Advancing global economic prosperity and social wellbeing
Tackling the world’s toughest challenges

Geopolitical instability, environmental concerns, corrupt leadership, and growing inequality are just a few of the disturbing story lines dominating today’s news. Hundreds of groups—governments, nongovernment organizations (NGOs), and professional services networks like Deloitte—work tirelessly together to solve these challenges. Those efforts rarely grab headlines, but they are critical to making markets fair, keeping commerce trustworthy, and improving peoples’ lives.

“In the last few years it’s become clear that the only way we can truly address the major challenges plaguing our society is through collective action,” says Barry Salzberg, Global Chief Executive Officer, DTTL. “At Deloitte, we recognize the responsibility—and ultimately the benefit—of developing relationships with governments, NGOs, and other businesses to tackle these issues.”

This collaboration is made possible by the client services member firms provide, the skill and knowledge of their people, and the breadth of their relationships with business, government, and civil society. “The expectation for businesses to take a leadership role to address the challenges facing the societies in which they operate will only continue to grow, and I’m proud to say Deloitte is at the forefront of this movement,” Salzberg says.

Deloitte currently is involved in multiple global efforts that promote market fairness and efficiency, renewable energy, the fight against corruption and cybercrime, effective trade policies, equality, and humanitarian relief, among others. Here are a few of the more high-profile initiatives and groups with which Deloitte was intimately involved during FY2014.

World Economic Forum
One of Deloitte’s longest-running strategic relationships is with the World Economic Forum. For more than two decades, Deloitte has taken a leadership role in advancing the Forum’s objective of “improving the state of the world.”

“The Forum brings our most strategic stakeholders together under one program, including CEOs of global corporations and growth companies, leaders of government and international institutions, academia, media leaders, and opinion makers,” explains Gary Coleman, who leads DTTL’s relationship with the World Economic Forum. “Our approach allows us to focus on issues that matter most to our stakeholders, and maintain a strong and active year-round engagement with the Forum.”

Through its work with the Forum, Deloitte has a hand in shaping the agenda on key global issues, such as the role of business in society, growth, innovation, talent, and competitiveness. Deloitte is involved in various initiatives and communities within the Forum, including Global Agenda Councils, which address key challenges and generate solutions to pressing global issues. “The Forum platform enables us to influence policy debate by sharing recommendations on issues of mutual interest with policymakers and their stakeholders,” says Steve Almond, Chairman of the DTTL Board of Directors, who has been closely engaged with the Forum for many years.

In 2014, Deloitte participated in the Forum’s Annual Meeting at Davos, the Annual Meeting of New Champions in China, the Summit on the Global Agenda, five regional summits, and regionally focused meetings and workshops around the globe. Additionally, Deloitte professionals and leaders have been selected to advise seven industry projects during the 2014-15 cycle. Project topics include innovation, cyber security, emerging technologies, financial services, anti-corruption, and chemicals.

As industry project advisors, Deloitte member firms are well equipped to help clients address pressing industry issues and provide strategic insight that drives executive business decisions. “The Forum also provides opportunities, through a variety of communities and initiatives in which we participate, for our people to develop as leaders by engaging in important global issues,” says Coleman, who has contributed to a wide range of Forum events. “Deloitte is proud to be one of the Forum’s most engaged strategic allies. Our engagement puts us front and center with global decision makers who are creating a better future.”

Anti-corruption advocacy
Almond provides DTTL’s engagement in the Forum’s Partnership Against Corruption Initiative (PACI) Vanguard, a group of 24 business leaders who help shape and inform the direction and dialogue around a robust anti-corruption agenda. The PACI Vanguard seeks to establish a framework that can address corruption consistently and lead to more effective enforcement. Currently, the U.S. member firm serves as an advisor to PACI and is active in a series of projects connecting public and private initiatives to stamp out corruption in supply chains, as well as improve collaboration between national governments and local, regional, and multinational organizations.
At the Forum’s May 2014 meeting in Abuja, Nigeria, PACI supported the launch of the Clean Business Practice Initiative (CBPI), a private-sector-driven anti-corruption initiative that complements government efforts in fighting corruption in Nigeria. “Deloitte firms in Nigeria and the United States helped pull this initiative together, offering pro bono governance and organizational work, as well as defining strategies to help CBPI in its early stages,” says James “Chip” Cottrell, partner, Deloitte Financial Advisory Services LLP (Deloitte U.S.). “This is a model we think lends itself to expansion in other countries to develop and implement anti-corruption practices that help level the playing field in trade, commerce, and industry.”

