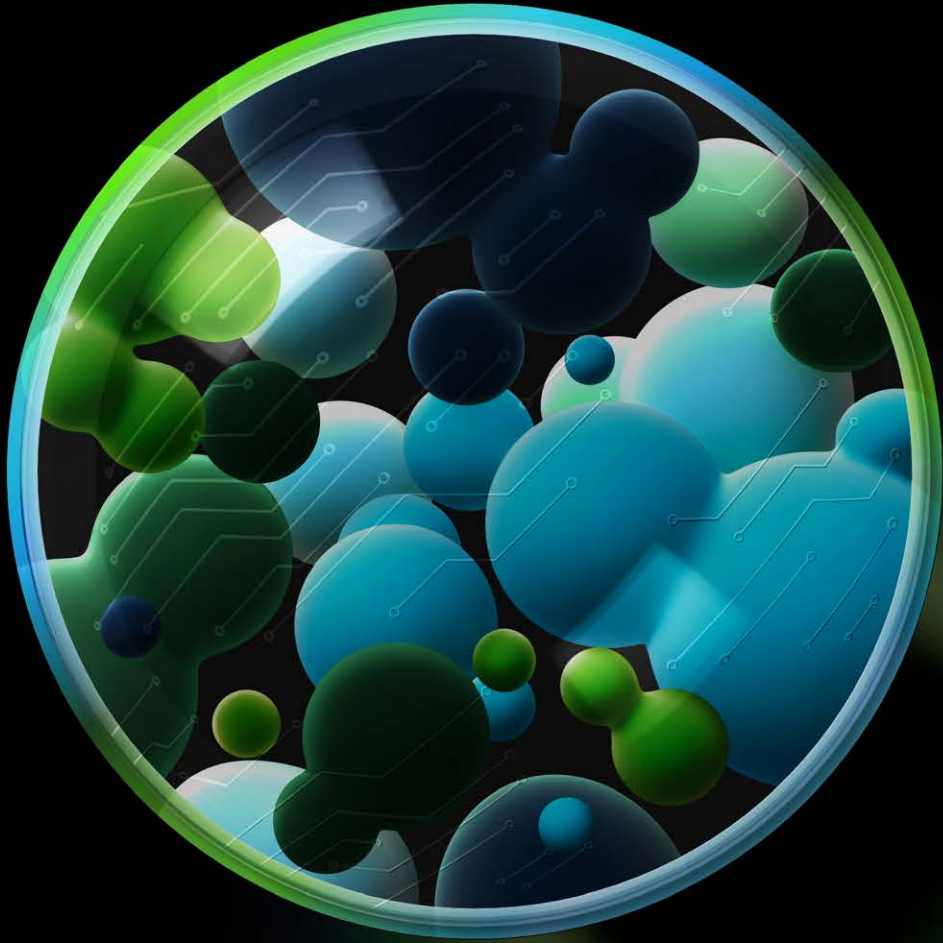


# Deloitte.



## Committed to Creating Trust

2024 Transparency Report

30.09.2024 | Deloitte Oy



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DELOITTE OY — THE LEADERSHIP MESSAGE

# As business grows more complex, transparency becomes the bedrock of trust



**LARI HINTSANEN**  
CEO and Partner, Deloitte Oy

As the global leader in the professional services market, trust and transparency are integral in everything we do. We take the role that we play in serving the public interest extremely seriously while also shaping the future of the audit profession. This report is to demonstrate the importance we place on this role and how we continue to invest in our business to ensure that we perform to the highest standards.

In a world that is more interconnected than ever, in recent years we have witnessed the profound effects of supply chain disruptions, geopolitical shifts and the imperative for digital and green transformation. At Deloitte, we recognise the pressing need for transformation across societies, for our clients and within our organisation. It is our responsibility to lead the way and actively participate in shaping a better future.

Our fundamental purpose is to fortify trust and transparency within the capital markets. This purpose underpins our culture of prioritising quality, wherein each professional conducts themselves with integrity, upholds the highest ethical standards, maintains objectivity and professional scepticism, and remains accountable for their actions. Amid constant change, the audit profession must demonstrate resilience and agility. Through independent rigour and quality,

the audit profession should bolster trust and contribute value to the capital market and broader society. To achieve this aim, our continuous evolution is imperative. Priorities include the advancement of our audit and assurance offerings, training, methodologies and technology, ensuring that we maintain our high-quality standards in the face of a shifting risk landscape and evolving stakeholder requirements.

Our deliberate focus on our audit clients, coupled with strategic investments in technology and sustainability-driven transformation, has yielded positive outcomes. Furthermore, our unwavering commitment to being a quality leader in audits and enhancing capabilities to serve both listed and private companies has strengthened our position in the market. With this, we are also increasing our focus on selected clusters within the higher end of the private sector.



Our strategic investments in data analytics, technology and global teams aim to support clients effectively while recognising the enduring value of human expertise, alongside advancing the use of technology and artificial intelligence (AI) in auditing processes. We are committed to ensuring transparency in the use of AI models and algorithms through thorough auditing. Deloitte plays a pivotal role in fostering trust in the market amidst emerging technologies. Additionally, our focus remains on developing and future-proofing our team's capabilities, coaching leadership, promoting diversity and supporting clients in the green transition and evolving regulatory landscape through substantial investments in skills and technologies.

Throughout the year, sustainability was at the forefront of the minds of our clients and our organisation. We have dedicated teams to respond to the growing need for

sustainability. Regulation is driving the need to scale-up in the environmental, social and governance (ESG) domain in order to provide assurance services for sustainability reporting.

The way in which we and our clients are now all stepping up our ESG efforts serves as a prime example of how we are making an impact by broadening the skill set of our professionals and increasing the attractiveness of the audit profession, while adding value to our clients and society in regard to these highly pressing themes.

We have always been at our best during paradigm shifts; it is our job to lead the way. Audit quality is and has been at the centre of our firm because we can only make an impact that matters with audit quality. We are committed to continuing to learn and to taking all of the lessons we have learned

from these fast-paced disruptive times and making things better.

We are dedicated to fostering strong connections with our stakeholders, driving transformative change and leading the way towards a sustainable and successful future that will benefit our talent, Finnish society and business. With this transparency report we provide details on our organisation, ethics and our efforts to ensure the consistent high quality of our audit and advisory services.

Let us stay connected – we will reach our full potential together.

**LARI HINTSANEN**





# The Deloitte network

## Deloitte Oy: Legal structure and ownership

Deloitte Oy is a limited liability company, incorporated under the laws of Finland, and it is wholly owned by its members (which comprise the Finnish equity partners, Deloitte North and South Europe [NSE] LLP, and Deloitte NSE No2 CLG). The Finnish parent company, Deloitte Oy, provides audit and assurance, financial advisory, risk advisory, and tax and legal services to its clients. The company's wholly owned subsidiary, Deloitte Consulting Oy, provides management consulting services. In addition, Deloitte Corporate Finance Oy and Deloitte ICM Oy are also wholly owned subsidiaries of Deloitte Oy.

Deloitte Oy is a Finnish affiliate of Deloitte NSE LLP, a UK private company, limited by guarantee, and a member firm of the Deloitte network. As of 15 December 2020, Deloitte NSE No2 CLG, a legal entity under Irish law, became the majority shareholder of Deloitte Oy. Deloitte NSE No2 CLG is a subsidiary of Deloitte NSE LLP. Deloitte Oy is referred to throughout this report as 'Deloitte', and in this report 'Deloitte NSE' will be used to refer to both Deloitte NSE LLP and Deloitte NSE No2 CLG.

Deloitte NSE holds the practice rights to provide professional services using the 'Deloitte' name, which it extends to Deloitte entities within its territory (comprised of Bahrain, Belgium, Cyprus, Denmark, Egypt, Finland,

Greece, Iceland, Iraq, Ireland, Italy, Jordan, Kuwait, Lebanon, Libya, Malta, the Netherlands, Norway, Oman, the Palestinian Ruled Territories, Qatar, the Republic of the Sudan, Saudi Arabia, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and Yemen). Deloitte is authorised to serve as an auditor for clients in Finland.

## The Deloitte network

The Deloitte network (also known as 'the Deloitte organisation') is a globally connected network of member firms and their respective related entities, operating in more than 150 countries and territories across the world. These separate and independent member firms operate under the common brand.

