



# 2012 Stakeholder Report

## Leaving a legacy and creating a sustainable future

# Contents

Message from the Chief Executive and CEO-elect .....1

Message from the Chairman of the Board.....7

About Deloitte .....10

Stakeholder Engagement .....18

Our Governance .....30

Magnet for Top Talent .....41

Environmental Sustainability .....57

Commitment to Society.....62

United Nations Global Compact .....78

Glossary of Terms.....82

Contacts .....83



# Message from the Chief Executive and CEO-elect

# Message from the Chief Executive



**Grant Gelink**  
Chief Executive

Dear Stakeholders

I find it appropriate that after six years as chief executive, one of my last official acts before departing Deloitte for retirement is the writing of this foreword for the 2012 Deloitte Stakeholder Report. The action is appropriate, as this document covers the essential elements of a firm that I have been part of as an employee, partner and finally chief executive, for 26 years.

During this time Deloitte has become an integral part of my life.

I, like my colleagues, have taken on board the values that have been central to this firm. These values are reflected in all sections of this report.

I am also proud to say that I have been privileged to play a part in building a distinctive Deloitte brand in Southern Africa.

Our brand is synonymous with a Deloitte culture that is founded on the attributes of integrity, ethics, quality and positive leadership. Naturally, there have been many challenges during my career, but none more daunting than the latter months of 2008.

It became clear during the last six months of 2008 that the economy was in distress. At Deloitte the impact was felt through clients cutting back on our advisory services and postponement of projects. Obviously, tough decisions had to be made.

It was decided upfront that partners and directors, rather than staff, should bear the brunt of the recession. Costs were reduced and staff intake slowed down. Most notably, we continued with every corporate social investment without making any reductions in our commitments.

The recessionary storm saw revenue growth slow significantly, with profitability flat in 2010. Although these days are now behind us, I emerged with two clear lessons, these were:

It pays to put people first. If you have the right people in place and treat them well, they will assist by serving clients better and making the personal sacrifices required to weather recessionary times.

Secondly, the recession taught us that we make our own future by seeking clients, and by being agile in the way we serve them. Ultimately, our strength lies in our relationships with our clients; it is these relationships that are crucial to the growth of any business.

The theme of our 2012 Stakeholder Report is "Leaving a legacy and creating a sustainable future". It is a crucial part of our strategy that we continuously monitor and assess the impact and impressions we have made as corporate citizens, and that we strive to realise all that we set out to do by creating a sustainable future.

### Corporate citizenship providing a firm base for our business

Our culture is based on our Shared Values. It finds expression through an ongoing commitment that is based on our people doing the right thing today, to ensure our sustainability in the future. Our strategy is not based on delivering short-term business solutions, but rather on delivering lasting value for all our stakeholders, which naturally includes all who work at Deloitte.

We have a multi-focused approach to corporate citizenship and corporate social investment (CSI). Our strategy encompasses:

- Placing **good corporate governance** practices at the centre of our business and our distinct corporate culture. These practices are applied in all our business dealings to our clients and suppliers, who also uphold strong corporate governance standards.
  - **Upholding the rights of employees** by recognising that they have the right to be fairly treated and have equal opportunities within our workplace. We also:
    - Strive to ensure that all our people enjoy the best possible career opportunities, recognition and rewards
    - Provide a safe and healthy work environment for all Deloitte staff, clients and contractors.
  - **Contributing to environmental sustainability** by identifying, introducing and adhering to policies and business initiatives to reduce our impact on the environment.
- We see our diverse business activities as a means of **adding value through participation in the economic value chain**, an activity that assists in creating sustainable work and business opportunities across the socio-economic spectrum.
  - Using the **Deloitte Foundation** as a dedicated vehicle to execute defined projects within our corporate social investment strategy. The main driver of this activity is based on involving Deloitte staff members in community-based activities across Southern Africa. Through volunteering their participation and use of their talents, our staff make contributions that are designed to impact on the quality of life of these communities.

Financial and logistical support is provided by the firm, which also has a formal voluntary staff contribution programme that focuses on promoting education, enterprise development and job creation.



## Looking forward

Deloitte has been challenging professional and societal boundaries since we began operating more than a century ago.

The firm has grown and changed with Southern Africa, expanding its services footprint to keep pace with our developing nations. We have also, where we have deemed it necessary, challenged conventions. The prime example of this was our commitment to transform the profession by leading the drive towards attracting black professionals into the accountancy profession. Although Deloitte only makes up approximately 15% of the pool of candidates writing the IRBA Part 2 Public Practice Examination, it has contributed 23% of all African Black CA(SA)s (audit elective) over the past 11 years. Our commitment to the continued transformation to our firm and profession is unwavering.

We place the emphasis on identifying people with potential, assisting them with their development and enabling them to enter the business world with skills and confidence.

It is with great confidence and pride that I hand over the chief executive role to Lwazi Bam. Lwazi has served Deloitte in various capacities for a number of years. I have no doubt that he will successfully lead the firm to great social and economic heights.

Sincerely

**Grant Gelink**

Chief Executive

Deloitte Southern Africa

For questions or comments: [sustainability@deloitte.co.za](mailto:sustainability@deloitte.co.za)

# Message from the CEO-elect



**Lwazi Bam**  
CEO-elect

## On becoming CEO of Deloitte

Dear Stakeholders

I am privileged and honoured to have been elected by the partners of Deloitte Southern Africa as their next Chief Executive and as a successor to Grant Gelink.

I have been entrusted with leading an organisation that has been the leading professional services firm for almost all of its over 100 years of existence in Africa. It will

therefore be my responsibility to ensure that this dynamic organisation continues to be the leading professional services firm or as per our vision to be the "Standard of Excellence".

I am taking over at a time where there are several challenges facing not just professional services firm but the business community as a whole. The most pervasive of these challenges, following on the 2008 financial crisis, is the challenge of credibility and trust. The financial crisis has led to a deep mistrust of the role of business from a broad range of our stakeholders, including Legislators, Regulators, employees both current and future and the broader society. The role of business as a leader of growth and a provider to society has been significantly tarnished. It is important that the trust is restored and Business as whole will have to lead that process of ensuring that we are and are seen as positive force to society.

I am also taking over at an exciting time for the African continent, never before has our continent had such exciting prospects. It is indeed Africa's time to shine. Our continent is endowed with natural riches and it is exciting that we now have an opportunity to use such riches for the upliftment of Africa and more importantly, the upliftment of its people. Deloitte as the largest practice in Africa will play an integral part in the fulfilment and the conversion of the African prospects into reality. We acknowledge that our success is not only dependent on the success of our individual countries but of Africa as a whole.

To achieve all of this, it will be critical that as a professional services firm we have the talent required to broaden and expand our services to our clients throughout the continent. Our talent growth is founded on one of our foundational values "strength in diversity". It will therefore be important that the South African firm continues to transform our workforce and ownership to reflect the demographics of our country.

I am convinced that the professional services firm of the future will have to be more adaptable than was the case in the past. I will therefore be concentrating on fostering a renewed spirit of innovation within Deloitte in Africa.

I believe that by identifying and introducing innovative ways of developing our people, our service delivery and new services and products, we will cement our reputation for excellence and industry leadership. Reinforcing and maintaining high performance teams that deliver across the spectrum of Deloitte services will therefore be a major focus.

Finally, I wish to express my sincere thanks and gratitude to Grant Gelink. He has succeeded in leaving our firm in a much better shape than he found it. I don't believe that there could be any other measure of success for a leader. I wish Grant all the best for his retirement, I am sure he will continue to play a positive role in South African business for many years to come.

Sincerely

**Lwazi Bam**

CEO-elect

Deloitte Southern Africa

For questions or comments: [sustainability@deloitte.co.za](mailto:sustainability@deloitte.co.za)





# Message from the Chairman of the Board

# Message from the Chairman



**Trevor Brown**  
Chairman of the Board

## **Taking custodianship of Deloitte**

Dear Stakeholders

Becoming chairman of Deloitte on 1 September 2011 after being with the firm for 33 years represents the pinnacle of a relationship that began when I was a mere 18 year old! I feel privileged to serve Deloitte in this role, and thank my colleagues for the trust they have placed in me.

I take on the role of chairman at a time when the global economy is facing enormous challenges - challenges from which South Africa and its neighbouring states will not be entirely exempt. However, it is also a time when Deloitte is performing well.

## **Tribute**

Our Partnership Agreement provides that the chairman of the Board can serve for a maximum of three consecutive terms. Futhi Mtoba has been our chairman for the past three terms of the Board since 2004 and I would like to take this opportunity to thank her, as our outgoing chairman, for the diligence and rigour she exercised in performing this role most ably. With our focus on Africa, we have formed an African Board to ensure we deliver top client service throughout the continent. I am very pleased that Futhi has assumed responsibilities as chairman of this African Board.

## **Our stakeholders**

I would like to pay tribute to our stakeholders, without whom our business would simply not exist.

It is appropriate that I examine those stakeholder groups separately.

## **Our people**

I begin by welcoming newly graduated professionals to our firm who have their eye either on obtaining their Chartered Accountant qualification or working through the ranks of our consulting and advisory businesses. Congratulations! You have joined one of the greatest firms, a place where people, whether they are staff or clients, are valued. During your time with us I am sure you will be exposed to professionals from all types of disciplines and also have contact with our most diverse client base. Use these opportunities fully and you will develop and sharpen your skills by assimilating the knowledge offered by those with whom you come into contact.

To our partners and directors, especially those that have been newly appointed, and to all of our people; thank you for your personal contribution. May I say that self-actualisation and pushing personal boundaries are intrinsic to the fabric of Deloitte. We look forward to your continued hard work and commitment to each other.

### Our clients

Our major responsibility, however, is to a stakeholder group we sometimes know well or sometimes remain unknown – our clients. Our clients hire us to either give assurance to their stakeholders or to help them solve problems that they face. We give assurance to those people who have pensions, those who hold shares in listed companies and the ordinary investor through our audit, risk advisory and tax businesses. Our auditing service is the cornerstone of governance. Then there are those clients to whom we offer a diverse advisory and consulting service – we genuinely want to add value to them through these services and our people — to help improve their businesses in areas of strategy, Information Technology and human capital development.

### Our government

We support government through the assurance, tax and advisory work we perform for government departments and other Public Sector entities. We also support the Auditor-General, who has the responsibility to audit government departments and entities. This support helps government improve its performance and ability to deliver services.

### Our community

Corporate citizenship is taken into account, not only by reporting activities in our annual reports, but in a meaningful way that impacts our clients and our people. We participate in a range of initiatives, starting with IMPACT Day, our firm wide day dedicated to giving back to our communities. Because we value education, empowerment, enterprise development and entrepreneurship, we particularly support these areas.

To all our stakeholders, we offer our thanks for your valued support. We welcome your feedback on this report and in general and look forward to continued engagement with you in the year ahead.

### Lwazi Bam assumes office as CEO on 1 June 2012

We look forward to the appointment of Lwazi Bam as chief executive on 1 June 2012. Lwazi will be the first African Black chief executive of our firm, which is a true indicator of the progress our firm has made in its transformation. Lwazi's history with Deloitte goes back nearly 18 years and for six of those years, Lwazi has been a member of the firm's executive committee. As a member of the executive committee Lwazi has held several roles including being the head of Corporate Finance, Strategy leader, National Public Sector leader and the African Integration leader. Perhaps most importantly, is that as chief executive he will bring to the table, years of living the Deloitte values. He is a worthy successor to Grant Gelink and we look forward to his stewardship of the firm for this ensuing term of the next four years.

Sincerely

**Trevor Brown**

Chairman

Deloitte Board of Partners and Directors

For questions or comments: [sustainability@deloitte.co.za](mailto:sustainability@deloitte.co.za)



# About Deloitte



# About Deloitte

## Our business

The purpose of this section is to define for our stakeholders the nature of our business, our geographical footprint and our fundamental business principles.

## Introduction to Deloitte

### Our global strength

Deloitte Touche Tohmatsu Limited (DTTL) is an organisation of member firms devoted to excellence in providing professional services and advice. We are focused on client service through a global strategy executed in 150 countries worldwide, with access to the deep intellectual capital of 182 000 people worldwide. We serve over one-half of the world's largest companies, as well as large national enterprises, public institutions, and successful fast-growing global companies spanning multiple industries.

"Deloitte" is the brand under which tens of thousands of dedicated professionals in independent firms throughout the world collaborate to provide audit, consulting, financial advisory, risk management, and tax services to selected clients. These firms are members of DTTL, a UK private company limited by guarantee. Each member firm provides services in a particular geographic area and is subject to the laws and professional regulations of the particular country or countries in which it operates. DTTL does not itself provide services to clients. DTTL and each DTTL member firm are separate and distinct legal entities, which cannot obligate each other. DTTL and each DTTL member firm are liable only for their own acts or omissions and not those of each other. Each DTTL member firm is structured differently in accordance with national laws, regulations, customary practice, and other factors, and may secure the provision of professional services in its territory through subsidiaries, affiliates, and/or other entities.

## Deloitte in Africa

In Africa, Deloitte operates in a number of countries. The map below demonstrates the firm's coverage throughout Africa.

On the African continent, Deloitte operates in more than 28 countries and employs more than 5 000 people.

With 54 countries on the African continent, the sheer size and diversity of markets present unique challenges to local, national and international businesses alike seeking to establish or expand their influence in Africa's rapidly expanding business sectors.

Deloitte member firms offer assistance to clients by bringing their insights, experience and professional skills to bear in a region that is presently a focus for international businesses seeking growth opportunities outside the developed markets of Europe and the USA.





### **Francophone Africa**

Deloitte has been involved for some thirty years with the French-speaking countries in Magreb, West Africa and Central Africa. These French speaking countries of Africa successfully combine the quality of local resources with the contribution of Deloitte France's expertise. Diversity is at the heart of their culture. There are eight main countries and these are: Ivory Coast, Gabon, Algeria, Senegal, Tunisia, Equatorial Guinea, Benin.

### **Central and Western Africa**

Our Central and Western Africa practice serves multinational, large national enterprises and the public sector across four countries of the region: Nigeria, Ghana, The Gambia and Cameroon.

Deloitte has a long history in this region – in fact, Deloitte in Nigeria is the oldest indigenous accounting firm in Central and Western Africa, established in 1952. With over 585 people within this region, all unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from cultural diversity. The countries which constitute Central and Western Africa include:

#### ***Nigeria***

The Nigerian practice consists of 432 employees. The firm services a number of international clients including Microsoft Corporation, Coca Cola, SABMiller and Procter & Gamble Nigeria to name a few.

#### ***Ghana***

The Ghanaian practice consists of 98 employees with a service focus on Assurance & Advisory, Consulting, ERS, Legal & Tax. Some of the firm's inbound clients include Vodafone, SGS Ghana Ltd and Boeing International.

### ***Cameroon***

The Cameroon practice is the number two professional services firm in Cameroon in terms of both revenue, client size and staff numbers. Total staff amount to 55 employees, 31% of the firm's employees are female. The firm's clients stretch across many industries including Energy & Resources, Financial Services, Consumer Business and Public Sector.

### ***East Africa***

Deloitte is one of the longest established professional service firms in East Africa. Dedicated since 1907 to the needs of our clients, we have grown with the economy and aspirations of the region into a large and experienced firm, supplying the very best in accounting, taxation and business solutions to some of East Africa's most prominent organisation.

Today, with 18 partners and over 650 employees in offices in Nairobi, Mombasa, Kampala and Dar-es-Salaam, Deloitte East Africa serves a wide range of clients from the largest organisations in the region to international lending agencies spanning a wide variety of local and international organisations from all sectors, including manufacturing, retail, financial, distribution, agricultural, governmental and non-governmental organisations and charitable bodies.

### ***Kenya***

The Kenyan firm holds a second seat market position in the country with two offices in Nairobi and Mombasa. The firm comprises 337 employees and service clients in terms of their Audit, Tax, Enterprise Risk, Financial Advisory and Consulting needs. Some key clients include The Auditor General, East Africa Breweries Ltd and KenGen.

### ***Tanzania***

The Tanzanian firm holds a second seat market position in the country with one office in Dar-es-Salaam. The firm consists of 204 employees. The firm's key clients include USAID, TTCL and the Ministry of Infrastructure Tanzania.

### ***Uganda***

The Ugandan firm holds a third seat market position in the country with one key office in Kampala. The firm consists of 123 employees and key clients include USAID and the Uganda Ministry of Energy.

### ***Zambia***

Deloitte Zambia is a partnership consisting of three partners and directors. The total number of people permanently employed is currently 100, all based in the Lusaka office providing professional services in Audit, Tax, Consulting and Financial Advisory. Many of their clients are found in the Energy, Resources and Manufacturing sectors.

