

Deloitte.



**The bigger the challenge,
the bigger the opportunity**
2016 Global Impact Report



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Contents

EXECUTIVE MESSAGE

Deloitte Global CEO and Chairman of the Board letter

3

PERFORMANCE

Revenue
Headcount
New hires
Societal impact

5

5
6
7
8

CLIENTS

Embracing analytics
Securing patient data
eBay's separation bid
Reducing IT risk
Audits that add value
Raising the audit bar
Blockchain link-up
Trade app cuts costs
Taking on corruption

9

9
10
11
12
13
14
15
16
17

TALENT

Cultivating inclusion
Giving and growing

18

19
20

SOCIETY

New homes, new hope
Opportunity on wheels
Smart approach to sustainability

21

22
23
24

REPORTING

Network governance
Global structure
Locations
Deloitte core services
Data protection
Ethics
Risk management
Public policy
Independence
Global security
Reporting process
Metrics
Basis of reporting
Stakeholder engagement summary

26

26
27
28
29
30
31
33
35
35
36
37
38
43
49

CONTENTS

EXECUTIVE MESSAGE

Deloitte Global CEO and
Chairman of the Board letter

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Deloitte Global Chief Executive Officer and Chairman of the Board letter

A little more than a year ago, we planted a stake in the ground by stating our aspiration to become the undisputed global leader in professional services; not necessarily the biggest, but the best.

We articulated our Purpose—to make an impact that matters. We fine-tuned our strategy to focus on five priorities—client, business, geographic, talent, and network leadership. We took bold steps to enhance our brand. And we began transforming our organization to create greater value for clients, emphasizing global consistency.

The broad changes we pursued in FY2016 challenged our talented professionals, and they responded. Deloitte achieved aggregate global revenues of US\$36.8 billion during the year, representing 9.5 percent growth in local currency terms. Each of our five core businesses—Audit, Consulting, Financial Advisory, Risk Advisory, and Tax & Legal—grew during the fiscal year.

While we are confident that our transformative actions contributed to this success, we're still early in our journey. The primary drivers of our growth continue to be the high-quality professional services our people provide and the value they deliver for clients and our other stakeholders across all geographies. It also helps that we excel in areas of high client demand. For example, Risk Advisory grew 22.5 percent, reflecting the market's need for cyber and regulatory services. And Consulting grew at 10.8 percent, fueled by organizations' integrating large-scale digital transformations, systems implementations, human resources, and strategy projects.

Headwinds to tailwinds

We believe the bigger the challenge, the bigger the opportunity. That's how we approach our business, and it's why we are called upon to help many of the world's most highly regarded organizations succeed in an ever-changing global business environment.

Organizations around the world face common challenges. The confluence of technology, changing social norms, and the democratization of information and technology is highly disruptive. Economic volatility and uncertainty is creating financial risk in certain corners of the globe. Geopolitical changes continue to reshape the global marketplace. The regulatory landscape continues to evolve. Globally minded, seamless action is more important than ever.

We are determined to help clients turn these headwinds into tailwinds. For example, to help clients manage operations in far-flung, disparate environments, Deloitte combines global capabilities with deep knowledge of local markets. We are investing in new approaches—from how we develop global services to how we deploy resources—to help ensure we deliver consistent, high-quality service everywhere clients do business. We also continue to make investments across our five businesses, enhancing our industry-leading capabilities in statutory audit and wider assurance activities, cyber, M&A, analytics, crowdsourcing, artificial intelligence, cloud computing, digital, the internet of things (IoT), and more.



Punit Renjen,
Deloitte Global Chief Executive Officer



David Cruickshank,
Chairman of the Deloitte Global Board
of Directors

CONTENTS

EXECUTIVE MESSAGE

Deloitte Global CEO and
Chairman of the Board letter

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Think big

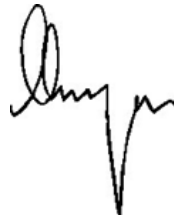
Whether serving as a steward of the proper functioning of global financial markets in the role of auditor, or solving client or societal challenges, we ask our professionals to think big about the impact they make through their work at Deloitte. We believe that a sense of purpose, amplified by our culture of lifelong learning, is key to attracting talent and developing strong leaders. Our Deloitte University locations around the world exemplify our commitment to learning.

Deloitte's dedication to making positive change in the world is reflected not only in our client work, but also in local projects that help address societal issues. Our people collectively spent more than 1.3 million hours on pro bono projects and volunteering this year. And the Deloitte network donated more than US\$75 million to not-for-profit organizations. In all, these contributions are estimated to exceed more than US\$225 million. We also remain committed to sustainability and support of the U.N. Global Compact.

The stories that follow are examples of how we live our Purpose day-in and day-out. As we said at the outset, we aim to be the best in all that we do—serving clients with distinction as they pursue their ambitions, maximizing the potential of our people, and making a difference in our communities.

It is a privilege to lead, and an honor to collaborate with our exceptional colleagues around the world as we work together to make an impact that matters.

Sincerely,



Punit Renjen,
Deloitte Global Chief Executive Officer



David Cruickshank,
Chairman of the Deloitte Global Board
of Directors

FY2016 Revenue

FY2016	FY2015	FY2014
\$36.8B (+9.5%)	\$35.2 (+8%)	\$34.2 (+7%)

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

Revenue
Headcount
New hires
Societal impact

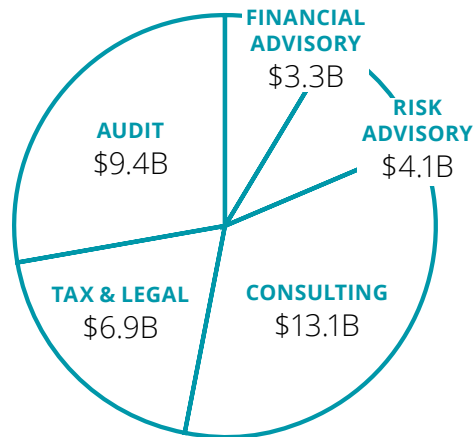
CLIENTS

TALENT

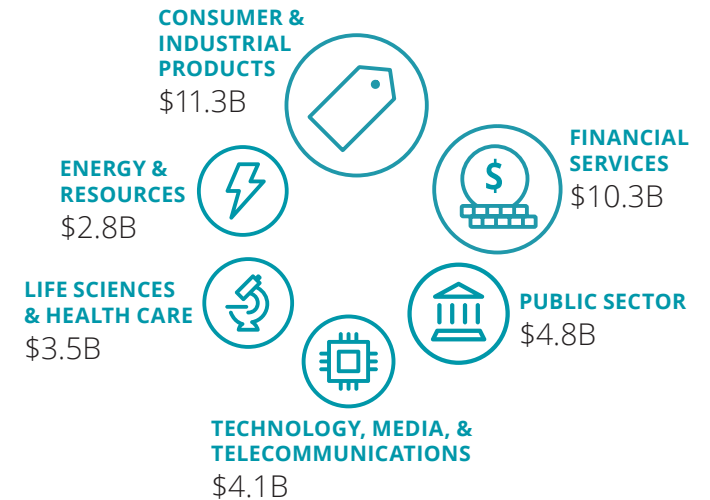
SOCIETY

REPORTING

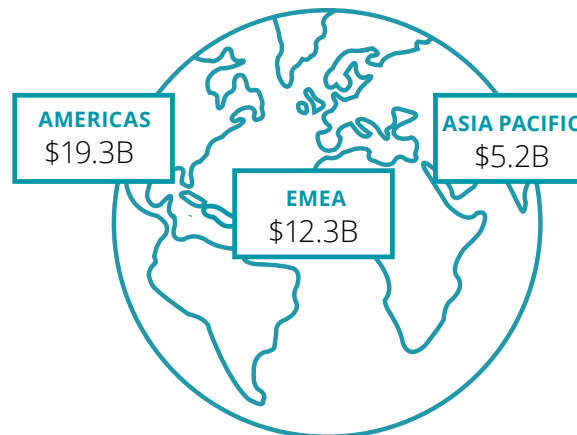
BY BUSINESS



BY INDUSTRY



BY REGION



Note: Revenue figures are in US\$ billion. Global figures are aggregated across the Deloitte network. Because of rounding, numbers may not tally with the total.

FY2016 Headcount

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

Revenue
Headcount
New hires
Societal impact

CLIENTS

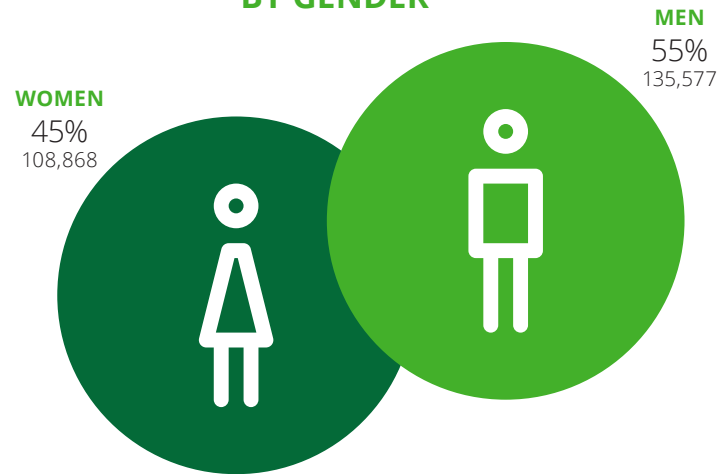
TALENT

SOCIETY

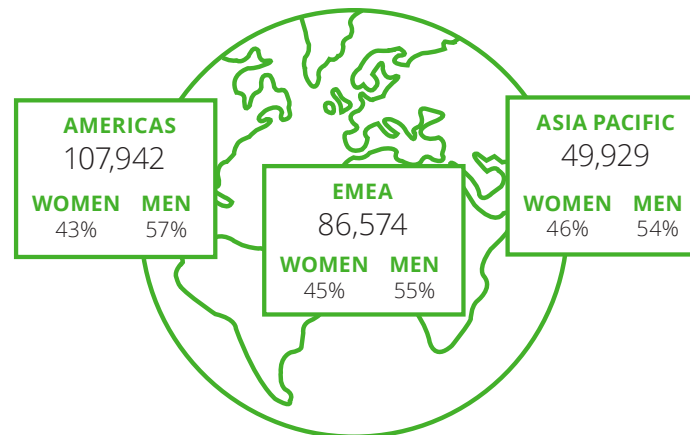
REPORTING

FY2016	FY2015	FY2014
244,400 (+8%)	225,400 (+7%)	210,400 (+4%)

BY GENDER



BY REGION



Note: Global figures are aggregated across the Deloitte network. Because of rounding, numbers may not tally with the total.

FY2016 New hires

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

Revenue
Headcount
New hires
Societal impact

CLIENTS

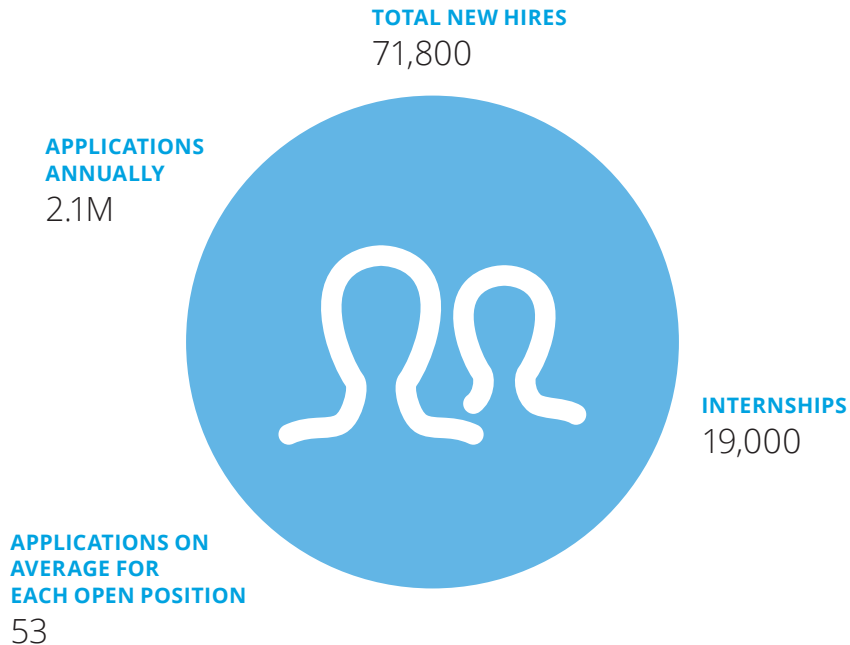
TALENT

SOCIETY

REPORTING

FY2016	FY2015	FY2014
71,800 29%*	62,000 28%*	54,000 26%*

ATTRACTING TOP TALENT



Note: Global figures are aggregated across the Deloitte network.
*New hires as a percentage of total headcount

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

Revenue
Headcount
New hires
Societal impact

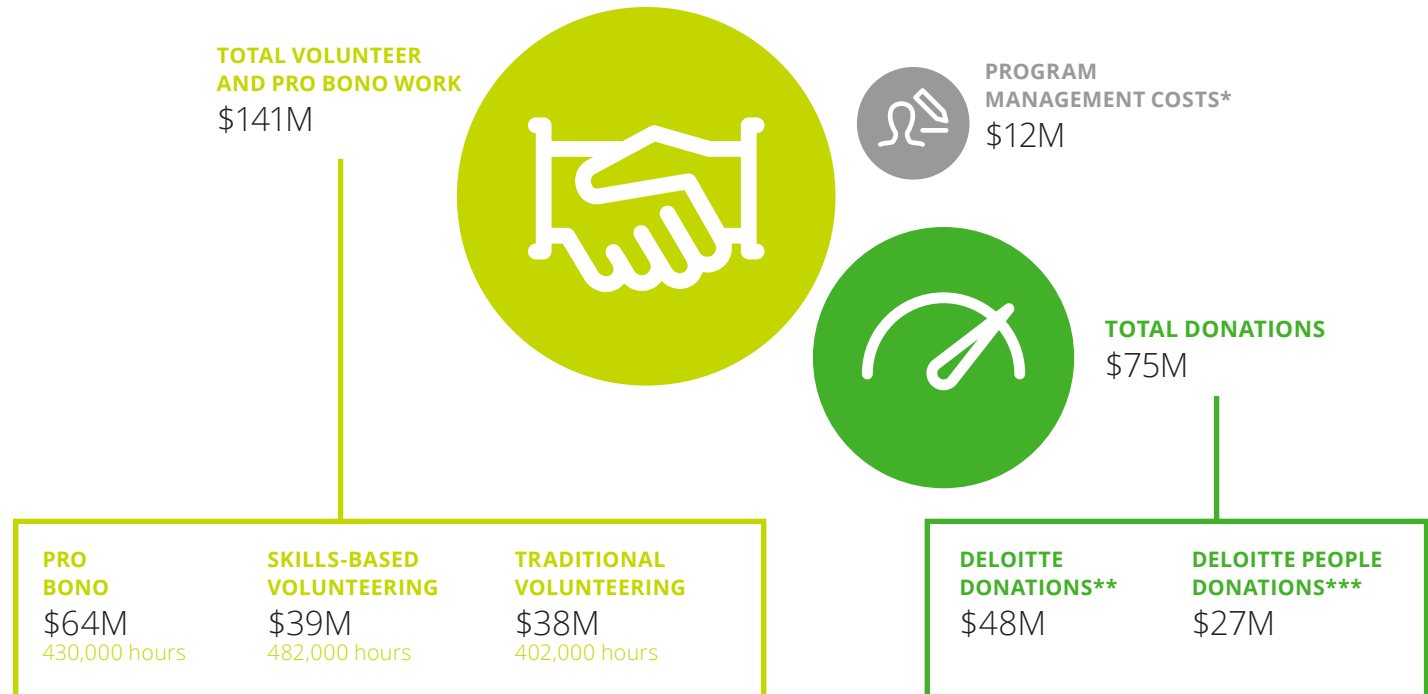
CLIENTS

TALENT

SOCIETY

REPORTING

FY2016	FY2015	FY2014
\$228M (+8%)	\$212M (+11%)	\$190M (+7%)



Note: All figures are in US\$. All figures are aggregated across the Deloitte network. Deloitte observes reporting standards from the Committee Encouraging Corporate Philanthropy and the London Benchmarking Group. The monetary value of community activities was estimated according to the type of service performed. The value of volunteer work was based on local staff costs. Pro bono work, defined as work that Deloitte has delivered to not-for-profit organizations free-of-charge or at a significantly reduced rate, has been valued at fair market rates representative of the local client service rates for comparable services.

