

**Deloitte.**

# 2012 GLOBAL REPORT



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# Executive message

From Barry Salzberg and Steve Almond



The Deloitte member firm network's performance in any given year is about more than numbers. It's the stories behind those numbers—the strength of our client relationships, the breadth of our global service capabilities, and the depth of our commitment to quality and innovation—that bring our performance to life.

These factors enable member firm professionals around the world to continue delivering value for our stakeholders year after year. In FY2012, despite ongoing global economic instability, these professionals helped drive growth across industry sectors, business lines, and all three major geographic regions.

They also empower the Deloitte network to make broader social, environmental, and economic impacts. Working alongside our member firm clients every day drives innovation, fosters growth, and in the case of the audit business, helps build and preserve the public's trust in capital markets.

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We believe strongly that global businesses like ours have both the opportunity and the responsibility to look beyond the bottom line—to understand and shape the broader impact of our operations. We take that responsibility seriously.

Maintaining responsible business practices is a top priority for the Deloitte network. It's one of the reasons we continue to align operations and strategies with the ten principles set forth in the United Nations Global Compact. And why we're relentless in our commitment to quality in all aspects of our business—from the services we provide to the talent we hire.

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Today's complex global business environment calls for a keen understanding and a rigorous assessment of potential risks for member firms' clients, our business, and the greater public community. Our response—internally and in the marketplace—begins with quality. In FY2012, the development and global implementation of Deloitte Audit, a new audit service delivery program, exemplified our focus on and investment in quality, with potential benefits affecting a broad array of our stakeholders.

But our commitment to quality is only part of the equation. Throughout this report, you'll see examples of the global network's commitment to clients, our people, our communities, and our environment; our investment in strategic markets; and our emphasis on innovative thinking. All of these contributed to the strength of our global performance this past fiscal year and all will continue to be a key focus of the Deloitte network's global strategy moving forward.

From establishing a new three-year US\$750 million investment in 11 strategic markets in FY2013 to augmenting member firm capabilities by accelerating the focus on acquisitions, efforts are already well under way to build on the foundation laid by this past year's achievements.

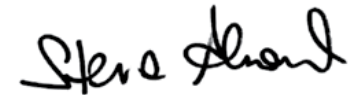
It is with great pride that we share the stories behind those achievements with you. They represent the work of nearly 200,000 dedicated member firm professionals around the world who continue to expand the scope of what the Deloitte network can achieve.

On behalf of those professionals, we thank you for taking time to read this report.



**Barry Salzberg**

Global Chief Executive Officer  
Deloitte Touche Tohmatsu Limited



**Steve Almond**

Chairman of the Board  
Deloitte Touche Tohmatsu Limited

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# Vision and values



## Our Vision

We aspire to be the standard of excellence, the first choice of the most sought-after clients and talent.

Business and society's success are inextricably linked: for society to flourish, business must also thrive. Business drives innovation. Through its investments, products, and services, business contributes to societal progress and well-being.

Deloitte is committed to driving economic growth, capitalizing on business opportunities, responding productively to challenges, and supporting the creation of a sustainable and prosperous society. It is working to make clients across the world stronger and better able to compete in a globalized marketplace.

- Risk enterprise teams are promoting good governance and anti-corruption.
- Audit practices are building and preserving public trust in capital markets.
- Consulting professionals are unlocking innovation and productivity in businesses.

Deloitte's support of clients helps drive advances across the business spectrum—from breakthroughs in data analytics that help put healthcare professionals where the

need is greatest to stimulating global business leaders' thinking on the nature of leadership to promoting a clearer understanding of international regulatory and tax policies. Applying the Deloitte network's collective insight and expertise to problems and opportunities creates pathways for individual growth and achievement, business success, and value for society.

## The Deloitte Shared Values

The Deloitte Shared Values bind the people of the Deloitte member firms together, providing the basis for trusting one another and helping enable the network to achieve its vision.

### Integrity

We believe that nothing is more important than our reputation, and behaving with the highest levels of integrity is fundamental to who we are. Deloitte demonstrates a strong commitment to sustainable, responsible business practices.

### Outstanding value to markets and clients

Deloitte plays a critical role in helping both the capital markets and our member firm clients operate more effectively. We consider this role a privilege, and we know it requires constant vigilance and unrelenting commitment.

### Commitment to each other

We believe that our culture of borderless collegiality is a competitive advantage for us, and we go to great lengths to nurture it and preserve it. We go to extraordinary lengths to support our people.

### Strength from cultural diversity

Our member firm clients' business challenges are complex and benefit from multidimensional thinking. We believe that working with people of different backgrounds, cultures, and thinking styles helps our people grow into better professionals and leaders.

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# Investment in quality

A critical, sustained focus

Deloitte's presence in the marketplace, its member firm client relationships, and its larger stakeholder commitments are marked by a sustained focus on and investment in quality.

This commitment is perhaps most evident in the audit practice and discipline, reflecting the independent audit's crucial role in protecting the investing public and capital markets. Deloitte takes pride in this role, and Deloitte member firms are investing in their audit practices to continuously enhance the quality of their audit work.

Deloitte is constructively engaged with regulators and other stakeholders worldwide on issues such as the role of the auditor and financial reporting, with significant emphasis on enhancing audit value and quality, improving corporate governance, and increasing public confidence in the audit process.

[Deloitte Audit](#), a global, transformative audit platform that provides clients with a customized approach to their most important issues and risks, exemplifies Deloitte's commitment to audit quality.

Quality also underscores Deloitte's investment in talent and its support of [leadership development](#) and professional growth, including extensive training and education on technical and regulatory matters, and on professional ethics and independence.

In addition, Deloitte's systematic [quality and risk](#) frameworks support the member firms' abilities to serve the public interest and consistently deliver services that meet high quality standards.



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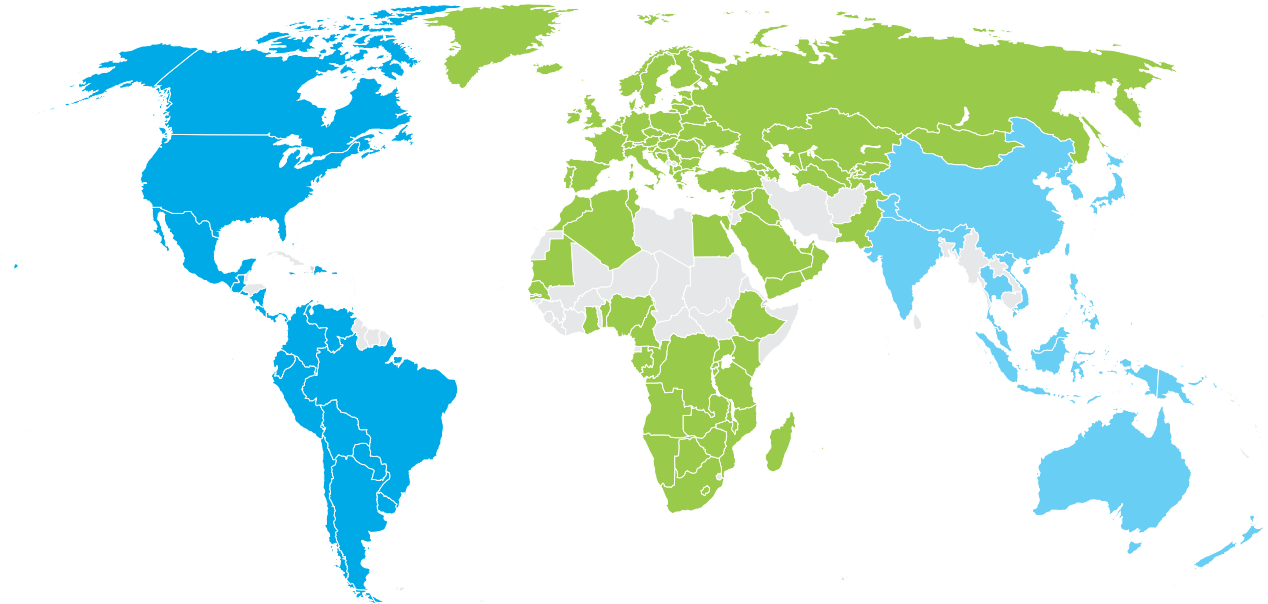
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# Locations



As of 31 May 2012 there were 48 Deloitte Touche Tohmatsu Limited member firms. Collectively member firms have a presence in the following countries and locations:

## AMERICAS

Argentina  
Aruba  
Bahamas  
Barbados  
Bermuda  
Bolivia  
Brazil  
British Virgin Islands  
Canada  
Cayman Islands  
Chile  
Colombia  
Costa Rica  
Curacao  
Dominican Republic  
Ecuador  
El Salvador  
Guatemala  
Honduras  
Jamaica  
Mexico  
Nicaragua  
Panama  
Paraguay  
Peru  
Trinidad and Tobago  
Turks and Caicos  
United States

Uruguay  
Venezuela  
Virgin Islands of the U.S.

## EUROPE/ MIDDLE EAST/ AFRICA

Albania  
Algeria  
Andorra  
Angola  
Armenia  
Austria  
Azerbaijan  
Bahrain  
Belgium  
Belorussia  
Benin  
Bosnia and Herzegovina  
Botswana  
Brunei Darussalam  
Bulgaria  
Burundi  
Cameroon  
Cape Verde  
Channel Islands  
Congo Brazzaville

Croatia  
Cyprus  
Czech Republic  
Democratic Republic of Congo  
Denmark  
Egypt  
Equatorial Guinea  
Estonia  
Ethiopia  
Finland  
France  
Gabon  
Gambia  
Georgia  
Germany  
Ghana  
Gibraltar  
Greece  
Greenland  
Hungary  
Iceland  
Iraq  
Ireland  
Isle of Man  
Israel  
Italy  
Ivory Coast  
Jordan  
Kazakhstan

Kenya  
Kuwait  
Kyrgyzstan  
Latvia  
Lebanon  
Lesotho  
Lithuania  
Luxembourg  
Macedonia  
Madagascar  
Malta  
Malawi  
Mauritania  
Moldova  
Montenegro, Republic of  
Morocco  
Mozambique  
Namibia  
Netherlands  
Nigeria  
Northern Ireland  
Norway  
Oman  
Pakistan  
Poland  
Portugal  
Qatar  
Romania  
Russian Federation

Rwanda  
San Marino  
São Tomé and Príncipe  
Saudi Arabia  
Senegal  
Serbia  
Slovakia  
Slovenia  
South Africa  
Spain  
Sweden  
Switzerland  
Syria  
Tajikistan  
Tanzania  
Tunisia  
Turkey  
Turkmenistan  
Uganda  
Ukraine  
United Arab Emirates  
United Kingdom  
Uzbekistan  
Vatican State  
Yemen  
Zambia  
Zimbabwe

## ASIA PACIFIC

American Samoa  
Australia  
China, People's Republic of  
East Timor  
Guam  
Hong Kong  
India  
Indonesia  
Japan  
Korea  
Macao  
Malaysia  
Marshall Islands  
Mauritius  
Micronesia, Federated States of  
Mongolia  
New Zealand  
Northern Mariana Islands  
Palau  
Papua New Guinea  
Philippines  
Singapore  
Taiwan  
Thailand  
Vietnam



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# Outlook and strategy



Complexity and rapid change are defining and permanent features of the landscape for Deloitte clients and Deloitte's business. Deloitte's ability to fulfill our promise to clients, and to sustain our own growth, rests on executing a strategy that appropriately addresses a fluid competitive environment and anticipates the current and future needs of clients around the world.

The Deloitte network is capitalizing on market opportunities through four strategic choices:

- Market leadership: creating or sustaining a leadership position in each key market we serve by anticipating and rapidly responding to changing market realities and consistently outperforming the competition
- Focused market investment: growing and expanding our business, especially in high-growth strategic markets

- Operate globally: complementing the inherent strength of the Deloitte's member firm structure with a focus on operating more globally, while ensuring consistent, high-quality client service
- As One: strengthen the professional services Deloitte delivers by working across geographic, functional, and business borders.

