

**Deloitte.**



Deloitte 2011 Corporate  
Responsibility Report

## About this report

This is the Deloitte network's third corporate responsibility report, covering the organization's 2011 fiscal year, 1 June 2010 to 31 May 2011. DTTL is committed to reporting annually on Deloitte's activities as a responsible organization; prior Deloitte corporate responsibility reports can be found at [www.deloitte.com/crreport](http://www.deloitte.com/crreport). Several Deloitte member firms also issue their own reports on corporate responsibility activities.



# This report in brief

## About Deloitte

Deloitte member firms provide audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network in more than 150 countries, Deloitte member firms bring world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's approximately 182,000 professionals are committed to becoming the standard of excellence.

## Vision and values

The Deloitte Shared Values succinctly describe the core principles that distinguish the Deloitte culture:

- Integrity
- Outstanding value to markets and clients
- Commitment to each other
- Strength from cultural diversity

We aspire to be the standard of excellence, the first choice of the most sought-after clients and talent.

## Deloitte's vision statement

### Outlook on corporate responsibility

Deloitte's most significant impacts on society result from the work that member firms do for their clients, day in and day out. As providers of auditing and accounting services, member firms have a responsibility to act as guardians of the public's trust in the capital markets. As providers of consulting and advisory services to non-audit clients, member firms work with clients on creating enduring prosperity.

The policies and practices of D TTL and its member firms are vital to the network's ability to foster prosperity and societal well-being. These elements establish the connections between Deloitte's outlook on the network's role in society and its day-to-day decisions.

## Performance highlights

### Client service

- US\$28.8 billion in aggregate member firm revenues, the most ever recorded by the global member firm network
- 8.4 percent aggregate member firm revenue growth in U.S. dollars (7.7 percent in local currency): strongest increase since FY2008

### Talent

- 181,566 professionals worldwide
- 49,152 professionals hired across the global network, adding 12,000 (net) new jobs: 7.1 percent increase compared to FY2010
- 21 percent employee turnover, down 0.4 percent from last year and within the same 0.5 percent range as in the past four years
- 21.7 percent women among new member firm partner, principal, and director admissions

Quality and risk management: Initiated comprehensive update of enterprise risk framework and issued new quality and risk materials

Ethics: New anti-corruption policy adopted

Privacy and data security: Comprehensive global privacy policy passed

### Community investment and education

- US\$162.3 million in aggregate member firm community investments
- 709,000 hours of pro bono and volunteer work, valued at US\$72.1 million
- 35 percent of member firm community investments toward education and skills-building organizations

### Environmental sustainability

- Aggregate Deloitte network carbon emissions increased 8 percent but stayed constant per full-time employee
- First global response to Carbon Disclosure Project



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# Profile and outlook

Deloitte's vision and values provide a foundation for all of the organization's decisions. They also serve as the basis for interpreting the big issues that society faces today and for focusing Deloitte's own efforts in areas where the organization can have the greatest impacts.

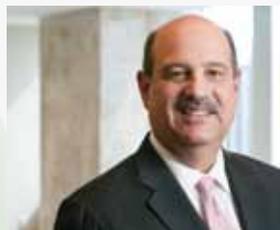


Profile and outlook  
Vision and values

Profile and outlook  
A letter from Barry Salzberg, DTTL CEO

Profile and outlook  
Outlook on corporate responsibility

## A letter from Barry Salzberg, DTTL CEO



**The Deloitte member firm network's (Deloitte) commitment to driving societal change is a defining characteristic of Deloitte's culture and an integral part of the way member firms do business.**

It's a commitment that reflects a growing trend of executives recognizing corporate responsibility as a driver of business strategy, and of the public expecting companies to play a role in promoting the common good.

By assisting member firm clients in fulfilling their missions and delivering benefits to their stakeholders, Deloitte is doing its part to build a more prosperous and sustainable society. As more businesses thrive, economies grow and jobs are created.

Throughout this report, you will see numerous examples of the great work member firms around the world are doing in this area. As DTTL Global CEO, I'm proud of the fact that member firm professionals are working together As One across functions and geographies to deliver truly outstanding quality and results – not just for their member firm clients but for society as a whole. I'm also proud of what Deloitte is doing to raise the standard for responsible business practices – a must if member firms are to maintain the trust of their member firm clients, markets, regulators, and the public at large.

As you will see in the report, FY2011 alone is testament to the strength of Deloitte's commitment to excellence in all areas. Of course, even in a year of great highs, there are challenges. And when it comes to tackling societal issues, collective action is sometimes required. To that end, the global network continues to support the UN Global Compact, the World Business Council for Sustainable Development, the World Economic Forum, and other organizations that share Deloitte's commitments to advancing the interests of society.

Thanks in advance for taking the time to read the stories in this report. I hope you find them as inspiring as I do.

Please reach out to [globalcorporateresponsibility@deloitte.com](mailto:globalcorporateresponsibility@deloitte.com) with any feedback.

Regards,

A handwritten signature in black ink that reads "Barry". The signature is stylized and fluid, written in a cursive-like font. It is positioned above the printed name and title of the signatory.

Barry Salzberg  
CEO, Deloitte Touche  
Tohmatsu Limited

# Vision and values

**Our vision: We aspire to be the standard of excellence, the first choice of the most sought-after clients and talent.**

Personal, business, and societal success are inseparable. When risks and opportunities are thoroughly understood, and impacts on the environment, society, and the public interest are managed responsibly, Deloitte believes that business and society can flourish together. Given the crucial role of business in driving innovation and building a prosperous society, it is helpful to understand what organizations do day in and day out.

The member firms of DCTL work with clients to create value for society, sustain growth, and protect confidence in a global business environment characterized by complexity, challenge, and rapid change. Their focus on quality helps the member firms to establish and safeguard trust with companies, investors, and wider society.

The audits that Deloitte member firms perform are important in helping clients maintain their credibility in the capital markets, and their enterprise risk services promote good governance, including anti-corruption efforts, and intelligent risk management. With tax services, member firms assist clients in meeting their financial obligations to governments.

Member firms' consulting professionals are helping clients to unlock efficiency and innovation in their organizations with strategic thinking, high-performing operations and IT systems, and advice



on managing change and people. The network's financial advisory services practices provide support with mergers and acquisitions, litigation and arbitration, and other issues.

As they deliver services to clients, the people of Deloitte member firms are working harder than ever to be leaders in setting the standard for respect for others and focus on quality and value. The Deloitte Shared Values bind the people of the Deloitte member firms

together, providing the basis for trusting one other and enabling the network to achieve its vision.

The nine Ethical Principles of the Deloitte member firms further define the culture of our organization. These principles set forth unchanging standards of professional conduct for Deloitte's leaders and people. They promote excellence and accountability, including responsibility to wider society.

## The Deloitte Shared Values

### *Integrity*

We believe that nothing is more important than our reputation, and behaving with the highest levels of integrity is fundamental to who we are. We demonstrate a strong commitment to sustainable, responsible business practices.

### *Outstanding value to markets and clients*

We play a critical role in helping both the capital markets and our member firm clients operate more effectively. We consider this role a privilege, and we know it requires constant vigilance and unrelenting commitment.

### *Commitment to each other*

We believe that our culture of borderless collegiality is a competitive advantage for us, and we go to great lengths to nurture it and preserve it. We go to extraordinary lengths to support our people.

### *Strength from cultural diversity*

Our member firm clients' business challenges are complex and benefit from multidimensional thinking. We believe that working with people of different backgrounds, cultures, and thinking styles helps our people grow into better professionals and leaders.

# Outlook on corporate responsibility

**Deloitte member firms enjoy far-reaching involvement with the business world and wider society. Literally thousands of client assignments are carried out day in and day out, all over the globe. Because of these endeavors, Deloitte member firm leaders, partners, and professionals have a unique vantage point from which to consider and influence the impact of business in a globalized society. What is apparent is that the core business of business affects society most, and much more than philanthropic endeavors alone.**



The goods, services, and knowledge that businesses create, produce, and make available – from pharmaceuticals to home appliances, motor vehicles to telecommunication networks, textiles to cement, financial instruments to schoolbooks – are all about building society. Business pioneers innovation, and innovation drives changes that enable the realization of society's goals. It is hard to imagine society without business or the breakthroughs in technology, trade, health, information management, and organizational development that business has facilitated.

Many business leaders recognize that by promoting the well-being of society, their companies also create

external conditions that favor their continued success. Looking back over the recent period of global economic shocks and stagnation, it is hard to dismiss the detriment to wider society and to business that results when elements of globalized business systems unravel.

Some business leaders have gone further, to champion the idea that their companies will embrace their roles as agents of prosperity and social progress, and have adapted their company strategies accordingly. Yet questions remain about business's specific responsibilities in this regard. These questions are the subject of ongoing public discussion among executives, government officials, social-sector leaders, academics, and

commentators. The growing interest and debate surrounding these ideas is exciting, and positive.

Deloitte's place in this complex landscape is a privileged one, insofar as Deloitte member firms have a dual function in the business world. As providers of audit services to public companies, member firms are conscious of the important role they play in reinforcing the public's trust in the capital markets. And as providers of consulting and advisory services to their non-audit clients, member firms work with clients on innovations, strategies, and improvements that create enduring prosperity: financial wealth, as well as societal benefits for people who do not have a direct stake in a

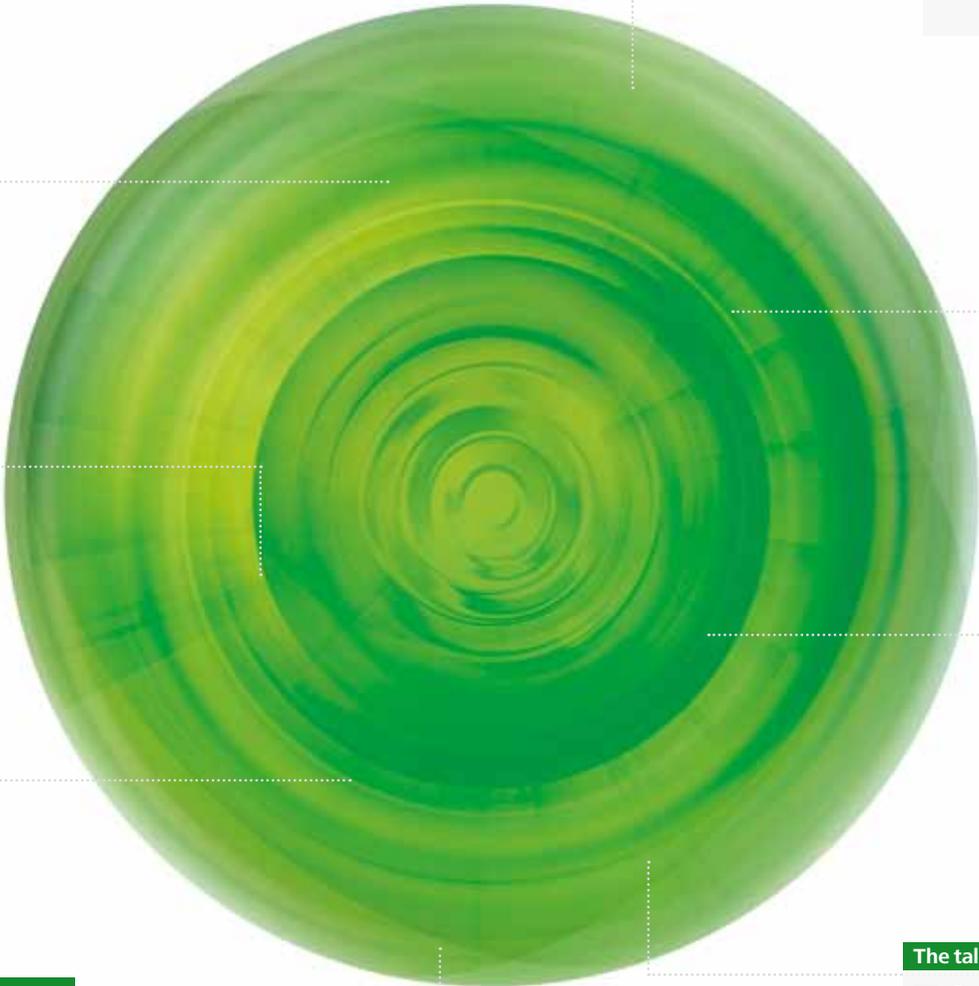
particular client as shareholders or employees.

This report presents some examples of the work that Deloitte member firms carry out in the marketplace. These stories focus on the missions and activities of the featured clients that member firms work with – because in most instances it is their products and services that wider society experiences directly. The point of these stories is to illustrate some of the ways in which Deloitte member firms provide support and advice that help clients to build a sustainable and prosperous society.

The report also documents the principles and management approaches of DTTL and its member firms. These elements are important because they provide a framework for the culture and behaviors that allow member firms to deliver high-quality service. It is because of quality, ethics, independence policies and controls, learning and development programs, commitments to diversity, and other forms of organizational capital that Deloitte's people manifest the integrity and focus on value that Deloitte is known for.

# Impacts in society

Value creation and public trust are the most significant outcomes from Deloitte's activities in society. Here are some stories from this fiscal year about member firms' work for clients, which provides the greatest opportunities to create societal benefits and promote progress, as well as Deloitte's collaborative efforts to address issues of shared concern.



**Risk intelligence**

Liberty Group

**Business conduct**

BAE Systems

**Merger integration**

Ecuador's national oil companies

**IT efficiency**

KT

**Institutional strength**

South Sudan

**Responsible leadership**

Regulatory and public policy

**Sustainability**

Water stewardship

**The talent gap**

Education and skills

# Liberty Group: Managing risk for a globalized market

**Liberty Group Limited (Liberty) is a large insurance and investment company in South Africa. Like most financial institutions, Liberty is subject to a complex array of regulations in each of its business lines. And as South Africa has taken a greater role on the global economic stage over the past few decades – in 2009, the Ministry of Finance was invited to join the Financial Stability Board, a forum for national financial authorities to promote effective regulatory and supervisory guidance – its financial regulators have updated the country’s laws for consistency with advances elsewhere.**



For insurers, the biggest regulatory development of late has been Solvency II, a European Union (EU) program. Solvency II, which takes effect at the end of 2012, will replace 13 insurance directives and harmonize regulations across the EU. The program includes new mandates for authorization, corporate governance, reporting to supervisory bodies, public disclosure, risk management, and capital holding. By requiring insurers to develop a more sophisticated understanding of risks and match their capital reserves more closely, Solvency II should give policyholders more confidence in the insurance they buy.

South Africa’s regulators have begun instituting Solvency Assessment and Management (SAM), a regulatory regime modeled on Solvency II that is expected to take effect in January 2014. Meanwhile, Liberty and other South African insurers are seizing the opportunity to get in front of SAM. As European insurers are learning, implementing Solvency II-compliant programs presents an opportunity to improve internal risk models, reporting systems, and capital requirements.

To begin, Liberty has been working with Deloitte Southern Africa to analyze the changes the insurer must make to comply with

Solvency II’s mandates. The capabilities affected include capital funding and risk transfer, strategic planning and capital allocation, product development and pricing, asset and liability management, investment management, performance measurement and incentives, and external reporting. To address these areas, the Southern African member firm is fielding a cross-functional team and working with senior professionals from Deloitte UK who have extensive experience on Solvency II engagements for EU clients.

While the up-front costs for Liberty to attain Solvency

II compliance are likely to be substantial, as EU insurers have found, over time the business benefits ought to be even greater. The programmatic enhancements should lead to regulatory compliance as well as improved returns on risk-adjusted capital, reduced volatility of experience variations, lower costs of capital, and enhanced reputation. These business benefits, in turn, should promote revenue growth, asset growth, and margin enhancement. Much of the resulting value would accrue to Liberty’s policyholders as increased security and well-being – both tangible benefits for society.