### ***Zimbabwe and Malawi***

Deloitte Zimbabwe provides professional services in Audit, Consulting, Financial Advisory and Risk Advisory. The Zimbabwean firm operates in Zimbabwe and Malawi through five offices in Harare, Bulawayo, Kwekwe, Blantyre and Lilongwe. Deloitte Zimbabwe is a partnership consisting of 13 partners and directors with a total of 242 employees.

### ***Angola***

The Deloitte Angolan firm has one office in Luanda and 171 employees. The firm's service lines which are drive from the Angolan office include Assurance, Consulting, Tax, Corporate Finance and BPAS.

### ***Mauritius***

Deloitte Mauritius was established in 1952 and is one of the leading firms of accountants in Mauritius, serving the leaders of each of the industry group in the domestic market and many international companies which are registered as global companies in Mauritius. The Mauritian firm has one office in Ebenen and it consists of 150 employees. The firm focuses on Audit, Tax, Consulting and FAS services.

### ***DRC, Rwanda and Burundi***

Global Professional Organisation (GPO) Partner co-ordinates the activities of GPO Partners Congo, GPO Partners Rwanda Ltd and GPO Partners Burundi, three independent correspondent firms of Deloitte. With seven partners and 70 professionals, GPO Partners is a Global Professional Organisation delivering world-class audit, accounting, tax and consulting services to international companies, as well as national enterprises and public institutions.



Deloitte CEO Grant Gelink, Botswana's Minister of Finance, Ontefetse Kenneth Matambo with Botswana Partner in Charge, Max Marinelli.



Pretoria office managing partner Xavier Botha, Auditor General Terence Nombembe and chief executive Grant Gelink at the opening of the new Pretoria office.

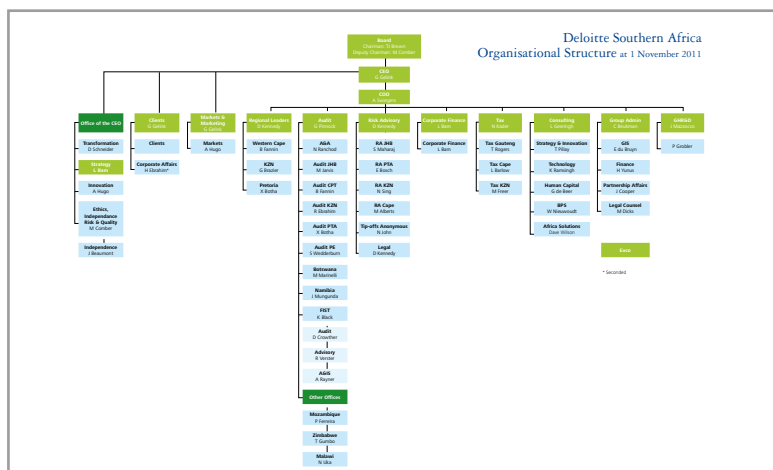
**Deloitte in Southern Africa**

Deloitte is one of Southern Africa's foremost professional services firms, providing services through 3 600 people in nine offices in South Africa and 17 cities in Southern Africa. The headquarters of Deloitte in the Southern African region is in Johannesburg, South Africa. Deloitte South Africa is a partnership consisting of 242 partners and directors. Partners and directors are effectively the shareholders in the business and the black equity/ownership currently constitutes 28%.

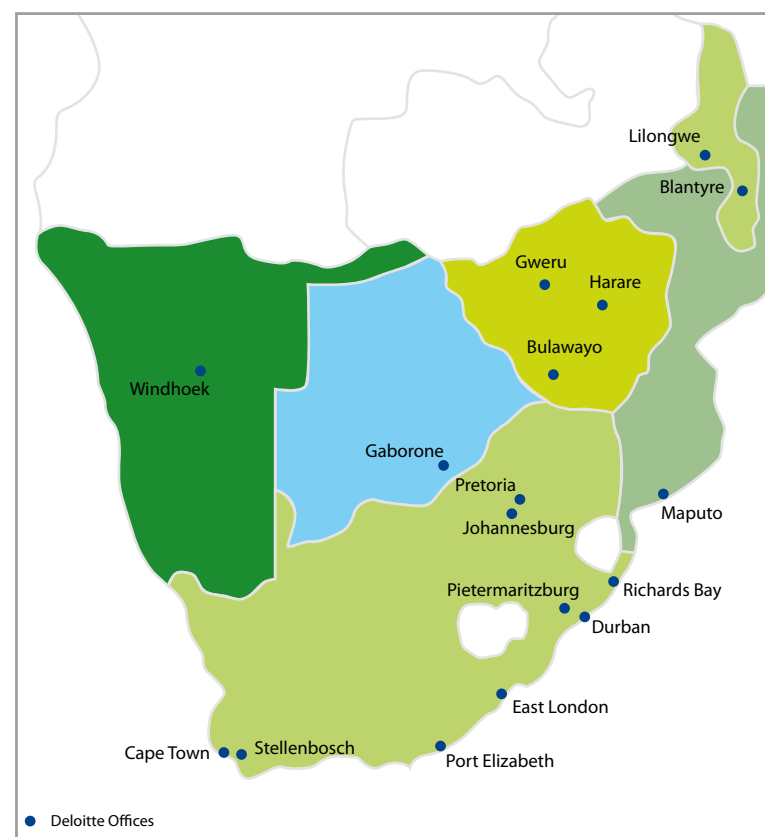
Deloitte Southern Africa is a member firm of Deloitte Touche Tohmatsu Limited (DTTL) and part of the EMEA region (Europe, Middle East and Africa).

The turnover of the Southern African practice for financial year 2011 was R2.9 billion.

An organisation chart of the Deloitte leadership in Southern Africa at 1 November 2011 is available. Click [here](#) to view.



Deloitte currently has nine offices in South Africa, making our reach on a national basis easy.



## Services at Deloitte

Deloitte operates through five strategic service lines. Our competitive advantage lies in the Deloitte difference, which draws on the offering of a unique suite of services and is based on a deep understanding of our clients' issues.

Deloitte earns its revenue through the provision of professional services and advice to clients in both the private and public sector by means of five strategic service areas: Audit, Tax, Consulting, Risk Advisory and Corporate Finance. This is supported by co-operation based on our Shared Values, global client service standards and a OneDeloitte multi-disciplinary approach. Deloitte serves clients across a number of industries, and these are:

- Consumer Business
- Financial Services
- Health care
- Manufacturing, Automotive and Construction
- Mining
- Oil and Gas
- Power and Utilities
- Public Sector
- Technology, Media and Telecommunications

The Deloitte five strategic service areas:

Audit	Consulting	Corporate Finance	Risk Advisory	Tax
Audit	Africa Solutions	Debt Advisory	Data Analytics	Corporate Tax
Actuarial & Insurance Solutions	Business Process Solutions	Due Diligence	Forensics	Custom and Excise
Financial Institution Services Team	Human Capital	Mergers & Acquisition Advisory	Governance & Risk Management	Financial Institutions Tax
Special Services Group	Strategy & Innovation	Private Equity Services	Internal Audit	Global Employment Services
	Technology	Reorganisation Services	IT Audit	Government Growth Initiatives
		Sponsor Services	Legal	International Tax
		Valuations	Security & Privacy Services	Mergers & Acquisitions
			Technology Risk Advisory	Sustainability & Climate Change
			Tip-offs Anonymous	Tax Management Consulting
				Transfer Pricing
				Value Added Tax Services

### Our business principles

**Our vision is to:**

Be the Standard of Excellence. Be the first choice of the most sought-after clients and talent.

**Our mission is to:**

Help our clients and our people excel.

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“The focus of our business strategy is to be the Standard of Excellence in all we do.”



## 2011/2010 Highlights and Achievements

- After 46 years with the firm, **Costa Qually retired and stepped down as deputy chairman of the Board** at the end of May 2010. **Mike Comber was appointed as deputy chairman of the Board** in July 2010. Costa was awarded honorary life membership of the South African Institute of Chartered Accountants (SAICA).
- The Board of SAICA appointed FIST partner **Dinesh Munu** as the **chairman of the Pension Fund Trustees**.
- **2010 FIFA World Cup staff events** were held across the country and celebrated this unique time in South Africa's history.
- 2010 saw the launch of the **"green dot" advertising campaign**, using the green dot to express the unique value that Deloitte adds to clients.
- Former chairman Futhi Mtoba was elected as president of Business Unity SA (BUSA) in May 2010, she was nominated by the Association of Black Accountants of Southern Africa (ABASA) and the Business Women's Association (BWA).
- In November 2010, Justine Mazzocco and Nazrien Kader were both invited to join the firm's Executive Committee, responsible for Talent & Transformation and Taxation Services respectively.
- Turnover Deloitte Southern Africa (FY2011): R2.9 billion at growth rate of 4.9% (FY2010: R2.78 billion).
- Number of **new partners/directors appointed** FY2011: 13 (FY2010: 10)
- **Lwazi Bam is appointed as CEO-elect**; his appointment to chief executive becomes effective on 1 June 2012.
- Our **Level 2 BBBEE rating** is a testimony to the commitment of the firm's leadership and the many individuals who work towards the achievement of our transformation goals.
- Currently, 28% of our partners and directors are Black. This translates to 68 partners/directors.
- Deloitte is **recognised as the leading management consultants** in the world by Kennedy. In January 2011, a similar rating was received for Consulting in South Africa. This was a testament to the broad and deep capabilities we have in Consulting, and market leadership positions within Strategy and Human Capital.
- Kennedy now ranks **Deloitte second by revenue in global strategy consulting** after McKinsey. According to Kennedy, Deloitte is the fastest growing strategy consulting firm, with a growth rate of 18%. Deloitte has also received strong recognition of our positioning in the area of Executable Strategy, Finance Transformation and Merger Integration services.
- Deloitte **bolstered technology integration** with the **successful acquisition of Cyan ES**, which added new clients and capabilities, specifically in serving the Financial Services Industry.
- **Launch of a Leadership Impact service offering**, leveraging the global As One positioning (collective leadership), the latest global positioning on Leadership by Design, the **acquisition of Colbrad** (leadership performance and risk) and **OneFuture Consulting** (collaborative leadership solutions).
- Deloitte **successfully disposed of its Tax Technology business to Thompson Reuters (TR)**, a move which pre-empted IFAC rules to be effective shortly.
- The Audit business continues to be a magnet for attracting the top university talent. The Audit Graduate Recruitment team again achieved a **100% fully qualified (at a CTA level) 1st year trainee intake in January 2011**; Deloitte is the **only Big Four firm to achieve this**.
- **Deloitte is proud of trainees who passed the final qualifying Exams in 2010/2011:**
  - 2010 Part II (results released in February 2011): we achieved an 88% pass rate compared with the national IRBA pass rate of 81%, securing 1st, 5th and two Deloitte candidates tying in 7th place in the Top Ten
  - 2011 Part I (results released in June 2011): we achieved a 74% pass rate compared with the national SAICA pass rate of 64%
  - 2011 Part II (results released in February 2012): we achieved a 82% pass rate with **two candidates have achieved the distinction of a place in the Top Ten**. We now have a further 294 new chartered accountants in Deloitte.
- **Lee Swan**, a manager in our Sustainability and Climate Change team, became the **first African-born woman to reach the Magnetic North Pole in the 2011 Polar Race**, winning the competition.
- The **2011 Our People Survey** (global employee engagement diagnostic) resulted in an **87% participation**, with an overall employee engagement index of 72 (US: 72, UK: 67).
- **Working Differently** takes flexible work arrangements to a new level. We know that mobility, flexibility and a need for work-life balance is what our people want.
- **Deloitte opens the Innovation Zone**, which is a radically different problem-solving environment where clients can leverage Deloitte tools, methodologies, knowledge and expertise to tackle any business challenge at an accelerated rate and in an intense, collaborative way.
- Deloitte has **produced 20% of all newly qualified African Black CAs** (audit elective) in the market in 2011 and 23% over the last eleven years.



# Stakeholder Engagement

## Stakeholder engagement

As an employer of choice and professional services business partner to the private and public sectors in Southern Africa, Deloitte engages with a varied stakeholder base that includes its staff, and extends through its client base to the general public at large.

In order to clearly define its interfaces with these audiences, Deloitte annually examines each stakeholder group, how and when they interface with Deloitte, how Deloitte in return interacts with them, what primary issues impact on each stakeholder group and how the firm can respond to these issues.

The stakeholder engagement matrix clearly defines each contact.

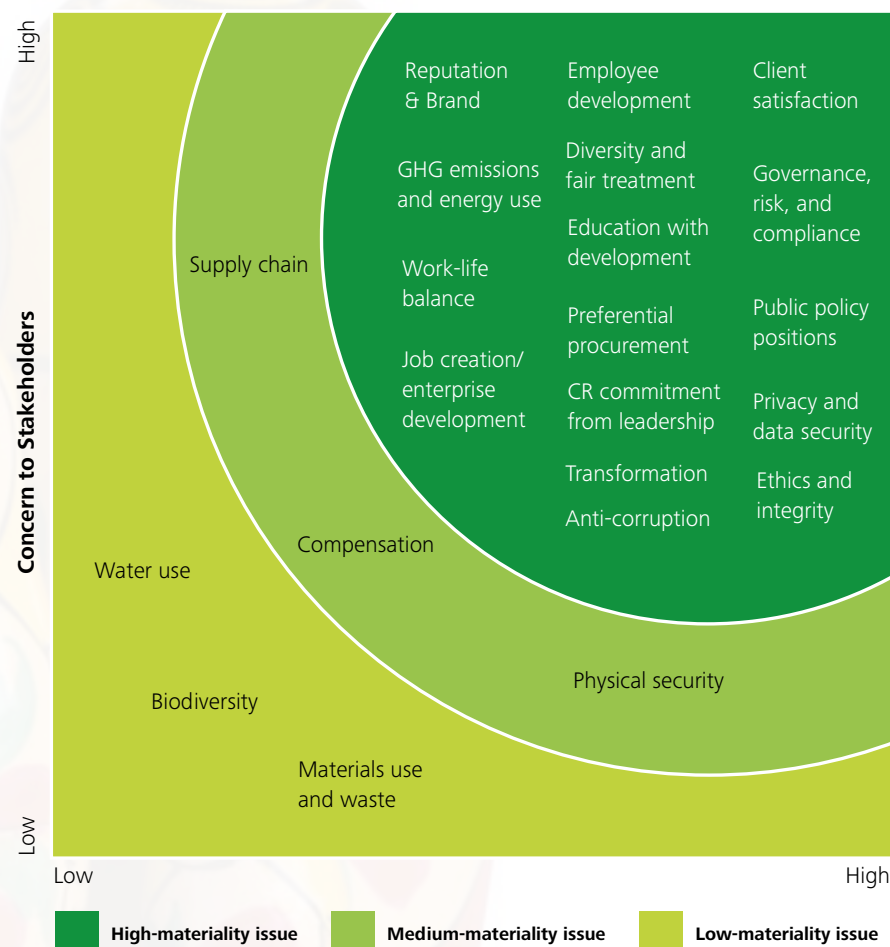
The purpose of this chapter is to define to stakeholders the nature and practice of governance in Deloitte.

## Stakeholder feedback

### Promoting relevance - Materiality analysis and matrix

Findings from stakeholder engagement were used as key considerations for defining the report's content. The diagram below classifies the material issues according to their importance to stakeholders and to Deloitte, with resulting topics of particular importance in the upper-right area of the matrix. Deloitte aims to test the relevance of its reporting by engaging stakeholders for feedback about this report and responding to them to a practical extent.

