Deloitte.

2015

Making an impact that matters
2015 Global Report

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Deloitte has long been a purpose-led organization. In 2015, we put that Purpose into words to inspire Deloitte professionals and help us achieve our global strategy of being the undisputed global leader in professional services.

Our Purpose statement is a clear and compelling declaration of why we exist. It says:

Deloitte makes an impact that matters.

Our desire to make a positive, enduring impact every day for our organization and its stakeholders requires that:

- We serve clients with quality and distinction, making a measurable and attributable impact.

- We inspire our people to deliver value—mentoring and developing future leaders and colleagues for life.

- We contribute to society, building confidence and trust, upholding integrity, and supporting the community.

- We lead the profession by challenging ourselves to do what matters most, delivering innovative ideas that reflect our unique capabilities.

These Purpose-driven behaviors are guided by our network's shared values—integrity, outstanding value to markets and clients, commitment to each other, and strength from cultural diversity.

Activities during the past year aimed at bringing our Purpose to life—through extensive communication and engagement campaigns—have engaged and connected our network's 225,000-plus professionals to challenge themselves and each other to do what matters most for Deloitte's clients, its people, and the societies in which they live and work.

Deloitte's Purpose is enduring and informs our business decisions, guides our operational strategies, and steers our activities as corporate citizens. With a defined Purpose to lead us, Deloitte acts with courage and conviction to make an impact that matters every day—across our businesses and around the world—by serving the most sophisticated clients, tackling the world's most complex problems, and promoting integrity and trust in the marketplace.

This is what we do. This is who we are. This is our Purpose.

A strong sense of purpose is closely linked to positive organizational performance, as demonstrated in the Deloitte US "Core beliefs and culture survey" and DTTL 2015 Millennial Survey.

Among businesses where Millennials say there is a strong sense of purpose, there is significantly higher reporting of financial success, employee satisfaction, and effective talent recruitment.

Deloitte Global Chief Executive Officer and Chairman of the Board letter
Making an impact that matters

Exceptional organizations that flourish over time are defined by a purpose, and Deloitte's purpose is to make an impact that matters—for member firm clients, our people, and society. This purpose is embedded throughout our global network. It defines who we are. It lies at the heart of the work of our network's 225,400 people across more than 150 countries.

Living our purpose is also at the foundation of the Deloitte network's strong FY2015 performance. Despite global economic and geopolitical challenges, Deloitte achieved aggregate global revenues of US$35.2 billion, representing growth of 7.6 percent in local currency terms. Deloitte hired approximately 62,000 new professionals last year and invested more than US$200 million in community and societal impact initiatives around the world.

Deloitte professionals take great pride in the many ways the organization serves stakeholders around the world, and our 12th Global Report highlights some of the best examples from the past year through the lens of clients, talent, and society.

Delivering service that matters

Deloitte member firms serve clients and markets with quality and distinction, bringing trust and confidence to the capital markets, delivering innovative insights, solving complex challenges, and unlocking sustainable growth. Member firms strive to be the first choice of clients—whether they need confidence to take decisive action; require a high-quality audit of their financial statements; seek experience on complex tax issues; or face a "bet-the-company" challenge.

Building careers that matter

Deloitte member firms invest in their talented professionals so they may deliver outstanding value to clients. We mentor and develop future leaders, providing an exceptional career experience and an inclusive, collaborative culture. Our network aims to be the premier career destination for the best and brightest minds.
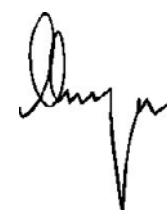
Having influence that matters

Deloitte contributes to society, building confidence and trust in the markets, fostering the integrity of organizations, and supporting our communities. Our organization remains committed to sustainability and to supporting the U.N. Global Compact. We aspire to be a role model of quality, integrity, and positive change, helping to solve the toughest global challenges.

In all we do, Deloitte aspires to be not necessarily the biggest, but the best—the undisputed global leader in professional services. Our network continues to leverage global scale, new technologies, and deep industry insights to help member firm clients maximize opportunities and manage risks in a borderless and uncertain environment.

We begin our respective terms this year—as Deloitte Global Chief Executive Officer and Chairman of the Deloitte Global Board of Directors—honored to support our member firm colleagues around the world as they build on the Deloitte network's rich heritage of serving member firm clients, our people, and our communities.

Sincerely,

Punit Renjen, Deloitte Global Chief Executive Officer

David Cruickshank, Chairman of the Deloitte Global Board of Directors
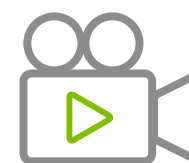
For more on how Deloitte is making an impact that matters, please view brief video messages from Deloitte Global CEO Punit Renjen on:

Clients | Talent | Society

REVENUE

FY2015	FY2014	FY2013
$35.2 (+8%)	$34.2 (+7%)	$32.4 (+6%)

BY BUSINESS

$35.2 Bn

- $12.2
- $9.8
- $6.7
- $3.5
- $3.1

Legend:
- Consulting
- Audit
- Tax & Legal
- Enterprise Risk Services
- Financial Advisory

BY INDUSTRY

$35.2 Bn

- $9.5
- $6.6
- $4.4
- $4.4
- $3.9
- $3.2
- $3.1

Legend:
- Financial Services
- Consumer Business
- Public Sector
- Manufacturing
- Technology, Media & Telecom
- Life Sciences & Health Care
- Energy & Resources

BY REGION

$35.2 Bn

- $18.3
- $11.9
- $5.0

Legend:
- Americas
- EMEA
- Asia Pacific

Note: Percentages represent year-over-year change. Revenue figures are in US$ billion. Percentage growth rates are in local currency. Figures are aggregated across Deloitte member firms. Because of rounding, numbers may not tally with the total.

HEADCOUNT

FY2015	**FY2014**	**FY2013**
225,400	210,400	202,885
(+7%)	(+4%)	(+5%)

BY GENDER

MEN
56%
125,666

WOMEN
44%
99,685

GENDER BY REGION

AMERICAS
99,400
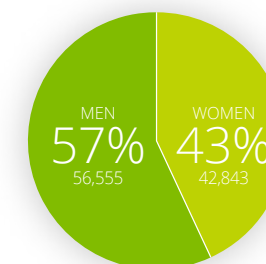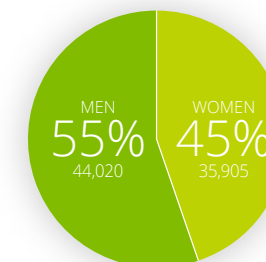
MEN
57%
56,555

WOMEN
43%
42,843

EMEA
79,900

MEN
55%
44,020

WOMEN
45%
35,905

ASIA PACIFIC
46,000

MEN
55%
25,092

WOMEN
45%
20,936

Figures are aggregated across DTTL and its member firms. Because of rounding, numbers may not tally with the total.

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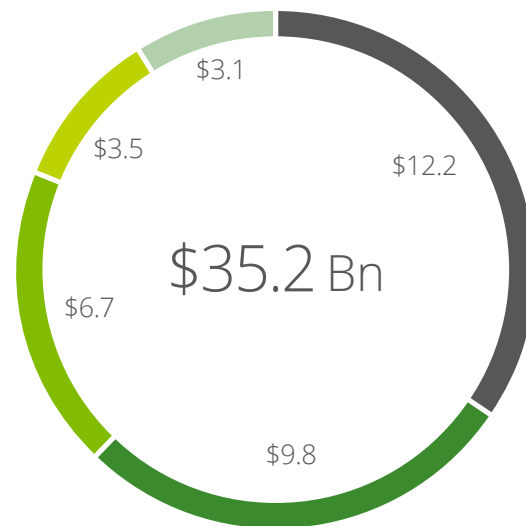
NEW HIRES

	FY2015	FY2014	FY2013
	62,000	54,000	51,400
	(+28%*)	(+26%*)	(+25%*)
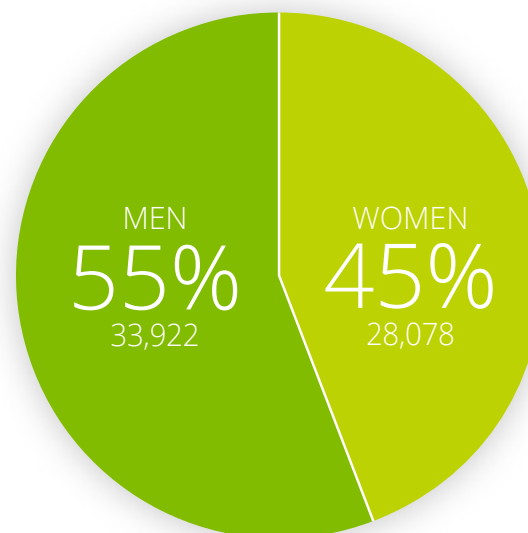
BY GENDER

BY REGION
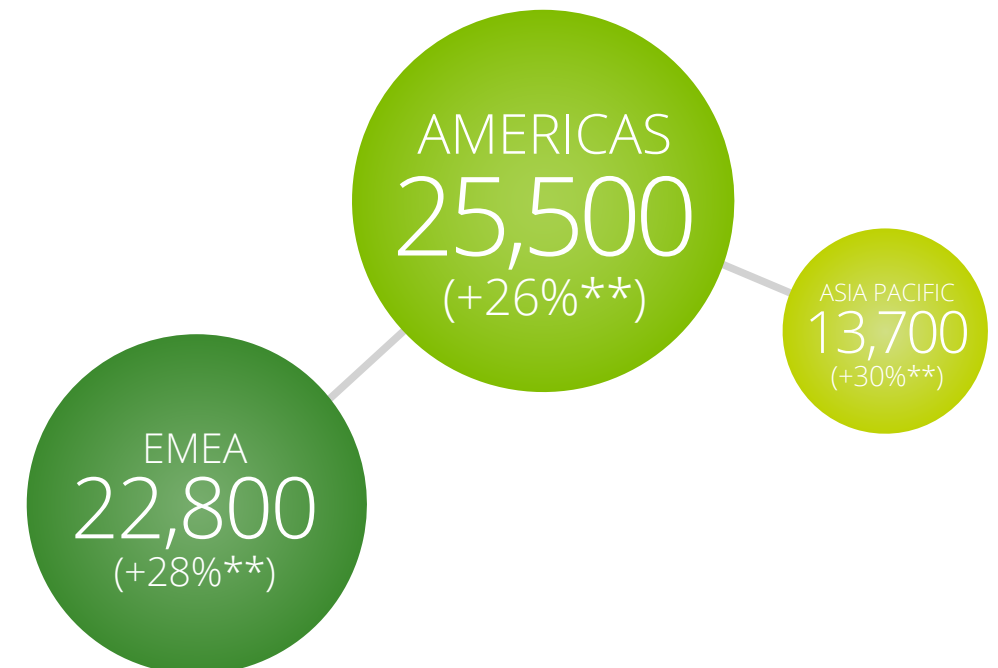
MEN
55%
33,922

WOMEN
45%
28,078

AMERICAS
25,500
(+26%**)

ASIA PACIFIC
13,700
(+30%**)

EMEA
22,800
(+28%**)

Figures are aggregated across DTTL and its member firms. Because of rounding, numbers may not tally with the total.

* Percentage of total headcount

** New hires as a percentage of total headcount by region

SOCIETAL IMPACT

FY2015	**FY2014**	**FY2013**
$212M	$190M	$179M
(+11%)	(+7%)	(+9%)

**TOTAL VOLUNTEER
AND PRO BONO WORK**

$123M

TOTAL DONATIONS

$78M

● **PRO BONO**
343,000 HOURS ($48M)

● **SKILLS-BASED VOLUNTEERING**
496,000 HOURS ($45M)

● **TRADITIONAL VOLUNTEERING**
328,000 HOURS ($30M)

● **DELOITTE
DONATIONS***
$47M

● **DELOITTE PEOPLE
DONATIONS****
$30M

$212M

**MANAGEMENT
COSTS*****
$12M
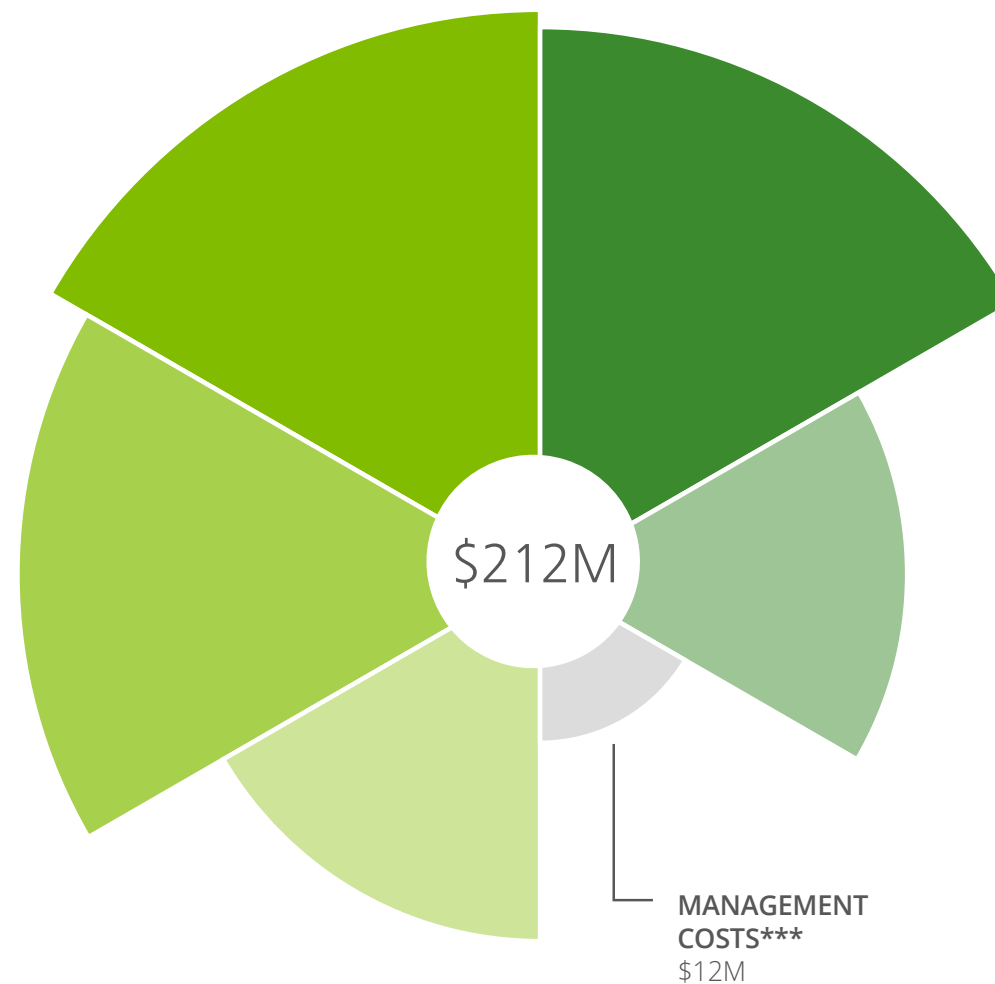
All figures are aggregated across DTTL and its member firms. This data includes 35 member firms and DTTL representing 97 percent of the Deloitte network workforce. Figures for societal contributions are lower than the actual amounts as not all types of donations 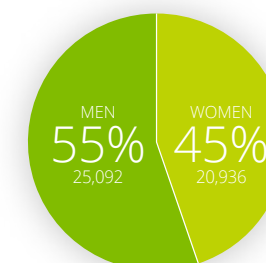can be tracked in our systems. Because of rounding, numbers may not tally with the total. DTTL and its member firms observe reporting standards from the Committee Encouraging Corporate Philanthropy and the London Benchmarking Group. The monetary value of community activities was estimated according to the type of service performed. The value of volunteer work was based on local 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.

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

** Includes DTTL and member firm professionals' donations to supported organizations.

*** Includes DTTL, member firm, and foundation costs for managing societal impact programs.

Strategy, outlook, and acquisitions
Business choices aim to separate Deloitte from the pack

Deloitte has a far-reaching network and multidisciplinary model, with deep institutional knowledge that allows member firm professionals to deliver exceptional services across a range of industry sectors. Deloitte is an innovator that is expanding its capabilities in areas such as cognitive technologies, cloud computing, digital applications, cyber, risk, and crisis services.

Deloitte's aspiration is to be the undisputed global leader in professional services. This means being the first choice for clients; being the premier career destination for top talent; being a role model of quality, integrity, and positive change; and helping solve the toughest global challenges. We are intent on being the best, not necessarily the biggest.

Within the context of our Purpose—making an impact that matters—five strategic business priorities define our path forward: client leadership, business leadership, geographic leadership, talent leadership, and network leadership.

That's what Deloitte's strategy is all about—strengthening our businesses, empowering our talent, and backing them with an exceptional network to serve the world's most important organizations. We are executing these choices with passion and rigor against an ever-evolving external backdrop that continues to challenge Deloitte and our competitors in each of our businesses. The disruptions Deloitte continues to confront include:

- **Increasing geopolitical changes** that are reshaping the global marketplace, shifting the balance of power, and creating new hotspots of political unrest;

- **Continued economic volatility and uncertainty**, causing financial risk in some parts of the world and shifting the balance of our investments across developed and emerging markets;

- **Rapidly shifting technology paradigms** where data proliferation, open innovation, and data analytics are exploding, while cyber security threats worsen;

- **Regulatory changes**, including the potential for a markedly different global regulatory landscape to emerge at the end of a protracted period of change across several markets; and

- **Fluid geographic challenges** presented by the expanding scale of multinationals operating in different markets, creating the demand for seamless cross-border services.

Guided by past strategic choices, Deloitte has thrived in the midst of economic adversity and dramatic market changes. Deloitte is confident our current strategy and Purpose-led approach position the organization to accelerate its success and achieve its goal of undisputed leadership.

Strategic acquisitions
Deloitte's FY2015 acquisition activity focused on adding specific capabilities aligned with growth areas identified in our strategy. Key member firm acquisitions included:

- GMK Partners, a boutique provider of chartered accounting services to high-net-worth clients in Australia (Deloitte Australia).

- KD Johns & Co., an Australian tax and business advisory firm (Deloitte Australia).

- Hervé Schauer Consultants, a network security consulting agency in France (Deloitte France).

- Visser Consulting, a leading provider of regulatory, safety, and environmental compliance services to energy companies in western Canada (Deloitte Canada).

- Licetus, a Germany-based provider of software asset management services in Europe (Deloitte Germany).

- Kavanagh Fennell, one of Ireland's leading corporate recovery and insolvency services firms (Deloitte Ireland).

- Analytics Group, an Australian consultancy offering CFO-level advisory services and operational support (Deloitte Australia).

- AXOA, a French services company specializing in software-as-a-service (SaaS) solutions (Deloitte France).

- The Lonsdale Group, an Australian boutique that provides consulting and advisory services for cloud-based systems (Deloitte Australia).

DELOITTE CORE SERVICES

Solving complex problems is Deloitte's passion. We've built our world-class businesses to effect change that matters, and to deliver transformational impact for clients and the communities in which we work. Deloitte's operating model allows our businesses to work better together and enables sustained enhancement and innovations to service capability and cross-border delivery, and talent development and deployment. Our multidisciplinary portfolio empowers Deloitte professionals to deliver deep business capability and industry insights across a broad spectrum of services.

Consulting   Audit   Tax & Legal   Enterprise Risk Services   Financial Advisory

Legal
Indirect Tax
Global Business Tax Services
Global Employer Services
Governance, Regulatory & Risk
Human Capital
Financial Crisis
Controls Transformation & Assurance
Technology
Strategy & Operations
Mergers & Acquisitions
Audit
Cyber Risk Services
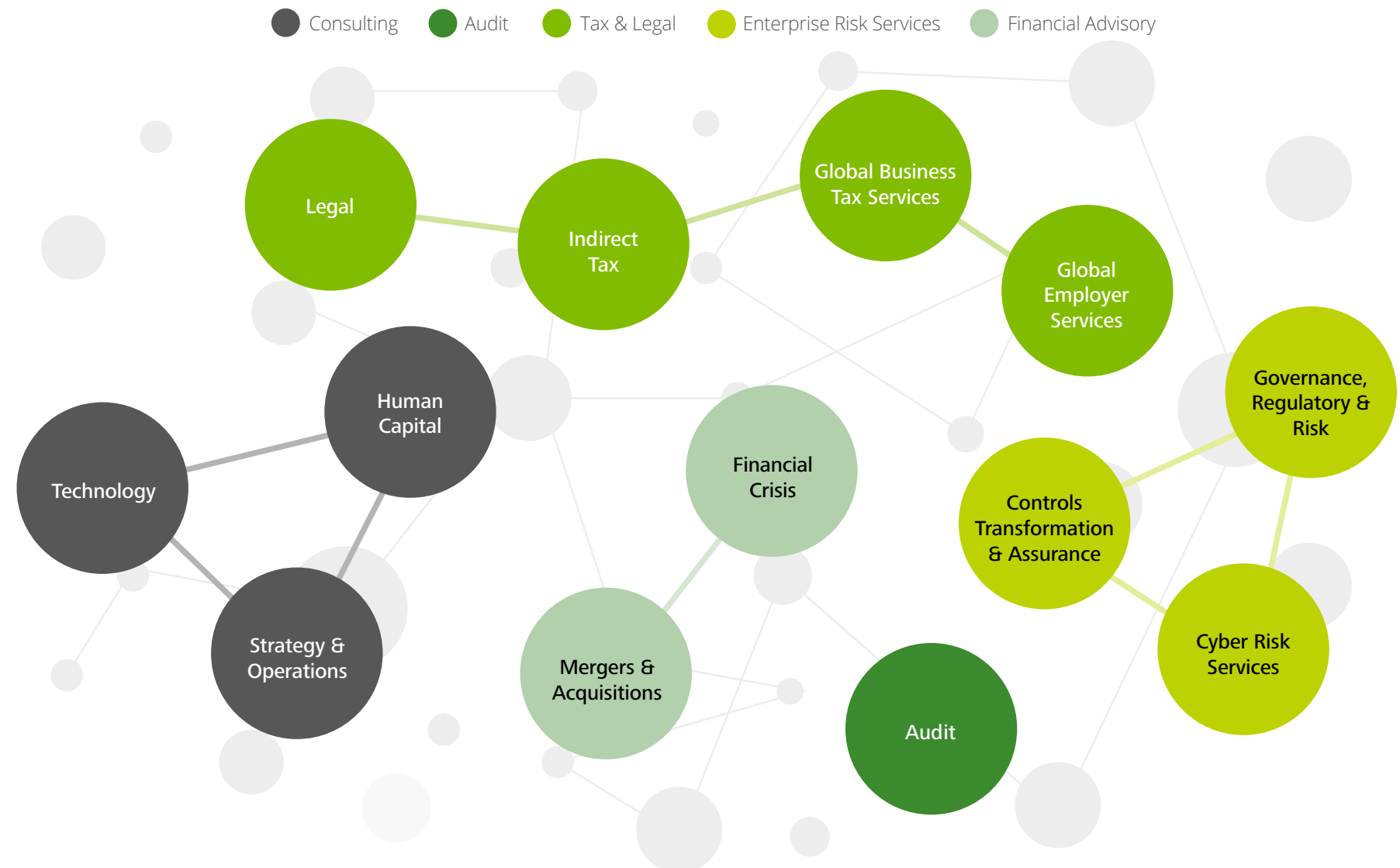
The above list of services is a representative sampling of Deloitte's cross-business capabilities. Deloitte offers many services, not all of which are available from every Deloitte member firm and not all of which are permissible for audit clients under various professional and regulatory standards.