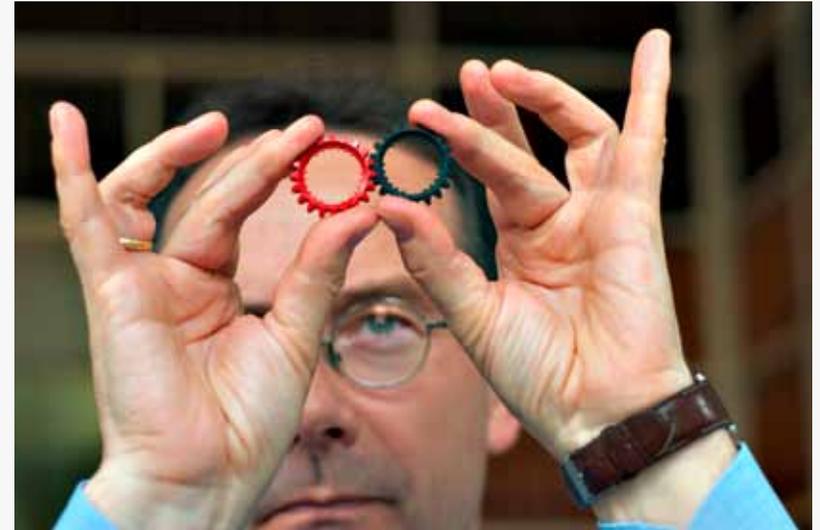
## Accounting for value created

As part of its integrated annual report, Liberty Group computes and documents the value that it creates for its stakeholders. According to the company’s value added statement for the year ended 31 December 2010, Liberty created approximately US\$6.9 billion (R53,731 million) in wealth, of which US\$5.9 billion (R45,375 million) was distributed to policyholders as claims, benefits, and increases in reserves. Employees received US\$294 million (R2,270 million) in salaries and other benefits, and the government received US\$272 million (R2,098 million) in taxes.

Source: [http://liberty.investoreports.com/liberty\\_ar\\_2010/reviews/value-added-statement/](http://liberty.investoreports.com/liberty_ar_2010/reviews/value-added-statement/)

## BAE Systems: Building public trust in ethical business programs

In June 2008, BAE Systems, a UK-based aerospace and defense company and one of the largest companies in its industry worldwide, received the final report of the Woolf Committee, an independent committee that the company had appointed to review its ethical policies and processes. For several years prior, BAE Systems had been dogged by controversy over alleged bribes to Saudi Arabian officials as part of arms deals between the UK and Saudi governments. The Woolf Committee conducted a review of good practices for ethical business conduct and issued BAE Systems with a report containing 23 recommendations, which the company pledged to adopt over a three-year period.



The Woolf Committee's report highlighted external assurance of ethics policies and programs as an important aspect of ethical business conduct. The Woolf Committee went on to recommend that BAE Systems "commission and publish an independent external audit of ethical business conduct and the management of reputational risk in the Company within three years and at regular intervals thereafter." BAE Systems announced in September 2008 that Deloitte UK would be engaged for a three-year period to undertake ISAE 3000 audits

of statements made by BAE Systems' management within its annual Corporate Responsibility reports with regard to progress against the Woolf Committee recommendations.

Deloitte UK's work did not provide assurance over whether BAE Systems' ethics programs are designed to, or will, meet the requirements of the Woolf Report. (Such a review has been performed by Ethical Leadership Group, another consulting company specializing in ethics and integrity.) However, in its assurance statements,

Deloitte UK did present independent conclusions as to the statements made by management in relation to activities that were being undertaken to address the Woolf Committee's recommendations and on the accuracy of reported ethical conduct data.

Assurance statements such as these reflect growing expectations across wider society that enterprises should be open about how they combat bribery and corruption. Over the last few years, prosecutors and regulators worldwide have

stepped up their anti-bribery and anti-corruption enforcement activities significantly. Anti-bribery and corruption laws are also becoming more stringent: the UK's Bribery Act 2010, which many consider the toughest anti-bribery and corruption legislation anywhere, received Royal Assent on 8 April 2010 and became effective on 1 July 2011. Through their audit work with clients such as BAE Systems, Deloitte member firms are helping to build public trust in companies' efforts to abide by high standards for ethical business conduct.

## Ecuador's national oil companies: Seeking integration and efficiency

Over the last 50 years, an era of abundant oil and gas supply capacity has been dominated by integrated oil companies, especially those known as the "supermajors." In the wake of the resource nationalizations of the 1960s and 1970s, however, national oil companies (NOCs) have assumed a more important role in the market.



The contributions that NOCs make to government finances can support societal welfare in any number of ways. Consequently, for the citizens of countries with national oil companies, the global competitiveness of a NOC can be a vital matter of public interest.

Ecuador is home to two national oil companies: PetroEcuador, a fully integrated oil company, and PetroAmazonas, an upstream oil company. Together, they produce about 300,000 barrels of oil equivalent per day, in a country that holds the third-largest oil reserves of South America after Venezuela and Brazil and has tremendous potential for output growth. The recently

appointed Minister of Non-Renewable Natural Resources decided to embark on an ambitious initiative aimed at realigning the operations and increasing the efficiency of both NOCs.

Deloitte member firms have long provided services to PetroEcuador and PetroAmazonas and received the tender for the job of transforming the two companies. Deloitte LATCO's Argentina practice worked together with DTTL and member firm leaders for the Energy & Resources industry and many member firm specialists in the oil & gas sector on a proposal. The proposal showcased member firms' work on, and proven approaches to, similar transformational initiatives.

Representatives from the NOCs subsequently met with a member firm client that had gone through a previous merger to hear about its experiences.

Deloitte LATCO's Argentina practice was awarded the project, and the practice initiated its work with the two companies in March 2011. The NOCs stand to gain considerable efficiency by combining a series of assets and functions and by consolidating suppliers and contracts. Their restructuring should also position the companies to ratchet up their exploration and development activities and to secure international financing. And the enterprises can work on instituting enhanced

practices for corporate governance, financial management, and talent development, amongst others.

All these changes are critical to enhancing the Ecuadorian NOCs' ability to compete on a global stage. Moreover, the synergies and business improvements from the restructuring activities are expected to help the NOCs generate greater financial returns. Such financial returns have the potential to enable further social and economic progress for Ecuador and its nearly 15 million people, who are stakeholders in the success of the reorganized NOCs.

“This is a fascinating project. We are very proud that we are given an opportunity to review and redesign an integrated operation, from geological formations all the way through to the gas stations. Our 30 or so consultants in Ecuador are literally making history in the Amazonia.”

**Omar Itcovici**  
Partner, Deloitte LATCO (Argentina)

## KT: Promoting economic growth and information access

**Telecommunications services have enabled companies, individuals, and organizations to achieve manifold improvements in productivity and innovation.**

Telecommunication can be a substitute for travel, providing a means of growing and maintaining relationships across distances, and offer access to information people can use to improve their lives in many different ways. Mobile telecommunications, in particular, offer people in developing countries an inexpensive technology for creating markets and doing business without an investment in fixed-line infrastructures.

The Republic of Korea has an especially sophisticated telecommunications system, which affords broadband Internet service to more than 80 percent of households. Yet the country's telecommunications providers continue to deliver new products and to seek improvements. KT (formerly known as Korea Telecom), one of the country's largest telecommunications companies, has invested significantly in enhancing its IT infrastructure. Following a merger, KT selected Deloitte Korea and other consulting vendors to work on a major



phase of this IT transformation: the integration of KT's business support systems (BSS) and operational support systems (OSS). These systems are used to manage networks as well as products, billing, and customer accounts. They also facilitate the delivery of customer service through websites, call centers, and other channels.

The project will see KT move these systems onto one platform, which is a relatively advanced approach. Jae Lee, senior vice president of KT's Business and Information System Transformation (BIT) Center, has commented in the press that integrating KT's BSS and OSS systems makes customers' relations with the company seamless and convenient. Customers will receive a single bill for all the

KT services they buy. When they have support or service inquiries, they will be able to raise them through one channel to KT staff, who are equipped with a single view of all the customer's activities.

KT's efforts to streamline its IT and service platforms offer benefits to the company and to its extensive customer base. The less time that KT customers need to spend managing their bills and accounts or resolving service issues, the more time they have available to pursue other activities. Over a large customer base, shorter transactions add up to substantial society-level gains in productivity. Moreover, the efficiency gained from the system transformation should free KT's executives and managers to devote more of their time and the company's

resources to innovation: developing and offering new telecommunications and information services. Such innovations can enable better experiences for commercial and business customers.

As KT Chairman and CEO Suk-Chae Lee wrote in the company's 2010 sustainability report, "KT has been a leader in raising industrial productivity and creating a 'smarter' society. [...] KT is an enterprise that consistently changes the world and makes it a more enjoyable place." By working with KT to streamline the company's IT systems, Deloitte Korea is helping create efficiencies that save time for customers and better enable the company to fulfill its broader role in society.

## South Sudan: Creating conditions for peace and prosperity

For most of the last half-century, South Sudan has been engulfed in civil war. The most recent conflict raged for more than two decades, displacing four million residents and claiming more than two million lives before the Comprehensive Peace Agreement (CPA) was signed in 2005. Among other things, the CPA established the principle of one country with two systems of governance, enabling South Sudan to become a semiautonomous region. During a weeklong balloting period in January 2011, South Sudanese voted overwhelmingly – nearly 99 percent in favor – to make the region an independent nation.

The six-year CPA process ended on 9 July 2011 when South Sudan attained independence. The jubilation felt by many new citizens of South Sudan is tempered by the tremendous difficulties that the country must surmount to become prosperous and peaceful. These challenges include extremely low literacy (15 percent), a weak private sector, minimal infrastructure (fewer than 100 kilometers of paved road in a nation with more than twice the land area of Italy), high infant mortality, tribalism – and the unwinding of Sudan and the formation of two sovereign countries.

Where to start? The U.S. Agency for International

Development (USAID) committed itself in 2004 to helping strengthen institutional structures in the region. Several years ago USAID turned for help to the Emerging Markets practice at BearingPoint, which later came to Deloitte U.S. in a 2009 transaction. These Emerging Markets practitioners have assisted the Republic of South Sudan (RSS) with establishing the legal framework for the creation of a Central Bank, improving the budget planning and execution processes at the national level and in all 10 states, and marketing its petroleum products.

One further area of significant activity during FY2011 was



the Deloitte U.S. team's work on setting up a fairer, simpler, and more harmonized taxation system. South Sudan's Intergovernmental Fiscal Relations Task Force, comprising representatives of all 10 states and top finance and taxation officials, created high-level recommendations for such a system over three plenary meetings that the team helped organize. Other practitioners worked with the Directorate of Taxation to design a software application for tax registration and to create a tax

returns database. By the end of April 2011, some 1,000 employers had been registered with identification numbers. The team also helped the tax directorate develop an approach to collecting excise tax on selected goods.

These developments are important for the RSS because oil revenues currently represent 98 percent of their revenues and oil production is declining. If properly implemented, South Sudan's new taxation system should help the RSS to

gradually become less dependent on oil revenue. Richard Laliberte, Director, Deloitte Consulting LLP (U.S.), who has 16 years of experience in the Emerging Markets practice and has been overseeing the project in Juba for the last 15 months, says this sort of economic governance project has an impact worldwide: "Through projects such as this one, Deloitte U.S. is helping governments make significant and lasting improvements to the lives of people in about 40 countries in transition."

“  
Deloitte U.S.’s Emerging Markets practice is best known for its work in post-conflict countries and transitional economies. Our work is focused on creating the conditions for peace and stability – where governments can govern and people can better their lives.  
”

**Kate Thompson**  
Principal, Deloitte Consulting LLP (U.S.) and leader of the South Sudan engagement

## Regulatory and public policy engagement: Proactively contributing to instill confidence in the capital markets

**Deloitte proactively engages in the dynamic regulatory and political environment, as part of the network's efforts to uphold public trust in the capital markets and to protect investors.**

The professional services industry is responding to an increasing number of regulatory and legislative developments, particularly those initiated in response to the global financial crisis. Depending on the direction these overlapping processes take, they could have profound cross-border implications not only for the entire Deloitte organization, but also for companies that engage professional services organizations around the world. It is incumbent upon the Deloitte organization and other capital market participants to reflect meaningfully on lessons that can be learned from the crisis and to respond pragmatically to the concerns being raised. Deloitte welcomes this challenge.

At the heart of the regulatory agenda is the role of the auditor: specifically, the issues of audit quality, the relevance of financial reporting, and auditor



independence. Investors deserve information to guide their decisions about deploying monies into the capital markets, and this focus on quality and relevance should be the cornerstone when considering the costs and benefits of any reforms to financial reporting. DTTL and Deloitte U.S., respectively, have contributed to the International Auditing and Assurance Standards Board's and the Public Company Accounting Oversight Board's current projects intended to enhance auditor reporting to meet the needs of investors, and the European Economic Area member firms of DTTL have also responded to the European Commission's Green Paper on Audit Policy and support initiatives that address these objectives. As these

regulators and authorities explore lessons from the financial crisis, Deloitte believes they could set a path to improvements in financial reporting, including audit quality reforms – and urges them to collaborate in this debate.

Audit committees and company management have important roles in the financial reporting process. The positive correlation between effective corporate governance, audit quality, and sound financial reporting should not be underestimated. Audit committees perform the unique function, independently from management, of overseeing companies' financial reporting processes as well as the external audit processes, including

responsibility to choose the right auditor for the job. Deloitte urges enhancements to corporate governance practices around the world, including strengthened communication between audit committees and auditors, and has weighed in on initiatives exploring this area.

DTTL and its member firms call on national authorities to work together in the interest of consistency and convergence of regulations to enable ease of cross-border activity and to promote transparency. In Deloitte's view, setting a path to consistent audit reforms, effective corporate governance, and the use of one single set of high-quality global accounting standards will further instill confidence in the capital markets.

## Water stewardship: Providing strategy and risk insight for sustainability

**Increasing demand for water and declining water quality present immediate risks for society and for businesses. Nearly one billion people worldwide do not have regular access to safe drinking water, and an estimated 47 percent of the world's population will face water shortages by 2030. Water scarcity is poised to be a major economic and social issue in the 21st century, one that will impact member firms' clients and their local communities to varying degrees.**



Deloitte member firms are at the forefront when it comes to helping clients address water scarcity and quality issues and providing enterprise water strategy services. In December 2010, Deloitte U.S. acquired the assets of DOMANI Sustainability Consulting LLC, expanding the U.S. firm's capabilities in designing and implementing water stewardship programs. With a vision that companies should embrace sustainability as a core business function, the combined teams are using their experience in water stewardship to help clients create positive economic and social impacts.

During FY2011, Deloitte U.S. and Deloitte Canada began work with the Carbon Disclosure Project (CDP) to advance CDP Water Disclosure, a pioneering program that aims to bring greater transparency to business water use. CDP Water Disclosure provides

critical information on water usage from large businesses to inform the global marketplace about water-related investment risks and commercial opportunities. The agreement between Deloitte and CDP will entail collaboration on thought leadership and will leverage insight gleaned from Deloitte member firms' years of work with some of the world's largest companies. The collaboration with CDP will help Deloitte member firms bring water stewardship into business strategy for their clients and to stimulate broad-scale innovation.

Since early 2011, Deloitte U.S. has been working with the United Nations Global Compact CEO Water Mandate's Water Action Hub (the Hub). The Hub is envisioned as a groundbreaking public online tool that will allow companies to collaborate across sectors on water conservation projects. The Hub has the potential to enable businesses,

governments, civil society groups, and communities to manage water sustainably at the level of individual watersheds. A Deloitte U.S. team of professionals based in the U.S. and India is working on the Hub's development in collaboration with the Pacific Institute, the International Business Leaders Forum, and the German International Development Agency (GIZ).

By continuing to invest in their water stewardship capabilities, Deloitte member firms are equipping themselves to work with clients on achieving long-term sustainability, which promotes brand protection, business continuity, and growth. And through their involvement in collaborative, multi-stakeholder projects, Deloitte member firms are helping establish the public awareness, frameworks, and tools for advancing water stewardship approaches that benefit wider society.

### About Sustainability & Climate Change Services

Water stewardship is just one of the innovative services delivered by Deloitte member firms' Sustainability & Climate Change practices. Comprising a dedicated group of 750 sustainability specialists, these practices are committed to helping clients transition to the sustainable business models and practices that will deliver top- and bottom-line growth for the long term. Deloitte member firms have been working with clients for more than 25 years to help them implement multifaceted responses to sustainability challenges and deliver on their own opportunities to create environmental solutions. This work represents the most important contribution that Deloitte member firms make to the sustainability agenda.

## Education and skills: Inspiring young minds to achieve great futures

Access to quality education and skills development is crucial to a flourishing society. Almost half of the world's young people do not attend secondary school, and many who do finish with insufficient skills. By supporting high-impact, scalable education programs around the world, Deloitte is addressing the skills gap and helping underserved young people realize their potential.



“The world is currently facing a growing talent gap between what potential workers are learning and the actual skills needed to thrive today and in the future. It is imperative for businesses worldwide to recognize this void and take action toward adequately preparing young people for a knowledge-based economy.”

**Barry Salzberg**  
DTTL CEO

Through Deloitte21, a global initiative, member firms are helping education leaders to identify ways to prepare young people for success in secondary school, higher education, and ultimately the 21st century workforce. More than 20 Deloitte member firms are investing in local programs that will have a lasting positive impact on young people's lives, the community, and society's long-term prosperity.