## Current or potential impact



## Stakeholder Engagement matrix

Key Stakeholder Group: Clients				
Engagement approach and typical frequency of interaction	Sample	Sample of topics	Type of response (may vary across Deloitte)	Areas of high concern (see materiality matrix)
<ul style="list-style-type: none"> <li>• Client interaction during engagements</li> <li>• Client satisfaction process</li> <li>• Business development activities</li> <li>• Conferences</li> <li>• Proposal responses and follow-up on losses</li> </ul>	<ul style="list-style-type: none"> <li>• Publicly traded company clients, including their audit committees and boards of directors</li> <li>• Closely held company clients</li> <li>• Government clients</li> <li>• Past and potential clients</li> </ul>	<ul style="list-style-type: none"> <li>• Service needs of clients</li> <li>• Independence</li> <li>• Ethics</li> <li>• Security and privacy concerns</li> <li>• Value of trusted advisor relationship</li> <li>• Need for industry understanding</li> </ul>	<ul style="list-style-type: none"> <li>• New service offerings</li> <li>• Organising client service around industries</li> <li>• Lead client service roles and responsibility</li> <li>• Adoption of anti-corruption policy</li> <li>• Adoption of policy regarding privacy programmes and leadership</li> <li>• IT security policies</li> <li>• Voluntary sustainability reporting</li> <li>• Supply chain standards</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics and integrity</li> <li>• Client satisfaction</li> <li>• Governance, risk, and compliance</li> <li>• Protection of investors and market</li> <li>• Anti-corruption</li> <li>• CR commitment from leadership</li> <li>• Privacy and data security</li> <li>• GHG emissions and energy use</li> <li>• Reputation and brand</li> </ul>

## Key Stakeholder Group: Alumni

Engagement approach and typical frequency of interaction	Sample	Sample of topics	Type of response (may vary across Deloitte)	Areas of high concern (see materiality matrix)
<ul style="list-style-type: none"> <li>Valuable contacts and resources</li> <li>Clients</li> <li>Professional acquaintances</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing interpersonal and electronic communication</li> </ul>	<ul style="list-style-type: none"> <li>Trusted relationships</li> <li>Quality</li> <li>Ethics and integrity</li> <li>Independence</li> <li>Transformation and BBBEE</li> <li>Reputation and brand</li> </ul>	<ul style="list-style-type: none"> <li>Upgrading Alumni programme to facilitate ongoing engagement</li> </ul>	<ul style="list-style-type: none"> <li>Client satisfaction</li> <li>Ethics and integrity</li> <li>Reputation and brand</li> <li>Transformation and BBBEE</li> </ul>



## Key Stakeholder Group: Deloitte staff and their families

Engagement approach and typical frequency of interaction	Sample	Sample of topics	Type of response (may vary across Deloitte)	Areas of high concern (see materiality matrix)
<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Internal discussions</li> <li>• Alumni network</li> <li>• Social media</li> <li>• Recruiting events</li> <li>• Exit interviews</li> <li>• Confidential ethics hotline</li> <li>• Training sessions</li> </ul> <p><b>Multiple times a year</b></p> <ul style="list-style-type: none"> <li>• Performance reviews</li> <li>• Employee councils</li> <li>• Advisory councils</li> </ul> <p><b>Annual basis</b></p> <ul style="list-style-type: none"> <li>• People survey</li> <li>• Partner / Director meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Current, former, retired, and prospective employees</li> </ul>	<ul style="list-style-type: none"> <li>• Job satisfaction elements</li> <li>• Work-life balance</li> <li>• Career advancement</li> <li>• Fair treatment</li> <li>• Privacy</li> <li>• Security</li> <li>• Contributions to society</li> <li>• Environmentally sustainable operations</li> <li>• Access to technology</li> <li>• Diversity</li> <li>• Ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible work arrangements</li> <li>• Benefits package changes</li> <li>• Extension of certain services to family members</li> <li>• Mentoring programmes</li> <li>• Coaching programmes</li> <li>• Opportunities for global deployment</li> <li>• Industry training</li> <li>• Wellness programmes</li> <li>• Updates to software and hardware</li> <li>• ICAS</li> <li>• Talent Referral Programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Employee development</li> <li>• Diversity and fair treatment</li> <li>• Ethics and integrity</li> <li>• Client satisfaction</li> <li>• Privacy and data security</li> <li>• Governance, risk, and compliance</li> <li>• CR commitment from leadership</li> <li>• Protection of investors and market</li> <li>• Work-life balance</li> </ul>

## Key Stakeholder Group: Governments and regulators

Engagement approach and typical frequency of interaction	Sample	Sample of topics	Type of response (may vary across Deloitte)	Areas of high concern (see materiality matrix)
<p><b>Ongoing and/or ad hoc</b></p> <ul style="list-style-type: none"> <li>• Contribution to shaping of new regulations</li> <li>• Collaboration on policies</li> <li>• Participation in development of standards</li> <li>• Website and current event monitoring</li> <li>• Responsiveness to inquiries</li> </ul> <p><b>Annual or regular recurring basis</b></p> <ul style="list-style-type: none"> <li>• Quality/performance reviews</li> </ul>	<ul style="list-style-type: none"> <li>• National financial market regulators</li> <li>• Audit oversight bodies</li> <li>• Finance ministries and central bank governors</li> <li>• SARS</li> </ul>	<ul style="list-style-type: none"> <li>• Auditor independence</li> <li>• Transparency</li> <li>• Quality</li> <li>• Competitiveness of markets</li> <li>• Diversity</li> <li>• Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in advisory and advocacy groups</li> <li>• Independence policies and monitoring</li> <li>• Audit standards</li> <li>• Response to reviews</li> <li>• Employee diversity programmes</li> <li>• Supplier diversity programmes</li> <li>• Issuance of transparency reports</li> </ul>	<ul style="list-style-type: none"> <li>• Protection of investors and market</li> <li>• Anti-corruption</li> <li>• Public policy</li> <li>• Ethics and integrity</li> <li>• Diversity and fair treatment</li> <li>• Governance, risk, and compliance</li> <li>• Privacy and data security</li> <li>• GHG emissions and energy use</li> <li>• Transformation</li> <li>• Reputation and brand</li> </ul>

## Key Stakeholder Group: Professional associations

Engagement approach and typical frequency of interaction	Sample	Sample of topics	Type of response (may vary across Deloitte)	Areas of high concern (see materiality matrix)
<p><b>Ongoing</b></p> <ul style="list-style-type: none"> <li>• Involvement in committees and working groups</li> <li>• Representation on leadership councils</li> <li>• Attendance at conferences</li> </ul> <p><b>Ad hoc</b></p> <ul style="list-style-type: none"> <li>• Collaboration on industry white papers</li> <li>• Speaking engagements</li> <li>• Participation in the development of standards</li> </ul>	<ul style="list-style-type: none"> <li>• Associations of certified/chartered accountants</li> <li>• Associations of tax professionals</li> <li>• Management consulting professional associations</li> <li>• Financial advisory professional associations</li> </ul>	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Barrier-free trade</li> <li>• Sustainable development</li> <li>• Adherence to professional performance standards</li> <li>• Standards for auditing on non-financial information</li> </ul>	<ul style="list-style-type: none"> <li>• Standards for engagement acceptance and performance</li> <li>• Peer reviews</li> <li>• Commentaries on proposed standards</li> <li>• Training</li> <li>• Thought leadership</li> <li>• Strategy formulation</li> <li>• Bursaries and scholarships for accelerated development of Black Chartered Accountants</li> </ul>	<ul style="list-style-type: none"> <li>• Public policy positions</li> <li>• Ethics and integrity</li> <li>• Governance, risk, and compliance</li> <li>• Protection of investors and market</li> <li>• Anti-corruption</li> <li>• CR commitment from leadership</li> <li>• Diversity and fair treatment</li> <li>• Transformation</li> <li>• Skills development</li> </ul>

## Key Stakeholder Group: Non-profit organisations and community organisations

Engagement approach and typical frequency of interaction	Sample	Sample of topics	Type of response (may vary across Deloitte)	Areas of high concern (see materiality matrix)
<b>Ongoing</b> <ul style="list-style-type: none"> <li>• Board representation</li> <li>• Pro bono engagements</li> <li>• Collaborations</li> <li>• Volunteering</li> <li>• Social media</li> <li>• Electronic mail</li> <li>• Meetings and conferences</li> <li>• Speaking engagements</li> </ul>	<ul style="list-style-type: none"> <li>• Adopt-A-School Foundation</li> <li>• African Children's Feeding Scheme</li> <li>• Charities Aid Foundation Southern Africa</li> <li>• TEACH South Africa</li> <li>• The Hope Factory</li> </ul>	<ul style="list-style-type: none"> <li>• Training</li> <li>• Performance improvement</li> <li>• Funding</li> <li>• Marketing</li> <li>• Specific agendas</li> <li>• Local business promotion</li> <li>• Transparency in reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Skills-based volunteering</li> <li>• Community volunteering</li> <li>• IMPACT Day</li> <li>• Pro bono engagements</li> <li>• Foundation and firm monetary and in-kind gifts</li> </ul>	<ul style="list-style-type: none"> <li>• Education and job creation</li> <li>• Diversity and fair treatment</li> <li>• Ethics and integrity</li> <li>• Employee development</li> <li>• Anti-corruption</li> <li>• CR commitment from leadership</li> <li>• Privacy and data security</li> </ul>

## Key Stakeholder Group: International multi-stakeholder organisations

Engagement approach and typical frequency of interaction	Sample	Sample of topics	Type of response (may vary across Deloitte)	Areas of high concern (see materiality matrix)
<b>Ongoing</b> <ul style="list-style-type: none"> <li>Steering committee members</li> <li>Organisational stakeholder meetings</li> </ul>	<ul style="list-style-type: none"> <li>United Nations Global Compact</li> <li>World Economic Forum</li> <li>Cross-industry business alliances</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of and adherence to international norms</li> <li>Understanding of frameworks and initiatives</li> <li>Economic, social and humanitarian development</li> </ul>	<ul style="list-style-type: none"> <li>Pro-bono engagements</li> <li>Internal and external training</li> <li>Thought leadership</li> <li>Voluntary reporting on sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Ethics and integrity</li> <li>Anti-corruption</li> <li>Public policy</li> <li>Protection of investors and market</li> <li>Diversity and fair treatment</li> <li>Education for underprivileged young people</li> <li>Governance, risk, and compliance</li> <li>CR commitment from leadership</li> <li>Privacy and data security</li> <li>GHG emissions and energy use</li> <li>Water use</li> <li>Biodiversity</li> </ul>



## Key Stakeholder Group: Suppliers

Engagement approach and typical frequency of interaction	Sample	Sample of topics	Type of response (may vary across Deloitte)	Areas of high concern (see materiality matrix)
<b>Ongoing</b> <ul style="list-style-type: none"> <li>• Negotiations</li> <li>• Meetings</li> <li>• Proposals</li> <li>• Industry meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Software suppliers</li> <li>• Hardware suppliers</li> <li>• Travel service suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase volumes</li> <li>• Purchase projections</li> <li>• Pricing</li> <li>• Certainty</li> <li>• Opportunities for (mutual) sustainable solutions</li> <li>• Opportunities for collaboration</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of alliances</li> <li>• Establishment of preferred vendors</li> <li>• Contracts</li> <li>• Supply chain audits</li> <li>• Implementation of SAP</li> <li>• BBBEE procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics and integrity</li> <li>• Anti-corruption</li> <li>• Diversity and fair treatment</li> <li>• Privacy and data security</li> <li>• Preferential procurement</li> <li>• Enterprise development</li> </ul>

## Key Stakeholder Group: Analysts

Engagement approach and typical frequency of interaction	Sample	Sample of topics	Type of response (may vary across Deloitte)	Areas of high concern (see materiality matrix)
<b>Ongoing</b> <ul style="list-style-type: none"> <li>• Dialogue</li> <li>• Question and answer sessions</li> <li>• Webinars</li> <li>• Provision of information</li> </ul>	<ul style="list-style-type: none"> <li>• Forrester</li> <li>• Gartner</li> <li>• International Data Corporation</li> <li>• Kennedy</li> <li>• Verdantix</li> </ul>	<ul style="list-style-type: none"> <li>• Capabilities</li> <li>• Growth</li> <li>• Leadership</li> <li>• Innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Improved performance</li> <li>• New service lines</li> <li>• New strategy developed</li> <li>• Innovation programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Client satisfaction</li> <li>• Ethics and integrity</li> <li>• Governance, risk, and compliance</li> <li>• Anti-corruption</li> <li>• CR commitment from leadership</li> </ul>

## Key Stakeholder Group: Educational institutions/academia

Engagement approach and typical frequency of interaction	Sample	Sample of topics	Type of response (may vary across Deloitte)	Areas of high concern (see materiality matrix)
<b>Ongoing</b> <ul style="list-style-type: none"> <li>• Participation in programmes</li> <li>• Collaborations</li> <li>• Recruiting</li> <li>• Guest lecturing and speaking engagements</li> <li>• Bursary programmes</li> <li>• Training and development of graduates</li> </ul>	<ul style="list-style-type: none"> <li>• Funding of scholarships at universities</li> <li>• High school training</li> </ul>	<ul style="list-style-type: none"> <li>• Subject matter knowledge</li> <li>• New perspective</li> <li>• Leading research</li> <li>• Career placement</li> </ul>	<ul style="list-style-type: none"> <li>• Matching gifts</li> <li>• Guest lecturers</li> <li>• Funding</li> <li>• Recruitment</li> <li>• Thought leadership</li> <li>• Input information</li> </ul>	<ul style="list-style-type: none"> <li>• Education for underprivileged young people</li> <li>• Ethics and integrity</li> <li>• Diversity and fair treatment</li> <li>• Employee development</li> </ul>



## Our Governance

## Our governance

The purpose of this chapter is to define to stakeholders the nature and practice of governance in Deloitte.

Deloitte is a leading brand in the South African market and globally. As a firm engaged with roles as an auditor, advisor and business partner across the entire spectrum of the South African economy, the maintenance of the Deloitte reputation - essentially the factor that differentiates it from many others in the market - is of vital importance.

Our firm is governed by the Deloitte Southern Africa Board of Directors ('the Board'), which in turn is constituted in terms of the provisions of the Partnership Agreement. To the extent possible for a partnership the Board subscribes to the King III Code of Corporate Practices and Conduct. Effective management of the partnership requires that changing circumstances and differences in the individual contributions and circumstances of each of the partners and directors is taken into account. It is recognised that as there are too many partners and directors to permit all to participate fully or meaningfully in the governance of the partnership, this must be delegated to a Board of Partners and Directors in whom overall responsibility for the oversight of the business and affairs of the partnership vests. The purpose of the Board is to represent the interests of the firm, its partners, directors and other stakeholders, in pursuit of the firm's mission of becoming the leading professional services firm in Southern Africa.

The Board, as the focal point of corporate governance and the ultimate oversight and monitoring body, is accountable for the long-term sustainable success of the firm and the quality and value of its contribution viewed from the perspective of all our stakeholders.

In addition, the Board has a responsibility to the broader stakeholders, which include the present and potential beneficiaries of Deloitte products and services, clients, employees, alumni and the profession, to achieve continuing prosperity and a pristine reputation for the firm.

At Deloitte we aim to preserve public trust through the practice and promotion of sound ethics, good corporate governance and quality in all its forms.

In accordance with the best traditions of corporate governance, we insist on a separation between the Board of Partners and Directors and executive management.

The Board elects a chairman at the beginning of its term and his or her duties are very similar to those of a corporate chairman in line with the best principles of corporate governance. Our Board of Partners and Directors regards its primary responsibilities as fourfold:

- To approve the corporate vision and mission
- To oversee the development and implementation of a strategic plan
- To ensure ethical behaviour and legal compliance
- To select, monitor, evaluate and compensate the firm's CEO

To facilitate the work of the Board it has been structured into a number of committees. Each Board committee has its own charter which governs its role and performance.

#### Board members and their portfolios (as of 1 September 2011):

Board Member	Portfolio
Trevor Brown	Chairman - Gauteng (Johannesburg)
Michael (Mike) Comber	Deputy Chairman - Reputation and Risk Leader
Grant Gelink	Chief Executive (ex officio)
Allen Swiegers	Chief Operating Officer (ex officio)
Christoffel (Chris) Beukman	Chief Financial Officer (ex officio)
Geoffrey (Geoff) Fortuin	Western Cape and Namibia
Ruwayda Ebrahim	KwaZulu-Natal
Nazeer Essop	Gauteng (Pretoria and Botswana)
Kamal Ramsingh	Consulting
Anthony (Tony) Zoghby	Assurance
Louise Vosloo	Tax
Charles Larbi-Odam	Risk Advisory and Corporate Finance
Bongisipho (Bonga) Nyembe	Transformation
Nthobi Angel	External advisor to the Board
Lot Ndlovu	External advisor to the Board*

\* Resigned March 2012

“The Board of Partners and Directors is constituted in terms of the Partnership Agreement and is elected by partners and directors every three years.”