## Deloitte Touche Tohmatsu Limited

Deloitte Touche Tohmatsu Limited (DTTL or 'Deloitte Global') is a UK private company, limited by guarantee, incorporated in England and Wales. DTTL serves a coordinating role for its member firms and their related entities by requiring adherence to policies and protocols with the objective of promoting a consistently high level of quality, professional conduct and service across the Deloitte network. DTTL does not provide professional services to clients or direct, manage, control or own any interest in any member firm or any member firm's related entities. For more information about the Deloitte network, follow this link: [About Deloitte](#)





DELOITTE

# Governance – leadership in action

## Objective

The leadership structure in Deloitte is established to comply with the requirements of the Finnish Companies Act and to support an active and involving partnership. Deloitte operates as a limited liability company in which each shareholder (with the exception of Deloitte NSE and Deloitte NSE No2 CLG) works as a partner. Deloitte is established under Finnish law.

The governance of Deloitte is executed through the following organs.

## The Annual General Meeting

The shareholders exercise their decision-making power at the Annual General Meeting, which appoints the Board of Directors, appoints the auditors of the company and manages other definite matters governed by the Limited Liability Companies Act and Articles of Association. The decisions of the organ comply with the provisions of the Limited Liability Companies Act and the Articles of Association.

## The Board of Directors

The Board of Directors sees to the administration of the company and the appropriate

organisation of its operations in accordance with the provisions of the Limited Liability Companies Act.

The Board of Directors consists of three members, all of whom are authorised public accountants: Jukka Vattulainen (Chairman), Reeta Virolainen and Marika Nevalainen.

## The CEO and Leadership Team

The CEO, Lari Hintsanen, sees to the executive management of the company in accordance with the instructions and orders given by the Board of Directors. The Leadership Team assists the CEO in preparing the decisions and decision-making. The Leadership Team leads and manages matters related to operational functions; financial, customer and human resources; and risk management.

## The Partnership Council

The Partnership Council consists of representatives of the partners who are elected by the nomination committee. The nomination committee is established separately among the partners. The Partnership Council is responsible for evaluating the performance of the CEO and the members of

the Leadership Team in the tasks assigned for them and in regard to whether they have achieved their objectives. The Partnership Council supervises and evaluates the CEO's performance and, together with the CEO, makes a proposal for rewarding the partners. The Partnership Council consists of five to six members.

## Risk management's organisation

The ultimate responsibility for Deloitte's risk management lies with the Board of Directors. The development of risk management and operational risk management are managed by the CEO and the Quality, Risk and Security Leader. The Quality, Risk and Security Leader works closely with international risk management organisations established on Nordic, NSE and global levels. In addition, the Quality, Risk and Security Leader is supported by a group of professionals specialising in risk management and other persons responsible for service areas' risk and quality supervision. The Quality, Risk and Security Leader reports actions to the Board of Directors and to the Partnership Council.

## Our purpose and commitment: Instilling trust and confidence



**At Deloitte** our purpose is to make an impact that goes beyond the expected impact. For Audit & Assurance, this means constantly evolving Audit & Assurance processes, leveraging leading-edge technology and applying a diversity of skill sets, knowledge and experience in order to deliver high-quality services. We take great pride in instilling confidence and trust in the capital markets and are committed to relentlessly raising the standards of quality, always acting with integrity, independence and transparency. We are continuously building our capabilities in order to support the delivery of high-quality audits and other assurance engagements and to make leading contributions towards shaping the future of the audit profession.

# Deloitte Audit & Assurance: Our commitment to serving the public interest

## A focus on audit quality

Deloitte's commitment to audit quality permeates everything we do. The independent audit is a central element of the corporate reporting ecosystem that is in place to enhance the confidence and trust of investors and other stakeholders, as well as to promote the effective functioning of capital markets. Deloitte is keenly aware of our obligation to deliver audit services that meet the challenges and complexities of the current environment while complying with professional and regulatory standards. For the corporate reporting ecosystem to function as intended, it is vital that the auditor's role be executed effectively. Deloitte is committed to doing more than simply meeting regulatory requirements and conforming to expectations. Deloitte is going beyond the expected and setting the standard of excellence for the profession. In keeping with that objective, our commitment to audit quality is unequivocal.

## Deloitte Audit & Assurance leadership

The Deloitte Global Audit & Assurance Executive is led by Jean-Marc Mickeler, the Deloitte Global Audit & Assurance Business

Leader, whose responsibilities include defining and driving the Deloitte Global Audit & Assurance strategy, with a particular focus on the following:

- Driving key audit and assurance initiatives and policies across the Deloitte network in order to accomplish quality outcomes
- Leading transformational initiatives in order to innovate the way in which our Audit & Assurance engagements are executed and to meet the evolving needs of our stakeholders

Marika Nevalainen, the Audit & Assurance Business Leader in Finland, was appointed by the Deloitte CEO after consultation with the Nordic Audit Leader and the Finnish Partnership Council. Marika Nevalainen and other leaders of Audit & Assurance develop and implement the strategy for the Audit & Assurance practice, including the related policies and procedures. In all of their activities, Deloitte leaders of Audit & Assurance are responsible for the overarching objective of audit quality, including compliance with both applicable professional standards and

regulatory requirements. Deloitte's strategy is developed in alignment with the overall strategic direction established for the Deloitte network.

Deloitte's Audit & Assurance leaders participate in Deloitte network groups that set and monitor quality standards and from which a number of audit quality initiatives emanate.

## The company we keep

As part of Deloitte's Audit & Assurance commitment to supporting the capital markets, we are focused on auditing entities when it serves the public interest and where we have the capabilities to perform a quality audit with objectivity and in compliance with applicable professional standards and laws and regulations, including those relating to ethics and independence.

Deloitte has detailed policies and procedures in place for the acceptance of prospective clients, the continuance of existing engagements and the assessment of engagement risk. These policies and procedures are designed with the objective that Deloitte will only accept and continue

with an engagement if it meets the following criteria

- Deloitte is able to perform the engagement and has the capabilities, including time and resources, to do so.
- Deloitte can comply with all the relevant professional standards, laws and regulations, including those relating to ethics, independence and conflicts of interest assessments and considerations.

- Deloitte considers the client's management team to act with integrity and in alignment with Deloitte's shared values.

The company we keep is a critical foundational aspect of our Audit & Assurance strategy, and global shared values guide our behaviour in regard to leading the way, serving with integrity, taking care of each other, fostering inclusion and collaborating for measurable impact. We ask ourselves the following question: With what type of

entities do we, as a global network, want to be associated? In order to answer this question, an Audit & Assurance risk appetite statement has been developed to serve as the foundation for dictating the company we want to keep. The risk appetite statement can be used as a tool to promote robust discussion on risk and as a basis upon which acceptance and continuance decisions can be debated and challenged effectively and credibly. The statement, quoted below, sets the tone for the risk culture and aims to

## Audit & Assurance – the future, today

At Deloitte, meeting expectations is where our Audit & Assurance services begin.

Our people's commitment to integrity, to serving the public interest and to delivering high-quality assurance over the areas that matter most to our stakeholders is at the core of everything we do.

Our unwavering dedication to quality drives our sustained quality leadership position. We remain focused on excellence across people, process and technology. Each of these core components helps us to deliver our vision for a better future, creating an impact that not only meets expectations but goes beyond them.

What does this look like? It looks like a constantly evolving Audit & Assurance practice, leveraging bright minds, effective processes and world-class technologies from across our global organisation while drawing on our years of experience. We deliver high-quality services in an efficient and effective way that upholds integrity, builds confidence and drives value by focusing on what really matters.

The Audit & Assurance transformation is an important shift across the network in the way Deloitte practitioners work and includes the following:







drive global consistency in the engagement acceptance and continuance decision-making process:

Deloitte's Audit & Assurance portfolio risk appetite underpins our purpose-led agenda and reinforces our Principles of Business Conduct, which articulate the standards to which we hold ourselves, wherever in the world we live and work, in order to build and maintain a sustainable business for current and future generations.

Consistent with our commitment to purpose and to acting in the public interest, we recognise that taking on a degree of risk is a natural consequence of doing business. In order to deliver high-quality audit and assurance services, we proactively identify and manage risk through our quality management processes, policies and procedures in order to make informed decisions aligned to our strategy and values.

We aspire to have a portfolio of clients that aligns with our shared values, respects our people, recognises emerging issues and societal responsibilities and is committed to providing transparency to stakeholders in the corporate reporting ecosystem. We endeavor to have a portfolio that does not include clients that lack integrity, engage in illegal activities, disregard the authenticity of financial accounting and reporting, or are unwilling to establish and maintain sufficient internal controls and related processes.