In FY2011 Deloitte member firms stepped up their commitment to education and 21st century skills development through the Deloitte21 Challenge. Member firm professionals used their business skills to help local education organizations develop strategic plans for

scaling their impact – including geographic expansion, more efficient service delivery, and improved student outcomes.

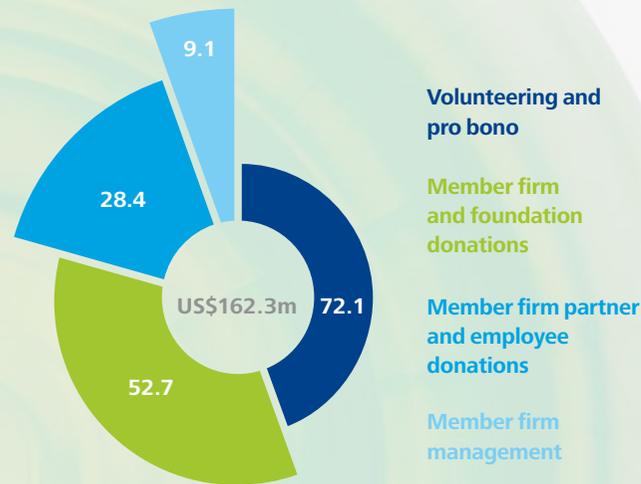
DTTL recognized two emerging programs supported by Deloitte member firms with a US\$250,000 Deloitte21 Challenge Grant for Innovation. Pratham USA is working with Deloitte U.S. to create achievement centers that provide young women in India with training in technology, leadership, entrepreneurship, creativity, and problem-solving, as well as assistance finding jobs and starting businesses. INJAZ al-Arab is working with Deloitte Middle East to introduce the “Be Entrepreneurial” curriculum and launch a regional business plan competition. In a region with the world's

highest youth unemployment rates, entrepreneurship provides a path for achieving long-term success. Member firms' work to address the education and skills gap includes consulting on system-level needs; capacity-building to help organizations serve more students, more effectively; and advancing knowledge and thought leadership. Deloitte member firm professionals around the world carry out projects for education institutions, and also lead career skills workshops, mentor students, and coach young entrepreneurs. In all these respects, member firm professionals are using their skills and experience to contribute to transformative solutions and to equip young people with the skills to achieve great futures.

# Education and skills: Inspiring young minds to achieve great futures

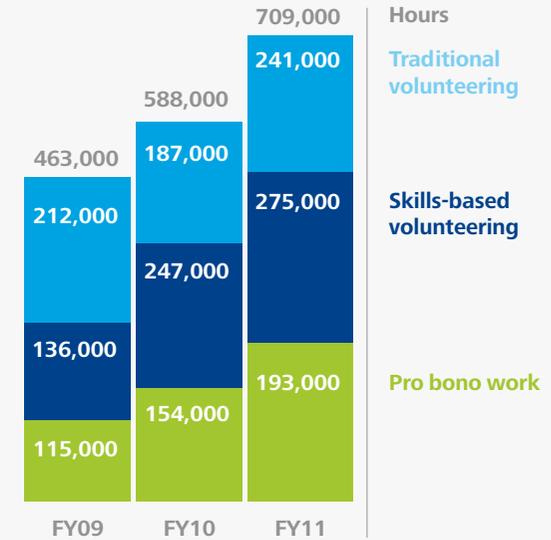
## Aggregate community investment by Deloitte member firms, FY2011 (\$USm)

Community investments aligned to education and skills now represent 35 percent of aggregate community investments, up from 32 percent in FY2010.



## Aggregate hours of volunteer and pro bono work by member firm people, FY2009-FY2011

Pro bono work and skills-based volunteering accounted for 76 percent of the value of all volunteering and pro bono work performed by member firm people.



## Aggregate community investment by Deloitte member firms, FY2009-FY2011

Total community investment for member firms in FY2011 increased 15 percent over member firms reporting in FY2010.



## Education and skills: Inspiring young minds to achieve great futures

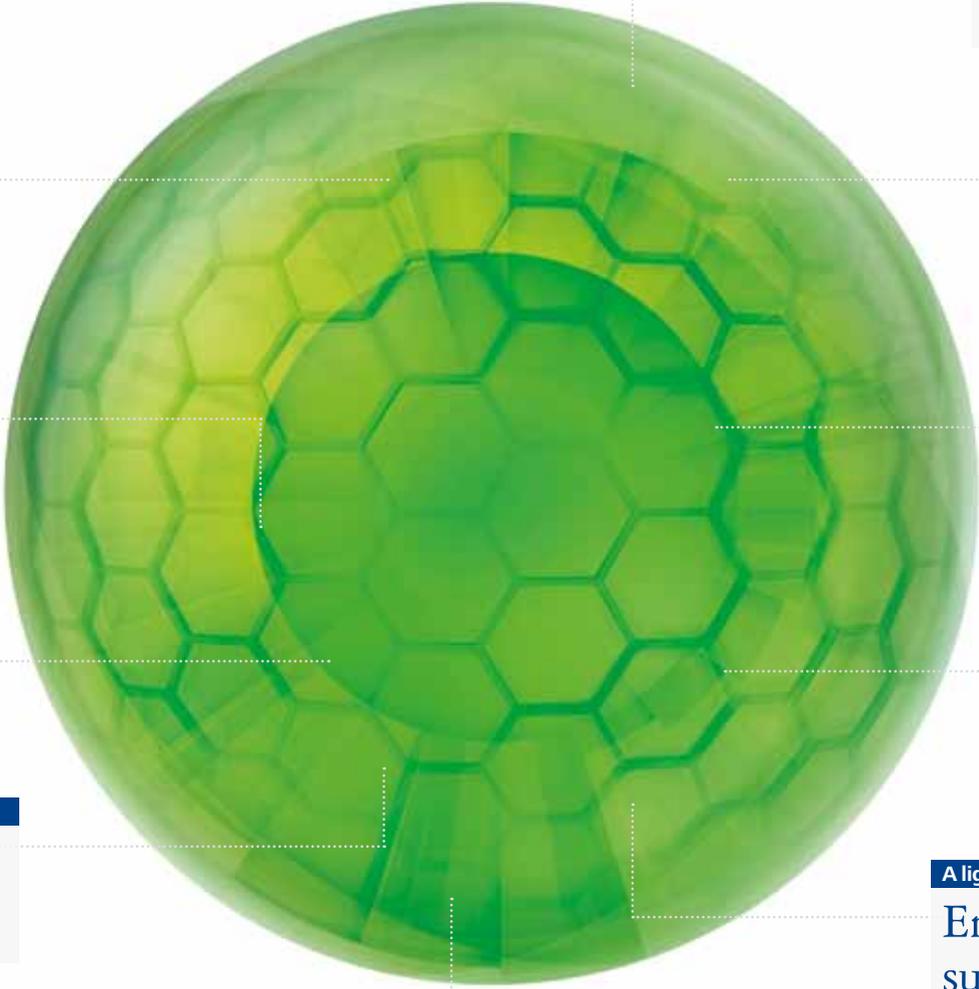


Member firms are supporting more than 40 education and skills programs around the world. Examples include:

- Since 2007 Deloitte Belgium and Fund Isaan have reached more than 6,500 students, providing quality educational opportunities, Internet-ready computer classrooms, and skills development.
- Close the Gap, supported by Deloitte member firms in Belgium and the Netherlands, provided over 16,000 IT assets and installed 15,000 computers in 2010. More than 270 nonprofits providing youth and young adults with job training received IT assets. It is estimated that each week at least 1 million young people use computers repurposed through Close the Gap.
- eLearning for Kids and eLearning for Life Foundation, supported by Deloitte member firms around the world, continued to expand their reach and impact. To date, more than 5 million young people in 190 countries have used their free online and CD-ROM-based courses.
- Deloitte Finland's work with the OK! Program to improve the work readiness of young immigrants has expanded and to date has reached more than 100 students, providing them with a launching point for future employment opportunities.
- The Winning Twinning program was launched between Deloitte France and Sarcelles High School, reaching 500 students and teachers during its first year. The program focuses on improving achievement and career aspirations of underprivileged students.
- Deloitte Germany is collaborating with the JUNIOR program to strengthen employability and entrepreneurship skills among young people across Germany, helping to spark innovation and entrepreneurship.
- Deloitte Netherlands collaborates with the IMC Weekend School to help youths develop a strong foundation of employability skills. Deloitte Netherlands professionals provide business strategy, learning, and technology skills to support the school's expansion plans.
- Deloitte Southern Africa is helping scale Project Siyakhula – “we are growing” – a program designed to provide accounting lessons and educational assistance to disadvantaged students. It's been scaled to 38 secondary schools and reaches over 400 students per year.
- Deloitte UK's Employability Initiative has reached more than 25,000 young people since its founding in 2001, with nearly 90 percent going on to education at a higher level or to full-time employment.
- Working with College Summit, Deloitte U.S. works to strengthen college-going culture and college-readiness for more than 25,000 underserved young people per year.
- With the World Economic Forum's Global Education Initiative, Deloitte sponsored regional roundtables on entrepreneurship and 21st century skill development that were held on the occasion of the Forum's regional summits in Europe, Middle East and North Africa, and Latin America. Deloitte member firm leaders are engaged in each region to carry forward the priority areas for action.

# Responsible business practices

The policies and practices of DTTL and its member firms are vital to the organization's ability to foster prosperity and societal well-being. These elements establish the connections between Deloitte's outlook on its role in society and its day-to-day decisions.



**Effectiveness at all levels**  
Organization structure

**Responsive management**  
Leadership and governance

**Culture of integrity**  
Ethics

**Commitment and controls**  
Quality and risk management

**Sustained objectivity**  
Independence

**Safeguarding information**  
Data privacy and security

**A year of job creation**  
Talent engagement and growth

**Richness and inclusion**  
Diversity

**Keeping people safe**  
Physical security

**A lighter footprint**  
Environmental sustainability

# Organization structure

The DTTL network of member firms is made up of firms that are members of DTTL, an English private company limited by guarantee. This structure allows the Deloitte member firm network to be a leader at all levels – locally, nationally, and globally – because its central governance policies are sensitive to the professional environment and culture of individual countries. At the same time, individual member firms have access to cross-border skills and knowledge, the ability to consult with the entire network, and the benefit of the network's market recognition and reputation. DTTL itself does not provide services to clients.

## Member firm structure

The partners of DTTL's member firms are generally the sole owners of their respective member firms. Their member firms are organized on an individual country or regional basis, and each operates within the legal and regulatory framework of its particular jurisdiction. They are separate and independent firms that are owned and managed locally. These firms have come together to practice under a common brand, methodologies, client service standards, and other professional standards and guidelines.

The member firm structure fosters compliance with rules of local ownership and management governing the accountancy profession in many countries. It also reflects the fact that the member firms are not subsidiaries or branch offices of



a global parent. Rather, they are separate and distinct locally formed legal entities that have voluntarily joined the network to coordinate their approach to client service.

This structure also confers significant strengths: a deep understanding of local markets, and a sense of responsibility among member firm professionals, who have a direct stake in the integrity and growth of their practices.

## Global cooperation

Member firms support and adhere to the purposes and policies of DTTL by:

- Conducting themselves in a manner that advances the reputation of the Deloitte member firm network

- Aligning national plans, strategies, and operations with those of DTTL, as appropriate, in consultation with DTTL executive management
- Adhering to DTTL requirements regarding professional standards, shared values, methodologies, governance, and systems of quality control and risk management
- Advising DTTL's executive management of the details of all joint ventures, joint practices, proposed mergers, and other combinations of any type with other member firms, as well as practice activity in jurisdictions other than those assigned to the member firm

## Global policies

The DTTL Policies Manual comprises a set of global policies that provide the basis for member firms to establish consistent and rigorous quality and risk management processes and procedures. DTTL regularly works on developing and enhancing its global policies. Other pages of this report provide information about new and revised policies on anti-corruption, privacy, independence, and other matters.

# Leadership and governance

**Strong, well-conceived governance and leadership structures help make it possible for Deloitte member firms to maintain high levels of quality and integrity and sustain the trust of their clients, their people, the capital markets, and the public. As a global network comprising member firms and their affiliates in more than 150 countries, the DTTL network of member firms has governance and management structures in place at both the global and member firm levels.**



## The DTTL Executive

The DTTL chief executive officer is ratified by the partners of DTTL's member firms and serves a term of four years. The DTTL chief executive officer (CEO), currently Barry Salzberg, chooses the members of the Executive subject to approval by the Governance Committee of the board of DTTL.

The Executive comprises DTTL's most senior leaders. It is responsible for establishing DTTL's vision and strategy. With members from various regions around the world, the group works in a collegial style and attempts to reach decisions through consensus.

## The DTTL Board and Governance Committee

The Board of Directors is DTTL's highest governing body. Currently chaired by Steve Almond, the board addresses DTTL's most important governance issues, such as global strategies, major transactions, and the election of the CEO. The board is to be multicultural, and its members are appointed by individual member firms that are themselves selected based on size, the number of significant clients they serve, and other factors. The board also includes three regional seats, ensuring that smaller member firms are represented. Determinations regarding the allocation of DTTL board seats are made every four years.

The board has a standing Governance Committee, which has oversight responsibility in respect of DTTL's management. The Governance Committee is multicultural with one seat allocated to each of the largest member firms, and it engages in open discussions of issues and matters within its purview. Each committee member has one vote on matters considered by the committee. To avoid conflicts of interest, no member of the Governance Committee may also serve on the Executive, except for the CEO. The board also has a number of other committees that coordinate and recommend action on a wide scope of financial and administrative issues.

## Member firm leadership

To foster effective and responsive management within member firms, DTTL has adopted standards to be implemented by member firms describing specific leadership and governance structures including:

- A managing partner, senior partner, or equivalent who is responsible for managing the member firm and ensuring that the firm delivers high-quality services in accord with professional standards and DTTL policies
- A governing body, such as a board of directors or board of partners, to facilitate sound governance of the individual practice, implementation of local rules and regulations, and implementation of DTTL policies and procedures
- A representative to serve as a liaison to DTTL and to represent the member firm at the DTTL World Meeting, held annually to discuss strategy and initiatives proposed by DTTL management and to vote on specific DTTL matters, such as approval of board members, financial statements, voting entitlements of the member firms, and changes in the governing documents

# Ethics

**Deloitte member firms play a critical role not only in maintaining investor confidence but also in creating improvements in business performance and economic conditions that drive growth and job creation. To fulfill this role, Deloitte member firms must maintain their reputation for integrity and ethical behavior, which underpins their relationships and good standing with clients.**



The DTTL Ethics team and the member firm ethics officers work together to build trust in and among member firms' professionals. Ethics-related initiatives and activities are designed to help member firm people understand expectations for professional and ethical behavior, develop skills for ethical decision-making, acquire the confidence to speak up about challenging ethical situations, and take responsibility for protecting and sustaining the Deloitte brand.

In October 2010, more than 40 member firm ethics officers met for a one-and-a-half day workshop to share ideas in ethics program

management. The agenda covered exemplary member firm practices, emerging issues such as social media and anti-corruption, and external speakers to share perspectives and experiences around ethical leadership. In FY2011 DTTL continued to perform ethics practice reviews on a rotational basis. These reviews evaluate member firm compliance with the DTTL ethics policy and provide recommendations for program enhancement.

In February 2011, DTTL adopted an anti-corruption policy for the member firm network 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. Other ethics-related activities planned for FY2012 include rolling out new ethics communication and e-learning materials to help sustain a culture of integrity at Deloitte.

### Engagement in public discourse

DTTL participates in collaborative efforts to promote ethical behavior in business. Our involvement includes:

- World Economic Forum Partnering

Against Corruption Initiative (PACI) – Since April 2010, a DTTL leader has held a position on the PACI board to represent the professional services sector. Ordinarily rotated annually among the Big Four, this board position was offered to Deloitte for a second year, through April 2012. DTTL also leads a new PACI working group on business relationships.

- UN Global Compact – DTTL Ethics sits on the Global Compact's working group on anti-corruption (the tenth Global Compact principle). Deloitte has recently taken a lead role in a new sub-group that is developing a corruption risk assessment tool for business.

- The Conference Board – DTTL Ethics sits on the Executive Committee of the Conference Board's Global Council on Business Conduct, whose membership consists of chief ethics and compliance officers from some of the world's largest global organizations.