These strategic elements are supported by continued investments in hiring, developing, and retaining top talent, improvements in audit practices, and increased industry knowledge and focus.

In FY2012, Deloitte grew across all of the organization's major geographic regions, business lines, and industry sectors.

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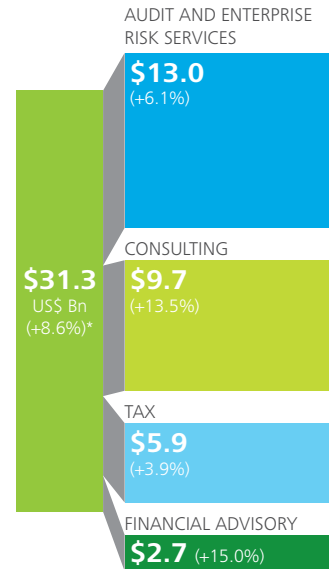
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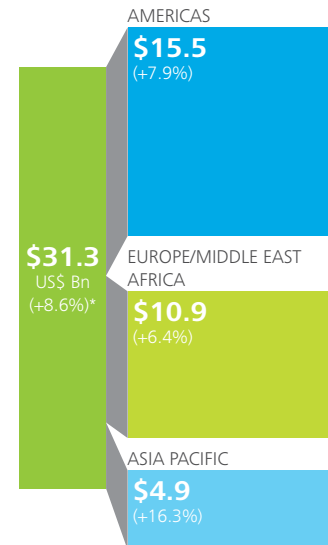
See [Metrics section](#) for a detailed performance table

## FY2012 Revenue results

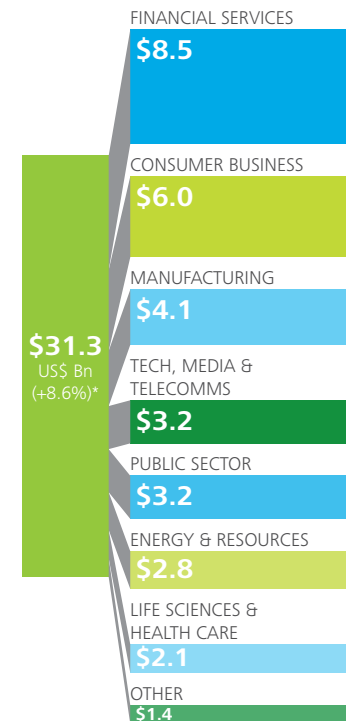
### BY FUNCTIONAL AREA



### BY REGION



### BY INDUSTRY



\*Year-over-year percentage growth in revenue

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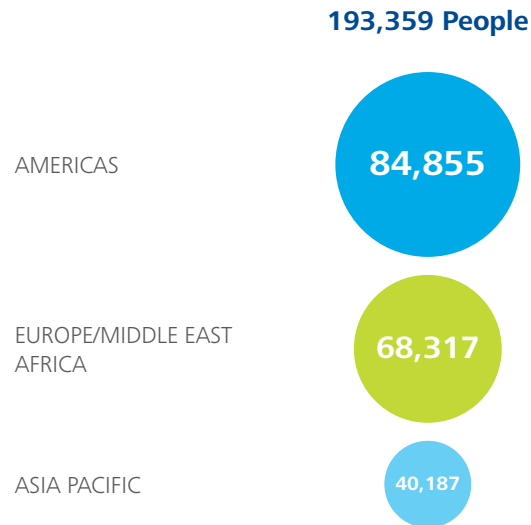
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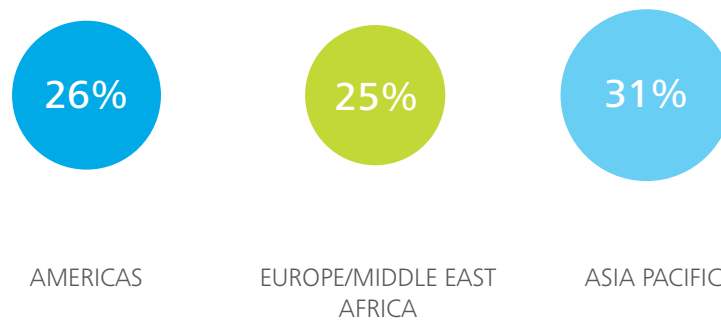
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People by region

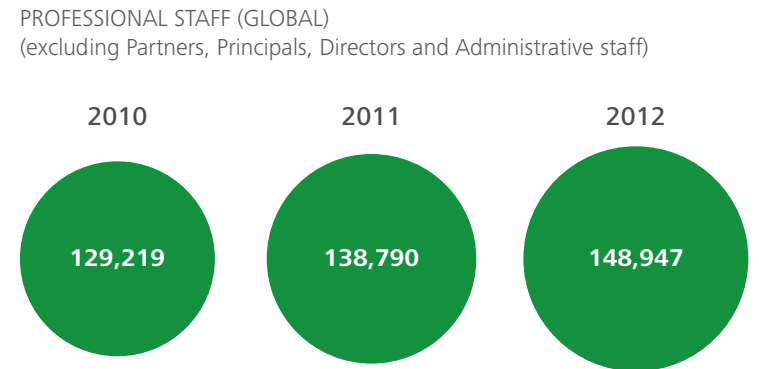


New hire rate



(Global new hire rate = 27%)

People by year



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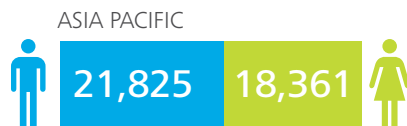
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## People by gender

### BY REGION



### BY LEVEL (GLOBAL)



### LEADERSHIP AND GOVERNANCE





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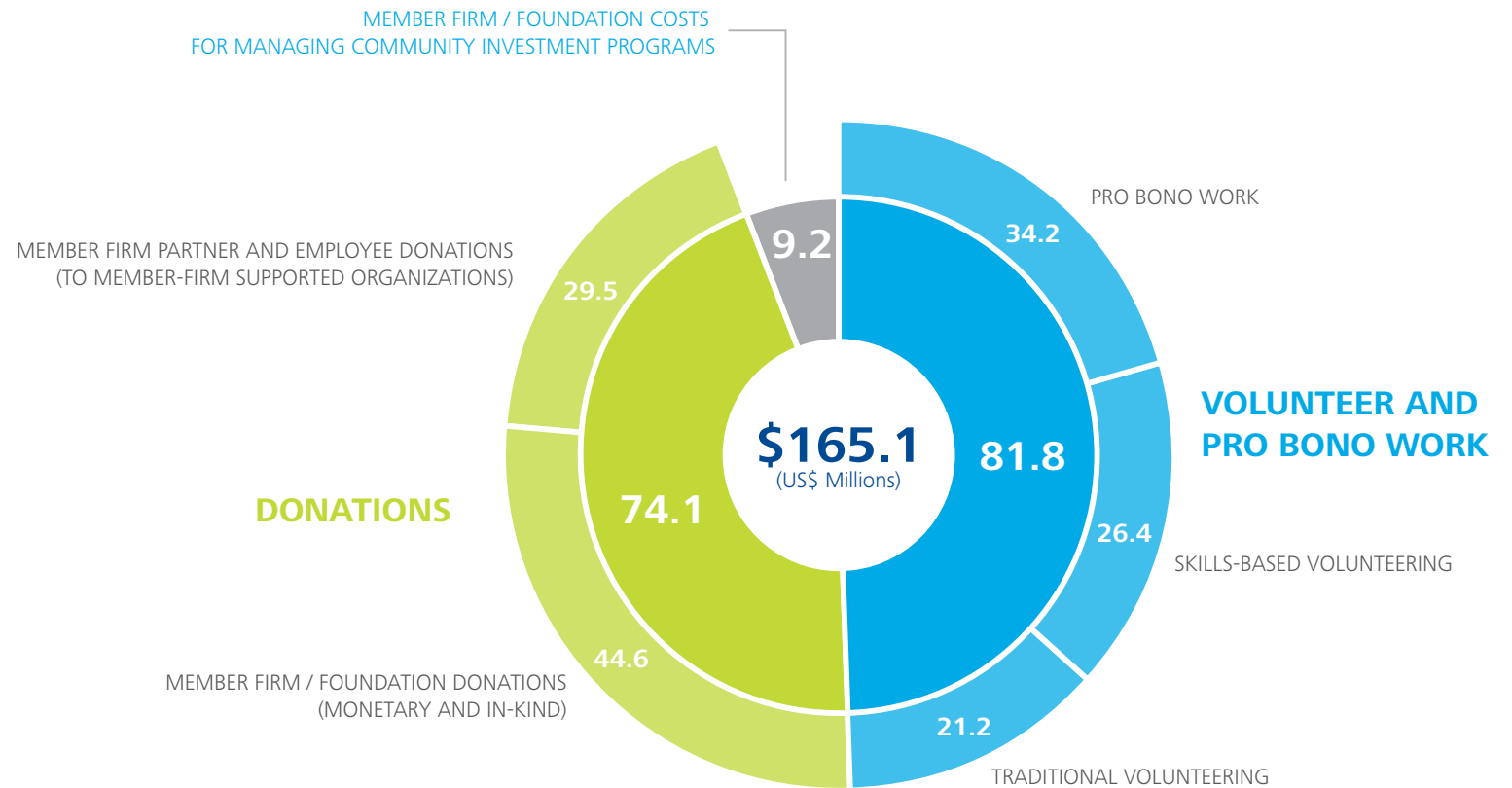
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Community investments\*



\*33 member firms + DTL representing 90% of global workforce

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# Deloitte Digital

Driving disruption across industries using digital

**M**obile, analytics, security, social, and cloud: Five forces with huge potential to disrupt businesses and industries. Deloitte is turning these disruptions into opportunities to create value for clients, enable new types of interaction between people and technology, and redefine operating models.

[Deloitte Digital](#) debuted in May 2012 as a global service line, combining cutting-edge creative services with trusted business advisory and technology expertise. The ultimate goal: use digital technologies to change the face of business as usual. Global studio-based delivery centers are located in Australia, India, the United Kingdom, and the United States, where service capabilities are augmented by the recent [acquisition of Übermind](#), an innovative mobile agency.

## Diverse technology solutions

Clients across sectors—including media and entertainment, technology, retail, government, and more—are turning to Deloitte Digital. The team delivers strategy and solutions across mobile, social, web, digital content, and digital enterprise resource planning—all helping to strengthen client brands and evolve their businesses to address the digital needs of tomorrow.

For example, Deloitte Digital helped deliver a cross-platform mobile shopping experience for one of the largest retailers in the United States.

Technology and connectivity are changing everything—from social interactions to data analytics. With more than 70 percent of the world's citizens just beginning their digitization journeys, and the installed base of smartphones and tablets expected to eclipse PC's in early 2013, the effects of hyper-connectivity are only just starting to be felt on a global scale.

[Global Information Technology Report 2012](#), World Economic Forum

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The complex interaction of capital, trade, information, and technology is leading to a new state of global interconnectedness. Understanding how to navigate this complexity is essential to building business and strengthening the global economy.

[The Global Village: Connected World Drives Economic Shift](#), International Monetary Fund

## Multifunctional offerings

Making fresh connections to create new value

Today, companies are increasingly challenged to swiftly adapt to meet fast-moving market demands. Business strategists must make new and often unexpected connections across their organizations uncovering novel ideas and ways of operating. For example:

- An international retail bank sought to develop a customer insights platform to enhance its targeting efforts. Deloitte carried out a thorough analysis of a set of 10 million customers with more than 1000 attributes. These attributes included products, channels, attitudes, and other criteria, and were leveraged to identify and align offers to appropriate customer groups.
- Deloitte helped a leading provider of water, hygiene and energy technologies undertake a multi-billion dollar transformational acquisition. This required pre-acquisition financial, HR, IT and tax due diligence, as well as integration services that maximized opportunities to create value, without disruption to business-as-usual activities.