New leaders establish a path forward
Network governance approach reinforces commitment to quality and integrity

Punit Renjen became Deloitte Global Chief Executive Officer on 1 June 2015, succeeding Barry Salzberg. Renjen served most recently as chairman of the board, Deloitte LLP (US), and prior to that, chairman and CEO of Deloitte Consulting LLP.

Also on 1 June 2015, David Cruickshank began his term as Chairman of the DTTL Board, succeeding Steve Almond. Cruickshank had served as Chairman of Deloitte UK since 2007. Prior to that, he led the UK member firm's tax practice.

Renjen's and Cruickshank's leadership appointments are part of a rigorous, comprehensive nomination and member firm partner-ratification process that occurs every four years and includes all member firms of the Deloitte worldwide network.

During FY2015, Cathy Engelbert assumed the role of CEO for Deloitte US, and Cindy Hook was elected Deloitte Australia's new chief executive. Each became the first woman in her country's history to lead a Big Four firm.

The bigger picture
Strong governance and leadership structures help Deloitte member firms maintain high levels of quality and integrity, allowing them to sustain the trust of their clients, their people, the capital markets, and the public.

As a global network comprising DTTL, its member firms, and each of their 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 DTTL Executive
The DTTL Executive, composed of 26 senior leaders from DTTL and certain member firms across the global network, is responsible for embedding Deloitte's Purpose and achieving its aspirations and strategic priorities. The Executive sets policies and champions initiatives that help the network make an impact that matters for member firm clients, Deloitte talent, 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. His appointment was ratified by the partners of the individual member firms. Renjen appoints the members of the Executive, subject to approval by the Governance Committee of the DTTL Board of Directors.

The roles and responsibilities of DTTL Executive members focus on key areas including the following:

- **Client leadership**
  The Clients & Industries leader helps ensure Deloitte member firms consistently deliver exceptional quality, the best of Deloitte's broad portfolio of services, and deep industry and sector insights to clients around the globe.

- **Business leadership**
  The Executive's business leaders, representing Audit, Consulting, Enterprise Risk Services, Financial Advisory, and Tax & Legal, focus on developing and scaling innovative services in each of Deloitte's core businesses to help member firm clients address their most complex opportunities and challenges.

- **Geographic leadership**
  The Executive's geographic leadership includes the CEOs of 10 member firms, as well as one managing director of the Regions (covering EMEA, the Americas, Asia-Pacific). Together, they collaborate with other member firms' CEOs and regional leaders across the network to help promote global initiatives and capabilities that benefit local markets.

- **Talent leadership**
  The Executive's Talent leader is charged with guiding the Deloitte network in attracting, developing, and deploying the brightest minds. A key priority is to create a highly inclusive, stimulating work environment while building a consistently high level of skills for Deloitte people worldwide.

- **Network leadership**
  The Executive provides guidance to the Deloitte network to help it operate effectively and efficiently, seeking to consistently uphold the global brand, and managing risk and evolving global developments. Specific DTTL leadership roles include Risk & Regulatory, General Counsel, and the Chief Operating Officer. In addition, four DTTL Deputy CEOs serve as advisers and lead special projects.

The DTTL Executive meets live approximately six times during the year. A typical agenda covers the organization's priorities, current initiatives, and network matters—and every agenda includes topics related to member firm clients and/or talent leadership.

The DTTL Operating Committee

At the beginning of his term, Renjen established a global Operating Committee (effective 1 June 2015). The Operating Committee, composed of leaders from DTTL 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 DTTL Chief Operating Officer Frank Friedman. Its members include, from DTTL, five global business operating leaders, three regional leaders, the chief information 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 DTTL Board

The Board of Directors is DTTL's highest governing body. The Board addresses DTTL's most important governance issues, including global strategies, major transactions, and the election of the CEO. During FY2015, the Board's 32 members represented 20 member firms across more than 100 countries and territories. Among the Board's committees is a standing Governance Committee, which exercises periodic oversight of the management of DTTL.

David Cruickshank is the current Chairman of the DTTL Board. Like Renjen, 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. Members of the DTTL Board are senior member firm partners or principals and are usually on the executives or boards of their member firms.

Determinations regarding the allocation of DTTL Board seats are made by the Board Composition Committee every four years with an interim review after two years. 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 six women board members, up from three in FY2015.

Members of the Governance Committee are drawn from the 12 member firms that are considered to have the greatest impact on the network based on a number of metrics including, but not restricted to, revenue. The Committee engages in open discussions of issues and matters within its purview and makes recommendations to the Board of Directors. Each committee member has one vote on matters considered by the committee, except for the CEO, who is ex-officio. To avoid conflicts of interest, no member of the Governance Committee may also serve on the Executive, except for the CEO.

The Board's other subcommittees are responsible for considering and recommending action on a wide range of issues falling within their remit. They include Board Composition, Succession, Risk, Audit & Finance, Membership Affairs, and Chairman and CEO Evaluation and CEO Compensation.

The Board performs an annual self-assessment to gather feedback on its collective performance and identify potential areas for operational improvements. As its name suggests, the Chairman and CEO Evaluation and CEO Compensation Committee objectively evaluates the goals and objectives of the Chairman and CEO, and recommends appropriate compensation for the CEO.

Member firm leadership

To foster effective and responsive management within member firms, DTTL 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 DTTL; and

• A governing body, such as a board of directors, to facilitate sound governance of the individual practice, including among other things the establishment of a formal nominating committee process to select the chief executive officer or managing partner of the member firm.

Deloitte network structure
Local knowledge, global capabilities

The Deloitte member firm structure is a source of great strength for the organization, allowing us to deliver deep local market knowledge, capabilities, and relationships to global clients, virtually anywhere in the world.

Deloitte member firms are independent, with local ownership and management that are accountable for their member firms' success. As members of the Deloitte network, these 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.

The Deloitte organization 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, back-office investments, and costs.

The bigger picture

The Deloitte network is made up of firms that are members of Deloitte Touche Tohmatsu Limited (DTTL), a UK private company limited by guarantee. This structure allows the member firm network to be a leader at all levels—locally, nationally, and globally—because its central governance policies are sensitive to the professional environments and cultures of individual countries. 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. DTTL itself does not provide services to clients.

Member firm structure

The partners of Deloitte member firms 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, 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 accountancy profession in many countries. It also reflects the fact that the member firms are not subsidiaries or branch offices of a global parent. Rather, they are separate and distinct locally formed legal entities that have voluntarily joined the network to coordinate their approach to client service.

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

Global cooperation

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

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

- Aligning national plans, strategies, and operations with those of DTTL, as appropriate, in consultation with DTTL's executive management;

- Adhering to DTTL's requirements regarding professional standards, shared Purpose, methodologies, governance, and systems of quality control and risk; and

- Advising DTTL of all proposed joint ventures, joint practices, mergers, and other cooperation arrangements and combinations of any type with other member firms, as well as practice activity in jurisdictions other than those assigned to the member firm.

DELOITTE SERVES 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 for service inquiries in locations not listed here.

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

Delivering service that matters

We serve clients with quality and distinction, making a measurable and attributable impact.

Deloitte is a strong, global brand. Our member firms have relationships with four out of every five Fortune Global 500® companies. That includes 92 percent of all technology, media, and communications companies, and 87 percent of the world's financial service and consumer business companies. Member firm clients know us, trust us, and express extremely high satisfaction with the service they receive.

Many would call that "success." We call it "a good place to start."

Deloitte's journey continues and our destination is undisputed global leadership. It's not enough to be a leader. We aspire to be the best.

We recognize that our network's future depends on Deloitte people and their ability to provide clients with distinctive service and measurable impact. Deloitte wants to be potential clients' first choice when they're looking for an auditor's auditor; when they need the confidence to take decisive action and achieve transformative results; when they require deep knowledge on complex tax issues; when they are facing a bet-the-company challenge.

To ensure their global clients receive consistent, high-quality, distinctive, world-class service wherever in the world they want it, Deloitte member firms are investing in and strengthening our network by:

- Equipping lead client service partners with the resources and authority they need to succeed;

- Deepening our insight into industries and sectors to bring valuable and actionable perspectives to bear on clients' business challenges; and

- Promoting "hyper collaboration" among our businesses and member firms so that Deloitte's multidisciplinary model delivers exceptional results.

Clear purpose. An unwavering commitment to putting clients first. Top-tier talent. Innovative solutions and alliances. Consistent, superior delivery. The courage and conviction to make an impact that matters. Leaving a stronger organization for the next generation of talent. These are the characteristics of undisputed leaders.

These are the characteristics of Deloitte.
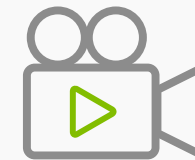
[Watch](#) Deloitte Global CEO Punit Renjen explain how Deloitte member firms deliver service that matters.

390+
FORTUNE GLOBAL 500® COMPANIES SERVED BY DELOITTE MEMBER FIRMS*

100+
NATIONAL GOVERNMENTS SERVED BY DELOITTE MEMBER FIRMS

* Includes all companies where Deloitte member firms served as external auditors and those companies where Deloitte member firms earned > US$500K in revenue during FY14 (non-audit).

Artificial intelligence, real results
Cognitive computing capabilities can help member firm clients make smarter, faster choices

It's no longer a question of *when* computers will be able to learn, "think," and provide reasoned responses.

They already can.

The question now—from Deloitte's perspective—is, "How can cognitive computing be used to benefit member firm clients and our network?" A software application developed by the Deloitte US Innovation group, in close collaboration with the Audit and Consulting M&A practices of Deloitte US, already is helping organizations save time and money. Yet, to those who dream the future, it may be but an early step in a long journey.

"We're at the beginning of a true paradigm shift. Instead of merely querying structured data, we are demanding insights from unstructured data that will inform decision making," says Forrest Danson, Deloitte US Principal and Analytics Integrated Market Offering Leader. "Deloitte US is among the vanguard in this arena because we understand how artificial intelligence (AI) and human know-how can combine to achieve better outcomes for clients. With our deep industry understanding and experience integrating across our businesses, we are well-suited to harness the power of cognitive computing."

Understanding unstructured data
Unlike traditional computer systems that are programmed by people to perform certain tasks, cognitive systems can learn from experience and instruction. The power of cognitive computing is its ability to digest both structured and unstructured data and draw conclusions from it, mimicking the human brain and performing tasks that traditionally only people have been able to do. Feed the typical computer spreadsheets and database files—structured data—and, depending on how it's programmed, it can provide valuable insights. The challenge is, only about 20 percent of available data are structured. The other 80 percent lives in word processing files, emails, social posts, blogs, images, video, and other "unstructured" sources that, until recently, could only be consumed and understood by humans.

Cognitive systems can process information far beyond human capabilities, identifying patterns and providing potential solutions that humans might never recognize through traditional analysis. "Cognitive computing holds the potential to reshape how work gets done, how businesses grow, and how markets and industries evolve," Danson says. "By learning through interactions, they deliver automated, evidence-based responses that drive better outcomes."
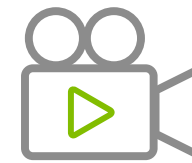
[Watch](#) Cindy Hook, Deloitte Australia CEO, talk about why disruption matters to leaders in the digital era.

Deloitte named the [leader in Analytics IT Consulting](#) by Kennedy.

Source: Kennedy Consulting Research & Advisory; IT Consulting: Analytics 2014 report. © 2014 Kennedy Information, LLC. Reproduced under license.

Mining data from contracts
One AI-enabled document-review platform developed by the Deloitte US Innovation group, which went live in October 2014, automates the process of reading and extracting critical information from contracts. By combining a third-party machine-learning algorithm with "training" provided by Deloitte US domain specialists, the technology typically helps reduce time spent reviewing documents by 50 percent or more, allowing users to focus on value-added analysis and interpretation activities.

"Teams review thousands of documents a year, so the time savings has a multiplicative effect, driving an orders-of-magnitude improvement in efficiency," says Craig Muraskin, Deloitte US Innovation managing director. "Also, the application's analytics and visualization features make it possible to analyze data extracted across the entire population of contracts and documents, enabling users to quickly home in on elements of potential risk and gain deeper insights." What's more, Muraskin adds, the combination of machine and human reviewer tends to deliver higher consistency and quality compared to a reviewer alone reading through numerous documents.

Many Deloitte US audit clients have been impressed with the application's ability to quickly identify differences between contracts based on key terms, as well as its ability to search for specific clauses across a population of contracts—typically leading to more meaningful insights throughout the audit process.

"The contract-review application is now firmly established as a transformative capability with applications across audit, consulting, and advisory services. We've also found it is equally useful for reviewing a variety of document types, including invoices, financial statements, and board meeting minutes," Muraskin says. "I'm confident we will soon expand this platform to tackle other opportunities. There are multiple ways our clients can benefit from this technology."

The cognitive technology underpinning the platform was provided by one of many third parties—large and small—that are developing cognitive computing or AI solutions. Deloitte US is working with several of these developers, including IBM. Its cognitive system, Watson, currently provides a comprehensive cognitive computing platform—one that is specifically designed to support the development of a broad range of enterprise solutions.

Deloitte joins Watson's Ecosystem

Many people's first exposure to IBM Watson came in 2011 through the US quiz show, Jeopardy! Thanks to four years of software engineering enhancements and the massive amount of new information that has become available since the shows aired, Watson is now at work in thousands of organizations in dozens of countries and industries.

The IBM Watson Ecosystem is composed of tens of thousands of developers, entrepreneurs, and other enthusiasts who have created thousands of apps via the Watson Zone on Bluemix—IBM's Platform as a Service (PaaS). Bluemix lets any user tap into more than 100 development tools, which include Watson services, to efficiently build, deploy, and manage apps across any cloud environment.

Deloitte was the only professional services organization selected for the inaugural IBM Watson Ecosystem Board of Advisors, which shapes the direction and strategy of the Ecosystem by offering external views on the marketplace and potential opportunities for Ecosystem partners. "We chose Deloitte because of its experience at the intersection of business and technology, its knowledge of the Watson product, and the value we've realized from our strategic and longstanding relationship," says Mike Rhodin, SVP, IBM Watson Group. Deloitte currently serves IBM as a client in 45 countries.

"Our participation in the Watson Ecosystem is part of a much broader Deloitte-IBM relationship, which has been thriving for more than a decade," says Bob Dalton, Consulting principal, Deloitte US and Global LCSP for IBM. "Our cooperation unites the depth and breadth of IBM's technology portfolio with Deloitte's leading business and technology consulting experience and industry knowledge. Through our 'smarter teaming' approach, Deloitte and IBM are committed to extending Deloitte's advanced analytics capabilities by using cognitive computing to help bring solutions to member firm clients."

Dalton acknowledges Deloitte and IBM are market rivals in certain services, and that competition will continue. However, "the opportunities here are bigger than both of our organizations. We recognize there's a virtue in coming together because, as pre-eminent leaders in our professions, we can make a bigger impact working together," he says.

Leveraging cognitive for member firm clients

Deloitte is focused on using cognitive computing as a positive disruptor. Member firms are working with several vendors with niche capabilities that complement and extend new cognitive abilities. "Our goal is to provide holistic cognitive and advanced analytics solutions to help our clients make smarter decisions," says Paul Roma, Deloitte US Innovation leader and principal.

A tangible sign of the Deloitte US's commitment is a recently established US$20 million fund set up specifically to finance a new cognitive platform and develop solutions each Deloitte US business can take to market. "This is a game changer for us," Roma says. "We are going to build our own platform, powered by cognitive computing vendors and, using that platform, we will create and deploy new products for clients. The fund will be a real catalyst for innovation."

Among Deloitte US's highest priorities in this arena is exploring ways that cognitive technologies could transform health care. Deloitte US is currently working with a broad group of vendors and startups that are developing specific solutions based on cognitive technologies.

Early applications being piloted among select US clients include an app that uses machine learning to identify patients at risk of developing diabetes and offer insights tailored to specific individuals. "This app goes beyond risk-group generalizations and generic suggestions. Instead, it uses targeted insights to serve a party of one," explains Rajeev Ronanki, lead for Deloitte US's Cognitive Computing practice. "Based on people's medical histories and behaviors, it even can predict who will likely respond to intervention and who may need more convincing."

Another offering, recognizing a general shift toward a consumer-centric model in health care in the US, is using cognitive capabilities to help a large health plan provider retain customers and reduce turnover. And still another solution is using natural-language processing, probability models, and machine learning to help revolutionize what today is typically a very manual—and often frustrating—prescription preauthorization process.

As cognitive computing technology matures and Deloitte's experience grows, the way member firms explore and deliver cognitive-related services will likely continue to evolve. "We expect the market to grow dramatically as capabilities develop and people find practical ways to apply cognitive computing to address business problems," says Nitin Mittal, Principal and Advanced Analytics Technology Leader, Deloitte US. "As a global network of firms with deep industry knowledge, Deloitte is optimistic about the remarkable capabilities cognitive computing can offer. But, Deloitte needs to weave such technologies into our existing competencies to provide innovative cognitive solutions to member firm clients."

Cognitive technologies extend the power of information technology to tasks traditionally performed by humans. To learn more, read, "Cognitive technologies: The real opportunities for business," published by Deloitte University Press.
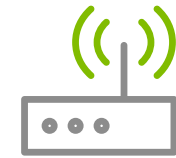
Artificial Intelligence is increasingly real and critical to the success of the Internet of Things. To learn more, read, "Demystifying artificial intelligence," published by Deloitte University Press.

High-voltage expansion
State grid's landmark acquisitions send a jolt through global electricity industry

State Grid Corporation of China (SGCC) didn't exist before December 2002. Today, based on revenues, it's the largest utility in the world and ranks seventh on the Fortune Global 500®.

When you're constructing and operating power grids in one of the most rapidly developing major economies on earth—and doing it effectively with a focus on safety and sustainability—growth comes with the territory. SGCC's success is about much more than being in the right place at the right time, though. Like many Chinese enterprises, it's an active and direct investor in foreign businesses, consistent with the nation's "Go Out Policy."

That's where Deloitte comes in.

This past year, Deloitte China was engaged by SGCC to provide a suite of advisory services—including financial and tax due diligence, valuation and structuring services, and negotiation support—to inform and facilitate SGCC's purchase of a 35 percent stake in an Italian energy company, CDP Reti, from Cassa Depositi e Prestiti (CDP). A year earlier, Deloitte China provided similar support for the purchase of a 19.9 percent stake in Australian electricity supplier SP AusNet, as well as SGCC's purchase of 60 percent of SPI Australia's energy infrastructure.

"These transactions demonstrate the impact and value of Deloitte's multidisciplinary model, our cross-border reach, and our knowledge of the energy and resources industry," says Eric Leung, Southern Region Functional Leader of Financial Advisory Services, Deloitte China. "We not only are well positioned to meet the complex needs of large organizations such as State Grid, but we also have a solid track record of helping Chinese companies achieve the foreign expansion they desire."

The US$2.81 billion acquisition of CDP Reti was, at the time, the largest ever made by Chinese investors in a nonlisted European company. It also was the largest single overseas investment made by SGCC and the largest investment made in Italy by a Chinese enterprise. The acquisitions of the Australian power companies combined to be the largest-ever outbound investment in China's power and infrastructure sector.

Accounting Advisory, Tax, Financial Advisory, Consulting, and Enterprise Risk Management professionals from Deloitte China received assists from member firms in Australia, Italy, and the UK during the engagements. "When you can reach out to people who know the laws and customs in other countries, and are familiar with the companies involved in the transactions, it makes the process infinitely more manageable," Leung explains.

In addition to serving SGCC on landmark cross-border acquisitions that are transforming the profile of the global electricity transmission and distribution industry, Deloitte China was selected by State Grid Xinyuan Company Ltd. (SGXY), a wholly owned subsidiary of SGCC, to provide Accounting Advisory services this past year in preparation for its implementation of a new financial standard.
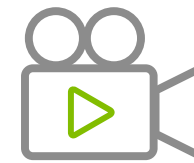
[Watch](#) Vanessa Borchers, Global Clients & Industries Leader, discuss why Deloitte's strengths and differentiation matter to clients.

Deloitte named an IT Consulting Leader in the Energy & Utilities Industries by Kennedy.

Source: Kennedy Consulting Research & Advisory; Information Technology Consulting to the Energy and Utilities Industry 2014. © 2014 Kennedy Information, LLC. Reproduced under license.

"When you demonstrate to clients that you can be counted on, they will consider you for their other business challenges. That gives Deloitte an advantage because the Deloitte network is composed of world-class businesses that work well together," Leung says. "Meeting multiple service needs is how we build long-term trust and long-term relationships, which are especially valuable with large, market-leading clients."

Cybersecurity is a team sport
Former public-sector professionals help clients integrate resilience across the board

Mary Galligan supervised the US Federal Bureau of Investigation's (FBI) inquiry into the Sept. 11, 2001 terrorist attacks. She later served as special agent in charge of cyber and special operations in the FBI's New York office, where she led the largest technical and physical surveillance operation in the agency.

John Gelinne was chief of staff and third in command of the US Navy's Cyber Fleet, conducting full-spectrum cyber operations, shaping the Navy's cyberspace workforce, and driving the integration of cyberspace capabilities and technologies into the Navy's operational environment.

Beyond their impressive résumés and shared passion for combating cyber threats, Galligan and Gelinne have something else in common. Both are now directors in the Deloitte Cyber Risk Services practice in the US.

"We're thrilled they made that choice. I'm sure they both had many attractive career options where they could leverage their unique skill sets, experiences, and valuable networks," says Ted DeZabala, Deloitte Global Cyber Risk Services leader. "Professionals like John and Mary, and many others with distinguished cyber risk credentials, give Deloitte a tangible advantage in this space."

Building resiliency among clients
Deloitte believes cyber has become a strategically important business risk issue, and that companies need to be "secure, vigilant, and resilient" to effectively manage risks. "Our Cyber Risk Services professionals are dedicated to helping organizations protect information assets, be aware of the rapidly evolving threat landscape, and respond to and recover from incidents that are becoming increasingly inevitable," DeZabala explains.