#### Board committees and their members (as of 1 September 2011):

Board Committee	Board members
<b>Partner/Director Remuneration Committee (RemCo)</b>	Tony Zoghby (Chairman) Charles Larbi-Odam Allen Swiegers
<b>CEO Performance, Remuneration, Succession and Nominations Committee</b>	Trevor Brown (Chairman) Grant Gelink/Lwazi Bam (by invitation) Charles Larbi-Odam Tony Zoghby Chris Beukman
<b>Social, Ethics &amp; Transformation Committee</b>	Trevor Brown (Chairman) Ruwayda Ebrahim Grant Gelink/Lwazi Bam Bonga Nyembe Kamal Ramsingh
<b>Partner/Director Admissions Committee</b>	Kamal Ramsingh (Chairman) Nazeer Essop Louise Vosloo
<b>Finance Committee</b>	Mike Comber (Chairman) Allen Swiegers Chris Beukman Geoff Fortuin Nazeer Essop
<b>Risk &amp; Compliance Committee</b>	Trevor Brown (Chairman) Allen Swiegers Chris Beukman Louise Vosloo Mike Comber Murray Dicks (Co-opted)









### Register of Board Meeting attendance: April 2011 - February 2012

Board member	8 Apr	9 May	18 Jul	18 Aug	31 Aug	17 Nov	9 Feb
Futhi Mtoba	•	•	•	•	Term ended		
Grant Gelink	•	•	•	•	•	•	•
Nthobi Angel	•	•	•	x	•	•	•
Danie Crowther	•	•	•	•	Term ended		
Justine Mazzocco	•	•	x	•	Term ended		
Guy Brazier	•	•	•	•	Term ended		
Sandile Gwala	•	•	•	x	Term ended		
Tawanda Gumbo	•	•	•	x	Term ended		
Roly Hofmeyr	•	•	•	x	Term ended		
Louise Vosloo	•	•	•	•	x	•	•
Thiru Pillay	•	•	•	x	Term ended		
Mike Comber	•	•	•	•	•	•	•
Lot Ndlovu*	•	•	x	•	•	•	
Tony Zoghby	•	•	•	•	•	x	•
Allen Swiegers	•	•	•	•	x	•	•
Chris Beukman					Officially elected	•	x
Ruwayda Ebrahim					Newly elected	•	•
Nazeer Essop					Newly elected	•	•
Trevor Brown					Newly elected	•	•
Geoff Fortuin					Newly elected	•	•
Charles Larbi-Odam					Newly elected	•	•
Kamal Ramsingh					Newly elected	•	•
Bonga Nyembe					Newly elected	•	•








\*Resigned March 2012



**The Deloitte Board of Partners and Directors (as of 1 September 2011):**

							
<b>Trevor Brown</b> Chairman	<b>Michael (Mike) Comber</b> Deputy Chairman	<b>Grant Gelink</b> Chief Executive (ex officio)	<b>Allen Swiegers</b> Chief Operating Officer (ex officio)	<b>Christoffel (Chris) Beukman</b> Chief Financial Officer (ex officio)	<b>Geoffrey (Geoff) Fortuin</b> Western Cape and Namibia	<b>Ruwayda Ebrahim</b> KwaZulu-Natal	<b>Nazeer Essop</b> Gauteng (Pretoria) and Botswana

						
<b>Kamal Ramsingh</b> Consulting	<b>Anthony (Tony) Zoghby</b> Assurance	<b>Louise Vosloo</b> Tax	<b>Charles Larbi-Odam</b> Risk Advisory and Corporate Finance	<b>Bongisipho (Bonga) Nyembe</b> Transformation	<b>Nthobake (Nthobi) Angel</b> External advisor to the Board	<b>Lot Ndlovu</b> External advisor to the Board  (resigned March 2012)




### Executive Committee (Exco)

Exco comprises the firm's executive management and is responsible for the day-to-day operations of the firm. In terms of our corporate governance practices, and also in terms of the partnership agreement, no member of Exco (with the exception of the CEO, COO and CFO) may be a voting member of the firm's Board of Partners and Directors. In line with the firm's approach to good governance, Mike Comber, the firm's Reputation and Risk Leader, is invited to attend all Exco meetings.

### Our Executive leadership

Member	Portfolio
Grant Gelink	Chief Executive
Lwazi Bam	CEO-elect
Allen Swiegers	Chief Operating Officer
Chris Beukman	Chief Financial Officer
Geoff Pinnock	Service Line Leader: Audit and Financial Services
Dave Kennedy	Service Line Leader: Risk Advisory
Louis Geeringh	Service Line Leader: Consulting
Nazrien Kader	Service Line Leader: Taxation Services
Justine Mazzocco	Executive Leader: Talent & Transformation

### The Deloitte Executive Committee

				
<b>Grant Gelink</b> Chief Executive (Clients, Markets & Marketing)	<b>Lwazi Bam</b> CEO-elect Corporate Finance & Strategy	<b>Allen Swiegers</b> Chief Operating Officer	<b>Chris Beukman</b> Chief Financial Officer	<b>Geoff Pinnock</b> Assurance

			
<b>Dave Kennedy</b> Risk Advisory	<b>Louis Geeringh</b> Consulting	<b>Nazrien Kader</b> Taxation Services	<b>Justine Mazzocco</b> Talent & Transformation

### **Role definitions of senior partners**

Since a partnership differs somewhat from traditional corporate structures, we have mapped out the roles and responsibilities of our senior partners and directors to provide clarity in this regard.

#### **Chief Executive Officer (CEO)**

The CEO is selected by the Board for a four year term (with a maximum term of seven years) and affirmed by a vote of the partners/directors. Grant Gelink was appointed on 1 June 2006 and is responsible for the execution of strategy, policy and the performance of the firm, and is accountable to the Board.

#### **Chief Operating Officer (COO)**

The COO is appointed by the CEO and is responsible for the day-to-day operations of the firm. Allen Swiegers was appointed to this role on 1 June 2006.

### **The Deloitte operational ethos - Safeguarding the value of the Deloitte brand**

To ensure that the brand, and all that it stands for, is not compromised in any way, Deloitte has a Reputation and Risk Leader who has the overall responsibility of preserving the firm's reputation.

The responsibility for the management of risk is also assumed by each partner and director of the firm, who are assisted in their tasks by a network of risk leaders and teams within each of the firm's service lines, while the global firm continues to extend the nature of risk, independence and ethics requirements for member firms.

This is accompanied by training, monitoring and reporting elements with which all Deloitte member firms around the world must comply.

By extending our internal risk assessment practices to our clients, we ensure that Deloitte only provides services to clients that are ethical. Providing services to clients who are unethical exposes the firm to both reputation and brand damage.

Partners and directors therefore consider and classify the risk of serving clients, either existing or new, on an annual basis. Where risk is considered to be high, the firm either resigns from an account, or declines business.

### Our ethical framework

Deloitte is committed to the highest levels of ethics, integrity, and quality. This is evidenced by our business practices and client service standards, our leadership behaviour and shared values, and most importantly, by the quality of people we employ. In fact, ethics, integrity and quality are at the core of all that we do.

Our Ethical Principles define the standards of ethical behaviour that unite all our people. In particular, they offer guidance about appropriate professional conduct covering such issues as objectivity, confidentiality, and competence. The behaviours these principles elicit will enhance and maintain the integrity and reputation of our firm as the premier global professional services firm. It is important to note that while these principles provide a foundation for ethical decision-making, they do not cover all the situations we may face on a daily basis. When faced with difficult choices, personal integrity and responsibility must be our guide. It is during those times that we are encouraged to seek advice and counsel from our leaders and colleagues, and work together to make the right choices.

Our Ethical Principles apply to all our people and we use the term “we” to mean all partners, directors, professionals and administrative staff no matter what country or function we reside in. Deloitte partners, directors and staff have an obligation to know, understand and adhere to not only these principles, but also the shared values on which they are founded. We have the responsibility to encourage our leaders and colleagues to do the same.

Our Shared Values are at the heart of our Ethical Principles and the relationship between them is simple: Our Shared Values define the underlying beliefs that tie our global firm together, and our Ethical Principles further define the specific standards of behaviour that we expect of our leaders and our people. Each Ethical Principle maps directly back to our Shared Values helping to reinforce and sustain behaviour that reflects those values. They are, in fact, our values in action.

## Our ethical principles

- **Honesty and Integrity** – “We act with honesty and integrity.”
  - We are straightforward and honest in our professional and business relationships.
  - We are truthful about the services we provide, the knowledge we possess, and the experience we have gained.
- **Professional Behaviour** – “We operate within the letter and the spirit of applicable laws.”
  - We comply with professional standards and applicable laws and regulations.
  - We avoid any action that may discredit our firms or our professions.
  - We strive not only to do what is legal, but also what is right.
- **Competence** – “We bring appropriate skills and capabilities to every client assignment.”
  - We understand that the public and our clients expect our work to meet high professional standards.
  - We use due care to ensure that client needs are matched with Deloitte personnel who have the competence required for their assignments.
- **Objectivity** – “We are objective in forming our professional opinions and the advice we give.”
  - We do not allow bias, conflict of interest, or undue influence of others to override our professional judgments.
  - We address differences of opinion and handle them constructively and professionally.
- **Confidentiality** – “We respect the confidentiality of information.”
  - We prohibit disclosure of information to anyone inside or outside our firms without the legal or professional right to know.
  - We do not misuse information of our clients, our firms, or our people for personal advantage or for the benefit of third parties.
- **Fair Business Practices** – “We are committed to fair business practices.”
  - We receive fees that reflect the value of services provided and responsibilities assumed, and are considered fair and reasonable by our clients.
  - We respect our competitors and do not compete unfairly.
- **Responsibility to Society** – “We recognise and respect the impact we have on the world around us.”
  - We take our role in society seriously and do not cause intentional harm.
  - We support contributions to the communities where we operate.
- **Respect and Fair Treatment** – “We treat all our colleagues with respect, courtesy, and fairness.”
  - We understand the impact that our individual behaviour has on our firms, our colleagues, and society, and always work to take responsible action.
  - We encourage and value the diverse mix of people, viewpoints, talents, and experiences found at Deloitte.
  - We are fair in our behaviour and our policies promote equal opportunity for all.
- **Accountability and Decision-making** – “We lead by example, using our shared values as our foundation.”
  - We recognise that we are role models and that we set behavioural standards for our professions and each other.
  - We make decisions based on our shared values and expect our leaders and colleagues to do the same.

## Independence

Over the past few years we have seen a number of changes to the rules governing the independence of auditors. This has had a profound impact on this profession and the way we do business and has affected all partners, directors and professional staff. As a consequence, the firm has introduced many systems and procedures over the years to govern our independence and to ensure that our commitment to full compliance is achieved.

More recently, the global firm has made amendments to the Deloitte Policy Manual (DPM) affecting the independence rules and has updated the policies governing conflict checking. We are currently in the process of updating our systems and processes to cater for these changes.

The firm's growth initiatives have involved many enquiries and conflict checks by service lines contemplating entering into joint ventures with other parties, merging businesses or simply acquiring businesses. This brings about a number of challenges to ensure that these services, to our restricted entity clients, are permissible and that the business relationships we enter into with our audit clients are acceptable in terms of the very stringent independence rules relating thereto.

An ongoing project is the BRMS policy to cover the new Deloitte Policy Manual (DPM) rules governing directorships and other similar appointments and trusteeships and executorships. We have required all professional staff to resubmit application forms for approval for their "other" directorships and for all trusteeships held.

Apart from the BRMS system the National Reputation, Risk and Independence team are involved in the following other systems to assist all our professional people and the firm on independence matters:

- **Global Investment Monitoring System (GIMS)** - National Independence continually monitor the registration process to ensure that all partners and managers are properly registered on GIMS.
- **ContractorSmart** - Records all contracts with permanent workforce contractors. The system includes an independence declaration to be made by all contractors at the time of employment.
- **Conflict Checking System** – We performed 4 755 conflict and relationship checks in 2011 and 4 976 in 2010 using 14 different databases. These checks are designed to ensure that no services are rendered to restricted entities that might result in conflict or independence issues.
- **Firm Contribution Tool (FCT) (Family Tree)** - FCT collects and maintains client entity tree information for independence and compliance purposes and shares this information across the Deloitte network of member firms.
- **Deloitte Entity Search and Compliance (DESC)** - DESC contains all the listed audit clients globally, including their affiliates which are imported through the firm Contribution Tool.

All of these systems have formalised learning facilities which include an associated e-learning module which has recently been developed using a Southern African platform.

Other independence presentations and training is provided throughout the year to professional staff and partners/directors to keep them up to date and informed. Independence Tips are also included in “The Daily Planet”, which includes constant reminders to partners/directors and professional staff of the rules and cover frequently asked questions.

There is constant monitoring of partners/directors and professional staff through independence inspection and testing and through the annual independence declaration process. All our partners and senior managers in National Reputation, Risk and Independence are available to be consulted on difficult and complex independence issues.

### **Tip-offs Anonymous helps business root out corruption**

The firm’s commitment to ethical and professional business conduct was extended within Deloitte in 1999 through the Tip-offs Anonymous confidential reporting service, which offered all staff an opportunity to report behaviours that did not accord with the Deloitte approach to the integrity of its brand, products and services.

In 2010, the Tip-offs Anonymous reporting service received three tip-offs across Deloitte Southern Africa, and in 2011, four tip-offs were logged. Due process was followed on these tip-offs with each being escalated and managed through the appropriate channels and forwarded to Chief Operating Officer, Allen Swiegers, who dealt with each matter.

The Tip-offs Anonymous hotline has been extended to external clients and is now being used by more than 280 Deloitte clients, including corporations, retail organisations, parastatals and public sector organisations within Southern Africa and across the world.

Built solidly on the principles of confidentiality, anonymity and providing protection to anyone who makes contact, Tip-offs Anonymous has proved that it has an unassailable place in corporate life as a mechanism to fight ‘white collar crime’ and identify inappropriate behaviour in the workplace.



## Magnet for Top Talent



## Our people

All the elements of business practices at Deloitte that encompass corporate citizenship, our brand, our values and our principles, are embedded in our talent recruitment, development and retention strategies.

“We endeavour to maintain our reputation as an employer of choice through the recruitment, development and retention of the best people and meeting the needs of our firm’s transformation imperatives.”

As a leading professional services firm, we know our ultimate strength relies on the quality of the people we recruit. How they are treated, developed, mentored and grow within our ranks ultimately determines the credibility and strength of the Deloitte brand.

To this end we will continue to provide world-class learning and career development for all our people, thereby ensuring that they, our clients and the market benefit as a result. For Deloitte the goal is to help foster a workplace environment that provides our people with what they’re looking for most: meaning, purpose and the special personal connection that they expect from a professional service environment. We want to be “the place where the best choose to be”.

Consequently, our talent management efforts are focused on four main priority areas:

- Attracting and recruiting top talent
- Retaining top talent
- Developing top talent
- Strengthening our culture

This is accomplished through a myriad of initiatives which are shared further in this report.



## Our Ideal Deloitte

We are proud to work for a firm where our brand is synonymous with uncompromised integrity, ethical practice and quality, and where we are the undisputed leaders in professional service. We leverage our multidisciplinary approach to the distinct advantage of our stakeholders.

Our firm is truly transformed.

We are our firm's greatest assets and we work with people of exceptional talent and skill. Our leaders trust, respect and listen to us. We are given the opportunity to develop and excel in our work, and are encouraged to have fun.

We are motivated to perform at our best.

We try to get it right better, faster and more often than anyone else. We work hard to build value for our clients and exceed expectations.

We work for the best firm in Southern Africa.

That firm is Deloitte.

Our Deloitte.

## Our Ideal Deloitte

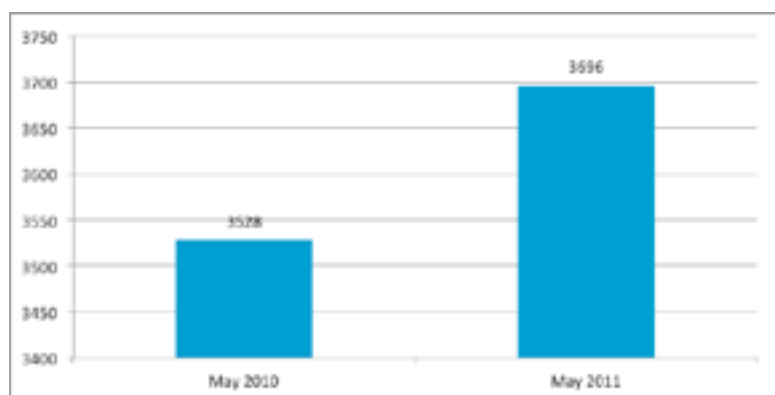
In 2004, the partners and directors of Deloitte contributed towards the development of a vision statement, defining what their ideal firm would look and feel like, in essence defining our culture.

Over 800 vision statements were collated and summarised. The partners and directors adopted and launched their collective vision statement for the Southern African firm, known widely as "The Ideal Deloitte".

We continually aspire to create an environment where our people can experience our employee value proposition which forms an integral part of our vision in creating 'Our Ideal Deloitte'.