To help clients navigate and harness diverse and multifunctional approaches to business challenges, Deloitte provides comprehensive, issue-based solutions that address timely, complex, and pressing areas of opportunity or challenge. For each engagement, Deloitte draws on diverse functional capabilities, deep subject matter expertise, industry knowledge, and strategic minds that can deliver fresh thinking and new connections.

Deloitte's current multifunctional offerings include:

- Deloitte Analytics
- [Deloitte Sustainability](#)
- Finance Transformation
- Governance, Risk & Compliance
- International Financial Reporting Standards (IFRS)
- Mergers & Acquisitions



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## Strategic markets

Recognizing and investing in high-growth opportunities

In June 2012, Deloitte announced a commitment of US\$750 million in investment in key strategic markets through 2015, a continuation of an earlier investment program that totaled US\$500 million. The goal of the priority markets program is to increase the scope and scale of Deloitte's capabilities in selected markets and enable member firms to serve clients more effectively and respond to market opportunities.

The program is a critical part of Deloitte's [global strategy](#) to enhance the network's ability to seamlessly deliver world-class services across borders, and underscores Deloitte's commitment to invest in and develop the capabilities needed to best serve member firm clients anywhere in the world

The program's investments focus on 11 markets: Africa, Brazil, China, Commonwealth of Independent States (CIS), Germany, India, Japan, Korea, Middle East, Southeast Asia, and Turkey.

More than 50 percent of the US\$750 million investment will be directed toward China, India, Japan, Korea, and southeast Asian markets.

The Deloitte network's aggregate member firm revenues for Asia Pacific grew [16.3 percent in FY2012](#), making it the fastest growing region for Deloitte for the eighth consecutive year.

After a period of greater than expected softness, output growth is now beginning to pick up slowly in the major market economies.... [In China], growth is expected to stabilize at just below 9% by 2014 ... and in India, annual GDP growth is expected to strengthen gradually, to around 6% in 2013 and 7% in 2014.

OECD Economic Outlook 2012, Organisation for Economic Co-operation and Development

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To uphold public trust, societies are seeking ever higher standards of accountability and transparency. Countries are adopting new accounting rules and standards, requiring companies to understand and adapt to changing compliance and regulatory requirements.

[Financial Regulatory Reform](#), Deloitte

## Deloitte Audit

Delivering on the commitment to quality

Deloitte has always been committed to serving the public interest by providing high-quality audit services that strengthen global markets. This is an enduring hallmark of the organization.

Implementation is already under way with the nine largest Deloitte member firms, and in 2013, rollout will expand to a further nine member firms covering a significant portion of the Deloitte global network.

Deloitte Audit is the latest generation of Deloitte's transformed audit platform that is purposefully designed to address the complexities of modern businesses, incorporating new methodologies, content, and technologies to ensure relevant, high-quality audits in a constantly changing environment. Deloitte Audit addresses the current scope and key evolving dimensions of the audit landscape, recognizing:

- Major changes in audit regulations and standards
- Increasingly sophisticated business models
- Advances in technology and data proliferation

Deloitte Audit is a multiyear, global business-transformation effort. It provides clients with an insightful, customized audit approach that concentrates on their most important issues and risks.

The innovative platform features substantially enhanced technology and tools that support systemic risk identification, globally integrated work teams, and the development of quantitative data analytics. It exemplifies a network-wide commitment to audit quality and innovation that encompasses the full spectrum of relevant stakeholder accountability, from client value to social and economic responsibility.

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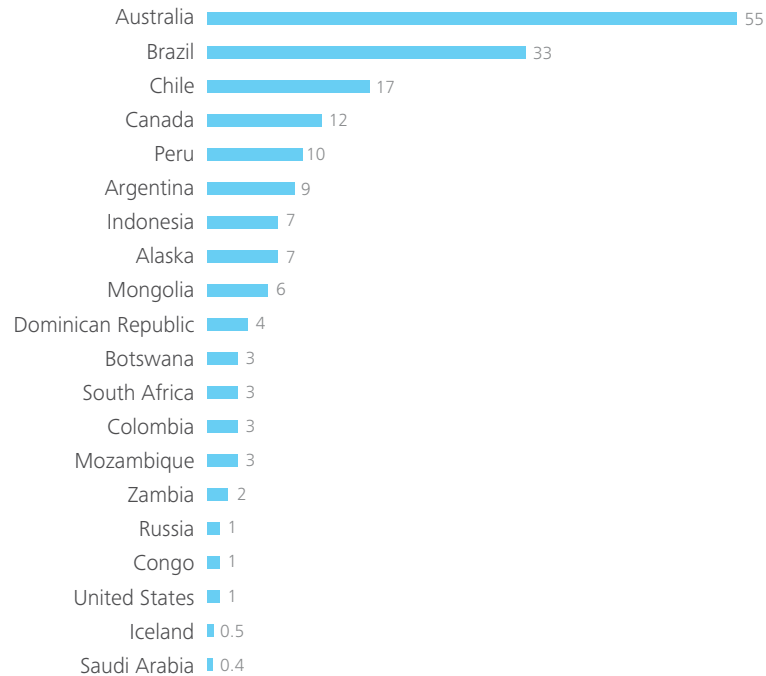
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**Projected mining investment by country, between 2012 and 2031 (\$USD BILLION)**



Sources: Compiled by Deloitte from company annual reports, press releases and Factiva

## A major acquisition

Strengthening leadership in the mining equipment industry

When a global mining leader announced it had entered into an agreement to acquire a competitor, Deloitte was relied on for significant assistance in assessing the highly complex, confidential transaction. Having worked with both companies previously, Deloitte's principal role was to transition the distribution and product support aspects of the business to new owners through a series of divestitures around the globe.

Deloitte M&A Transaction Services led a team with representatives from Deloitte Consulting, Deloitte Financial Advisory Services, and Deloitte Tax to assist in a global service delivery, including:

- Vendor due diligence
- Corporate finance
- Human resources
- Transition assistance
- Service parts and logistics support

The multibillion-dollar transaction combined the best of both organizations to create one unparalleled equipment source for mining customers worldwide.



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London has raised the bar on how to deliver a lasting legacy. This great historical city has created a legacy blueprint for future Games hosts.

Jacques Rogge, International Olympic Committee President  
[London Legacy Development Corporation](#)

## London 2012

Inspiring performance for the Olympic and Paralympic Games

The London 2012 Olympic and Paralympic Games will go down in history as one of the most spectacular Games the world has ever witnessed. More than 800 Deloitte UK professionals made a contribution to the Games—a total of over 750,000 hours of expertise. Deloitte UK provided secondees into critical delivery roles and handled more than 200 advisory engagements—from helping to establish a procurement function that sourced 1.8 million pieces of sporting equipment valued at US\$1.2 billion in goods and services, to creating the program to test operational readiness of the world's largest-ever peacetime event.

As challenges go, this was about the biggest in Deloitte's history, marked not only by the ultimate immovable deadline and a relentless delivery program, but also by significant budget pressure and intensive media scrutiny. It was the kind of challenge Deloitte people thrive on—and the ultimate stage on which to showcase their expertise.

The staging of the Games is possibly the most complex project that London will ever undertake. Deloitte's experience at providing solutions to its clients' most complex issues was without doubt a valuable addition to the London 2012 team.

Lord Coe, Chair, London Organising Committee for the Olympic Games and Paralympic Games



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## Inditex

Deloitte audit services provide the right fit

In 2012, Inditex appointed the Deloitte Spanish member firm as auditors for the next three years, based on the group's assessment of Deloitte's comprehensive, global industry and functional expertise.

Based in Arteixo, Spain, Inditex is one of the world's largest fashion retail groups, with more than 110,000 employees and almost 300 companies operating in textile design, manufacturing, and distribution. Its more than 6,000 stores operate on five continents and include Zara, Pull & Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home, and Uterqüe.

Deloitte's breadth of knowledge of the retail industry was critical to Inditex. Other valued areas of expertise included:

- Deep technical and regulatory experience, as illustrated by the Deloitte Global IFRS and Offerings Services group
- Capacity to assemble a fully engaged, multicountry, and multidisciplinary team.

By tapping Deloitte's extensive cross-border and local experience in industry matters and ever-evolving regulatory and reporting requirements, Inditex is building a strong relationship that has all the markings of a tailor-made, custom fit.

High-quality audits and international competitiveness are closely linked. With more than two thirds of the G20 members requiring the use of the International Financial Reporting Standards, more countries will continue to adopt accounting standards to gain public trust and build confidence among investors globally.

[Annual Report 2011](#), International Financial Reporting Standards Foundation

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# Talent & opportunity



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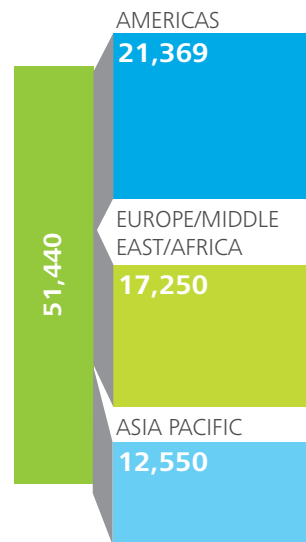
**Leadership**

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- Distinctive talent experience
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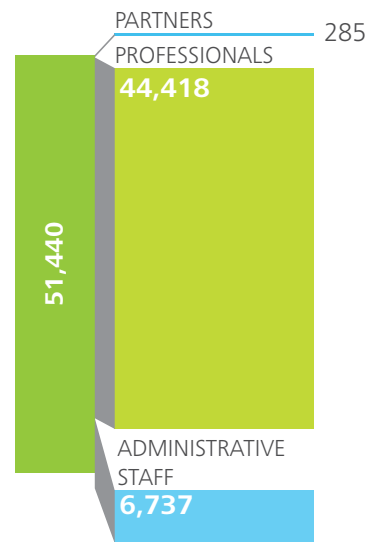


**New hires 2012\***

**BY REGION**



**BY LEVEL**



\*Because of rounding, numbers may not tally with the total

# Leadership

## Developing world-class business leaders

At Deloitte, developing world-class business leaders and professionals is an investment that pays dual dividends: it furthers the career growth and aspirations of Deloitte professionals, and, most importantly, it provides new and unmatched levels of service, insight, and value to Deloitte clients.

Deloitte University sets the organization’s standard for leadership development. Professionals from around the world come to the Westlake, Texas campus to hone their leadership and professional skills in an environment designed to model and enhance global collaboration and service delivery.

Training in technical skills and industry expertise strengthen the overall leadership development experience, and the cumulative impact is intended to set Deloitte apart in the market.

In FY2012, Deloitte advanced its objective to be recognized as a top leadership-development organization in a number of ways:

- Talent leaders collaborated to create a new global leader framework, which includes a common leadership taxonomy and consistent global learning curriculum for the Deloitte network.
- Specific leadership development programs and initiatives were launched or bolstered, including ones for senior managers, global lead client service partners, inclusive leadership, and “nextgen” leaders.

**Deloitte University**

[Deloitte University](#), a unique learning and leadership development center in Westlake, Texas welcomed more than 40,000 Deloitte professionals from 70 countries during FY2012. This facility provides a venue for Deloitte’s people to connect in person, share ideas and insights, and develop or enhance their approaches to serving clients and doing business. The goal of DU is to develop strong, globally minded leaders for today and a pipeline of leaders for tomorrow. It is a catalyst for leadership and lifelong learning—where professionals connect, share their best thinking, and identify and capitalize on new and innovative ideas and approaches.

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## Number of Deloitte people on mobility assignments



Building a pipeline of globally-minded leaders is the goal of the [International Student Business Forum](#) and [Global Internship Program](#). Participating students from around the world said the programs better prepared them for international careers and increased their interest in careers at Deloitte.