"Professionals, like Mary and John, know from past experience that despite everyone's best efforts, breaches do occur. That is why they are dedicated to resiliency," he continues. "How damaging breaches become can depend, in part, on how rapidly the situation can be analyzed, how decisively leaders take action, and how effectively teams interact with customers, media, legal counsel, law enforcement, and industry peers. How you respond defines you in the marketplace. Resilient services help clients be prepared to respond."

In helping clients prepare, Gelinne draws on the military readiness model he knows well. "Before a ship is deployed, we have to ensure it is ready to perform," he says. "To do so, we assess our resilience level; build capabilities through training; conduct a validation-certification exercise; and implement sustainment activities to stay ready, fix weaknesses, and maintain strengths. Deloitte is advancing that same methodology within Cyber Risk Services."

This four-step approach can help organizations at all stages of maturity attain and maintain a targeted level of cyber resilience through cyber wargaming and simulation, disaster recovery planning, incident response, and business recovery services.

Before joining the Deloitte Cyber Risk Services practice in the US, John Gelinne was chief of staff and third in command of the US Navy's Cyber Fleet.

Mary Galligan formerly served as special agent in charge of cyber and special operations in the US Federal Bureau of Investigation's New York office.

Deloitte named a global leader in cybersecurity consulting by Kennedy.

Source: Kennedy Consulting Research & Advisory; Cyber Security Consulting 2013; Kennedy Consulting Research & Advisory estimates. © 2013 Kennedy Information, LLC. Reproduced under license.

Deloitte US named a leader in Public Sector Consulting to the US Department of Homeland Security by Kennedy.

Source: Kennedy Consulting Research & Advisory; Public Sector Consulting to the US Department of Homeland Security. © 2015 Kennedy Information, LLC. Reproduced under license.

Not just a "tech issue"

"I was attracted to this role, in part, because I share my colleagues' holistic approach to cyber incident response," Gelinne says. "We understand cyber breaches aren't just a technologist's problem. Our approach is designed to prepare and validate an organization's overall cyber resilience from the boardroom, to the war room, to the individual employee, to the organization's stakeholders and customers."

Galligan, who spends much of her time educating clients' board members and senior executives about the risks their organizations face, agrees. "Deloitte helps clients focus on what matters most from both a business and technology risk perspective, and then provides tailored and cost-effective solutions," she says. "Beyond that, what stands out to me is the trust clients place in Deloitte. Because our professionals serve so many among the Fortune Global 500®, there isn't much we haven't seen. Clients value that, and respect the knowledge we have about their organizations and industries."

That knowledge is especially evident in cyber wargaming. "Many consultants offer wargaming, but for most, it's a tabletop discussion versus a true wargame that really tests a client's full response capabilities," Galligan says. Adds Gelinne: "Cybersecurity is a team sport. It takes all hands on-deck to be successful. So, when Cyber Risk Services tailors wargames for clients—which we customize to each client's industry and build in probable scenarios, drawn from real-life experiences and client situations—we bring the whole organization to the table and aggressively test their response plans and communications channels."

Galligan says requests for cyber wargaming continue to increase, in part, because regulators are writing stricter, new guidelines urging organizations to not only have resiliency plans in place, but also have them tested—preferably by objective, third parties like Deloitte.

"With cyber attacks in the headlines so frequently, fear of a major incident often drives investment. But, we encourage our clients to consider cyber risk as a positive component of their forward-looking initiatives," Galligan says. "Organizations constantly create advantages through new technologies, expansion, mergers and acquisitions, new customer-engagement models, and more. Managing cyber risks is critical to the success of these moves. Threat actors can steal information, disrupt operations, corrupt data, shut down controls, and destroy clients' systems.

"Organizations need to tighten up how they address those risks. This is a strategic concern, not just a technology concern," she continues. "There's a lot of self-gratification in being able to help clients transform their approaches. I spent 25 years with the FBI helping people, and I'm glad I'm still doing that with Deloitte US."

Deloitte ranked #1 globally by revenue in security consulting services by Gartner for third consecutive year.

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Biggest implementation ever? No problem!
Hewlett-Packard human capital project is one for the record books

Hewlett-Packard's (HP) human resources team wanted to foster a culture of self-service among its 300,000-plus employees and managers, but there was a problem. Actually, there were a few problems.

The global technology giant had a dated and highly customized legacy human capital management (HCM) platform that was so unwieldy, some critical human resource processes were actually handled offline because it was simply easier that way.

What's more, because HP operated in 106 countries, its HR department was forced to juggle a multitude of regional laws and customs. Since HP's HCM services were not configured to support regional needs, many employees and managers maintained shadow systems. The cumulative result was poor data integrity and rampant management issues.

A new, cloud-based HCM system provided by software vendor Workday, Inc., offered what HP was seeking to support the re-engineering of its business processes. "It would allow HP to standardize global processes, configure services for regional needs, enable accurate reporting, deliver an intuitive end-user experience, and enable HP to proactively analyze and manage talent," says Brian Borzone, Human Capital principal, Deloitte US. "It also would be more efficient. There was one 45-minute legacy HR transaction that was re-engineered with Workday's system to take only 90 seconds to complete—and HP completes that task 50,000 times a year."

Workday's HCM system would pay for itself over the long term, but HP knew the implementation would be tremendously complex. Scott Spradley, HP's Chief Information Officer and Vice President of Global Functions, knew he needed additional support. So, he turned to a longtime service provider. "Deloitte has significant Workday experience, as well as best-practice methodologies for organizational transformation, HR service delivery, and reporting and analytics," Spradley says. "The trust I have in Deloitte gave me the confidence to take on our toughest transformation challenge to date."

"We excel at delivering the Workday-enabled solutions our clients need, when and how they need it," Borzone says. "We don't subscribe to a 'one-size-fits-all' model, which I think is a big reason Deloitte is recognized globally as a leader in Workday HR and Finance consulting services."

Deloitte named a global leader in Change Management by Kennedy.

Source: Kennedy Consulting Research & Advisory; Change Management Consulting Market Report. © 2013 Kennedy Information, LLC. Reproduced under license.

Deloitte named the global leader in HR Transformation Consulting by Kennedy.

Source: Kennedy Consulting Research & Advisory; HR Transformation Consulting Market. © 2013 Kennedy Information, LLC. Reproduced under license.

Teamwork tames the beast

HP leadership set an aggressive 15-month timeline for the implementation, which ultimately would be the largest Workday cloud HCM deployment ever to date.

The HP and Deloitte transformation team facilitated regional configuration sessions with key HP staff, including HR administrators and members of the HP Global Shared Services group. Through these sessions, HP realized immediate operational efficiencies. "We didn't just build a thoughtful prototype. We also transferred knowledge to a significant number of employees who would later be responsible for supporting the platform post-deployment," Spradley explains.

Working collaboratively, HP and Deloitte achieved key project goals on schedule, optimizing HP's ability to manage and retain talent, enable effective decision making, and give significant time back to the HP workforce. A worldwide, big-bang release was more of a whimper, at least in terms of problems. HP actually scaled back its beefed-up call center staffing after just two days. "This was the first confirmation that we had done things incredibly right," Spradley says.

HP employees immediately embraced the new platform, which soon began delivering its promised benefits. Since the 2014 launch, HP has begun decommissioning more than 100 systems and 300 reports; reduced HR service desk call volume from 1,050 tickets per day to 43; standardized 86 manager and employee processes in 106 countries; and experienced an increase in user satisfaction rates from 60 percent to 85 percent.

"Throughout my career, I have managed seven or eight massive enterprise implementations. The HP Workday platform is far and away the best I've ever been a part of. In fact, it's the best I've ever seen," Spradley says. "We executed the world's fastest, biggest, and most complex Workday implementation—and we did it in 15 months. It would not have been possible without Deloitte."

For the second consecutive year, Deloitte US was named HP PartnerOne Global Partner of the Year recognition of Information Management (analytics), SAP (HANA), Cyber Risk Services, and Information Technology Transformation (Cloud).

Fresh perspectives enhance the audit
Innovative techniques and tools appeal to younger, tech-savvy professionals

On career days at primary schools around the world, budding athletes and actors, doctors and dancers, pilots and police officers wait anxiously to tell classmates about their dreams. Pint-sized auditors and accountants? Nowhere to be found. But the evolving nature of the audit and the vital role auditors play in supporting the countless financial decisions made every day makes the vocation significantly more attractive to both students and young professionals.

"Deloitte professionals are proud of being pre-eminent providers of audit services and take their obligations to the investing public and capital markets very seriously. As stakeholders are demanding more confidence and value from the audit, Deloitte is investing in innovative tools and approaches to provide new and more astute audit capabilities," says Panos Kakoullis, Deloitte Global Audit Leader. "Emerging technologies such as data analytics, visualization techniques, and even artificial intelligence are dramatically changing the way Deloitte is able to approach and conduct audits. These are driving opportunities for improved business performance, revealing more meaningful insights that benefit all stakeholders and support our continued emphasis on quality."

"Our focus on innovation has produced a more exciting work environment, one that is engaging tech-savvy millennials. They relish the challenge of using technology to solve problems and reinvent processes," adds Chris Thatcher, Deloitte Global Audit Innovation Leader. "Just as importantly, they bring fresh perspectives to a traditional field and add value that member firm clients maybe didn't expect, but really appreciate."

The future is here
With a rapidly changing regulatory environment, increasing client demands, and new technologies, the profession is in a state of change, challenging Deloitte to deliver a differentiated audit.

The "audit of the future" is no longer conceptual. Advancements of cognitive technologies, including artificial intelligence, are presenting new opportunities to enhance audit quality, automate processes, and ultimately transform how an audit is performed. "Natural-language processing, advanced data analytics, and machine-learning technologies are examples of how we are automating and streamlining labor-intensive processes," explains Jon Raphael, Audit Chief Innovation Officer, Deloitte US. "This provides more opportunities to allocate time to higher value-added areas, enabling auditors to apply their professional judgment and uncover new insights to deliver value beyond compliance."

Deloitte Canada summer interns in Vancouver. Photo credit: Tracy Tahara (Deloitte Canada).

Deloitte is actively enabling widespread and consistent use of audit innovations among its member firms to enhance both audit quality and consistency in engagements, create effectiveness for audit practitioners, and provide clients with the deeper understanding they want and expect. Deloitte innovation teams in many countries are leveraging breakthroughs to push the limits of traditional audits, and developing a wide range of next-generation supporting audit applications. "Best-of-breed" local audit tools that are being scaled for use across the network include:

- Powerful artificial intelligence applications that interrogate client electronic documentation using advanced machine-learning techniques and natural-language processing to quickly identify, analyze and extract key information;

- A mobile app that enables physical inventory observations from smartphones— including barcode scanning and voice-to-text technology—that transmits results in real-time, allowing corporate audit teams to monitor and review location counts as they happen;

- A diagnostics tool that uses visualization to understand and identify issues in clients' finance functions and benchmark results against their competitors and the market; and

- A suite of analytic solutions with built-in tests for a range of risks and account balances that can be applied throughout the audit. This includes support for extracting and analyzing client data and automating relevant reconciliations, completeness, and integrity checks, simplifying many of the pain points that have historically plagued the acquisition of data. These tools support viewing and testing large amounts of data in a way that allows for quick and easy identification of unusual patterns, providing a more robust understanding and analysis. The visualizations make it easier to identify risks, spot trends, anomalies, and uncover other pertinent information that can lead to valuable client insights.

"These advanced capabilities allow client data to be brought to life, telling more compelling stories, enhancing the risk-assessment process, and revealing hidden patterns, outliers, and insights," Raphael says.

Developing auditors for today and the future

Audits that are broader and deeper require professionals with expanded skills. This means developing auditors with the experience in specialized areas—including those not covered by a traditional audit—as well as advanced skills such as data science, analytics, and visualization. In response, the Deloitte network is enhancing its talent model to recruit and develop the auditors of the future.

Auditors may soon be able to provide clients with new ways to uncover risk hiding in plain sight in financial statements. To learn more, read Jon Raphael's article, "How Artificial Intelligence Can Boost Audit Quality," from CFO magazine.

Deloitte member firms audit public companies with a combined market capitalization of more than US$25 trillion.

Source: Based on approximately 2,820 companies in OneSource as of May 2015

Recognizing audit curriculums have fallen behind the curve in some countries, Deloitte member firms are also working with universities to advance audit education that focus on new technologies and capabilities appealing to a younger generation. For example, the Deloitte Israel innovation practice, together with one of Israel's largest universities, established a first-of-its-kind "Accounting and Technologies" bachelor of arts program. The program is the first step in a Deloitte Israel strategic plan which will also include active investments in disruptive audit technologies.

"Through initiatives like Deloitte Israel's and other talent programs across the network, Deloitte will nurture a new breed of future accountants," says Chris Powell, Deloitte Global Audit Talent Leader. "We believe this will reshape the accounting landscape, while strengthening Deloitte's position as an innovator in the audit world."

Deloitte's unwavering commitment to consistent high-quality audits and focus on delivering an innovative experience is the future of audit. For Deloitte, the future is now.

Crises are certain, survival is not
Equipping clients to prepare for disasters, bounce back strong

When crises come knocking, an organization's operations, reputation, and often its very survival hang in the balance. These unwanted visitors will likely arrive at every company's doorstep; the Aon-sponsored 2012 Reputation Review report issued by Oxford Metrica says businesses can expect a value-destroying catastrophe once every five years. In 2012 and 2013 alone, according to research conducted by Deloitte US, companies in the US lost US$350 billion in market valuation and suffered more than US$45 billion in losses, fines, and penalties due to such calamities.

Not only are the frequency and magnitude of crises increasing, but the array of emergencies also continues to expand and evolve. Organizations that once viewed crisis management as a matter of recovery from physical disasters, such as earthquakes and floods, are quickly realizing that any number of threats—including terrorist attacks, cyber breaches, industrial explosions, and wide-scale employee fraud—can rear up suddenly to upend the ordinary course of business.

Crises today require active leadership from top management, but for even the best managers, unexpected disasters can be a shock, often inducing confusion rather than a cool-headed response—and understandably so. "Managing crises calls upon different skills from managing at other times," says Peter Dent, Deloitte Global Crisis Management Leader. "But, those organizations who do it well and take control have a chance to emerge stronger by seizing the opportunity to make needed changes."

Experience matters

Research shows that companies that have navigated effectively through crises before are best equipped to lead when disaster strikes next, embarking more quickly on a strategic plan to regain control. "When the moment arrives, experience matters," Dent says. "If a company doesn't have it, there is tremendous value in teaming up with a leader like Deloitte."

With decades of crisis-fighting experience, Deloitte member firm professionals have played a crucial role helping clients over the years prepare for, respond to, and recover from their darkest hours. Dent says, "Deloitte's crisis specialists have helped member firm clients in different industries worldwide face down some of the biggest tests in their histories—bankruptcies, regulatory challenges, cyberattacks, and much more."

This support was amplified in FY2015 when Deloitte collected its crisis specialists from across the globe into a multidisciplinary market offering. "By creating a close-knit community of crisis management specialists in nearly 150 countries across our member firm network, Deloitte can more easily provide end-to-end business support before, during, and after a crisis with the industry-specific and functional skills needed in each case," explains Rhoda Woo, Enterprise Risk Management director and crisis management leader, Deloitte US. "We can make a more powerful impact by filling a need in the market for an organization with Deloitte's know-how and global reach to help clients tackle the inevitable."
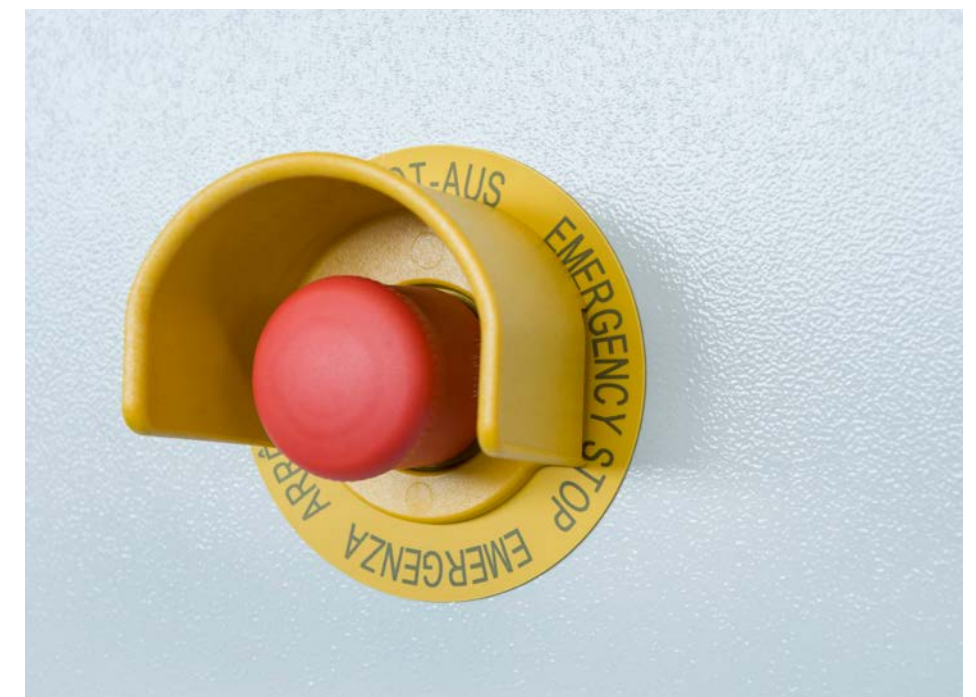
Deloitte named a leader in Global Risk Management Consulting Services by Gartner.

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Deloitte named the leader in crisis advisory in financial services by Kennedy.

Source: Kennedy Consulting Research & Advisory; Event-Driven Consulting in Financial Services: Crisis Advisory in the New Regulatory Framework 2015. © 2015 Kennedy Information, LLC. Reproduced under license.

Deloitte offers clients a full spectrum of crisis management services, from training exercises for top leadership to real-time crisis response and post-crisis repair and reform. "With an organization primed for crisis response, Deloitte can pull from its team of crisis specialists at a moment's notice to help clients with real-time response, crisis communications, around-the-clock monitoring, and business viability at the height of crisis, as well as help guide organizations through effective solutions and needed reforms in the aftermath," says Rick Cudworth, Resilience & Crisis Management leader at Deloitte UK.

Wargaming tests preparedness

Deloitte's Global Center for Crisis Management helps professionals within our member firm network, who conduct rigorous simulation exercises based on advanced methodologies from the military and academia, to better prepare client company leaders. Identifying crises that might realistically strike an organization, Deloitte creates immersive scenarios featuring the client's C-Suite executives, board members, and other top leaders in action, along with its larger crisis-response teams, providing essential players with greater experience to manage major threats in the future.

"Our approach is based on a distinct combination of military and academic rigor and our own business experience," says Woo. "Our simulations lay a solid foundation for everything that follows. Theoretical threats become more real and vivid, potential risks are more tangible, and people walk away with a greater understanding of the roles they will play when the stakes are highest."

Adds John Bone, specialist leader and wargame functional lead for Deloitte US, "Deloitte has the global, multi-industry, senior-level proficiency that can help organizations determine how to improve their procedures and outcomes, and the red-team specialists who have worked at senior levels at competitive institutions to help an organization understand the pushback it may face and how competitors may respond."

Transforming Lundin's Shelf interests
Deloitte Norway helps oil explorer build a platform for growth

Three years after it was founded, Lundin Norway struck oil in its first exploration well on the Norwegian continental shelf. The 2007 discovery at the Utsira High area in the North Sea revealed a substantial reservoir, kick-starting Lundin's Edvard Grieg development.

Five subsequent finds followed on the shelf for Lundin, including the giant Johan Sverdrup discovery. Since its first strike eight years ago, Lundin can take credit for half of the resources found on the shelf.

Its stunning success rate and growing resource base fueled an idea among the company's leaders, who recognized an opportunity to blossom into a full-scale exploration and production company. Lundin submitted a plan for developing and operating the Edvard Grieg field, and following its approval by authorities in 2012, the company was set to become the operator of a manned offshore installation.

"At that point, Lundin was starting with a small, yet highly experienced, team with a goal of commencing production by late 2015. This was extremely ambitious," explains Svenn Erik Edal, Nordic Oil & Gas Industry leader, Deloitte Norway. "But, they didn't want to take any shortcuts. They had an opportunity to build an operating model that was process-oriented, cost-effective, and promoted safety from day one."

Making ambition a reality
Lundin management turned to Deloitte Norway for guidance in building its offshore operations organization. "We had the industry knowledge they needed, along with Deloitte Norway personnel who have years of operational experience on the shelf," Edal says. "We also had done similar work with other operations, developed a methodology based on leading practices, and offered Lundin new ways of thinking to help ensure a culture with strict focus on continuous improvement."

Deloitte Norway professionals worked with Lundin to identify the priority operational and support processes necessary for startup and operation of its Edvard Grieg field. The Deloitte Norway team was immersed in all phases of the process, from helping Lundin identify regulatory requirements and analyze occupational risks to developing workflows and key performance indicators.

To improve work processes and implement barriers to reduce risks at the offshore facility, Deloitte Norway categorized all reported industry incidents and accidents on the Norwegian shelf, analyzed those events, and linked them to the work processes where they occurred. "This is work with risks attached, and due to dramatically fluctuating price levels and costs, operational efficiency and safety are crucial to this industry," Edal says. "We have gone to great lengths to help Lundin ensure that when production commences, risks will be mitigated and Lundin will achieve its goal of being a best-in-class operation."

Deloitte named a [leader in global business consulting based on capabilities and strategies](#) by IDC MarketScape for the fifth consecutive year.

Source: IDC MarketScape: Worldwide Business Consulting Services 2015Vendor Assessment by Cushing Anderson, February 2015, IDC #254320; IDC MarketScape: Americas Business Consulting Services 2015 Vendor Assessment by Cushing Anderson and Jim Westcott, February 2015, IDC #254318; IDC MarketScape: EMEA Business Consulting Services 2015 Vendor Assessment by Cushing Anderson, Metta Ahorlu, and Curtis Robinson, March 2015, IDC #254680; IDC MarketScape: Asia/Pacific Business Consulting Services 2015 Vendor Assessment by Cushing Anderson, Mayur Sahni and Takuya Uemura, February 2015, IDC #254319.

Deloitte named a leader in Business Transformation Consulting by Forrester.

Source: Forrester Research, Inc., The Forrester Wave™: Business Transformation Consultancies, Q3 2015.

The operating model for the Edvard Grieg field was process-oriented, cost-effective, and promoted safety. © Edvard Grieg

Lundin's first manned offshore facility is projected to begin producing its first barrels of crude oil in late 2015. The company's management team, however, already considers the project a tremendous success.

"Assisted by Deloitte Norway, we were able to transform a small operations team into a lean, safe, full-scale production company with the right organization and infrastructure in place in less than three years," says Kari Nielsen, head of field operations for Lundin Norway. "Deloitte Norway not only has experienced oil and gas industry advisors, but it also offers high-value services that we see from no one else. They brought the toolbox, solutions, and strategic thinking we needed to assist us every step of the way."