## Workforce composition

2011 saw a steady increase in our workforce of 4.8% - (3 528: 2010; 3 696: 2011).



The average length of service at Deloitte is six years.

Region	Average Tenure (Years)
Botswana	5
Johannesburg	6
KwaZulu-Natal	8
Cape Town	7
Namibia	5
Pretoria	7
Port Elizabeth	8
<b>Total</b>	<b>6</b>

\* Excludes AMS Germany, contractors, trainee accountants and learners.

## The Talent Board

The Talent & Transformation strategies have been integrated under the executive leadership of Justine Mazzocco. Justine reports to Chief Operating Officer Allen Swiegers on Talent and to CEO-elect Lwazi Bam on Transformation. The Talent and Transformation Boards have thus also been aligned to form the Talent & Transformation Board. This Board is accountable for setting clear direction and signing off on key strategic decisions pertaining to Talent & Transformation on a firmwide basis. It also provides oversight and governance over all aspects of the Talent & Transformation strategy including talent acquisition, onboarding, assessment and partner admissions, people development and mentoring, performance management, reward, transformation, diversity and employee brand both internally and externally. It monitors and provides input into the successful implementation of the Talent & Transformation strategy. The Board meets three times a year and comprises the executive committee, Philip Grobler (head of HR Operational excellence), Diane Schneider (head of Strategic Talent & Transformation) and Bonga Nyembe (Transformation representative on the Deloitte Board). Justine Mazzocco is the chairman.

## myJourneyCentre

In 2009, Deloitte launched myJourneyCentre, which was designed to provide trainee accountants with the opportunity to experience life outside of Audit through secondments into other business units, and possibly even to clients.

Since its launch, myJourneyCentre has grown significantly. Our current Audit trainee accountants have been on a total of 389 expeditions to business units other than Audit and two trainee accountants have been seconded to Deutsche Bank for a period of 10 months to experience work in the front office banking environment.

In 2012, myJourneyCentre extended its offering to include talented professionals from all areas of Deloitte. myJourneyCentre now encompasses the following programmes:

### Talent Mobility Pilot Programme

The Talent Mobility Pilot Programme mobilises our talented professionals to build networks, gain a better understanding of other service areas, increase their business acumen and identify areas of possible collaboration. This programme involves coaching conversations as well expeditions to other business units.

### My Personal Discovery

My Personal Discovery provides information and structure to conversations with your mentor and leverages off established training programmes. It also enables our future leaders to connect the dots between their current performance, personal growth, learning and their dream career.

## Learning and development of talent

Over the last two years, the guiding principle in Learning was to ensure “the right people attended the right programme for the right reason, at the right time.” To achieve the level of focus required for this, business units were allocated their own dedicated Learning staff member, known as “Business Improvement Consultants” (BICs), who will be present in the business for much of their time.

The purpose of the BIC is to advise the business in terms of matching development needs arising from the performance management process with learning solutions on offer. This will mean that learning solutions are focused on actual individual development requirements, resulting in cost saving and more accurate budgeting.

Certain learning programmes were consolidated or streamlined, resulting in fewer programmes on offer. New focus areas are in place, namely: Industry learning, Professional learning, Leadership, and Business Unit specific technical learning (which is owned by the business).

There has been a renewal of the learning approach in Consulting, with a new core curriculum being put in place and two new programmes rolled out with a specific focus on winning business and improving client relationships.

A popular programme for senior managers, Foundations of Leadership (FOL), was redesigned and successfully rolled out. The objective of FOL is to develop the leadership skills of the firm’s senior managers so that Deloitte can continue to grow and empower a leadership pipeline for the future in order to deliver its global and local strategies and improve its market position.

myJourneyCentre - Make YOUR mark



Topics discussed range from strategy, personal leadership, effective career management, and change. The programme is also tailored to the candidate's individual development areas identified in 360 degree feedback as well as the manager assessment and development centre (MADC). It is also an instrumental programme for preparing future leaders for the leadership assessment and development centre (LADC).

Due to the continued success in the development of the talent through the abovementioned assessment centres in Southern Africa, we were recently invited by some of our member offices in Africa and Russia to implement these initiatives in those countries.

### Graduate Recruitment

The recruitment of graduates as audit trainees is undertaken nationally, including Namibia, on an annual basis.

The intake for 2012 reflected the standing of Deloitte in the financial community, with the firm attracting 300 full-time audit trainee accountants. This meant that, once again, Deloitte was able to achieve a higher than 100% intake.

This was achieved against a background in which competition was very demanding. The competition for talent was particularly intense in the search to find black recruits who had achieved the CTA rating. In 2012, Deloitte recruited 45% of Black CTA graduates.

The top echelons of students are becoming more aware of the value of international exposure as part of their personal development. Therefore, being able to offer career exposure outside South Africa is becoming increasingly important.

To ensure that these opportunities are available, Deloitte Global Talent has been working on programmes that have the potential to attract high calibre entrants to the firm.

### Talent Referral Programme

The Talent Referral Programme is based on the principle that employee referral programmes produce high-volumes of talented people joining an organisation. In addition to the quality of referrals, the costs of sourcing new talent are reduced and average retention rates are higher.

The Deloitte programme encourages people within the firm to identify potential staff drawn from their circle of acquaintances and professional interactions. The programme has become a steadily growing source for quality recruitment and it is hoped that during 2012, about 45% of all new recruits will be derived from this source.



Audit Graduate Recruitment - Where do you see yourself?

## Reasons to love working at Deloitte

<b>Taking care</b>	<ul style="list-style-type: none"> <li>• Comprehensive medical scheme to accommodate the diverse needs of employees</li> <li>• Retirement funding through a Pension and Provident Fund with flexible member choice contribution levels</li> <li>• 24 hour disability and life cover for the members</li> <li>• Security cards with the contact details of the Security Office and ISOS Medical Emergency Services</li> <li>• Travel advisory alerts</li> </ul>
<b>In-house services</b>	<ul style="list-style-type: none"> <li>• Concierge services: in-house travel services, ATM, DVD rental services, Time<sup>2</sup> employee concierge services (for Consulting)</li> <li>• Special discounts on different items through Weekly Deals</li> <li>• Car wash services (in Woodlands)</li> <li>• Muslim prayer room (in Woodlands and Cape Town)</li> <li>• Christian fellowship group</li> <li>• Blood donation clinics</li> <li>• Free shuttles to and from the Gautrain station (only The Woodlands)</li> </ul>
<b>Brain train</b>	<ul style="list-style-type: none"> <li>• In-house learning programmes</li> <li>• E-Learning and Books 24x7 is available to all staff</li> <li>• Financial study assistance and bursaries for staff</li> <li>• Exam and study leave</li> <li>• Trainee board support</li> <li>• Unrestricted use of knowledge management resources</li> <li>• myJourneyCentre and myBusinessSchool for trainees</li> </ul>
<b>Time out</b>	<ul style="list-style-type: none"> <li>• Paid office closure in December</li> <li>• Fully paid maternity leave</li> <li>• Generous paternity leave</li> <li>• Family responsibility leave</li> </ul>
<b>Social events</b>	<ul style="list-style-type: none"> <li>• Month end drinks</li> <li>• Sports days, company hospitality at large sports events</li> </ul>
<b>Dress for success</b>	<ul style="list-style-type: none"> <li>• Subsidised uniforms for Receptionists and Beverage Assistants</li> <li>• Business casual dress code</li> </ul>
<b>Caring for others</b>	<ul style="list-style-type: none"> <li>• Annual IMPACT Day (one full day of voluntary community service)</li> <li>• Helping Hands voluntary giving scheme</li> <li>• Deloitte Foundation</li> </ul>
<b>Employee Wellness Programme</b>	<ul style="list-style-type: none"> <li>• Onsite wellness days and events</li> <li>• Access to 24 hour counselling through ICAS for all employees and for their immediate families.</li> <li>• Debt management services through ICAS (provided by Summit)</li> <li>• Financial and Loans expertise through Interface</li> <li>• Online information through e-Care (<a href="http://deloitte.healthinsite.net">http://deloitte.healthinsite.net</a>)</li> </ul>

### Deloitte Security Office

The Deloitte Security Office is responsible for the development, implementation and oversight of policies and procedures that are designed to minimise the risk of the firm's employees, partners and directors, and physical assets from harm, loss and/or compromise as a result of dishonest, criminal and/or inappropriate acts.

More specifically the Deloitte Security Office is responsible for the following security initiatives:

- Physical security
- Information Technology security
- Occupational Health and Safety
- Business Continuity Management
- Travel security

During the course of the last financial year Deloitte has invested a great deal of time and effort in order to ensure the safety and security of our employees.

### Occupational Health and Safety (OHS)

- All Deloitte Buildings are compliant in terms of the Occupational Health & Safety Act
- Relevant fire, medical and evacuation personnel are trained on an annual basis
- Emergency evacuation plans and processes are clearly defined and implemented
- Plans are tested annually

### Travel security

- Deloitte can successfully track employees on international business provided that flights are booked through Rennie's Travel. This is possible through a global agreement with Rennie's and the Global Security Office providing booking and accommodation information for security purposes.
- Deloitte has implemented travel security cards to all employees while on international business. This provides employees with medical and security assistance 24-hours-a-day and in cases relating to the emergency evacuation in life threatening circumstances.
- Deloitte currently provides employees with local and international travel security advice on potentially dangerous situations.
- Deloitte also provides its employees with guidance and learning in several security categories.



**Business Continuity Management (BCM) is important for the following reasons:**

- The first priority is the safety and well-being of staff, clients and other individuals conducting business at Deloitte premises
- The second priority is the wellbeing of the environment and society in which the organisation operates
- The third priority is the recovery of critical business processes which are required to sustain operations

Deloitte has recognised the potential human, financial and operational losses associated with a service interruption and the importance of maintaining viable crisis management, emergency response and business continuity strategies.

Our BCM programme is intended to provide a framework for developing plans to ensure the safety of employees and the resumption of time sensitive operations and services in the event of an emergency such as fire, power or communications blackout, flood, civil disturbance or any type of personnel absenteeism.

**Deloitte will maintain the following sets of plans in order to ensure an effective BCM Programme**

- Emergency Response Policy (ERP) – Procedures that address the initial reaction and activities to ensure the safety of all personnel as well as to work with emergency personnel to minimise or contain the current situation.
- Crisis Management Plan (CMP) – Procedures that address the roles and responsibilities around specific incidents and coordinates the decisions and communications throughout the crisis event. Included in these would be public relations and crisis communication activities. These procedures should also address activation requirements for the BCM Programme.

- Business Continuity Management (BCM) - The element of BCM which deals specifically with the resumption of specific tasks necessary to recover critical functions/processes in the event of a disaster, including personnel, essential records, equipment supplies, work space, communication facilities, work stations, fax, copy machines, and mail services.
- Business Continuity Plans (BCP) - Activities and programmes designed to return the information technology services, which support the business operations, to an acceptable condition.

**Information Security Management Office**

The Information Security Management Office ensures that systems and infrastructures are secure and free from intrusion through the use of various technologies and tools. In addition, annual awareness programmes are run with staff to ensure that they are kept up-to-date with changes in risks to information security.

**Physical security**

Physical security refers to the safety and security of our physical premises. It ensures that Deloitte can respond quickly to incidents that affect aspects relating to our people, buildings and assets.



## Retention of top talent

### Transformation

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“The firm is a Level 2 Contributor (125% recognition level) and Value Adding Enterprise which means that our clients can multiply their spend by 1.25 and claim 156.25% of any services procured from Deloitte & Touche as BBBEE spend.”

Transformation remains a key strategic imperative at Deloitte. We are committed to sustainable transformation and our primary objective is to grow our talent from within.

Being a magnet for talent requires that we provide opportunities for all, while remaining mindful of the transformation imperative, which is critical to the success of our country and of our firm. The Talent & Transformation Board takes a holistic view of Talent, ensuring that Deloitte provides world-class learning and development opportunities for all, while ensuring that our Black Economic Empowerment targets are addressed. Transformation, aimed at redressing the inequalities of the past, and Black Economic Empowerment, therefore remain of primary concern within Deloitte. Deloitte has over a period of more than 20 years built a reputation for creating equal opportunities in the workplace for all South Africans. In its pioneering role as one of the first firms in the country to promote the rights of all, Deloitte laid the foundation for future recognition by many black professionals as the firm that offered them ‘a start’ in the competitive world of business.

Maintaining its approach to reflecting the diversity of South Africa at all levels amongst its ranks, Deloitte has worked diligently over the years to consolidate its approach to transformation, favouring an approach of meaningful change where fairness, trust and respect have bolstered the right of individuals to rise in business as far as individual, personal abilities will allow.

The firm’s continual drive to achieving transformation rests with the CEO and the Board, where, with senior leaders from within the business, they develop the formal transformation strategy for Deloitte Southern Africa. Assisting the process is the long-held Deloitte strategic intent, which dictates that it is preferable to drive people processes and identify and grow talent from within the firm’s ranks. Today, the success of this policy can be measured by the fact that at least 80% of all the black Deloitte partners/directors came up through the rank from junior professional level.

Our BBBEE scorecard is therefore regarded as an output rather than a target, with the ‘right things’ combining to effectively achieve objectives through the combined efforts of people dedicated to the ideals of transformation.

We are proud of being recognised by the Association of Black Accountants in South Africa (ABASA) for our contribution towards producing the most Black Chartered Accountants in the 2010 qualifying examination in the TIPP category.

Our other achievements include Deloitte having produced 20% of all newly qualified African Black CAs (audit elective) in the market in 2011 and 23% over the last 11 years.

One of the most significant, on-going concerns is the advancement of women within the organisation.

Female partners/directors currently make up 24%, which places South Africa in the top tier among the Deloitte member firms worldwide. Women are well represented below partner/director level, with 45% at senior manager level and over 50% from manager to support staff.

The Women in Leadership (WIL) initiative has recently appointed a new chairperson, Anthea Scholtz (a director in Tax, Cape Town). The WIL team has four key strategic focus areas:

1. To increase the number of women at partner/director and leadership levels
2. To work in collaboration with the firm's Talent and Transformation strategies to attract, develop and retain talented women
3. To ensure appropriate support is provided for challenges faced by women in balancing their careers and home life
4. To build brand eminence for our firm with key female clients and targets

The vision of the WIL is to 'create an environment that is enabling and a culture that embraces gender diversity, where talented women feel that they have equal opportunities to grow and develop to their full potential.'

One of the successes of the firm's Transformation strategy, which includes gender transformation, is the appointment of two black female members to the executive committee, Justine Mazzocco (Executive leader of Talent & Transformation) and Nazrien Kader (Service Line leader of Taxation Services). This brings the black representation on our executive committee to 44% and the female representation to 22%.

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“Our track record is underpinned by substance, sustainability and sincere intent.”

**Grant Gelink, Chief Executive**

### Transformation targets for 2012

These comprehensive transformation targets for 2012 are:

- 30% Black representation at partner/director level
- 30% Black representation at senior management level
- 45% Black representation at middle management level
- 55% Black representation at junior management
- 47% of all professional staff

Our Transformation strategy is due to be reviewed on 1 June 2012 with new targets being set for 2016. The three key areas that we will be focusing on in this strategy are:

- To increase the number of black and female partners/directors
- To focus on the recruitment of people with disabilities
- To maintain a Level 2 status on the CA Charter

### Employee Engagement Survey 2011

#### Targets Set

The firm is committed to participating in regular people engagement surveys as a means of measuring employees engagement levels and incorporate views and recommendations on how the firm is doing across a broad spectrum of focus areas.

The second quarter of 2011 saw the release of the most recent survey themed 'Our People Survey – Connect. Build. Grow.' and included our member firms in Southern Africa.

Over the past few years a number of significant milestones have been achieved arising from the opportunities identified as a result of prior survey results. Some of these are the launch of:

- Deloitte Way initiative
- Working Differently programme
- Formation of a dedicated Reward team
- Alignment to our global Performance Management Approach

With the release of the 2011 survey results Deloitte intends to continue identifying innovative ways to maintain our identified areas of strength, and to seek opportunities to improve on development areas.

### Key Achievements

There was an outstanding participation rate of 87% which reflects a keen interest from individuals in the firm to share their views. This was a particularly pleasing result in light of a significant improvement in participation levels from the prior survey conducted during 2008 (72%).

The overall results of the survey were positive reflecting a workforce that is engaged and willing to work with and contribute towards making Deloitte the best professional services firm in Southern Africa.