# International experience

Working globally to meet client and talent needs

Doing business across geographies is an essential part of Deloitte's client service work. For Deloitte, international experience—whether working overseas or collaborating on cross-border projects and teams—is a “must-have” to drive client, talent, and growth agendas.

When globally minded leaders and professionals are needed to advance member firm client projects, Deloitte deploys the right people to the right place at the right time. In FY2012, nearly 5,300 Deloitte member firm people were on [international assignments](#)—21 percent more than in FY2011.

Deloitte member firms take the same borderless approach to recruiting top talent. The [Careers Website](#) lets graduates, experienced professionals, and senior executives search and apply for opportunities in 116 Deloitte member firms and locations. In FY2012, more than 1.6 million people submitted applications via the site, and Deloitte hired 51,400, bringing the organization closer to its goal of 250,000 professionals by 2015.

By 2014, the percentage of companies that generate more than 30 percent of global revenue from emerging markets will increase by 82 percent. As companies increase business in these markets and grow internationally, it becomes imperative that they attract and develop diverse, globally minded talent.

[Fortresses and Footholds Report](#), Deloitte





### New hires by gender (Global)



In January 2012 Deloitte published [The Millennial Survey](#) to consider how the views of Millennials differ from today's business leaders. The Millennial generation represents the future of cultural, economic, political, and social life as well as the future of business. The report examines how today's business leaders can do more to understand the purpose, impact, and leadership expected of business in society, and show the important link between business and societal purpose

## Distinctive talent experience

Diversity, development, and opportunity abound

The power of the Deloitte network is its people, and the future of the organization rides on their continued delivery of exceptional service and innovation for member firm clients worldwide. So when people seek to join Deloitte or want to advance their careers within the Deloitte network, we ask them "why?" Top answers include:

- Leadership
- Development
- Connection
- Inclusive culture
- Flexibility

Deloitte is committed to sustaining a culture and providing a work experience that are distinctively connected to these career goals and others, including those expressed by "millennials" newly entering the workforce.

The empowerment and advancement of women and building the inclusive leadership and multicultural competence to work successfully across borders continue to be diversity priorities. Percentages of women in all major reporting categories remained nearly even or increased from last year, and women accounted for 22 percent of new member firm partner, principal, and director admissions.

Deloitte helps prepare all its professionals to deliver solutions to member firm clients, especially in light of shifting market challenges and opportunities. In FY2012, Deloitte doubled the number of industry-specific training curriculums available globally. There was a nearly 30 percent increase in the number of online courses taken, as well as an increased focus on experiential learning.

Deloitte has been ranked 5<sup>th</sup> in Universum's "[World's Most Attractive Employers 2012](#)" rankings by business students worldwide.



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Emerging markets are home to 87 percent of the world's youth. In 2010, youth unemployment was 25.5 percent in the Middle East, with higher rates among young women. The right skills matched with high quality employment opportunities are critical for businesses and key to sustainable social and economic development.

[World Youth Report](#), United Nations

## Transforming a workforce

Delivering an employability mandate  
in Saudi Arabia

Saudi Arabian nationals make up 70 percent of the country's population but only 10 to 12 percent of the private sector workforce. Recognizing this imbalance, King Abdullah made a commitment in March 2011 to increasing employment rates among nationals, as well as to opening the job market to women.

Invited to support this transformation by delivering a pilot employment services program, Deloitte Middle East teamed with Deloitte UK, which has a longstanding employability program, and with Ingeus, a top international provider of employability services. The group was soon engaged to establish five job placement centers, designed specifically for Saudi Arabia's needs.

Less than one year after opening, the centers had served over a million job seekers, including women. And Deloitte had met its target of finding employment for 40 to 50 percent of the centers' clientele.

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The Job Placement Center (JPC) is not a standard employment agency, and implementing the nationwide employment project was no small feat. The speed at which this project was delivered, along with our drive to exceed our promised targets, truly demonstrates the firm's commitment to our communities, through supporting the issues of most importance for the advancement of the country.

Abdelhamid Suboh, Partner, Deloitte Middle East

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### Strengthening the humanitarian sector

Deloitte is helping to protect not just its own people, but also the communities where it has a presence.

In moments of crisis, Deloitte and other businesses have an important role to play in responding and helping to protect, maintain, and rebuild the communities where they operate. Deloitte endeavors to make a positive, lasting impact on the humanitarian sector by using the core business skills of Deloitte people to enhance the humanitarian system's preparedness to respond to crises.

- **Deloitte Brazil** offers a professional service, Deloitte S.O.S, which is designed to help society, governments, and organizations develop strategies and processes for allocating resources more efficiently and transparently. The Brazilian firm also worked with Red Cross Brazil on a pro bono basis to strengthen the organization's crisis response abilities.
- **Deloitte East Africa** led efforts, in response to the East Africa famine that affected more than 3 million people in 2011, to assess the transparency and accountability of funds received by the Kenyans for Kenya fundraising campaign, and assessed distribution of food at feeding centers.
- **Deloitte United States** has focused on providing pro bono services to humanitarian nonprofits. In the wake of the January 2010 earthquake in Haiti, Deloitte United States helped Project HOPE develop a strategic plan for improving its effectiveness in Haiti and all 35 countries where the organization operates.

## Physical security

We strive to protect our people wherever they are working

**D**eloitte's practitioners, who are working in more than 150 countries and locations and who often travel, can face unique exposures. DTTL and its member firms take seriously their duty to keep their people safe, especially during times of crisis or when client needs may take them to higher-risk locations.

DTTL's Global Security Office (GSO) responded in FY2012 to more than 1,300 requests from member firms for guidance on travel to troublesome destinations. The number of requests nearly doubled from last year because more Deloitte leaders are aware of the service and member firms are increasingly considering work in unfamiliar locations.

GSO also continued to help Deloitte member firms improve their crisis management and security programs. A first-ever global crisis-simulation exercise was held to identify gaps in member firm crisis plans. Thirty member firm countries have now implemented DTTL's Travel Tracking system, which is used to rapidly account for Deloitte travelers during emergencies.

### Responding to crises

GSO tracks worldwide events and responds to virtually every major security incident that has the potential to impact our member firms and people, ranging from natural disasters to civil unrest. DTTL has 24-hour security and emergency medical resources to quickly help Deloitte's people.

### Read more

The people of the Deloitte member firms travel all over the world in order to carry out projects for their clients, and DTTL's people must also travel to work with member firms and other stakeholders. While most of their business trips are completed without serious incidents, member firm people are occasionally asked to visit higher security risk locations or get caught in potentially dangerous situations during crisis events. DTTL and its member firms recognize their duty to protect their people and perform this duty with the utmost seriousness.

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DTTL's Global Security Office (GSO) has a robust set of capabilities and programs for keeping Deloitte's people safe at their home offices and on business or personal travel. One important function of the GSO is making sure that Deloitte's people are aware of particular risks that may be present in places they visit. To provide thorough information, GSO has developed general and country-specific online courses and maintains a comprehensive travel security website that contains the latest security bulletins, assessments, country risk ratings, and other resources for travelers. GSO also has a network of specialized security providers who are based in many higher-risk locations, and who can be called upon for direct support of specific member firm engagement teams.

As part of DTTL's global travel security protocols, member firms are encouraged to incorporate security into their normal travel programs and to consult with GSO before undertaking travel to riskier locations. GSO can provide member firm leadership with the latest threat information to help them make informed decisions about whether to accept particular assignments.

When member firm engagement teams cannot avoid traveling to high-risk locations, the GSO can assist them with designing comprehensive security plans, including location-specific security briefings, hotel and transportation recommendations, on-the-ground project logistics, and direct security support as needed. Should security emergencies happen in high-risk or other locations, GSO is able to mobilize security and emergency medical resources to quickly provide assistance to Deloitte travelers and immediate family members whether they are on business or personal travel.

Additionally, whenever a crisis occurs anywhere in the world, DTTL, through its Global Crisis Management Team, is able to provide a swift response to help member firms account for the safety of their people, provide necessary relief, and resume normal business operations as soon as possible.

In FY2012, GSO assisted Deloitte practitioners during times of need, including:

- Assisting a colleague after her husband tragically died while on a business trip overseas.
- Helping an employee who was detained by immigration authorities due to visa issues in Central Asia. GSO's work allowed swift resolution.
- Evacuating a member firm practitioner following a series of attacks by a militant group and a strike that caused major travel disruptions across West Africa.

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# Economies & communities



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Today, some 780 million people globally lack regular access to clean drinking water. By 2025, the UN Food and Agriculture Organization estimates that 800 million people will be living in countries or regions with absolute water scarcity, and two-thirds of the world's population could be under water stress conditions.

## Water stewardship

Collective action is needed to address water scarcity

Deloitte clients, in both the private and public sectors, face potential risks to business continuity and economic growth because of water scarcity driven by increased demands for water.

An important, emerging approach to address current and future water risks is collective action among private enterprise, the public sector, nongovernmental organizations (NGOs), and the civil sector. Collective action initiatives include community engagement, supply chain and watershed management, and public policy initiatives.

During the past year, Deloitte's water stewardship specialists worked with clients in industries such as retail, consumer goods, and life sciences to perform water footprinting practices, conduct water risk assessments relative to operations and supply chains, evaluate potential business value at risk and develop stewardship strategies in concert with local stakeholders.

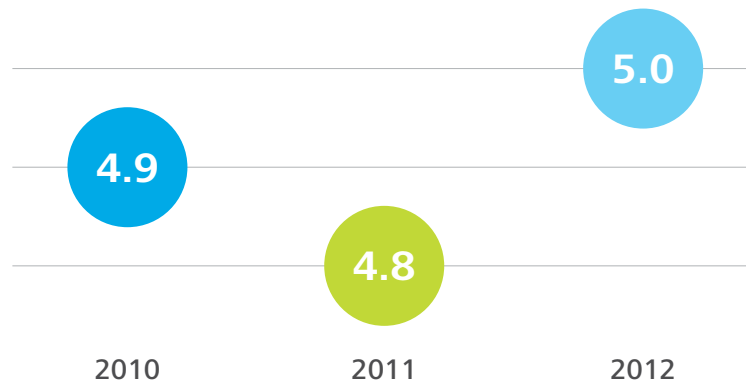
D TTL and Deloitte U.S. have also helped catalyze business action by sponsoring and writing the Global 500 and S&P 500 reports for the CDP Water Disclosure global project and contributing to the development of the CEO Water Mandate Water Action Hub.

According to the Carbon Disclosure Project (CDP), more than half of the companies responding to its 2012 water disclosure survey experienced detrimental, water-related impacts in the last five years, and more than two-thirds reported exposure to water-related risks, including disruptions to energy and food production, and access to clean water.





**Greenhouse gas emissions per full-time equivalent**  
metric tonnes CO<sub>2</sub>e/FTE (excluding offsets)



**Greenhouse gas emissions per dollar of revenue**  
kg CO<sub>2</sub>e/\$000 USD (excluding offsets)



# Environmental sustainability

Transforming operations and working with clients

A healthy natural environment is essential to societal well-being. Deloitte has made a commitment to promoting environmental sustainability across all our spheres of influence.

The cornerstone of this commitment is Deloitte's strategy for lessening the environmental impacts of Deloitte's business operations, which this year delivered:

- A more than 50% increase in the number of member firms reporting on environmental sustainability and societal impact
- Global responses to the Carbon Disclosure Project's Investor and Supplier programs
- New internal platforms for sharing sustainability management practices

Deloitte's sustainability performance exhibited several changes:

- An absolute increase of 10% in greenhouse gas emissions, mostly resulting from additional air travel and business growth
- Modest absolute changes in greenhouse gas emissions from other sources
- Slightly higher emissions per fulltime employee, accompanied by a slight decrease in emissions per revenue unit

Deloitte is also advancing the sustainability agenda through work with clients. Deloitte Sustainability comprises some 800 specialists helping clients transition to sustainable business models and practices that will deliver top and bottom line financial growth for the long term.

