globally consistent process to perform anticorruption due diligence on subcontractors, marketplace alliances, vendors and suppliers; <li data-bbox="539 1444 1302 1564">• A globally consistent methodology and process for Deloitte member firms to perform corruption risk assessments; <li data-bbox="539 1564 1302 1746">• An annual confirmation from each member firm to Deloitte Global that all member firm people have read, understood and agree to comply with the local anti-corruption policy and are not in violation of this policy; and <li data-bbox="539 1746 1302 1893">• A review program to assess compliance with Deloitte Global anti-corruption policies and drive continuous improvement in member firm anti-corruption programs.

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