* Includes Deloitte member firm foundation costs for managing societal impact programs.

** Includes monetary and in-kind donations from Deloitte Global, member firms, and foundations.

*** Includes Deloitte professionals' donations to supported organizations.



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

- Embracing analytics
- Securing patient data
- eBay's separation bid
- Reducing IT risk
- Audits that add value
- Raising the audit bar
- Blockchain link-up
- Trade app cuts costs
- Taking on corruption

TALENT

SOCIETY

More data, greater insights

Insurer embraces advanced analytics to improve predictability and service

Insurance was driven by data analytics long before such a thing even had a name. The industry's very existence depends on actuaries' abilities to make smart decisions based on data.

Today, though, ever-increasing amounts of information and the technologies that both gather and analyze it—sensing devices, fitness trackers, and artificial intelligence—make it possible for insurers to have deeper insights into its consumers' lifestyles, companies' risks, and other information that can be used to predict losses, price products, and educate consumers.

That's why one of the world's largest providers of insurance solutions asked Deloitte to help it extrapolate unique insights from across the 170 countries where it serves its customers.

"We pulled together a team of professionals from across our network in Switzerland, the UK, the US, and India to help them build an enterprisewide data analytics function," explains Peter Vanderslice, a principal with Deloitte US. "Today, they're accessing new data, developing insights faster, and ultimately are able to improve their client relationship capabilities."

Deloitte also demonstrated the capabilities of its US and UK Deloitte Greenhouse™ analytics labs. "The clients were encouraged by these experiences," Vanderslice says. "They've started to adopt the innovation and visualization of the Deloitte Greenhouse labs within their own organization."

Because data analysis depends on quality as much as quantity, the engagement team has been working with the insurer to help improve data quality measurement and accountability everywhere information is collected so that data used for decision making has consistently high quality.

The multiyear effort is still in its early stages, but the client's biggest business units are pulling analytics-driven insights. "Analytics is starting to help our client by providing opportunities to improve pricing, cross-sell products effectively, as well as achieve cost control through claims and underwriting management," explains Omer Sohail, principal, Deloitte US. "Just as importantly, drawing from this 'big data lake' supports their ability to help protect their clients and the things their clients value most."



"Today, they're accessing new data, developing insights faster, and ultimately are able to improve their client relationship capabilities."

Peter Vanderslice
Partner, Deloitte US



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

- Embracing analytics
- Securing patient data
- eBay's separation bid
- Reducing IT risk
- Audits that add value
- Raising the audit bar
- Blockchain link-up
- Trade app cuts costs
- Taking on corruption

TALENT

SOCIETY

REPORTING

Protecting patients' information

Deloitte's prescription: integrate cybersecurity from top to bottom

If you think having your credit card hacked is scary, Bari Faudree wants you to know that your digital health care record contains much more sensitive data. Cyber criminals already know it; on the black market, health records sell for an average of 50 times more than credit card information.

That's why health care organizations are attacked literally every day by people trying to access the wealth of personally identifiable information that's out there. The most dangerous threats may be outsiders masked as employees. "That's definitely a trend we're seeing," says Faudree, Cyber Risk Advisory Managing Director for Deloitte in the US. "It's causing a shift in thinking among health care companies because internal intrusions can go unnoticed for months and sometimes years."

Foiling thieves isn't health care company leaders' only challenge. They also have to prove to regulatory bodies that they have the cyber standards, controls, and vigilance necessary to prevent cyber risks and detect threats quicker.

That's why, in 2010, a major US health care organization accepted Deloitte US' offer to study and report on its ability to identify, detect, respond to, and recover from cyber threats. Based on that assessment, it engaged Deloitte US to assist in transforming its enterprise cyber security program, and helping it address regulatory compliance and operational efficiency.

"They viewed their primary needs from a technology perspective, so Deloitte US spent a lot of time with the board and leaders throughout the organization building an understanding of the benefits of a holistic approach to cybersecurity," Faudree says. "We ultimately changed executive leadership's awareness and perspectives,

demonstrating to them how this was a business risk that required a deeper net of processes and mechanisms to manage cyber risks. They trusted our advice and made significant changes and investments that can help them more rapidly detect, manage, and respond to threats into the future."

During the past few years, Deloitte US helped the client design and implement new processes; conduct ongoing wargaming exercises; enhance its crisis management program; install an identity management solution for enterprise systems access; develop cyber playbooks to help it address cybersecurity incidents; train various stakeholder groups; and adopt an analytical approach to managing cyber risk that uses a dashboard to monitor its cyber risk posture.

"You know you're making an impact when you don't see the client's name on the evening news," Faudree says. "But, there are so many other positive outcomes of a comprehensive cyber approach that aligns with clients' strategic objectives. They can manage risk better, be more vigilant about compliance, and ultimately improve their ability to achieve their business goals."

Deloitte US and the client continue to work together to combat emerging threats. They currently are developing a ransomware playbook and wargaming exercise. "Infecting systems with malicious software that blocks access, then demanding money to remove the malware, is one of the hottest trends among cyber criminals," Faudree explains. "The fact that our client is ready to deal with that speaks to the higher maturity level of their program."



Learn more about Deloitte's [Secure.Vigilant. Resilient.™](#) approach to cyber risk.



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

Embracing analytics
Securing patient data
eBay's separation bid
Reducing IT risk
Audits that add value
Raising the audit bar
Blockchain link-up
Trade app cuts costs
Taking on corruption

TALENT

SOCIETY

REPORTING

Untangling a worldwide web

eBay and PayPal were deeply integrated; separating them required a global effort

It was a match made in e-heaven. In 2002, more than 70 percent of sellers on eBay, the e-commerce giant, accepted PayPal, the e-payment system of choice. So, for eBay, the US\$1.5 billion acquisition of PayPal made perfect sense. Not only could the online retailer collect a commission on every item sold, but it also could earn a fee from each PayPal transaction.

Over time, however, new competitors emerged and new opportunities presented themselves, leading eBay management to realize that divesting PayPal would allow both companies to capitalize on their respective growth opportunities in the rapidly changing global commerce and payments landscape. So, in September 2014, eBay's board of directors approved a plan to separate eBay and PayPal into independent, publicly traded companies.

Untangling the well-known global brands wouldn't be as easy as joining them had been 12 years earlier. Both had grown substantially and many of their processes, contracts, and technologies had become deeply intertwined. If that wasn't enough of a challenge, management wanted the split to be completed by the second half of 2015, an abbreviated window by industry standards. Requiring the skillset and resources needed for one of the largest, most complex divestitures ever, eBay turned to Deloitte in the US.

"Deloitte US has a strong relationship with eBay established over 14 years of working together on several engagements, which provided the confidence that we had the ability and global reach to deliver this project," says Deloitte US Lead Client Service Partner for eBay, Steve Fineberg. "We brought together a team from multiple member firms across Deloitte's Consulting, Advisory, and Audit businesses, and within nine months, successfully helped create two Fortune 350 companies."

During the engagement, more than 200 Deloitte professionals helped the client:

- Separate more than 10,000 contracts.
- Build a new cloud infrastructure to host 7,000 virtual servers and a new enterprise data warehouse, one of the largest in the world.
- Prepare more than 14,000 servers to support the split of more than 900 applications.
- Migrate more than 18,000 employee user profiles and 27,000 email accounts to the new PayPal environment.
- Relocate 4,500-plus employees from 47 offices.
- Launch a new corporate network for PayPal by integrating 13 hubs and 83 office locations.
- Secure all regulatory approvals required for legal separation.

From a market perspective, the past year has been a record breaker in the merger, acquisition, and divestiture arena. Cross-border deals are a major feature of this M&A wave, with new corridors emerging between Asia and Europe. In Deloitte US's [2016 M&A trends survey](#) of 2,300 executives, 87 percent expect deal activity to continue at the same pace or increase, and more than half of corporate respondents plan to pursue divestitures.

"This particular engagement was successful because of our ability to deliver the project as a coordinated network that collaborated to create innovative solutions that met the clients' needs," says Deloitte US Lead Client Service Partner for PayPal, Zachary Aron. "We had Deloitte professionals in the US, the UK, Australia, Germany, Mexico, India, and Singapore working to ensure that both eBay and PayPal were able to emerge just as strong as when they joined together."



"This particular engagement was successful because of our ability to deliver the project as a coordinated network that collaborated to create innovative solutions that met the clients' needs."

Zachary Aron, Partner, Deloitte US



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

- Embracing analytics
- Securing patient data
- eBay's separation bid
- Reducing IT risk
- Audits that add value
- Raising the audit bar
- Blockchain link-up
- Trade app cuts costs
- Taking on corruption

TALENT

SOCIETY

REPORTING

Reducing risks in health care

Globally consistent IT quality helps manufacturer deliver on its promise

Consider the dangerous consequences if a health care company shipped a nearly expired pallet of medicine to a pharmacy, or sent unsterilized surgical instruments to a hospital. That's why manufacturers of medical devices, pharmaceutical products, and consumer packaged goods are intensely focused on getting quality products into the right hands at the right time. To accomplish this goal, they rely upon numerous complex information technology (IT) applications.

Accordingly, the US Food and Drug Administration (FDA) and other global regulatory agencies have strict Computerized System Validation (CSV) protocols in place to help ensure patient safety, product efficiency, and data integrity. Reducing manufacturing and distribution risk is a priority, which makes the quality of global IT systems critical.

For more than five years, Deloitte in the US has been helping one global health care company comply with FDA and other global regulatory IT systems requirements, and attain the highest levels of efficiency and effectiveness. This has been accomplished, in large part, through an integrated CSV center of excellence (CoE) developed with Deloitte globally and with continuing operational support from Deloitte.

The approach has been so successful that the client asked Deloitte to expand its US CSV CoE model to multiple countries in Asia, Europe, and South America. "Before they decided to centralize several of their IT functions, the client's CSV services were handled by different companies in different countries with various levels of quality," explains Deloitte US's Tom Hodson, the manufacturer's Global Lead Client Service Partner. "Now, all services are led by Deloitte US with services provided by several Deloitte member firms in Asia, Europe, and South America, and all of the related operational support is being done by a dedicated Deloitte US service center in India. With identical delivery models in place, they have consistently high-quality IT services where they want them."

This consistency and structure has benefits beyond safety. As happened in the US, the client anticipates reducing CSV costs by 40 percent in countries adopting the new process, saving millions of dollars. The newly centralized IT function also is able to provide better service across the client's entire organization. "With global standards in place, their people can develop software faster with greater quality assurance. Their IT leaders also can predict and plan more effectively than before," Hodson says. "Our work is helping their IT function be a better partner to the client's entire business."



"Our work is helping their IT function be a better partner to the client's entire business."

Tom Hodson, Partner, Deloitte US



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

Embracing analytics
Securing patient data
eBay's separation bid
Reducing IT risk
Audits that add value
Raising the audit bar
Blockchain link-up
Trade app cuts costs
Taking on corruption

TALENT

SOCIETY

REPORTING

Insightful, intelligent, informative

Transforming the audit from obligation to sought-after opportunity

Advancements in technology are quickly changing the audit from a time-consuming, manually intensive verification duty into a welcomed exercise, yielding broader and deeper insights that can inform decision making. "Deloitte's audit fuels advancement by demonstrating how things are and then asking how they can be made better," says Panos Kakoullis, Deloitte Global Audit Leader. "Deloitte aspires to make every aspect of the audit more valuable."

Improved connectivity and communication, along with exponential technologies—including artificial intelligence (AI), robotics, crowdsourcing, blockchain, and the internet of things—are advancing the audit and increasing transparency. "More than ever," Kakoullis explains, "Deloitte is able to provide the assurance and insights that can inform clients' actions."

Deloitte's commitment to innovating and evolving the audit was acknowledged in October 2015 when the US firm captured *International Accounting Bulletin's* prestigious "Audit Innovation of the Year" award, recognizing its impact on audit quality and client service. A month later, Deloitte in the UK won "best in class" for being the "most informative and clear to investors" at the Investment Association's audit reporting awards.

What makes an audit a Deloitte audit? "Deloitte is making a concerted and continuous investment in developing breakthrough technologies, using fresh and disruptive approaches, to reshape the audit," Kakoullis says. "You can see the results today: automation that reimagines routine tasks, analytics that yield a deeper and more insightful view into the data, and AI that enhances human discovery and problem-solving."

Three tools, among others, particularly illustrate capabilities in the Deloitte network:

- **Illumia** applies analytical techniques to large datasets to uncover trends, patterns, anomalies,

and unusual items. This helps auditors effectively consider entire populations of data to identify hidden risks and focus on items of audit interest.

- **Argus** uses cognitive technologies to quickly process, highlight, and extract information from unstructured data contained in a wide range of documents including contracts, agreements, invoices, and meeting minutes. It scans and analyzes entire populations of documents to identify items of interest, trends, and anomalies, pinpointing key differences across like documents instantaneously while providing analytics in real time.
- **Icount** lets auditors use their smartphones to perform inventory counts and scan results while on-site for verification, consolidation, and analysis online.

To date, Deloitte has invested more than US\$650 million in audit technologies of the future, including Magnia, Deloitte's advanced global audit delivery platform. Deloitte also has teamed up with technology and business specialists from the startup community to develop an intuitive, AI-based platform called Avenir that's designed to accelerate and automate the audit process and deepen intelligence for higher quality.

"Ventures like this allow Deloitte to experiment with new business models and technologies without the constraint of traditional organizational models and barriers," explains Chris Thatcher, Deloitte Global Audit Innovation Leader. "Deloitte's approach to innovation extends far beyond cutting-edge approaches or technology, though. It's about our professionals, our thinking, and a culture that emphasizes the purpose of the audit—to equip clients with the informed perspectives they need to aspire with assurance."



"Deloitte aspires to make every aspect of the audit more valuable."

Panos Kakoullis, Deloitte Global Audit Leader

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

- Embracing analytics
- Securing patient data
- eBay's separation bid
- Reducing IT risk
- Audits that add value
- Raising the audit bar
- Blockchain link-up
- Trade app cuts costs
- Taking on corruption

TALENT

SOCIETY

REPORTING

A rising tide lifts all boats

Advancing the audit profession by raising the bar on audit quality

It's difficult to overstate the importance of audit's role in contributing to a properly functioning capital market and strong, sound economy. But, during the past year especially, "we've seen a rapid call to action around the profession, prompting auditors, regulators, and company management to take a deeper look at their roles in building a trusted financial system and transforming to meet the needs of an evolving world," explains Roger Dassen, Deloitte Global Vice Chairman of Risk, Regulatory, and Public Policy.

Investors today expect auditors to not just deliver high-quality and transparent audits of companies' financial data, but also help identify strategic risks, including risks in their business models, or risks that could potentially inhibit sustainable business.

"Delivering high-quality audits to companies around the world is Deloitte's top priority, and our network continues to make significant investments to do so," says Panos Kakoullis, Deloitte Global Audit Leader. "At the same time, Deloitte is taking an active role in working with regulators and participating in the dialogue around audit market reform and how best to evolve to meet investor needs."

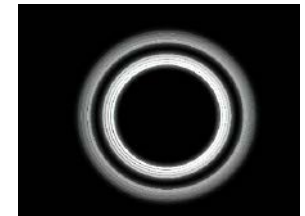
Included among the organizations with which Deloitte's leaders engage is the International Forum of Independent Audit Regulators (IFIAR), which has provided a platform for dialogue and information sharing for the past decade. "IFIAR understands the role of the audit is not static," Dassen says. "It challenges the profession to not only continue enhancing audit quality, but also look ahead to find ways to remain insightful and relevant to investors, audit committees, and other stakeholders.

In 2016, IFIAR and the six largest audit networks entered into a new initiative to reduce the number of inspected audit engagements with one or more inspection findings by at least 25 percent within four years. Deloitte shares the goal of driving continuous improvements in audit quality and has invested in its global audit quality monitoring infrastructure, creating the agility to improve audit quality both across the network and in alignment with the objectives of regulators around the world.