This particular survey measured three key indices:

- **Employee Engagement**

Employee engagement is defined as a combination of perceptions that have a positive impact on behaviour. These perceptions include satisfaction, commitment, pride, loyalty, a strong sense of responsibility and a willingness to advocate for the organisation.

The engagement results for the Southern Africa firm were very encouraging with an overall employee engagement index of 72. This means that 72% of respondents are proud and extremely satisfied working at Deloitte.

- **Performance Excellence**

The index score obtained for this particular area reflected a 74% favourable response from those who participated in the survey. Through measuring Performance Excellence our employees believe the firm is committed to high levels of client service and quality.

A strength in performance excellence also indicates that employees have what they need to do their jobs successfully.

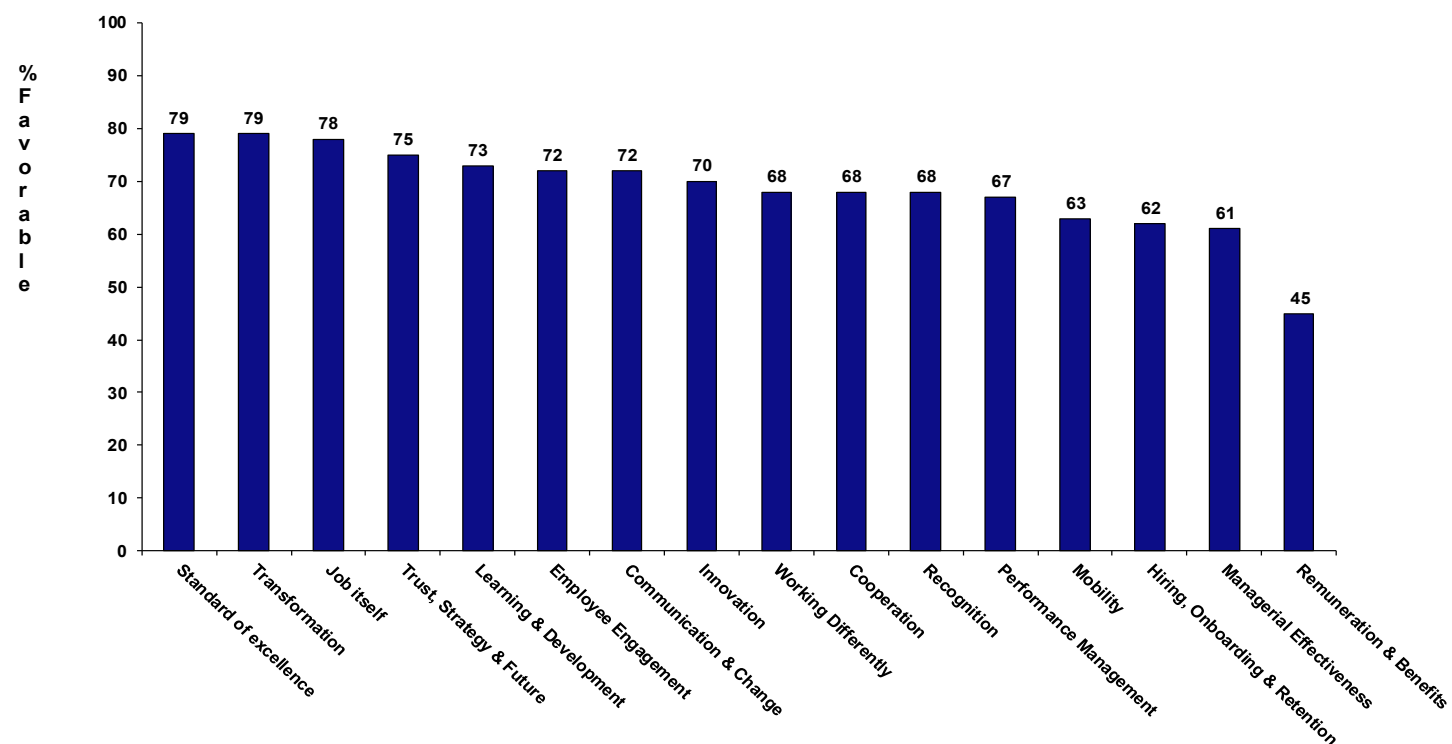
- **Managerial Effectiveness**

Managerial Effectiveness measures the degree to which managers and leaders contribute significantly to the perceived quality of the work environment and engagement of employees.

At an index score of 61 which is higher than the comparative external norms provided for the EMEA region, this index score has been identified as an opportunity to further develop our leadership skills and directs us on where we need to focus and support our manager and leadership bodies so that they can be outstanding leaders.



The summarised results of the 16 dimensions the survey measured are reflected below



There is exciting work in the pipeline around the development of various initiatives to further grow our managerial and leadership skills within the firm. We recognise that managerial and leadership effectiveness has a direct impact on employee satisfaction and are committed to ensuring that we are able to retain our talent.

We are also passionate about sharing our results and best practice of appropriate interventions with our other member offices.

## Strengthening our culture

### Embedding our values through the Deloitte Way

The Deloitte Way programme was launched in 2005 to embody the firm's culture and values, and encourage staff to incorporate these values in their everyday behaviours, which were aligned to the firm's strategy.

A cutting edge system was built to enable every Southern African Deloitte employee to access the Deloitte Way staff engagement and recognition programme as well as to nominate anyone in the firm they felt was proudly living the Deloitte Way.

Our Deloitte Way staff engagement and recognition programme enables each member of Deloitte Southern Africa to nominate any of their colleagues across the Southern African firm.

Each nomination requires a motivation which acts as feedback and initial recognition to the person being nominated. 20 860 nominations were made in 2010 and 21 579 in 2011.

In addition to recognising our staff, the Deloitte Way programme also enables the firms' leaders to engage with all staff, and staff to engage with the firm's leadership, on strategic issues.

The strategy is focused on building value for our clients and making Deloitte a magnet for top talent, attracting and retaining people. The strategic drivers of the Deloitte Way programme and the behaviours it encourages are listed below:

- I am consciously aware that my actions directly impact our performance
- I build a network of productive relationships founded on trust
- I ensure that everything I do is my best possible effort
- I make a personal difference by embracing diversity
- I stand for and stand up for Deloitte
- I take initiative in driving continuous improvement
- I treat everyone with respect and appreciation

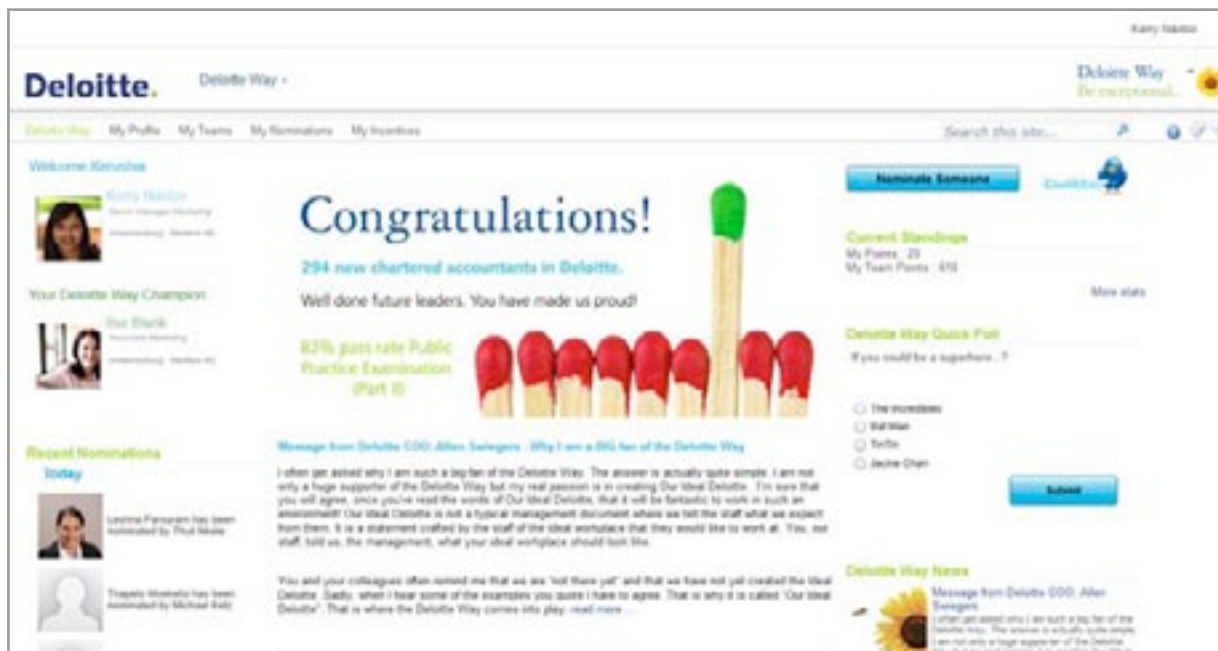


Top Achievers Banquet - February 2012



Overall top achievers in External Client facing: Sherice Walker and Internal Client facing: Ryno Dekker





Deloitte Way Portal

The firm successfully launched the new Deloitte Way site on 1 September 2011. The new site was simultaneously launched with a Deloitte Way Talent competition. The end result from the Talent competition was the recording of our own Deloitte Way song, which was written by a Deloitte employee and sung by our own Deloitte employees from across Southern Africa - a first ever for Deloitte.



# Environmental Sustainability

# Deloitte and the environment

## Realising our responsibility towards the environment

As an organisation involved in the economic fabric of Southern Africa, serving clients from the entire commercial spectrum, Deloitte experiences first hand the challenges facing the environment.

For us climate change is a major issue. It is a concern that demands action. Every corporate citizen, regardless of their sphere of activity, must play their part in ensuring a sustainable future.

The Deloitte commitment to environmental sustainability is firmly embedded in the ethos of the firm through our Shared Values and the Deloitte Way.

We recognise that it is our responsibility to minimise the impact of our buildings, our operations and our services on the environment. We believe that making this commitment work requires that we follow a fully integrated approach to environmental management.

## Beginning the journey to sustainability

We have begun the journey by examining how we consume energy and other resources in our daily activities.

Taking a leadership stance on the environment requires that everyone at Deloitte is committed to contributing to a sustainable environment. Our support began at Board level, where the former Sustainability Committee of the Board approved environmental sustainability as one of the firms' 10 corporate citizenship focus areas.

## A focused environmental policy

As a Deloitte focus area, our environmental policy has been developed and formalised. Key attributes of this policy are:

- A commitment to complying with the letter and spirit of regulations and statutory requirements regarding the environment
- Following the precepts of the United Nations Global Compact principles on environmental sustainability
- Incorporating measures aimed at saving and promoting energy efficiency in all areas of our business
- Introducing waste reduction measures, re-use and recycling programmes wherever we can
- Reducing our need for travel, and where journeys must be undertaken, making choices that minimise the impact on the environment
- Promoting staff awareness on environmental issues through workplace programmes
- Selecting suppliers and products on the basis of the impact that their services and products may have on the environment
- Seeking to improve the environmental performance of our clients through our offerings.

### Practical steps towards environmental sustainability

Our stated objective is to measure our carbon footprint every year and ensure that our impact on the environment is reduced. Practically, the use of electricity has been reduced through the installation of motion light detectors, and air conditioners in some offices have been fitted with cut-out timers. We have set out to achieve our goal by gaining the support of everyone at Deloitte for various activities.

These include:

- Engaging the support of all our people by promoting environmental awareness in the workplace on an ongoing basis
- Video-conferencing facilities are used to reduce staff air travel
- International awareness days are utilised to promote and educate staff on environmental issues
- We use IMPACT Day as an opportunity to get involved in various greening activities in the schools and communities we support
- The Deloitte Johannesburg, Durban and Cape Town offices have implemented waste recycling initiatives
- Keeping international air travel to a minimum

### Lee Swan - Leave only footprints

Lee Swan's professional passion may be sustainability and climate change, but few would go to the lengths she recently did to prove her commitment. In 2011, she became the first African-born woman to win the Polar Race, literally walking the talk of our firm's Sustainability and Climate Change practice.

Returning triumphantly from the biggest challenge of her life, Lee, a manager in our Sustainability and Climate Change team, says her experience has made her more determined than ever to help make South African business understand the opportunities and risks in sustainability and climate change.

The Polar Race is a test of endurance, a race of passion and a challenge of inner strength. Known as "probably the world's toughest race", it starts from Resolute Bay in the former North West Territories of Canada. It takes the contestants some 650 km, by ski or foot, across some of the most desolate terrain in the world, until these brave explorers reach the finish line, namely the 1996 certified position of the Magnetic North Pole.

On 28 April, after 22 days of walking, Lee reached the Magnetic North Pole.



“Right from the beginning, I believed strongly that this was the way to help focus the minds of clients and staff on my professional passion: the need for regulatory certainty around sustainability and climate change so that business can respond. I also wanted to use my personal growth journey to raise funds for the Leap Science and Maths School. It was a once-in-a-lifetime opportunity for me.”

With the United Nations Conference of the Parties (COP17) held in Durban in November 2011, Lee's success in this race truly demonstrated our brand is Always One Step Ahead.”



### Seeing if we measure up

The Deloitte Sustainability and Climate Change unit calculated the carbon inventory for Deloitte for the 2011 financial year, which ran from 1 June 2010 to 31 May 2011. In line with international best practice, the calculation of a carbon inventory was undertaken in accordance with the GHG Protocol Corporate Standard.

Deloitte included the following emission sources under each scope of emissions:

- Fuel consumed in company-owned vehicles.
- Fuel used in on-site generators for the production of electricity during power outages from the national electricity grid. In addition, fuel consumption in on-site generators for maintenance of the generators.
- Electricity consumption (purchased from Eskom).
- Business travel (road and air travel by employees).
- Accommodation for business trips by employees.
- Paper consumption.

The total carbon inventory for Deloitte was calculated to be **18 718** tons CO<sub>2</sub>e for the 2011 financial year.

Of this total:

- Gauteng recorded 14 560 tons CO<sub>2</sub>e
- KwaZulu-Natal recorded 2 380 tons CO<sub>2</sub>e
- Cape Town recorded 1 319 tons CO<sub>2</sub>e
- Port Elizabeth recorded 168 tons CO<sub>2</sub>e
- East London recorded 44 tons CO<sub>2</sub>e

#### Some key facts included:

- Electricity consumption accounted for 64% of the organisation's carbon inventory
- Business travel was the second largest contributor to the carbon footprint
- The Johannesburg office has the largest carbon inventory of all the offices, contributing 61% of the total emissions
- The Johannesburg office has the highest electricity consumption and the highest emissions from business travel. It also has the highest number of staff and floor space
- Overall the 2011 carbon inventory is 24% lower than the baseline carbon inventory of 2008

We would like to see a 10% reduction in our carbon emissions by 2020.

**\* (Detailed chart following)**

The data collected for the 2011 carbon inventory is displayed in the table below:

OFFICE	SCOPE 1		SCOPE 2	SCOPE 3					No. of Employees		Floor Space
	Fuel		Electricity	Air Travel		Car Hire <sup>1</sup>	Claimed km	Paper Procured	FTE employees	FTE employees & Audit trainees	
	Diesel	Petrol		Short Haul Flights [<1600km]	Long Haul Flights [>1600km]						
	[litre]	[litre]	[kWh]	[km]	[km]	[km]	[km]	[ton]			[m <sup>2</sup> ]
Woodlands	2 066	16 864	6 219 685	8 471 997	18 368 467		5 965 444	59	1 827	2 382	38 218
Pretoria	-	1 271	2 660 484	933 091	723 444		869 393	14	295	408	7 901
Durban	-	-	1 714 088	797 615	612 471		1 025 522	9	177	290	6 313
Cape Town	-	1 327	729 270	2 103 771	833 133		448 448	9	227	377	4 720
PE	20	-	135 074	Cannot be split out <sup>2</sup>	Cannot be split out <sup>3</sup>		120 962	1	26	60	1 150
PMB	-	-	86 241	15 303	18 141		56 581	0	6	16	291
East London	-	-	40 360	Cannot be split out <sup>4</sup>	Cannot be split out <sup>5</sup>		-	1	8	8	425
RB	-	-	25 766	9 106	-		42 435	7	3	12	180
<b>TOTAL</b>	<b>2 086</b>	<b>19 461</b>	<b>11 610 968</b>	<b>12 330 883</b>	<b>20 555 656</b>	<b>205 565</b>	<b>8 528 785</b>	<b>100</b>	<b>2 569</b>	<b>3 553</b>	<b>64 923</b>

<sup>1</sup> We cannot divide car hire into offices as it has not been captured in this manner. This should be done in future.