#### **Fewer, stronger member firms**

Within the Deloitte member firm structure, Deloitte Oy is one of the Deloitte NSE member firms. As a locally registered and regulated audit firm in Finland, we have decision-making authority regarding regulatory matters and professional obligations and maintain ultimate responsibility for the execution of audit and assurance services in accordance with professional standards and local laws and regulations. Deloitte is responsible for maintaining and operating an effective system of quality management to support the performance of high-quality audit and assurance engagements. As a member of a combined firm within the Deloitte network, we work in close cooperation with the other geographies in the Deloitte NSE member firm and benefit from additional

oversight of quality, risk management and monitoring activities. This structure fosters a shared investment in innovation and resources, as well as the sharing of leading practices across geographies, driving standardisation and consistency across the Audit & Assurance business and contributing to our collective aspirations to continuously improve quality.

#### **Delivering audit excellence through process, people and technology transformation<sup>1</sup>**

Our operational discipline, effective management of the business and our singular approach to doing audits is known as 'the Deloitte Way'. With the Deloitte Way, Deloitte is bringing standardisation, consistency and efficiency in order to drive efficiency in order to reinforce the quality at the core of how our audits are executed; our audits are executed with automation that improves the routine tasks and analytics that support audit execution, yielding a deeper and more insightful view of the available data. As a result, we are improving the quality of the audits we deliver while also creating a richer talent experience for our people and clients.

Innovation and technology enablement are an expectation in today's fast-changing business environment, and this expectation holds true for the audit profession as well. Today's complex business environment requires that an audit is dynamic, multidimensional and insightful. There is a demand for real-time, relevant information, and we need to evolve our audits as the entities we audit innovate their businesses and processes. Leveraging evolving technology and data, a Deloitte audit delivers deeper insights in order to create more consistent, transparent and valuable Audit & Assurance services for our stakeholders. Deloitte brings bright minds, effective processes and world-class technologies from across its global organisation are brought to the audit process in order to deliver an impact that goes beyond expectations.

Deloitte's auditors consistently continue to enhance the way they work by making more use of data-driven analytics and robotics, as well as by making use of cognitive and cloud-based technologies. This is due, in part, to the increased automation and effectiveness these provide,

<sup>1</sup> For more information about Deloitte audit innovation, please refer to the pages on Deloitte [Global Impact Report](#), [Audit innovation](#) and [Audit & Assurance: the Deloitte way](#) that can be found at Deloitte.com.



## The multidisciplinary model

**Deloitte's multidisciplinary model (MDM)** describes the breadth and depth of services across Deloitte's businesses, connecting many different disciplines in order to provide expertise and a broad perspective. The MDM is a core strength of Deloitte and will remain the foundation of our strategy. Our current strategy and business model have a positive impact on quality.

Specifically, the scope of corporate reporting is expanding and transforming considerably every day with the emerging voluntary and mandatory disclosure requirements for ESG, cyber security, AI, data privacy and more. Deloitte prides itself on having a deep bench of independent specialists who can be deployed around the world on audit and assurance engagements to provide subject matter expertise and new, insightful perspectives.

### Other strengths of the MDM include:

- The MDM provides the possibility to develop industry or thematic insights (e.g. insights on the climate, governance, corporate strategy etc.) through multiple lenses, which enhances auditors' understanding of business risks relevant to conducting audit and assurance services.
- The breadth of the MDM creates richer career paths and mobility for our people making the business attractive to candidates who may not want to limit their career options to only providing audit and assurance services.
- The global scale of the MDM brings greater resilience to each Deloitte business line, including Audit & Assurance, allowing continued investment in technology, methodology and processes that support the delivery of high-quality, cross-border services.

Deloitte leadership recognises that each Deloitte business line is important and critical to the organisation's ability to deliver on its public interest responsibilities. Management's attention and investment allocation are not limited to the business lines with the highest growth rates.

Deloitte acknowledges the possibility and perception of conflicts of interest and therefore has robust conflict and independence policies and systems to help ensure that Deloitte's strategy is executed in alignment with regulatory and professional requirements. In some areas, Deloitte policies are more stringent than professional standards, laws or regulations.

While we are always evaluating ways to improve Deloitte's ability to deliver on our public interest mandate, we remain confident that Deloitte's MDM and our shared purpose and values make us well-positioned to navigate future challenges while continuing to lead with quality.

but it is also due to the need for Deloitte to stay abreast of the technological advances used by the entities that we audit.

Deloitte is committed to the continued investment in the emerging technologies and the diversity of thought that enable the delivery of enhanced quality, insights and value to our clients and the markets. Deloitte's global audit platforms, Deloitte Omnia and Deloitte Lewia, demonstrate our commitment to delivering digital, high-quality audits of all sizes and levels of complexity. Deloitte Omnia is our cloud-based, end-to-end audit-delivery platform for larger and complex audits, while Deloitte Lewia delivers a streamlined, right-sized digital audit experience for low-risk and less complex entities. The ongoing enhancement and global deployment of both platforms are well underway and will continue as we embed further innovation for a differentiated client and auditor experience.

### Deloitte Audit & Assurance's GenAI strategy

Deloitte Audit & Assurance is continuing to invest in AI innovation, and we have already made significant progress in transforming the delivery of our work with our innovative technologies, Deloitte Omnia and Deloitte Lewia. We are focused on the ethical and responsible use of GenAI for both clients and our people:

- Within the entities we audit, we are evaluating the impact of AI implementation on financial reporting and other disclosures, as well as the entity's assessment and response to AI-related risks (including the related internal controls). We expect that companies will begin to adopt and incorporate AI into their business processes, and we will be ready to consider any relevant implications to the financial reporting processes.

- We are assessing how we can use GenAI in our audits and remain focused on harnessing the power of cognitive technologies within our Deloitte Omnia and Deloitte Lewia platforms. We have several solutions in use today that already use AI, not only for efficient and relevant audit procedures but also for modern talent and client experience. Going forward, we believe GenAI will further support our auditors in delivering high-quality audits including supporting further risk-sensing, the identification of potential issues and the automation of certain processes. However, professional scepticism and the skill set that we rely on

as auditors today will continue to be critical to the responsible use and evaluation of AI, specifically GenAI.

- Finally, we are investing heavily in learning and development for Deloitte Audit & Assurance practitioners and professionals, training them on the impact of GenAI, its risks and limitations, and expectations about how to use GenAI effectively in their engagements.

### Sustainability reporting

The foundations of business are changing rapidly. Long-term resiliency and the ability

to create enduring value are directly linked to alignment with the values and expectations of society. Market participants and other stakeholders are calling for greater insight into how organisations are building, protecting and enhancing the enterprise's value over time, and they are specifically demanding enhanced transparency around environmental, social and governance (ESG)<sup>2</sup> impacts and the dependencies of a company's business model and strategy.

Specifically, Deloitte recognises that climate change poses a risk to financial stability and impacts on businesses in many sectors with



<sup>2</sup> For more information about Deloitte's alignment with environmental, social and governance issues, please refer to Deloitte's [Global Impact Report](#).



increased disclosure and reporting expectations from various stakeholders. Deloitte's audit approach is designed to promote consistent and appropriate consideration of climate-related risks and opportunities that enable a deeper understanding of the potential impacts of climate change on financial statements, enabling evaluation and well-documented conclusions. We continue to emphasise this with our people through lessons learned, guidance and other resources.

The evolution from traditional financial reporting to broader corporate reporting is happening at pace, with significant standard-setting activity driving companies to ready themselves for new or enhanced disclosure requirements. The IFRS Sustainability Disclosure Standards published by the International Sustainability Standards Board create a global baseline for sustainability reporting. Other jurisdictions have passed their own corporate reporting requirements, notably the EU's Corporate Sustainability Reporting Directive (CSRD), which mandates reporting in accordance with European Sustainability Reporting Standards (ESRS) and has significant extraterritorial reach, and the US SEC's climate disclosure rule, which requires registrants to disclose climate-related risks. Deloitte is a strong advocate for enhanced sustainability reporting and recognises the important role we play in raising awareness of these new requirements through active stakeholder engagement. Corporate reporting standards and regulatory requirements are intended to drive better connectivity between financial and non-financial reporting and to help the users of corporate disclosures better understand and compare information about entities. To be effective, these standards need to enable corporate reporting that is comparable, based on a global baseline and

supplemented by local considerations where warranted. Given the comprehensive nature of certain sustainability reporting requirements and the pace at which they have been developed, further guidance and interpretation are needed in the marketplace to support both the preparers and users of the information. As these standards are brought into regulation around the world, so too are the associated enforcement, monitoring, governance and controls, assurance and training mechanisms. It is critical that the entire sustainability reporting ecosystem – including standard-setters, policymakers and regulators – work together to limit fragmentation in their support of consistent, comparable disclosures.