IFIAR's exploration around the overall role of the profession was articulated most recently in IFIAR's paper, "Current Trends in the Audit Industry." It outlined IFIAR's views of the current environment and trends facing the audit profession in six critical areas: firm revenue and growth; competition in the audit market; governance within the global network structure; partnership model and the threat of litigation; impact of emerging technologies on the audit; and quality and extent of resources in the labor market.

"IFIAR's expectation to reduce the number of audit engagements with inspection findings, while also exploring the trends facing the profession, reinforces the view that the audit profession is in the midst of an evolution," Dassen says. "Yet, the heart of the role—quality, transparency, and observing the highest of standards—will always remain."

Adds Kakoullis: "Today's increasingly complex business environment requires that the audit be more dynamic and insightful. Deloitte is committed to doing that for clients and for society as a whole, while continuing to deliver quality audits of financial statements investors require."



"The audit profession is in the midst of an evolution. Yet, the heart of the roles—quality, transparency, and observing the highest of standards—will always remain."

Roger Dassen, Deloitte Global Risk, Regulatory, and Public Policy Leader



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

- Embracing analytics
- Securing patient data
- eBay's separation bid
- Reducing IT risk
- Audits that add value
- Raising the audit bar
- Blockchain link-up
- Trade app cuts costs
- Taking on corruption

TALENT

SOCIETY

REPORTING

Shaping financial services' future

Deloitte prototypes and tools are helping companies adopt blockchain platforms

Mention “blockchain” to the average person and you’re likely to get a quizzical look, similar to the reaction the word “internet” prompted a quarter century ago. There is growing buzz, though, about how blockchain might transform not only financial services companies, but also many other industry sectors—much like the internet already has.

“Blockchain is the most advanced tool for addressing the security, authenticity, privacy, and accessibility of transactions, and its relevance is growing exponentially,” says Joe Guastella, Financial Services Industry Consulting Leader, Deloitte Global. “Every chief technology officer we meet with is either asking serious questions about it or already developing a blockchain strategy for his or her company. It’s proving to be a major disruptive force.”

So, what is [blockchain](#)? It’s basically a database for recording transactions—one that is copied to all of the computers in a participating network. The database retains the complete history of all entries, making its data verifiable and independently auditable. As the number of participants grows, it becomes harder for hackers to overcome the verification activities of the participants. So, the network becomes increasingly secure.

Deloitte currently is pursuing blockchain-related solutions in the areas of banking, digital identity, cross-border payments, loyalty and rewards, investment management, and insurance. We are teaming with blockchain startups BlockCypher, Bloq, ConsenSys Enterprise, Loyyal, and Stellar to build working prototypes. More than 20 already have been developed and a handful are actively generating income.

Additionally, Deloitte Ireland’s new Financial Services Blockchain Lab is advancing proofs-of-concept into functioning prototypes that are being built with specific clients in mind.

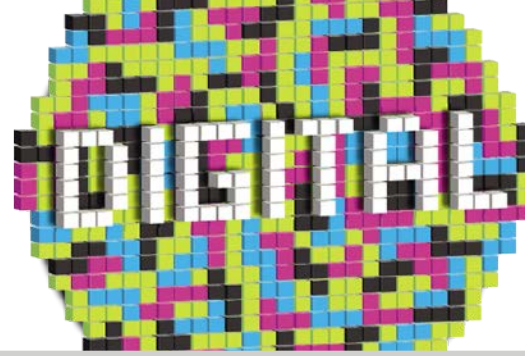
And Deloitte Canada’s startup, Rubix by Deloitte, has released a tool to select clients called Rubix Core. It will help clients build their own blockchain prototypes, customized for their unique industry and business needs.

“Along with its advanced security, blockchain could save users money and time, which makes the technology very attractive to all types of businesses,” Guastella says. “We want to give them the guidance, know-how, and products they need to make blockchain a reality for them.”

“We anticipate that blockchain adoption will occur rapidly as a multitude of applications emerge in different sectors,” adds Vimi Grewal-Carr, Managing Partner for Innovation for Deloitte in the UK. “The stage is set to innovate with apps and tools that can exploit blockchain’s potential. That’s where the near-term activity will be.”



Deloitte supports the World Economic Forum with a project looking at disruptive innovation in financial services. On 12 August, 2016, the Forum released the report, [“The future of financial infrastructure: An ambitious look at how blockchain can reshape financial services.”](#)



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

- Embracing analytics
- Securing patient data
- eBay's separation bid
- Reducing IT risk
- Audits that add value
- Raising the audit bar
- Blockchain link-up
- Trade app cuts costs
- Taking on corruption

TALENT

SOCIETY

REPORTING

Free trade? There's an app for that

Creative tool part of movement to make businesses "digital at their cores"

In a few short years, consumers have become remarkably adept at shopping and banking using their desktops, tablets, and mobile devices. They play games, stream media, interact with friends, and participate in myriad other digital-driven activities.

Researching tariffs probably is not one of those activities. But, there's an app for that too, and business professionals around the Pacific Rim and beyond are using it to navigate complicated trade policy and regulatory environments.

Created by the consulting and tax functions of Deloitte in Japan and their counterparts in other Deloitte firms across 10 countries, Trade Compass™ is a web-based platform that allows clients to get one-stop access to relevant tariff rates and rules of origin. By using the tariff information as a key input, users are better able to choose trade partners in countries offering the most favorable trade arrangements and they can often realize considerable cost savings. It represents a new twist on how businesses are using digital tools to support their broader company goals.

There are nearly 400 free-trade agreements (FTAs) in effect globally, creating a confusing web of options. "Until now, there's been no user-friendly tool that permits clients to easily compare applicable FTAs and judge which supply chain is the best, at least in terms of tariffs," explains Deloitte Japan's Regulatory Strategy Manager Masahiko Myose, who led the development of Trade Compass.

Using Trade Compass, one producer of epoxy resin saved nearly US\$217,000 by choosing a trade partner in a country with a favorable FTA. Its tariff rate on the US\$8.3 million in goods it imported was reduced from 5 percent to 2.4 percent. The savings added almost 3 percent to the annual income of the business unit acquiring the goods.

The Trade Compass tool was recently adopted by the Japanese government as a centerpiece of its Trans Pacific Partnership-related information program. "By including all FTAs applicable to 19 major Asia Pacific countries and the European Union," Masahiko says, "Trade Compass is easing the burden on management and driving better-informed decisions."

"Businesses have prioritized improving the customer experience via digital, and those efforts will drive significant revenue growth in coming years," says Mike Brinker, Deloitte Digital Leader, Deloitte Global. "While front-end strategies are important, though, companies need to be digital at their cores. In the next three to five years, cognitive, social, and other emerging digital technologies will be woven into all aspects of businesses and their strategies. Trade Compass is a great example of how digital tools can help business leaders make better decisions that improve their bottom lines."



"In the next three to five years, cognitive, social, and other emerging digital technologies will be woven into all aspects of businesses and their strategies."

Mike Brinker, Deloitte Digital Leader,
Deloitte Global

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

Embracing analytics
Securing patient data
eBay's separation bid
Reducing IT risk
Audits that add value
Raising the audit bar
Blockchain link-up
Trade app cuts costs
Taking on corruption

TALENT

SOCIETY

REPORTING



Taking on corruption

Project aims to remove obstacles to economic and social development

Corruption is a significant challenge in many industries and the construction business is no exception. Globally—from the contract-bidding process through all phases of building—bribery, collusion, and cost inflation are estimated to pad final costs anywhere from [10 percent to 30 percent](#).

This is a concern in several countries, including India, where certain processes can be complex and hundreds of billions of dollars are funding massive infrastructure projects. That's why Deloitte worked with the World Economic Forum and Indian authorities to help address corruption risks in India through a pilot project on the state level.

"Building Foundations for Transparency" is a collaborative project between the Forum's Partnering Against Corruption Initiative (PACI) and the Infrastructure and Urban Development (IU) industries aimed at helping governments tackle corruption in public processes, including procurement, permitting, and licensing. Its goal is to promote fairness by reducing irregularities in the infrastructure, engineering, construction, and real estate industries.

The project seeks to establish ongoing dialogue between business and local public officials in India on potential ways to enhance transparency in permits and licenses, land acquisition, and procurement. A Forum report, created in collaboration with Deloitte, serves as the blueprint for the effort. It focuses on practical outcomes and provides guidance on how to implement solutions locally and replicate them in other regions.

The report contains an online diagnostic tool, built by Deloitte, that's designed to drive greater transparency within the IU industries. "The tool Deloitte developed for the pilot project in the Indian state of Maharashtra provides a visual aggregation of data related to corruption, identifies key risk

areas, and assesses where we can make strides through process improvement," says Samuel Rohr, a Financial Advisory consultant for Deloitte in Switzerland who was seconded to PACI. "This technology provides information that is enabling more openness and honesty throughout the process." The smartphone-accessible microsite can be used as a template for other Forum projects needing digital tools, platforms, and microsities.

Launched in 2004, PACI has created a highly visible anti-corruption platform, working across industries and with the support of organizations and governments around the world. Deloitte Global Chairman David Cruickshank is co-chair of the [PACI Vanguard](#) steering board, and James Cottrell, a Deloitte US partner, has been intensely involved with PACI the past four years.

"PACI's impact on corruption is obvious in places like Nigeria," Cottrell explains. "At the global Anti-Corruption Summit held in London this past May, the Deloitte/PACI-supported Clean Business Practice Initiative (CBPI) was lauded by Nigeria's new President, Muhammadu Buhari. He has made fighting corruption a top priority of his administration."

Cottrell believes corruption is one of the greatest obstacles to economic and social development. "For Deloitte clients, this is a critical issue," he says. "That's why we're passionate about fostering trust and transparency, because it results in more accessible markets, lower risks for investors, and a more level playing field for doing business—all of which benefit society."



"We're passionate about fostering trust and transparency because it results in more accessible markets, lower risks for investors, and a more level playing field for doing business."

James Cottrell, Deloitte US partner

Investing in our people

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

Cultivating inclusion
Giving and growing

SOCIETY

REPORTING

50,000
Deloitte
professionals
experienced
Deloitte University



3.1M+
e-learning
courses
completed

2,000
Partners,
principals, and
directors led
Deloitte University
programs

Note: Global figures are aggregated across the Deloitte network.



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

Cultivating inclusion
Giving and growing

SOCIETY

REPORTING

Personalities propel performance

Inclusiveness yields smarter decisions, “makes our organization stronger”

Run-of-the mill corporate videos typically don't feature inflating wombs, prosthetic limb removal, and a man peeling off his face. They also don't rack up more than 50,000 views on YouTube, endorsements from leading diversity organizations, and requests from clients to use the film to help drive cultural change within their organizations.

Then again, “Ask yourself...” is no run-of-the-mill video. “We created the film to support the launch of Deloitte UK's respect and inclusion action plan. It was so powerful though, that we wanted to share it with the world,” says Emma Codd, managing partner for Talent, Deloitte UK. “It challenges viewers with a number of scenarios, including gender bias, sexual orientation, disability, and race.”

Half a world away, Juliet Bourke, a Human Capital partner with Deloitte Australia, authored a book called, “Which two heads are better than one? How diverse teams create breakthrough ideas and make smarter decisions.” In contrast to the UK's use of emotion to connect to viewers, Bourke connects through compelling academic and practical research on the ways that more diverse teams, particularly those led by inclusive leaders, generate high performance.

The common link between the two projects is the acknowledgement that inclusive environments value open participation from individuals with different ideas, diverse perspectives, and unique factors that contribute to their personalities and behaviors. This viewpoint and the impact of millennials is the focus of a recent white paper published by Deloitte in the US. [“The radical transformation of diversity and inclusion: The millennial influence”](#) examines generational views of diversity and inclusion and their impact on innovation, engagement, creativity, and other business outcomes.

[The Deloitte University Leadership Center for Inclusion](#) was launched to engage and inspire Deloitte people, clients, and others to redefine inclusion in the 21st-century workplace. Similar efforts are underway in China, where Deloitte's Generation Young Council acts as an inclusion sounding board and helps shape corporate culture; and in Canada, where Deloitte provides training on unconscious bias, inclusion workshops, and people networks that seek millennial input.

While diverse thinking is a priority, representation remains important—especially in terms of gender—because it allows new voices to be heard. Across the Deloitte network during the past year, 46 percent of all new hires were women, “but we lose too many women as they represent only 35 percent at manager level and 22 percent of partners, principals, and directors,” explains Deloitte Global Chairman David Cruickshank. “We know we have more to do, and Deloitte leaders have taken this challenge to heart. Some of our most influential male leaders volunteered to vacate their Deloitte Global Board seats to make room for talented women from their own leadership teams to serve.

“That's symbolic of how Deloitte leaders recognize that diversity and inclusion are critical to our business performance and must be reflected in our decision making and governance processes,” Cruickshank continues. “We want Deloitte to be a place people can be themselves and recognize that their unique attributes make our entire organization stronger.”



Watch: Deloitte UK's popular [“Ask yourself...”](#) video uses powerful images to reinforce that appearances can be deceiving.

[Deloitte Australia's “The Six Signature Traits of an Inclusive Leader,”](#) published by Deloitte University Press in April 2016, examines leaders who display the ability to not only embrace individual differences, but also to potentially leverage them for competitive advantage.



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

Cultivating inclusion
Giving and growing

SOCIETY

REPORTING

Developing world-class talent

A unique opportunity allows Australian Director to make a meaningful impact

Deloitte Global's annual [Millennial Survey](#) reveals that most young professionals want to be part of organizations that place purpose above profit and offer ample opportunities to develop as leaders.

In other words, they'd love to have Lyanne Harrison's job.

Harrison, a Financial Advisory director at Deloitte Australia, spent the past year "on loan" to Adara Partners, an advisory firm that provides financial services know-how to companies, governments, and families. It was founded in 2015 for the sole purpose of funding Adara Development, a not-for-profit that, for the last 18 years, has worked hand in hand with communities, women, and children living in poverty in developing countries.

"Adara is recognized as one of the first, truly purpose-led organizations," Harrison explains. "One hundred percent of their advisory profits go toward paying Adara Development's administrative costs and funding impactful societal projects that produce measurable, meaningful change in the world."

Deloitte in Australia is one of Adara's largest allies, and Harrison's pro bono assignment represents the Australia firm's commitment to the organization. She applied her skills and 10-plus years of Deloitte experience to provide strategic advice, and mergers and acquisitions support to Adara's clients. "My first assignment generated enough in fees to pay the not-for-profit's operating costs for six months," she explains. "Revenue from a recent capital-raising engagement can fund one of Adara Development's community projects for an entire year."

Kiwoko Hospital in rural Uganda is one recipient of those funds. With Adara Development's support, the facility is able to provide maternal, infant, and child health care, support to people living with HIV, community health outreach programs, and general treatment. "This hospital serves a region with 800,000 people who otherwise might not have access to health care," Harrison says. "The support it receives from Adara Development is a great example of how people in the business community can use their core skills and abilities to make a meaningful impact on thousands in poverty."

The 12-month assignment also had a profound effect on Harrison. "Learning on the job from so many accomplished professionals who also loaned their skills to Adara Partners was an incredible experience," she says. "It's immensely satisfying knowing that our work not only benefited Adara's clients, but also that the fees we generated were used to help those in need."

"Deloitte supports and encourages nontraditional assignments like these because they help develop leadership capabilities," says Margot Thom, Deloitte Global Talent Leader. "They give Deloitte professionals new and interesting ways to serve the business community while making a positive impact in society and learning new skills. That brings out the best in people, and that's noticed when you're competing to attract top talent."



A baby is weighed at Kiwoko Hospital, a beneficiary of safe motherhood clinics funded by Adara Partners.

"Deloitte supports and encourages nontraditional assignments like these because they help develop leadership capabilities."

Margot Thom,
Deloitte Global Talent Leader

Society

While Deloitte's business has expanded dramatically the past 160 years, our Purpose remains the same—to make an enduring, sustainable impact that matters for society, each and every day across our network. Whether we're helping businesses operate responsibly, promoting trusted financial systems in global markets, delivering advisory services to clients or pro bono work to nonprofits, contributing to global conversations on key social, environmental, and public policy issues, creating innovative solutions, or investing in the development of our people, Deloitte seeks to drive society forward and effect meaningful, positive change around the world.