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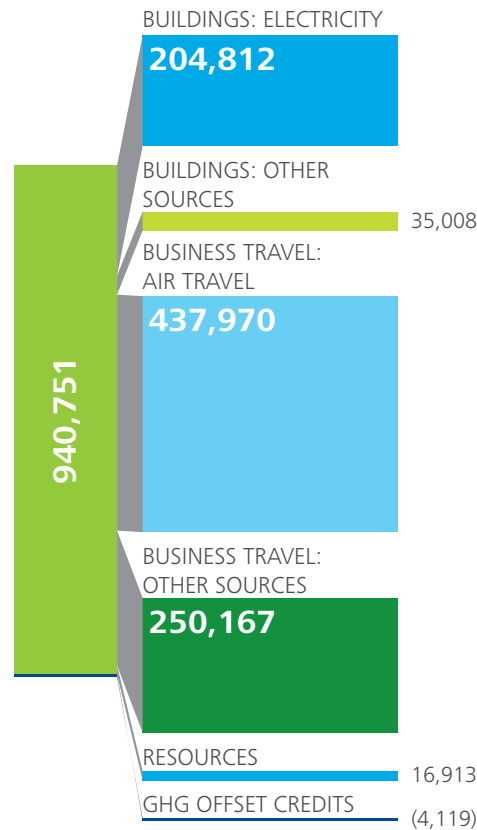
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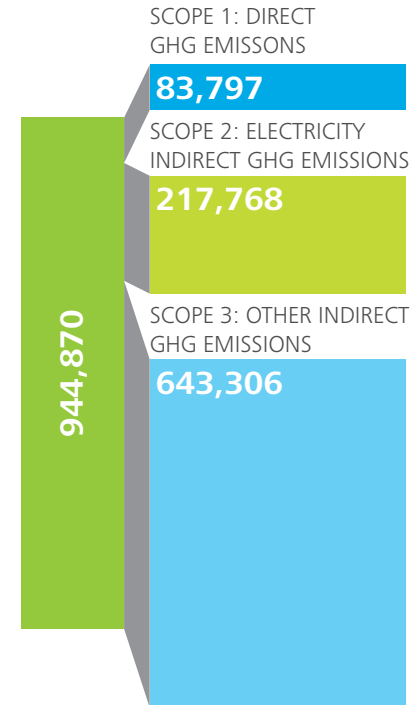
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## 2012 Greenhouse gas emissions

Greenhouse gas emissions (metric tonnes CO<sub>2</sub>e) by category, including offsets



By Protocol Scope (metric tonnes CO<sub>2</sub>e), excluding offsets



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### Hours of volunteer and pro bono work by Deloitte people



## Education and skills

### Deloitte21: Preparing young people for constructive futures

Over 350,000 young people are better prepared for work through the support of [Deloitte21](#) programs. Equipped with greater financial literacy, employability skills like writing a resume, and knowledge of how to start a business, these young people are acquiring the skills to succeed in the 21<sup>st</sup> century workplace.

Through innovative Deloitte21 programs in 25 member firms, Deloitte people applied their skills and experience to supporting underserved young people: teaching workshops and courses and serving as mentors to help them achieve their ambitions.

Deloitte member firms also provided more than 45,000 hours of pro bono services to educational organizations, helping them strengthen their business capacity and thereby reach more students. Working alongside educators, non-profit leaders, and governments, Deloitte member firms are leading the development and delivery of solutions to local education and skills challenges.

Since the launch of Deloitte21 in 2009, member firms have directed over US\$130 million in pro bono services, volunteer time, and cash or in-kind giving to education and skills programs. Supporting young people is one way that Deloitte makes a lasting positive impact on its communities and society.

In 2012, the increasing gap between the skills young people have and the skills that employers need contributed to an unemployment rate of 17.1 percent among 15- to 24-year-old OECD country residents. Tackling chronic youth unemployment and underemployment will require structural changes in formal education and new approaches to on-the-job training and mentorship.

[World Youth Report](#), United Nations

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## Deloitte21: Member firm achievements in FY2012

### Deloitte Brazil – Projeto Comunidade (Community Project)

Deloitte Brazil is making an impact on young people in disadvantaged São Paulo neighborhoods. More than 100 students were trained on entrepreneurship and encouraged to set ambitious goals, guided by 16 Deloitte Brazil volunteers.

### Deloitte British Virgin Islands – Company Program and Our Nations Program with Junior Achievement

Over 100 students received practical training thinking entrepreneurially and managing a business, following Deloitte BVI's leading role in the reinstatement of Junior Achievement in the Virgin Islands.

### Deloitte Canada – Focus on Youth Citizenship

Developing leadership and ethical skills is a key issue for students in the Canadian public school system. With the nonprofit Learning for a Sustainability Future, Deloitte Canada co-led roundtables to engage education, government, and nonprofit leaders, along with youth representatives, to take action.



© Franco Meza

### Deloitte Chile – Preparing for my Future Program

More than 30 students pursuing environmental degrees received communications and employability training to help them create a sustainable future, through Deloitte Chile's Work Skills Diploma and Mentoring program.

### Deloitte China – A Village Adoption Project in Yunnan

In a pioneering public-private collaboration established in 2007, Deloitte China has supported sustainable development in a rural community with a unique ethnic background through program leadership, service learning and volunteers. The approach supports cultural heritage and addresses challenges in health, economic development, and education through programs reaching more than 400 students.

### Deloitte Finland and Deloitte Peru – Corporate Responsibility Champion Program

Deloitte Finland and Deloitte Peru launched a three-year multistakeholder collaboration intended to reach 50 teachers and 300 disadvantaged young people with employment and entrepreneurship training. People from Deloitte Finland contributed more than 1,000 hours, including volunteering in Peru and designing the program with a local nonprofit.

### Deloitte France – The Winning Twinning

Recognized for innovation, this pioneering exchange between a public high school in Paris and Deloitte France enables 1,900 students and their teachers to access mentoring and support from more than 100 Deloitte volunteers.

### Deloitte Germany – Hidden Movers Award

Since 2010, the Hidden Movers Award has honored nonprofits that assist students with the transition to employment. Stiftung Hilfe mit Plan was selected from among more than 150 applicants this year for its positive impact on young immigrants.

### Deloitte Middle East – INJAZ al-Arab

To address high regional youth unemployment rates, Deloitte Middle East and INJAZ al-Arab introduced an entrepreneurship curriculum that reached 700 high school and university students and aims to serve more than 2,000 next year.

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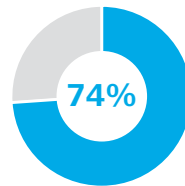
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## Value of pro bono and skills-based volunteering as percentage of value of all volunteering and pro bono work



### Deloitte Netherlands – Deloitte Fair Chance Foundation

Training more than 6,500 students in money management, Deloitte Netherlands' Money Exam is one of the firm's Deloitte Fair Chance Foundation programs, which are helping underserved young people nationwide.

### Deloitte Peru – Fundacion Deloitte Peru (Deloitte Peru Foundation)

More than 45,500 students benefited from the education, social development, and cultural programs supported by the Deloitte Peru Foundation.

### Deloitte Spain – Empieza por Educar

Deloitte Spain assisted with launching Empieza por Educar, a member of the Teach for All global network, by advising on human resources. Deloitte Spain also helped nurture Empieza por Educar's relationships with universities, where talented students are recruited to become teachers in high-need schools.

### Deloitte Southern Africa – Port Elizabeth Commerce Incubator School (COINS) Project

Deloitte professionals, the Nelson Mandela Metropolitan University, and the South African Institute of Chartered Accountants embarked on an innovative collaboration that enabled more than 40 students from disadvantaged schools to improve their math and accounting performance.

### Deloitte Trinidad & Tobago – Compassion with Action and After School Program

Fourteen primary-school students were paired with Deloitte mentors to meet twice a month as part of a five-year pledge to address the root causes of crime and poverty in Trinidad and Tobago.

### Deloitte United Kingdom – Employability Initiative

Over 1,800 students completed the Deloitte Employability Skills Course. Since 2001, the program has been completed by more than 25,000 students, and now through a new collaboration with Pearson, a global education provider, the program is set to scale up further. Deloitte UK people contributed more than 600 volunteer hours supporting students, and more than 900 teachers have been trained to deliver the course.

### Deloitte United States – Achievement Centers with Pratham USA

More than 600 disenfranchised young women pursued secondary school certification and vocational skills training as part of a program that Deloitte U.S. professionals helped design. With Deloitte U.S. and DTTL support, four Achievement Centers were opened in India in 2011 and three more were opened in 2012. The program aims to reach another 600 young women in 2013.



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## Opportunity: China

Industry programs leverage expertise and relationships

To sustain a strong network of experts who can help senior Deloitte member firm professionals and their clients around the world better understand and address opportunities in China, Deloitte runs a number of programs and platforms that explore and evolve best practices, deepen knowledge, and bring people together.

- The China Liaison Industry Program (CLIP), created by the [U.S. China Services Group](#) in cooperation with the China member firm and global industry programs, helps create a knowledge base and linkages between China-based industry specialists and global industry leaders in the Deloitte network.
- Deloitte's Global Financial Services industry (GFSI) practice recently opened a center of excellence in Shanghai.
- The Deloitte China Research and Insight Center, established by Deloitte China in 2008 in Beijing, provides clients with information, trends and analyses on developments in China relevant to different business sectors and industries.
- The Asia Pacific International Core of Excellence (AP ICE), established in 2010, integrates seasoned international tax professionals into Deloitte's Asia Pacific tax practice, based in Hong Kong, and offers tailor-made international tax solutions to both multinational companies and regional ones looking to extend their global footprint.

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# Operations & governance



[Watch the Operations & governance video](#)

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The Deloitte network is made up of firms that are members of Deloitte Touche Tohmatsu Limited (DTTL), an English private company limited by guarantee. This structure allows the member firm network to be a leader at all levels—locally, nationally, and globally—because its central governance policies are sensitive to the professional environments and cultures of individual countries. Individual member firms have access to the skills and knowledge of other member firms, the ability to consult with the entire Deloitte network, and the benefit of the network’s market recognition and reputation. DTTL itself does not provide services to clients.

## Member firm structure

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

The member firm structure fosters compliance with rules of local ownership and management governing the accountancy profession in many countries. It also reflects the fact that the member firms are not subsidiaries or branch offices of a global parent. Rather, they are separate and distinct locally formed legal entities that have voluntarily joined the network to coordinate their approach to client service.

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



## Global cooperation

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

- Conducting themselves in a manner that sustains the reputation of the Deloitte member firm network
- Aligning national plans, strategies, and operations with those of DTTL, as appropriate, in consultation with DTTL’s executive management
- Adhering to DTTL’s requirements regarding professional standards, shared values, methodologies, governance, and systems of quality control and risk management
- Providing DTTL the details of all joint ventures, joint practices, proposed mergers, and other combinations of any type with other member firms, as well as practice activity in jurisdictions other than those assigned to the member firm.

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# Leadership and governance

Strength in management and leadership

At the start of DTTL's 2012 fiscal year on 1 June 2011, Barry Salzberg and Steve Almond began their four-year terms of office as DTTL's Chief Executive Officer and Chairman of the Board, respectively.

As CEO of DTTL, Barry Salzberg has executive authority for the management of DTTL. He leads and manages the DTTL Executive and sets the strategic course of DTTL. The 20-member Executive that was appointed during FY2012 comprises senior DTTL and member firm leaders.

Steve Almond is Chairman of the DTTL Board of Directors, DTTL's highest governing body. The Board's 32 members, appointed in FY2012, represent 15 countries, Deloitte's three major regions, and three clusters of medium- and smaller-sized member firms. Among the Board's committees is a standing Governance Committee, which is responsible for oversight of DTTL's management.