### Ethical Principles of the Deloitte Member Firms

All of the Deloitte member firms have adopted the following Ethical Principles, which provide the foundation for ethics programs:

- Honesty and Integrity – “We act with honesty and integrity.”
- Professional Behavior – “We operate within the letter and the spirit of applicable laws.”
- Competence – “We bring appropriate skills and capabilities to every client assignment.”
- Objectivity – “We are objective in forming our professional opinions and the advice we give.”
- Confidentiality – “We respect the confidentiality of information.”
- Fair Business Practices – “We are committed to fair business practices.”
- Responsibility to Society – “We recognize and respect the impact we have on the world around us.”
- Respect and Fair Treatment – “We treat all our colleagues with respect, courtesy, and fairness.”
- Accountability and Decision-making – “We lead by example, using our shared values as our foundation.”

### Enterprise risk framework

The ongoing success of DTTL and the member firms depends in part on maintaining a current understanding of how changes to internal and external conditions may pose risks to the services member firms provide and how they make strategic and operational decisions. DTTL's enterprise risk framework is a core process that allows DTTL to monitor business risks and provides leadership with the information and insights needed to effectively manage and mitigate such risks. This year, DTTL initiated a comprehensive refresh process of its existing enterprise risk framework to validate existing risks and identify new ones that could potentially impact Deloitte's ability to realize its strategy.

### Commitment and controls

## Quality and risk management

**Deloitte strives to be consistently recognized by its stakeholders for world-class quality and risk management and for its continued commitment to the public interest. The unrelenting pursuit of quality and brand protection is at the core of the Deloitte network and is evident in Deloitte's unfettered commitment to consistent high-quality client service. This commitment to quality and risk management brings Deloitte one step closer to becoming the standard of excellence.**

Global quality and risk management policies, processes, and methodologies (collectively referred to as "Policies") are applicable to all member firms' functional areas and are critical in providing client service that helps protect and enhance the reputation of the Deloitte member firms. These Policies are designed to help member firms address unique considerations associated with the delivery of high-quality services while also challenging professionals to



do the right thing under any circumstance, even if that results in declining a prospective client, engagement, or even terminating an existing client relationship.

Specific Policies contained in the DTTL Policies Manual (DPM) define quality controls and comprehensive processes to be applied by member firms in each client relationship and on each engagement. These Policies specify rigorous processes to help ensure that member firms evaluate the acceptability of every client and engagement and the related engagement risk, which includes

identifying and addressing independence and potential conflicts-of-interest matters and determining an engagement risk classification. DPM Policies can be supplemented by member firm policies that take into consideration local market practices, local laws, and regulations within their jurisdiction.

A cornerstone of Deloitte's quality and risk management framework is that each member firm has a "reputation and risk leader" who is charged with the responsibility to lead the member firm's risk structure, supported by risk leaders in each of the member

firm's functions. Responsibilities for these leaders include developing and implementing policies and procedures that address specific quality control considerations for their functions and for the member firm overall.

During FY2011, DTTL developed and rolled out to the member firms a series of new quality- and risk- related materials including new and revised global policies, risk communications, learning aids, and leading practices that continue to embed and reinforce the importance of quality and risk management to the Deloitte network.

### Practice reviews

Each member firm is responsible for conducting practice reviews under the guidance and oversight of DTTL. Held at least once every three years, these reviews consider whether member firms' own policies and processes comply, at a minimum, with DTTL policies and are operating effectively in practice. Practice reviews cover all functions and service lines within each member firm. The practice review process also assesses the quality of work performed and services delivered by the member firm. These reviews often involve detailed reviews of individual engagements. Findings and recommendations from a member firm's practice review are presented in a report and management letter to the member firm's leadership. In response to the report, the member firm establishes a detailed action plan to address findings and recommendations together with a mechanism for monitoring the resolution of the findings.

## Independence

**Maintaining independence from member firm audit clients entails compliance with rules and regulations. Yet it is also a matter of appearance. In both respects, standards for independence are shaped by legislation, regulations, professional guidance, and public expectations, given that Deloitte member firms, as auditors of public companies, have a duty to protect the public interest. Accordingly, DTTL and its member firms have instituted robust policies and processes to help member firms and their people safeguard their objectivity.**



DTTL's independence specialists are responsible for designing, implementing, and monitoring the multifaceted independence programs of DTTL and the member firms. They provide member firms with information and guidance on independence issues and management approaches, including frameworks and sample materials for their inspection and testing regimes, and they assess member firms' independence controls. The DTTL team also administers elaborate systems that assist member firm personnel in complying with independence requirements.

In each member firm there is a partner responsible for independence monitoring in that member firm. Each year, every member firm reports to

DTTL that it has carried out procedures to determine that the firm and its professionals have complied with DTTL's independence policies. Among the necessary procedures is the confirmation by all member firm personnel that they have complied with DTTL's independence policies during the year.

DTTL and its member firms are continually making improvements to global and local independence programs. Besides the changes made in response to the new Code of Ethics of the International Ethics Standards Board for Accountants (see sidebar), one example of such an improvement during FY2011 was the expansion of the online system that helps member firms check for potential conflicts, particularly across borders. The expansion will enable member firms to conduct checks for independence issues before they enter into business relationships.

### Adjusting to new standards

The International Ethics Standards Board for Accountants (IESBA) released an update to its Code of Ethics in 2009, which was generally effective on 1 January 2011. In anticipation of the changes, DTTL updated its independence policies, processes, and implementation materials. DTTL revised its network-wide independence policies significantly, and in accordance with these revisions, the DTTL independence team updated its learning courses. The overall effect of these changes was to make DTTL's independence requirements more stringent. In addition, the team has enhanced its compliance tools such as the entity search system and independence monitoring system.

## Data privacy and security

The nature of the work that Deloitte member firms do routinely requires their clients to entrust them with highly sensitive information. Deloitte member firms also hold information about their employees that if lost or misused could result in identity theft or in some cases damage to reputation. Keeping such information confidential is thus a critical aspect of the written and implicit contracts between member firms and their stakeholders – not to mention a legal requirement in many jurisdictions where Deloitte member firms do business.



Inevitably, breaches of privacy do occur: laptops or smartphones can be lost or stolen, and confidential documents might be accidentally mailed to the wrong address. The opportunities for such problems are multiplying as computing devices and communications technologies proliferate. Governments have been toughening their privacy laws in recognition of these developments. One notable trend is the increasing adoption of breach notification requirements.

DTTL and its member firms have moved rapidly to keep their privacy policies and practices up to date with mandates and stakeholder expectations. Not only are they putting considerable effort into preventing data breaches, they are also

setting up programs that aim to limit the harm that can result from privacy breaches. In early 2011 DTTL took a major step in this direction when it achieved its goal of adopting a comprehensive global privacy policy. The new policy, which took effect in August 2011, requires every member firm to put in place:

- A privacy policy that defines global principles to be followed in all data handling processes and systems and that meets the requirements of local laws, customs, and regulations
- A designated privacy leader
- A process for responding to privacy incidents

- Regular privacy communications and training programs for member firm people
- An annual self-assessment of compliance with the policy

To help member firms institute these elements, the DTTL privacy office has created a toolkit, sample policies, and an online training program that member firms can modify if they wish for consistency with local regulations. During the coming fiscal year, DTTL Global Privacy Officer Murrell Shields and his team plan to visit various member firms to examine their privacy programs and provide firsthand feedback and recommendations for improvement.

### Safe Harbor Certification

The Safe Harbor Framework between the United States Department of Commerce and the European Commission (EC) gives United States organizations a set of requirements for complying with the EC Directive on Data Protection, which governs the transfer of personal information from the European Union (EU) to the United States, among other issues. This framework is designed to bridge differences between the privacy protection approaches of the United States and the EU. In November 2010, DTTS, the organization that employs personnel working on behalf of DTTL in the United States, recertified its adherence to the Safe Harbor Framework following a comprehensive verification process.

## Talent engagement and growth

**For the Deloitte organization, FY2011 was a year of job creation. DTTL and its member firms hired a combined 49,152 professionals, adding some 12,000 net new jobs to the network-wide workforce – a 7.1 percent increase in headcount compared to FY2010. The network's total workforce now comprises approximately 182,000 member firm partners and professionals worldwide, and Deloitte plans to increase its total combined workforce to 250,000 professionals by FY2015.**

To achieve that growth, Deloitte takes an innovative approach to talent acquisition. Its Global Universities Program, for example, makes it easy for thousands of international students to pursue career opportunities with member firms in their home countries and has earned Deloitte recognition as a leader in cross-border student recruitment. Growth is also dependent on member firms sustaining their commitment to providing fair, open, and inclusive working environments. To deliver against these commitments Deloitte's approach to talent management mirrors member firms' approach to client service: understanding viewpoints, setting expectations, and developing solutions



aimed at meeting those expectations. The People Survey is a key instrument used by Deloitte member firms to assess their professionals' interests, concerns, and overall level of engagement with the network, which bears a direct correlation to turnover. The People Survey helps member firms identify actions and shape talent strategies to strengthen the kinds of ties with their people that lead to improved retention – particularly among high-performers. Employee turnover across the network has varied by less than half a percentage point from year to year over the past four years. Other talent engagement opportunities, such as open meetings with and regular

communications from the network's leaders, help to reinforce the Deloitte brand and talent experience.

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 of the next generation of leaders is a Deloitte priority, and to support this goal, DTTL launched an innovative Senior Manager Milestone program in FY2011. The new program is

designed to recognize the importance of senior managers to the network, provide a more globally consistent, world-class development program, and prepare up-and-coming leaders for their next roles, responsibilities, and continued progress through the network.

In FY2011, 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 44 hours of training per full-time employee – as tracked by the network's online learning platform. Nearly 50,000 learning elements, including 15,000 courses, 25,000 books, and 3,200 Harvard Business publications were delivered 24/7 through the organization's online learning platform. DTTL also introduced three new industry curricula and four industry learning guides, with an eye to helping professionals develop the industry knowledge that distinguishes member firms in the marketplace. These figures represent a lower bound for measures of learning because certain types of training such as conference programs and courses and some member firm sessions are not tracked in the online learning platform.

# Talent engagement and growth

## AMERICAS

### Canada

Deloitte Canada was named one of Canada's Best Diversity Employers for 2011.

### LATCO

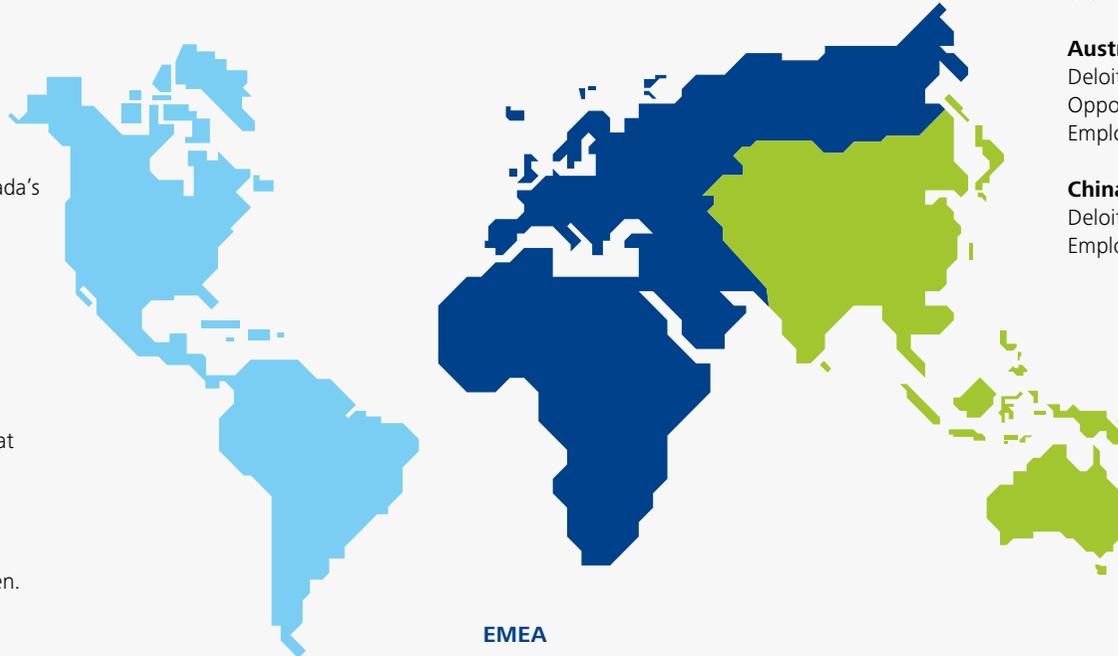
*Apertura* magazine ranked Deloitte LATCO's Argentina practice 10th among the "Best Employers in Argentina."

### Mexico

Deloitte Mexico was named to "The Great Place to Work for Women" list.

### USA

- *Working Mother* named Deloitte U.S. a top company for multicultural women.
- The Human Rights Campaign named Deloitte U.S. one of its Best Places to Work for LGBT Equality.
- Deloitte U.S. led the Big Four on *Fortune's* "100 Best Companies to Work For" list.
- *Chief Learning Officer* magazine selected Deloitte U.S. as one of its 2011 Learning Elite.



## ASIA PACIFIC

### Asia Pacific

The Branding Institute and CMO Council's Best Employer Brand Award recognized Deloitte in the Asia Pacific region.

### Australia

Deloitte Australia made the 2011 Equal Opportunity in the Workplace Agency (EOWA) Employer of Choice for Women list.

### China

Deloitte China was named to the China's Top Employers 2011 list.

## EMEA

### Ireland

Deloitte Ireland was named best employer to work for in gradireland's "100 Leading Graduate Employers" list.

### Spain

- Deloitte Spain was one of the top 20 companies to work for in Spain for the fifth year in a survey by the Corporate Reputation Business Monitor.
- Deloitte Spain was among the best Spanish companies to work for in a study by *Actualidad Económica*.

### UK

Deloitte UK was named to The Times Top 100 Graduate Employers list for the third year in a row.

## 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 committed to excellence in client service and sustained growth.**

Deloitte defines diversity as the richness of people's viewpoints, experiences, cultures, and backgrounds and inclusion as the behaviors, policies, and practices that allow all Deloitte member firm people to achieve their full potential. The network takes a global and local approach to diversity, instilling a culture of inclusion and supporting member firm initiatives shaped by local market and business realities. In FY2011, Deloitte's diversity priorities were the advancement and empowerment of women and strengthening the multicultural competency needed to work in a borderless business environment.

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. At the 2011 World Economic Forum in Davos, Sharon Allen, then chairman of Deloitte U.S., presented *The Gender Dividend: Making the business case for investing in women*. The Deloitte Global Center for Corporate Governance launched *Women in the boardroom: A global perspective*, a study examining 12 countries' legislative efforts to require minimum numbers of women on publicly listed companies' boards of directors.

Deloitte marked International Women's Day on 2 March 2011 with its third annual global webcast, attended by nearly 1,000 people from 47 countries. Thousands more attended member firm events worldwide. Greg Pellegrino, then DTTL Global



Public Sector Industry Leader, participated in a UN Global Compact event, "Equality Means Business: Putting Principles into Practice," commemorating the one-year anniversary of the Women's Empowerment Principles. Deloitte contributed to the development of the principles, which were endorsed and committed to by then-DTTL CEO Jim Quigley.

Multicultural competency is key to the success of the cross-border teams that deliver a significant, and increasing, proportion of member firms' client projects. Cultural competency training is

included in member firm partner development curricula and used to prepare professionals for international assignments and working on multicultural teams. Through the Global Internship Program and International Student Business Forum, Deloitte also offers participating students multicultural experiences. In FY2011, mobility assignments across member firms increased 16.5 percent from the prior year, with 4,429 people deployed on short- and long-term assignments designed to transfer skills, develop globally minded leaders, and better serve member firms' cross-border clients.

### Representation of women

In FY2011, women accounted for 21.7 percent of combined new member firm partner, principal, and director admissions, down from 23.1 percent in FY2010. Growth through acquisitions, changes in reporting – including in emerging markets with lower female representation – and external direct entry partner hiring are partially responsible for declining numbers. Several member firms almost doubled their female partner admissions over FY2010, but these numbers represented smaller percentages of total partner admits. Decreases in the representation of women among newly admitted member firm partners, principals, and directors will be addressed by recommitting member firm leadership to diversity – a priority for Barry Salzberg, DTTL CEO. Women were 44 percent of total member firm personnel, 34 percent of managers, and 45 percent of new hires. At the end of FY2011, there were three women on DTTL's 35-member leadership team, four women on the 35-member DTTL Board of Directors, and no women on the 20-member DTTL Executive.

## Physical security

The work that Deloitte member firms do for their clients requires member firm people to travel all over the world. Most of their business trips happen without grave incidents. On rare occasions, however, member firm people are asked to venture to locations that are risky or find themselves caught in dangerous situations in otherwise safe places. DTTL and its member firms recognize that it has a duty to protect their people, and they handle this duty with the utmost seriousness.