The developments in standard-setting and rulemaking make clear that information in financial reporting and the information contained in sustainability reporting together are essential inputs, informing a stakeholder's view of an entity's value. Therefore, there is a growing demand for companies to integrate climate-related considerations and other ESG considerations into internal control policies and procedures, enhancing the maturity of systems, processes and governance over climate-related information and other ESG information. Those charged with governance (e.g. audit committees, boards) are increasingly incorporating ESG considerations in their oversight responsibilities of their organisation's management, its reporting and their data-collection processes and controls.

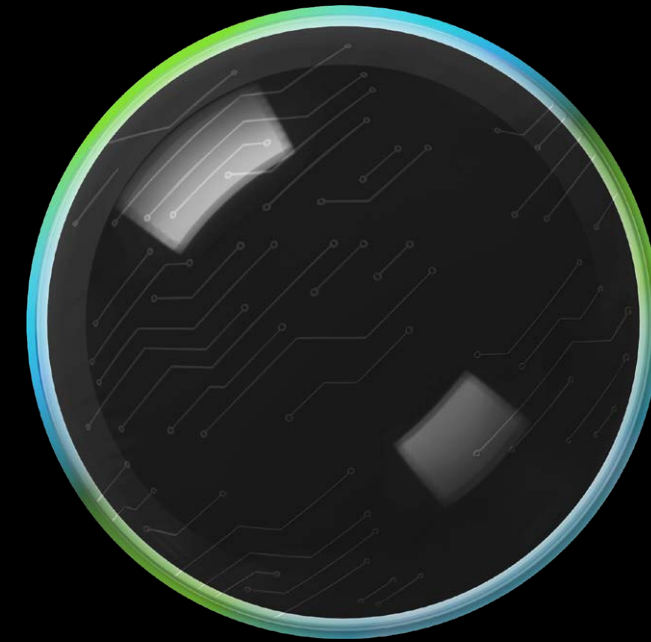
Deloitte understands that, given the increased risks associated with climate change, it is important for climate-related factors to be properly incorporated into corporate reporting. Today some stakeholders' expectations may not be met by financial statements that are prepared in accordance

with current accounting frameworks. As corporate reporting continues to evolve and stakeholders accommodate and adapt to market shifts and public sentiment, it is important to allow for an appropriate due process to develop robust standards that are applied consistently across the globe and to drive reporting that is responsive to the growing requests if investors and other stakeholders.

Deloitte remains committed to engaging in meaningful and transparent conversations with investors, standard-setters, regulators and other relevant stakeholders. We continue to support reduced standard and regulatory fragmentation and look forward to greater market confidence as consistency in standards is realised globally. In Finland, companies are expected to prepare sustainability reports under CSRD directive from 2024 onwards in three waves.

#### Assurance

With the heightened focus and scrutiny of ESG reporting also comes the need for confidence over the quality of disclosures in the form of independent assurance. Assurance over sustainability reporting is increasingly becoming mandatory, as demonstrated by the corporate reporting regulations passed in the European Union that require limited assurance with an expectation to move to reasonable assurance in future years. The growing demand for sustainability assurance highlights the importance of professional standards that enable consistent, high-quality execution globally. Deloitte is supportive of the work of the International Auditing and Assurance Standards Board (IAASB) on developing a global sustainability assurance standard, ISSA 5000 (i.e. a global baseline for sustainability assurance). Widespread adoption of ISSA 5000 is critical to avoid the undue complexity and cost



## Our commitment:

Further, to help the world achieve the goals of the Paris Agreement<sup>3</sup>, Deloitte has launched WorldClimate, a strategy to drive responsible climate choices within the Deloitte network and beyond.

<sup>3</sup> [The Paris Agreement](#) is a legally binding international treaty on climate change. It was adopted by 196 parties at the United Nations Climate Change Conference in Paris, France, on 12 December 2015 and entered into force on 4 November 2016. Per the UN, its overarching goal is to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

associated with fragmented assurance standards.

Deloitte is well positioned to deliver high-quality assurance on ESG information. As auditors, we uphold the core tenants of integrity, credibility and objectivity and abide by professional requirements regarding competence, independence and systems of quality management (SQMs). Our audit work and its related systems are subject to oversight and inspection, and we have professional liability mechanisms to ensure that credible assurance is delivered to the market.

Below are specific actions that Deloitte is undertaking to support the execution of high-quality assurance that appropriately addresses both voluntary ESG reporting and mandatory reporting requirements:

- Investing consistently in our capabilities and competences on sustainability matters and CSRD reporting since 2022 to meet the market, stakeholders and regulators expectations
- Developing and enhancing guidance

for performing ESG assurance through Deloitte's global sustainability assurance methodology, which includes supplemental guidance for specific sustainability reporting standards and frameworks, particularly supplementing our global ESG assurance methodology with guidance, tools and templates specific to the performance of limited assurance over CSRD sustainability reporting

- Building capacity through global and localised learning focused on ESG
- Developing and starting to deploy technology-enabled solutions, such as a tool to evaluate a company's sustainability disclosures against common ESG standards
- Engaging in shaping the capital market infrastructure for sustainability reporting tied to enterprise value through collaboration on climate and ESG standard-setting reporting and assurance initiatives, such as the IFRS Foundation, the IAASB, and the International Ethics Standards Board for Accountants and active participation in the ESG working groups (e.g. in the Finnish Association of Approved Auditors)

- Actively participating in various global platforms such as the World Economic Forum and the 2023 UN Climate Change Conference (COP28)

Deloitte supports the continued collaboration of all participants in the corporate reporting ecosystem, working together to develop and implement common standards with which to measure, disclose and ultimately assure ESG information. In Finland, the audit firms are expected to provide limited assurance on CSRD sustainability reports from 2024 onwards.

**Deloitte's commitment**

Further, to help the world achieve the goals of the Paris Agreement,<sup>4</sup> Deloitte has launched WorldClimate, a strategy to drive responsible climate choices within the Deloitte network and beyond.

Please refer to the upcoming issuance of the 2024 Deloitte Global Impact Report for the complete report on this important initiative.



**Shaping the future of the audit profession**

The provision of relevant and reliable financial and, increasingly, non-financial information is critical to both the capital markets and broader society. Policymakers, regulators, investors, company directors, audit committees and auditors all have an important role so that the users of corporate information have a clear and robust picture of the uncertainties and risks in a company's business model, which helps support their informed decision-making.

Uncertainty and complexity are set to remain central themes over the coming years, driven by heightened global challenges and the rapid advancement of technology.

In today's environment, a sharpened awareness regarding the heightened risk of fraud, the presence of emerging or evolving risk factors and the need for effective internal control environments remains critical. Although the existing accounting frameworks have provisions for uncertainties, financial statement users and regulators should continue to expect a high degree of market and economic volatility in the near term.

Deloitte has consistently welcomed public statements and guidance issued by regulators that recognise uncertainties and emphasise the importance of high-quality, forward-looking corporate disclosures. Greater transparency benefits the public, especially when all corporate reporting ecosystem stakeholders participate. More clarity about the unique and complementary responsibilities of management, audit committees, entities, auditors, regulators and other stakeholders enables the investing public to hold these parties accountable in a way that effectively serves the public interest.

The value of high-quality audit and assurance services is not diminished in the midst of global unrest. Rather, investors and other stakeholders continue to call for professional services based on independence and objectivity-based principles and practices to engender trust and inspire confidence in the capital markets – and Deloitte is committed to leading the way.

Deloitte's commitment to serving the public interest – especially in so far as it relates to behaving according to the highest standards of ethics, integrity, independence and transparency

– is steadfast. Deloitte is keenly aware of the gravity of the responsibility that comes with meeting professional obligations and discharging its role as an auditor within the corporate reporting ecosystem globally. The following principles remain at the forefront and are continuously reinforced with Audit & Assurance practitioners:

- Exercise professional scepticism and due professional care.
- Critically evaluate the quality of audit evidence obtained and determine whether it is sufficient and appropriate to address relevant risks.
- Make well-reasoned professional judgments, supported by clear documentation.
- Foster a culture of excellence and consultation. Demonstrate commitment to integrity and ethical behaviour, including compliance with regulatory and professional obligations.
- Stay connected and support one another.