Lundin was able to transform from a small operations team into a full-scale production company in less than three years. © Edvard Grieg

Just what the doctor ordered
Deloitte Ireland-aided restructuring program key to client's turnaround, growth

Sometimes, it's necessary for a company to take a step back before it can take two steps forward. Just ask the leaders of the Uniphar Group, a leading provider within the pharmaceutical and health care sector in Ireland.

In 2011, the combination of loan debt and high overhead was making it difficult for Uniphar to capitalize on growth opportunities. Just three years later, against a challenging economic backdrop, its annual revenues increased almost 60 percent, earnings were up 75 percent, and debt decreased by about a third. It also completed a major acquisition and initiated an SAP implementation across the organization.

Along the way, Deloitte Ireland has played a key role in Uniphar's resurgence.

"Our corporate finance team was hired in 2011 by two Irish banks to complete an extensive review of Uniphar's financial health and assist with negotiating a restructuring of the company's existing loans to harness growth opportunities in the market," explains David Carson, Deloitte Ireland's lead client service partner for Uniphar. "By 2013, those banks were willing to fund Uniphar's US$54.3 million acquisition of pharmaceutical wholesaler Cahill May Roberts (CMR). That speaks volumes about the progress Uniphar made and the trust the banks had in its management team." Deloitte Ireland corporate finance provided due diligence services on the acquisition.

Shortly after the CMR deal closed, Uniphar conducted a series of road shows for customers and existing shareholders—the community pharmacists who own Uniphar—seeking US$22.5 million in equity investments to strengthen its balance sheet and improve its net debt-to-equity ratio. The share issue was heavily oversubscribed, leading the company's board of directors to expand the maximum threshold to US$28.1 million. The board had to refuse about US$9 million in funding from outside investors.

The scale and agility to compete
The capital infusion helped Uniphar pay back slightly more than half of its CMR-acquisition loans. Meanwhile, Uniphar management was working to efficiently integrate the Uniphar and CMR organizations. "There were many similarities between the companies' operations, creating both overlap and opportunities to build synergies," Carson says. "With an initial assist from Deloitte Ireland, the organization has been able to reduce overhead by more than 40 percent over the past three years."

Carson is particularly proud that employee retention remained high throughout the integration. "This sector is dependent on relationships and customer knowledge, so losing employees to competitors could have impacted their competitive edge in the market," he says. "If Uniphar had not retained employees at such high levels, it is likely they would not have been able to complete the integration as quickly as they did."

Deloitte again named a global leader in SAP Implementation Services by Gartner.

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SAP
Deloitte named a leader in SAP Services for Asia Pacific by Forrester.

Source: Forrester Research, Inc., The Forrester Wave™: SAP Service Providers in Asia Pacific, Q2 2015.

While the integration progressed, Uniphar hired Deloitte Ireland's consulting group to implement SAP across all areas of its business. "The SAP project involved implementing a single, integrated system to manage Uniphar's procurement, sales ordering, accounting, and human resource processes," Carson explains. The implementation process is expected to be completed in 2015.

"Deloitte Ireland has been a valued adviser throughout the past three years. With the CMR integration completed and the SAP implementation nearing an end, we now have the scale to compete and the operational agility to meet the challenges of what remains a difficult market environment," says Gerard Rabbette, Uniphar Group Chief Executive Officer. "Uniphar has a clean bill of health, and our senior team can focus on the development of our core business."

Driving sensible solutions
Deloitte puts the Internet of Things to work for motorists

Someday, "drivers" will get comfortable behind nonexistent steering wheels, tell their cars where they want to go, and let lasers, sensors, and global positioning systems take over. For now, though, humans are still in charge. And humans are fallible. They drive aggressively. Get tired. Jam city streets.

Until driverless cars are bug-free, affordable, and widespread, Deloitte is using ambient computing technology to help make driving safer and less frustrating.

"Ambient computing is the backdrop of sensors, devices, intelligence, and agents that puts the Internet of Things to work," explains Royston Seaward, partner, Deloitte Digital practice in Deloitte UK. "We're using the sensor data and the connected devices that are out there, applying analytics, and developing solutions that are designed to benefit consumers, clients, and society at large."

Deloitte Digital in the UK has been working with clients to establish real-time analytics tools that give traffic managers the information they need to keep traffic moving. These tools are built to understand dynamic changes in traffic flows by mode. With the information they provide, traffic managers can make timely interventions to improve journey time reliability and alleviate congestion.

These tools build on current sensor capability provided by cameras, counter sites, and strategically placed adaptive traffic control system loops. Data from millions of vehicle captures per day is processed continuously to provide a holistic view of the traffic network. Data also can be compared with vehicle databases, providing new insights into vehicle journeys.

"Our tools have intuitive and simple-to-use graphical formats to give clients a real-time view of traffic," explains Simon Dixon, Deloitte UK Public Sector Transport leader. "This is helpful during large sporting events, for example, and especially critical when trying to minimize the potential congestion caused by major construction projects."

Deloitte UK teams also are working with clients to develop and install digital devices in public vehicles that monitor driving time and other measurements, protecting passengers and the public by making sure that their drivers meet safety regulations. They are also designed to help eliminate the potential for fraud and errors.

Changing driving behaviors

A similar kind of telematics is beginning to help auto insurers adopt usage-based insurance (UBI) that more closely aligns premium rates with driving behaviors. Some larger insurers have introduced devices that plug into vehicles, record driver performance, and leverage the huge amounts of data collected in ways that can benefit both drivers and insurers. Until recently, small and midsize insurers didn't have the scale that allowed them to offer a competing product.

D-rive, a telematics services business developed primarily by Deloitte US, changed that. "With D-rive, smaller insurers have access to a tremendous amount of information they can use to determine discounts and provide value-added services," says Bill Mullaney, Deloitte US director. "This allows them to get in the UBI game quickly and cost effectively, and helps level the field so they're not crowded out of the market." While the focus currently is on personal insurance, D-rive also can be used with commercial fleets.

D-rive is available to motorists whose auto insurers participate in the program. It is a differentiated solution because it collects data via smart phones instead of plug-in devices, further reducing participation costs. "The app operates in the background, and at the end of trips, drivers get feedback and learn more about their driving behaviors," Mullaney says. Over time, as sufficient data are collected for individuals, scores are shared with insurers so they can decide if discounts are warranted.

"Millennials especially like this technology because they're more digitally savvy and not afraid to trade data for value," Mullaney adds. "We saw in our pilot programs that having D-rive does help make people drive more safely, and that pays off in multiple ways."

Seaward understands that opportunities to leverage the tremendous growth of embedded sensors and connected devices are almost limitless, if approached properly. "Whether we're talking public sector, insurance, retail, manufacturing, or health care, translating possibilities into impact requires bringing smarter 'things' together with analytics, security, data, and integration platforms to make the disparate parts work seamlessly with each other," he says. "Right now, few organizations can do that as well as Deloitte."

Deloitte named the leader in Customer Strategy & Experience Consulting in the UK and Ireland by Kennedy.

Guarding client confidentiality
Advanced measures let Deloitte combat cybercriminals, protect data

A number of high-visibility cyberattacks on well-known global companies in FY2015 not only resulted in the very public dissemination of personal and confidential information, but they also served as reminders to Deloitte that data security begins at home.

As a network, we must be prepared for attempted incursions from every direction. So, DTTL's global policy on information security requires member firms to institute a wide range of security measures, covering areas such as virus protection, data backup and recovery, encryption, password authentication, access to systems, and network security. These actions are critical to safeguarding and appropriately using confidential information, confronting ongoing threats, and meeting member firm client expectations.

Confidentiality is not a one-time investment, or a one-off compliance or risk activity. It is an ongoing, evergreen process that must be done in a holistic way; an accountwide transformation that enhances member firms' ability to deliver seamless, global client service.

To this end, DTTL currently is rolling out a Confidential Information (CI) program to its member firms around the globe. It is a strategic initiative, driven by network leading practices and consistent standards, aimed at safeguarding confidential information at the client account and engagement levels. Furthermore, the CI program instils a culture of accountability and proactive management of confidential information. The CI program was piloted by Deloitte US in 2014, and since then, it has been implemented in more than 250 member firm client accounts covering close to 1,000 member firm client engagements.

The bigger picture

Deloitte seeks to become the profession's leader in setting the standard for protecting confidential information. The Deloitte network aspires to always operate in accordance with the highest ethical standards and in a manner that fosters trust and inspires confidence in everything we do. Deloitte member firms are intensely active in helping business and government institutions predict, prepare for, and fight online attacks and build cyber resilience. This vigilance begins internally, where it's critical that Deloitte protects its own data and the information it holds on its people and member firm clients.

The regulatory environment is becoming more and more complex. Global organizations are increasingly subject to privacy, cyber, and industry-specific laws impacting how they use and protect information. Privacy and information security, therefore, remain a business imperative for Deloitte and its member firm clients while navigating multiple requirements and striving to ensure that Deloitte consistently protects information across the network.

Deloitte member firm compliance with security policies is tracked through an annual information technology standards, risk, and maturity assessment. Compliance with security policies at the global hosting center level is monitored through the DTTL Global Technology Services (GTS) Security Forum.

Security strategy

DTTL's Global Chief Information Security Officer works with member firms to drive implementation of a new, more aggressive information security strategy focusing on the protection of 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, rather than disparate member firm products and implementations;

- Extending security tools for advanced protection of highly distributed data worldwide;

- Reducing confidential data loss through practitioner actions;

- Investing in security services and concentrating on cost effectiveness through economies of scale, consistency, and cost savings by utilizing shared services;

- Eliciting strong member firm participation in the implementation of the strategy through standardized global security governance and delivery.

A global application-testing framework was adopted in FY2014, allowing greater capability in providing assurance that Deloitte's in-house applications are protecting client data.

Privacy

New data-protection rules planned in Europe are likely to require organizationwide changes. DTTL is currently reviewing many of its internal processes to ensure its privacy program conforms with leading practices in accountability for data-protection compliance. The DTTL privacy office is working closely with its public policy and regulatory teams to monitor and address new privacy developments impacting Deloitte and its member firm clients. DTTL's information security specialists provide guidance to member firms to strengthen their information security regimes when necessary.

Education and awareness

Deloitte continually provides security education programs for member firm practitioners and security professionals. All GTS staff globally are required to fulfill 40 hours of annual learning, and several have obtained globally recognized security certifications. Since October 2013, six annual regional security workshops—two in each of the network's three regions—have been conducted for in-house Deloitte security professionals. In October 2014, a weeklong global security awareness campaign was held to enhance practitioner security awareness; it reached more than 80 percent of the Deloitte network's global talent.

Emphasis on confidentiality

As a world-class organization, there are certain things we must do exceptionally well. Safeguarding Deloitte and member firm clients' confidential information is a key example, and is a fundamental professional responsibility. Deloitte is in the relationship business, and trust is vital—trust that we safeguard and appropriately use confidential information.

The Deloitte network is dedicated to continually improving how it safeguards and protects confidential information by investing in people, processes, and technology. Like many organizations, Deloitte is aggressively assessing, testing, and adopting new technologies and services to understand how it can meet or exceed privacy and security standards.

DTTL added a new Global Confidentiality Office and chief confidentiality officer (CCO) who reports to DTTL's chief risk officer. The CCO's mission is to create and sustain a culture of confidentiality, built on Deloitte's values, with confidentiality embedded in everything Deloitte does.

DTTL is one of the leading organizations in the world that has a CCO. Pursuant to new confidentiality initiatives, most member firms have already appointed and established CCO roles locally to drive confidentiality initiatives at the member firm level.

Protecting information across jurisdictions

Because many member firm clients are multinational organizations that expect seamless and safe data transfers as part of service delivery, Deloitte makes every effort to serve them adeptly and professionally around the world. A core element of this service is managing the movement and transfer of personal information and striving to ensure its protection across all jurisdictions. Deloitte continues to review available mechanisms to facilitate and safeguard data transfers, including Binding Corporate Rules (BCRs), BCRs for Processors, Safe Harbor, Asia-Pacific Economic Cooperation (APEC) Cross-Border Privacy Rules, and privacy seals. Member firm clients rightly expect that Deloitte will be able to assist them in complying with privacy laws, both now and in the future.

Acting ahead of change
Risk-intelligent approach promotes delivery of consistent, high-quality client services

In today's business world, risk is everywhere.

Is our technology safe? How will regulatory changes impact us? Can Deloitte professionals deliver what they promise? Could clients' actions reflect negatively on Deloitte's reputation? Will geopolitical conflicts threaten our ability to operate? Which upstarts and innovative products, services, and delivery models could disrupt our businesses?

In a world dominated by rapidly evolving technology, converging industries, and a shifting regulatory landscape, we must be smart, agile, resilient, and forward-thinking to confidently confront risk, pursue opportunities, and gain competitive advantage. During the past year, Deloitte developed a new networkwide quality and risk management strategy that reinforces our quality and risk-intelligent culture, one of relentless commitment to our own core and ethical values and to the public interest.

The bigger picture

Deloitte operates in a fast-moving and ever-evolving external environment that is increasingly more volatile, uncertain, complex, and ambiguous to navigate. Myriad factors drive this change—rapidly evolving technologies; shifts in the economic, regulatory, professional, geo-political, and competitive landscapes; increasing demands and expectations from clients; intense scrutiny by regulators and legislators; and the 24/7 social media environment in which we live. The pace of these changes almost certainly will continue to accelerate and create uncertainty and risks—and also many opportunities—for our clients and for the Deloitte network.

Deloitte has developed and implemented an enterprise risk framework (Framework) designed to identify, manage, monitor, and respond to risks which, if materialized, could impact our ability to achieve our strategies and objectives—including the protection of our reputation and brand, and member firms' delivery of consistent, high-quality services. The Framework also includes processes to regularly monitor the environment for developments and changes that could impact the network's risk profile, and identify (and respond to) new and/or emerging trends that could impact its resiliency to those risks.

Deloitte continuously assesses the adequacy of its risk management processes and programs to proactively address matters that may arise from the internal and external environment, and promotes a lessons-learned culture where professionals can learn from each other's experiences. To this end, during FY2015, we developed a new network quality and risk management (Q&R) strategy that aims to take Q&R to a new level. This strategy will continue to reinforce our quality and risk-intelligent culture, one of relentless commitment to Deloitte's own core and ethical values and the public interest.
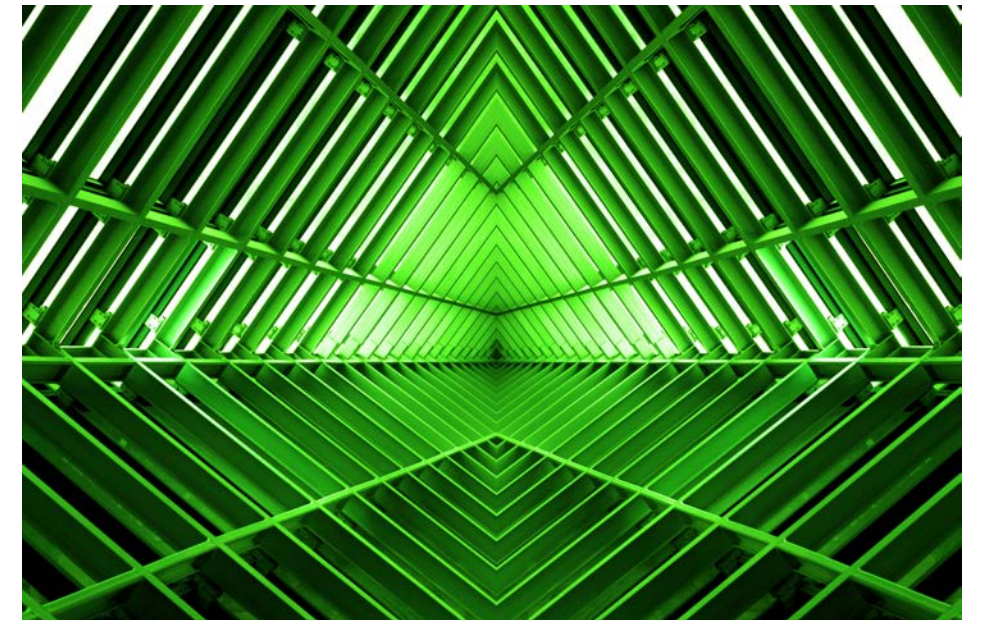
Promoting trust, confidence, and value
During FY2015, in addition to introducing the new network Q&R strategy, DTTL took a number of actions to sustain the Deloitte network's commitment to quality and risk management, and enhance its ability to be "risk intelligent" and "risk resilient." They included:

- Continuing to enhance and support the Framework, both at the DTTL and member firm levels; developing and issuing a member firm Framework policy and related guidance;

- Continuing to refine and enhance the process and protocols used to sense the external environment and reporting of potential issues, allowing member firms to more proactively identify potential brand events and matters, as well as emerging risks and trends that have the potential to negatively impact our network;

- Continuing to raise awareness and ownership about confidentiality across the Deloitte network, working in close collaboration with risk, security, ethics, privacy, and other key stakeholders. This included rolling out 30 uniform member firm action items designed to enhance confidentiality programs across the network; and

- Continuing to foster and strengthen the Deloitte risk network through the dissemination of leading-edge risk workshops, tools, guidance, communication, and in-person meetings and networking activities.

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 quality and risk management processes and procedures, and sets forth policies for which member firm compliance is mandatory. These policies are applicable for all areas in a member firm's professional and practice management functions and are critical to providing consistent high-quality service to clients and protecting and enhancing the reputation of Deloitte member firms. Among the many policies included in the DPM, 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.

These policies are also designed to help member firms address unique considerations associated with the delivery of consistent, high-quality services, while also challenging professionals to do the right thing under any circumstance, even if that results in declining a prospective client, engagement, or terminating an existing client relationship.

The DPM 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 practice protection and risk management program, with full support from senior risk leaders in each of the member firm's businesses. The RRLs are part of member firm leadership and responsible for developing and implementing robust, comprehensive, and strategic risk management programs, including appropriate policies and procedures to address specific quality-control considerations. They also must implement consistent monitoring procedures to ascertain compliance with DPM policies and procedures, and promote and facilitate risk management learning. DPM policies can be supplemented by member firm policies that take into consideration local market practices, local laws, and regulations within their jurisdictions.

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 DTTL. Held at least once every three years, these reviews assess whether member firms comply, at a minimum, with DPM policies and are operating effectively in practice. Practice reviews also assess the quality of work performed and services delivered by the member firms.

Findings and recommendations arising from the practice reviews are presented in a report and management letter to DTTL and the member firm's leadership. In response to the report, the member firm is required, if needed, to establish a detailed and corrective action plan that addresses the findings and recommendations, together with a mechanism for monitoring the resolution of the findings. Implementation of the action plan is proactively monitored by the member firm and DTTL.

Practice review processes are continuously enhanced to raise the bar on quality and risk management, and to promote and achieve greater consistency in the delivery of high-quality services across the network.

Making waves in water stewardship
Tailored tool helps Smurfit Kappa assess and mitigate risks from water scarcity

Water is an important resource input in the pulp and paper industry. During the paper-making process, most of the water withdrawn from surface or groundwater is returned to its source, with about 10 percent of the water "consumed." Given the increasing importance of water globally, companies are now developing strategies to manage this precious resource.

One of the organizations focused on addressing water related risks is Smurfit Kappa, Europe's leading corrugated packaging company and one of the leading providers of paper-based packaging solutions in the world. "Smurfit Kappa, and companies like it, are seeking to implement water stewardship strategies to evaluate operational risks and costs associated with disruptions to their water supplies and to identify actions to mitigate these risks," says Olivier Jan, partner, Deloitte France, Sustainability Services.

Assessing the risk

In May 2014, the manufacturer approached Deloitte France to conduct a water-related risk assessment across Smurfit Kappa's global industrial operations throughout FY2015. The member firm enlisted the assistance of BIO by Deloitte—Deloitte France's Sustainability Services center of excellence—and Will Sarni, director and practice leader of Deloitte US's enterprise water strategy. "Assessing potential risks from water availability and quality is a complex process, which covers multiple aspects specific to each geographical location, such as physical scarcity, regulatory issues—and influence of external stakeholders," Sarni explains.

In the first phase of the project, 36 Smurfit Kappa mills were screened for water-related risks using traditional tools and methods. In the second phase—where the scope is limited to mills which present a significant potential risk of water availability—on-site assessments are being performed using a tool built and owned by Deloitte France that is designed specifically for Smurfit Kappa to use for its mills. "This customized tool allows us to tailor the assessments to the company's specificities and challenges, confirm the potential vulnerability of individual mills, and initiate local monitoring and mitigation plans," Jan says. These assessments include the collection of data on the mills' operations, in-depth discussion with local managers, and engagement with external stakeholders. Evaluations of company mills are ongoing.

"Smurfit Kappa will use these assessments to help us identify whether our most strategic industrial assets—and the investments we contemplate for those facilities—might be at risk in the medium-term future due to potential limited availability of water resources, and how we could monitor and mitigate those risks," says Steven Stoffer, Smurfit Kappa's group vice president, Development. "Very few companies have taken steps to assess local risks with such care. Through this proactive approach, with Deloitte France's help, we are in a better position to set the standard for the paper-based packaging industry."

Fresh water is critical to the paper-making process. Deloitte France is working with Smurfit Kappa to help the paper manufacturer mitigate risks of disruption to its water supply.

Building careers that matter

We inspire our people to deliver value—mentoring and developing future leaders and colleagues for life.

The most successful organizations today are those characterized by inspiring leaders, a clearly articulated purpose, and professionals who are passionate about bringing that purpose to life. At Deloitte, we have made the development of inspirational, world-class leaders, at all levels, the cornerstone of our global talent strategy.

Our vision is to develop purpose-led leaders who are deeply committed to the ideal of making an impact that matters—with member firm clients, their colleagues, their communities, and in our profession.

To achieve our vision, the Deloitte network continues to make significant investments in the design and delivery of an inclusive, world-class learning experience. Through Deloitte University, we provide enriching experiences for Deloitte people and create a place where leaders thrive and ideas prosper.

In addition to Deloitte University, Deloitte encourages its people to take on experiences in new markets or service areas to expand their expertise and leadership skills. These diverse experiences not only enhance the quality and consistency of clients' experiences with Deloitte, but they also reinforce the inclusive and collaborative culture that allows our professionals to succeed.

Deloitte's leaders are driven to unlock people's potential through mentorship, lifelong learning, and flexible work and career solutions that meet the changing needs of Deloitte's businesses and people. They treat leadership as a privilege, and are dedicated to creating truly distinctive client and talent experiences that foster a strong sense of purpose and motivate people to deliver beyond expectations.

[Watch](#) Deloitte Global CEO Punit Renjen explain how Deloitte helps its people build careers that matter.