## Enhancing the Board's performance

During FY2012, DTTL Chairman Steve Almond initiated a self-assessment exercise, built around a detailed questionnaire based on materials that Deloitte professionals use to assist clients to undertake board self-assessments. This self-assessment exercise was designed and implemented with assistance from DTTL's Global Center for Corporate Governance. The Board agreed certain enhancements to the way it operates in response to the self-assessment findings and will conduct a second assessment during 2013, with some changes emerging from the 2012 exercise.

## Read more

Strong governance and leadership structures, established in accordance with generally accepted standards, help make it possible for Deloitte member firms to maintain high levels of quality and integrity and sustain the trust of their clients, their people, the capital markets, and the public. As a global network comprising DTTL, its member firms, and their affiliates in more than 150 countries and locations, Deloitte has governance and management structures in place at both the global and member firm levels.



## The DTTL Executive

The DTTL chief executive officer is ratified by the partners of DTTL's member firms and serves a term of four years. The DTTL chief executive officer (CEO), currently Barry Salzberg, chooses the members of the Executive subject to approval by the Governance Committee of the board of DTTL.

The 20-member Executive comprises DTTL's most senior leaders. It is responsible for establishing DTTL's vision and strategy. With members from various regions around the world, the group works in a collegial style and reaches decisions through consensus.

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## The DTTL Board

The Board of Directors is DTTL's highest governing body. Currently chaired by Steve Almond, the Board addresses DTTL's most important governance issues, such as global strategies, major transactions, and the election of the CEO.

Board members are appointed by individual member firms that are themselves selected based on size, the number of significant clients they serve, and other factors. The board also includes three regional seats, ensuring that smaller member firms are represented. Other than the DTTL CEO, all members of the DTTL Board are executives or board members of their member firms. Determinations regarding the allocation of DTTL Board seats are made every four years with an interim review after two years. The board is constructed to be multicultural with proportionate representation of member firms. During FY2012, directors were drawn from 21 member firms, covering over 60 countries. Currently there are two women among the 32 board members. As directors are appointed by member firms rather than by the Board, the Board is not able to directly manage gender diversity.

The board has a standing Governance Committee, which is responsible for oversight of DTTL's management. Like the Board of Directors, the Governance Committee is multicultural, with one seat allocated to each of the 12 member firms that have the greatest impact on the network. It engages in open discussions of issues and matters within its purview. Each committee member has one vote on matters considered by the committee, except for the CEO, who is ex-officio. To avoid conflicts of interest, no member of the Governance Committee may also serve on the Executive, except for the CEO.

The Board has other committees that coordinate and recommend action on a wide scope of financial, administrative, economic, environmental, and social issues. These other committees include Board Composition, Succession, Risk, Audit & Finance, Membership Affairs, and CEO & Chairman Evaluation & Compensation.

## Member firm leadership

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

- A managing partner, senior partner, or equivalent who is responsible for managing the member firm and ensuring that the firm delivers high-quality services in accord with professional standards and DTTL policies
- A governing body, such as a board of directors or board of partners, to facilitate sound governance of the individual practice, implementation of local rules and regulations, and implementation of DTTL policies and procedures
- A representative to serve as a liaison to DTTL and to represent the member firm at the DTTL World Meeting, held annually to discuss strategy and initiatives proposed by DTTL management and to vote on specific DTTL matters, such as approval of Board members, financial statements, voting entitlements of the member firms, and changes in the governing documents



# Regulatory & public policy

Proactive engagement in the public policy arena

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Deloitte is an active player in the dynamic regulatory and public policy arena and, through its professional practices and thought leadership, contributes to strong capital markets. Significant emphasis is placed on enhancing the value of the audit and improving corporate governance, which contribute to the investor confidence that underpins well-functioning capital markets. Strong markets improve the flow of capital to business and fuel economic growth. Through these activities, Deloitte member firms are delivering on their public interest responsibilities to the marketplace and to society at large.

To this end, Deloitte engages stakeholders on issues such as the role of the auditor and financial reporting, with a focus on delivering information that can satisfy the needs of investors and other financial statement users; the important responsibilities of boards, audit committees, and company management to maintain effective corporate governance; and the benefits of harmonization of financial reporting and auditing standards needed for an increasingly globalized society. DTTL and its member firms continue to support the work being done by national regulatory authorities to promote consistency and convergence of regulations, oversight, and enforcement. Common approaches to regulation will smooth the way for a freer flow of trade and investment across borders with benefits for many participants in the global economy.

Deloitte's voice on public policy regarding some of today's biggest challenges impacting economic growth and development—concerns that are shared by governments and society worldwide—is about sharing knowledge, experience, and opinions with policymakers and stakeholders on issues of mutual interest.

Examples of issues and pathways where the Deloitte network is expressing its public policy voice include:

- **Women and the economy**—Advancing the economic empowerment of women, which is fundamental to future economic growth, innovation, and competitiveness. Deloitte has been putting forward ideas and thought leadership on improving the gender dividend in various capacities and forums, such as the Asia-Pacific Economic Cooperation (APEC) and the Organisation for Economic Co-operation and Development (OECD).



- **G20**—The G20, representative of the world's largest economies, is a key pathway to debating many of the world's biggest policy questions concerning the global regulatory and financial architecture. Deloitte leaders participate in the B20, which is the voice of business at the G20. Deloitte is working to deepen and broaden engagement with this and other multilateral organizations.
- **Youth employment**—Youth (un)employment is an ever-increasing challenge to global economic recovery and future economic and social development, not to mention the immediate personal cost to affected women and men and their families. Deloitte's practical experience and knowledge on issues such as education, including continuing education and professional development, talent management, human capital, entrepreneurship, and data analytics can contribute to informed policy discussions and decisions in addressing this critical challenge.

Through the combined efforts of professionals across Deloitte, the Global Regulatory and Public Policy Group continues to work with and support stakeholders, including public authorities, investors, and business and professional organizations, to improve various aspects of the capital markets. The Deloitte network strives to demonstrate a strong commitment to the public duty as a professional service provider, as participants and as contributors to effective capital markets and a stable, growing global economy.

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# Quality and risk

Systematic frameworks mitigate enterprise risk

**D**eloitte maintains a steadfast commitment to quality and risk management, which supports the member firms' abilities to serve the public interest and deliver services that consistently meet high standards. DTTL made a number of enhancements to its quality and risk management policies, processes, and methods in FY2012.

Continuing its current practice, DTTL identified and analyzed the top 15-20 risks to the Deloitte organizations in its enterprise risk framework periodically during FY2012 and shared these updates with the DTTL Board of Directors, which oversees the organization's approach to risk management. DTTL also initiated an extensive collaboration with the member firms on creating enterprise risk frameworks of their own.

DTTL revised existing policies on potential conflicts of interest, for reissuance during FY2013, and its policies on compliance with the Foreign Corrupt Practices Act. Additional plans are under way to revise and reissue other policies, including portfolio review and external communications. DTTL also launched an online learning course about prevention of insider trading.

### Read more

Deloitte strives to be consistently recognized by its stakeholders for world-class quality and risk management, which serve the organization's commitment to the public interest and bring Deloitte closer to becoming the standard of excellence.

The DTTL Policies Manual ("DPM") comprises a set of global policies that provide the basis for member firms to establish consistent and rigorous quality and risk management processes and procedures. The global quality and risk management policies, processes, and methodologies (collectively referred to as "Policies") apply to all of the Deloitte member firms and their functional areas. The Policies are designed to help member firms address unique considerations associated with the delivery of high-quality services while challenging member firm professionals to do the right thing under any circumstance, even if that means declining a prospective client or engagement or terminating a client relationship. The Policies encompass business, economic, social, and environmental risks.



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The Policies of the DPM require all member firms to assign a “reputation and risk leader” who leads his or her member firm’s risk program, with support from risk leaders in each of the member firm’s functions. These senior member firm leaders are responsible for developing and implementing policies and procedures that address specific quality control considerations for their functions and for the member firm overall.

Certain DPM Policies specify processes to help ensure that member firms evaluate the acceptability of every client and engagement and the related engagement risk. These processes include identifying and addressing matters related to independence and potential conflicts of interest and classifying the risk associated with the engagement. DPM Policies can be supplemented by member firm policies that take into consideration local market practices, local laws, and regulations within their jurisdiction.

#### **Practice reviews**

Each member firm is responsible for conducting practice reviews under the guidance and oversight of DTTL. Held at least once every three years, these reviews consider whether member firms’ own policies and processes comply, at a minimum, with DPM Policies and are operating effectively in practice. Practice reviews cover all functions and service lines within each member firm. The practice review process also assesses the quality of work performed and services delivered by the member firm. These reviews involve detailed reviews of individual engagements.

Findings and recommendations from a member firm’s practice review are presented in a report and management letter to the member firm’s leadership. In response to the report, the member firm establishes a detailed action plan to address findings and recommendations together with a mechanism for monitoring the resolution of the findings.

#### **Enterprise risk framework**

The ongoing success of DTTL and the member firms depends in part on maintaining a current understanding of how changes to internal and external conditions may pose risks to the services member firms provide and how they make strategic and operational decisions. DTTL’s enterprise risk framework is a core process that allows DTTL to monitor business, economic, social, and environmental risks and provides leadership with the information and insights needed to effectively manage and mitigate such risks. The risks encompassed by the enterprise risk framework are reviewed semiannually.

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# Ethics

Ethical tone and practices sustain a culture of integrity

**D**TTL's Ethics team and the member firm ethics officers are responsible for designing and implementing programs to promote and sustain ethical conduct by Deloitte professionals. During FY2012, D TTL Ethics added new messaging and learning platforms to its strategy, with the goal of making discussion about ethics an integral part of professional life at Deloitte.

D TTL Ethics worked with global audit leadership to develop guidelines supporting the addition of ethics criteria to remuneration and performance evaluation processes for member firms' audit partners. D TTL also established a requirement that all member firm people annually confirm their compliance with member firm anti-corruption policies.

D TTL Ethics created an online course focused on ethical sensitivity, judgment, and decision-making skills, which more than 20 member firms launched or began customizing. The annual global ethics survey, which measures awareness and effectiveness of member firm ethics programs, was implemented by 38 member firms.

## Read more

Deloitte member firms strive to uphold the trust placed in them by clients and the capital markets and to build a similar sense of trust among their professionals. One of the most important responsibilities of D TTL and member firm senior leaders is to set a tone at the top that emphasizes our commitment to ethical behavior and reinforces the responsibility of everyone in the organization to act with integrity. This tone is essential to creating a culture of integrity throughout the Deloitte organization.

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



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One of the most important responsibilities of Deloitte senior leaders is to set a tone at the top that emphasizes our commitment to ethical behavior.

D TTL's formal ethics program comprises the following elements:

- The nine Ethical Principles and four Shared Values of the Deloitte member firms (see next page)
- A global ethics policy that sets out the specifications for member firms' own ethics programs
- A global anti-corruption policy that addresses matters such as bribery, facilitation payments, political and charitable contributions, and gifts and entertainment

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- Ethics training programs, including a new online training course (launched in FY2012), an introductory online course, classroom programs, and facilitator-led interactive case discussions
- Support activities, including communications, workshops, and webinars to facilitate best practice sharing among member firms
- Provision of a survey to allow member firms to measure their program's effectiveness
- Practice review program to measure compliance with global ethics policies and encourage collaborative discussions and continuous improvement over time

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

- World Economic Forum, Partnering Against Corruption Initiative (PACI)—Since April 2010, a DTTL leader has held a position on the PACI board to represent the professional services sector. Ordinarily rotated annually among the Big Four, this board position was offered to Deloitte for a second year and was held by DTTL Chairman of the Board Steve Almond from June 2011 through October 2012.
- UN Global Compact—DTTL Ethics sits on the Global Compact's Working Group on Anti-Corruption (the tenth Global Compact principle). Deloitte U.S. partners led the Compact's Sub-Working Group on Anti-Corruption Risk Assessment and played an instrumental role in creating a new risk assessment guideline.
- Conference Board—DTTL's Deputy Ethics Officer serves as a member of the Executive Committee for the Conference Board's Global Council on Business Conduct.