DTTL's Global Security Office (GSO), headed by DTTL Chief Security Officer Don Ainslie, has a multifaceted approach to keeping Deloitte's people safe, whether they are traveling for work or on their own time. One important function of the GSO is making sure that Deloitte's people are aware of particular risks that may be present in places they visit. The GSO also has capabilities for responding when crisis-level incidents occur in places where Deloitte people are working.

During the year, the GSO responded to more than



650 requests from member firms for advice on travel to high-risk locations. To provide thorough information, the GSO has a network of specialized security providers based in many higher-risk locations, whom the office can call upon for direct support of member firm engagement teams. The GSO also encourages member firms to make security-checking procedures a part of their travel services, so that trips to high-risk locations can only be booked with permission from member firm leadership.

The GSO often consults with member firm partners about security precautions for locations that might be risky before they accept an engagement involving travel to such locations. The office

also responds to clients' inquiries about Deloitte's travel security protocols and capabilities. This year, the GSO provided location-specific training courses on security to several engagement teams that were bound for high-risk locations. The office also provided support with planning travel, choosing hotels, and organizing on-the-ground project logistics.

When security emergencies happen, the GSO mobilizes its capacities for providing assistance to Deloitte's travelers and local personnel alike, as well as their families. FY2011 saw a number of dangerous incidents take place, which the GSO responded to using a number of mechanisms (see sidebar).

### Responding to crises

The GSO tracks and responds to virtually every major security incident that takes place, from severe storms to civil unrest. Here is how the GSO addressed some headline-making events of FY2011.

December 2010 – After violent protests began in Tunisia, GSO learned of a Deloitte Canada employee and his family who were vacationing there. Within 48 hours, GSO had worked with on-site security contacts to arrange escorted ground transportation to the airport, where the family boarded a commercial flight out of the country.

January 2011 – Moscow's Domodedovo International Airport was the site of a bombing attack. The GSO used its traveler-tracking system to identify Deloitte people who might have been there and confirmed their safety.

February and June 2011 – Christchurch, New Zealand was struck by two serious earthquakes. Each time, the GSO worked with the member firm there to account for the safety of its people and travelers.

March 2011 – When a devastating earthquake struck Japan's largest island, the GSO worked with Deloitte Japan and other member firms to account for the safety of Deloitte people who may have been in areas affected by the earthquake, the nuclear emergency, and possible tsunamis. Because of spreading radiation, the GSO recommended that member firms with expatriate staff in Japan consider temporarily repatriating those staff and their families.

## Environmental sustainability

**DTTL believes that businesses and institutions need to become more sustainable in order to secure long-term prosperity for society and themselves. Deloitte member firms' most important contributions to the sustainability agenda come through their services to clients, which are explained on page 15. DTTL and its member firms are also committed to minimizing environmental harm from their activities, particularly with respect to greenhouse gas (GHG) emissions, which is the major environmental issue of DTTL and the member firm network.**

During FY2011, the DTTL Global Corporate Responsibility Council oversaw the network's internal sustainability efforts. This council was led by John Connolly, then DTTL Global Chairman, and included senior representatives from 18 member firms and DTTL global departments. Nick Main, DTTL Global Leader, Sustainability & Climate Change Services, served as chairman of the council's Operational Sustainability



Working Group, which sets the internal sustainability strategy. DTTL's priorities for internal sustainability are identifying opportunities to reduce environmental impacts, including the impacts of our supply chain, and enhancing member firm reporting.

Member firms manage their sustainability programs at the local level, in line with the DTTL Corporate Responsibility Policy and their own

policies and priorities. Seven member firms have set GHG emission reduction targets, and these firms and others have programs focused on measuring and lessening GHG emissions and other environmental impacts related to travel, building services, and office functions. Member firms continue 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.

This year marked the first time that DTTL submitted global responses to the Carbon Disclosure Project's Investor and Supply Chain surveys, providing detailed GHG emissions data and describing key risks, opportunities, and strategies related to climate change. In FY2011, Deloitte expanded participation in its sustainability performance measurement program to cover DTTL and 21 member firms. The member firms of Australia, Canada, the United Kingdom, and the United States use software to track and report their GHG-emitting activities and the resulting emissions, which account for more than half of Deloitte's aggregate global emissions. Plans are under way to extend use of the emissions measurement software to other member firms.

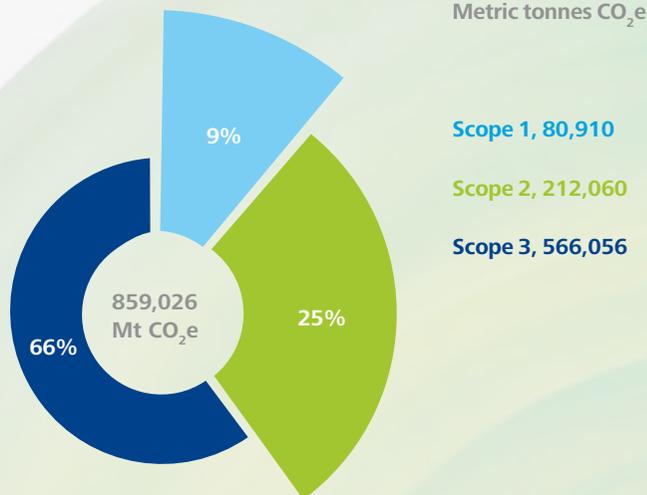
# Environmental sustainability



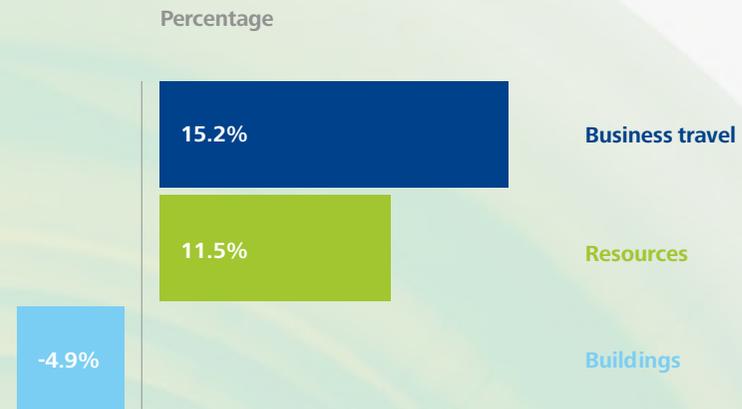
- Deloitte Australia is rewarding eco-ingenuity by establishing a Green Champions network, a Chairman’s Award for Carbon Reduction, and a Staff Green Innovation Award for a great GHG reduction Idea.
- Deloitte Canada embedded green goals into the performance management system, launched green orientation information with green welcome gifts, and designed an e-learning course on operational sustainability.
- Deloitte Finland received a World Wildlife Fund Green Office certificate, in part for its regular environmental training for employees and reductions in paper waste, electricity usage, workplace traveling, and mobile work strategies.
- Deloitte Ireland, Deloitte UK, and Deloitte Central Europe (Czech Republic) carry ISO 14000 certification.
- Deloitte Ireland was noted as one of the top 10 Green Businesses in Ireland at the annual Green Awards in April 2011.
- Deloitte UK achieved Platinum Status in Business in the Community’s 2011 Corporate Responsibility Index. The firm was also honored for its work to preserve the Rubeho Forest in Tanzania with a species of frog named *Nectophrynoides deloittei*.
- Deloitte U.S. has incorporated Leadership in Energy and Environmental Design (LEED) requirements into its standards for office selection and configuration. The firm intends to pursue LEED certification for all major new construction and remodeling projects, with a goal of LEED-certifying 30 percent of its office space in the U.S. by the end of 2012.

Business growth during FY2011 influenced increases in emissions. While a focus on energy efficiency and intelligent workspace planning resulted in a drop in GHG emissions from facilities, GHG emissions from business travel and resources (paper) increased as services to clients and the number of Deloitte personnel grew. Total GHG emissions increased approximately 8 percent while emissions per full-time equivalent employee showed no significant change from FY2010 to FY2011.

Aggregate GHG emissions of DTL and its member firms, FY2011\*



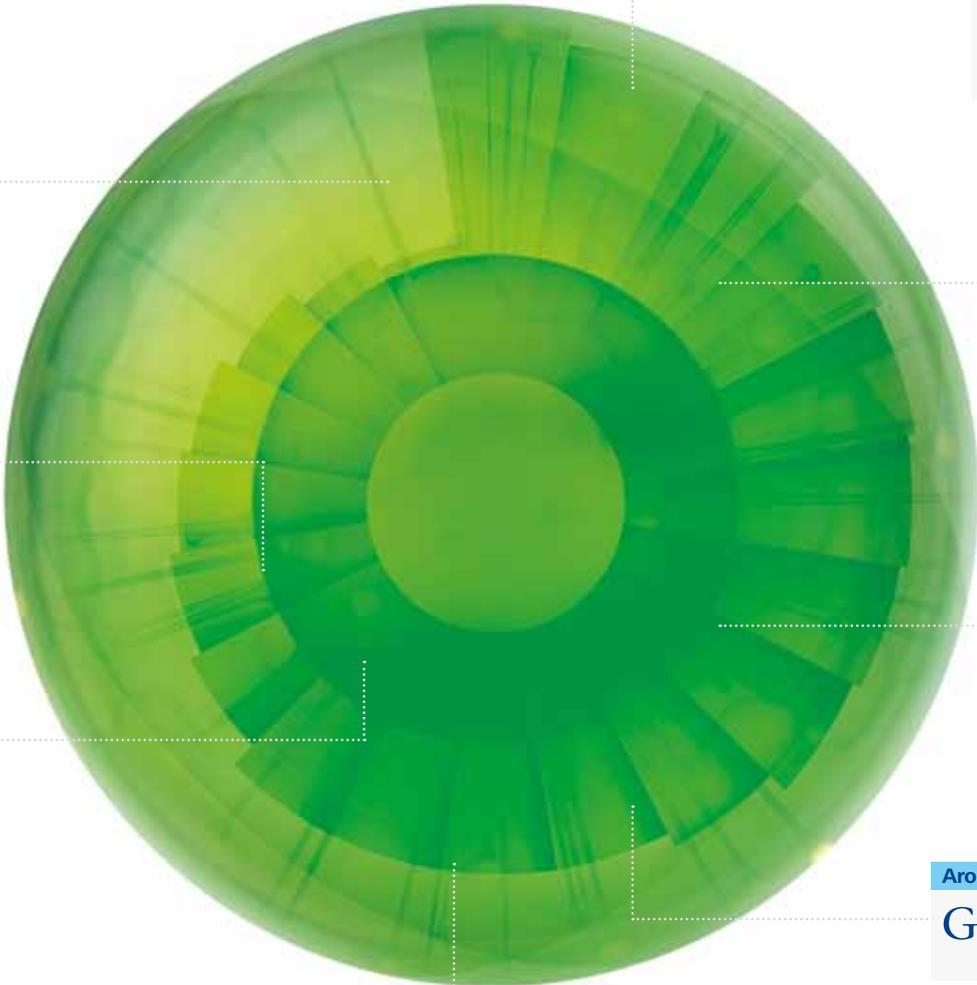
Change in GHG emissions by source, FY2010 to FY2011



\* Aggregate GHG emissions shown on this page do not account for offset credits of 7,053 Mt CO<sub>2</sub>e. After accounting for those credits, aggregate GHG emissions are 851,973 Mt CO<sub>2</sub>e.

# How we report

DTTL adhered to widely accepted standards in developing this report. These standards define a systematic approach to understanding the issues that the report should cover and measuring and documenting performance with regard to those issues.



### Interaction and insight

Engaging and responding to stakeholders

### Promoting relevance

Materiality analysis and matrix

### Touchpoints

Stakeholder engagement summary

### Measuring up

Performance data

### Technical approach

Scope and methods for performance measurements

### Standards applied

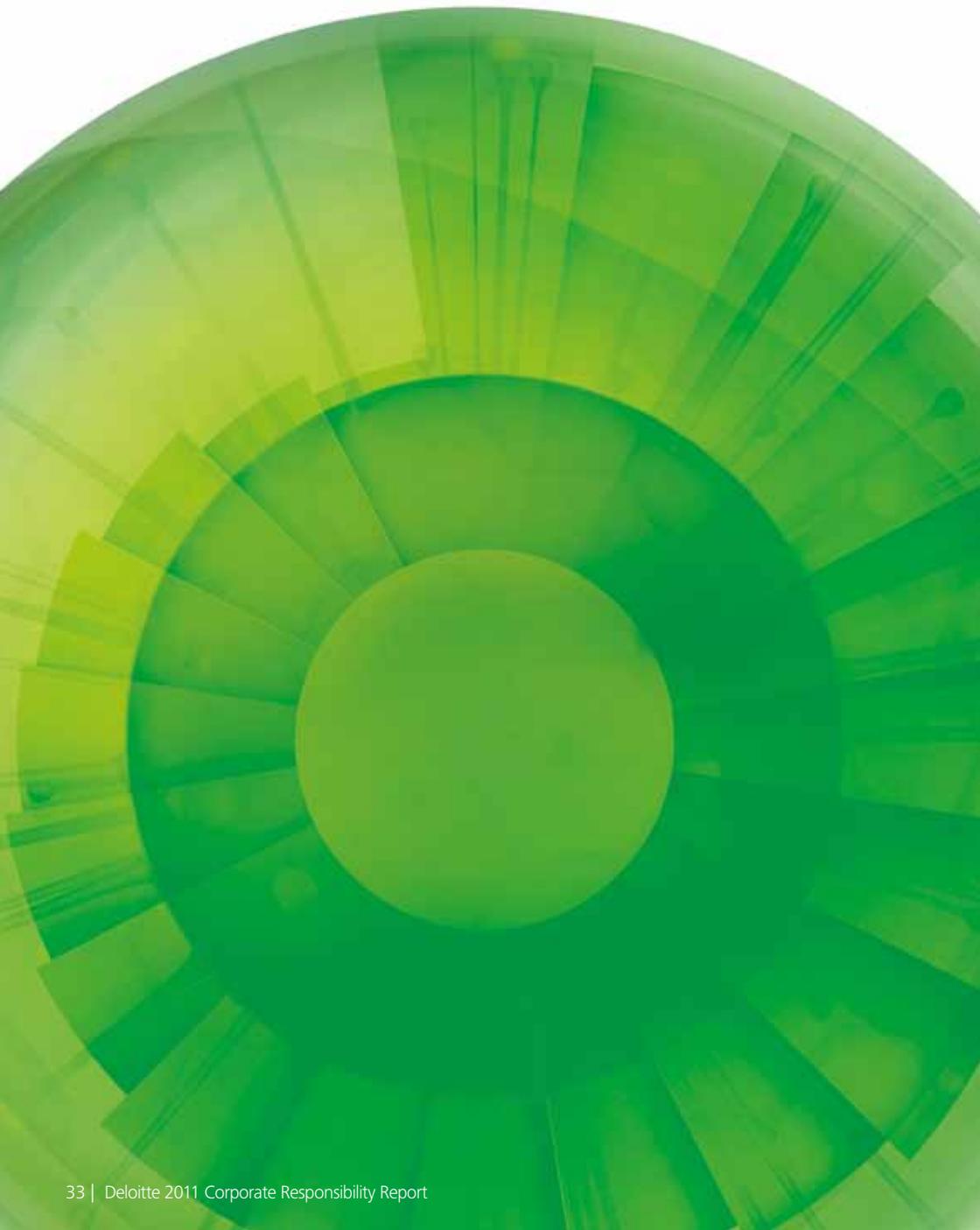
Global Reporting Initiative content index

### Communicating progress

United Nations Global Compact content index

### Around the world

Global presence



## Engaging and responding to stakeholders

Through their business operations Deloitte member firms have the ability to affect and be affected by a large number of people and groups. Regular engagement with these stakeholders informs Deloitte's focus areas for programs, policies, and member firm services as well as the content of this report. The report is one of many ways in which the Deloitte network responds to stakeholder interests and provides accountability and transparency to both internal and external stakeholder groups.



Stakeholders were identified through internal discussions guided by knowledge of the business. Extensive interviews were carried out across DTTL business units to collect information on the nature of stakeholder interactions and topics of interest. DTTL business units were chosen as the points of inquiry because they have direct or indirect engagement with stakeholders through their own activities or through knowledge of member firm activities.