Investing in Deloitte people
An inclusive talent experience that appeals to both the head and the heart

Do inspired people come up with great ideas? Or do great ideas inspire people? At Deloitte, the questions are not mutually exclusive. Our network is committed to helping its people reach their full leadership potential—confident that their professional experiences will spark innovations that motivate others.

New ideas are valued across Deloitte's member firms; the best ones are funded, cultivated, and allowed to mature. Deloitte UK, for example, has a program to create and grow new businesses based on the ideas of its people, backed by a budget of up to US$39.3 million. Deloitte Canada's search for ground-breaking ideas offers a winning team a cash prize and up to US$160,000 in seed money to implement its concept. At Deloitte Brazil, 18 innovative projects were submitted by local professionals and received investments to be developed; five of these projects are new solutions to go to market. And 20 cross-industry, marketable ideas have been created for development within the Deloitte US Technology Consulting practice through the StartUp Deloitte program.

"Throughout our network, Deloitte has more than 220,000 bright and creative people who understand their clients and their markets. This deep insight is also a wellspring of innovative ideas. We owe it to Deloitte professionals and clients to invest in the most impactful ones," says Frank Vettese, Managing Partner and Chief Executive, Deloitte Canada. "And to ensure our continued market leadership, we must also invest in the people who generate those ideas."

"Deloitte people aspire to make an impact that matters, and in return, they expect opportunities to build leadership capabilities, develop new skills and be challenged each and every day through the work they do and the talented professionals they work with," adds Margot Thom, Chief Talent Officer, Deloitte Global. "As an organization, Deloitte is dedicated to creating an experience that allows its people to thrive and grow."

Developing leaders and innovation

As classrooms go, few can match those at Deloitte University (DU). Through a core curriculum and multiple regional facilities, DU focuses on growing leadership skills at every level of the organization. During FY2015, close to 65,000 Deloitte professionals across the regions experienced Deloitte University, and more than 2,000 member firm partners, principals, and directors led Deloitte University programs.

"The real strength of the Deloitte University experience is how it supports passing practical knowledge, professional and personal experience, and our values from generation to generation of Deloitte leaders," says Jorrit Volkers, Dean, Deloitte University EMEA. "At DU, Deloitte people experience and benefit from leading-edge learning from leaders in the classroom at key moments throughout their careers.
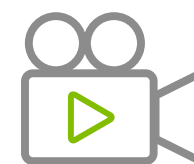
[Watch](#) Margot Thom, Chief Talent Officer, Deloitte Global, discuss the value of leadership development and the Deloitte talent experience.

Deloitte named a [global leader in Talent Management Consulting](#) by Kennedy.

Source: Kennedy Consulting Research & Advisory; Talent Management Consulting 2015. © 2015 Kennedy Information, LLC. Reproduced under license.

Both inside the classroom and afterward, this is an extremely collaborative, immersive atmosphere which connects a diverse group of people to share their experiences and ideas for continuous improvement, especially in relation to Deloitte clients and teams."

"After a while, we realized that DU could be a place to develop leaders and innovate," adds Jennifer Steinmann, Chief Transformation Officer, Deloitte US. "What if we could use the collective power of all these talented individuals to help solve the world's most vexing problems?" That's how "Wicked Problems" was born. "Wicked Problems is a structured process that uses 'design thinking' to apply our deep talent to some of the biggest challenges our world faces today—complex, urgent, and persistent problems that have no readily apparent solutions," Steinmann explains.

Consulting Summer Scholars brainstorm ideas to end bullying during a Wicked Problems session at Deloitte University.

One issue addressed this past year by the DU Wicked Problems team at the Westlake, Texas (US) campus was employee wellness, because ailing workers cost the American economy US$153 billion annually. Ideas solicited from more than 2,500 Deloitte US professionals during a three-month period were shared with the Clinton Foundation, the sponsor of the exercise, to help advance thinking in the field. From the hundreds of ideas generated in five separate sessions, one idea from each was deemed the winner by the Clinton Foundation based on scalability, impact, and novelty. "I'm excited about this program, and the quality of the ideas coming out of it," says Alex Chan, Associate Director, National Strategy, Clinton Foundation. "The ideas are strong and can be put into practice to help advance what we are trying to achieve at the Clinton Foundation."

Wicked Problems has recently launched two new campaigns, one that challenges participants to address women and minority participation in science, technology, engineering, and mathematics (STEM) fields; and one focused on bullying prevention.

Auditing the learning experience

While both virtual and physical classroom instruction are essential, there is no substitute for on-the-job development. Deloitte UK recently introduced a program, Engagement Team Based Learning, to help its auditors recognize the daily education they're receiving and understand how they contribute to the success of the practice and engagement teams. "Through this initiative, Audit partners and managers are required to discuss key learning messages with team members and apply those messages to their specific client engagements," says Chris Powell, Deloitte Global Audit Talent Leader. "It has provided great opportunities for focused team discussions and targeting areas to improve engagement quality, ensuring that we are 'getting it right' the first time."

Deloitte Australia has a similar program, called "10 Ways," that aims to "fundamentally change the DNA of a Deloitte auditor," according to Powell. The programs stresses 10 activities, which become behaviors, which become habits, which become culture. "The 10 Ways program not only produces better insights and solutions, and more meaningful interactions with member firm clients, but it also creates a consistent understanding of risks, issues, and the audit plan," Powell says.

INVESTING IN RECRUITING

1.9 MILLION
APPLICATIONS ANNUALLY

151
APPLICANTS PER OPEN POSITION

16,000
INTERNSHIPS

INVESTING IN LEARNING

65,000
DELOITTE PROFESSIONALS ACROSS THE REGIONS EXPERIENCED DELOITTE UNIVERSITY

2,000
MEMBER FIRM PARTNERS, PRINCIPALS, AND DIRECTORS LED DELOITTE UNIVERSITY PROGRAMS

2.4 MILLION
E-LEARNING COMPLETIONS RECORDED IN THE LEARNING MANAGEMENT SYSTEM

Pairing military, business vets

Deloitte US practitioners also make an impact that matters among military veterans. The Deloitte University campus in Westlake is the site of the Career Opportunity Redefinition and Exploration (CORE) leadership program, which helps veterans learn how to identify and articulate their unique strengths, build personal brands through social media and networking, and master job interviews. "When their military service is over and veterans return home to establish civilian careers, many encounter challenges entering the workforce," explains Terry Bickham, the program's dean. "CORE helps armed forces members and veterans translate their skills, knowledge, and experiences into a business environment."

As part of The White House Joining Forces Initiative, Deloitte US committed to doubling its veteran hiring over a three-year period; it met that goal in only two years. Challenged to do more, Deloitte US created the three-day personalized CORE learning program, where Deloitte US leaders provide guidance, and member firm client representatives offer perspectives and advice on what they look for when hiring veterans. Since 2013, more than 350 veterans have participated, and as of May 2015, 95 percent of those actively in the job market found employment.

"Working with veterans also has a profound impact on many of the Deloitte coaches; the teaching and learning goes both ways," Bickham says. "In business, we talk about being 'on the front line' and 'in the trenches,' but these veterans literally were, and the shared experiences help Deloitte people become even better leaders."

Member firms also have formalized mobility and international experience programs that expose their professionals to new ideas and cultures while they serve the needs of global clients. During FY2015, more than 6,000 Deloitte professionals gained diverse, on-the-job experience through short- and long-term mobility assignments and global client projects. These opportunities help create well-rounded leaders who are assets to the entire network.

"Deloitte makes investments in its professionals' learning that appeal to both the head and the heart," adds Thom. "Our innovative and flexible learning approaches span from the DU classrooms to the daily work experience. By promoting a culture of continual learning, Deloitte enables its professionals to up their games in delivering outstanding value to their clients."

FY2015 MOBILITY

6,340
MOBILITY
ASSIGNMENTS
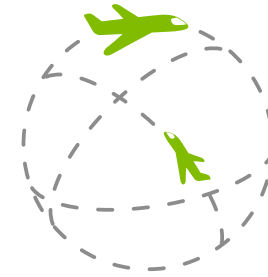
900
MOBILITY
OPPORTUNITIES
POSTED PER DAY
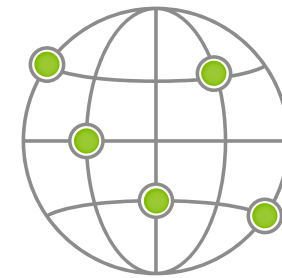
Figures are aggregated across DTTL and its member firms.

Deloitte US is celebrating its 16th year on Fortune magazine's list of "100 Best Companies to Work For."

Source: Fortune, March 2015.

Helping purpose-driven talent thrive
"You can change the world *and* have a business career"

It's difficult to overestimate the influence the internet has had on the world. Sure, it's changed the way we communicate, shop, research, learn, and entertain ourselves. But, on a deeper level, it's altered how many of us think and relate to the world around us, breaking down barriers and exposing causes in ways that weren't possible a generation ago.

One result of this evolution is the purpose-driven professional. For six in 10 young workers, a "sense of purpose" is part of the reason they chose to join their current employers, according to DTTL's 2015 Millennial survey. And they're not alone; Gen Xers and veteran talent also are increasingly seeking opportunities to make an impact on the world around them both through the work they do and endeavors outside the office.

"Leading universities now offer courses in social entrepreneurship, impact investing, social-enterprise management, and social innovation. That's creating a new pool of professionals who can operate in both the business and social-sector realms," explains Margot Thom, Chief Talent Officer, Deloitte Global. "The call and promise is, 'You can change the world and have a business career.' That's especially appealing to millennials, who are looking for work that elicits passion and helps them pursue professional, personal, and social goals simultaneously."

Business skills, social impact
One such career calling is cybersecurity. Many young job seekers see the havoc wreaked on society by cyber-based terrorism, computer intrusions, and cyber fraud, and decide they can make an impact that matters for consumers, economies, and even national security.

Several Deloitte member firms host "hackathon" events to give tech-minded students venues to demonstrate their talents, while providing valuable insights into the challenges and rewards that await those who choose a cybersecurity career. The Deloitte US Cyber Risk Services practice joined with the US's Deloitte Foundation to host one such event in April 2015. Students representing 10 of the top universities in the US competed against their peers and other schools for top honors, which went to the team from the University of Southern California. A second event with 15 teams is scheduled for late 2015.

Deloitte Digital in the UK member firm ran a similar "hackathon" competition, called "Gone Hacking," to identify ideas to disrupt and transform the financial services industry. Participants on 14 teams had 48 hours to develop and present their solutions to a panel of industry leaders, who helped refine participants' ideas. The most impressive concepts were awarded prizes and some participants were encouraged to apply to Deloitte UK's BrightStart training program, which helps talented students develop a successful business careers.
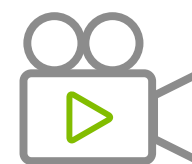
Watch Simon Hammett, Life Sciences & Health Care UK & EMEA Leader, Deloitte UK, talk about the value of our talent experience to clients.

Companies are finding ways to link talent development and rewarding, purpose-driven work. To learn more, read, "The purpose-driven professional," published by Deloitte University Press.

FY2015 IMPACT DAY

62,000
NUMBER OF PEOPLE VOLUNTEERING DURING **IMPACT DAY**

Figures are aggregated across DTTL and its member firms.

"Events like these not only provide great experiences for participating students, but they also help member firms develop a pipeline of talented recruits who otherwise may not have considered a career at Deloitte," says Jonathan Gray, Partner, Deloitte Digital, Deloitte U.K.

Not an either/or proposition

For those who want to have even more direct involvement in social-impact activities, Deloitte member firms have long histories of offering professionals the ability to mix paid and pro bono assignments, be "seconded" to not-for-profits, take sabbaticals to help at social enterprises, and perform other skill-based volunteering. Networkwide, during FY2015, Deloitte professionals dedicated more than 340,000 hours to pro bono assignments and more than 820,000 hours to volunteering.

The concept of pursuing maximum financial, social, and environmental impacts has gained traction throughout the Deloitte network. "This has provided more opportunities for purpose-driven professionals to pursue personal pursuits while working within the corporate world," Thom says.

Nate Wong is one of those people. Wong, a Deloitte US manager in the Social Impact Strategy practice, once spent two weeks in Brazil working with a nonprofit group that serves disadvantaged youth in poverty-stricken favelas. The experience sparked an interest in international development that made him question his career path. "I actually thought about leaving my consulting job, until I realized I could pursue my passions and remain with Deloitte US," Wong says.

After taking a four-month sabbatical to work as a volunteer consultant in several countries in Southern Africa, Wong returned to a new emerging-markets role that let him apply his volunteer experiences to his work. Today, he is embedded at Deloitte US's newly launched Social Impact Strategy practice, helping public-, private-, and social-sector clients maximize their social impact. "My story is an example of the varied opportunities that are available at Deloitte," he says. "While transitions like mine aren't always simple, with leadership support, I've been able to align my work and my societal interests in a way that helps me make an impact that is truly satisfying."

The flexibility and socially focused conviction that appeals to millennials is beginning to attract nontraditional talent to Deloitte, as well. "A number of fundamental shifts are impacting traditional notions of employment, requiring organizations to take a much more flexible approach to attracting and retaining talent. For instance, there is a growing population that prefers to be self-employed so that they can choose the types of assignments they prefer and have the autonomy to manage their own work and schedules," Thom says.

"Several member firms have begun experimenting with flexible talent models to attract the specific skills and experience Deloitte needs to deliver on its business aspirations," she continues. "We have to explore every avenue to ensure Deloitte can provide an exceptional experience to its clients while recognizing professionals' evolving choices about how, where, and when they work."

The open talent economy is a collaborative, transparent, technology-enabled, rapid-cycle way of doing business. To learn more, read, "The Open Talent Economy: People and work in the borderless economy."

Protecting professionals near and far
From insurgency to medical urgency, Deloitte Global Security measures up

For the Deloitte firm in Nigeria, the Boko Haram insurgency isn't some grim situation in a faraway land. The 6-year-old conflict presents a threat to the security of the firm's clients and professionals.

In response, the firm developed the Deloitte Beacon mobile app, a safety and emergency response solution that helps Deloitte security staff in Nigeria determine at a glance if its personnel are in danger and act immediately. It also lets Deloitte professionals report incidents to the security office in Nigeria and alert nearby peers with the touch of a button. The app functions in both internet and SMS mode, enabling it to work even when a user has no internet access.

Government and nongovernment agencies, as well as Deloitte clients, can purchase Deloitte Beacon from the Nigeria firm and use it to monitor the safety of their people anywhere in the world.

Security is a paramount concern for global organizations whose people work in or travel to areas where they may be at risk—not only from civil unrest, but also from natural disasters or other troubling events. The DTTL Global Security Office takes these risks and the protection of Deloitte professionals very seriously, and has a comprehensive program in place to work with member firms to address ever-present threats around the globe.

The bigger picture
The primary focus of the DTTL Global Security Office (GSO) is to work with member firms to keep Deloitte people safe, particularly during times of emergency or when they are called upon by clients to work in higher-risk areas. A comprehensive program has been put in place to address ever-present threats around the globe. "With Deloitte's ever-increasing global footprint in more than 150 countries and a high volume of travelers, GSO team members stand ready to help keep our people safe," says Ted Almay, DTTL Global Security Officer.

During FY2015, the GSO continued efforts to further integrate its regional security managers through member firm visits, meetings with country leaders, and the formation of local security councils made up of member firm security officers in each region. During the past year, the GSO also added a business continuity senior manager to work with member firms to enhance their overall resiliency and formed global working groups composed of member firm security leaders to improve the consistency of member firm background screening and physical security measures.

The GSO team leverages the infrastructure and best practices of the largest member firms through the formation of a global steering committee. Security professionals from GSO and DTTL's three largest member firms comprise the group, which serves in an advisory role to help build out the organization's global security strategy. This committee supplements the existing Global Security Council, which is a network of Deloitte security and risk professionals and other leaders from the majority of Deloitte member firms.

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 DTTL's 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. "We responded to a range of crisis events, from earthquakes in northern Chile to ongoing instability throughout the Middle East during the past year," Almay says. Health emergencies also can affect Deloitte people while traveling or assigned overseas, so DTTL maintains 24-hour resources delivered by a leading emergency medical and security provider. "In FY2015 alone, the GSO team responded to more than 170 medical-assistance cases, several of which involved serious medical conditions or accidents necessitating emergency air evacuations," notes Almay.

Risk awareness for travelers
On an average day, Deloitte member firms may have more than 20,000 people traveling to serve clients. The GSO provided guidance and security planning support in FY2015 to more than 912 member firm engagement teams considering work in potentially troublesome areas of the world. As part of DTTL's global 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 cannot avoid traveling 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. GSO offers a "Know Before You Go" series of general-travel and country-specific e-learning courses and videos. The GSO team is always looking for new approaches to inform Deloitte professionals, and there are plans to leverage technologies, such as online videos, to appeal to Deloitte's mobile population.

Deloitte professionals have access to a comprehensive travel security website containing the latest security bulletins, assessments, country risk ratings and other resources for travelers. DTTL also uses a mobile application from its emergency services provider that allows Deloitte practitioners to receive the latest security and health alerts and to access other resources.

Having influence that matters

We contribute to society, building confidence and trust, upholding integrity, and supporting the community.

Back in 1856, a little more than a decade after starting his own accounting firm, William Deloitte made a name for himself by exposing fraud in the railroad industry and inventing a system to protect investors from mismanagement of funds. His commitment to servant leadership—to being a force for good—lives on today as a core element of Deloitte's culture.

The impact of that commitment, though, is now felt on a much larger stage than William Deloitte could ever have imagined. The Deloitte network uses the strength of its global network to help shape society and drive change that matters.

We treat our role in society as a privilege, and lead by example and positive influence that is exercised in a variety of ways.

We contribute to society through the work we do. Deloitte fills the vital role of the independent auditor, maintaining the integrity of the financial reporting process and preserving the public's trust in our capital markets. Deloitte's consulting services offer innovative solutions that help businesses thrive, which is essential for a healthy, vibrant economy and society. Through these and other services, member firm professionals help their clients successfully handle a broad range of risks, crises, and complex challenges, strengthening their businesses and protecting their customers.

Governments, nongovernmental organizations, and other businesses look to Deloitte for our knowledge, skills, and experience in tackling increasingly difficult economic, regulatory, and social issues. When Deloitte leaders and professionals share opinions on public policy and regulatory matters with decision makers, together, we advance economic growth and the social mobility of people worldwide.

Every day, Deloitte people are making a real impact in the places they live and work. From delivering pro bono support to nonprofits and helping young people develop employability skills, to strengthening communities in the wake of a disaster and driving measurement beyond GDP to tackle social challenges, Deloitte is focused on the issues that matter most.

Deloitte prides itself on doing not only what is good for clients, but also what is good for our people and the communities in which we live and work—always striving to be an organization that is held up as a role model of quality, integrity, and positive change.
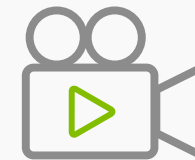
[Watch](#) Deloitte Global CEO Punit Renjen talk about why Deloitte aspires to be a role model of quality, integrity, and positive change, and works to help solve the toughest global challenges.

Investing in post-disaster innovation
Promise of economic resurgence drives Deloitte Japan's social mission

In March 2011, three connected disasters devastated the world's third-largest economy, resulting in a recovery bill that could reach US$250 billion or more. Twenty prefectures in Japan took a direct hit from the 2011 Great East Japan Earthquake, tsunami, and Fukushima Daiichi nuclear accident. But, the economic impact of the triple disaster was borne—and is still being felt—throughout the country.

"These events devastated small businesses, destroyed factories, disrupted supply chains in Japan and abroad, and caused power shortages across the country," says Masatoshi Tanifuji, leader of the Deloitte Japan Reconstruction Support Team. "Many businesses could not recover. Those that survived lost many customers. Some companies decided to permanently relocate to other parts of the world. And our government may be forced to increase public debt to pay for the recovery. The economic impact of the disasters will be felt for many years to come."

Deloitte Japan, which played a broad and active humanitarian role in the wake of the disasters, continues to provide revival and restoration support for its clients and pro bono services in disaster-affected areas. But, the firm's focus has expanded to recognize the broader need to rebuild a national economy crippled by those events. "We want to do more than simply help disaster-affected areas recover. Our goal is to help create a nationwide economic rebirth by nurturing innovation," Tanifuji says. "We have ample resources and professional skills to invest in Japan's communities, and can make a tremendous societal impact by leveraging our business capabilities."

Rallying around entrepreneurs

The assistance Deloitte Japan's subsidiary, Tohmatsu Venture Support (TVS), offers entrepreneurs and new startups is a noteworthy example of this commitment. Each week, TVS holds a "Morning Pitch" event throughout Japan, giving startups a chance to pitch to an audience of big companies, investors, and media that typically numbers 150. The purpose of the event is to facilitate business alliances between startups and big companies.

TVS also offers startups services that include support with sales, public relations, fundraising, hiring, training, and overseas expansion. "We provide our services as pro bono support because we believe that growth of startups will boost the Japanese economy," says Takao Yoshimura, TVS Chief Executive Officer. "By giving these startups access to investors and others through the Morning Pitch events, we significantly enhance and increase their business options and have helped many achieve their goal of having an initial public offering."

To date, TVS has helped more than 2,000 startups not only achieve success, but also contribute to a local and national revival. A few of those startups already have crossed into global markets.

"Morning Pitch" events held by Tohmatsu Venture Support bring startups and large enterprises together to explore potential collaborations.

Contributing in multiple ways

While nurturing innovation across Japan is critical to the nation's economic recovery, it's especially necessary to stimulate business in the disaster's hardest-hit areas. Deloitte Japan is doing that through its Reconstruction Support Team and Tohoku Future Creation Initiative. The firm's six-month talent-nurturing program, for example, has helped develop 110 promising business leaders in the region. The six-month program includes sessions in finance, marketing, leadership, and management strategy, and culminates with Deloitte Japan Reconstruction Support Team professionals helping participants formulate their business plans. Deloitte Japan's devoted contribution to this program won a national pro bono award in 2014.

In association with the Japan Association of Corporate Executives, Deloitte Japan professionals in the region also are helping revive fisheries, as well as leading agriculture, forestry, tourism, and manufacturing companies.

While addressing the larger, economic issues, the firm's professionals have not forgotten the individuals who still face hardships as a result of the disasters. Deloitte Japan partners and staff continue to have donations to charitable organizations deducted from their pay. To date, more than US$600,000 has been raised to benefit children who lost their caregivers in the catastrophe. "We see Japan's economic rebirth and continuing societal needs as major challenges," Tanifuji says. "But, more importantly, we see them as our social mission."

Reaching out with purpose
Deloitte professionals' business skills elevate global humanitarian efforts

One place is tropical, the other arid. One is torn by nature, the other by war. One has about 2 million people living on 25,000 low-lying islands, the other has seen about 2 million children among those forced to flee its predominantly landlocked borders.