In addition to its work with the Forum, Deloitte is engaged in global anti-corruption efforts with the G20—through the B20—and the United Nations Global Compact. Deloitte also works with the United Nations Office on Drugs and Crime (UN ODCC) and the Organisation for Economic Co-operation and Development (OECD) on specific, country-focused initiatives. Through Deloitte’s Anti-Corruption Academies, governance, anti-corruption, and public-policy professionals provide training on combating corruption, money laundering, and fraud; and inform clients of effective compliance and internal-control programs. During the past fiscal year, Deloitte launched Anti-Corruption Academies in Brazil, Chile, Mexico, United Arab Emirates, and Indonesia; additional Academies are being scheduled in South America and Europe in FY2015. “Through our Anti-Corruption Academies, Deloitte is able to bring its cross-functional expertise to discussions with respect to anti-corruption, compliance, and enterprise risk management,” says DTTL’s Dan Konigsburg, who leads the Deloitte Humanitarian Innovation Program.

Through the program, professionals from Deloitte member firms and humanitarian organizations combine their diverse skills and expertise to co-create and implement innovative solutions to the sector’s most pressing challenges. By collaborating with local, national, and international humanitarian actors, we aim to enhance their ability to prepare for, and respond to humanitarian crises such as natural disasters. During FY2014, professionals from Deloitte member firms provided pro bono services through the program to address challenges facing the sector, such as leadership development, surge capacity, and resilience.

A team from the digital strategy practice at Monitor Deloitte, Deloitte Consulting LLP (Deloitte U.S.) worked with AtrocityWatch to develop a strategic plan and roadmap for organizational optimization and technology deployment. AtrocityWatch is an NGO focused on saving lives by making critical technology, expertise, and information available to individuals, organizations, and governments seeking to prevent mass atrocity crimes. Deloitte U.K.’s Switzerland Consulting practice is helping the International Organization for Migration to strengthen its approaches and tools in efforts to enhance operational-level coordination and management in displacement sites. The Deloitte network will share the ideas and solutions developed through these projects so that the entire humanitarian sector can benefit from and scale them.

Two additional pro bono projects were also completed this year. First, Deloitte UK consulting professionals worked with Save the Children International to help them understand the operational challenges of scaling up and scaling down in times of crisis, and also to develop a strategy to assist the delivery of more efficient and effective operations. And second, the Resilience practice of Deloitte & Touche LLP (Deloitte U.S.) worked with Mercy Corps to develop a framework that incorporates resiliency into strategic and operational decision-making processes.

**Disaster relief efforts**

Disasters often strike with little or no warning and millions of people and thousands of businesses can be devastated overnight. When this happens, Deloitte member firms and professionals from around the world respond generously by spearheading pro bono efforts and collecting donations to support local and regional relief agencies. For example, when Typhoon Haiyan struck the Philippines in November 2013, the CEO of the South East Asia member firm’s Philippines office spearheaded local response and recovery efforts. This included assuming a role as an advisory board member of a private sector foundation organized to harness all the private-business contributions towards relief, rehabilitation, and reconstruction of damaged areas in the country. Colleagues from the Southeast Asia region also activated a fund raising campaign and pledges of support from around the globe were overwhelming. Together with the Southeast Asia member firm’s contributions, more than US$290,000 was raised. Contributions were channeled to the Philippine National Red Cross, which provided disaster and emergency response efforts in the provinces of Leyte, Samar, and Capiz; and the Philippine Business for Social Progress, which built temporary shelters and facilitated clearing operations. Some of the financial aid was also directed to flood relief causes in Vietnam, which was also significantly affected by the typhoon.

Deloitte Central Europe professionals went into action when heavy rainfall hit Croatia and Bosnia and Herzegovina in May 2014, submerging many villages and towns. The floods caused widespread material damage, forcing thousands of people to leave their homes. Member firm staff quickly collected donations to buy much-needed supplies, including bottled water, durable foodstuffs, and personal hygiene products. The Croatia office employees also volunteered onsite to help provide aid to affected families.

Deloitte Japan and its professionals continue to participate in rebuilding efforts in the wake of the Great East Japan Earthquake of 2011. A reconstruction support team, based in the Sendai office, was organized to focus on economic reconstruction in the most seriously affected areas of Tohoku. The team is collaborating with local governments, financial institutions, and not-for-profit organizations to deliver supporting services to affected companies. It also is working with entrepreneurs to plan and develop innovative products and services in an effort to boost the local economy.
Social Progress Imperative
Eighty years since the development of gross domestic product (GDP), there is a growing recognition of the need to measure progress beyond economic factors if countries are to achieve sustainable growth. DTTL’s relationship with Social Progress Imperative (SPI) is breaking new ground in measuring what matters most to advance progress for both people and society.