Deloitte is committed to establishing a meaningful vision for the future of the profession which addresses the shifting needs of society.

We are continually innovating to improve our effectiveness through technology, data and ways of working. In parallel, the role of audits and assurance services in the corporate reporting ecosystem, its responsibility to act in the public interest and its evolving contribution to societal value remains at the forefront of our work in this area. Through proactive engagement with a range of stakeholders, we seek to understand the rapidly developing issues faced by society today (e.g. ESG, cyber security, AI, data privacy issues etc.) and the role that audit and assurance services can play in responding to change and driving change for the better.

We strive to engage with these parties, both formally and informally, and share, offer and debate ideas that foster our collective ambition to ensure the ongoing and growing relevance of audit-band assurance services to the capital markets.



# Deloitte's priority focus on quality

Deloitte's commitment to audit quality is central to everything we do. We consistently deliver on this commitment by instilling a culture of quality and excellence across the network, establishing business and financial priorities, and developing effective processes, tools and technologies to be applied in the execution of audits.

Deloitte's brand is defined by the high-quality audits it delivers and by its unwavering commitment to the continuous improvement of its systems of quality management. Making sure audit quality keeps pace with emerging economic, business and regulatory conditions, as well as with technological advances, is critical to the continual enhancement of Deloitte's role in protecting the public interest and supporting the effective functioning of the corporate reporting ecosystem.

## Leadership commitment and tone at the top

Deloitte's culture of quality, integrity and

excellence begins with a strong tone from the top – from senior leadership through to the leaders in all our offices, and audit and assurance engagements. This commitment is demonstrated through the direct involvement of leaders in initiatives emphasising that quality and professional behaviour are the highest priorities for audit and assurance practitioners at all levels and also emphasising consistent messaging that reinforces the importance placed on executing high-quality engagements. Deloitte sets high ethical standards for the conduct of all its professionals and has embedded integrity expectations into the Deloitte Global Principles of Business Conduct. Deloitte's relentless pursuit of quality defines not just what we do, but who we are.

## SQM

Deloitte believes an effective system of quality management (SQM) is crucial for the consistent performance of high-quality audit engagements, and we continue to make significant investments in the people, processes and technologies that underlie Deloitte's quality management processes.

Regulators and standard setters in Finland and globally are also focused on the effectiveness of and continued improvements to firms' SQM. Deloitte complies with International Standards on Quality Management 1 (ISQM 1), which requires

annual evaluation of the SQM. ISQM 1 introduces a risk-based approach to the SQM that requires firms to respond to quality objectives and to risks to their ability to execute high-quality audits in the following areas:

- The firm's risk assessment process
- Governance and leadership
- Relevant ethical requirements
- Acceptance and continuance of client relationships and specific engagements
- Engagement performance
- Resources
- Information and communication
- The monitoring and remediation process

The effective implementation of ISQM 1 has been and remains a key element of Deloitte's global audit and assurance quality strategy.

As part of the implementation of ISQM 1, quality objectives, quality risks and responses were formalised and brought together in a globally consistent technology platform

in order to facilitate the design and maintenance of the system, as well as the operation, through regular self assessments by business process owners and the reporting capabilities to support the required annual evaluation.

Deloitte continues to work with leaders across the firm, as well as the broader network, in order to further enhance our proactive approach to managing the quality of the engagements performed. Identifying and addressing risks to quality and driving continued advancements in quality management processes will serve us well in the future as the environment within which we operate continues to evolve and become increasingly complex.

Consistent with Deloitte's culture of

continuous improvement and innovation, Deloitte's efforts relating to ISQM 1 and our SQM provide us with the opportunity to continually challenge ourselves, examining those areas where we can further enhance and transform our SQM. Quality is always front and centre, and robust quality-monitoring processes play an integral role in our ability to continually improve.

ISQM 1 requires an annual evaluation of the SQM. Deloitte performed its annual evaluation of its SQM on 31 May 2024.

## Conclusion on the effectiveness of the SQM

Deloitte is responsible for designing, implementing and operating an SQM for audits or reviews of financial statements or other assurance-service engagements or related service engagements performed by the firm

that provides the firm; the SQM provides the firm with reasonable assurance that the objectives of the SQM are being achieved. The objectives follow:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and they conduct engagements in accordance with such standards and requirements.
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.
- Deloitte conducts its evaluation in accordance with ISQM 1.

Deloitte concluded that the SQM provides





the firm with reasonable assurance that the objectives of the SQM are being achieved as of 31 May 2024.

Reasonable assurance is obtained when the SQM reduces the risk that the objectives of the SQM are not achieved to an acceptably low level. Reasonable assurance is not an absolute level of assurance because there are inherent limitations to a System of Quality Management.

### **Independence, objectivity and professional scepticism**

The execution of high-quality audit and assurance engagements require independence, objectivity and professional scepticism. For Deloitte, this means a continuous and tangible focus on Deloitte's critical role in serving the public interest, including creating a culture of quality wherein doing the right thing is of paramount importance. Deloitte consistently reinforces the important role of auditors as independent evaluators who must maintain a mindset of professional scepticism throughout the conduct of their work. This approach to the audit is reflected in Deloitte policies, methods procedures and in the lessons learned, and these are reinforced through quality management and accountability measures.

### **The Audit & Assurance approach**

Deloitte's approach to performing a high-quality audit involves the use of an audit methodology, common across the Deloitte network, supplemented by audit tools that are used by our practitioners to plan, perform, supervise, review, document, conclude and communicate the results of each audit. Deloitte's audit approach is underpinned by professional standards, as well as by any requirements under the applicable laws and regulations.

Deloitte's audit methodology is risk based, focusing on the financial statement account balances, disclosures and underlying assertions that have a reasonable possibility of being materially misstated. Our audit methodology is also dynamic – it evolves continuously in order to keep pace with the changing demands of investors, companies and other stakeholders. It recognises that advances in the availability and management of large data sets and in statistical science are relevant to continuing to enhance the quality of Deloitte audits.

### **Resources to support Deloitte practitioners in the execution of high-quality audits**

The resources applied by Deloitte practitioners in the performance of their audits include proprietary tools, guidance, materials and practice aids used in conducting audits, which are available to all our practitioners in the Deloitte Global Technical Library or Research Portal (an extensive online library) and in our audit-execution platforms (EMS, Deloitte Omnia and Deloitte Lewia). These resources drive greater standardisation and consistency across Deloitte firms. Deloitte regularly issues accounting and auditing guidance to our practitioners and communicates developments that should be factored into audit risk assessments and responses in order to maintain and drive quality execution.

### **Consultation**

Quality and risk management considerations are integral to Deloitte's audit business and to the performance of our Audit & Assurance business and to the performance of engagements. That is why Deloitte views consultation as an essential, collaborative process, one that involves a robust challenge and helps determine the most appropriate answers to complex questions. Deloitte has identified the circumstances under which consultation outside of the engagement team is required in order to demonstrate an appropriate level of professional judgment and the exercise of professional scepticism. Deloitte consultation policies require that conclusions are documented, understood and implemented. Foundational to the effectiveness of the consultation process is Deloitte's investment in consultation resources who have the appropriate skills and expertise. In addition to formal consultations, whenever engagement partners and teams need additional information or perspectives, they are encouraged to seek assistance from the Audit Quality team or others in the organisation with specialised knowledge. Deloitte is proud of its role supporting the capital markets, protecting investors and public trust. In addition to formal consultations, whenever engagement partners and teams need additional information or perspectives, they are encouraged to seek assistance from the Audit Quality team or others in the organisation with specialised knowledge.





# External and internal audit-quality monitoring

## Monitoring of audit quality

A continued focus on audit quality is of paramount importance to the Deloitte brand. It is critical that a Deloitte audit is consistently executed and of high quality, wherever in the world it is performed.

The objective of the monitoring and remediation processes is to provide leadership with relevant, reliable and timely information about the design, implementation and operation of the SQM in order to enable appropriate and timely actions to be taken in regard to responding to identified deficiencies. This includes the identification of deficiencies and good practices in the SQM and the assessment of the effectiveness of remedial actions in regard to driving improvements in audit quality.