The South Pacific and Syria are separated by 16,000 kilometers and a long list of physical and social contrasts. But, they have at least one thing in common— humanitarian needs that require innovative solutions. In the South Pacific, more frequent and intense cyclones are the culprit, disrupting livelihoods and upsetting a fragile infrastructure. In Syria, armed conflict is driving families from their homes to other parts of the nation and to neighboring countries in search of safe haven.

Deloitte professionals are providing support in both crisis situations. Deloitte New Zealand is working with Oxfam New Zealand (Oxfam NZ) to co-create innovative solutions to deliver post-cyclone relief to multiple countries in the Pacific region while Deloitte Middle East is supporting Syrian refugee response.

The connection with Oxfam NZ was made through the Deloitte Humanitarian Innovation Program. "This program paired Deloitte New Zealand member firm professionals with humanitarian organizations, enabling the Deloitte network to have a role in co-creating and scaling innovative solutions to the sector's most pressing challenges," says David Pearson, Deloitte's Global Chief Sustainability Officer.

Conquering a logistical challenge
Following a disaster, the priority for Oxfam NZ—part of Oxfam's international confederation of 17 organizations working in more than 90 countries—is to get clean water, sanitation, and hygiene packs to communities. That's easier said than done, given geographic and infrastructure challenges that make it difficult to reach vulnerable, remote island communities across the Pacific.

The Deloitte New Zealand member firm used its supply chain skills and insights to co-develop a logistics framework and management plans for disaster support and relief throughout the vast region. "The framework considers the movement of aid following a disaster from the point of supply to the point of entry into each affected country," explains David Lovatt, Consulting partner, Deloitte New Zealand. "This approach is designed to improve the effectiveness of a response by reducing the costs, reducing the time, and improving the quantity and quality of aid."

While developed specifically for Oxfam NZ's requirements, Oxfam aims to scale the framework within its broad network and among NGOs across the Pacific region. "By sharing the learnings with the wider humanitarian community, Oxfam will help enable others to act more cohesively in the wake of a disaster, and ultimately reach more people with lifesaving support," Lovatt says.

Deloitte New Zealand teamed up with Oxfam New Zealand to improve disaster relief in the Pacific.

Deloitte named a leader in Supply Chain Strategy & Planning by Kennedy.

Source: Kennedy Consulting Research & Advisory; Supply Chain Strategy & Planning Consulting 2014. © 2014 Kennedy Information, LLC. Reproduced under license.

Reaching displaced women and children

Syria is home to one of the largest humanitarian emergencies of our era. Millions of school-aged children have been forced to abandon their educations and sometimes their families to escape danger. Getting basic necessities to Syrian refugees is just one of many priorities within the humanitarian community. Deloitte Middle East (DME) decided to make an impact by focusing on educating and empowering the women and children who have been impacted most by the ongoing conflict in the area.

DME's Syrian refugee program, working with local and international organizations, addresses needs through home-based study, skills building, activities for children, and funding for basic necessities. The firm currently is looking to expand the scope of the program beyond Syrian refugees in Lebanon to reach refugees in Jordan and Syria by helping set up classrooms in refugee camps, providing accounting courses, offering skill-building workshops via technology boot camps, and implementing other DME initiatives, such as the Digital Youth Program.

"Over the years, we impacted the lives of thousands of Arab children by focusing our DME corporate responsibility agenda on skill-building and entrepreneurial programs," explains Rana Salhab DME Talent and Communications Partner. "We are now working on innovative programs that affect vulnerable Syrian refugee youth and women in multiple countries. The world and our region cannot ignore the crisis and consequences resulting from a lost generation of young Syrians."

Disaster relief

Some crises, like the one in Syria, unfold over several years. Others transpire quickly. The Ebola outbreak in West Africa and the earthquake in Nepal are two such events that caused Deloitte professionals to mobilize during the past fiscal year.

In the wake of the Ebola outbreak, DTTL made a significant donation to the U.N. secretary-general's Ebola Multi-Partner Trust Fund, which directed support toward the greatest identified needs of the United Nations Mission for Ebola Emergency Response (UNMEER). And within hours of the 25 April tremor that ravaged the central and western regions of Nepal and parts of northern India, Deloitte US professionals created an internal Yammer group encouraging their colleagues and the Deloitte US member firm to donate much-needed funds. Deloitte US contributed US$200,000 and opened an employee-match contribution fund. Many other Deloitte member firms also made donations and ran employee-giving campaigns to raise funds for charitable organizations working on the relief efforts. In total, DTTL and Deloitte member firms donated more than US$760,000 to charitable organizations working on relief efforts in Nepal.

"In recent years, the Deloitte network has contributed generously to support those in need following humanitarian disasters," Pearson says. "But, the initiative from Deloitte people to take action and support those affected in the aftermath of the Nepal earthquake was truly inspiring."

Deloitte Middle East is providing educational opportunities for children displaced by the ongoing conflict in Syria.

FY2015 HUMANITARIAN ACTION

48 HUMANITARIAN ORGANIZATIONS SUPPORTED

Figures are aggregated across DTTL and its member firms.

A step in the right direction
Deloitte tackles youth unemployment by scaling innovative education ideas

There are 75 million unemployed young people in the world, and the economic and social costs of this are immense. It's an international challenge that requires the continued attention of government, nonprofits, and businesses to create effective solutions in a rapidly changing environment.

"By using and combining their core capabilities, these groups can have a tremendous impact on youth unemployment, inequality, and the skills gap that threaten social stability and economic progress," says David Pearson, Deloitte Global Chief Sustainability Officer. "Deloitte and others in the business community have a specific and collective responsibility to promote the advancement of young people in society because of the growing needs for talented, skilled employees that will only get more acute as time goes on."

Since 2009, Deloitte has been committed to identifying and investing in innovative solutions that enhance access to education and employability. In FY2015, Deloitte contributed more than 380,000 hours to education and skills activities, reaching more than 390,000 young people. "The core capability we bring to the table is the ability to scale solutions. This is how Deloitte member firms can make the greatest impact," Pearson says. "We search the globe for great ideas, then we use Deloitte resources and relationships to help expand those ideas and drive outcomes that reach the most people possible."

Finding successful solutions

Deloitte US leaders sought to recognize and support an innovative education organization that was achieving outcomes in the primary and secondary space, but may be facing challenges in scaling its programs. To identify the organization, Deloitte US launched the RightStep™ Innovation Prize in November 2014. Offering US$100,000 in cash, US$100,000 in pro bono services, and access to Deloitte US's ecosystem of professionals volunteering support to the winner, the call for entrants attracted 116 nonprofit and for-profit organizations with a social mission in education.

The competition featured three rounds of intensive screenings and involved more than 100 Deloitte US professionals. In April 2015, five finalists presented to a group of judges, composed of senior Deloitte US leadership. Texas-based Reasoning Mind—focused on elevating student achievement on standardized math tests, improving attitudes toward mathematics, and increasing classroom concentration rates—was selected as the winner.

"With the launch of the RightStep™ Innovation Prize, Deloitte US is helping to deepen national relationships, increase the engagement of Deloitte US professionals, and invest in innovative, technology-based solutions that provide opportunities to transform education and the way that it's delivered," says Bill Copeland, Deloitte US Life Sciences & Health Care leader and corporate citizenship education champion.

2015 RightStep Innovation Prize finalists included Beyond12, iMentor, Strive for College, and uAspire—innovative education organizations that have made meaningful impacts in advancing education outcomes through technology.

"The work we help scale will contribute to preparing today's students to be tomorrow's leaders, and will help address the chronic gap between low-income students and their peers."

Focusing on employability

The Social Innovation Pioneers program at Deloitte UK is focusing its scaling capabilities this year on employability and job creation. The Pioneers program has a compelling track record of supporting socially innovative businesses, helping them grow to scale and become investment-ready. During the first three years of the program, more than 2,000 Deloitte UK people provided more than 15,000 hours of professional support.

Social Enterprise UK, an organization focused on helping social businesses grow, determined through an independent evaluation that the 58 businesses supported by the program have created more than 200 new jobs to date and realized annual revenue increases of 38 percent. More than a third of the organizations are suppliers or cooperative business partners with Deloitte UK. This has increased the diversity of its supply chain, widened access to talent recruitment, and helped it create innovative, client-facing solutions.

"To increase social impact and become more targeted with outcomes for the program, Deloitte UK elected this year to emphasize one priority social issue," explains Claire Burton, head of Corporate Responsibility for Deloitte UK. "This year we're concentrating on building employment skills and opportunities and are delighted to have selected 11 Pioneers with whom we aim to work collaboratively over the next 12 months."

The chosen theme was identified using the Social Progress Index. The Index is produced each year by Social Progress Imperative (SPI), a nonprofit organization dedicated to measuring what matters most to people and society. The Index gauges the social and environmental well-being of 133 countries and helps drive the debate around how countries can measure progress beyond gross domestic product (GDP) to truly assess their national performance. Deloitte member firms around the globe are working closely with SPI to break new ground for measurement that is guiding policy decisions and social investment to drive sustainable growth.

Growing Hope

In China, a key challenge is equipping its sizable, rural youth population to be self-sufficient and contribute to the nation's economic growth. "Our country has an aging population and is transitioning from an agrarian economy to urban economy," explains Lawrence Chia, Honorable Chairman of Deloitte China Foundation. "So, our priorities are giving youth in rural communities who face disadvantages access to basic education, and preparing them to fulfill their aspirations and potential as individuals through local education and skills programs."

Deloitte China launched the Hubei Hope School Project in 2009 with a goal of building or renovating one school a year for five years in remote and underserved areas in the Hubei province. The firm met its goal with the completion of the fifth school in late 2014. More than 2,000 students and local teachers have benefited from access to education and better learning facilities.

"About 400 Deloitte China staff members have participated in the initiative, and the Hubei province government has recognized Deloitte China's contribution throughout the project," says Kevin Ng, Secretary General of Deloitte China Foundation. "It is a perfect example of how we are able to take a good idea, turn it over to people, and let them grow it—providing opportunities for young people to learn and develop skills that will last a lifetime."

Deloitte China professionals inaugurate the first Hope School in Xiangyang city, northwest of Hubei province, in 2010.

EDUCATION AND SKILLS

YOUNG PEOPLE REACHED

FY2015
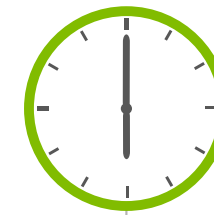## 390K

FY2014
423K

FY2013
307K

1.4 MILLION
**YOUNG PEOPLE REACHED
FROM FY2012-FY2015**

**DELOITTE PEOPLE
DEDICATED**

384,000
hours volunteering and
delivering pro bono services to
education and skills initiatives

$50M
Support in donations, Deloitte
people's time, and program
management

**DEVELOPING THE NEXT
GENERATION'S POTENTIAL**

Deloitte professionals supported
more than **130 education and
skills building initiatives**
focused on:

Employability
Professional skills
Citizenship
Entrepreneurship

Figures are aggregated across DTTL and its member firms. Because of rounding, numbers may not tally with the total.

The edge of tomorrow
Deloitte Netherlands' showplace hailed as the world's greenest office building

The Edge is billed as the world's most sustainable office building and has the certification to prove it. But, it's more than that. The place is, well, *fun*. And interesting. And inviting. So much so that professionals are actually applying for employment with Deloitte Netherlands because they want to work in the building.

That it has become a recruiting tool is a satisfying side effect of a project designed to both redefine efficiency and change the way people work. "We wanted to ensure that our building not only had the right sustainability credentials, but was also a real innovative and inspiring place for our employees," says Deloitte Netherlands CEO Peter Bommel. "The opportunity to collaborate with a host of experts ensured that the finished building was sensitive to its surroundings and created a technologically productive and happy working environment."

The decision to erect public buildings is not considered casually in the Netherlands. "In Holland, there is a lot of empty office space," explains Tim Sluiter, property manager, Information Technology (IT) & Workplace Services, Deloitte Netherlands. "But, old buildings are less energy efficient and the physical space usually doesn't fit the office design of the future. We wanted to demonstrate a new building would be a model of sustainability."

Deloitte Netherlands approached OVG Real Estate, a Dutch commercial real estate developer and investor, to make its vision a reality. "In our experience, Deloitte Netherlands strives for the best and the building we developed for them reflects this," says Coen van Oostrom, OVG's founder and CEO. "We brought together a team of experts and challenged them to identify innovations to make The Edge one of the most efficient commercial properties in the world."

The benchmark for efficiency

The Edge produces more electricity than it consumes, an achievement made possible by an array of solar panels—some of which are placed on neighboring buildings—and below-ground thermal energy storage. Its Ethernet-powered LED lighting system is 80 percent more efficient than conventional illumination. Rainwater is collected from the roof and balconies and used to flush the building's toilets and water its gardens. Even the contours of the structure and its orientation to the sun play a role in its resourcefulness.

Upon its completion in late 2014, The Edge was awarded the highest BREEAM accreditation score ever for an office building—98.36 percent—by the Building Research Establishment (BRE), the global assessor of sustainable buildings.

The innovative, connected lighting panels do more than sip minute amounts of voltage; they contain about 28,000 sensors that detect motion, light, temperature, humidity, and even carbon dioxide levels. It's these sensors, providing real-time data, which make The Edge possibly the smartest and most occupant-friendly office space in use today.
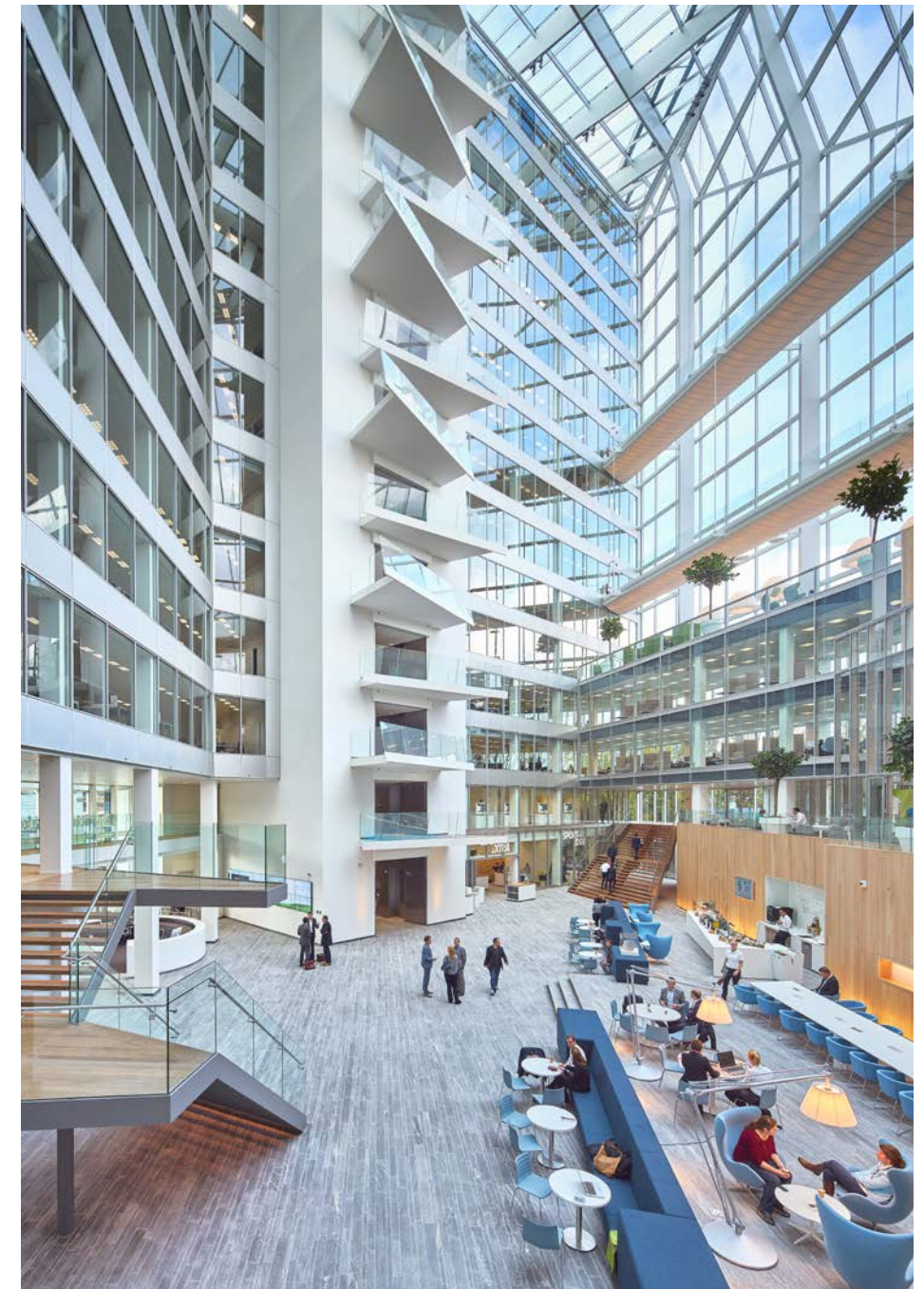
The Edge's majestic atrium not only offers plenty of places to meet, but it also provides natural ventilation, allowing stale air to rise and exit through the roof. Photo credit: Ronald Tilleman.

The sensors allow facility managers to assess how and when certain parts of the building are being used. "In our building, IT and facilities management are a combined function," Sluiter explains. In the short term, collected information can be used to determine where cleaning is and is not necessary on a given evening. Long term, emerging patterns showing light use of certain locales on certain days can lead to rooms or even entire floors being closed off to save energy.

Connected and customized

Sensors also make The Edge an interesting and enjoyable place to work. For example, software updates to a smartphone app, developed by Deloitte Netherlands, will soon make it possible for coffee machines to recognize individuals when they approach and dispense the blends and add-ins they desire.

The app already assigns daily workspaces that best fit users' preferences, and allows them to control the brightness of the lighting above their work surfaces and adjust the climate of their particular areas. It can direct people throughout the building, reading a meeting location from one's online calendar, for example, and suggesting the route to get there. Employees can even use the app to track their progress in the on-site gym—where some of the fitness equipment actually feeds generated wattage into the building's power grid.

The building is close to public transportation, a high-speed rail link, and a cycle route network. More than 500 bicycle parking spaces encourage tenants to pedal their way to work. Those who must drive arrive at a high-tech garage that identifies their vehicles, points them to available parking spots, and uses sensor-equipped LED lights that brighten and dim as drivers arrive and leave.

Sluiter stresses that personal data cannot be accessed by managers or anyone else. Privacy laws ensure nobody can track a person's whereabouts, monitor how many meetings they've missed, or see what times they're using the garage. "This building offers the technology to do certain things that would make tenants' lives even easier, and most of them would gladly accept the functionality," he says. "But, at the same time, it's extremely important to protect people's privacy and conform to the law."

Those minimal barriers certainly aren't hindering The Edge's reputation. "Our aim was to make The Edge the best place to work," says Erik Ubels, director of IT & Workplace Services, Deloitte Netherlands. "Our meeting areas are filling up because every client and employee wants to experience this building. It's not too small yet, but the economy is growing and the building is getting crowded. It's possible we made it too popular."

[Take a look inside](#) The Edge in this video produced by Bloomberg Business.

Sustainability gains across the network

The Edge is unquestionably the "greenest" of the DTTL and Deloitte member firm offices around the world, but other Deloitte spaces have received either BREEAM or LEED (Leadership in Energy and Environment Design) certifications. The Deloitte University facility in the US is LEED certified, as is office space occupied by DTTL and the US member firm at 30 Rockefeller Center in New York. Many other member firm office spaces in the US and abroad, including Hong Kong, Istanbul, and Sao Paulo, are LEED certified. The Zurich office has earned a LEED Platinum award, and several Deloitte UK office spaces have received BREEAM certification.

Travel and the office needs of a global network of businesses are the primary drivers of Deloitte's overall environmental impact. The environmental impacts of transportation, particularly air travel, are a complex challenge that will need to be met with global collaboration and welcomed dialogue. While Deloitte's absolute greenhouse gas (GHG) emissions increased 2 percent from FY2014, Deloitte's headcount also grew by 7 percent. Therefore, GHG emissions intensity per fulltime equivalent (metric tons CO_2e/FTE) dropped by 6 percent. Similarly, GHG emissions intensity by revenue (kg CO_2e/thousand US$ of revenue) decreased 1 percent from last year.

"Another one of our goals is to reduce the amount of virgin paper resources we consume," says David Pearson, Deloitte Global Chief Sustainability Officer. "In FY2015, Deloitte did that by reducing the paper we used by 11 percent and by selecting more recycled-content paper, which increased the percentage of recycled-input materials used by more than 30 percent from FY2014."

Over the last five years, Deloitte's headcount has increased globally by 24 percent. During the same period, our environmental efficiency measures have improved as indicated by a 14 percent decrease in GHG emissions intensity per FTE, a 22 percent decrease in emissions per dollar of revenue, and a 25 percent decrease in overall paper usage. "We hope to build on this momentum," Pearson says.

ENVIRONMENT: GREENHOUSE GAS EMISSIONS (Metric tons CO_2e per full-time equivalent (FTE))
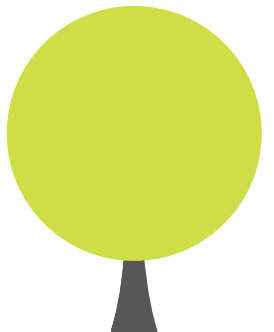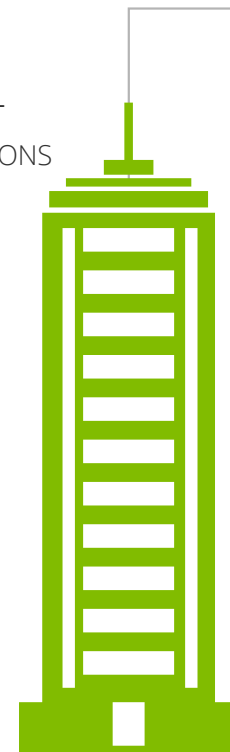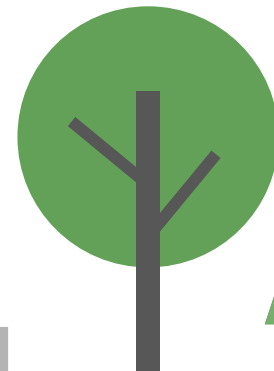
FY2015

4.2

FY2014

4.4

FY2013

4.7

75%
BUSINESS TRAVEL
702,563 METRIC TONS

25%
FACILITIES
230,990 METRIC TONS

Informing the debate
## Deloitte helps drive outcomes that benefit both business and society

"Have something to say." It's a mantra, of sorts, at Deloitte. Clients expect member firm professionals to proactively bring their informed thoughts and ideas to the table. Likewise, external stakeholders look to Deloitte leaders for opinions that help advance global regulatory and public policy environments, recognizing their views are informed by decades of experience operating in dozens of countries; influenced by the needs of member firm clients; and shaped by an understanding of ever-evolving capital markets and the entities that participate in them.