The stakeholder groups prioritized for engagement were those considered to have the most significant ability or tendency to:

- Influence or control the success of Deloitte endeavors
- Have a key stake in the success of Deloitte endeavors
- Be highly affected by Deloitte endeavors
- Affect the supply of resources critical to success of Deloitte endeavors
- Alter the business environment or industry environment in which Deloitte member firms operate

The priority stakeholder groups are ones with whom Deloitte conducts regular and ongoing interactions. The two largest stakeholder groups are Deloitte member firms' clients and Deloitte's people. Engagement with both of these groups occurs continually across the entire network. A detailed list of stakeholders, the approaches to engagement, and key topics and concerns are in the table on pages 35–38 of this report. Stakeholders likely to use the report include current and prospective employees, member firms' clients and suppliers, and the broader sustainability community.

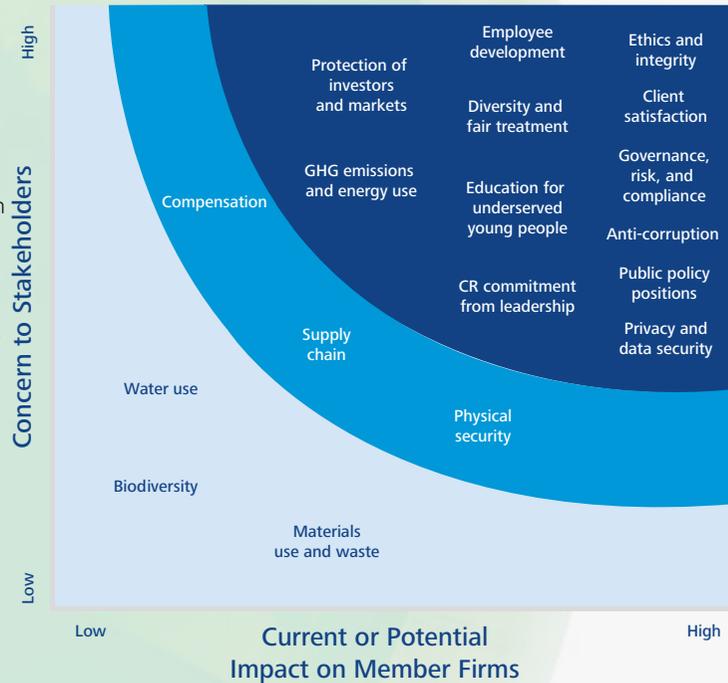
## Materiality analysis and matrix

Findings from stakeholder engagement were used as key considerations for defining the report's content. Stakeholders' interests were combined with broader societal expectations, risks identified by DTTL business units and Deloitte member firms, and strategic priorities identified by DTTL leadership. This year's identification of material information to be included in the report also incorporated the findings of last year's work to develop the As One strategy.

The resulting set of business issues was considered with respect to significant changes in the external environment during the past year. This necessitated some modifications to the material topics in the previous years' analysis. The diagram at right classifies the material

issues according to their importance to stakeholders and to DTTL, with resulting topics of particular importance in the upper-right area of the matrix. DTTL aims to test the relevance of its reporting by engaging stakeholders for feedback about this report and responding to them to a practical extent.

This materiality matrix reflects one change from last year's version, which was to move the "Public policy positions" issue higher on both axes, "Concern to Stakeholders" and "Current or Potential Impact on Member Firms." This change has been made because regulatory interest in auditors has increased significantly in certain markets and Deloitte has been contributing to the dialogue. Please refer to the "Regulatory and public policy engagement" section for more information on these developments.



**High-materiality issue:** Addressed by member firm strategies and programs and described in this report

**Medium-materiality issue:** Actively managed by Deloitte and discussed with constituencies that have a direct stake

**Low-materiality issue:** Monitored or managed by member firms through policies and programs but not a subject of regular dialogue

# Stakeholder engagement summary

Key stakeholder groups	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response (may vary across Deloitte)	Areas of high concern (see materiality matrix)
<b>Member firm clients</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>Client interaction during engagements</li> <li>Client satisfaction process</li> <li>Business development activities</li> <li>Conferences</li> <li>Proposal responses and follow-up on losses</li> </ul>	<ul style="list-style-type: none"> <li>Publicly traded company clients, including their audit committees and boards of directors</li> <li>Closely held company clients</li> <li>Government clients</li> <li>Non-profit clients</li> <li>Past and potential clients</li> </ul>	<ul style="list-style-type: none"> <li>Service needs of clients</li> <li>Independence</li> <li>Ethics</li> <li>Security and privacy concerns</li> <li>Value of trusted advisor relationship</li> <li>Need for industry understanding</li> <li>Sustainability reporting</li> </ul>	<ul style="list-style-type: none"> <li>New service offerings</li> <li>Organizing client service around industries</li> <li>Lead client service roles and responsibility</li> <li>Adoption of anti-corruption policy</li> <li>Adoption of policy regarding privacy programs and leadership</li> <li>IT security policies</li> <li>Voluntary sustainability reporting</li> <li>Supply chain standards</li> </ul>	<ul style="list-style-type: none"> <li>Ethics and integrity</li> <li>Client satisfaction</li> <li>Governance, risk, and compliance</li> <li>Protection of investors and market</li> <li>Anti-corruption</li> <li>CR commitment from leadership</li> <li>Privacy and data security</li> <li>GHG emissions and energy use</li> </ul>
<b>Deloitte people and their families</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>Internal discussions</li> <li>Alumni network</li> <li>Social media</li> <li>Recruiting events</li> <li>Exit interviews</li> <li>Confidential ethics hotline</li> <li>Training sessions</li> </ul> <p><b>Multiple times a year</b></p> <ul style="list-style-type: none"> <li>Performance reviews</li> <li>Employee councils</li> <li>Advisory councils</li> <li>Town-hall meetings</li> <li>Affinity groups</li> </ul> <p><b>Annual basis</b></p> <ul style="list-style-type: none"> <li>People survey</li> <li>Partner meetings</li> </ul>	<ul style="list-style-type: none"> <li>Current, former, retired, and prospective employees</li> <li>Spouses/partners, children, and family members of Deloitte employees</li> </ul>	<ul style="list-style-type: none"> <li>Job satisfaction elements</li> <li>Work-life balance</li> <li>Career advancement</li> <li>Fair treatment</li> <li>Privacy</li> <li>Security</li> <li>Contributions to society</li> <li>Environmentally sustainable operations</li> <li>Access to technology</li> <li>Diversity</li> <li>Ethics</li> </ul>	<ul style="list-style-type: none"> <li>Flexible work arrangements</li> <li>Benefits package changes</li> <li>Extension of certain services to family members</li> <li>Mentoring programs</li> <li>Coaching programs</li> <li>Opportunities for global deployments</li> <li>Opportunities to join internal sustainability teams and competitions</li> <li>Industry training</li> <li>Wellness programs</li> <li>Updates to software and hardware</li> </ul>	<ul style="list-style-type: none"> <li>Employee development</li> <li>Diversity and fair treatment</li> <li>Ethics and integrity</li> <li>Client satisfaction</li> <li>Privacy and data security</li> <li>Governance, risk, and compliance</li> <li>CR commitment from leadership</li> <li>Protection of investors and market</li> </ul>

# Stakeholder engagement summary

Key stakeholder groups	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response (may vary across Deloitte)	Areas of high concern (see materiality matrix)
<b>Governments and regulators</b>	<p><b>Ongoing and/or ad hoc</b></p> <ul style="list-style-type: none"> <li>Contribution to shaping of new regulation</li> <li>Collaboration on policy</li> <li>Participation in development of standards</li> <li>Website and current event monitoring</li> <li>Responsiveness to inquiries</li> </ul> <p><b>Annual or regular recurring basis</b></p> <ul style="list-style-type: none"> <li>Quality/performance reviews</li> </ul>	<ul style="list-style-type: none"> <li>National financial market regulators</li> <li>Audit oversight bodies</li> <li>Finance ministers and central bank governors</li> </ul>	<ul style="list-style-type: none"> <li>Auditor independence</li> <li>Transparency</li> <li>Quality</li> <li>Competitiveness of markets</li> <li>Diversity</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Participation in advisory and advocacy groups</li> <li>Independence policies and monitoring</li> <li>Audit standards</li> <li>Responses to reviews</li> <li>Employee diversity programs</li> <li>Supplier diversity programs</li> <li>Issuance of transparency reports</li> </ul>	<ul style="list-style-type: none"> <li>Protection of investors and market</li> <li>Anti-corruption</li> <li>Public policy</li> <li>Ethics and integrity</li> <li>Diversity and fair treatment</li> <li>Governance, risk, and compliance</li> <li>Privacy and data security</li> <li>GHG emissions and energy use</li> </ul>
<b>Professional associations</b>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>Involvement in committees and working groups</li> <li>Representation on leadership councils</li> <li>Attendance at conferences</li> </ul> <p><b>Ad hoc</b></p> <ul style="list-style-type: none"> <li>Collaboration on industry white papers</li> <li>Speaking engagements</li> <li>Participation in development of standards</li> </ul>	<ul style="list-style-type: none"> <li>Associations of certified/chartered accountants</li> <li>Associations of tax professionals</li> <li>Management consulting professional associations</li> <li>Financial advisory professional associations</li> </ul>	<ul style="list-style-type: none"> <li>Governance</li> <li>Barrier-free trade</li> <li>Sustainable development</li> <li>Adherence to professional performance standards</li> <li>Standards for auditing of non-financial information</li> </ul>	<ul style="list-style-type: none"> <li>Standards for engagement acceptance and performance</li> <li>Peer reviews</li> <li>Commentaries on proposed standards</li> <li>Training</li> <li>Thoughtware</li> <li>Strategy formulation</li> </ul>	<ul style="list-style-type: none"> <li>Public policy positions</li> <li>Ethics and integrity</li> <li>Governance, risk, and compliance</li> <li>Protection of investors and market</li> <li>Anti-corruption</li> <li>CR commitment from leadership</li> <li>GHG emissions and energy use</li> <li>Diversity and fair treatment</li> </ul>

# Stakeholder engagement summary

Key stakeholder groups	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response (may vary across Deloitte)	Areas of high concern (see materiality matrix)
<p><b>Non-profit organizations and community organizations</b></p>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Board representation</li> <li>• Pro bono engagements</li> <li>• Collaborations</li> <li>• Volunteering</li> <li>• Social media</li> <li>• Electronic mail</li> <li>• Meetings and conferences</li> <li>• Speaking engagements</li> </ul>	<ul style="list-style-type: none"> <li>• United Way Worldwide</li> <li>• College Summit</li> <li>• African Rainforest Trust</li> <li>• Help for Heroes</li> <li>• Accounting for Sustainability</li> <li>• Carbon Disclosure Project</li> <li>• Local business organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Training</li> <li>• Performance improvement</li> <li>• Funding</li> <li>• Marketing</li> <li>• Specific agendas germane to their cause (e.g., sustainability, education, water, diversity, etc.)</li> <li>• Local business promotion</li> <li>• Transparency in reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Skills-based volunteering</li> <li>• Community volunteering</li> <li>• IMPACT Day</li> <li>• Pro bono engagements</li> <li>• Foundation and firm monetary and in-kind gifts</li> <li>• Voluntary sustainability reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Education for underserved young people</li> <li>• Diversity and fair treatment</li> <li>• Ethics and integrity</li> <li>• Employee development</li> <li>• Anti-corruption</li> <li>• CR commitment from leadership</li> <li>• Privacy and data security</li> <li>• GHG emissions and energy use</li> <li>• Water use</li> <li>• Material use and waste</li> </ul>
<p><b>International multi-stakeholder organizations</b></p>	<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Steering committee memberships</li> <li>• Organizational stakeholder meetings</li> </ul>	<ul style="list-style-type: none"> <li>• United Nations</li> <li>• World Economic Forum</li> <li>• World Business Council for Sustainable Development</li> <li>• International Integrated Reporting Committee</li> <li>• Global Reporting Initiative</li> <li>• Cross-industry business alliances</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of and adherence to international norms</li> <li>• Understanding of frameworks and initiatives</li> <li>• Economic, social, and humanitarian development</li> </ul>	<ul style="list-style-type: none"> <li>• Pro-bono engagements</li> <li>• Internal and external training</li> <li>• Thoughtware</li> <li>• Working toward integrated reporting for Deloitte</li> <li>• Voluntary reporting on sustainability</li> <li>• GHG reduction targets in place or in development (varies across member firms)</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics and integrity</li> <li>• Anti-corruption</li> <li>• Public policy</li> <li>• Protection of investors and market</li> <li>• Diversity and fair treatment</li> <li>• Education for underserved young people</li> <li>• Governance, risk, and compliance</li> <li>• CR commitment from leadership</li> <li>• Privacy and data security</li> <li>• GHG emissions and energy use</li> <li>• Water use</li> <li>• Biodiversity</li> </ul>

# Stakeholder engagement summary

Key stakeholder groups	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response (may vary across Deloitte)	Areas of high concern (see materiality matrix)
<b>Suppliers</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Negotiations</li> <li>Meetings</li> <li>Proposals</li> <li>Industry meetings</li> </ul>	<ul style="list-style-type: none"> <li>Software suppliers</li> <li>Hardware suppliers</li> <li>Travel service suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Purchase volumes</li> <li>Purchase projections</li> <li>Pricing</li> <li>Certainty</li> <li>Opportunities for (mutual) sustainable solutions</li> <li>Opportunities for collaboration</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of alliances</li> <li>Establishment of preferred vendors</li> <li>Establishment of green purchasing practices</li> <li>Contracts</li> <li>Supply chain audits</li> </ul>	<ul style="list-style-type: none"> <li>Ethics and integrity</li> <li>Anti-corruption</li> <li>Diversity and fair treatment</li> <li>Privacy and data security</li> </ul>
<b>Analysts</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Dialogue</li> <li>Question and answer sessions</li> <li>Webinars</li> <li>Provision of information</li> </ul>	<ul style="list-style-type: none"> <li>Forrester</li> <li>Gartner</li> <li>IDC</li> <li>Kennedy</li> <li>Verdantix</li> </ul>	<ul style="list-style-type: none"> <li>Capabilities</li> <li>Growth</li> <li>Leadership</li> <li>Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Improved performance</li> <li>New service lines</li> <li>Strategy refresh</li> <li>Innovation programs</li> </ul>	<ul style="list-style-type: none"> <li>Client satisfaction</li> <li>Ethics and integrity</li> <li>Governance, risk, and compliance</li> <li>Anti-corruption</li> <li>CR commitment from leadership</li> </ul>
<b>Educational institutions/academia</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Participation in programs</li> <li>Collaborations</li> <li>Recruiting</li> <li>Guest lecturing and speaking engagements</li> </ul>	<ul style="list-style-type: none"> <li>Funding of chairs and scholarships at universities</li> <li>Cambridge Programme for Sustainability Leadership</li> </ul>	<ul style="list-style-type: none"> <li>Subject matter knowledge</li> <li>New perspectives</li> <li>Leading research</li> <li>Career placement</li> </ul>	<ul style="list-style-type: none"> <li>Deloitte21</li> <li>Matching gifts</li> <li>Guest lecturers</li> <li>Funding</li> </ul>	<ul style="list-style-type: none"> <li>Education for underserved young people</li> <li>Ethics and integrity</li> <li>Diversity and fair treatment</li> <li>Employee development</li> </ul>

## Performance data

Please see the Basis of Reporting document at <http://www.deloitte.com/2011crreport> for additional details on performance data methodologies. Please see previous reports for FY2010 and FY2009 performance data.

- Deloitte 2010 Corporate Responsibility Report, published in December 2010
- 2009 Deloitte Touche Tohmatsu Corporate Responsibility Report, published in October 2009

Measurement	FY2011	FY2010	FY2009
<b>Member firm revenue</b>			
<b>Aggregate member firm revenue (rounded)</b>	<b>US\$28.8Bn</b>	<b>US\$26.6Bn</b>	<b>US\$26.1Bn</b>
<b>By functional area</b>			
• Audit	• US\$12.3Bn	• US\$11.7Bn	• US\$11.9Bn
• Financial Advisory	• US\$2.3Bn	• US\$2.0Bn	• US\$2.0Bn
• Consulting	• US\$8.6Bn	• US\$7.5Bn	• US\$6.5Bn
• Tax	• US\$5.6Bn	• US\$5.4Bn	• US\$5.7Bn
<b>By region</b>			
• Americas	• US\$14.3Bn	• US\$13.0Bn	• US\$12.5Bn
• Europe/Middle East/Africa	• US\$10.3Bn	• US\$10.0Bn	• US\$10.2Bn
• Asia Pacific	• US\$4.2Bn	• US\$3.6Bn	• US\$3.4Bn
<b>Global presence</b>			
• Number of member firms	• 53 (47 as of 1 June 2011)	• 53	• 55
• Number of countries where Deloitte operates	• 153	• 147	• 140

Numbers may not tally to totals because of rounding.