#### **Ethical Principles of the member firms of DTTL**

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

- Honesty and Integrity—We act with honesty and integrity.
- Professional Behavior—We operate within the letter and the spirit of applicable laws.

- Competence—We bring appropriate skills and capabilities to every client assignment.
- Objectivity—We are objective in forming our professional opinions and the advice we give.
- Confidentiality—We respect the confidentiality of information.
- Fair Business Practices—We are committed to fair business practices.
- Responsibility to Society—We recognize and respect the impact we have on the world around us.
- Respect and Fair Treatment—We treat all our colleagues with respect, courtesy, and fairness.
- Accountability and Decision-making—We lead by example, using our Shared Values as our foundation:
  - Integrity
  - Outstanding value to markets and clients
  - Commitment to each other
  - Strength from cultural diversity

#### **Collaboration on business ethics**

DTTL and its member firms collaborate with other businesses and civil society groups on efforts to promote ethical business conduct. These engagements include:

- UN Global Compact—Working Group on Anti-Corruption and Sub-Working Group on Anti-Corruption Risk Assessment
- World Economic Forum—Board of the Forum's Partnering Against Corruption Initiative and member of the Global Agenda Council on Anti-corruption
- B20 Business Summit—Member of the B20 working group on anti-corruption and transparency
- Conference Board—Executive Committee of the Board's Global Council on Business Conduct
- University of Notre Dame Mendoza College of Business—Ongoing Deloitte U.S. support of the Notre Dame Deloitte Center for Ethical Leadership (NDDCEL)



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# Independence

Sustaining objectivity protects the public interest

As auditors of public companies, Deloitte member firms comply with well-established policies and implement appropriate procedures to help safeguard their objectivity and the independence of the organization and their people. These policies and procedures help ensure that the member firms are acting in the public interest and the interest of member firm clients, as well as protecting the reputation of the Deloitte organization.

The independence specialists of DTTL assist member firms in creating, implementing, and monitoring quality controls over independence. DTTL and its member firms are continually making improvements to these programs.

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To fulfill their duty to protect the public interest, Deloitte member firms must maintain independence from their audit clients.

During FY2012, the DTTL independence team released an internal training program on business relationships for member firm partners, principals, directors, and managers. Member firms are generally expected to customize the training program to include the policies and processes the member firm has implemented regarding business relationships. All member firm PPDs and managers are required to complete the program by the end of FY2013.



## Read more

By providing assurance on the reliability of companies' financial statements, the independent audit serves a crucial function in maintaining investor confidence and the stability of the capital markets. As auditors of public companies, Deloitte member firms have a duty to protect the public interest.

To fulfill this duty, member firms must maintain independence from their audit clients. Standards for independence are shaped by legislation, regulations, professional guidance, and public expectations. Maintaining independence, therefore, is both a matter of compliance with rules and regulations and a matter of appearance.

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

DTTL's independence policies and procedures are designed to allow member firms to comply with all applicable independence standards. These policies and procedures are based for the most part on the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. When the national professional requirements that apply to a firm are more restrictive than the requirements in the DTTL policies, member firms must follow those requirements as well.

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

Each member firm has a partner assigned with responsibility for the independence quality controls in the member firm, including monitoring compliance with those controls. On an annual basis, all member firms report to DTTL that they have conducted procedures for determining that the firm and its professionals are in compliance with DTTL's independence policies. These procedures require all member firm personnel to confirm that they have complied with DTTL's independence policies during the year.

DTTL's independence specialists provide member firms with information and guidance on independence issues and management approaches, including frameworks and sample materials for inspection and testing programs. The DTTL independence specialists assess member firms' independence controls and compliance systems that assist member firm personnel in complying with independence requirements. These systems:

- List up-to-date information on international restricted entities, including audit clients
- Help confirm that services to be provided by member firms have been properly reviewed and approved by an audit committee or other appropriate governance body
- Enable individuals to review personal financial interests that may create threats to independence
- Affirm that member firm partners, professionals, and administrative staff are compliant with independence policies

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# Data privacy and security

Keeping data safe, secure, and private has never been more critical

**W**orkforce mobility, cloud computing, and social media—as well as sophisticated cybercriminal tools—create abundant opportunities for data security breaches. The stakes in data security are rising as national privacy laws become more stringent and member firm clients seek stronger assurances that their data is safe.

During FY2012, DTTL's data security and privacy teams worked with the member firms on evaluating security and privacy programs for compliance with DTTL's policies and on strengthening these programs. DTTL has created an online course and launched an internal campaign to make practitioners aware of data security risks when using social media and other online tools. A global security awareness council was also established to reinforce understanding among Deloitte's people of their responsibilities to protect data.

In November 2011, the legal entity that employs most United States-based personnel working on behalf of DTTL recertified its adherence to the Safe Harbor Framework, which bridges differences between the United States and European Union privacy laws and helps safeguard permitted personal information sharing among Deloitte member firms and DTTL.

## Read more

The clients and people of Deloitte member firms routinely entrust the firms with highly sensitive information that is needed to perform projects or provide employee services and benefits. To retain the trust of their stakeholders and comply with contracts and regulations, Deloitte member firms make every effort to prevent data security failures and limit harm from privacy breaches.

Even strong information security programs are subject to lapses: laptops, smartphones, and documents can be lost or stolen or let slip accidentally. And opportunities for such breaches are multiplying as workers and IT hardware become more mobile, increasing volumes of data are transmitted and remotely stored, and the use of social media accelerates.



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DTTL and its member firms have moved rapidly to keep their privacy and security policies and practices up-to-date with global mandates and stakeholder expectations. DTTL's global policy on information security requires member firms to institute a wide range of security measures, covering areas such as virus protection, data backup and recovery, encryption, password authentication, access to systems, and network security.

Member firms must affirm on an annual basis that they comply with this policy. In addition, DTTL's information security specialists work with member firms to strengthen their information security regimes when necessary.

DTTL's comprehensive global privacy policy took effect in August 2011. This policy requires every member firm to put in place:

- A privacy policy that defines principles to be followed in all data handling processes and systems and that meets the requirements of local laws, customs, and regulations
- A designated privacy leader
- A process for responding to privacy incidents
- Regular privacy communications and training programs for member firm people
- An annual self-assessment of compliance with the DTTL privacy policy

To help ensure a consistent and high standard of compliance throughout the global network, DTTL's privacy specialists have created a toolkit, sample policies, and an online training program to assist member firms in all jurisdictions establish these program elements.



The legal entity that employs most United States-based personnel working on behalf of DTTL, certified its adherence to the Safe Harbor Framework in November 2009 and has re-certified this adherence in 2010 and 2011, each time completing a comprehensive verification process. The Safe Harbor Framework between the U.S. Department of Commerce and the European Commission gives U.S. organizations a set of requirements for complying with the European Directive on Data Protection, which governs the transfer of personal information from the European Union (EU) to third countries such as the United States, among other issues. This framework is designed to bridge differences between the privacy protection approaches of the United States and the EU.

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	FY2012	FY2011	FY2010
<b>GLOBAL PRESENCE</b>			
Number of member firms at the end of the fiscal year	48	53	53
<b>REVENUE (US\$ Billion)</b>			
<b>Aggregate revenues</b>			
Aggregate member firm revenue	31.3	28.8	26.6
By functional area			
Audit and Enterprise Risk Services	13.0	12.3	11.7
Financial Advisory	2.7	2.3	2.0
Consulting	9.7	8.6	7.5
Tax	5.9	5.6	5.4
By region			
Americas	15.5	14.3	13.0
Europe/Middle East/Africa	10.9	10.3	10.0
Asia Pacific	4.9	4.2	3.6
By industry group			
Consumer Business	6.0	5.4	5.2
Energy & Resources	2.8	2.2	2.1
Financial Services	8.5	7.8	6.9
Life Sciences and Health Care	2.1	1.9	1.7
Manufacturing	4.1	3.8	3.5
Public Sector	3.2	3.0	2.8
Technology, Media & Telecommunications	3.2	3.0	2.9
Other	1.4	1.7	1.5



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	FY2012	FY2011	FY2010
<b>Revenue growth (Percentage growth in US Dollars)</b>			
Aggregate member firm revenue growth	8.6%	8.4%	1.8%
By functional area			
Audit and Enterprise Risk Services	6.1%	4.7%	-1.4%
Financial Advisory	15.0%	15.1%	-1.6%
Consulting	13.5%	14.9%	14.9%
Tax	3.9%	5.2%	-5.3%
By region			
Americas	7.9%	10.4%	3.9%
Europe/Middle East/Africa	6.4%	3.2%	-2.9%
Asia Pacific	16.3%	15.8%	8.5%
<b>TALENT (1)</b>			
<b>Aggregate talent</b>			
Aggregate member firm people	193,359	181,566	169,587
By level			
Partners, principals, and directors	9,948	9,673	9,538
Professional staff	148,947	138,790	129,219
Administrative staff	34,464	33,103	30,829
By region			
Americas	84,855	78,957	72,858
Europe/Middle East/Africa (2)	68,317	65,298	62,732
Asia Pacific (2)	40,187	37,312	33,997
By level and region			
Americas			
Americas partners	4,228	4,159	4,142
Americas professionals	63,685	58,225	52,722
Americas administrative staff	16,941	16,573	15,994
Europe/Middle East/Africa (EMEA)			
EMEA partners	3,357	3,229	3,243
EMEA professionals	53,232	50,700	49,014
EMEA administrative staff	11,728	11,369	10,475
Asia Pacific			
Asia Pacific partners	2,363	2,285	2,154
Asia Pacific professionals	32,029	29,864	27,484
Asia Pacific administrative staff	5,794	5,162	4,359

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	FY2012	FY2011	FY2010
<b>Talent by gender</b>			
By region and gender - male			
Overall	106,866	n/a	n/a
Americas	47,649	n/a	n/a
Europe/Middle East/Africa	37,392	n/a	n/a
Asia Pacific	21,825	n/a	n/a
By region and gender - female			
Overall	86,492	n/a	n/a
Americas	37,205	n/a	n/a
Europe/Middle East/Africa	30,925	n/a	n/a
Asia Pacific	18,361	n/a	n/a
Percentages of women in Deloitte member firms			
Overall	45%	44%	45%
Among partners, principals, and directors	19%	18%	19%
Among managers	35%	34%	35%
Among new hires	46%	45%	47%
Among new partners, principals, and director admissions	22%	22%	23%
Percentages of women in DTTL leadership and governance bodies			
On DTTL Board of Directors	6%	11%	n/a
On DTTL Executive	0%	0%	n/a
On DTTL leadership team (3)	19%	9%	n/a
<b>Turnover rate</b>			
Aggregate turnover rate	20%	21%	n/a
By region			
Americas	18%	19%	n/a
Europe/Middle East/Africa	20%	22%	n/a
Asia Pacific	24%	24%	n/a
By gender			
Male	19%	20%	n/a
Female	21%	23%	n/a