Deloitte actively participates in dynamic regulatory discussions around the world, proactively contributing to the regulatory dialogue, promoting investor confidence, and emphasizing cross-border consistency.

Given the network's role in the proper function of capital markets, one of Deloitte's focuses remains on audit and audit quality. The organization is making necessary investments in its member firm professionals, innovation, technology, methodology, and practices. Deloitte leaders continue to collaborate with relevant stakeholders, including regulators and policymakers, on current hot topics that include audit of the future, audit quality indicators, auditor reporting, and strengthening the role of the audit committees.

To promote more collaboration with stakeholders and reflect that the Deloitte network is a broad and deep organization with interest and specialization in a range of topics that interest policy makers, the Deloitte EU Policy Center opened its doors in January 2015 in Brussels, Belgium. The Center provides a diverse team of Deloitte professionals, representing various EU member firms, with an opportunity to contribute ideas and knowledge to some of the policy debates in Europe. "We believe Deloitte will be able to make a valuable contribution and that this will lead to increased interaction between EU policy makers and Deloitte professionals on a wide range of topics," says Hendrik Descheemaeker, Deloitte EU Public Policy Leader and partner, Deloitte Belgium.

Deloitte member firms continue to strengthen their engagement with government and political leaders—contributing insights and experiences supporting economic success, growth, resilience, and sustainability—to help address long-term economic challenges. For example, Deloitte professionals have contributed to the development of the Organization for Economic Cooperation and Development (OECD) Corporate Governance Principles; collaborated with the Business and Industry Advisory Committee to OECD on the development of a women's entrepreneurship report; actively contributed to a number of B20 working groups, including those of employment and anti-corruption; worked with the UK and US governments to sponsor a forum to address human trafficking; and are engaged in discussions that support a pro-growth international trade agenda fit for purpose, including via the Trade in Services Agreement negotiations.
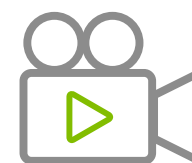
[Watch](#) Cathy Engelbert, Deloitte US CEO, explain why trust, confidence, and integrity matter to clients and society.

Influencing the international trade agenda

Deloitte member firm professionals work daily to assist their clients to solve complex cross-border business issues. Equally, because of its global footprint, the Deloitte network strives to understand what it takes to operate in multiple jurisdictions. The importance of open and international markets—with a well-functioning, rules-based global trading system and continuing trade liberalization—is paramount to strong economic growth.

Currently, governments in almost every corner of the world are focused on how best to reassert an active and well-functioning trade agenda, which includes the need to agree on new rules of the road for today's increasingly global and digital marketplace. Emerging practices can create complications for companies doing business internationally; practices the current trade rules are not able to support.

"Today's greatest disruptions to cross-border commerce are not the traditional at-the-border set of issues for which the current trade rules are most applicable," explains David Gruner, Manager, DTTL Public Policy. "Yes, tariffs and customs still matter, but modern trade is increasingly about how to deal with questions of regulatory discrimination, data and e-commerce, mobility of persons, and many other nontariff barrier issues."

A key connector to all of this is through services. "There are tremendous unrealized benefits that could come from deeper and broader trade services liberalization," Gruner says.

The Deloitte network supports trade negotiating objectives that recognize the new realities of today's economic demands and finding positive solutions to address them, be it through the World Trade Organization multilateral system, as well as other plurilateral, regional and bilateral trade expansion initiatives—such as the Trans-Pacific Partnership (TPP), Transatlantic Trade and Investment Partnership (TTIP), and the Trade in Services Agreement (TiSA). The Deloitte network supports trade discussions that are working to set the conditions for an international trade agenda fit for the 21st century.

Addressing human trafficking

Deloitte's Global Migration and Border Management (GMBM) practices help clients make globally informed and locally relevant choices about border management and immigration. To support execution of these decisions, Deloitte member firms draw upon the breadth of their capabilities and deep sector knowledge to help both government and businesses tackle immigration-related challenges, which include the crime of human trafficking.

Human trafficking is the modern-day slave trade; it's being forced to work without pay under threat of violence, and being unable to walk away. There are more slaves today than at any point in human history, with estimates ranging from 21 million to 30 million. About 5 million human trafficking victims are children.

Deloitte firms in the US and UK convened global public- and private-sector leaders to work together to address the issue of modern slavery in supply chains. In March 2015, Deloitte was a joint host of a TechCamp conference in London, bringing together participants from government, law enforcement, the private sector, and civil society to understand how their collective data can drive intelligent insights to detect slavery in corporate supply chains. The event also offered agencies, organizations, and businesses low-cost technology solutions to help them manage slavery-free supply chains.

In addition to our work on the issue, Deloitte has published thought leadership on the subject. During FY2015, a Deloitte Review piece called "Supply Unchained" offered strategies for fighting labor abuse in organizational supply chains. In addition, Deloitte US is conducting an assessment of the current and future state of the anti-slavery movement and will publish its findings in an upcoming Deloitte University Press piece that will be released jointly with the nongovernmental organization (NGO), Free the Slaves.

Support for Free the Slaves is one of two pro bono anti-human trafficking engagements in which Deloitte Consulting LLP and Deloitte Financial Advisory Services LLP (Deloitte US) have engaged during the past year. For FAIR Girls, Deloitte Consulting LLP provided assistance with board governance and a growth strategy that included opening the doors to the Vida Center—the first and only shelter in the Washington, D.C., area for survivors of sex trafficking.

Prioritizing the prevention of human rights violations can help organizations open an important dialogue with empowered consumers, preserve the integrity of their supply chains, and protect their brand identities. To learn more, watch, "Supply unchained: Fighting supply chain labor abuse."

Cooperating to curb corruption

Because the absence of corruption serves as a foundation for sustainable and inclusive growth and supports trust in business, the Deloitte network aims to raise awareness among all stakeholders—communities and their governments, member firm clients, vendors, and other organizations with which our entities do business—about the impact of corruption on society. The Deloitte network does this by taking a leadership role in influential, global forums to set the anti-corruption agenda, particularly on those topics relevant to Deloitte member firms, their clients, and all Deloitte stakeholders.

During FY2015, in an effort to develop an even stronger voice on the issue, DTTL established a working group composed of more than 20 Deloitte practitioners from across the network who are interested in the policy aspect of anti-corruption work. This policy working group is refining its policies, messaging, and stakeholder-engagement plan to make an even greater policy impact.

Deloitte leaders will continue to join forces with industry peers and key stakeholders to give voice to private-sector perspectives on corruption and push the global agenda to promote a healthier global economy. To this end, Deloitte supports the OECD Anti-Bribery Convention, the U.N. Convention Against Corruption, and the WEF's Partnering Against Corruption Initiative (PACI).

Gender equality

Creating economic opportunity for women and underrepresented groups across all levels of the workforce by nurturing a more inclusive workforce is not only smart—different studies show companies with diverse workforces and executive boards are more innovative and financially successful—but it's also the right thing to do. Deloitte collaborates with business, government, and society, engaging in policy discussions and initiatives to enable more women and underrepresented groups to enter the workforce, remain employed, and advance to their full personal and professional potential.

DTTL provided support to a forum and the report, "*Putting ALL ideas to work: Women and entrepreneurship, exploring barriers to women's entrepreneurship*, sponsored by the Business and Industry Advisory Committee (BIAC) to the OECD. DTTL also sponsored the Women's Entrepreneurship Platform (WEP), an organization based in Brussels, Belgium, which brings together organizations supporting women entrepreneurs and business professionals to exchange best practices and information that promotes female entrepreneurship. WEP is the first point of contact for EU policy makers—particularly Members of the European Parliament (MEPs) and officials of the European Commission—who are committed to advancing this challenge.

Various initiatives also are active across Deloitte member firms. In India, for example, DTTL and Deloitte US have supported Pratham USA to open six "Achievement Centers" targeting education and training for young women. More than 1,300 young women who had previously dropped out of school have enrolled in the program since 2011. Deloitte US continued to support two centers in 2014-15 in Hyderabad that have an enrollment of more than 200 women.

Deloitte Middle East (DME) continued its "Women March" initiative, a month of firm, client, and community activities devoted to raising awareness of empowerment, investment, and acceleration of women advancement across the Middle East. DME is also active in and sits on advisory councils of NGOs mentoring professional women leaders in the Gulf Cooperation Council (GCC) countries; and is a founding member of the 30% Club-GCC chapter that is leading a groundbreaking longitudinal research study on perceptions of national and expat men and women leaders toward progress of women to senior management and board-level positions.

Deloitte Germany expanded its Leader.In network activities, an initiative that consists of a series of events and the Leader.In group on LinkedIn. Leader.In aims to catalyze change by connecting participants with influential women and men who are authorities on diversity-associated topics. Leading practices are shared in an effort to continue discussions and identify an ideal framework for female leadership in business, politics, and society.

Ethics
Our network's purpose-driven pursuit of quality and integrity

Respected organizations around the world trust Deloitte professionals to execute their most ambitious projects, manage highly confidential information, and develop ideas and approaches that can alter the course of their businesses. That trust has been and continues to be earned thousands of times each day by Deloitte member firm people.

Ethical behavior among Deloitte professionals is non-negotiable. That's why DTTL Global Ethics and member firm ethics teams continue to aggressively integrate ethics into key initiatives and processes, stressing quality and consistency of approach across the network.

During the past year, Deloitte enhanced its focus on anti-corruption, appointing a DTTL anti-corruption officer and member firm anti-corruption champions who will work together to build and sustain effective programs. Deloitte Global Ethics launched a new classroom-based ethics training program for the network, and adapted its existing new-manager training session into four short e-learning modules for individuals whose travel schedules make classroom training difficult. DTTL and member firm ethics leaders also developed a new package of measurement and communication tools to gauge and improve the effectiveness of the network's local ethics programs.

Deloitte continues to reinforce its ethics organization, training, and assessment processes because we understand what is at stake—for clients and for us.

The bigger picture

"Deloitte stakeholders expect our network to lead by delivering quality and acting with integrity. Our member firm ethics programs, with the support of the Deloitte Global Ethics team, help Deloitte people to see that," says Gianmario Crescentino, Deloitte Global Chief Ethics Officer and Managing Director, Risk and Reputation. "To make an impact that matters, each of us has a personal responsibility to conduct business with high integrity, quality, and levels of professional behavior. We recognize that we are all role models to others—and we make decisions that align to our Purpose."

The Deloitte Global Ethics team and the member firm ethics officers work together to design and implement policies and programs to promote and sustain ethical conduct by Deloitte professionals. Ethics training is required for all Deloitte professionals every two years.

Anti-corruption has been a priority for Deloitte Global Ethics in recent years. During FY2015, Deloitte continued to focus on this topic, appointing a DTTL anti-corruption officer and member firm anti-corruption champions. They will work together to build and sustain effective anti-corruption programs. Deloitte Global Ethics also initiated network-building activities, including global and regional webcasts and meetings, to facilitate best-practice sharing. And working groups of member firm anti-corruption leaders were established to develop new e-learning and enhance existing third-party due diligence guidance to help ensure corruption risks are identified and addressed appropriately.

Education and training enhancements

During the past year, Deloitte Global Ethics launched a new, highly interactive classroom-based ethics training program, suitable for all levels and roles. Sessions focus on discussing dilemmas and stressing the importance of consultation to reach solutions that align with Deloitte's values and principles. The program was rolled out to member firms and the more than 2,000 DTTL professionals.

Deloitte Global Ethics also expanded training opportunities for new managers across the network—a key staff group with important ethical responsibilities for their teams—by creating a modular, e-learning version of their live, new-manager ethics program. This option, which focuses on decision-making skills and being an ethical leader and role model, provides a flexible alternative for the busy and often-traveling manager group.

Deloitte Global Ethics continues to work with learning teams throughout Deloitte to incorporate similar exercises into new-hire orientation, manager training, and other business-focused programs.

For example, during FY2015, Deloitte Global Ethics collaborated with the Deloitte Global Audit Learning team to embed ethics messaging into the "soft skills" and team management elements of the Audit New Manager Transition Experience program. This will include discussion and debrief points in facilitator and coach guides and prework, an additional dilemma for discussion, and enhanced messaging around ethics and integrity. The focus is on enhancing new managers' understanding of their position as role models and the importance of consultation, as well as developing their ethical risk sensitivity, helping them recognize potential issues.

Deloitte Global Ethics also continued to integrate ethics across the Deloitte University curriculum so that ethics is not treated as a standalone topic, but instead, is part of the conversation across many disciplines. To this end, the network is proactively engaging with other risk areas, such as confidentiality, privacy, and information security, to present a holistic approach to training and awareness across the risk spectrum, with a focus on the importance of speaking up, consultation, and ethical decision making.

Measuring impact

DTTL's ethics practice review program is conducted on a rotational basis to measure member firm compliance with global policy and support continuous improvement in ethics program management. In FY2015, 11 Deloitte member firms were visited by the Deloitte Global Ethics team and other ethics leaders from the member firm network. Reviews conducted this past year focused on (among other things) ensuring that member firm approaches to ethics are proactive, that member firm ethics training and communications are engaging, and that member firm programs are collaborative and linked with other vital business functions, such as Talent and Learning.

DTTL's annual member firm ethics survey continues to be an important tool to measure the effectiveness of member firm ethics programs. The survey captures Deloitte professionals' perceptions of ethical culture, tone at the top, and personal responsibility for ethical behavior. Member firms use the results of the survey to create action plans for continuous improvement of their ethics programs.

DTTL and member firm ethics leaders worked together in FY2015 to develop a new package of tools to measure the effectiveness of member firm ethics programs using a benchmarking survey, ethics maturity model, and focus-group questionnaires. They also created communications tools, including message maps, to support member firm leaders in delivering consistent communication that builds the tone at the top and reinforces the importance of ethics and integrity to their people.

Deloitte member firms strive to uphold the trust placed in them by clients and the capital markets and to build a similar sense of trust among their professionals. One of the most important responsibilities of DTTL and member firm senior leaders is to emphasize commitment to ethical behavior and reinforce the responsibility of everyone in the organization to act with integrity.

The Deloitte Global Ethics team and the member firm ethics officers work closely with senior Deloitte leaders to carry out the organization's ethics programs. These programs are designed to help Deloitte people understand expectations for ethical behavior, develop skills for ethical decision making, and gain the confidence to speak up about challenging ethical situations.

DTTL's formal ethics program is composed of the following elements:

- The Ethical Principles and Shared Values of the Deloitte network;
- 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 an introductory online course, classroom programs, facilitator-led interactive case discussions and online advanced training course;
- Support activities, including communications, workshops, and webinars to facilitate best practice sharing among member firms;
- Provision of a 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 over time.

In addition, Deloitte plays a role in various multilateral efforts to promote ethical conduct in the business world. The efforts in which Deloitte participates include:

- **World Economic Forum's Partnering Against Corruption Initiative (PACI).**

  – 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;

  – Cottrell is the Deloitte US representative on the Forum's Global Agenda Council initiative on ultimate beneficial ownership.

- **U.N. Global Compact.** Cottrell and Mohammed Ahmed, DTTL 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.** Lindy Miller, senior manager, DTTL Public Policy, is a member of the BIAC Task Force on Anti-Bribery and Corruption.

- **University of Notre Dame Deloitte Center for Ethical Leadership.** Michael Zychinski, Chief Ethics and Compliance Officer, Deloitte US, sits on the advisory board.

- **Ethics & Compliance Initiative (ECI).** Zychinski is a board member for ECI's Ethics Research Center and its Ethics & Compliance Association.

- **The Conference Board.** DTTL Global Deputy Chief Ethics Officer Jennifer Guethoff is a founding member of The Conference Board's European Compliance Council.

Ethical Principles of the member firms of DTTL

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

- **Honesty and integrity.** We act with honesty and integrity.

- **Professional behavior.** We operate within the letter and the spirit of applicable laws.

- **Competence.** We bring appropriate skills and capabilities to every client assignment.

- **Objectivity.** We are objective in forming our professional opinions and the advice we give.

- **Confidentiality.** We respect the confidentiality of information.

- **Fair business practices.** We are committed to fair business practices.

- **Responsibility to society.** We recognize and respect the impact we have on the world around us.

- **Respect and fair treatment.** We treat all our colleagues with respect, courtesy, and fairness.

- **Accountability and decision making.** We lead by example, using our Shared Values as our foundation.

Independence
Preserving the public's trust

For 170 years, objectivity and impartiality have been the cornerstones upon which our network is built. Without them, Deloitte could not cultivate confidence and trust in the markets, nor could we uphold the integrity of organizations. Our very Purpose would be beyond our reach.

There can be no margin for error. That's why every Deloitte professional, from the newest assistant to the most senior leader, must comply with well-established policies and procedures to ensure his or her independence. Regulators demand it. Clients need it. The public expects it. So, we deliver it.

The bigger picture

Independence and quality are essential to 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 guidance, and public expectations. Maintaining independence, therefore, is both a matter of compliance with rules and regulations and a matter of appearance.

Protecting the public interest

Deloitte member firms comply with well-established policies and implement appropriate procedures to help safeguard their objectivity and independence. These policies and procedures help ensure member firms act in the interests of both the public and their clients, as well as protect our brand and reputation.

The DTTL Board of Directors has adopted robust independence policies and processes to help DTTL, Deloitte member firms, and their people safeguard their objectivity. DTTL requires all of its member firms to follow DTTL's independence policies and procedures, which address potential conflicts—within or among member firms— arising from the proposed acceptance of client engagements or proposed business or financial relationships.

DTTL's independence policies and procedures are designed to allow 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. When the national requirements that apply are more restrictive than the requirements in the DTTL 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 assigned with responsibility for the independence quality controls in the member firm, including monitoring compliance with those controls. On an annual basis, all member firms report to DTTL that they have conducted procedures for determining that their firm and professionals are in compliance with DTTL's independence policies.

Leading through change

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

Reporting process and materiality
Global Report illustrates the many ways Deloitte makes an impact that matters

The chief objective of the Global Report is to provide all Deloitte stakeholders with a broad and balanced picture of our network's impact on society, our Purpose-driven business activities, and the actions that exemplify our aspiration to become the undisputed global leader in professional services.

We strive to address stakeholders' interests and questions, while explaining our motivations, priorities, and approaches. 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.

Deloitte professionals engage continuously with key stakeholders, both internal and external. In FY2015, this continuous engagement was supplemented with a structured stakeholder engagement and materiality assessment, the details of which can be found in the Basis of reporting section. The assessment surfaced material aspects for Deloitte which were classified into three categories according to their relative rankings on a materiality matrix.

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. Aspects can be material either within the boundaries of Deloitte, external to Deloitte, or both. They also can be geographically bound. Except as noted on the following page, all aspects shown in the matrix are material to DTTL, 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.
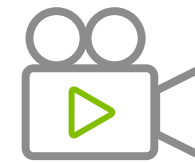
Watch David Pearson, Deloitte Global Chief Sustainability Officer, discuss why sustainability matters to the Deloitte network and member firm clients.

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. Our ongoing engagement helps us report on the right issues, in addition to keeping stakeholders informed of our business strategy.

MATERIALITY MATRIX

CONCERN TO STAKEHOLDERS

Client satisfaction
Financial performance
Employee diversity
Ethics and integrity
Privacy and data security
Public policy engagement
Talent training and development

Community engagement
Compensation and benefits
Energy management
Greenhouse gas emissions
Human rights
Supply chain
Work-life fit

Health and safety
Paper management
Waste management
Water management

CURRENT OR POTENTIAL IMPACT ON DELOITTE

Issue is of critical strategic interest to Deloitte
and stakeholders

Issue is actively managed

Frequent interaction with key stakeholders occurs

Issue is actively managed by Deloitte and discussed with
constituents that have a direct stake

Issue of concern to select member firms and stakeholders;
generally managed through member firm programs

Category	Areas included
Community engagement	Corporate responsibility commitment and a range of humanitarian and societal impact, such as pro bono, volunteerism and philanthropy, and focused collaborations
Ethics and integrity	Anti-corruption, protection of public interest, transparency, professional performance, corporate responsibility commitment, compliance, governance, and risk management
Human rights	Anti-discrimination, human rights issues in owned and managed operations
Privacy and data security	Customer and employee data retention and security
Public policy engagement	Public policy positions, professional standards

Metrics

	FY2015	FY2014	FY2013
GLOBAL PRESENCE			
Number of member firms	46	47	47
REVENUE			
Aggregate revenues (US$ Billion)			
Aggregate member firm revenue	35.2	34.2	32.4
Revenue growth (Percentage growth in US$ / Local currency)			
Aggregate member firm revenue growth	2.9% / 7.6%	5.7% / 6.5%	3.5% / 5.6%
Revenue by function, region and industry (US$ Billion)			
By functional area			
Audit	9.8	10.1	10.0
Enterprise Risk Services	3.5	3.2	3.1
Financial Advisory	3.1	3.0	2.8
Consulting	12.2	11.4	10.4
Tax & Legal	6.7	6.5	6.1
By region			
Americas	18.3	17.4	16.4
Europe/Middle East/Africa	11.9	12.1	11.1
Asia Pacific	5.0	4.8	4.9
By industry group			
Consumer Business	6.6	6.6	6.4
Energy & Resources	3.1	3.0	3.0
Financial Services	9.5	9.5	9.1
Life Sciences and Health Care	3.2	3.1	2.6
Manufacturing	4.4	4.3	4.3
Public Sector	4.4	4.0	3.5
Technology, Media & Telecommunications	3.9	3.8	3.5
TALENT			
Aggregate talent			
Aggregate Deloitte people	225,351	210,400	202,885
By level			
Partners and principals	10,601	10,247	10,189
Professional staff	176,935	163,676	157,505
Administrative staff	37,815	36,478	35,192
By region			
Americas	99,398	92,804	89,934
Europe/Middle East/Africa	79,925	74,778	71,826
Asia Pacific	46,028	42,819	41,125

	FY2015	FY2014	FY2013
By level and region			
Americas			
Partners and principals	4,354	4,279	4,335
Professionals	76,618	70,750	68,328
Administrative staff	18,426	17,775	17,270
Europe/Middle East/Africa (EMEA)			
Partners and principals	3,551	3,425	3,389
Professionals	63,557	58,910	56,428
Administrative staff	12,817	12,443	12,010
Asia Pacific			
Partners and principals	2,696	2,542	2,465
Professionals	36,760	34,016	32,748
Administrative staff	6,572	6,260	5,912
Talent by gender			
By region and gender - male			
Overall	125,666	117,557	112,182
Americas	56,555	52,717	50,770
Europe/Middle East/Africa	44,020	41,574	39,373
Asia Pacific	25,092	23,266	22,039
By region and gender - female			
Overall	99,685	92,843	90,703
Americas	42,843	40,087	39,164
Europe/Middle East/Africa	35,905	33,204	32,453
Asia Pacific	20,936	19,553	19,087
Percentages of women in Deloitte network			
Overall	44%	44%	45%
Among partners, principals and directors (1)	21%	21%	20%
Among managers (1)	35%	35%	35%
Among new hires	45%	44%	45%
Among new partners, principals and director admissions (2)	25%	21%	23%
On mobility assignments	24%	23%	23%
Percentages of women in DTTL leadership and governance bodies			
On DTTL Board of Directors	9%	13%	9%
On DTTL Executive	13%	0%	0%
On DTTL leadership team	19%	14%	20%