## Performance data

Measurement	FY2011	FY2010	FY2009
<b>Member firm people</b>			
<b>Aggregate member firm people</b>	<b>181,566</b>	<b>169,587</b>	<b>168,651</b>
<b>Aggregate member firm people by level</b>			
• Partners, principals, and directors	• 9,673	• 9,538	• 9,555
• Professional staff	• 138,790	• 129,219	• 130,207
• Administrative staff	• 33,103	• 30,829	• 28,888
<b>Aggregate member firm people by region</b>			
• Americas	• 78,957	• 72,858	• 70,663
• Europe/Middle East/Africa	• 65,455	• 62,732	• 63,834
• Asia Pacific	• 37,155	• 33,997	• 34,154
<b>Aggregate employee turnover rate</b>	<b>21%</b>	<b>n/a</b>	<b>n/a</b>
• Americas	• 19%	• n/a	• n/a
• Europe/Middle East/Africa	• 22%	• n/a	• n/a
• Asia Pacific	• 24%	• n/a	• n/a
• Male	• 20%	• n/a	• n/a
• Female	• 23%	• n/a	• n/a
<b>Percentages of women at Deloitte member firms</b>			
• Overall	• 44%	• 45%	• 45%
• Among partners, principals, and directors	• 18%	• 19%	• 19%
• Among managers	• 34%	• 35%	• 35%
• Among new hires	• 45%	• 47%	• 47%
<b>Percentages of women in DTTL leadership</b>			
• On DTTL leadership team	• 9%	• n/a	• n/a
• On DTTL Board of Directors	• 11%	• n/a	• n/a
<b>Mobility: Number of Deloitte member firm people on mobility assignments</b>	<b>4,429</b>	<b>3,801</b>	<b>1,670</b>

Numbers may not tally to totals because of rounding.

## Performance data

Measurement	FY2011	FY2010	FY2009
<b>Community investment</b>			
Number of reporting entities. Numbers below are for reporting entities, and estimates have not been made for non-reporting entities.	18 member firms + DTTL (73% global workforce)	17 member firms + DTTL (73% global workforce)	15 member firms (70% global workforce)
<b>Aggregate community investments</b> • Contributions toward education and skills-building organizations	<b>US\$162.3m</b> • 35%	<b>US\$141.6m</b> • 32%	<b>US\$138.9m</b> • n/a
<b>Aggregate donations</b> • Member firm/foundation donations (monetary and in-kind) • Member firm partner and employee donations (to member firm-supported organizations and fundraisers)	<b>US\$81.1m</b> • US\$52.7m • US\$28.4m	<b>US\$71.7m</b> • US\$45.5m • US\$26.2m	<b>US\$81.3m</b> • US\$54.5m • US\$26.8m
<b>Aggregate member firm/foundation costs for managing community investment programs</b>	<b>US\$9.1m</b>	<b>US\$6.6m</b>	<b>US\$6.9m</b>
<b>Aggregate value of volunteer and pro bono work by member firm people</b> • Pro bono work • Skills-based volunteering • Traditional volunteering	<b>US\$72.1m</b> • US\$33.7m • US\$20.9m • US\$17.5m	<b>US\$63.2m</b> • US\$31.1m • US\$18.4m • US\$13.7m	<b>US\$50.7m</b> • US\$24.1m • US\$10.7m • US\$15.9m
<b>Aggregate hours of volunteer and pro bono work by member firm people</b> • Pro bono work • Skills-based volunteering • Traditional volunteering	<b>709,000</b> • 193,000 • 275,000 • 241,000	<b>588,000</b> • 154,000 • 247,000 • 187,000	<b>463,000</b> • 115,000 • 136,000 • 212,000
<b>Value of pro bono and skills-based volunteering as percentage of value of all volunteering and pro bono work</b>	<b>76%</b>	<b>78%</b>	<b>69%</b>

Numbers may not tally to totals because of rounding.

## Performance data

Measurement	FY2011	FY2010	FY2009
<b>Environmental sustainability</b>			
Number of reporting entities. FY2011 and FY2010 emissions shown include extrapolation to cover DTTL and all its member firms.	21 member firms + DTTL (76% global workforce)	19 member firms (73% global workforce)	15 member firms (70% global workforce)
<b>Greenhouse gas emissions per full-time employee (FTE)</b>	<b>4.8 tCO<sub>2</sub>e/FTE</b>	<b>4.9 tCO<sub>2</sub>e/FTE</b>	<b>n/a</b>
<b>Aggregate greenhouse gas emissions</b>	<b>851,973 Mt CO<sub>2</sub>e</b>	<b>790,028 Mt CO<sub>2</sub>e</b>	<b>n/a</b>
<ul style="list-style-type: none"> <li>Buildings: electricity</li> <li>Buildings: other sources</li> <li>Business travel: air travel</li> <li>Business travel: other sources</li> <li>Resources</li> <li>GHG offset credits</li> </ul>	<ul style="list-style-type: none"> <li>201,739 Mt CO<sub>2</sub>e</li> <li>35,916 Mt CO<sub>2</sub>e</li> <li>360,339 Mt CO<sub>2</sub>e</li> <li>242,293 Mt CO<sub>2</sub>e</li> <li>18,738 Mt CO<sub>2</sub>e</li> <li>(7,053) Mt CO<sub>2</sub>e</li> </ul>	<ul style="list-style-type: none"> <li>213,360 Mt CO<sub>2</sub>e</li> <li>36,550 Mt CO<sub>2</sub>e</li> <li>297,966 Mt CO<sub>2</sub>e</li> <li>225,348 Mt CO<sub>2</sub>e</li> <li>16,803 Mt CO<sub>2</sub>e</li> <li>n/a</li> </ul>	<ul style="list-style-type: none"> <li>155,860 Mt CO<sub>2</sub>e</li> <li>n/a</li> <li>197,567 Mt CO<sub>2</sub>e</li> <li>n/a</li> <li>n/a</li> <li>n/a</li> </ul>
<b>Aggregate greenhouse gas emissions by GHG Protocol scope</b>			
<ul style="list-style-type: none"> <li>Scope 1: direct GHG emissions</li> <li>Scope 2: electricity indirect GHG emissions</li> <li>Scope 3: other indirect GHG emissions</li> </ul>	<ul style="list-style-type: none"> <li>80,910 Mt CO<sub>2</sub>e</li> <li>212,060 Mt CO<sub>2</sub>e</li> <li>566,056 Mt CO<sub>2</sub>e</li> </ul>	<ul style="list-style-type: none"> <li>82,618 Mt CO<sub>2</sub>e</li> <li>221,363 Mt CO<sub>2</sub>e</li> <li>486,047 Mt CO<sub>2</sub>e</li> </ul>	<ul style="list-style-type: none"> <li>n/a</li> <li>n/a</li> <li>n/a</li> </ul>
<b>Aggregate usage of purchased electricity in Deloitte facilities</b>	<b>423,397 MWh</b>	<b>438,156 MWh</b>	<b>308,252 MWh</b>

Numbers may not tally to totals because of rounding.

## Technical approach

# Scope and methods for performance measurements

**Performance measures for community investment and environment are based on widely recognized guidelines. For reporting on community investment, DTTL and its member firms observed standards from the Committee Encouraging Corporate Philanthropy and the London Benchmarking Group. The monetary value of community activities by member firm people was estimated according to the type of service performed.**

The value of volunteer work is based on local member firms' staff costs. Pro bono work, defined as work that the member firms might otherwise sell but that was performed for free or at a discount below firm cost, has been valued at local member firms' market rates for client service, less whatever fees organizations may have paid.

Community investment data was submitted for 18 member firms and DTTL, which represent 73 percent of aggregate member firm people.

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. DTTL and the member firms have applied recent, authoritative, and locally specific GHG emissions factors available and as appropriate for the countries in the report's scope. In October 2011, the World Resources Institute and the World Business Council for Sustainable Development issued a new standard, the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Deloitte will consider the methodologies set forth in the Scope 3 standard for future reporting. While the reporting for FY2011 includes a significant number of Scope 3 sources, it does not consider full upstream and downstream emissions across all sources.

The environmental performance data in this report was collected from 21 member firms as well as DTTL, an organizational scope representing 76

percent of aggregate Deloitte people and 88 percent of aggregate member firm revenues. Extrapolations were used to account for the operations of the remainder of the organization.

Other qualitative and quantitative information in this report pertains to the entire Deloitte organization except where otherwise noted. Performance data was obtained from financial reporting systems, other internal records, and outside sources such as travel agencies, utilities, and property managers. DTTL performed a quality review on the member firm submissions by identifying, and adjusting as appropriate, inconsistencies or significant outliers. DTTL did not have the data independently verified.

In addition to adhering to the UN Global Compact and Global Reporting Initiative frameworks for reporting, this report was prepared according to the principles of inclusivity, materiality, and responsiveness from the AA1000 AccountAbility Principles Standard (AA1000APS).

## Standards applied

# Global Reporting Initiative content index

DTTL has prepared this report according to the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines (version G3). GRI has released version G3.1 of these guidelines, and DTTL is evaluating its reporting for alignment with GRI's updated guidelines in the future. GRI has checked our application of the G3 guidelines and confirmed that the report meets the requirements for Application Level B. The Application Level Check Statement from GRI can be accessed at <http://www.deloitte.com/2011crreport>.

This index provides references to the parts of the report where readers can find information relating to Performance Indicators that DTTL has reported.

GRI performance indicator	Inclusion	Location or disclosure
<b>Strategy and analysis</b>		
1.1	Statement from the most senior decision-maker	Yes A letter from Barry Salzberg, DTTL CEO, page 5
1.2	Description of key impacts, risks, and opportunities	Yes This report in brief, page 2; Leadership and governance, page 21; Diversity, page 28; Environmental sustainability, pages 30–31; Engaging and responding to stakeholders, page 33; Materiality analysis and matrix, page 34; Stakeholder engagement summary, pages 35–38
<b>Organizational profile</b>		
2.1	Name of the organization	Yes About this report, page 1
2.2	Primary brands, products, and/or services	Yes This report in brief, page 2; Vision and values, page 6; Organization structure, page 20
2.3	Operational structure of the organization	Yes Organization structure, page 20
2.4	Location of organization's headquarters	Yes Global presence, page 56
2.5	Number/names of countries where the organization operates	Yes Global presence, page 56
2.6	Nature of ownership and legal form	Yes Organization structure, page 20; Back cover, page 57
2.7	Markets served	Yes This report in brief, page 2; Vision and values, page 6; Global presence, page 56
2.8	Scale of the reporting organization	Yes Performance data, pages 39–42
2.9	Significant changes during the reporting period	Yes This report in brief, page 2; Performance data, pages 39–42
2.10	Awards received in the reporting period	Yes Deloitte 2011 Annual Review, pages 30-34 (available at <a href="https://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Annual%20review/Deloitte_2011_Annual_Review.pdf">https://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Annual%20review/Deloitte_2011_Annual_Review.pdf</a> )

# Global Reporting Initiative content index

GRI performance indicator		Inclusion	Location or disclosure
<b>Report parameters</b>			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	Yes	About this report, page 1
3.2	Date of most recent previous report (if any)	Yes	Performance data, page 39
3.3	Reporting cycle (annual, biennial, etc.)	Yes	About this report, page 1
3.4	Contact point for questions regarding the report or its contents	Yes	Contacts, page 57
3.5	Process for defining report content	Yes	Engaging and responding to stakeholders, page 33; Materiality analysis and matrix, page 34; Stakeholder engagement summary, pages 35–38
3.6	Boundary of the report	Yes	This report covers the operations of DTTL and its network of member firms.
3.7	Specific limitations on the scope or boundary of the report	Yes	For some reporting areas/indicators, information is not available for every member firm and for DTTL. Where this is the case, the limitation on the boundaries is specified in this table or in the "Performance data" section on pages 39–42. As discussed in the "Organization structure" section on page 20, the DTTL network is made up of member firms that practice under the standards and policies of DTTL. Because member firms are separate, independent, and locally managed, member firms vary in their collection and reporting of sustainability performance information. DTTL will continue to seek to increase its disclosures under the GRI's reporting framework and will work over the next two or three years to prioritize data collection systems and member firm participation. During the past three years, DTTL has worked closely with member firms to increase the number of member firms reporting their sustainability performance and the number of indicators they report.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, etc.	Yes	Scope and methods for performance measurements, page 43
3.9	Data measurement techniques and the bases of calculations	Yes	Scope and methods for performance measurements, page 43
3.10	Explanation of the effect of any restatements of information provided in earlier reports	Yes	No restatements have been made.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Yes	No material changes.
3.12	Table identifying the location of the Standard Disclosures in the report	Yes	Global Reporting Initiative content index, pages 44–52
3.13	Policy and current practice with regard to seeking external assurance for the report	Yes	Scope and methods for performance measurements, page 43

# Global Reporting Initiative content index

GRI performance indicator		Inclusion	Location or disclosure
<b>Governance, commitments, and engagement</b>			
4.1	Governance structure of the organization, including committees under the highest governance body	Yes	Leadership and governance, page 21; Environmental sustainability, page 30
4.2	Indicate whether the chair of the highest governance body is also an executive officer	Yes	No.
4.3	Number of members of the highest governance body that are independent and/or non-executive members	Yes	Zero. All members of the DTTL Board are part of the Deloitte network, but many are not DTTL executives; they are executives of their member firms.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Yes	Leadership and governance, page 21; Stakeholder engagement summary, pages 35–38
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organization's performance	Yes	The compensation of the DTTL CEO is established by the DTTL Governance Committee of the DTTL Board of Directors and approved by the DTTL Board. The compensation of the DTTL Executive is determined by the DTTL CEO and approved by the DTTL Governance Committee. Members of the DTTL Board do not receive fees by virtue of serving on the Board. Please note that DTTL is not a client-facing entity and therefore the "organization's performance" may be difficult to measure by objective standards.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Yes	The DTTL Board of Directors has adopted policies and guidance for DTTL and its member firms (as applicable) to identify and resolve potential conflicts of interest arising from the proposed acceptance of client engagements, proposed business or financial relationships with third parties, conflicts affecting more than one member firm, and conflicts relating to independence. See also Independence, page 24.
4.7	Process for determining the qualifications and expertise of the members of the highest governance body on economic, environmental, and social topics	Yes	DTTL strongly encourages its member firms to comply with best corporate practices to identify its national leaders, a subset of which make up the DTTL Board of Directors. See also Environmental sustainability, page 30.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Yes	The DTTL Corporate Responsibility Policy became effective 31 March 2010 and applies to all member firms. The defining principles contained in the policy include respect for human dignity, inclusion and cultural diversity, promotion of the highest levels of ethical behavior, advancement of education and culture, and advocating for sustainable use of natural resources and respect for the environment. The principles are aligned broadly with the UN Global Compact Principles. See also Vision and values, page 6.
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	Yes	Environmental sustainability, page 30. The DTTL Corporate Responsibility Council met twice during FY2011.