## SQM monitoring

SQM monitoring is an integral part of Deloitte's monitoring activities. It considers the relevant requirements of ISQM 1, and it evaluates the design, implementation and operating effectiveness of responses that address the quality risks that have been identified for the firm. The key components of SQM monitoring include:

- A risk-based approach to selecting business processes, quality risks and responses to monitor
- A mandatory moderation panel to drive consistency in evaluating findings and deficiencies
- Quality management observers and deputies, independent of Deloitte, who drive global consistency by providing input and sharing best practices for monitoring programmes



- Identifying appropriate resources from within Deloitte, as well as from other Deloitte geographies with the right experience

Audit quality indicators are used in conjunction with other metrics to further assist Deloitte in developing and monitoring audit-quality action plans and reporting on the progress on its audit-quality journey.

## The monitoring of in-process engagements

Continuous quality monitoring by Deloitte involves the proactive identification of issues on in-process engagements in order to drive timely solutions and real time corrective actions. This is achieved through the following suite of activities:

- The deployment and monitoring of a series of core diagnostics, enabling engagement partners and teams, as well as Deloitte audit-quality leaders, to continuously monitor audit quality and take immediate action
- A programme of subject matter-specific 'health checks' are used to assist Deloitte's audit and assurance quality leaders in assessing progress and identifying potential issues in in-process engagements
- The results of the monitoring of in-progress engagements are evaluated overall in order to determine whether additional communication and support are needed for audit engagement teams with respect to adherence to the audit methodology or updates thereto

## Inspections of completed engagements

Key components of the inspections of completed engagements include the following:

- Risk-based engagement selection and the consideration of all major industries served by Deloitte while also considering all the selected signing partners or partner equivalents on a cyclical basis

- A mandatory moderation panel with which to drive consistency in findings and engagement ratings

- Quality management observers and deputies, independent of Deloitte, who drive global consistency by providing input and sharing best practices for monitoring programmes

- Identifying appropriate resources from within Deloitte and other Deloitte geographies with the right experience and industry knowledge, and establishing central review teams

## External inspections

In addition to our own monitoring of audit quality, as an audit firm, Deloitte is subject to external inspection by the Finnish Patent and Registration Office (PRH) and the US Public Company Accounting Oversight Board (PCAOB).

The PRH conducted an inspection of Deloitte in autumn 2021. In addition, to the audit-quality inspection, the PRH conducted an inspection relating to the auditor's compliance with anti-money laundering legislation and related regulations at Deloitte in 2021. The PCAOB did not conduct an inspection of Deloitte during the period.

## Root cause analysis and remediation

Continuous improvement is essential to Deloitte's culture of quality and excellence. Understanding why engagement-level findings and SQM deficiencies occur is critical to being able to design effective remedial actions. When engagement-level findings or SQM deficiencies are identified, whether through internal or external monitoring activities, actions are taken to identify gaps and develop appropriate remediation activities. Remediation is imperative to driving continuous improvement in quality and avoiding similar future findings. An audit-quality plan is prepared centrally by Deloitte Nordic and provides for the effective implementation and monitoring of key audit-quality priorities.

# Professional development and performance management

Deloitte's culture of excellence and the design of learning programmes place people at the forefront<sup>5</sup>. Deloitte practitioners are technically proficient with high levels of ethics, integrity, professional scepticism and objectivity; they apply their judgment and experience with passion and commitment. We are continuously enhancing our skill sets, knowledge and experience in order that they go beyond expectations and deliver meaningful impact.

Deloitte is committed to delivering an unrivalled talent experience, developing practitioners and furthering their careers by creating a life-long learning environment, advancing audit education, skill sets and flexible career options that appeal to the auditors of today and will appeal to the auditors of tomorrow.<sup>4</sup>

Deloitte practitioners bring diverse backgrounds, knowledge and skills that enhance our capabilities to deliver the highest-quality audits as an organisation. We support and empower our people to achieve their full potential by valuing and demonstrating diversity, equity, inclusion and well-being.

In addition, the Deloitte Way provides global consistency to our audits.

Deloitte recognises and rewards its Audit & Assurance practitioners and professionals and makes meaningful investments in their futures.

## Learning and development initiatives

Deloitte's transformed approach to delivery is changing the experience for practitioners. Teams are empowered

by advanced tools and technologies and more extensive use of data and analytics within a guided workflow to execute the end-to-end audit. For Deloitte practitioners, this means focusing on how the engagement is planned, executed and managed consistently across the globe using our innovative techniques and capabilities. It also offers opportunities to enhance their technical and professional skillsets and competencies. For example, the following skills remain as important as ever: enhanced data analytics, project management, critical thinking, communication, professional judgment and the application of accounting and auditing principles in order to work more effectively and deliver high-quality engagements. As capabilities and skill sets are enhanced, we build greater confidence and become ever-better evaluators of risk.

Deloitte has made substantial investments in talent and learning strategies and has transformed the technical curriculum in order to build the refreshed skillsets and proficiency required by each level:

- At the core, Deloitte has a single, global mandatory audit technical-learning curriculum, tailored for learners by level, and it uses a dynamic blend of live, instructor-led, digital on-demand courses and on-the-job activities.
- All client service practitioners are required to follow the firm's learning requirements for their roles, complete sufficient continuing professional education each year and ensure both compliance with regulatory standards and Deloitte internal policies over a cyclical three-year period. This is achieved through structured, formal learning programmes, such as internal or external courses, seminars

<sup>4</sup> For more information about Deloitte's commitment to its people, please refer to the [Audit & Assurance People page](#) at Deloitte.com.







or e-learning courses covering all areas of the competency model (e.g. shared competencies, function-specific technical competencies and competencies in areas of specialisation).

- All client service practitioners have clearly defined role expectations and global Talent Standards which outline the capabilities that are required of practitioners at each level.

Deloitte has also established specific learning opportunities for specialists working on engagements in order to support their knowledge and understanding. In addition, our assurance learning offering is being expanded to respond to emerging business needs. The objective of the Deloitte professional development programme is to help partners and practitioners maintain and enhance their professional competence and ensure consistency of execution. To supplement on-the-job development, Deloitte provides formal, continuing professional development programmes in relevant subject areas that are consistent with the Deloitte Global Audit & Assurance Curriculum.

Our personnel participate in broad and diverse training sessions in order to ensure the development and maintenance of their professional skill sets. Deloitte organises training sessions internally, both in Finland and abroad. In addition, our experts participate in external training sessions in specialised fields. Our experts/specialists are actively involved in the work of the Finnish Institute of Approved Auditor's Board of Directors and Committees. Thus, our experts/specialists participate in the general development of the auditing sector. The content of the training sessions is developed continuously. This takes into account legislative changes and the changes

in the operational environment, as well as the requirements of the profession.

#### Deloitte Universities

Deloitte actively cultivates the collective knowledge and skills of Deloitte people globally through continued investment in Deloitte Universities (DUs), the cornerstone of our organisation's commitment to leadership development and technical training for Deloitte people around the world. These are state-of-the-art learning and development centres that are focused on Deloitte culture and are founded on the principles of connectedness and leadership in a highly inclusive learning environment. Since opening the Westlake (Texas) location in 2011, we have launched additional facilities in Brussels, Hyderabad, Mexico City, Paris, Singapore and Toronto, and we have a new site under construction in Beijing. Being together for 'moments that matter' is critical as we develop the next generation of leaders, as well as create – and strengthen – the connections that are so important to succeeding in a global organisation serving multinational clients.

## Deloitte. University

#### Audit & Assurance leadership appointments

Critical Audit & Assurance leadership roles are clearly defined. A role profile and key performance indicator framework provide a basis

for consistent leadership appointments and evaluations across the Deloitte Audit & Assurance network and align member firms' and Deloitte Global Audit & Assurance's strategic objectives. Deloitte has introduced globally consistent standards for member-firm Audit & Assurance leaders (including Audit & Assurance business leaders, Audit & Assurance quality leaders and Audit & Assurance risk leaders) through clearly defined roles, responsibilities and expected success outcomes. These inform objective-setting and evaluation processes and reinforce Deloitte's culture of quality and excellence. The robust monitoring of succession planning helps ensure Deloitte is developing and appointing the appropriate individuals with the capabilities to achieve these consistent standards.

#### Remuneration

The execution of high-quality audits is expected from all practitioners and is embedded across the Deloitte network. Audit quality is recognised through reward and recognition programmes and is built into performance standards at every level; practitioners' overall evaluations are measured against these standards.