<sup>2</sup> Recorded with Johannesburg data

<sup>3</sup> Recorded with Johannesburg data

<sup>4</sup> Recorded with Johannesburg data

<sup>5</sup> Recorded with Johannesburg data



## Commitment to Society



# Corporate Social Investment

“We have moved beyond cheque book charity and encourage staff to volunteer in various initiatives. The greatest impact our firm can have on society is by sharing our deep knowledge and expertise. We are indeed making an impact and ensuring that we have contributed towards sustainable development.”

Sam Payne, Corporate Citizenship, Deloitte

In a country where major socio-economic disparities are a fact of life, it is crucial that individuals and companies alike play a role in helping to address inequalities and build sustainable communities in which quality of life, the dignity of all and the right to opportunities are respected and encouraged.

Recognising this imperative as a requirement of doing business, Deloitte has incorporated Corporate Social Investment (CSI) into the fabric of its corporate strategy by ensuring that involvement begins at Board level and permeates downwards through all levels of the firm.

CSI is therefore more than an obligation to Deloitte; it is an opportunity for the firm to meaningfully participate in the upliftment of communities in which we do business. In the spirit of this involvement our participation in projects goes far beyond ‘chequebook philanthropy’, extending into volunteerism, using our skills, provision of services on a pro bono basis, sponsorships and donations.

As part of a global network of professionals, Deloitte Southern Africa also adheres to global best practice by adhering to the principles espoused by the Deloitte Global Corporate Responsibility (CR) Council. This Council requires that each member firm must adopt and follow the corporate responsibility policy, whilst identifying local priorities and planning accordingly.

Deloitte Southern Africa, in implementing its plans, has recognised that sub-Saharan Africa requires a unique programme driven in part, by a changing regulatory environment and on-going pressures to contribute towards national development goals.

Because of our unique business model our CSI programmes have become increasingly aligned with our core business objectives and imperatives. This has resulted in the firm concentrating on a smaller number of impactful projects that are focused on our key themes of education, job creation and enterprise development.

Our enterprise development initiatives include the support of economic transformation initiatives that promote meaningful and sustainable access and participation in the economy for previously disadvantaged people. Support from Deloitte ranges from financial assistance to pro-bono services and mentoring and coaching of economic transformation initiatives.

The African Children’s Feeding Scheme (ACFS) is a Deloitte CSI project. Supported by the firm for more than 20 years, it has become a tradition for serving Deloitte CEOs to assume the chairmanship of the ACFS and ensure that the ACFS receives the finance, accounting and taxation assistance required of an organisation of its size.

True to tradition, CEO-elect, Lwazi Bam, has already assumed the chairmanship this year and will serve for the duration of his term as chief executive of Deloitte.

Supported by major corporations such as Tiger Brands, who supply the nutritious foodstuffs to children and families in dire need, the scheme has grown to the point where 31 000 children a day are fed. The children come from the Gauteng townships of Soweto, the East and West Rand and are also drawn from the informal settlements scattered across these areas. Supplementing this primary need, 1 200 families receive food parcels on a monthly basis.

The statistics speak for themselves. Each child receives peanut butter sandwiches, the basis of which involves using 263 tubs of peanut butter, each weighing in at 20 kgs from Tiger Brands a month. The company also provides 50 446 loaves of bread a month.

Pioneer Foods donates the milk required to supplement the sandwiches, while many leading organisations provide donations or contributions 'in-kind' that sustain the organisation.

Operating in the Gauteng area since 1945, when it was established in Soweto by Anglican Bishop, Trevor Huddleston, today the ACFS operates through nine formal feeding centres in strategic locations.

As with most organisations of its type, the ACFS has expanded to meet the growing needs of impoverished communities and now supports education, skills development, aids orphans and child-headed families.

Believing that providing food on an indefinite basis creates dependency, the ACFS also:

- Provides health education programmes
- Assists with the establishment of food gardens to create food security
- Offers skills development programmes to ensure that families exit the feeding programme
- A malnutrition rehabilitation programme
- A 'love thy neighbour' Ubuntu campaign targeted on HIV awareness and education
- A Care-for-Children programme for orphans and child-headed households.

With its broad range of activities and deep community involvement the ACFS epitomises what can be achieved through the support of concerned corporate citizens and individuals.

### The Deloitte IMPACT Day programme

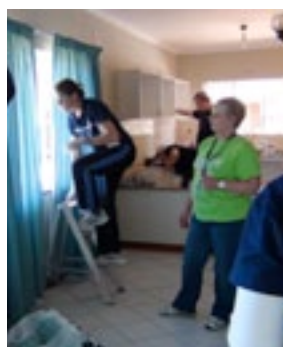
In contrast to the defined ACFS involvement, Deloitte has its internal programme called IMPACT Day. This global initiative is designed to bring Deloitte staff closer to local communities. On this designated day, Deloitte professionals around the world set aside their normal business commitments to visit and add value to the communities within which they operate.

Some of the initiatives undertaken in South Africa include organised visits to schools, crèches and various organisations to carry out repairs, plant trees and, vegetable gardens. Professional skills are utilised by providing career guidance and skills training to learners and the teachers, tutor and share general life skills and running business classes for entrepreneurs.

IMPACT Day is a firm wide initiative that brings Deloitte staff closer to local communities. It is an enriching experience for all involved Deloitte staff to personally make a difference in the lives of the impoverished communities where we do business. The various organisations that we work with during IMPACT Day are organisations that we either have or intend to have an on-going relationship and interventions with. Our IMPACT Day activities have a mixture of traditional volunteerism; skills based volunteerism and probono work.

Most of the activities that took place involved most business units concentrating on our global strategy and national strategy of education and skills building.

- Deloitte staff took part in IMPACT Day, with 100% of activities focused on education and skills building.



**IMPACT Week**  
5 – 9 September 2011

A list of the projects:

Office/business unit	Types of activities planned	Focus area	Charity/Project/School name	Champion
<b>Woodlands</b>				
<b>Risk Advisory</b>	<ul style="list-style-type: none"> <li>• Completing the volleyball/netball court that was started last year</li> <li>• Setting up a soccer field</li> </ul>	Education	JS Mpanza Primary School	Shan Naidoo
<b>Clients &amp; Markets</b>	<ul style="list-style-type: none"> <li>• Setting up a library and cataloguing books</li> <li>• Designing posters for the new library</li> <li>• Reading to groups of small children</li> <li>• Assisting with writing skills</li> <li>• Training teachers on e-learning for children software</li> <li>• Training teachers on basic computer admin skills</li> <li>• Establish a vegetable garden</li> </ul>	Education	Mveledzandivho Primary School	Daniela Vaglietti
<b>Tax and Legal</b>	<ul style="list-style-type: none"> <li>• Building a storage room</li> <li>• Gardening</li> <li>• Erecting a jungle gym</li> <li>• Fixing a fence and other various small things at the school</li> <li>• Fire brigade show and cheetah show</li> <li>• SAPS K9 show</li> <li>• Teaching soccer and dance</li> <li>• Various children's activities (smaller children) such as colouring, hoola hoop, face painting etc.</li> <li>• Showing a movie</li> </ul>	Education	Olievenhoutbosch Primary School & Urban Life Church	Gerda Badenhorst

Office/business unit	Types of activities planned	Focus area	Charity/Project/School name	Champion
Woodlands				
Johannesburg Audit: Omega Group and Talent	<ul style="list-style-type: none"> <li>• Installing of shelves for books, toys and other accessories</li> <li>• Repairing the offices and the storage</li> <li>• Installing new windows and blinds/curtains</li> <li>• Installing a geyser</li> </ul>	Education	Ratanang Group for Children with disabilities	Phillip Van Huyssteen
	<ul style="list-style-type: none"> <li>• Collecting stationery, school clothes and accessories for the children</li> <li>• Installing tables and chairs for the children</li> <li>• Improving the vegetable garden</li> </ul>		Uncedolwabantu projects and health centre	
Johannesburg Audit: Beta Group	<ul style="list-style-type: none"> <li>• Facilitating training to caregivers</li> <li>• Collecting material and stationery</li> <li>• Establish a food garden</li> <li>• Establish a playground</li> <li>• Organise a cultural day for staff</li> </ul>	Education	ACFS Community Education and Feeding scheme	Marlize Hedder
Johannesburg Audit: Sigma Group	<ul style="list-style-type: none"> <li>• Fixing up the vegetable garden</li> <li>• Cleaning and painting the jungle gyms</li> <li>• Placing a roof over the toilet facilities</li> <li>• Planting grass for the playground</li> <li>• Making a tyre trail and a hop scotch playground</li> </ul>	Education	Thuto ke Lesedi Day Care Centre	Keegan Scorgie
Johannesburg Audit: Zeta Group	<ul style="list-style-type: none"> <li>• Setting up libraries at Yeoville and Mzimhlophe Arc including shelving, painting and installing books sourced from the Rotary club</li> <li>• Decorating the libraries</li> <li>• Career guidance, CV preparations and job seeking skills for Mzimhlophe learners</li> <li>• Basic life skills including budgeting, opening a bank account and saving for Mzimhlophe learners</li> <li>• Sports and fun activities for younger kids</li> <li>• Revitalise the vegetable garden at Mimi Arc</li> </ul>	Education	NOAH  Yeoville Arc Mzimhlophe Arc Mimi Arc	Riaan Jacobs

Office/business unit	Types of activities planned	Focus area	Charity/Project/School name	Champion
<b>Woodlands</b>				
<b>Johannesburg Audit: Delta Group</b>	<ul style="list-style-type: none"> <li>• Replenish the garden</li> <li>• Plant more seedlings in the garden and nourish the soil with compost</li> <li>• Reading to the children in the afternoon</li> <li>• Assisting the children with their homework</li> </ul>	Education	Epworth Children's village	Grant Howroyd
	<ul style="list-style-type: none"> <li>• Purchasing books and educational items</li> <li>• Covering all books with protective plastic</li> <li>• Maintenance work of replacing shower heads, fixing shelving, replacing door handles, hanging of wooden sliding door, providing a shower curtain</li> <li>• Donating toiletries, food and stationery and clothing collected from staff</li> </ul>		Dorah's Ark	
<b>S&amp;P</b>	<ul style="list-style-type: none"> <li>• Improving on the existing vegetable garden and assisting with the creation of the wellness room while the children are at school</li> <li>• Providing wellness room accessories and gardening tools</li> <li>• Entertainment the children</li> </ul>	Education	NOAH - Yeoville	Marianna Gavriel
<b>Auditing &amp; Accounting</b>	<ul style="list-style-type: none"> <li>• Cataloguing books that have been donated to the school</li> <li>• Launching three books for groups 2, 3 and 5</li> <li>• Three book quizzes for groups 1, 2 and 4</li> <li>• Introducing e-learning for children to the learners</li> </ul>	Education	Igugulethu Primary School	Cara Botha

Office/business unit	Types of activities planned	Focus area	Charity/Project/School name	Champion
<b>Woodlands</b>				
<b>GIS</b>	<ul style="list-style-type: none"> <li>• Handover stationery for each classroom</li> <li>• Supply and wall mount three whiteboards</li> <li>• Remove old carpets from all classrooms and fit in new carpets</li> <li>• Place approximately seven thin mattresses in the classroom for the children's afternoon naps</li> <li>• Supply and wall mount six heaters</li> <li>• Place educational toys in classrooms - donated by GIS staff and also purchase new toys</li> <li>• Revitalise the vegetable garden</li> <li>• Entertainment for the children – magic show, singing and balloon sculpturing</li> <li>• Supply two desktops and a printer</li> </ul>	Education	Thuthukani Creche	Deva Naidoo
<b>GAS</b>	<ul style="list-style-type: none"> <li>• Career guidance for grade 10 – 12 learners</li> <li>• Motivational talk for grade 10 – 12 learners</li> <li>• Vegetable gardening</li> <li>• Donating paper</li> </ul>	Education	Eden Park High School	Chantelle Stoffels
<b>Capital Markets</b>	<ul style="list-style-type: none"> <li>• Painting of classrooms (inside and outside)</li> <li>• Carpeting of classrooms</li> <li>• Providing and giving out food parcels in the community</li> <li>• Painting of netball court</li> <li>• Planting of grass in playground</li> <li>• Planting of trees</li> <li>• Providing an additional classroom for extra lessons</li> <li>• Chess tournament</li> <li>• Rugby games</li> </ul>	Education	Africa Tikkun Wings of Life Centre in Diepsloot	Cheryl Bernstein



Office/business unit	Types of activities planned	Focus area	Charity/Project/School name	Champion
<b>Woodlands</b>				
<b>Risk Management/PSR/JIT/Transformation</b>	<ul style="list-style-type: none"> <li>• Career guidance for older kids</li> <li>• Basic life skills for older kids</li> <li>• HIV Aids education in partnership with LoveLife</li> <li>• Storytelling and reading for younger kids</li> <li>• Donating all that was collected during the staff collection drive</li> </ul>	Education	Ubuhle Bezwe Child Centre	Bongi Ngxishe
<b>AIS</b>	<ul style="list-style-type: none"> <li>• Green team – revamping the garden and play area</li> <li>• Bookworm team 1 – setting up reading corners in classrooms with theme related paintings on the walls and painting the bookshelves</li> <li>• Bookworm team 2 - covering books in the library and reading to children</li> <li>• Techno team – Revamping the PC centre, painting tables and setting up computers</li> <li>• Vleis team – preparing lunch</li> <li>• Giving out hygiene packs to the children</li> </ul>		Sparrows	Yashoda Ram
<b>FIST</b>	<ul style="list-style-type: none"> <li>• Teaching the learners to use the e-learning tool for kids</li> <li>• Engaging learners in quizzes and puzzles</li> <li>• Reading to the learners</li> <li>• Painting and cleaning the school</li> <li>• Refurbishing the courtyard</li> <li>• Donating books sourced from the Rotary</li> </ul>	Education	Emelang Primary	Nokuthula Mtetwa

Office/business unit	Types of activities planned	Focus area	Charity/Project/School name	Champion
<b>Woodlands</b>				
<b>Corporate Finance</b>	<ul style="list-style-type: none"> <li>• Creating a filing and administration system for the school and training the administrators</li> <li>• Donating filing stationery</li> <li>• Painting of the library</li> <li>• Donating books to be sourced from Rotary</li> <li>• Support and create internships opportunities in the long run for the learners</li> <li>• Financial donations from fundraising activities</li> </ul>	Education	Alex High School	Marjorie Migwalla
<b>Regional offices</b>				
<b>Port Elizabeth</b>	<ul style="list-style-type: none"> <li>• Making over the kitchen at the home</li> <li>• Repairing the ceilings</li> <li>• Painting</li> <li>• Supplying the home with essential home-ware</li> </ul>	Education	EP Children's Home	Carin Langner
<b>Cape Town</b>	<p>Iso Lezwe</p> <ul style="list-style-type: none"> <li>• Render skills development workshop to community workers at Deloitte</li> <li>• Source container to be used as an office</li> </ul> <p>Realistic</p> <ul style="list-style-type: none"> <li>• Painting murals in the administration block after it has been partitioned.</li> </ul> <p>Langa Study Centre</p> <ul style="list-style-type: none"> <li>• Repairing the roof</li> <li>• Cleaning of premises to prepare for a vegetable garden</li> <li>• Painting the container</li> <li>• Attending to minor paving repairs</li> <li>• Shelving in the offices/server room</li> </ul>	Education	<p>In conjunction with LEAP Science and Maths school:</p> <p>Izo Lezwe Realistic Langa Study Centre</p>	Tania Valentine

Office/business unit	Types of activities planned	Focus area	Charity/Project/School name	Champion
Pretoria	<ul style="list-style-type: none"> <li>• Designing the new library</li> <li>• Implement a proper library cataloguing system</li> <li>• Refurbishing the netball courts</li> </ul>	Education	Reitumetse school	Rezana Aboo
KwaZulu-Natal (Durban, Richards Bay, Pietermaritzburg)	<ul style="list-style-type: none"> <li>• Vegetable garden</li> <li>• Planting trees</li> <li>• Painting of kitchen</li> <li>• Painting of boardroom</li> <li>• Painting of jungle gym</li> <li>• Laying and sticking of carpets in office</li> <li>• Installation of signage at entrance</li> <li>• Installation of T-poles for washing line</li> <li>• Washing of walls</li> <li>• Clean up of play area</li> <li>• Set up library</li> <li>• Creche: sandbox and jungle gym, shoe and bag rack</li> <li>• Leaner interaction and refreshments team</li> </ul>	Education	Sethani Community Centre Slangspruit Primary School Bonisanani Orphanage	Pratisha Lalla

## Investments in the community

Greater alignments of our CSI spend with our CSI framework has led to us concentrating on a smaller number of impactful projects that are focused on our key themes of education and job creation/enterprise development. Our enterprise development initiatives include the support of economic transformation initiatives that promote meaningful and sustainable access and participation of previously disadvantaged people into the economy.