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

New homes, new hope
Opportunity on wheels
Smart approach to sustainability

REPORTING



HUMANITARIAN ACTION

50+ humanitarian organizations supported with almost half focused on the refugee crisis



IMPACT DAY

70,000 Deloitte professionals volunteering during IMPACT Day

EDUCATION AND SKILLS



DELOITTE DEDICATED

421,000 hours of our professionals' time through volunteering and delivering pro bono services

\$70M support in donations, our professionals' time, and program management



INDIVIDUALS REACHED BETWEEN FY2012–FY2016

1.6M

Note: Global figures are aggregated across the Deloitte network.

GREENHOUSE GAS EMISSIONS

METRIC TONS CO₂E BY CATEGORY (INCLUDING OFFSETS) PER FULL-TIME EQUIVALENT



	FY2016	FY2015	FY2014
3.8	4.0	4.2	



78% business travel (722,482 metric tons)



22% facilities (201,374 metric tons)

Note: Global figures are aggregated across the Deloitte network



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

New homes, new hope
Opportunity on wheels
Smart approach to sustainability

REPORTING

New homes, new hope

Deloitte uses its skills, relationships to connect refugees with opportunities

The world is facing an unparalleled displacement crisis triggered by dire situations in Syria, Afghanistan, Iraq, Somalia, Sudan and other countries. Refugees have been fleeing their homelands in huge numbers as a result of conflict, human rights violations, or violence. In 2015 alone, more than a million refugees arrived in Europe in search of a better life.

Professionals from throughout the Deloitte network are supporting refugee-integration efforts in multiple ways, including helping individuals and families find housing, employment, education, and counseling.

Deloitte in Germany is driving multiple initiatives across a country faced with the largest influx of refugees in Europe. For example, the German firm has adjusted its hiring policies to provide the refugee community with employment and mentorship opportunities. As a social mentor for a new colleague from Syria, Dalia Chirila says her main role is to “offer support with his integration not only into the firm, but also into the German community so that he can create a bright future for himself, and set an example to other refugees.”

Deloitte in Denmark is working closely with the board of the Danish Agency for International Recruitment and Integration (SIRI) to help refugees suffering from post-traumatic stress disorder (PTSD). Deloitte Denmark professionals have developed both a methodology and tool that improve early detection, identification, and screening for PTSD. As a result, SIRI is better equipped to target its refugee-support efforts.

Nearly 30,000 Syrian refugees have resettled across the Atlantic in Canada. Deloitte in Canada has teamed with WoodGreen Community Services and other organizations to create a web portal that connects Syrian refugees with goods and services, in particular, housing.

Deloitte Middle East’s Syrian refugee program aims to help improve the lives of as many refugees as possible in Lebanon, Jordan, and Syria. The firm’s initiatives focus on educating and empowering women and young people through its Digital Youth Program, employability skills workshops, and pro bono support to nonprofits in the region.

Deloitte Global is a member of the Tent Alliance, a platform that connects companies so they can work together and with the public sector to help end the refugee crisis. The Alliance was launched at the World Economic Forum’s 2016 annual meeting in Davos, Switzerland. The Deloitte network is also committed to supporting the global call to help alleviate suffering around the world made at the World Humanitarian Summit held in Istanbul, Turkey, in May 2016.

“Our network has a long history of advancing humanitarian efforts by investing in and delivering solutions in new and innovative ways,” says Amy Fuller, Senior Managing Director, Deloitte Global Brand. “The tremendous scale of the refugee crisis has moved us to use our core business skills and know-how in ways that truly demonstrate our creativity, our capabilities, and our compassion.”



Deloitte Middle East’s Syrian refugee program focuses on educating and empowering women and young people.

“Our network has a long history of advancing humanitarian efforts by investing in and delivering solutions in new and innovative ways.”

Amy Fuller, Senior Managing Director,
Deloitte Global Brand



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

New homes, new hope
Opportunity on wheels
Smart approach to sustainability

REPORTING

Taking technology to the people

The Digitruck rolls into South Africa loaded with laptops...and hope

A ground-breaking, solar-powered mobile trailer called “the Digitruck” is helping bridge the digital divide in South Africa’s Western Cape province, where access to computers, the internet, and trained facilitators is profoundly needed.

A joint initiative among Brothers for All (BfA), Close the Gap, and Deloitte, the Digitruck functions as a mobile information technology lab equipped with 20 fully configured laptops and supporting peripheral devices. Its arrival brings optimism and the opportunity for a better life to communities where unemployment among young people tops 80 percent.

“The Digitruck provides the space to do in-house software development work, increasing the technical experience of the students, which will improve their chances of securing jobs,” explains Sihle Tshabalala, national coordinator for BfA, a nonprofit organization that teaches computer coding and soft skills to ex-offenders and at-risk youth. “We also can offer training in job-readiness skills such as presenting, project management, and workplace English.” By adding the Digitruck, BfA instructors should be able to train approximately 60 more students per year and place them in internships or full-time jobs.

The Digitruck is the brainchild of Deloitte in Belgium and Close the Gap. Deloitte in South Africa enlisted in the effort, offering its understanding of Western Cape communities and their challenges to help implement the project. Deloitte volunteers will spend the next year working with BfA to provide soft-skills workshops, job shadowing, product development, guest speakers, and presentations showcasing modern technology and BfA’s work. Deloitte also is covering the cost of moving Digitruck from town to town, as well as all required insurance.

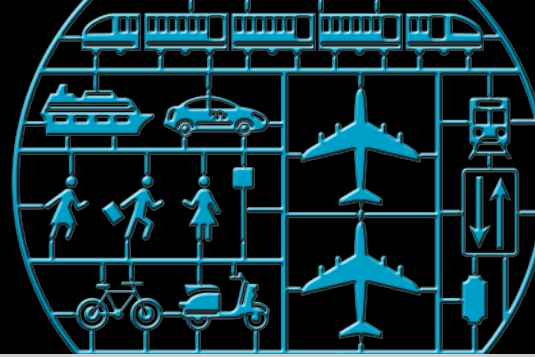
“BfA has demonstrated that when you give people access to computers and technical instruction, they can develop a strong base of core skills quickly,” says Olivier Vanden Eynde, Risk Advisory Director, Deloitte Belgium. “This creative and scalable solution to digital literacy is helping at-risk young people earn opportunities for meaningful, well-paid employment. That’s a hope many of them did not have before the Digitruck.”



The Digitruck is a 12-meter-long, solar-powered mobile trailer that can accommodate up to 18 students at a time.

“This creative and scalable solution to digital literacy is helping at-risk young people earn opportunities for meaningful, well-paid employment.”

Olivier Vanden Eynde, Risk Advisory Director, Deloitte Belgium



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

New homes, new hope
Opportunity on wheels
Smart approach to sustainability

REPORTING

A smart approach to sustainability

Jakarta embraces technology's role in building a supportive infrastructure

Imagine living in a city where the average daily commute is two hours each way and you need to wear a mask as protection from pollution. That's Jakarta today. Indonesia's capital is a city in transition, trying to accommodate one of the world's highest rates of urbanization in spite of a dated infrastructure. Traffic, waste management, pollution, public health and safety, and the delivery of basic public services are among the many challenges in this new normal. But, city leaders have a vision to use technology to do more with less—to become a "smart city."

Deloitte has identified a host of actions to help Jakarta achieve its smart city vision. "Becoming more technological-ly advanced not only promises to improve citizens' quality of life, but it also should advance environmental sustainability," explains Chew Chiat Lee, Executive Director, Consulting, Deloitte Southeast Asia. "We can help city leaders to define a clear vision and identify the bold steps needed to close the gaps between where they are and where they want to go."

Using Deloitte's "Smart City Preparedness Assessment Toolkit," the Deloitte team identified 16 ideas that can further fuel the momentum started by government programs. Six interconnected "smart" categories—living, mobility, governance, environment, economy, and people—were then identified and translated into specific metrics that are ambitious, relevant, measurable, and achievable. Among the targets for 2025: creating 100 percent access to potable water; cutting crime in half; boosting public transportation to reduce traffic congestion by 30 percent; having 50 percent of all commercial and governmental buildings Green certified; complete access to basic health care; and zero poverty.

"Getting to their desired states will require an ecosystem of government, private-sector players, nongovernmental organizations, development agencies and citizens working together. There's much to do," Lee says. "But, the desire is there. A plan is now in place. And momentum is building. It will be exciting to help Jakarta turn its smart city dream into a reality."

Environmental sustainability across the network

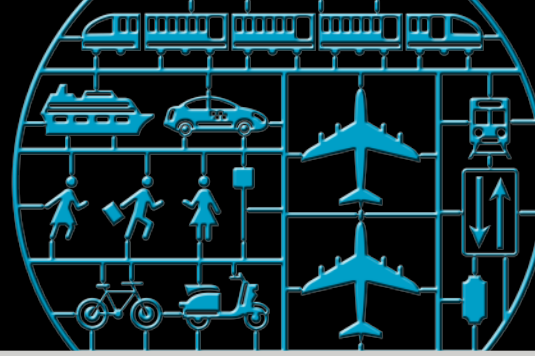
Several of the same tools and strategies Deloitte advocates to enable smart cities are employed throughout our organization as part of an ongoing approach to environmental sustainability. Our journey, like those of our clients, is constantly enhanced using data. Deloitte tracks and reports on key metrics using a networkwide, cloud-based sustainability management system.

- Between FY2014 and FY2016, we reduced total electricity consumption by 5 percent, while increasing global headcount by 16 percent.
- During the same time frame, we reduced greenhouse gas emissions from buildings by 12 percent and increased purchases of renewable energy.
- While overall, absolute greenhouse gas emissions increased by 2 percent, emissions intensity measured by emissions per full-time equivalent (metric tons CO₂e/FTE) dropped by 6 percent since last year and 11 percent since FY2014.
- Total paper consumption was down 11 percent from last year and 21 percent less than FY2014.

Deloitte's portfolio of LEED- and BREEAM-certified office space include facilities in New York, Amsterdam, Hong Kong, Sao Paulo, and Istanbul. Many Deloitte offices, including the

"We can help city leaders to define a clear vision and identify the bold steps needed to close the gaps between where they are and where they want to go."

Chew Chiat Lee, Executive Director, Consulting, Deloitte Southeast Asia



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

New homes, new hope
Opportunity on wheels
Smart approach to sustainability

REPORTING

A smart approach to sustainability

Jakarta embraces technology's role in building a supportive infrastructure

Gateway in Belgium, are strategically located in transportation hubs.

During the past year, a number of member firms reduced the impact of fleet vehicles by giving incentives for low-emission lease choices and surcharges for higher-emission vehicle options. Other firms are providing discounts for public transportation fees or car-sharing memberships.

For an organization growing as rapidly as Deloitte—which has added 34,000 jobs the past two years—initiatives like these will continue to be critical in curbing our impact on the environment.



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance

Global structure

Locations

Deloitte core services

Data protection

Ethics

Risk management

Public policy

Independence

Global security

Reporting process

Metrics

Basis of reporting

Stakeholder engagement

summary

Leadership and governance

As a global network comprising Deloitte Global, Deloitte member firms, and each of their related entities and affiliates in more than 150 countries and territories, Deloitte has governance and management structures in place at both the global and member firm levels.

The Deloitte Global Executive

The Deloitte Global Executive, composed in FY2016 of 26 senior leaders from Deloitte Global and certain member firms across the global network, is responsible for embedding Deloitte's Purpose and developing its aspiration and strategic priorities. The Executive, which meets approximately six times during the year, sets policies and champions initiatives that help the network make an impact that matters for member firm clients, Deloitte professionals, communities, and other stakeholders.

Deloitte Global Chief Executive Officer Punit Renjen, who began his four-year term on 1 June 2015, leads and manages this governing body. Renjen appoints the members of the Executive, subject to approval by the Governance Committee of the Deloitte Global Board of Directors.

The Deloitte Global Operating Committee

The Operating Committee, composed of leaders from Deloitte Global and certain member firms aligned to the businesses, regions, and other key areas, provides a vital link between strategy and execution that helps enable the network to perform effectively and efficiently.

The Operating Committee is headed by Deloitte Global Chief Operating Officer Frank Friedman. Its members include, from Deloitte Global, five global business operating leaders, three regional leaders, the chief information officer, the chief financial officer, and leaders from Client & Industries, Talent, Strategy & Brand, and Risk. It also includes a four-person council of executive member firm COO representatives.

The Deloitte Global Board of Directors

The Board of Directors is Deloitte Global's highest governing body. The Board addresses the network's most important governance issues, including global strategies, major transactions, and the election of the CEO. During FY2016, the Board's 32 members represented 18 member firms across more than 100 countries and territories. Among its committees is a standing Governance Committee, which exercises periodic oversight in respect of the management of Deloitte Global.

David Cruickshank is the Chairman of the Board. He began his four-year term of office on 1 June 2015.

Board members are appointed by individual member firms that are themselves selected based on size, the number of significant clients they serve, and other factors. The Board also includes three regional seats, ensuring smaller member firms are represented.

Board composition is multicultural with a proportionate representation of member firms. Gender is considered by member firms as they appoint individuals to these positions. There are currently five women board members.

Member firm leadership

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

- A formal management structure, including an elected chief executive officer or managing partner who is responsible for managing the member firm and working with the member firm's leaders to align its functional and client strategies with Deloitte Global; and
- A governing body, such as a board of directors, to facilitate sound governance of the individual practice.



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance

Global structure

Locations

Deloitte core services

Data protection

Ethics

Risk management

Public policy

Independence

Global security

Reporting process

Metrics

Basis of reporting

Stakeholder engagement

summary



Network structure

The Deloitte network is made up of firms that are members of Deloitte Touche Tohmatsu Limited (Deloitte Global), a UK private company limited by guarantee. This structure allows Deloitte to be a leader at all levels—locally, nationally, and globally.

Individual member firms have access to the skills and knowledge of other member firms, the ability to consult within the Deloitte network, and the benefit of the network's market recognition and reputation. Deloitte Global itself does not provide services to clients.

Member firm structure

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

The member firm structure supports compliance with rules of local ownership and management governing the relevant professional services in member firms' respective jurisdictions. It also reflects the fact that the member firms are not subsidiaries or branch offices of a global parent. Rather, they are separate and distinct legal entities that have voluntarily joined the network to coordinate their approach to client service.

This structure confers significant strengths, including a deep understanding of local markets and a sense of responsibility among member firms' professionals, who have direct stakes in the integrity and growth of their local practices.

Deloitte continues to reinforce this differentiating structure and achieve economies of scale with new centers of excellence, global delivery centers, and other network approaches that are designed to deliver a consistent level of excellence around the world. The network also is adopting new models for sharing leading practices, technologies, and back-office investments.

Global cooperation

As members of the Deloitte network, member firms benefit from shared activities, investments, and resources that enhance their individual abilities to provide core services to key local and global clients. They also are able to leverage Deloitte's brand, eminence, and intellectual property.

Deloitte member firms support and adhere to the purposes and policies of Deloitte Global by:

- Conducting themselves in a manner that sustains the reputation of the Deloitte network;
- Aligning national plans, strategies, and operations with those of Deloitte Global, as appropriate, in consultation with Deloitte Global's executive management;
- Adhering to Deloitte Global's requirements regarding professional standards, shared values, methodologies, governance, and systems of quality control and risk; and
- Advising Deloitte Global of proposed joint ventures, joint practices, mergers, and other cooperation arrangements and combinations of any type with other member firms.



Locations

Deloitte service clients in more than 150 countries and territories. Green markers on the map indicate office locations. Please visit www.deloitte.com/GlobalOfficeDirectory for the most up-to-date information on specific office addresses or service inquiries in locations not listed here.