# Global Reporting Initiative content index

GRI performance indicator		Inclusion	Location or disclosure
<b>Governance, commitments, and engagement</b>			
<b>4.10</b>	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Yes	During FY2011, the CEO and Chairman Evaluation & Compensation Committee of the DTTL Board reviewed and approved the DTTL Chairman's personal objectives and conducted a yearly evaluation of his performance. An assessment of the effectiveness of the DTTL Board was led by the DTTL Chairman. The DTTL Vice Chairman took responsibility for obtaining input from all Board members who represented their member firm's views as well as those of smaller DTTL member firms. A specific evaluation of the DTTL Board of Directors or the DTTL Chairman with regard to corporate responsibility issues was not completed during FY2011.
<b>4.11</b>	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Yes	The DTTL Corporate Responsibility Policy includes advocating for sustainable use of natural resources, respect for the environment, and demonstration of environmentally sustainable operations.
<b>4.12</b>	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Yes	See <a href="http://www.deloitte.com/view/en_GX/global/about/global-initiatives/index.htm">http://www.deloitte.com/view/en_GX/global/about/global-initiatives/index.htm</a> .
<b>4.13</b>	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	Yes	Stakeholder engagement summary, pages 36–37
<b>4.14</b>	List of stakeholder groups engaged by the organization	Yes	Stakeholder engagement summary, pages 35–38
<b>4.15</b>	Basis for identification and selection of stakeholders with whom to engage	Yes	Engaging and responding to stakeholders, page 33
<b>4.16</b>	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Yes	Stakeholder engagement summary, pages 35–38
<b>4.17</b>	Key topics and concerns raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Yes	Stakeholder engagement summary, pages 35–38

# Global Reporting Initiative content index

GRI performance indicator			Inclusion	Location or disclosure
<b>Economic</b>				
<b>Disclosure on Management Approach</b>			Yes	A letter from Barry Salzberg, DTTL CEO, page 5; Outlook on corporate responsibility, page 7; Regulatory and public policy engagement: Proactively contributing to instill confidence in the capital markets, page 14; Performance data, pages 39–42; Scope and methods for performance measurements, page 43
<b>EC1</b>	Core	Direct economic value generated and distributed	Partial	Performance data: Member firm revenue, Community investment, pages 39 and 41. Components not reported on are considered business confidential.
<b>EC2</b>	Core	Financial implications and other risks and opportunities for the organization's activities due to climate change	Partial	Risks and opportunities posed to Deloitte by climate change that have potential financial implications include physical risks to facilities in which Deloitte operates due to weather events, regulatory risk, and reputational risk. Through Deloitte member firms' Sustainability & Climate Change practices (as described on page 15), member firms also have opportunities related to serving their clients as they respond to climate change risks and opportunities. DTTL and its member firms have quantitatively estimated the financial implications of some of the opportunities but consider this information confidential. DTTL and its member firms have not quantitatively assessed the financial implications of the risks. For a detailed explanation of risks and opportunities, please refer to questions 5 and 6 in the DTTL Carbon Disclosure Project response available at <a href="https://www.cdproject.net/Sites/2011/28/4528/Investor%20CDP%202011/Pages/DisclosureView.aspx">https://www.cdproject.net/Sites/2011/28/4528/Investor%20CDP%202011/Pages/DisclosureView.aspx</a> .
<b>EC7</b>	Core	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Yes	Each member firm of DTTL has its own ownership structure and draws senior management (defined as partners, principals, and directors) from its internal organization, which typically is predominantly individuals from that local community (defined as country). In addition, Deloitte encourages the assignment of individuals to temporary assignments outside their local community to enhance global operational understanding, employee development, and sharing of leading practices. During FY2011, 4,429 individuals were on international assignments.
<b>EC8</b>	Core	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Yes	Performance data, page 39; Education and skills: Inspiring young minds to achieve great futures, page 17. For the Deloitte21 Challenge, individual member firms were asked to evaluate local community needs for underserved young people and development of skills to prepare them for success in the workforce. As a result of this assessment, more than 20 member firms have been providing support for specific programs.
<b>EC9</b>	Additional	Understanding and describing significant indirect economic impacts including the extent of impacts	Yes	Outlook on corporate responsibility, page 7; Education and skills: Inspiring young minds to achieve great futures, pages 16–17

# Global Reporting Initiative content index

GRI performance indicator			Inclusion	Location or disclosure
<b>Environmental</b>				
<b>Disclosure on Management Approach</b>			Yes	Environmental sustainability, page 30; Scope and methods for performance measurements, page 43
<b>EN1</b>	Core	Materials used by weight or volume	Yes	6,590 metric tonnes of paper
<b>EN2</b>	Core	Percentage of materials used that are recycled input materials	Yes	7 percent of recycled input materials used based on estimate of recycled content in paper
<b>EN3</b>	Core	Direct energy consumption by primary energy source	Yes	233 TJ of natural gas 304 TJ of gasoline 276 TJ of diesel fuel
<b>EN4</b>	Core	Indirect energy consumption by primary source	Partial	1,524 TJ of electricity 110 TJ of district heating 41 TJ of district cooling
<b>EN16</b>	Core	Total direct and indirect greenhouse gas emissions by weight	Yes	Environmental sustainability, page 31; Performance data, page 42
<b>EN17</b>	Core	Other relevant indirect greenhouse gas emissions by weight	Yes	<p>Environmental sustainability, page 31; Performance data, page 42</p> <p>Sources of other indirect greenhouse gas emissions included the following:</p> <ul style="list-style-type: none"> <li>• Air travel</li> <li>• Lodging</li> <li>• Ground transportation (rental car, employee reimbursed car travel, train, bus, subway, limousines, employee commuting for U.S.-India only)</li> <li>• Paper</li> </ul> <p>Emissions associated with paper are based on a lifecycle analysis. All other emission sources consider use period and do not currently include associated upstream and downstream emissions.</p>
<b>EN18</b>	Additional	Initiatives to reduce greenhouse gas emissions and reductions achieved	Yes	<p>Several member firms have goals and programs to reduce greenhouse gas emissions. Details of these programs can be found in question 3.3a of the DTTL Carbon Disclosure Project response found at <a href="https://www.cdproject.net/Sites/2011/28/4528/Investor%20CDP%202011/Pages/DisclosureView.aspx">https://www.cdproject.net/Sites/2011/28/4528/Investor%20CDP%202011/Pages/DisclosureView.aspx</a>. Australia, France, Netherlands, UK, and U.S. member firms are implementing energy-efficient design standards (e.g., LEED, BREAM). Emissions from building electricity usage decreased 5 percent from FY2010 to FY2011.</p>

# Global Reporting Initiative content index

GRI performance indicator			Inclusion	Location or disclosure
<b>Environmental</b>				
<b>EN20</b>	Core	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight	Yes	Deloitte does not have significant NO <sub>x</sub> , SO <sub>x</sub> , or other emissions given the nature of the network's operations.
<b>EN28</b>	Core	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Yes	DTTL incurred no such fines or sanctions during its 2011 fiscal year.
<b>EN29</b>	Additional	Significant environmental impacts of transporting products, other goods and materials used for the organization's operations, and members of the workforce	Yes	Environmental sustainability, page 31; Performance data, page 42
<b>Labor practices and decent work</b>				
<b>Disclosure on Management Approach</b>			Yes	This report in brief, page 2; Vision and values, page 6; Talent engagement and growth, page 26
<b>LA1</b>	Core	Total workforce by employment type	Partial	Performance data: Member firm people, page 40. The majority of employment within Deloitte is full-time and indefinite; breakdown of employment type and type of contract is not available at a DTTL level.
<b>LA2</b>	Core	Total number and rate of employee turnover by age group, gender, and region.	Partial	Performance data: Member firm people, page 40; turnover by age group is not currently collected by DTTL.
<b>LA4</b>	Core	Percentage of employees covered by collective bargaining agreements	Yes	DTTL has no employees covered by collective bargaining agreements.
<b>LA8</b>	Core	Education, training, counseling, prevention, and risk control programs in place to assist workforce members, their families, or community members with serious diseases	Partial	Some member firms have health and wellness programs in place to educate, train, and assist employees and, frequently, their families. Program focus varies but includes health issues most likely to impact service workers such as ergonomic workstation setup, stress management, and travel security and safety. Physical security, page 29
<b>LA10</b>	Core	Average hours of training per year per employee by employee category	Partial	Talent engagement and growth, page 26. This information is not available at the DTTL level broken down by employee category.
<b>LA11</b>	Additional	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Yes	Talent engagement and growth, page 26. Many member firms offer a variety of flexible work arrangements including sabbaticals; for example, Deloitte U.S. has a formalized sabbatical program for up to six months. Transition assistance is done in accordance with applicable laws. Pre-retirement planning is also offered by many member firms; for example, U.S.-based personnel can use a secure online tool to plan financial goals for retirement.

# Global Reporting Initiative content index

GRI performance indicator			Inclusion	Location or disclosure
<b>Labor practices and decent work</b>				
<b>LA12</b>	Additional	Percentage of employees receiving regular performance and career development reviews	Yes	Given the nature of our business, regular performance and career development reviews are core to Deloitte's ongoing success. Within DTTL all permanent employees are covered by such a requirement, and all would typically have received reviews except for those on leave, terminated, or with minimal service hours during the fiscal year.
<b>LA13</b>	Core	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Partial	Leadership and governance, page 21; Diversity, page 28; Performance data: Member firm people, page 40. Given the global nature of Deloitte operations, it is not possible to define "minority groups" on a worldwide scale.
<b>Human rights</b>				
<b>Disclosure on Management Approach</b>			Yes	This report in brief, page 2; Vision and values, page 6; Diversity, page 28; Physical security, page 29
<b>HR5</b>	Core	Operations identified where the right to exercise freedom of association and collective bargaining may be at significant risk, and actions to support these rights	Yes	DTTL has no such operations.
<b>HR6</b>	Core	Operations identified as having significant risk for incidents of child labor and measures to contribute to eliminate child labor	Yes	DTTL has no such operations.
<b>HR7</b>	Core	Operations identified as having significant risk for incidents of forced or compulsory labor and measures to contribute to the elimination of forced or compulsory labor	Yes	DTTL has no such operations.
<b>HR9</b>	Additional	Total number of incidents of violations involving rights of indigenous people and actions taken	Yes	DTTL had no such incidents during its 2011 fiscal year.

# Global Reporting Initiative content index

GRI performance indicator			Inclusion	Location or disclosure
<b>Society</b>				
<b>Disclosure on Management Approach</b>			Yes	This report in brief, page 2; Vision and values, page 6; Regulatory and public policy engagement: Proactively contributing to instill confidence in the capital markets, page 14; Ethics, page 22; Quality and risk management, page 23; Independence, page 24
<b>SO5</b>	Core	Public policy positions and participation in public policy development and lobbying	Yes	Regulatory and public policy engagement: Proactively contributing to instill confidence in the capital markets, page 14
<b>SO7</b>	Additional	Total number of legal actions for anti-competitive behavior, antitrust, and monopoly practices and their outcomes	Yes	DTTL faced no such actions during its 2011 fiscal year.
<b>SO8</b>	Core	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Yes	DTTL incurred no such fines or sanctions during its 2011 fiscal year.
<b>Product responsibility</b>				
<b>Disclosure on Management Approach</b>				This report in brief, page 2; Vision and values, page 6; Quality and risk management, page 23; Independence, page 24; Data privacy and security, page 25
<b>PR2</b>	Additional	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their lifecycles, by type of outcomes	Yes	DTTL had no such incidents during its 2011 fiscal year.
<b>PR4</b>	Additional	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Yes	DTTL had no such incidents during its 2011 fiscal year.
<b>PR8</b>	Additional	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Yes	DTTL received no such complaints during its 2011 fiscal year.
<b>PR9</b>	Core	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Yes	DTTL incurred no such fines during its 2011 fiscal year.

# United Nations Global Compact content index

This report serves as DTTL’s Communication on Progress to the United Nations Global Compact for 2010-2011. The table below contains information or references to material in the report that addresses the Global Compact principles.

UN Global Compact principle	Disclosure	GRI indicator
<b>Human rights</b>		
<p><b>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</b></p>	<p>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.</p>	<p>LA4, LA8, LA13, HR5, HR6, HR7, HR9, SO5, PR2, PR8</p>
<p><b>Principle 2: make sure that they are not complicit in human rights abuses.</b></p>	<p>In Deloitte’s workplaces, human rights typically 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 organization’s culture worldwide. In FY2011, DTTL adopted a comprehensive global privacy policy. Recruiting and retention activities reflect a desire to hire professionals who share Deloitte’s values and commitment to responsible business. Deloitte protects human rights in the community through contributions to poverty alleviation and increasing levels of education. Deloitte people also contribute to the public debate on issues related to human rights. See also the “Diversity” section of this report for a description of Deloitte’s approach to diversity and inclusion, and the “Performance data” section for measures of Deloitte’s workforce diversity.</p>	<p>HR5, HR6, HR7, HR9, SO5</p>

# United Nations Global Compact content index

UN Global Compact principle	Disclosure	GRI indicator
<b>Labor standards</b>		
<p><b>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</b></p>	<p>Deloitte’s Shared Values and Ethical Principles prescribe that all interaction between Deloitte and Deloitte people, as well as interaction among Deloitte people, must be characterized by integrity, trust, and mutual respect. Deloitte’s Shared Values and Ethical Principles also include non-discrimination and inclusion as integral parts of the way the network functions. While DTTL and its member firms are united by this vision of inclusion, DTTL respectfully recognizes that implementation of related programs will be shaped by member firms and their local and national cultures. Where appropriate, Deloitte also addresses non-discrimination and inclusion in the community. Member firm learning development programs help people develop the skills necessary to work cross-culturally. Further details on the DTTL Global Ethics Program are in the “Ethics” section of this report.</p>	<p>LA4, HR5, SO5</p>
<p><b>Principle 4: the elimination of all forms of forced and compulsory labour;</b></p>		<p>HR7, SO5</p>
<p><b>Principle 5: the effective abolition of child labour; and</b></p>		<p>HR6, SO5</p>
<p><b>Principle 6: the elimination of discrimination in respect of employment and occupation.</b></p>		<p>EC7, LA2, LA13, SO5</p>

# United Nations Global Compact content index

UN Global Compact principle	Disclosure	GRI indicator
<b>Environment</b>		
<p><b>Principle 7: Businesses should support a precautionary approach to environmental challenges;</b></p>	<p>Please see the “Environmental sustainability” section of this report for information on Deloitte’s initiatives to manage its environmental performance and the “Water stewardship” section for information on how Deloitte member firms are helping their clients adopt sustainable business practices. See also DTTL’s submission to the Carbon Disclosure Project at <a href="https://www.cdproject.net/Sites/2011/28/4528/Investor%20CDP%202011/Pages/DisclosureView.aspx">https://www.cdproject.net/Sites/2011/28/4528/Investor%20CDP%202011/Pages/DisclosureView.aspx</a>.</p>	<p>EC2, EN18, SO5</p>
<p><b>Principle 8: undertake initiatives to promote greater environmental responsibility; and</b></p>		<p>EN1, EN2, EN3, EN4, EN16, EN17, EN18, EN20, EN28, EN29, SO5, PR4</p>
<p><b>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</b></p>		<p>EN2, EN18, SO5</p>
<b>Anti-corruption</b>		
<p><b>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</b></p>	<p>In February 2011, DTTL 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. During FY2011, then DTTL Chairman John Connolly served on the board of the World Economic Forum’s Partnering Against Corruption Initiative. DTTL Ethics professionals sit on the Global Compact’s working group on anti-corruption, and Deloitte has recently taken a lead role in a new sub-group that is developing a corruption risk assessment tool for business. Please see the “Ethics” section of this report for additional information on Deloitte’s commitment to combating corruption.</p>	<p>SO5</p>

## Global presence

The registered address of DTTL is: Hill House, 1 Little New Street, London, EC4A 3TR, United Kingdom.

As of the fiscal year ended 31 May 2011, Deloitte member firms operated in more than 150 countries in three principal regions: Americas, Asia Pacific, and EMEA (Europe, Middle East, and Africa).

Albania	Cyprus	Kenya	Peru
Algeria	Czech Republic	Korea	Philippines
Andorra	Denmark	Kuwait	Poland
Angola	Dominican Republic	Kyrgyzstan	Portugal
Argentina	East Timor	Latvia	Qatar
American Samoa	Ecuador	Lebanon	Romania
Armenia	Egypt	Lesotho	Russian Federation
Aruba	El Salvador	Lithuania	San Marino
Australia	Equatorial Guinea	Luxembourg	São Tomé and Principe
Austria	Estonia	Macao	Saudi Arabia
Azerbaijan	Finland	Macedonia	Senegal
Bahamas	France	Malawi	Serbia
Bahrain	Gabon	Malaysia	Singapore
Barbados	Georgia	Malta	Slovakia
Belgium	Germany	Marshall Islands	Slovenia
Belorussia	Ghana	Mauritania	South Africa
Benin	Gibraltar	Mauritius	Spain
Bermuda	Greece	Mexico	Sweden
Bolivia	Greenland	Micronesia, Federated States of	Switzerland
Bosnia and Herzegovina	Guam	Moldova	Syria
Botswana	Guatemala	Montenegro, Republic of	Taiwan
Brazil	Honduras	Morocco	Tajikistan
British Virgin Islands	Hong Kong	Mozambique	Tanzania
Brunei Darussalam	Hungary	Namibia	Thailand
Bulgaria	Iceland	Netherlands	Trinidad and Tobago
Cameroon	India	New Zealand	Tunisia
Canada	Indonesia	Nicaragua	Turkey
Cape Verde	Iraq	Nigeria	Turkmenistan
Cayman Islands	Ireland	Northern Ireland	Turks and Caicos
Channel Islands	Isle of Man	Northern Mariana Islands	Uganda
Chile	Israel	Norway	Ukraine
China, People's Republic of	Italy	Oman	United Arab Emirates
Colombia	Ivory Coast	Pakistan	United Kingdom
Congo Brazzaville	Jamaica	Palau	United States
Costa Rica	Japan	Panama	Uruguay
Croatia	Jordan	Papua New Guinea	Uzbekistan
Curacao	Kazakhstan	Paraguay	

# Contacts

## **Deloitte 2011 Corporate Responsibility Report**

<http://www.deloitte.com/2011crreport>

## **Corporate Responsibility at DTTL**

<http://www.deloitte.com/corporateresponsibility>

## **Contact for questions or feedback about this report**

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