In accordance with global policies, Deloitte's partners are evaluated on a yearly basis, and depending on the outcome of the evaluation, the remuneration of partners may increase or decrease.

Specifically, partner evaluations take, for example, the following factors into account:

- **Quality:** Uncompromising quality in all professional work
- **Risk:** Consistent and strong contributions across all areas of risk
- **Performance:** Strong performance against key metrics and objectives
- **Leadership:** Demonstration of strong leadership skills and partner behaviour which reflect the organisation's culture
- **Clients:** Client portfolios are managed and roles are performed
- **Business:** Shaping and delivering on the firm's strategic and financial plan

- **People/talent:** There are contributions from all aspects of talent management, including people development, coaching and mentoring
- **Stewardship:** Thought-leadership, innovation and brand protection roles
- **Collaboration:** Working across the firm and being inclusive of other partners and our people

#### Attraction and retention

The current environment for talent is extremely competitive and the attraction and retention of our people is a strategic priority for Deloitte. We acknowledge the challenges our people are facing and recognise our part in re-establishing the connections that so many have missed during the COVID-19 pandemic. Deloitte is focused on transforming the Audit & Assurance talent experience, including reimagining the ways of working in order to improve retention and further advance the diversity, equity and inclusion, and the well-being of Deloitte people. We are looking at opportunities to collectively expand the talent experience. This focus on our people and the retention of top talent enhance Deloitte's ability to deliver high-quality audits.

Deloitte is focused on transforming the Audit & Assurance talent experience, including reimagining the ways of working to improve retention and further advance the well-being of Deloitte people and their diversity, equity and inclusion (DEI). We are looking at opportunities to collectively expand the talent experience. This focus on our people and the retention of top talent enhances Deloitte's ability to deliver high quality.

Deloitte continues to receive recognition and awards across the globe for its commitment to delivering an unrivalled talent experience for its people: [Awards and recognition | Deloitte Global](#).

#### MAKING AN IMPACT EVERY DAY

We believe human connection can help create innovative solutions and lasting impact on pressing issues of our time. By harnessing the collective power of Deloitte's network of people, clients, nonprofits, and communities, we aim to achieve lasting social impact for the greater good.



# Independence, ethics and additional disclosures

## Deloitte Global Independence



Deloitte sets **independence policies and procedural expectations** based upon the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and, where applicable, the independence standards of the US Securities and Exchange Commission and the Public Company Accounting Oversight Board.



Deloitte supports the network services that a firm uses in the design, implementation and operation of their system of quality management (SQM), including the following:

- Technological resources: Global systems to provide Deloitte's people with entity information to support compliance with personal and professional independence requirements, including financial interests, scope of service and [business relationship] approvals
- Intellectual resources: Our independence policy, e-learning, confirmation templates, monitoring instructions and other tools, templates and guidance
- Human resources: Technical independence expertise, administered as required, which also informs about potential enhancements to intellectual resources



Deloitte participates in various elements of a firm's SQM monitoring and remediation process, as determined to be appropriate



Deloitte promotes independence awareness across the Deloitte network through active engagement with independence and business leadership groups and periodic communications, alerts, technical training and webcasts

### Deloitte's independence

Deloitte has quality responses that address quality objectives and quality risks as they relate to the relevant ethical requirements for independence. These responses include policies and procedures that are based on the expectations that are set out in Deloitte Global's independence policies and which are supplemented, if appropriate, to reflect additional national or regional requirements that may be more restrictive than Deloitte Global policies. Deloitte's leadership reinforces the importance of compliance with independence standards and the related quality management standards, thereby setting the appropriate tone at the top and instilling its importance into the professional values and culture of Deloitte. Strategies and procedures with which to communicate the importance of independence to partners, other professionals and support staff have been adopted, emphasising each individual's responsibility to understand and meet the independence requirements. The Director of Independence is responsible for overseeing independence matters, including the design, implementation, operation, monitoring and maintenance of the Standard on Quality Control related to independence. As part of the Deloitte's SQM, the firm has done the following:

- Implemented responses in order to address the quality objectives and quality risks it has identified for its key independence areas
- Performed appropriate monitoring activities in its key independence areas
- Put appropriate independence governance in place

#### THE FIRM'S KEY INDEPENDENCE AREAS INCLUDE:

- Client, engagement and business relationships,

including the use of the independence business process tools, the Deloitte Entity Search and Compliance (DESC) system and the Service Request Monitoring (SRM) application

- Firm and personal financial relationships, including the use of the Global Independence Monitoring System (GIMS)
- Employment relationships and other relationships
- Independence confirmations
- Independence consultations
- Independence-related policies, communications and lessons learned
- Breaches of independence requirements
- Disciplinary measures for failures in order to adhere to the applicable independence requirements



#### DESC Deloitte Entity Search and Compliance

This is a global, searchable database containing specific entity information relevant in determining personal and professional independence restrictions.



#### SRM Service Request Monitoring

This is an application that is integrated with DESC that provides a standard business process workflow for submitting and reviewing preapproval requests in order to both provide services to clients and enter into business relationships with clients.



#### GIMS Global Independence Monitoring System

This is an application that contains financial relationship data with the relevant independence compliance indicators.

#### The rotation of key audit partners and professionals

According to the Finnish Auditing Act, the total duration of the engagements of an auditor or an audit firm of a public-interest entity shall not exceed ten (10) years, or up to the combined duration of the audit mandate before and after the audit tendering is a maximum of twenty years. Further, EU Public Interest Entities regulations require that the key audit partners who are responsible for carrying out a statutory audit shall cease their participation in the statutory audit of the audited entity no later than seven years from the date of their appointment. In Deloitte, Audit and Assurance leadership monitors the staffing of the firm's public-interest entities and ensures the rotation of key members of the audit team in compliance with the requirements and ensures that this happens without the loss of important knowledge and experience of the client's business.

#### Ethics at Deloitte

All Deloitte professionals are expected to act with integrity, in accordance with the high ethical standards described in [the Deloitte Global Principles of Business Conduct](#). The Global Code is embedded into the firm's code of conduct and defines the commitments that all Deloitte professionals make regarding ethical standards, as well as explaining each individual's responsibilities to their clients, colleagues and society.

In addition to the Global Code, other foundational elements of Deloitte's ethics programme include global policies, a programme of training and communications, and established reporting channels that are

supported by defined incident management protocols. For continuous improvement, regular programme assessments and reviews are conducted and feedback is collected from our professionals through an annual ethics survey.

Ethics at Deloitte are led by the Deloitte Global Chief Ethics Officer at the global level and by a firm ethics officer at the local level; the ethics officers are experienced partners with direct access to the firm's CEO and governing body. Deloitte Global and firm ethics leaders work together to continually monitor risks and reinforce compliance with the Global Code.

Deloitte maintains policies and procedures that build on global policies and are designed to provide reasonable assurance that its professionals comply with the relevant ethical requirements.

The ethical requirements for audit services and the related assurance services provided by Deloitte are in accordance with Deloitte Global policies and procedures, which in turn align with the requirements and guidance set out in the international Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, the standard-setting body of the International Federation of Accountants. When the national professional requirements are more restrictive than the Deloitte Global policies and procedures, Deloitte follows the applicable national requirements.

Deloitte reinforces its commitment to ethics and integrity through communication tools, learning programmes, compliance processes and measurement systems for all people. The learning programmes include targeted content for onboarding, manager and senior



manager promotion, partner admission, independent contractors and refresher programmes every two years. Recent global training topics have included the following:

- A focus on the importance of owning up to one's mistakes
- Being an active bystander
- Navigating personal relationships in the workplace
- Demonstrating respect, integrity and professionalism on social media
- Ethical learning.

Courses have included a confirmation that professionals are aware that test answers should not be shared with others and doing so constitutes a violation of the Global Code. In addition, Deloitte conducts ethics reviews for senior leaders and requires all partners, other practitioners and support staff to annually confirm that they have read and comprehended the firm's Code of Conduct and understand that it is their responsibility to comply with it.



# Deloitte Global Ethics

Deloitte is committed to conducting business with honesty, distinctive quality and high standards of professional behaviour.

Deloitte's Global Principles of Business Conduct ('Global Code') outlines Deloitte's ethical commitments as a network and expectations for Deloitte's approximately 460,000 people, giving a strong, principled foundation. The foundations of the network's ethics programme are comprised of the following elements: opriately in the face of misconduct.