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

- Network governance
- Global structure
- Locations
- Deloitte core services
- Data protection
- Ethics
- Risk management
- Public policy
- Independence
- Global security
- Reporting process
- Metrics
- Basis of reporting
- Stakeholder engagement summary

Albania	Brazil	Côte d'Ivoire	of Micronesia	Isle of Man	Marshall Islands	Panama	Singapore	United Arab Emirates
Algeria	British Virgin Islands	Croatia	Finland	Israel	Mauritius	Papua New Guinea	Slovakia	United Kingdom of Great Britain and Northern Ireland
Andorra	Brunei Darussalam	Curaçao	France	Italy	Mexico	Paraguay	Slovenia	United States
Angola	Cyprus	Czech Republic	Gabon	Japan	Monaco	Peru	South Africa	United States
Argentina	Darussalam	Democratic Republic of Congo	Georgia	Jordan	Mongolia	Philippines	Spain	United States
Armenia	Bulgaria	Republic of Congo	Germany	Kazakhstan	Montenegro	Poland	Sweden	United States
Aruba	Burundi	Republic of Congo	Ghana	Kenya	Morocco	Portugal	Switzerland	United States
Australia	Cambodia	Republic of Congo	Gibraltar	Kosovo	Mozambique	Portugal	Taiwan	United States
Austria	Cameroon	Republic of Congo	Greece	Kuwait	Myanmar	Puerto Rico	Tajikistan	United States
Azerbaijan	Canada	Denmark	Greenland	Kyrgyzstan	Namibia	Qatar	Thailand	United States
Bahamas	Cayman Islands	Dominican Republic	Guam	Laos	Netherlands	Republic of Korea	Timor-Leste	Uruguay
Bahrain	Chad	Republic of Ecuador	Guatemala	Latvia	New Zealand	Republic of Moldova	Togo	Uruguay
Barbados	Channel Islands (Jersey and Guernsey)	Egypt	Honduras	Lebanon	Nicaragua	Republic of Moldova	Trinidad and Tobago	Venezuela
Belarus	Chile	El Salvador	Hong Kong SAR	Libya	Nigeria	Romania	Tobago	Viet Nam
Belgium	China	Equatorial Guinea	Hungary	Lithuania	Northern Mariana Islands	Russian Federation	Tunisia	Yemen
Benin	Colombia	Estonia	Iceland	Luxembourg	Norway	Rwanda	Turkey	Zambia
Bermuda	Congo	Ethiopia	India	Macau SAR	Oman	Saudi Arabia	Turkmenistan	Zimbabwe
Bolivia	Congo (Brazzaville)	Federated States	Indonesia	Macedonia	Pakistan	Senegal	U.S. Virgin Islands	
Bosnia-Herzegovina	Costa Rica	States	Iraq	Malawi	Palau	Serbia	Uganda	
Botswana			Ireland	Malaysia			Ukraine	

Deloitte core services

Deloitte's 244,000-plus professionals are dedicated to finding innovative solutions that contribute to a stronger economy and healthier society. Enabled by a global network of strong businesses and valued services—built on decades of insight and experience—they solve tough problems, build trust, and help clients achieve transformative results.

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

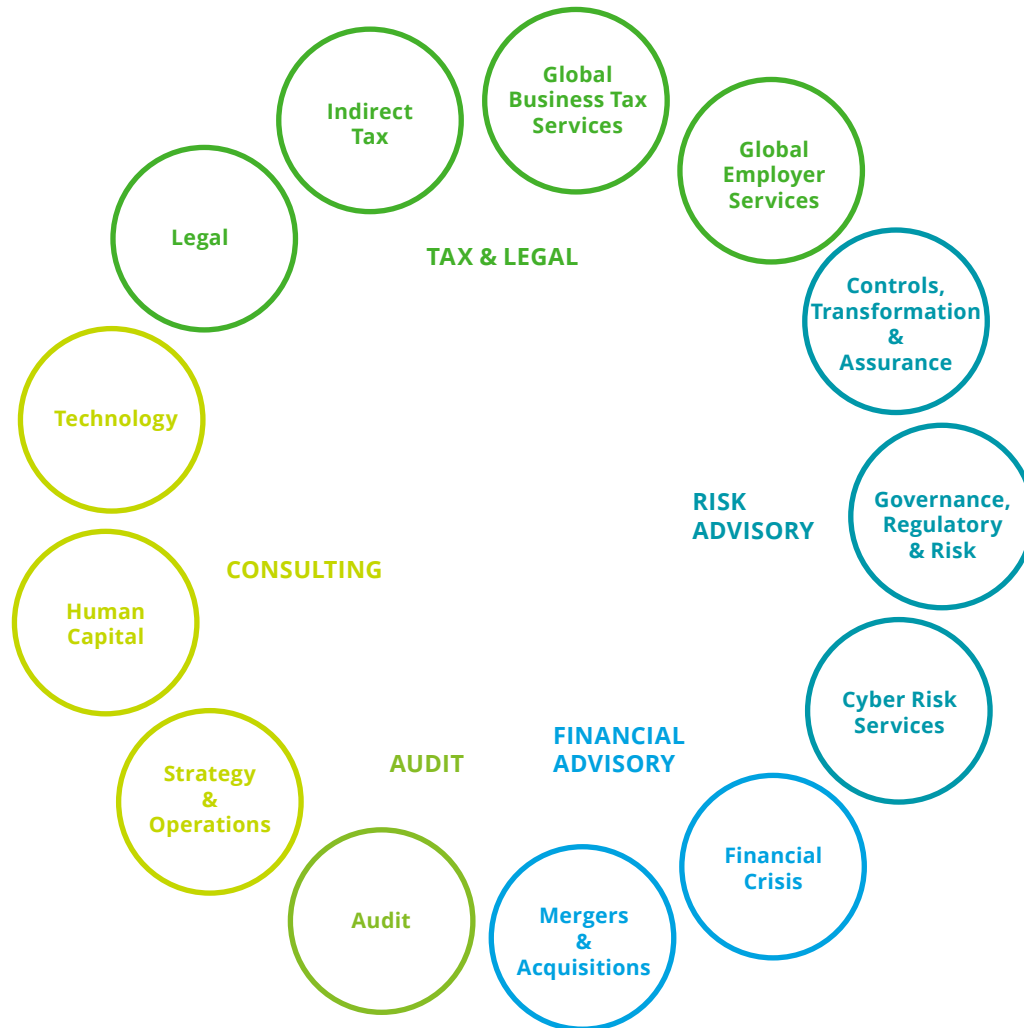
CLIENTS

TALENT

SOCIETY

REPORTING

- Network governance
- Global structure
- Locations
- Deloitte core services
- Data protection
- Ethics
- Risk management
- Public policy
- Independence
- Global security
- Reporting process
- Metrics
- Basis of reporting
- Stakeholder engagement summary



The above list of services is a representative sampling of Deloitte's cross-business capabilities. Deloitte offers many services, not all of which are available from every Deloitte member firm and not all of which are permissible for audit clients under various professional and regulatory standards.



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance

Global structure

Locations

Deloitte core services

Data protection

Ethics

Risk management

Public policy

Independence

Global security

Reporting process

Metrics

Basis of reporting

Stakeholder engagement

summary

Information security, privacy, and confidentiality

Deloitte works in an industry where maintaining client and public trust is vital. Our ability to safeguard confidential information directly impacts markets, clients, our people, and our brand. In addition, global organizations like those we serve are increasingly subject to confidentiality, privacy, cyber, and industry laws that affect how they use and protect information.

In an environment of continuously rising expectations, the Deloitte network remains committed to proactively enhancing its information security, privacy, and confidentiality strategies.

Information Security

The Deloitte Global Information Security team continues to work with member firms to implement an aggressive information security strategy focused on protecting member firm clients, Deloitte people, and the Deloitte brand worldwide. The strategy guides Deloitte in:

- Creating a cohesive, worldwide program with common, consistent security services;
- Extending security tools worldwide for advanced protection of highly distributed data;
- Reducing confidential data loss through practitioner actions; and
- Eliciting strong member firm participation through standardized global security governance and delivery.

Privacy

Deloitte continually aligns its privacy programs with leading practices in accountability for data-protection compliance. The Deloitte Global Privacy team also works closely with the Deloitte Global public policy and regulatory teams to monitor new privacy developments impacting Deloitte and its member firm clients.

And because many member firm clients are multinational organizations, the Deloitte privacy program needs to support the cross-border movement and transfer of personal information in compliance with applicable laws.

Deloitte continually reviews available mechanisms to better facilitate and safeguard data transfers, including Binding Corporate Rules (BCRs), BCRs for Processors, Privacy Shield, Asia-Pacific Economic Cooperation (APEC) Cross-Border Privacy Rules, and privacy seals.

Confidentiality

Deloitte is dedicated to continually improving how we safeguard client confidential information and internal information about our people and operations. The Deloitte Global Confidentiality team works with member firms to shape a globally consistent approach to protecting information. The Deloitte Global team and Deloitte member firm confidentiality leaders use a variety of strategies—for example, maturity assessments, cutting-edge technology, communications, and training—to consciously shape a global culture in which every Deloitte professional feels a sense of ownership in protecting confidential information.

A collaborative approach

Along with work in their specialized areas, Deloitte Information Security, Privacy, and Confidentiality teams also collaborate on solutions to common, and often interdependent, needs across the Deloitte network. This may include information security technology to drive long-term adoption of a client confidentiality program, integrated training for member firm professionals, or joint assessments of shared technology, process, and administrative controls.





CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance

Global structure

Locations

Deloitte core services

Data protection

Ethics

Risk management

Public policy

Independence

Global security

Reporting process

Metrics

Basis of reporting

Stakeholder engagement

summary

Ethics

Deloitte ethics teams continue to proactively build an ethical culture, stressing quality and consistency across the network.

To guide these efforts, during FY2016, Deloitte developed our “[Global Principles of Business Conduct](#)” (Global Code), which clearly articulates the standards to which we must hold ourselves, wherever in the world we live and work. Introduced in July 2016, the Global Code defines the expectations that our stakeholders can have of all people across the Deloitte network:

- We commit to serving clients with distinction.
- We commit to inspiring our talented professionals to deliver outstanding value.
- We commit to contributing to society as a role model for positive change.

The Deloitte Global Ethics team and member firm ethics officers work closely with senior Deloitte leaders to build and enhance the organization’s ethics program, which is composed of the following elements:

- The Global Principles of Business Conduct;
- A global ethics policy that sets out the requirements for member firms’ own ethics programs;
- A global anti-corruption policy that addresses matters such as bribery, facilitation payments, political and charitable contributions, and gifts and entertainment;
- Ethics training programs, including online courses, classroom programs, and facilitator-led interactive case discussions (ethics training is required for all new hires upon joining Deloitte and for all Deloitte professionals every two years);

- Channels for reporting ethics issues and concerns that emphasize confidentiality and nonretaliation policies;
- Support activities, including communications, workshops, and webinars to facilitate leading practices among member firms;
- Provision of an employee survey, a self-assessment questionnaire, and other tools (such as focus group guidance) to allow member firms to measure their program’s effectiveness; and
- A practice review program to measure compliance with global ethics policies and encourage collaborative discussions and continuous improvement in ethics programs over time. In FY2016, 11 Deloitte member firms were reviewed.

Deloitte also plays a role in various multilateral efforts to promote ethical conduct in the business world. These include:

- **World Economic Forum’s Partnering Against Corruption Initiative (PACI).**
 - David Cruickshank, Deloitte Global Chairman, is the co-chair of the PACI Vanguard anti-corruption CEO leadership program;
 - James Cottrell, partner, Deloitte US, is a senior adviser to the PACI Vanguard, a community of 20 global CEOs committed to zero tolerance against corruption; and
 - Cottrell and Penelope Lepeudry, partner, Deloitte Switzerland, served as project engagement leaders on Forum-led global anti-corruption initiatives in transportation, infrastructure, and related communities.





CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance
Global structure
Locations
Deloitte core services
Data protection
Ethics
Risk management
Public policy
Independence
Global security
Reporting process
Metrics
Basis of reporting
Stakeholder engagement
summary

- **U.N. Global Compact.** Cottrell and Mohammed Ahmed, Deloitte Global Anti-Corruption Officer, co-chair a subcommittee on whistle-blower programs as part of an anti-corruption compliance program.
- **Business 20 (B20) Business Summit.** Cottrell is a member of the B20 working group on anti-corruption.
- **Business and Industry Advisory Committee (BIAC) to the Organization for Economic Corporation and Development.** Gerrie Lenting, partner, Deloitte Netherlands, is vice chair of the BIAC task force on anti-bribery and corruption.
- **University of Notre Dame Deloitte Center for Ethical Leadership.** Glenn Stastny, Chief Ethics and Compliance Officer, Deloitte US, sits on the advisory board.
- **The Conference Board.** Deloitte Global Deputy Chief Ethics Officer Jennifer Guethoff is a member of The Conference Board's Global Business Conduct Council.



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

- Network governance
- Global structure
- Locations
- Deloitte core services
- Data protection
- Ethics
- Risk management
- Public policy
- Independence
- Global security
- Reporting process
- Metrics
- Basis of reporting
- Stakeholder engagement summary

Risk management

The overall risk landscape, both internally and externally, continues to be very volatile, uncertain, and complex with increasing demands from clients and higher scrutiny from regulators and legislators. Deloitte continues to relentlessly focus on quality and risk management (QRM) to actively monitor, strengthen, and improve its risk procedures.

There are external and internal risks that, if they materialized, could impact our ability to achieve our strategies—including the protection of our reputation and brand, and member firms' delivery of consistent, high-quality services. That's why Deloitte has implemented an enterprise risk framework (Framework) designed to identify, manage, monitor, and respond to risks. The Framework also includes processes to monitor the environment for developments and changes that could impact the network's risk profile (the aggregation of our risk exposure at a point in time), and identify (and respond to) new and/or emerging trends that could impact our resiliency to those risks.

Deloitte continuously assesses the adequacy of its QRM processes to proactively address matters that may arise from the internal and external environment, and promotes a culture where professionals can learn from each other's experiences.

Promoting trust, confidence, and value

During FY2016, Deloitte took a number of actions to sustain our network's commitment to QRM, and enhance our ability to be "risk intelligent" and "risk resilient." They included:

- Developing and rolling out the global QRM strategy and prioritized key actions to support its successful execution;
- Refreshing our Framework to include a new risk profile and identifying the top-10 priority business risks to Deloitte;
- Developing a robust set of globally consistent,

world-class standards for confidentiality and information technology security; and

- Strengthening disciplinary policy and improving personal independence monitoring and reporting through revised independence policies.

Globally consistent and scalable policies and processes

The DTTL Policies Manual (DPM) is the central repository for policies applicable to the Deloitte network. It provides the basis for member firms to establish and implement consistent and rigorous QRM processes, and sets forth policies for which member firm compliance is mandatory. Among the many DPM policies, there is a Framework policy whereby member firms are required to develop, implement, and document a Framework that is integrated into key member firm decision-making processes.

The DPM also includes a specific policy requirement for each member firm to appoint a senior and experienced "reputation and risk leader" (RRL) who is responsible for leading his or her member firm's QRM program and structure, with full support from senior risk leaders in each of the member firm's businesses. The RRLs are part of the member firms' executive leadership.

Practice reviews

Practice reviews serve as an inspection and monitoring mechanism and are a critical component of the Deloitte network's system of quality control and risk management. Each member firm is responsible for conducting its own practice reviews under the guidance and oversight of Deloitte Global. Held at least once every three years, these reviews assess whether member firms comply, at a minimum, with DPM policies; if DPM policies are operating effectively in practice; and the quality of work performed and services delivered by member firms.



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance

Global structure

Locations

Deloitte core services

Data protection

Ethics

Risk management

Public policy

Independence

Global security

Reporting process

Metrics

Basis of reporting

Stakeholder engagement

summary



Public policy

Deloitte actively participates in policy discussions on some of today's most important socioeconomic challenges, seeking outcomes that benefit society, government, and business. Through a coordinated, public policy approach, we've been able to successfully build relationships with people who matter on issues that matter, giving us high-profile platforms on which to share our voice.

Deloitte representatives engage with respected, effective external organizations and influencers on the proper functioning of capital markets, ethical business practices, societal advancement, workforce development, and other areas of shared concern. In doing so, we advance policy outcomes that help serve the public interest and shape the environment in which all businesses, including ours, operate.

The perspectives gained by working with clients, community programs, and other groups—including investors, regulators, professional bodies, think tanks, and more—inform Deloitte's global efforts to create an inclusive, consistent, and forward-looking public policy agenda and foster dialogue.

Deloitte's public policy efforts focus on three primary platforms that are important to our member firms' clients:

- A **trusted financial system** that is resilient, transparent, and serves the public interest;
- **Inclusive growth and innovation** that appreciates economic, social, and environmental issues that matter most; and
- The **future of the workforce**, including the impact of technology on jobs, skills and learning, and the labor market.