	FY2015	FY2014	FY2013
Turnover rate			
Aggregate turnover rate	21%	21%	19%
By region			
Americas	19%	20%	19%
Europe/Middle East/Africa	21%	21%	18%
Asia Pacific	25%	23%	20%
By gender			
Male	20%	21%	19%
Female	22%	22%	20%
New hires			
Aggregate new hires	62,000	53,959	51,405
Aggregate new hire rate (3)	28%	26%	25%
By region			
Americas new hires	25,514	23,437	23,492
Americas new hire rate (3)	26%	25%	26%
Europe/Middle East/Africa new hires	22,770	18,941	17,394
Europe/Middle East/Africa new hire rate (3)	28%	25%	24%
Asia Pacific new hires	13,716	11,582	10,519
Asia Pacific new hire rate (3)	30%	27%	26%
By level			
New partners and principals	337	257	273
New mangers	6,263	4,938	4,980
New staff	47,985	42,222	39,403
New administrative staff	7,415	6,542	6,749
By gender			
Percentage of women among new hires	45%	44%	45%
LEARNING			
Hours of training provided per full-time Deloitte person (4)	50	51	49
MOBILITY			
Total number of mobility assignments	6,340	5,898	5,795
Increase in mobility assignments	7%	2%	8%
Average number of mobility opportunities available on a daily basis	900	650	650
GLOBAL CAREERS WEBSITES			
Total number of RMS (Recruitment Management System) applications	1,900,000	1,852,715	1,906,234
Average number of applicants per open position	151	n/a	n/a
Number of internships	16,000	n/a	n/a

	FY2015	FY2014	FY2013
SOCIETAL IMPACT			
Number of reporting entities. Societal impact metrics are for reporting entities, and estimates have not been made for nonreporting entities.	35 member firms and DTTL (representing 97% of global workforce)	34 member firms and DTTL (representing 95% of global workforce)	33 member firms and DTTL (representing 93% of global workforce)
Monetary value of community investments	**US$ million**		
Aggregate Deloitte community investments	212.7	190.9	179.0
By source			
Aggregate donations	77.6	72.9	74.9
DTTL and member firm foundation donations (monetary and in-kind)	47.5	42.4	44.8
Deloitte personnel donations (to member firm-supported organizations and fundraisers)	30.2	30.5	30.1
Aggregate Deloitte costs for managing community investment programs	11.9	11.4	13.0
Aggregate value of volunteer and pro bono work by Deloitte people	123.3	106.6	91.1
Member firm pro bono work	48.4	48.1	43.5
Skills-based volunteering	45.2	30.5	20.1
Traditional volunteering	29.7	28.0	27.5
By contribution area			
Contributions toward education and skills-building organizations (5)	24%	26%	30%
Value of pro bono and skills-based volunteering as percentage of value of all volunteering and pro bono work	76%	74%	70%
Hours of community investments	**Thousand hours**		
Aggregate hours of volunteer and pro bono work by Deloitte people	1168	941	873
Member firm pro bono work	343	237	209
Skills-based volunteering by Deloitte people	496	442	308
Traditional volunteering by Deloitte people	328	263	356
ENVIRONMENTAL SUSTAINABILITY			
Number of member firms reporting on environmental sustainability. Environmental metrics are extrapolated to represent all member firms and DTTL.	29 member firms and DTTL (representing 88% of global workforce)	28 member firms and DTTL (representing 91% of global workforce)	29 member firms and DTTL (representing 91% of global workforce)
Aggregate Deloitte greenhouse gas emissions	**Metric tons CO_2e**		
Aggregate greenhouse gas emissions including offsets (6)	931,617	914,177	927,029
Aggregate greenhouse gas emissions not including offsets (6)	933,553	916,703	929,561

	FY2015	FY2014	FY2013
By source	*Metric tons CO_2e*		
Buildings: electricity	216,033	228,587	220,382
Buildings: other sources (6)	14,957	15,449	17,824
Business travel: air travel (6)	422,512	405,903	418,079
Business travel: other sources	280,052	266,764	273,275
Offset credits	(1,936)	(2,526)	(2,532)
By GHG Protocol scope	*Metric tons CO_2e*		
Scope 1: Direct greenhouse gas emissions (6)	84,724	86,719	92,318
Scope 2: Electricity indirect greenhouse gas emissions (6)	216,033	228,587	220,382
Scope 3: Other indirect greenhouse gas emissions (6)	632,796	601,397	616,861
Intensity measures	*Metric tons CO_2e*		
Greenhouse gas emissions per full-time equivalent (metric tons CO_2e/FTE) excluding offsets (6)	4.2	4.4	4.7
Greenhouse gas emissions per dollar of revenue (kg CO_2e/$000 USD) excluding offsets (6)	26.5	26.8	28.7
Energy usage	**GW**		
Aggregate usage of purchased electricity in Deloitte facilities	419	441	448
Direct energy consumption by primary energy source	*TJ*		
TJ of natural gas	372	305	269
TJ of gasoline	270	256	254
TJ of diesel fuel	379	378	352
Indirect energy consumption by primary source	*TJ*		
TJ of electricity	1,509	1,587	1,611
Aggregate Deloitte material usage	**Metric tons**		
Paper usage	4,950	5,580	5,519
Percent of recycled input materials used based on estimate of recycled content paper	26%	20%	19%

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) FY2013 figures restated as a result of reclassification of certain pro bono contributions to better align with the reporting methodology.

(6) Some FY2013 values revised in FY2014 due to methodology change. See Basis of Reporting from the 2014 Global Report for details.

Basis of reporting

This document provides additional details about the scope and calculation methods used in the Deloitte 2015 Global 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, DTTL commissioned a formal stakeholder engagement process and materiality assessment to assist DTTL in identifying key areas of impact upon which to focus the Global Report content.

The materiality assessment process was grounded in the Global Reporting Initiative (GRI) G4 principles of materiality and stakeholder inclusiveness. The strength of the materiality assessment methodology utilized revolves around the design and implementation of a systematic and disciplined approach to stakeholder engagement, as well as topic prioritization based upon a decision-sciences approach.

The first step in the process was to investigate the expectations for corporate responsibility and sustainability for Deloitte by analyzing supplier questionnaires, benchmarking reports of peers and sustainability award-winners, examining sustainability guidelines, and researching publications of internationally recognized nongovernmental organizations (NGOs). Using this process narrowed a large universe of issues down to a list of potential relevant topics.

To gather further stakeholder insight into material topics, Deloitte identified a specific list of stakeholders and identified engagement methods designed to maximize feedback from each group. We conducted interviews with external stakeholders including strategic member firm clients, academic institutions, and internationally recognized NGOs. The direct feedback from interviews helped identify emerging issues and prioritize each group's concerns. Internally, we conversed with Deloitte leaders from across the network and DTTL regulatory affairs and governmental liaisons. The annual Deloitte Millennial Surveys provided insight into the interests of current and future talent. Involvement by DTTL personnel in external bodies working on standards development, such as the Professional Services Sustainability Roundtable (convened by the Boston College Center for Corporate Citizenship), also served as a source for industry perspectives. Systems and processes in place within Deloitte were also considered as they often reflect a response to stakeholder concerns (see the Stakeholder engagement summary for specific examples).

Finally, a systematic weighting methodology was applied to the feedback and research to prioritize the list of potential relevant topics. Parameters used in the weighting methodology included the prevalence of an issue across multiple sources, the

identification and frequency of mention of specific issues by individuals interviewed, and the consideration of specific systems or processes put into place by Deloitte as a result of direct stakeholder feedback. The topics were prioritized across a materiality matrix comparing topics of importance to the business against topics of importance to stakeholders. DTTL also exercised some judgement to include a small number of topics that were not explicitly identified through the evaluation process; however, they were assumed to be fundamental business imperatives to both internal and external stakeholders. These consisted of financial performance, governance, and risk management.

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 FY2015 includes a significant number of Scope 3 sources, it does not consider full upstream and downstream emissions across all sources.

FY2015 environmental performance data in the Global Report was directly collected from 29 member firms and from DTTL. These entities represent 87 percent of aggregate Deloitte people and 95 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. FY2015 societal impact data was reported by 35 member firms and DTTL, which represent 97 percent of aggregate Deloitte people and 97 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 variations in 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 FY2015 including the following:

- Refrigerants, district heating, and district cooling are eliminated from aggregate network reporting.

- Paper consumption is tracked, but associated greenhouse gas emissions are not.

- Methane (CH4) and nitrous oxide (N2O) are not separately calculated in instances where published sources do not incorporate these into carbon-dioxide equivalent (CO_2e) 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.

For more information on the rationale behind these decisions, please see the Deloitte 2014 Global Report.

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 FY2014

The Deloitte 2015 Global Report incorporates many of the GRI's G4 guidelines, whereas the Deloitte 2014 Global Report met the G3.1 requirements for Application Level B. DTTL advanced toward reporting "in accordance" with G4 guidelines in the future by undertaking a formal stakeholder engagement exercise and materiality assessment during FY2015 that identified key areas of impact upon which to focus the content of the Global Report. While the FY2015 Global Report is not "in accordance" with core or comprehensive G4 guidelines, it includes the G4 index and identification of material indicators. DTTL anticipates continued exploration of the systems, policies, and approaches that will allow us to meet "in accordance" criteria for future reporting.

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 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 based on clusters of geographic location and size. Using the appropriate cluster ratio, missing data was extrapolated based on the known FTE data. Consistent with other GRI indicators, emissions intensity per FTE was calculated using the FTE total at the reporting year-end (31 May 2015).

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.

Emission factors

The following table 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_2e/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
Air Travel – Various lengths (Finland, Germany)	0.098-0.172	Passenger km	Travel agency records
Air Travel – Various lengths (Japan)	0.083-0.11	Passenger km	Ministry of Land, Infrastructure, Transport and Tourism (MLTI) 2015
Bus (Europe)	0.102	Passenger km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Bus (Japan)	0.084	Passenger km	Ministry of Land, Infrastructure, Transport and Tourism (MLTI) 2015
Bus (Outside Europe)	0.067	Passenger km	WRI Emission Factors from Cross Sector Tools (April 2014)
Electricity (Australia)	200-1180	MWh	Australian Government - National Greenhouse & Energy Reporting Act
Electricity (Canada)	2-750	MWh	Environment Canada National Inventory Report 1990-2013
Electricity (Chile)	360-790	MWh	Ministry of Energy, Chilean Government 2014 data for Central Interconnected System (SIC)
Electricity (China)	890	MWh	China regional average - WRI Calculation Spreadsheet of China Regional Grid Emission Factors for Purchased Electricity
Electricity (Finland)	220	MWh	Finnish Electricity Company
Electricity (France)	78	MWh	Base carbone - Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME)
Electricity (Germany)	541	MWh	Umweltbundesamt, Strommix Deutschland, UBA
Electricity (India)	978-981	MWh	India CO2 Baseline Database for the Indian Power Sector - User Guides – 2014
Electricity (Japan)	423-858	MWh	Various Japanese Power Companies
Electricity (Mexico)	402	MWh	Electricity Federal Commission Life Cycle Analysis (LCA)
Electricity (New Zealand)	120-140	MWh	New Zealand Ministry of Economic Development - Quarterly Energy Update
Electricity (South Africa)	1030	MWh	Eskom's 2015 data
Electricity (Switzerland)	32	MWh	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Electricity (UK)	462	MWh	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Electricity (U.S.)	248-860	MWh	USEPA eGRID2010 Version 1.0
Electricity (Various countries)	137-1086	MWh	IEA Statistics, "CO2 Emissions from Fuel Combustion Highlights." 2013 Edition
Hotel Stays	33.82	Nights	Based on select information from Green Hotels Global TM Q3 2014
Hotel Stays (Australia)	40.91	Nights	Emission factor provided by Vendors (average)
Hotel Stays (Japan)	31.5	Nights	Ministry of the Environment, Government of Japan, Law Concerning the Promotion of the Measures to Cope with Global Warming
Hotel Stays (New Zealand)	2.56-7.97	Nights	Ministry for the Environment, Guidance for voluntary, corporate greenhouse gas reporting, 2011 Calendar Year
Mobile Combustion – Car (Average) (Various Fuels) (Finland, Luxembourg)	0.12-0.147	Km	Actual information from the fleet company
Mobile Combustion – Car (Average) (Diesel) (Europe)	0.185	Km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
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) (Belgium)	2.834-2.947	Liter	Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME)
Mobile Combustion – Car (Petrol) (Japan)	2.32	Liter	Ministry of the Environment, Government of Japan, Law Concerning the Promotion of the Measures to Cope with Global Warming
Mobile Combustion – Car (Various fuels) (New Zealand)	2.36-2.72	Liter	Ministry for the Environment

Emission source	Emission factor	Unit kg CO$_2$e/unit	Reference
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)	0.253	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
Mobile Combustion – Car (unknown fuel) (New Zealand)	.231	Km	Ministry for the Environment, Guidance for voluntary, corporate greenhouse gas reporting
Mobile Combustion – Car or Van (Various fuels) (Netherlands)	1.86-3.14	Liter	Stichting Klimaatvriendelijk Aanbesteden en Ondernemen
Mobile Combustion – Car or Van (Various fuels) (France)	2.40-2.70	Liter	Specific fuel providers
Mobile Combustion – Car or Van (Various fuels) (France)	0.241	Km	Base carbone - Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME)
Mobile Combustion – Car or Van (various fuels) (Europe)	0.082 – 0.231	Km	Specific fleet and rental car information
Mobile Combustion – Europe Car (Average) (Petrol)	0.194	Km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Mobile Combustion – Europe/Car (Average) (unknown fuel)	0.189	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) (Diesel)	0.280	Km	WRI Emission Factors from Cross Sector Tools (April 2014)
Mobile Combustion – Outside Europe/Car (Average) (Petrol)	0.237	Km	WRI Emission Factors from Cross Sector Tools (April 2014)
Mobile Combustion – Outside Europe/Car-Average (Unknown fuel) (Japan)	0.164-0.186	Km	Ministry of the Environment, Government of Japan, Law Concerning the Promotion of the Measures to Cope with Global Warming
Mobile Combustion – Taxi	0.143	Vehicle km	WRI Emission Factors from Cross Sector Tools (April 2014)
Mobile Combustion – Taxi (Australia)	0. 250	Vehicle km	Calculation based on Australian Government Department of Climate Change (July 2012) National Greenhouse Accounts (NGA) Factors. Schedule 1
Mobile Combustion – Taxi (France)	2.40-2.41	Passenger km	Base carbone - Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME)
Mobile Combustion – Taxi (Japan)	0.438	Vehicle km	Ministry of Land, Infrastructure, Transport and Tourism (MLTI) 2015
Mobile Combustion – Taxi (New Zealand)	0.307	Passenger km	Ministry for the Environment. June 2013
Mobile Combustion – Taxi / Car service (U.S.)	0.495	Passenger mile	Specific information from service providers
Mobile Combustion – Taxi/Car service (UK)	0.176-0.328	Passenger km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Mobile Combustion – Van (Diesel)	0.251	Km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Mobile Combustion – Van (Petrol)	0.211	Km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Mobile Combustion – Van (UK)	0.268	Km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Rail – Average (Light Rail or Tram)	0.101	Passenger km	WRI Emission Factors from Cross Sector Tools (April 2014)
Rail – National Rail	0.115	Passenger km	WRI Emission Factors from Cross Sector Tools (April 2014)
Rail – Subway	0.101	Passenger km	WRI Emission Factors from Cross Sector Tools (April 2014)

Emission source	Emission factor	Unit kg CO_2e/unit	Reference
Rail (Eurostar)	0.012	Passenger km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Rail (France)	0.001-0.106	Passenger km	Base carbone - Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME)
Rail (Germany)	0.075	Passenger km	Deutsche Bahn
Rail (Japan)	0.024	Passenger km	Ministry of Land, Infrastructure, Transport and Tourism (MLTI) 2015
Rail (Netherlands)	0.030	Passenger km	National Rail
Rail (UK)	0.012-0.045	Passenger km	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.2)
Stationary Combustion – Diesel	2.676	Liter	WRI Emission Factors from Cross Sector Tools (April 2014)
Stationary Combustion – Diesel (France)	0.319	kWh	Base carbone - Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME)
Stationary Combustion – Diesel or Heating Oil (Low Heating Value)	74.10	GJ	WRI Emission Factors from Cross Sector Tools (April 2014)
Stationary Combustion – Heating Oil (Japan)	2.71	Liter	Ministry of the Environment, Government of Japan, Law Concerning the Promotion of the Measures to Cope with Global Warming
Stationary Combustion – Liquefied Petroleum Gas (LPG)	1.61	Liter	WRI Emission Factors from Cross Sector Tools (April 2014)
Stationary Combustion – Natural Gas (Japan)	2.244-3.132	Cubic meters	HV-gas company
Stationary Combustion – Natural Gas (Low Heating Value)	56.10	GJ	WRI Emission Factors from Cross Sector Tools (April 2014)
Stationary Combustion – Natural Gas (UK, Switzerland)	0.184	kWh	Defra's 2014 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (version 1.12)
Stationary Combustion – Natural Gas (France)	0.235	kWh	Base carbone - Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME)

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** • Client interaction during engagements • Client satisfaction process • Business development activities • Conferences • Proposal responses and follow up on losses • Client questionnaires	• Publicly traded company clients, including their audit committees and boards of directors • Closely held company clients • Government clients • Nonprofit clients • Past and potential clients	• 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	• 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	• 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
Deloitte people, their families, and future talent	**Ongoing** • 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	• Current, former, retired, and prospective employees • Spouses/partners, children, and family members of Deloitte people	• 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	• 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	• 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

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** • Proactive engagement with regulators on topics impacting the profession and the capital markets • Contribution to shaping of new regulation • Collaboration on policy development • Participation in development of standards • Website and current event monitoring • Responsiveness to inquiries **Annual or regular recurring basis** • Quality/performance reviews	• Audit oversight bodies • National financial market regulators • Finance ministers and central bank governors • International law enforcement and security agencies • Multinational fora • Government ministers (aligned to topics) • Embassies	• Audit quality • Auditor independence • Transparency • Market competitiveness • Corporate governance • Diversity and inclusion • Confidentiality and data privacy • Safety and security threats, criminal incidents and crisis events • International trade • Jobs and skills • Responsible tax • Innovation	• 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	• Protection of public interest • Governance, risk, and compliance • Anti-corruption • Public policy positions • Ethics and integrity • Diversity and fair treatment • Privacy and data security • Transparency • Environmental performance • Security threats to operations and people • Inclusive growth
Professional associations and networks	**Ongoing** • Involvement in committees and working groups • Representation on leadership councils • Attendance at conferences **Ad hoc** • Collaboration on industry white papers • Speaking engagements • Participation in development of standards	• Peer networks • Associations of certified/chartered accountants • Associations of tax professionals • Management consulting professional associations • Financial advisory professional associations	• Adherence to professional performance standards • Governance • Barrier-free trade • Sustainable development • Standards for auditing of nonfinancial information	• Standards for engagement acceptance and performance • Peer reviews • Commentaries on proposed standards • Training • Thoughtware • Strategy formulation	• Protection of public interest • Ethics and integrity • Governance, risk, and compliance • Professional standards • Professional performance • Employee development • Public policy positions
Nonprofit organizations and local communities	**Ongoing** • Local representation • Pro bono engagements • Collaborations • Volunteering • Social media • Electronic mail • Meetings and conferences • Speaking engagements	• CDP (formerly Carbon Disclosure Project) • The Red Cross and Red Crescent Movement • Achievement Worldwide • Teach For All • United Way Worldwide • Local business and community organizations	• 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	• Skills-based volunteering • Community volunteering • IMPACT day • Pro bono engagements • Foundation and member firm monetary and in-kind gifts • Voluntary sustainability reporting	• 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

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	**Ongoing** • Steering committee memberships • Organizational stakeholder meetings • Meetings, conferences and correspondence	• United Nations Global Compact • World Economic Forum • World Business Council for Sustainable Development • International Integrated Reporting Committee • Global Reporting Initiative • Cross-industry business alliances	• Establishment of and adherence to international norms • Understanding of frameworks and initiatives • Economic, social, and humanitarian development	• Pro bono engagements • Internal and external training • Thoughtware • Changes to global report content • Voluntary reporting on sustainability • GHG reduction targets in place or in development (varies across member firms)	• Ethics and integrity • Anti-corruption • Public policy • Protection of public • Diversity and fair treatment • Education • Youth unemployment • Governance, risk, and compliance • Corporate responsibility commitment • Privacy and data security • Environmental performance • Human rights • Health and safety • Community engagement • Physical security • Social progress and equality
Suppliers	**Ongoing** • Negotiations • Meetings • Proposals • Industry meetings	• Software suppliers • Hardware suppliers • Travel service suppliers • Consultants	• Contract terms including pricing and payment • Features and functionality • Issue resolution • Confidentiality • Sales projections • Opportunities for (mutual) sustainable solutions • Opportunities for collaboration	• Establishment of alliances • Establishment of preferred vendors • Establishment of green purchasing practices • Contracts • Supply chain audits	• Ethics and integrity • Anti-corruption • Diversity and fair treatment • Privacy and data security
Industry and market analysts	**Ongoing** • Global engagement strategy involving Deloitte executive leadership, subject-matter specialists, and other stakeholders across geographies, capabilities, and industries	• Forrester • Gartner • IDC • Kennedy • Source for Consulting • Verdantix	• Capabilities (e.g. Digital, Risk/Cyber, Change, Innovation, Technology, Transformation) • Client and market trends • Competitive landscape • Strategy	• Ongoing relationships • Dialogue and shared insights • Formal analyst inquiry and briefings • Analyst events and advisory sessions virtual and in person • Participation in evaluative research	• Digital disruption • Customer experience • Business transformation • Security and privacy • Change and people issues • Consulting business model innovation
Educational institutions/academia	**Ongoing** • Participation in programs • Collaborations • Recruiting • Guest lecturing and speaking engagements	• Students of high potential who receive educational scholarships from Deloitte	• Subject-matter knowledge • New perspectives • Leading research • Career placement	• Volunteering • Pro bono engagements • Matching gifts • Guest lecturers • Funding of chairs and scholarships at universities	• Education • Ethics and integrity • Diversity and fair treatment • Employee development • Anti-corruption • Human rights

Contact us

GlobalReport@deloitte.com

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