Support from Deloitte ranges from financial assistance to pro-bono services as well as ongoing mentoring and coaching of economic transformation initiatives. Most of these projects are based on information submitted for our CA Charter verification in 2011.

Besides its involvement with the ACFs, Deloitte supports enterprise development projects which include:

### 1. The Succeed Programme

Working in partnership with the Business Women's Association (BWA) and Business Partners, Deloitte is involved with assisting female small business entrepreneurs to increase the percentage of sustainable businesses.

The programme uses business advisory skills from senior leaders from Deloitte in finance, sales, marketing, operations, human resources, legal and information technology.

Through the Succeed programme, ten business women to date have benefitted from the professional support and development of critical business skills and the interactions with the business partners involved in the programme.

### 2. Jala

Jala Capital is an investment holding company operating in the spheres of mergers and acquisitions and financing. It assists enterprises by offering them financial engineering and strategic insight expertise. Deloitte has previously provided discounts to Jala Capital on professional and support services.

### 3. Endeavour

Endeavour is a non-profit organisation that identifies and supports innovative, high-growth entrepreneurs in emerging markets around the world. Deloitte entered into a strategic partnership with Endeavour to enhance the support and growth of a wide spectrum of promising and established South African enterprises, with a special focus on the inclusion of entrepreneurs in previously disadvantaged communities in South Africa. Through this partnership, Stoned Cherrie, Stitch Wise and Lere Shoe Shine have benefitted from services provided by the Consulting Strategy & Innovation team during the last two years. The services included strategic assessments, growth opportunities, sales and marketing strategies and expansion planning for the three companies.

### 4. Hope Factory

Hope Factory is a non-profit company focussed on developing, equipping and supporting previously disadvantaged South Africans to establish and grow businesses through a 15-week training programme. Deloitte contributes financially to the Hope Factory to enable it to reach more beneficiaries.

During the last 12 months, more than 120 unemployed people have been empowered through the Hope Factory training and development programme, bringing the total to 800 beneficiaries in the last ten years.



**TEACH - Learners Classroom**



**TEACH - Ambassador and learner**



**Umthombo**



**Adopt-A-School**

## 5. Sonke Skills Solutions

Sonke is a partnership between Consulting, Yvonne Mhinga and The Learning Alliance Trust. It focuses on mentoring, coaching and supporting learners on learnership initiatives. Services include support relating to formal training, workplace training, advice and support relating to career development, study assistance and guidance, special attention to disabled learners in the workplace environment and counselling.

Deloitte provides professional services to Sonke at a discounted rate, and offers office space, furniture and the use of the office equipment at no cost.

### Educational support

Education is a cornerstone to achieving economic growth in South Africa. Deloitte supports broad-based programmes that range from support for education facilities, through to programmes at pre-primary, primary, secondary and tertiary education level.

Backing from Deloitte includes mentoring students, refurbishing schools as well as providing educational resources. Some of the projects supported include:

#### 1. Adopt-A-School Foundation

Adopt-A-School Foundation assists schools in need to access basic facilities to create an environment conducive to quality learning and teaching, mainly in poorly resourced rural schools. The Deloitte Foundation made a financial contribution to the Adopt-A-School-Foundation to introduce a literacy programme for learners and teachers at Ivory Park Secondary School. The programme included language competency skills, building confidence and dealing with learning barriers for both learners and teachers. 70% of the matric learners who participated on the programme passed matric in 2011.

#### 2. Project Siyakhula

Project Siyakhula is a programme run by Deloitte trainee accountants across South Africa. Volunteers assist more than 400 pupils annually with the key subjects of Mathematics and Accounting. Working closely with the teachers, volunteers from Deloitte tutor Mathematics and Accounting and also undertake life skills activities and offer career guidance to grade 10, 11 and 12 learners from previously disadvantaged schools during weekends and school holidays.



ADT



Afrika Tikkun



Bokamoso



Botshabelo



Educare Ushaka Excursion

### 3. Leap Maths and Science School

LEAP is a school for exceptional, but disadvantaged, high school pupils from Cape Town's townships. The school's objective is to help the students gain access to tertiary study opportunities by graduating from the school with a university exemption, particularly with Science and Maths on higher grade. Deloitte has provided Leap with a financial grant over the years and our Cape Town office staff volunteer in various projects throughout the year.

### 4. Artist Proof Studio (APS)

APS is an Art Education Centre that specialises in printmaking through a variety of diverse partnerships with young artists, established professionals, community groups, patrons, and funders. APS's educational mission is to develop capacities that equip 'artists-as-citizens' to engage productively with society through a three-year intensive training programme.

The Risk Advisory team assisted APS with identifying and managing risks and ascertaining sufficient controls in the areas of finance, education, administration, special projects, professional spacing and the art gallery.

### 5. Botshabelo

Botshabelo is a non-governmental organisation committed to providing critical support and resources for the community of Olievenhoutbosch. It focuses on Early Childhood Development (ECD) programmes, community-based child care and home-based care. Deloitte has supported Botshabelo with funding for the training and upliftment of early childhood development practitioners and learners.

### 6. Afrika Tikkun

Afrika Tikkun is an NGO concentrating on education programmes, skilling programmes, care of the aged and caring programmes. The programmes embarked upon in the different communities are determined by specific needs. Deloitte provided financial support to Afrika Tikkun for the education and food gardening projects at the Afrika Tikkun Orange Farm AreKopaneng Community Centre. Last year, the project benefitted 960 people who were involved in the early childhood development, learning support and food garden programme supported by Deloitte.

### 7. Junior Achievement South Africa

Junior Achievement offers education programmes on the benefits of the free enterprise system and entrepreneurship to children and teenagers, so they are prepared for life after school.

Deloitte supported JASA financially to enable Project Siyakhula learners to participate and benefit from the entrepreneurial programme in the Durban region.

### 8. People Upliftment Programme

People Upliftment Programme (POPUP) is a non-profit organisation with a holistic approach to the upliftment of under-privileged communities, and offers skills development and training programmes, job placement, social support and medical services.

Deloitte staff voluntarily support the programme financially. The firm then matches the donations with corporate funds. In addition, Deloitte Pretoria ran personal financial management training sessions for the learners at POPUP. The beneficiaries are now better equipped with skills that will assist them in running and managing their finances.



E-learning for kids



Future Leaders



LEAP



ML Sultan Blackburn School



POPUP



## 9. President's Award for Youth Empowerment

The President's Award for Youth Empowerment is a registered non-profit organisation that empowers young people between the ages of 14 and 25 through self-development programmes, enabling them to become responsible active citizens within their communities.

Deloitte conducts the annual audit of the President's Award for Youth Empowerment at no cost to the organisation.

## 10. Imperial and Ukhamba Community Development Trust

Ukhamba's mission is to form partnerships with local and international companies wanting to make meaningful contributions to the advancement of people from previously disadvantaged groups. Their priority projects include the upliftment and upgrading of Grade R classrooms, libraries, media centres and curriculum development.

Deloitte assisted the Ukhamba Trust to develop the Grade R section of Rekgutlile Primary School in Vlaktefontein and also to purchase books and educational toys. In addition, Deloitte provided a financial grant to complete the library at Finetown Primary School.

## 11. Future Leaders Development Programme (FLDP)

This programme was established to actively facilitate the employment of unemployed graduates in the country. The FLDP entails the recruitment, formal training and provision of workplace experience to a selected group of graduates, recruited from the Thusanani Workplace Readiness project, sponsored by the Financial and Advisory Services Sector Education and Training Authority (FASSET).

The 12 month programme is designed to go beyond work readiness to provide long-term employment opportunities to a number of graduates within Deloitte annually. This includes all graduates being assigned a mentor to provide on-going feedback and to assist the graduates with integration into Deloitte. During this time, the graduates are given meaningful work experience, challenging assignments, intensive training and access to e-learning courses and classroom training programmes.

## 12. TEACH SA

TEACH SA recruits young graduates and leverages their talents to act as educators within rural and urban disadvantaged schools. Selected graduates (TEACH Ambassadors) commit to a minimum of two years of service to the programme and school they are placed in.

Deloitte staff have been involved in the programme since conception and continue to provide on-going support to the project specifically as advisors and with the recruitment process of the TEACH Ambassadors.

## 13. Jumpstart

Jumpstart is an innovative career guidance and life skills booklet targeted at Grade 9 to Grade 12 learners in schools countywide. Jumpstart educates, empowers and uplifts the learners and the educators/facilitators, by disseminating crucial information relating to self-knowledge, skills development, entrepreneurship, health awareness, career guidance and other topics that are relevant to society. In the past, Deloitte provided two financial grants to Jumpstart which enabled the project to expand the distribution of the booklets.



POPUP



Siyakhula



Siyakhula



Afrika Tikkun Wings of Life



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“I recently got my matric results and I received 6 distinctions with 93% in Accounting. I believe I owe this to Deloitte. Not only did you teach us Accounting but also inspired us to realise our full potential. Thank you very much... and I hope to join you soon as a CA.”

– Siphumele Dlomo, Umlazi Comtech - Grade 12 learner 2011, Project Siyakhula, Durban Office

#### **Charities Aid Foundation of Southern Africa (CAFSA)**

Deloitte also partners with the Charities Aid Foundation of Southern Africa (CAFSA) which helps administer the Helping Hands payroll giving programme. Helping Hands is the Deloitte staff voluntary giving programme through which staff contributes to charitable causes of their choice. Deloitte matches the donations on a 'rand-for-rand' basis, thereby doubling individual efforts and enabling staff to make more of an impact.

As a firm we have also made other important contributions to meet global needs, such as relief efforts after natural disasters. We have made meaningful contributions towards the Pakistan floods relief efforts, as well as to the relief efforts of the earthquakes in Japan.

#### **Some key highlights:**

- Deloitte achieved full marks for Socio Economic Development (SED) and enterprise development in our latest BBBEE CA Charter report
- Deloitte spent a total of 10 510 hours of staff time on various corporate responsibility projects
- A total of 1 692 Deloitte staff are actively engaged in corporate responsibility projects
- Over 400 learners successfully participated in Project Siyakhula in all our regions in 2010. It is pleasing to note that the Grade 12 pass rate improved by 7.2%, thereby giving learners access to study Accounting at university.

# United Nations Global Compact

## United Nations Global Compact

Deloitte has committed itself to the ten principles on human rights, labour, environment and anti-corruption. The ten principles are closely aligned with our commitment to responsible business and our shared values of integrity, outstanding value to clients and markets, commitment to each other and strength from cultural diversity.

## Human Rights

The human rights principles of the Global Compact arise out of the Universal Declaration of Human Rights adopted by the UN General Assembly in 1948.

Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights and

Principle 2 - Businesses should make sure that their own operations are not complicit in human rights abuses

## Disclosure

Deloitte's global Shared Values and Ethical Principles are the basis for our interaction with our clients, our people and the public — and are aligned with the principles of international Human Rights. A commitment to human rights is deeply embedded in the Deloitte Ethical Principles; specifically Respect and Fair Treatment where “we treat all our colleagues with respect, courtesy and fairness”. We seek to comply not only with the letter but also with the spirit of the law and have programs in place that support Human Rights in our workplace as well as in our interaction with key stakeholders.

As a firm, we recognise our responsibility to uphold human rights both in the workplace and more broadly within our sphere of influence. We address human rights in firm policy by embedding it in the core values and culture of Deloitte, thus infusing a common respect for each other in our approach. In the workplace human rights takes the form of non-discrimination and diversity in personnel practices. Our recruiting and retaining activities reflect the commitment to our employees. We protect human rights in the community through our corporate social investments in education and enterprise development/job creation.

See pages 31 - 42

## Labour

The Global Compact Principles relating to labour rights are taken from the 1998 ILO Declaration of Fundamental Principles and Rights at Work.

Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4 - Businesses should uphold the elimination of all forms of forced and compulsory labour

Principle 5 - Businesses should uphold the effective abolition of child labour

Principle 6 - Businesses should eliminate discrimination in respect of employment and occupation

## Disclosure

At Deloitte our people are our most important asset and we are committed to building sustainable relationships with them. We believe that attracting and, engaging and retaining great people is fundamental to becoming the Standard of Excellence. Our ambition is to be a high performance organisation with a high performance culture. By attracting top talent we are and will be able to service our clients. To strengthen our As One culture we are committed to investing in talent and leadership development.

See pages 31 - 42

## Environment

The environmental principles of the Global Compact are based on the Rio Declaration on Environment and Development (also known as Agenda 21) that was adopted in 1982.

Principle 7 - Businesses should support a precautionary approach to environmental challenges

Principle 8 - Businesses should undertake initiatives to promote greater environmental responsibility

Principle 9 - Businesses should encourage the development and diffusion of environmentally friendly technologies

## Disclosure

Deloitte aims to make a positive contribution in protecting the environment. We formulate initiatives at a local level, taking global developments into account. We recognise our responsibility to minimise the impact of our operations and services on the environment, and we are making real progress as we work to develop a fully integrated approach to environmental management. Deloitte recognises that it has an impact on the environment, both directly through the consumption of energy and other resources in daily business activities as well as indirectly through the services we offer our clients.

See pages 43 - 47

### **Anti-Corruption**

The 10th Principle of the United Nations Global Compact is based on the United Nations Convention against corruption which was adopted in 2003

Principle 10 - Businesses should work against corruption in all of its forms, including extortion and bribery

### **Disclosure**

At Deloitte we understand it is imperative to maintain high standards of integrity within our organisation. The conduct of DTTL member firms and their people in the marketplace springs from DTTLs shared values and nine ethical principles which, amongst other core business principles, set the expectation that DTTL member firm professionals demonstrate integrity, objectivity, and fair business practices in all their relationships with clients and other stakeholders.

See pages 20 - 30



## Glossary of Terms and Contacts

# Glossary of Terms

ABASA	Association for the advancement of Black Accountants in South Africa
ACFS	African Children's Feeding Scheme
APS	Artist Proof Studio
BBBEE	Broad-based Black Economic Empowerment
BCM	Business Continuity Management
BCP	Business Continuity Plans
BEE	Black Economic Empowerment
BICs	Business Improvement Consultants
BRMS	Business Relationship Management System
BWA	Business Women's Association
CA	Chartered Accountant
CAFSA	Charities Aid Foundation of Southern Africa
CEO	Chief Executive Officer
CMP	Crisis Management Plan
COO	Chief Operational Officer
COP	Communications on Progress
COP17	Conference of the Parties
CR	Corporate Responsibility
CSI	Corporate Social Investment
CTA	Certificate in Theory of Accounting
DTT	Deloitte Touche Tohmatsu
DTTL	Deloitte Touche Tohmatsu Limited
DESC	Deloitte Entity Search and Compliance
DPM	Deloitte Policy Manual
DTI	Department of Trade and Industry

ECD	Early Childhood Development
EMEA	Europe, Middle East and Africa
ERP	Emergency Response Policy
Exco	Executive Committee
FASSET	Financial and Advisory Services Sector Education and Training Authority
FCT	Firm Contribution Tool
FLDP	Future Leaders Development Programme
FoL	Foundations of Leadership
FSI	Financial Services Industry
FTE	Full-time employees
FY	Financial Year
GHG	Greenhouse Gas
GIMS	Global Investment Monitoring System
HIV	Human Immunodeficiency Virus
ICAS	Independent Counselling and Advisory Services
IFAC	International Federation of Accountants
IRBA	Independent Regulatory Board of Auditors
ISOS	International Organisation for Standardisation
JASA	Junior Achievement South Africa
JSE	Johannesburg Stock Exchange
LADC	Leadership Assessment and Development Centre
MADC	Manager Assessment and Development Centre

NGO	Non-Governmental Organisation
OHS	Occupational Health and Safety
POPUP	People Upliftment Programme
RemCo	Remuneration Committee
SAICA	South African Institute of Chartered Accountants
SAP ERP	Systems, Applications and Products - Enterprise Resource Planning
SARS	South African Revenue Service
SED	Socio Economic Development
SETA	Sector Education and Training Authorities
SED	Socio Economic Development
SETA	Sector Education and Training Authorities
TIPP	Training Into Practice Project
TR	Thompson Reuters
WIL	Women in Leadership



# Contacts

The 2012 Stakeholder Report has been produced and published by the Corporate Citizenship team on behalf of the Deloitte Board of Partners and Directors.

The report forms part of the commitment by Deloitte to open dialogue with its broad range of stakeholders.

We welcome and encourage feedback and comments on this report.

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