Within these themes, several specific areas of focus drive our activities. Some of these issues are: [audit quality](#), corporate governance, [anti-corruption](#), [cyber/data security](#), trade, social progress, sustainability, [diversity and inclusion](#), [education and skills](#), the gig economy, and [purpose-led leadership](#).

Our professionals help advance these issues by working with key external organizations that include:

- Group of 20 (G20) and its outreach group, the Business 20 (B20);
- Organization for Economic Cooperation and Development (OECD);
- United Nations (UN);
- World Trade Organization (WTO);
- Asia-Pacific Economic Cooperation Forum (APEC);
- German Marshall Fund (GMF); and
- Social Progress Imperative (SPI).

The Deloitte Global Public Policy group is supported by member firm public policy programs that are active across the network, as well as the Public Policy Executive Council (PPEC), an informal advisory group composed of member firm public policy leaders and key business unit leaders. This approach allows us to coordinate Deloitte's policy positions across our various businesses and geographies, and helps ensure our public policy voice is relevant, consistent, and aligned around the world.





CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance

Global structure

Locations

Deloitte core services

Data protection

Ethics

Risk management

Public policy

Independence

Global security

Reporting process

Metrics

Basis of reporting

Stakeholder engagement
summary

Independence

Independence and quality are essential to our objectivity, our integrity, our impartiality, our obligation to serve the investing public, and Deloitte member firms' ability to retain and attract clients. Standards for independence are shaped by legislation, regulations, professional requirements, and public expectations. Maintaining independence in fact and appearance, therefore, is a matter of compliance with rules and regulations.

Protecting the public interest

The Deloitte Global Board of Directors has adopted robust independence policies and processes to help the Deloitte network and its people safeguard their objectivity. Deloitte Global requires all of its member firms to follow its independence policies and procedures, which address professional and regulatory requirements related to the provision of services, business relationships, employment relationships and financial interests.

Deloitte Global's independence policies and procedures are designed to help member firms to comply with independence standards and regulatory requirements to achieve excellence in professional performance. These policies and procedures are based, for the most part, on the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and the rules of the US Securities and Exchange Commission. When the national requirements that apply are more restrictive than the requirements in the Deloitte Global policies, member firms must follow those requirements, as well.

Maintaining internal compliance

Deloitte member firms frequently serve the same clients in multiple jurisdictions. Each member firm considering whether to accept a new client or new engagement at an existing client must consider the independence needs of other member firms. For existing audit clients, a member firm must evaluate the independence implications of other member firms' relationships with that client, including the provision of non-audit services.

Each member firm has a partner responsible for the independence quality controls in the member firm, including monitoring compliance with those controls. On an annual basis, all member firms report to Deloitte Global that they have conducted procedures for determining that their firm and professionals are in compliance with Deloitte Global's independence policies.

Leading through change

Deloitte member firms face a dynamic regulatory environment in which national rulemaking often has broad-reaching global implications. Deloitte Global provides member firms with resources, information and guidance on independence issues, as well as enabling technologies to help member firms comply with rapidly changing requirements. These Deloitte Global resources continually engage with external professional bodies and regulators, as well as member firm leaders, to advance the development of independence requirements.





CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance

Global structure

Locations

Deloitte core services

Data protection

Ethics

Risk management

Public policy

Independence

Global security

Reporting process

Metrics

Basis of reporting

Stakeholder engagement
summary

Global security

The Deloitte Global Security Office (GSO) works with member firms to help keep Deloitte people safe, particularly during times of emergency or when they are called upon by clients to work in higher-risk areas.

A primary GSO focus during FY2016 was increasing member firms' resiliency, so regional training sessions were held to formulate effective business-continuity programs. The GSO's regional security managers continued efforts to enhance member firm security and crisis response capabilities through on-site visits, meetings with country leaders, and local security councils made up of member firm security officers in each region. The GSO also has global working groups composed of member firm security leaders who improve the consistency of member firm background screening and physical security measures.

Keeping Deloitte people safe

The GSO team tracks world events on a daily basis for potential impacts on Deloitte's people and member firms. Whenever a crisis occurs, the GSO, in conjunction with the Deloitte Global Crisis Management Team, responds swiftly to help member firms account for the safety of their people, provide necessary relief, and resume normal business operations as soon as possible.

Threats come in many sizes and forms, including geopolitical instability, crime, and natural disasters. During FY2016, the GSO team responded to a wide range of crisis events, including significant terrorist attacks in Western Europe and the United States, earthquakes in Asia, and other natural disasters.

Health emergencies also can affect Deloitte people while traveling or assigned overseas, so Deloitte Global maintains 24-hour resources, delivered by a leading emergency medical and security provider, to respond in such situations. In FY2016, the GSO team responded to more than 150 medical-assistance cases, several of which involved

serious medical conditions or accidents necessitating emergency air evacuations.

Risk awareness for travelers

On an average day, Deloitte member firms may have nearly 25,000 people traveling to serve clients. The GSO provided guidance and security planning support in FY2016 to nearly 1,000 member firm engagement teams considering work in potentially troublesome areas of the world. As part of Deloitte Global's travel security protocols, member firms are encouraged to incorporate security into their travel programs and consult with the GSO before undertaking travel to high-risk locations.

When member firm engagement teams need to travel to high-risk locations, assistance provided to engagement teams can range from designing comprehensive security plans, including location-specific security briefings, hotel and transportation recommendations, on-the-ground project logistics, and direct security support, as needed. In doing so, a network of specialized security providers based in many high-risk locations is available to assist.

The GSO continues to work with member firms to raise the awareness of Deloitte people to ensure they are aware of particular risks before they travel. In FY2016, the GSO rolled out the International SOS (ISOS) mobile app to Deloitte professionals worldwide. The app puts security threat information, country health information, and emergency contact numbers at people's fingertips on their mobile phones.

Deloitte professionals also have access to a comprehensive travel security website containing the latest security bulletins, assessments, country risk ratings and other resources for travelers.



CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance
 Global structure
 Locations
 Deloitte core services
 Data protection
 Ethics
 Risk management
 Public policy
 Independence
 Global security
 Reporting process
 Metrics
 Basis of reporting
 Stakeholder engagement
 summary

Reporting process and materiality

Understanding and responding to stakeholders

Annual reporting is an opportunity to provide our stakeholders with a big-picture view of the Deloitte network, our achievements for clients, and our ongoing commitments to our people and society. As a professional services network, understanding and engaging the interests and concerns of our stakeholders is embedded in our drive to for excellence. We identify key stakeholders as those who:

- Help influence Deloitte's success;
- Are highly affected by what we do;
- Affect the markets, regulations, and industries in which we operate; or
- Affect the supply of resources that we need to serve our clients, talent, and society.

Continual engagement with key stakeholders by Deloitte professionals supported the materiality assessment undertaken for FY15 reporting. Please see the ["Basis of reporting"](#) section for additional details on the materiality assessment process. We anticipate undertaking and in-depth stakeholder engagement and materiality assessment in the future as we evaluate reporting in accordance with the new Global Reporting Initiative Standard.

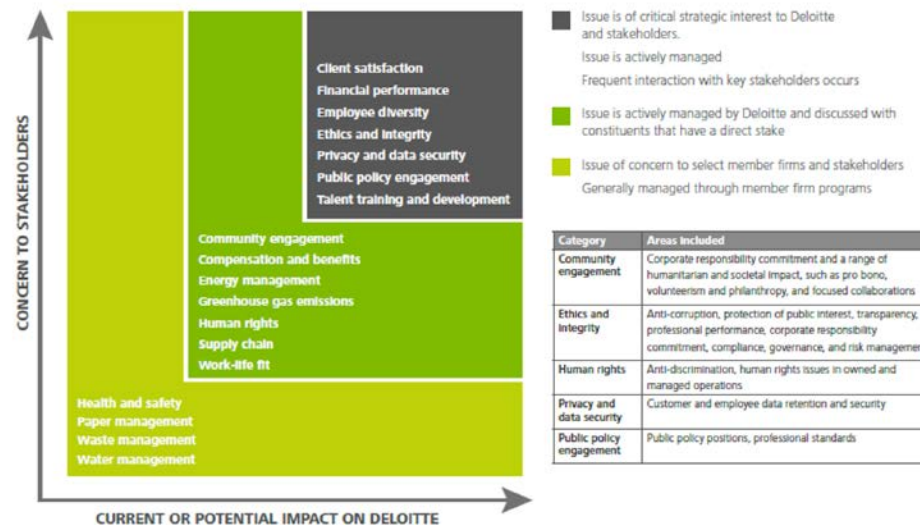
In the context of this report, material aspects are those that reflect Deloitte's significant economic, environmental, and social impacts, or substantively influence the assessments and decisions of stakeholders. They were classified into three categories according to their relative rankings on a materiality matrix. Aspects can be material either within the boundaries of Deloitte, external to Deloitte, or both. They also can be geographically bound.

Except as noted below, all aspects shown in the matrix are material to Deloitte Touche Tohmatsu Limited, the member firm network, or both. Aspects material outside the organization include client satisfaction, privacy, and data security, which are material to clients; ethics and integrity, which are material to clients and regulators; and supply chain management and human rights, which are material to suppliers. Several issues are also material to society at large, such as community engagement, public policy engagement, and greenhouse gas emissions. Water is predominantly material outside of Deloitte (water used by suppliers in producing products or services we consume) and is primarily material to society in geographic locations with water scarcity issues.

A detailed description of this report's boundaries and the performance measurement methods used is available in the ["Basis of reporting"](#) section.

A full list of the stakeholders with whom Deloitte engages and the issues they have identified to us as being of value is available in the [Stakeholder engagement summary](#).

MATERIALITY MATRIX



FY16 Network Performance metrics

All metrics shown below reflect aggregate performance across the Deloitte network except where otherwise noted.

	FY2016	FY2015	FY2014
REVENUE	US\$ Billion		
Network revenue	36.8	35.2	34.2
Revenue growth	Percentage growth in US Dollars/Local currency		
Revenue growth	4.4%/9.5%	2.9%/7.6%	5.7%/6.5%
By business area			
Audit	9.4	9.8	10.1
Risk Advisory	4.1	3.5	3.2
Financial Advisory	3.3	3.1	3.0
Consulting	13.1	12.2	11.4
Tax	6.9	6.7	6.5
By region			
Americas	19.3	18.3	17.4
Europe/Middle East/Africa	12.3	11.9	12.1
Asia Pacific	5.2	5.0	4.8
By industry			
Consumer and Industrial Products	11.3	11.0	10.9
Energy & Resources	2.8	3.1	3.0
Financial Services	10.3	9.5	9.5
Life Sciences and Health Care	3.5	3.2	3.1
Public Sector	4.8	4.4	4.0
Technology, Media & Telecommunications	4.1	3.9	3.8
TALENT			
Workforce	244,445	225,351	210,400
By level			
Partners and principals	11,122	10,601	10,247
Professional staff	193,199	176,935	163,676
Administrative staff	40,124	37,815	36,478
By region			
Americas	107,942	99,398	92,804
Europe/Middle East/Africa	86,574	79,925	74,778
Asia Pacific	49,929	46,028	42,819

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

- Network governance
- Global structure
- Locations
- Deloitte core services
- Data protection
- Ethics
- Risk management
- Public policy
- Independence
- Global security
- Reporting process
- Metrics
- Basis of reporting
- Stakeholder engagement summary

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

- Network governance
- Global structure
- Locations
- Deloitte core services
- Data protection
- Ethics
- Risk management
- Public policy
- Independence
- Global security
- Reporting process
- Metrics
- Basis of reporting
- Stakeholder engagement summary

	FY2016	FY2015	FY2014
Talent by gender			
By region and gender—male			
Overall	135,577	125,666	117,557
Americas	61,076	56,555	52,717
Europe/Middle East/Africa	47,479	44,020	41,574
Asia Pacific	27,022	25,092	23,266
By region and gender—female			
Overall	108,868	99,685	92,843
Americas	46,866	42,843	40,087
Europe/Middle East/Africa	39,095	35,905	33,204
Asia Pacific	22,907	20,936	19,553
Percentages of women			
Overall	45%	44%	44%
Among partners, principals, and directors (1)	22%	21%	21%
Among managers (1)	35%	35%	35%
Among new hires	46%	45%	44%
Among new partner, principal, and director admissions (2)	24%	25%	21%
Percentages of women in leadership and governance bodies			
On Deloitte Global's Board of Directors	16%	9%	13%
On Deloitte Global's Executive Committee	22%	13%	0%
Turnover			
Turnover rate	21%	21%	21%
Rate by region			
Americas	18%	19%	20%
Europe/Middle East/Africa	23%	21%	21%
Asia Pacific	23%	25%	23%
Rate by gender			
Male	20%	20%	21%
Female	21%	22%	22%
New hires			
Total new hires	71,752	62,000	53,959
Total new hire rate (3)	29%	28%	26%
By region			
Americas new hires	28,142	25,514	23,437

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

- Network governance
- Global structure
- Locations
- Deloitte core services
- Data protection
- Ethics
- Risk management
- Public policy
- Independence
- Global security
- Reporting process
- Metrics
- Basis of reporting
- Stakeholder engagement summary

	FY2016	FY2015	FY2014
Americas new hire rate (3)	26%	26%	25%
Europe/Middle East/Africa new hires	28,382	22,770	18,941
Europe/Middle East/Africa new hire rate (3)	33%	28%	25%
Asia Pacific new hires	15,228	13,716	11,582
Asia Pacific new hire rate (3)	30%	30%	27%
By level			
New partners and principals	395	337	257
New managers	7,452	6,263	4,938
New staff	55,302	47,985	42,222
New administrative staff	8,603	7,415	6,542
By gender			
Percentage of women among new hires	46%	45%	44%
LEARNING			
Hours of training per full-time Deloitte employee (4)	51	50	51
RECRUITING			
Total number of RMS (Recruitment and Mobility System) applications	2,100,000	1,900,000	1,852,715
Average number of applicants per open position (5)	53	49	n/a
Number of internships	19,000	16,000	n/a
SOCIETAL IMPACT			
Percentage of workforce covered by reported data. Extrapolations have not been made.	98%	97%	95%
Monetary value of community investments US\$ million			
Community investments	230.5	212.7	190.9
By source			
Total donations	75.9	77.6	72.9
Foundation donations (monetary and in-kind)	48.3	47.5	42.4
Partner and Deloitte employee donations (to member firm-supported organizations and fundraisers)	27.6	30.2	30.5
Costs for managing community investment programs	12.9	11.9	11.4
Total value of volunteer and pro bono work	141.7	123.3	106.6
Member firm pro bono work	64.7	48.4	48.1
Skills-based volunteering	39.0	45.2	30.5

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

- Network governance
- Global structure
- Locations
- Deloitte core services
- Data protection
- Ethics
- Risk management
- Public policy
- Independence
- Global security
- Reporting process
- Metrics
- Basis of reporting
- Stakeholder engagement summary

	FY2016	FY2015	FY2014
Traditional volunteering	38.0	29.7	28.0
By contribution area			
Contributions toward education and skills-building organizations	31%	24%	26%
Value of pro bono and skills-based volunteering as percentage of value of all volunteering and pro bono work	73%	76%	74%
Hours of community investments Thousand hours			
Total hours of volunteer and pro bono work by Deloitte people	1,325	1,168	941
Member firm pro bono work	440	343	237
Skills-based volunteering	483	496	442
Traditional volunteering	403	328	263
ENVIRONMENTAL SUSTAINABILITY			
Percentage of workforce covered by reported data. Metrics are extrapolated to cover the entire workforce.	95%	88%	91%
Greenhouse gas emissions Metric tonnes CO2e			
Greenhouse gas emissions including offsets (5) (6)	916,644	899,840	879,805
Greenhouse gas emissions not including offsets (5) (6)	923,857	901,776	882,331
By source Metric tonnes CO2e			
Buildings: electricity	190,703	216,033	228,587
Buildings: other sources (5) (6)	10,672	13,576	13,997
Business travel: air travel	457,869	422,512	405,903
Business travel: other sources (5) (6) (7)	264,614	240,682	233,844
Offset credits	(7,213)	(1,936)	(2,526)
By GHG Protocol scope Metric tonnes CO2e			
Scope 1: Direct greenhouse gas emissions (5) (6)	50,915	52,947	52,347
Scope 2: Electricity indirect greenhouse gas emissions	190,703	216,033	228,587

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance
 Global structure
 Locations
 Deloitte core services
 Data protection
 Ethics
 Risk management
 Public policy
 Independence
 Global security
 Reporting process
 Metrics
 Basis of reporting
 Stakeholder engagement
 summary

	FY2016	FY2015	FY2014
Scope 3: Other indirect greenhouse gas emissions	682,239	632,796	601,397
Intensity measures		Metric tonnes CO2e	
Greenhouse gas emissions per full-time equivalent (metric tonnes CO2e/FTE) excluding offsets (5) (6)	3.8	4.0	4.2
Greenhouse gas emissions per dollar of revenue (kg CO2e/\$000 USD) excluding offsets (5) (6)	25.1	25.6	25.8
Energy usage		Gigawatt hour (GWh)	
GWh of purchased electricity in Deloitte facilities	418	419	441
Direct energy consumption by primary energy source		Terajoule (TJ)	
TJ of natural gas (5)	188	227	305
TJ of gasoline	254	270	256
TJ of diesel fuel	383	379	378
Indirect energy consumption by primary source		Terajoule (TJ)	
TJ of electricity	1,505	1,509	1,587
TJ of purchased renewable energy	118	n/a	n/a
Material usage		Metric tonnes	
Paper usage	4,417	4,950	5,580
Percent of recycled input materials used based on estimate of recycled content paper	25%	26%	20%

n/a: not available

Note: because of rounding, numbers may not tally with the total.