SPI’s Social Progress Index uses indicators that provide an authoritative view of a country’s social and environmental strengths and weaknesses. This presents a more holistic assessment for the 132 countries it ranks—which covers more than 90 percent of the world’s population—and is starting to drive a new dialogue into the debate around what can unlock true growth and progress.

“We are working with SPI and other organizations to advance the adoption of the Social Progress Index globally, and to bring together the right network of experts to address issues critical to economic and social development. This will help to further focus investment decisions and contribute towards building stronger societies,” explains Almond, who joined the SPI board of directors May 2014. “This collaboration combines the authority and policy making of government, the convening power and subject-matter expertise of NGOs, and the technical skills and creativity of the private sector.”

During the past year, Deloitte member firms have worked with SPI and its partners to establish relationships with 76 organizations from government, the private sector, and civil society in eight Latin American and Caribbean countries. In the coming months, the Social Progress Networks will expand into Africa, Europe, Asia, and North America.

Tackling taxation issues
Because global trade is essential to worldwide economic growth, Deloitte is working with government and business leaders to improve the policies and processes governing global trade during a time of exponential growth in complexity, interconnectedness, and digital economies. An important enabler of global trade is ensuring tax revenue is accurately and appropriately accounted for.

So, the OECD and the G20 are deeply engaged in the Base Erosion and Profit Shifting (BEPS) initiative. It was created to coordinate multi-country legislative change in the area of international tax to better align the law with current policy objectives in this area. This initiative could increase the level of certainty that business needs in conducting its tax affairs. It also will clarify what tax planning is acceptable under the law and what is not.

Deloitte member firms are very involved in this process globally and at the local level, responding to OECD and local country requests for input, educating clients on the issues, and keeping them abreast of developments. DTTL also sponsored the G20’s International Tax Symposium on this topic in Tokyo, Japan. Deloitte member firm partners participated in panel discussions at the May 2014 event, and are supporting additional G20 meetings in Australia during the latter half of the year.

Advocating women leaders in business
DTTL and member firm leaders work with multiple organizations to promote the business case for attracting, retaining, developing, and advancing women to leadership in organizations and society. Because measuring progress is critical to future advocacy efforts, DTTL and the Business and Industry Advisory Committee (BIAC) to the Organization for Economic Cooperation and Development (OECD) joined forces this past year to assess recent changes in company practices.

Their survey report released in June 2014, “Putting All Our Minds to Work: An Assessment,” suggests while women are advancing in the workplace, their progress is slow and uneven. More than 66 percent of companies responding to the survey reported an increase in the percentage of women in executive leadership positions since 2010. However, fewer than half have introduced policy and practice changes aimed at retaining women at the manager level, and even fewer changes have been aimed at advancing women into executive leadership positions. So, despite some progress, more than half of surveyed companies have not introduced any new practices to encourage the advancement of women in their workplaces.

“Too many talented women are choosing to step off the corporate ladder, believing further advancement is not available to them. This has to change and change needs leadership,” says Almond. “At Deloitte, we face the same challenges as other companies and are not satisfied with our progress. To confront these trends, I encourage our leaders—and all business leaders—to own the issue of gender diversity, create substantive engagement, and provide sponsors, coaches, and mentors to help talented women achieve their true potential.”

Deloitte Germany and Deloitte Middle East are among the member firms following Almond’s lead. The German firm’s “Leader.In” networking initiative is aimed at promoting diversity and cultivating female leadership in business, politics, and society. Its 2014 launch event attracted potential and existing clients, political leaders, and other influential stakeholders. The Deloitte Retention and Advancement of Women in the Middle East (DRAW) initiative positions Deloitte Middle East as a champion of women’s advancement across the region. In addition to their regular gender programs, the Middle East firm recently dedicated a full month to advocating career development for women through various on-the-ground and social media activities across 12 countries targeting both internal and external audiences.

Another group of leaders that continues to pursue advancing women in the workforce is the United Nations Women’s Empowerment Principles (UN WEP), a partnership initiative that takes the concept of empowering women out of the realm of doing good and into the reality of doing business. DTTL has supported UN WEP since its launch in 2010. This past year, senior managers from Deloitte U.S.’s Ellen P. Gabriel fellows program hosted an “Innovation Café” for the UN WEP team. The day included breakout sessions on generating and prioritizing ideas, and small-group discussions on how to make top ideas successful. The Women’s Empowerment Principles are a set of principles for business offering guidance on how to empower women in the workplace, marketplace, and community. More than 780 CEOs from around the world have signed the CEO Statement of Support, signaling their endorsement of gender equality and the guidance provided by the principles.