# Appendices



# Appendix A | EU/EEA audit firms

## Disclosure in accordance with Article 13.2 (b)(ii)–(iv) of the EU Audit Regulation

EU/EEA member states (Article 13.2 (b)(iii) EU Audit Regulation: The countries in which each audit firm that is a member of the network is qualified as a statutory auditor or has its registered office, central administration or principal place of business).

Name of the audit firms carrying out statutory audits in each member state (Article 13.2 (b)(ii) EU Audit Regulation: The name of each audit firm that is a member of the network)

EU/EEA member state	Name of audit firms carrying out statutory audits in each member state
Austria	Deloitte Audit Wirtschaftsprüfungs GmbH
	Deloitte Niederösterreich Wirtschaftsprüfungs GmbH
	Deloitte Oberösterreich Wirtschaftsprüfungs GmbH
	Deloitte Salzburg Wirtschaftsprüfungs GmbH
	Deloitte Tirol Wirtschaftsprüfungs GmbH
	Deloitte Wirtschaftsprüfung Styria GmbH
Belgium	Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Bulgaria	Deloitte Audit OOD
Croatia	Deloitte d.o.o. za usluge revizije
Cyprus	Deloitte Limited
Czech Republic	Deloitte Audit s.r.o.
	Deloitte Assurance s.r.o.
Denmark	Deloitte Statsautoriseret Revisionspartnerselskab
Estonia	AS Deloitte Audit Eesti
Finland	Deloitte Oy

EU/EEA member state	Name of audit firms carrying out statutory audits in each member state
France	Deloitte & Associés
	Deloitte Marque & Gendrot
	Deloitte Audit Holding
	BEAS
	Cisane
	Constantin Associés
	Pierre-Henri Scacchi et Associés
	Revi Conseil
Germany	Deloitte GmbH Wirtschaftsprüfungsgesellschaft
	Deutsche Baurevision GmbH Wirtschaftsprüfungsgesellschaft
	SüdTreu Süddeutsche Treuhand GmbH Wirtschaftsprüfungsgesellschaft
Greece	Deloitte Certified Public Accountants S.A.
Hungary	Deloitte Könyvvizsgáló és Tanácsadó Kft.
Iceland	Deloitte ehf.
Ireland	Deloitte Ireland LLP
Italy	Deloitte & Touche S.p.A.
Latvia	Deloitte Audits Latvia SIA
Liechtenstein	Deloitte (Liechtenstein) AG
Lithuania	Deloitte Lietuva UAB
Luxembourg	Deloitte Audit
Malta	Deloitte Audit Limited

EU/EEA member state	Name of audit firms carrying out statutory audits in each member state
Netherlands	Deloitte Accountants B.V.
Norway	Deloitte AS
Poland	Deloitte Audyt spółka z ograniczoną odpowiedzialnością spółka komandytowa
	Deloitte Audyt spółka z ograniczoną odpowiedzialnością
	Deloitte Assurance spółka z ograniczoną odpowiedzialnością
Portugal	Deloitte & Associados, SROC S.A.
Romania	Deloitte Audit SRL
Slovakia	Deloitte Audit s.r.o.
Slovenia	Deloitte Revizija d.o.o.
Spain	Deloitte, S.L.
Sweden	Deloitte AB

#### Disclosure in accordance with Article 13.2 (b)(iv) of the EU Audit Regulation

The total turnover achieved by the audit firms that are members of the network, resulting from the statutory audit of annual and consolidated financial statements: €1.9 billion<sup>5</sup>.

<sup>5</sup> Amount represents an estimate determined based upon best efforts to collect this data. Certain Deloitte audit firms registered to perform statutory audits in respective member states provide statutory audit services as well as other audit, assurance, and non-audit services. While Deloitte endeavored to collect specific statutory audit turnover for each EU/EEA Deloitte audit firm, in certain cases turnover from other services has been included. The turnover amounts included herein are as of 31 May 2025, except for a limited number of instances where a Deloitte audit firm has different financial year-end or has not finalized its reporting for such period. In these cases, turnover amounts are for the relevant financial year or preceding financial year. Where currency other than the Euro is used in the member state, the amount in Euros was translated using an average exchange rate in effect for the period 1 June 2023 to 31 May 2024.

## Appendix B | Financial information

#### Disclosure in accordance with Article 13.2 (k)(i)-(iv) of the EU Audit Regulation

The breakdown of Deloitte's turnover in the financial year of 2024:

Turnover	[euro,€]
Statutory audit (PIEs or PIE subsidiaries)	20 209 908
Statutory audit (non-PIEs or non-PIE subsidiaries)	16 765 601
Permitted non-audit services to entities audited by the firm	4 707 484
Non-audit services (other entities)	137 210 732
<b>Total</b>	<b>178 893 726</b>



## Appendix C | Public interest entities

### Disclosure in accordance with Article 13.2 (f) of the EU Audit Regulation

Public interest entities audited for statutory purposes by Deloitte in the financial year of 2024:



Aspo Oyj
Atria Oyj
Castellum Helsinki Finance Holding Abp
Citycon Oyj as of 19 March 2024
Danske Kiinnitysluottopankki Oyj
Harvia Oyj as of 26 April 2024
Fortum Oyj
Kesko Oyj
Mandatum Henkivakuutusosakeyhtiö
Mandatum Oyj
Nokia Oyj
Panostaja Oyj
Rapala VMC Oyj as on 18 April 2024
Revenio Group Oyj
Sampo Oyj
Sato Oyj
TietoEVRY Oyj

## Deloitte offices in Finland

### HELSINKI

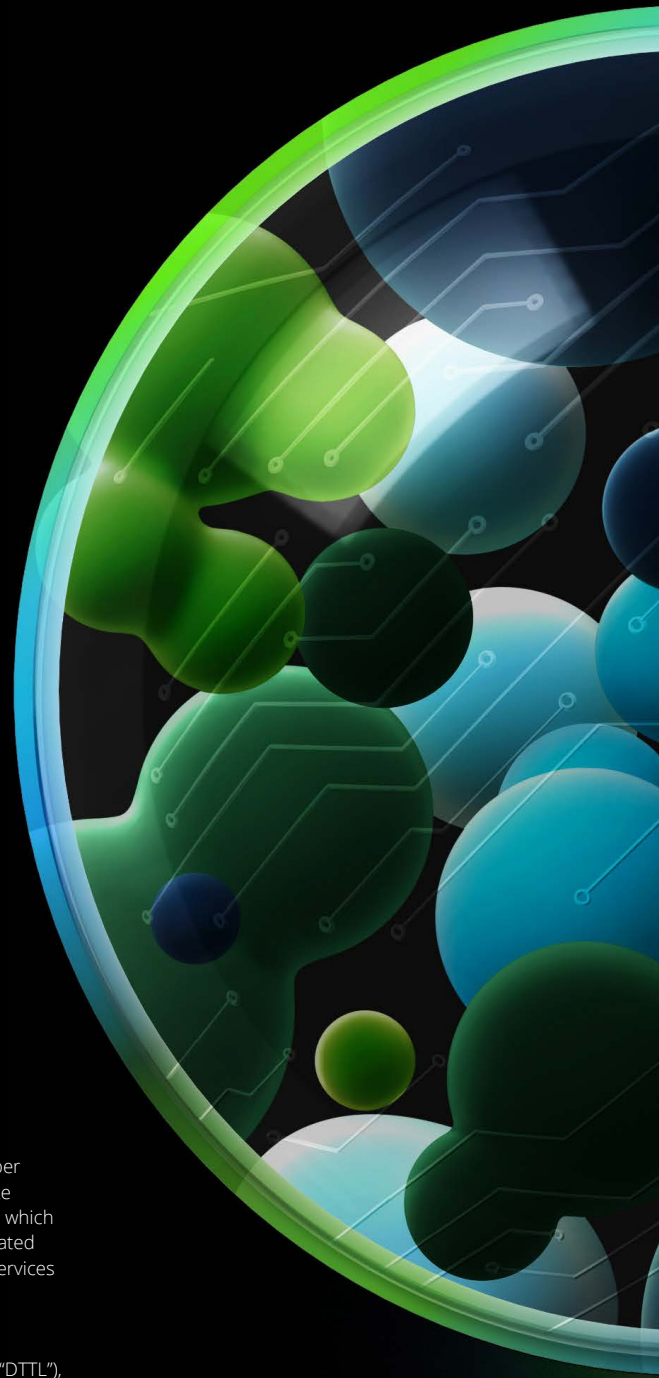
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