A detailed description of this report's boundaries and the performance measurement methods used is available in the [Basis of Reporting](#) section.

- (1) Client service personnel only.
- (2) Includes new hires and promotees.
- (3) Per the Global Reporting Initiative Indicator Protocol, the rate is calculated using the total Deloitte people at the end of the reporting period.
- (4) Represents a lower bound for measures of learning because certain types of training are not tracked in the online learning platform.
- (5) Restatement of FY15 due to a change in calculation method. See [Basis of Reporting](#) for details.
- (6) Restatement of FY14 due to a change in calculation method. See [Basis of Reporting](#) for details.
- (7) Includes a limited amount of emissions from employee commuting.

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance

Global structure

Locations

Deloitte core services

Data protection

Ethics

Risk management

Public policy

Independence

Global security

Reporting process

Metrics

Basis of reporting

Stakeholder engagement

summary

FY16 Basis of reporting

FY2016 Basis of reporting

This document provides additional details about the scope and calculation methods used in the Deloitte 2016 Global Impact Report (the “Global Report”), available at www.deloitte.com/GlobalReport. It should be read in conjunction with the Global Report and all definitions used therein unless otherwise stated also apply to this document.

Defining Global Report content

Deloitte professionals engage continuously with key stakeholders, both internal and external, as part of routine business. Along with this ongoing engagement, in FY2015, DTTL commissioned a formal stakeholder engagement process and materiality assessment to assist with identifying key areas of impact upon which to focus the Global Report content. Given the level of effort involved in conducting the materiality assessment and the typical rate of change in stakeholders’ perspectives this process was not revisited for the FY2016 Global Report and the materiality assessment from FY15 was used in determining report content DTTL anticipates that future materiality assessments will take place every two to three years. For details of the materiality assessment, please review the [Basis of Reporting from our 2015 Global Report](#).

The Deloitte 2016 Global Report uses the Global Reporting Initiative’s (GRI’s) G4 guidelines in defining report content. While the FY2016 Global Report is not “in accordance” with core or comprehensive G4 guidelines, it includes the G4 index and identification of material indicators. DTTL recognizes that GRI has issued a new GRI Standard during 2016 but timing of the Standard’s release was such that there was insufficient time to address its requirements for FY16 reporting.

Scope and methods for performance measurements

DTTL adhered to widely accepted standards in developing the Global Report. These standards define a systematic approach to understanding the issues that the Global Report should cover and measuring and documenting performance with regard to those issues. Performance measures for societal impact and environmental sustainability are based on widely recognized guidelines.

For reporting on societal impact, DTTL considered the reporting standards from the Committee Encouraging Corporate Philanthropy (CECP) and the London Benchmarking Group (LBG). The monetary value of community activities was estimated according to the type of service performed. The value of volunteer work was based on local member firms’ staff costs. Pro bono work, defined as work that the member firms have delivered to not-for-profit organizations free of charge or at a significantly reduced rate, has been valued at fair market rates representative of the local member firms’ client service rates for comparable services.

Estimates of carbon emissions were prepared according to the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard created by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), with emissions accounted for on the basis of operational control. While the reporting for FY2016 includes a significant number of Scope 3 sources, it does not consider full upstream and downstream emissions across all sources.

FY2016 environmental performance data in the Global Report was directly collected from 34 member firms and from DTTL. These entities represent 95 percent of aggregate Deloitte people and 97 percent of aggregate member firm revenues. Extrapolations were used to account for the emissions of the remainder of the organization that did not directly report data. FY2016 societal impact data was reported by 36 member firms and DTTL, which represent 98 percent of aggregate Deloitte people and 98 percent of aggregate member firm revenues. Estimates of societal impact contributions were not made for the member firms that did not report this data due to the wide range of societal impact activities across member firms. It should be recognized that these reporting gaps limit the year-to-year comparability of the data. Comparability is expected to improve over time as the number of nonreporting member firms decreases. Data that formed the basis of the reporting was obtained from financial reporting systems, other internal records, and outside sources such as travel agencies, utilities, and property managers. In FY2014, DTTL streamlined the way it reported environmental sustainability data. We have continued with these practices in FY2016 including the following:

- Refrigerants, district heating, and district cooling are excluded from aggregate network reporting as previous analysis showed these emission sources were not material to the overall GHG footprint.
- Paper consumption is tracked, but associated greenhouse gas emissions are not.

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance

Global structure

Locations

Deloitte core services

Data protection

Ethics

Risk management

Public policy

Independence

Global security

Reporting process

Metrics

Basis of reporting

Stakeholder engagement
summary

- Methane (CH₄) and nitrous oxide (N₂O) are not separately calculated in instances where published sources do not incorporate these into carbon-dioxide equivalent (CO₂e) factors.
- Global warming potentials (GWPs) incorporated into published emission factors are used “as is” and no attempt is made to reconcile to one common set of GWPs. Where choices can be made, we use the 100-year Fifth Assessment Report (AR5) with climate-carbon feedback incorporated as published by the Intergovernmental Panel on Climate Change.

Emission factors

- DTTL recommends its member firms select the most accurate, source-specific, localized, and recently published GHG emission factor available for each emission source, such as specific emission factors for a local electric utility. DTTL also provides member firms with default emission factors, the majority of which come from the following sources:
- The GHG Protocol published by the WRI and WBCSD;
- The International Energy Agency (IEA);
- The UK’s Department for Environment, Food and Rural Affairs (DEFRA); and
- The US Department of Energy (US DOE).

A compilation of emission factors used to calculate the data in the Global Report is included at the end of this section.

Changes from FY2015

In FY2016, environmental data gathering for all member firms was completed using a single carbon software system. The system was also used in FY2015 but only for three member firms. Member firms entered their building electricity and fuel usage and business travel, which was then converted to tonnes of carbon dioxide equivalent. Using a single system resulted in minor changes to some reporting elements due to identifying minor discrepancies in input data or changes to emission factors due to timing of updates or source consistency.

Additionally, the methodology for extrapolating member firm emissions was reviewed in FY2016. Based on this review and an analysis of materiality considerations the following changes were made to the GHG reporting process:

- Extrapolation was only done for the three most material emission sources: electricity, air travel and hotel stays.
- The multiplier for extrapolation is based on the weighted average of all reporting member firms for the specific activity data. In previous years the extrapolation multiplier was also based on geographical location and member firm size.

This change was made to simplify reporting. A thorough materiality assessment confirmed that these changes would not materially impact reported results. During review of this change it was identified that previous year’s extrapolations most likely overstated emissions from firm member firm fleet. Previous year’s emission were adjusted to address this issue resulting in a restatement of Scope 1 emissions for FY14 and FY15.

Building-related emission sources

Building-related emission sources included in the GHG emissions data of the Global Report were those associated with the use of electricity, heating oil, and natural gas in the office buildings and data centers that DTTL member firms either own or over which they have operational control. Upstream building-related emission sources, such as those associated with electric transmission and distribution line losses, were not included in the GHG emissions inventory.

Some of the activity data associated with building-related emission sources was available directly to the DTTL member firms. For example, some facilities have direct utility meters or submeters from which DTTL member firms obtain readings. For facilities that have no available meter data, activity data for the entire building was typically allocated on the basis of the percentage of total building floor space used (based on rentable square meters) by the DTTL member firm. Where building-specific data was unavailable, DTTL member firms estimated electricity and fuel usage using actual data from a similar building or an average from a recognized source.

A simplifying assumption is used for calculating the volume of diesel fuel used for backup power generation. It is assumed that diesel fuel purchased during the fiscal year is used that year. This method likely overestimates actual emissions in some years and underestimates them in others, but over time captures the related emissions.

Business travel—Air

Reported GHG emissions from air travel are those resulting from professionals flying for business reasons in accordance with DTTL and member firm policies. GHG emissions from flights taken by non-Deloitte personnel are also reported in instances where flight activity data are captured in DTTL or member firm travel systems and reimbursed or paid for by DTTL or a member firm (such as travel by family members in accordance with policies or

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance

Global structure

Locations

Deloitte core services

Data protection

Ethics

Risk management

Public policy

Independence

Global security

Reporting process

Metrics

Basis of reporting

Stakeholder engagement
summary

travel by prospective DTTL and member firm professionals). The majority of business air travel data was obtained from DTTL and member firm travel systems. Much of the rest was obtained from travel expense records.

The default GHG emission factors used to calculate emissions from air travel were based on information published by DEFRA. Flight segments were identified by distance, and emission factors were applied according to whether the flight segment was categorized as long haul (more than 1108 km), medium haul (463 to 1108 km) or short haul (less than 463 km). Seat class-specific emission factors (e.g., First, Business, Premium Economy, Economy) were used for a small number of member firms as experience in FY2014 led us to drop class-specific factors from Deloitte US data due to uncertainty associated with seat-class identification. The DEFRA emission factors used incorporated an uplift factor to account for nondirect routes, delays, and circling, but exclude radiative forcing and indirect emissions.

Business travel—Road

Reported GHG emissions from business travel by automobiles includes travel in Deloitte-owned vehicle fleets (personnel driving in vehicles owned by DTTL and/or the member firm), reimbursed driving (personnel driving in personal cars for which they are reimbursed), rental cars (personnel driving in rented/hired cars for which the member firm pays), buses, and taxis (reimbursed personnel trips in buses, taxis, car-service vehicles, and limousines). For road travel, activity data was gathered from expense reports, rental agency records, travel agency records, company accounting systems, fuel receipts, odometer logs, and receipts or other records indicating distance and location of trip segments. When fuel information was available, GHG emissions are calculated on the basis of mobile combustion factors for the given fuel type. When only distance information was available, GHG emissions were calculated on the basis of average emissions factors (emissions per kilometer travelled) for vehicles according to vehicle type (bus or car), fuel type (diesel, petrol, hybrid, or unknown), and location.

A very limited amount of personnel commuting activity data for was available from member firms. Where available, this information was added to the emissions total.

Business travel—Rail

Rail travel accounts for GHG emissions from trips by personnel on subways, railways, and trams, with different GHG emission factors used for each type of rail system. Activity data sources included travel agency reports, expense reports, company accounting systems, receipts, and other records indicating the distance and location of trip segments. In cases where actual distance was unavailable, estimates were made using travel expense data and average travel costs per unit of distance traveled.

Accommodations

The GHG emissions inventory in the report includes emissions from accommodations at hotels, guest houses, and apartments for business reasons and in accordance with DTTL and member firm policies. Data was collected from corporate travel agency records, travel expense reports, and internal records.

Estimations

In calculating emissions, various estimations and extrapolations were made to account for known data gaps.

For many travel activities, activity information and cost data were available both from travel providers (reservation systems, travel agencies, or travel vendors) and from DTTL or member firm expense systems. Travel expenses recorded in DTTL or member firm expense systems often exceeded the corresponding expenses recorded by travel providers because of travel arrangements made outside of reservation systems or without travel agencies. In cases where such differences were identified, the travel activity data associated with the incremental cost was estimated based on the same proportion of cost to activity that was reflected by the travel system reservations.

Not every member firm has the capacity to report activity data for GHG emissions, and some member firms report on some, but not all, of the activities within the report boundaries. Ratios of emissions per full-time equivalent (FTE) by emission source were calculated for the member firms that reported, and averages of these ratios were calculated and used to estimate emissions for airlines, hotels and electricity. Consistent with other GRI indicators, emissions intensity per FTE was calculated using the FTE total at the reporting year-end (31 May 2016).

While the above description is intended to be as accurate as possible, invariably the inventory will contain some exceptions to this reporting basis. None of the known exceptions are considered to materially change the total emissions reported.

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

- Network governance
- Global structure
- Locations
- Deloitte core services
- Data protection
- Ethics
- Risk management
- Public policy
- Independence
- Global security
- Reporting process
- Metrics
- Basis of reporting
- Stakeholder engagement summary

Emission factors

The table below shows emission factors that were used in the inventory. Where factors are used in specific countries only, these are listed after the emission source.

Emission source	Emission factor	Unit kg co ₂ e/unit	Reference
Air Travel (various lengths and seat classes)	0.080-0.318	Passenger km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2); various factors used depending on class and distance
Bus (Europe)	0.112	Passenger km	Defra's 2013 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting
Bus (Outside Europe)	0.067	Passenger km	WRI Emission Factors from Cross Sector Tools (April 2014)
Electricity (Canada)	2-750	MWh	Environment Canada National Inventory Report 1990-2013
Electricity (China)	810-1130	MWh	Government of China; CDM Report
Electricity (India)	820	MWh	CO2 Baseline Database for the Indian Power Sector—User Guides—2015
Electricity (Japan)	454-816	MWh	Various Japanese Power Companies
Electricity (Mexico)	478	MWh	Electricity Federal Commission Life Cycle Analysis (LCA)
Electricity (New Zealand)	130	MWh	New Zealand Ministry of Economic Development—Quarterly Energy Update
Electricity (South Africa)	1030	MWh	Eskom's 2016 data
Electricity (Switzerland)	30	MWh	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Electricity (UK)	494	MWh	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Electricity (U.S.)	410-1831	MWh	USEPA eGRID2012
Electricity (various countries)	8-1347	MWh	IEA Statistics, "CO2 Emissions from Fuel Combustion Highlights." 2015 Edition
Hotel Stays	32.1	Nights	Based on select information from Green Hotels Global™ Q3 2015
Hotel Stays (New Zealand)	2.56-7.97	Nights	Carbonzero.co.nz
Mobile Combustion—Car (Average) (various fuels) (Finland, Luxembourg)	0.131-0.135	Km	Actual information from the fleet company
Mobile Combustion—Car (Diesel)	2.602	Liter	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Mobile Combustion—Car (various fuels) (New Zealand)	2.36	Liter	Ministry for the Environment, Guidance for voluntary, corporate greenhouse gas reporting
Mobile Combustion—Car (Petrol/Gasoline)	2.191	Liter	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Mobile Combustion—Car (unknown fuel)	0.248	Km	DTTL estimated using data from WRI Emission Factors from Cross Sector Tools (April 2014)
Mobile Combustion—Car (unknown fuel) (Australia)	2.289	Liter	Australian Government - National Greenhouse & Energy Reporting Act 2008, Technical Guidelines 2012

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

- Network governance
- Global structure
- Locations
- Deloitte core services
- Data protection
- Ethics
- Risk management
- Public policy
- Independence
- Global security
- Reporting process
- Metrics
- Basis of reporting
- Stakeholder engagement summary

Emission source	Emission factor	Unit kg co ₂ e/unit	Reference
Mobile Combustion— Car (unknown fuel) (New Zealand)	0.23	Km	Ministry for the Environment, Guidance for Voluntary, Corporate Greenhouse Gas Reporting
Mobile Combustion— Car or Van (various fuels) (Netherlands)	2.78–3.14	Liter	Stichting Klimaatvriendelijk Aanbesteden en Ondernemen (SKAO)
Mobile Combustion— Car various fuels (Europe)	0.185–0.194	Km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Mobile Combustion— Van (various fuels)	0.211–0.251	Km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Mobile Combustion— Luxury Car (various fuels)	0.240–0.340	Km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Mobile Combustion— Motorcycle	0.120	Km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Mobile Combustion— Outside Europe Car (Average) (various fuels)	0.387–0.450	Mile	WRI Emission Factors from Cross Sector Tools (April 2014)
Mobile Combustion— Taxi	0.150	Passenger km	WRI Emission Factors from Cross Sector Tools (April 2014)
Mobile Combustion— Taxi (New Zealand)	0.31	Passenger km	Ministry for the Environment, Guidance for voluntary, corporate greenhouse gas reporting
Mobile Combustion— Car service (U.S.)	0.451	Passenger mile	Specific information from service providers
Mobile Combustion— Taxi (UK)	0.177	Passenger km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Mobile Combustion— Car (Hybrid)	0.134	Km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Mobile Combustion— Black Car/Limo	0.219	Passenger km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Rail—Average (Light Rail or Tram)	0.164	Passenger km	WRI Emission Factors from Cross Sector Tools (April 2014)
Rail—National Rail	0.185	Passenger km	WRI Emission Factors from Cross Sector Tools (April 2014)
Rail—Subway	0.164	Passenger km	WRI Emission Factors from Cross Sector Tools (April 2014)
Rail (Eurostar)	0.012	Passenger km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Rail (Germany)	0.075	Passenger km	Deutsche Bahn
Rail (Netherlands)	0.030	Passenger km	National Rail
Rail (UK)	0.047	Passenger km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Stationary Combustion—Diesel/ Heating Oil	2.691	Liter	WRI Emission Factors from Cross Sector Tools (April 2014)
Stationary Combustion—LNG	1.229	Liter	Defra's 2016 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

- Network governance
- Global structure
- Locations
- Deloitte core services
- Data protection
- Ethics
- Risk management
- Public policy
- Independence
- Global security
- Reporting process
- Metrics
- Basis of reporting
- Stakeholder engagement summary

Emission source	Emission factor	Unit kg co ₂ e/unit	Reference
Stationary Combustion—Liquefied Petroleum Gas (LPG)	1.615	Liter	WRI Emission Factors from Cross Sector Tools (April 2014)
Stationary Combustion—Liquefied Petroleum Gas—LPG (Mexico)	2.54	Liter	Mexicaniuh. Mexican Life Cycle Inventory Database.
Stationary Combustion—Natural Gas (Japan)	2.244	Cubic meters	HV-gas company
Stationary Combustion—Natural Gas (Low Heating Value)	1.890	Cubic meters	WRI Emission Factors from Cross Sector Tools (April 2014)
Stationary Combustion—Natural Gas (Switzerland)	0.184	kW=h	Swiss National Inventory Report of Switzerland
Stationary Combustion—Natural Gas (New Zealand)	0.188	kWh	Ministry for the Environment, Guidance for voluntary, corporate greenhouse gas reporting

FY2016 Stakeholder engagement summary

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance
 Global structure
 Locations
 Deloitte core services
 Data protection
 Ethics
 Risk management
 Public policy
 Independence
 Global security
 Reporting process
 Metrics
 Basis of reporting
 Stakeholder engagement summary

Key stakeholder groups	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response (may vary across deloitte)	Areas of high stakeholder concern
Member firm clients	Ongoing <ul style="list-style-type: none"> Client interaction during engagements Client satisfaction process Business development activities Conferences Proposal responses and follow up on losses Client questionnaires 	<ul style="list-style-type: none"> Publicly traded company clients, including their audit committees and boards of directors Closely-held company clients Government clients Non-profit clients Past and potential clients 	<ul style="list-style-type: none"> Service needs of clients Independence Ethics Security and privacy concerns Value of trusted advisor relationship Need for industry understanding Sustainability reporting Supply chain risks and standards 	<ul style="list-style-type: none"> New service offerings Organizing client service around industries Lead client service roles and responsibility Adoption of anti-corruption policy Adoption of policy regarding privacy programs and leadership IT security policies Voluntary sustainability reporting Supply chain policies and codes of conduct Chief Confidentiality Officer 	<ul style="list-style-type: none"> Ethics and integrity Client satisfaction Governance risk and compliance Protection of public interest Anti-corruption Corporate responsibility commitment Privacy and data security Environmental performance Supply chain risks/ issues Value of service

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance
 Global structure
 Locations
 Deloitte core services
 Data protection
 Ethics
 Risk management
 Public policy
 Independence
 Global security
 Reporting process
 Metrics
 Basis of reporting
 Stakeholder engagement summary

Key stakeholder groups	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response (may vary across deloitte)	Areas of high stakeholder concern
Deloitte people, their families, and future talent	Ongoing <ul style="list-style-type: none"> • 24/7 support and emergency hotlines • Internal discussions • Alumni network • Social media (external and internal) • Recruiting events • Exit interviews • Confidential ethics hotline • Training sessions • Community involvement and volunteering opportunities • Multiple times a year • Performance reviews • Employee councils • Advisory councils • Town-hall meetings • Affinity groups • Annual basis • People survey • Partner meetings 	<ul style="list-style-type: none"> • Current, former, retired, and prospective employees • Spouses/partners, children, and family members of Deloitte people 	<ul style="list-style-type: none"> • Job satisfaction elements • Work-life balance • Career advancement • Fair treatment • Privacy • Security • Contributions to society • Environmentally sustainable operations • Access to technology • Diversity • Ethics • Travel and mobility • Wellness 	<ul style="list-style-type: none"> • Flexible work arrangements • Benefits package changes • Extension of certain services to family members • Mentoring programs • Coaching programs • Opportunities for global deployments • Industry training • Wellness programs • Updates to software and hardware • Education, safety and support mobile applications • Volunteering programs • Ensuring safety of engagement teams 	<ul style="list-style-type: none"> • Employee development • Diversity and fair treatment • Ethics and integrity • Client satisfaction • Privacy and data security • Governance, risk, and compliance • Corporate responsibility commitment from leadership • Protection of public interest • Public policy positions • Environmental performance • Health and safety • Community engagement • Labor rights • Compensation • Work/life balance • Professional standards • Professional performance • Wellness

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance
 Global structure
 Locations
 Deloitte core services
 Data protection
 Ethics
 Risk management
 Public policy
 Independence
 Global security
 Reporting process
 Metrics
 Basis of reporting
 Stakeholder engagement summary

Key stakeholder groups	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response (may vary across deloitte)	Areas of high stakeholder concern
Governments and regulators	Ongoing <ul style="list-style-type: none"> Proactive engagement with regulators and policymakers on topics impacting the profession and the capital markets Contribution to shaping of new regulation Collaboration on policy development Participation in development of standards Responsiveness to regulatory and public policy inquiries Annual or regular recurring basis Quality/performance reviews Horizon scanning and sensing 	<ul style="list-style-type: none"> Audit oversight bodies National financial market regulators Government ministries aligned to topics of common interest, including inter alia, finance, economic, labor International law enforcement and security agencies Multinational/Inter-governmental fora Embassies; diplomatic community Standard-setters Policy “influencers” (e.g., think tanks) 	<ul style="list-style-type: none"> Audit quality Auditor independence Transparency Innovation Market competitiveness Corporate governance Diversity and inclusion Data, confidentiality and privacy Crisis management International trade Jobs and skills Responsible tax Inclusive growth and innovation Smart regulation 	<ul style="list-style-type: none"> Audit standards Advisory and advocacy groups Responses to regulatory inquiries Issuance of transparency reports Independence policies and monitoring Employee diversity programs Supplier diversity programs Threat assessments and safety recommendations Research and insights Thought-leadership, facts and insights 	<ul style="list-style-type: none"> Protection of public interest Governance, risk, and compliance Anti-corruption Ethics and integrity Diversity and fair treatment Data and privacy Transparency Environmental performance Security threats to operations and people Inclusive growth International trade Future of workforce Mobility

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance
 Global structure
 Locations
 Deloitte core services
 Data protection
 Ethics
 Risk management
 Public policy
 Independence
 Global security
 Reporting process
 Metrics
 Basis of reporting
 Stakeholder engagement
 summary

Key stakeholder groups	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response (may vary across deloitte)	Areas of high stakeholder concern
Professional associations and networks	<p>Ongoing</p> <ul style="list-style-type: none"> • Involvement in committees and working groups • Representation on leadership councils • Attendance at conferences <p>Ad hoc</p> <ul style="list-style-type: none"> • Collaboration on industry white papers • Speaking engagements • Participation in development of standards 	<ul style="list-style-type: none"> • Peer networks • Associations of certified/chartered accountants • Associations of tax professionals • Management consulting professional associations • Financial advisory professional associations • Trade associations 	<ul style="list-style-type: none"> • Adherence to professional performance standards and standard setting • Governance • Open markets • Sustainable development • Standards for auditing of non-financial information • Jobs and skills • Corporate governance 	<ul style="list-style-type: none"> • Standards for engagement acceptance and performance • Peer reviews • Commentaries on proposed standards and policy issues • Policy recommendations • Training • Thought-leadership, facts and insights • Strategy formulation 	<ul style="list-style-type: none"> • Protection of public interest • Ethics and integrity • Governance, risk, and compliance • Professional standards • Professional performance • Employee development • Public policy positions • Open markets • Digital economy and technology • Future of workforce

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance
 Global structure
 Locations
 Deloitte core services
 Data protection
 Ethics
 Risk management
 Public policy
 Independence
 Global security
 Reporting process
 Metrics
 Basis of reporting
 Stakeholder engagement summary

Key stakeholder groups	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response (may vary across deloitte)	Areas of high stakeholder concern
Non-profit organizations and local communities	Ongoing <ul style="list-style-type: none"> Local representation Pro bono engagements Collaborations Volunteering Social media Electronic mail Meetings and conferences Speaking engagements 	<ul style="list-style-type: none"> CDP (formerly Carbon Disclosure Project) The Red Cross and Red Crescent Movement Junior Achievement Worldwide Teach For All United Way Worldwide Local business and community organizations 	<ul style="list-style-type: none"> Training Performance improvement Funding Marketing Specific agendas germane to their cause (e.g. sustainability, education, humanitarian action, diversity) Local business promotion Transparency in reporting Cross-sector collaboration 	<ul style="list-style-type: none"> Skills-based volunteering Community volunteering IMPACT day Pro bono engagements Foundation and member firm monetary and in-kind gifts Voluntary sustainability reporting 	<ul style="list-style-type: none"> Youth education and unemployment Diversity and fair treatment Ethics and integrity Anti-corruption Human rights Transparency Corporate responsibility commitment Public policy positions Privacy and data security Environmental performance Community involvement Protection of public interest Social progress and equality

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance
Global structure
Locations
Deloitte core services
Data protection
Ethics
Risk management
Public policy
Independence
Global security
Reporting process
Metrics
Basis of reporting
Stakeholder engagement summary

Key stakeholder groups	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response (may vary across deloitte)	Areas of high stakeholder concern
International multi-stakeholder organizations	<p>Ongoing</p> <ul style="list-style-type: none"> Steering committee memberships Organizational stakeholder meetings Meetings, conferences and correspondence Taskforce and working group participation 	<ul style="list-style-type: none"> United Nations Global Compact World Economic Forum World Business Council for Sustainable Development International Integrated Reporting Committee Global Reporting Initiative Cross-industry business alliances Private sector conduits into Asia-Pacific Economic Cooperation Private sector conduits into Organization for Economic Co-operation and Development Private sector conduits into G20 	<ul style="list-style-type: none"> Establishment of and adherence to international norms Understanding of frameworks and initiatives Economic, social, and humanitarian development Trusted financial system Innovation Jobs and skills International trade Inclusive growth 	<ul style="list-style-type: none"> Pro bono engagements Internal and external training Thought-leadership, facts and insights Changes to global report content Voluntary reporting on sustainability GHG reduction targets in place or in development (varies across member firms) Policy recommendations supporting growth and development Policy statements of support 	<ul style="list-style-type: none"> Ethics and integrity Trusted financial systems Diversity and fair treatment Education Youth unemployment Governance, risk, and compliance Data, security and privacy Environmental performance Human rights Community engagement Physical security Social progress and equality Trade and investment Inclusive growth Open markets Future of workforce Digital economy

CONTENTS

EXECUTIVE MESSAGE

PERFORMANCE

CLIENTS

TALENT

SOCIETY

REPORTING

Network governance
Global structure
Locations
Deloitte core services
Data protection
Ethics
Risk management
Public policy
Independence
Global security
Reporting process
Metrics
Basis of reporting
Stakeholder engagement summary

Key stakeholder groups	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response (may vary across deloitte)	Areas of high stakeholder concern
Suppliers	Ongoing <ul style="list-style-type: none"> Negotiations Meetings Proposals Industry meetings 	<ul style="list-style-type: none"> Software suppliers Hardware suppliers Travel service suppliers Consultants 	<ul style="list-style-type: none"> Contract terms including pricing and payment Features and functionality Issue resolution Confidentiality Sales projections Opportunities for (mutual) sustainable solutions Opportunities for collaboration 	<ul style="list-style-type: none"> Establishment of alliances Establishment of preferred vendors Establishment of green purchasing practices Contracts Supply chain audits 	<ul style="list-style-type: none"> Ethics and integrity Anti-corruption Diversity and fair treatment Privacy and data security
Industry and market analysts	Ongoing <ul style="list-style-type: none"> Global engagement strategy involving Deloitte executive leadership, subject matter specialists, and other stakeholders across geographies, capabilities, and industries 	<ul style="list-style-type: none"> Forrester Gartner IDC Kennedy Source for Consulting 	<ul style="list-style-type: none"> Capabilities (e.g. Digital, Risk/Cyber, Change, Innovation, Technology, Transformation) Client and market trends Competitive landscape Strategy 	<ul style="list-style-type: none"> On-going relationships Dialogue and shared insights Formal analyst inquiry and briefings Analyst events and advisory sessions virtual and in-person Participation in evaluative research 	<ul style="list-style-type: none"> Digital disruption Customer experience Business transformation Security and privacy Change and people issues Consulting business model innovation
Educational institutions/ academia	Ongoing <ul style="list-style-type: none"> Participation in programs Collaborations Recruiting Guest lecturing and speaking engagements 	<ul style="list-style-type: none"> Students of high potential who receive educational scholarships from Deloitte 	<ul style="list-style-type: none"> Subject matter knowledge New perspectives Leading research Career placement 	<ul style="list-style-type: none"> Volunteering Pro bono engagements Matching gifts Guest lecturers Funding of chairs and scholarships at universities 	<ul style="list-style-type: none"> Education Ethics and integrity Diversity and fair treatment Employee development Anti-corruption Human rights

Contact us

GlobalReport@deloitte.com

Learn more

globalreport.deloitte

Stay connected



Deloitte.

“Deloitte,” “we,” “us,” and “our” refer to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Deloitte provides audit, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients’ most complex business challenges. To learn more about how Deloitte’s approximately 244,000 professionals make an impact that matters, please connect with us on Facebook, LinkedIn, or Twitter.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte network”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

For the convenience of the reader, a member firm of DTTL in a particular country is identified in the body of this report by the word “Deloitte” coupled with a country name (e.g., Deloitte Greece), in lieu of using the actual legal name of the member firm of DTTL in that country. In many countries, services may be provided by the actual member firms but could also be provided in addition by—or solely by—subsidiaries or affiliates of the DTTL member firm in that country, which are often organized as separate legal entities.

Specifically, with respect to the United States, Deloitte LLP is the member firm of DTTL and does not provide services. Services in the United States are provided by Deloitte LLP’s subsidiaries; including Deloitte & Touche LLP, Deloitte Tax LLP, Deloitte Consulting LLP, and Deloitte Financial Advisory Services LLP. All of these US entities are referred to in this publication as “Deloitte US.” Certain services may not be available to attest clients under the rules and regulations of public accounting. Additionally, for the purposes of this publication only, individuals are identified by their name and the nomenclature discussed above for referring to a DTTL member firm, whether that individual is a partner, principal, shareholder, member, director, or employee of that DTTL member firm or one or more of its subsidiaries or affiliates (e.g., Paige Flanagan, Deloitte Ireland).

© 2016. For information, contact Deloitte Touche Tohmatsu Limited