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	FY2012	FY2011	FY2010
<b>New hires</b>			
Aggregate new hires	51,440	49,152	33,600
Aggregate new hire rate (4)	27%	27%	19%
<b>By region</b>			
Americas new hires	21,639	n/a	n/a
Americas new hire rate (4)	26%	n/a	n/a
Europe/Middle East/Africa new hires	17,250	n/a	n/a
Europe/Middle East/Africa new hire rate (4)	25%	n/a	n/a
Asia Pacific new hires	12,550	n/a	n/a
Asia Pacific new hire rate (4)	31%	n/a	n/a
<b>By level</b>			
New partners	285	273	n/a
New managers	4,952	5,408	n/a
New staff	39,466	36,255	n/a
New administrative staff	6,737	7,215	n/a
<b>By gender</b>			
Percentage of women among new hires	46%	45%	47%
<b>LEARNING</b>			
Hours training per full-time employee (5)	44	44	n/a
<b>MOBILITY</b>			
Number of Deloitte member firm people on mobility assignments	5,356	4,429	3,801
Increase in mobility assignments	21%	17%	128%
<b>GLOBAL CAREERS WEBSITE</b>			
Number of RMS (Recruitment and Mobility System) student applications received per day	1,653	1,160	n/a
Visits to website	10,328,940	10,028,940	n/a
Average visits per day	28,300	27,476	n/a
Largest number of jobs posted on a given day	20,939	15,313	n/a
Member firm locations with searchable positions	116	92	n/a
Total number of RMS applications	1,604,805	n/a	n/a

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	FY2012	FY2011	FY2010
<b>SOCIETAL IMPACT (1) (US\$ million)</b>			
Number of reporting entities. Societal impact metrics are for reporting entities, and estimates have not been made for non-reporting entities.	33 member firms and DTTL (representing 90% of global workforce)	18 member firms and DTTL (representing 73% of global workforce)	17 member firms and DTTL (representing 73% of global workforce)
<b>Monetary value of community investments (US\$ million)</b>			
Aggregate community investments (6)	165.1	157.5	138.2
<b>By source</b>			
Aggregate donations (6)	74.1	76.3	68.4
Member firm/foundation donations (monetary and in-kind) (6)	44.6	47.9	42.1
Member firm partner and employee donations (to member firm-supported organizations and fundraisers)	29.5	28.4	26.2
Aggregate member firm/foundation costs for managing community investment programs	9.2	9.1	6.6
Aggregate value of volunteer and pro bono work by member firm people	81.8	72.1	63.2
Pro bono work	34.2	33.7	31.1
Skills-based volunteering	26.4	20.9	18.4
Traditional volunteering	21.2	17.5	13.7
<b>By contribution area</b>			
Contributions toward education and skills-building organizations (6)	29%	29%	33%
Value of pro bono and skills-based volunteering as percentage of value of all volunteering and pro bono work	74%	76%	78%
<b>Hours of community investments (Thousand hours)</b>			
Aggregate hours of volunteer and pro bono work by Deloitte people	884	709	588
Pro bono work	198	193	154
Skills-based volunteering	377	275	247
Traditional volunteering	308	241	187

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	FY2012	FY2011	FY2010
<b>ENVIRONMENTAL SUSTAINABILITY (1)</b>			
Number of member firms reporting on environmental sustainability. Environmental metrics are extrapolated to represent all member firms and D TTL.	32 member firms and D TTL representing 93% of global workforce	21 member firms and D TTL representing 76% of global workforce	19 member firms representing 73% of global workforce
<b>Aggregate greenhouse gas emissions (Metric tonnes CO<sub>2</sub>e)</b>			
Aggregate greenhouse gas emissions including offsets	940,751	851,973	790,028
Aggregate greenhouse gas emissions not including offsets	944,870	859,026	790,028
<b>By source (Metric tonnes CO<sub>2</sub>e)</b>			
Buildings: electricity	204,812	201,739	213,360
Buildings: other sources	35,008	35,916	36,550
Business travel: air travel	437,970	360,339	297,966
Business travel: other sources	250,167	242,293	225,348
Resources	16,913	18,738	16,803
Offset credits	(4,119)	(7,053)	n/a
<b>By GHG Protocol scope (Metric tonnes CO<sub>2</sub>e)</b>			
Scope 1: Direct greenhouse gas emissions	83,797	80,910	82,618
Scope 2: Electricity indirect greenhouse gas emissions	217,768	212,060	221,363
Scope 3: Other indirect greenhouse gas emissions	643,306	566,056	486,047
<b>Intensity measures (Metric tonnes CO<sub>2</sub>e)</b>			
Greenhouse gas emissions per full-time employee (metric tonnes CO <sub>2</sub> e/FTE) excluding offsets	5.0	4.8	4.9
Greenhouse gas emissions per dollar of revenue (kg CO <sub>2</sub> e/\$000 USD) excluding offsets	30.2	33.9	32.6
<b>Energy usage (GW)</b>			
Aggregate usage of purchased electricity in Deloitte facilities	418	423	438
<b>Direct energy consumption by primary energy source (TJ)</b>			
TJ of natural gas	202	233	n/a
TJ of gasoline	262	304	n/a
TJ of diesel fuel	517	276	n/a
<b>Indirect energy consumption by primary source (TJ)</b>			
TJ of electricity	1,506	1,524	n/a
TJ of district heating	138	110	n/a
TJ of district cooling	27	41	n/a
<b>Material usage (Metric tonnes)</b>			
Paper usage	5,413	6,590	n/a
Percent of recycled input materials used based on estimate of recycled content paper	9%	7%	n/a

A detailed description of this report's boundaries and the performance measurement methods used is available [here](#). Note: Because of rounding, numbers may not tally with the total

(1) Includes D TTL and the member firms unless otherwise noted.

(2) Number of Deloitte people in FY2011 is restated to reflect a change in the operational alignment of one member firm from EMEA to Asia Pacific Region.

(3) The D TTL Leadership Team comprises senior leaders of functional areas from clients, services, and talent to quality, strategy, communications, and operations.

(4) The rate is calculated using the total Deloitte people in that region at the end of the reporting period.

(5) Represents a lower bound for measures of learning because certain types of training are not tracked in the online learning platform.

(6) FY2011 and FY2010 values restated.



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# Reporting process

Stakeholder insights shape our report

We listen carefully to the many stakeholders with whom Deloitte people interact. In accounting for the Deloitte contribution and performance, our aim is to combine the interests and concerns of our stakeholders, as well as to explain what guides and motivates our own approaches and priorities.

Deloitte identifies stakeholders through internal discussions which are guided by knowledge of the business. Stakeholder groups considered most important to engage are those with a notable ability or tendency to:

- Help influence Deloitte's success
- Be highly affected by Deloitte's endeavors
- Alter the markets, regulatory settings, and industries in which Deloitte operates
- Affect the supply of resources that are critical to Deloitte's business

This year, in-depth stakeholder analysis was conducted with Deloitte people and member firm clients, two vital stakeholder groups. Deloitte surveyed its people from different member firms, regions, levels, functions, and tenures about the organization's priorities. Survey respondents had to make trade-offs among multiple priorities—as executives do when setting strategies—and this helped Deloitte assess their relative importance. For member firm clients, Deloitte gathered a large sample of their requests for information and ranked the topics in importance based on their frequency.

Deloitte business unit teams were interviewed to understand how they had engaged stakeholders during the year and how those stakeholders' interests had evolved. Some senior Deloitte leaders were interviewed about how they see Deloitte's priorities. A full list of stakeholders engaged and their priority issues is available in the following pages.

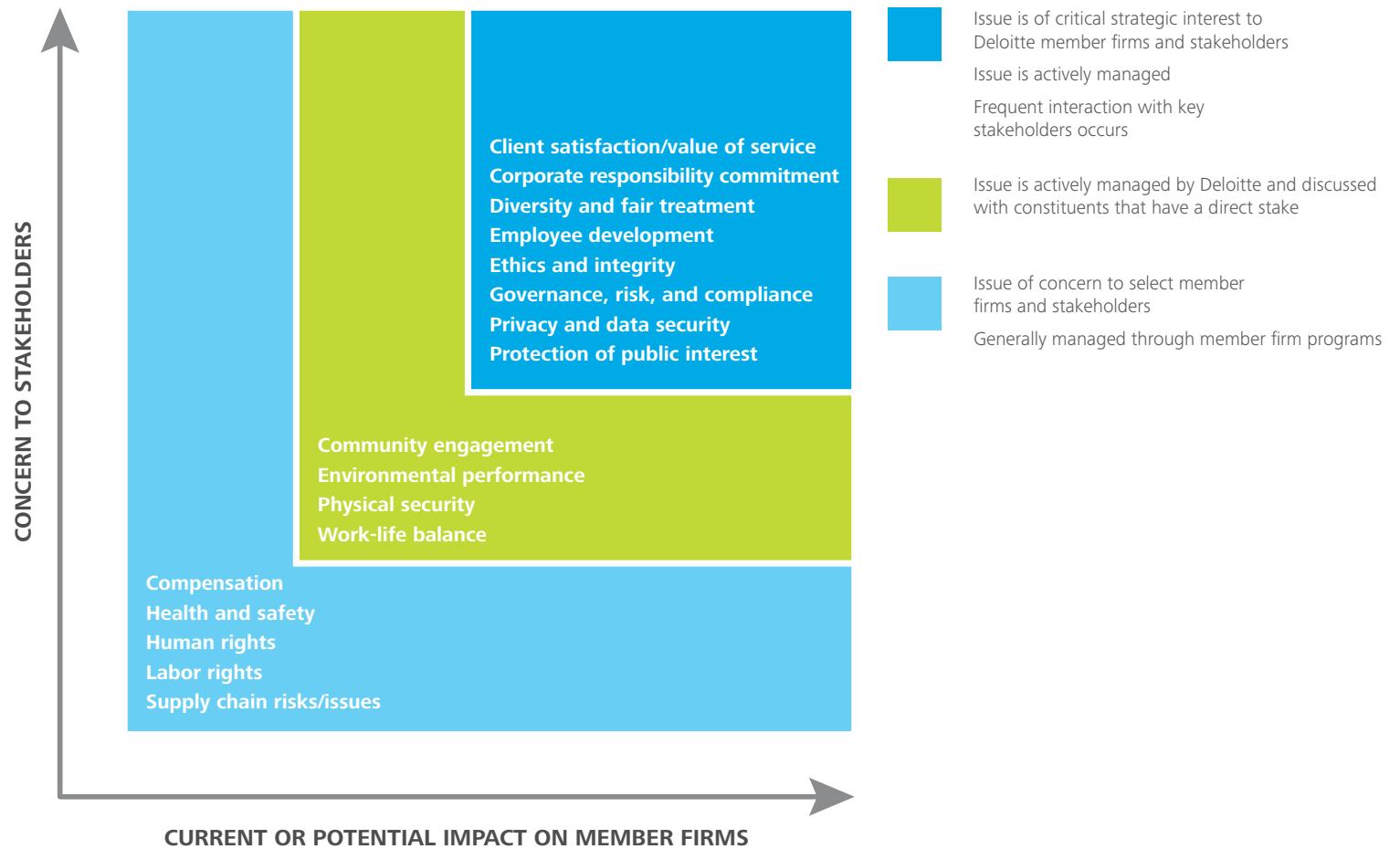
The issues that were analyzed through stakeholder engagement were also considered with respect to Deloitte's business strategy. This enabled us to refine the priorities we attach to some material business issues. In the resulting materiality matrix, issues are classified into three categories according to their overall importance. These material issues were used to shape the scope and content of this report.



This Global Report is one instrument that Deloitte uses to address stakeholders' interests. Stakeholders likely to read the Global Report include current and prospective employees, member firms' clients and suppliers, media and analysts, and civil society organizations. A detailed description of this report's boundaries and the performance measurement methods used is available in the following pages.

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## Materiality matrix



CATEGORY	AREAS INCLUDED
Ethics	Anti-corruption
Protection of public interest	Transparency, public policy positions, professional standards, professional performance
Community engagement	Includes range of community engagement activities, for example, youth education
Environmental performance	Includes greenhouse gas emissions, energy usage, water, material usage and waste

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## 2012 Stakeholder engagement summary

Key stakeholder groups	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response (may vary across Deloitte)	Areas of high stakeholder concern
Member firm clients	<b>Ongoing</b> <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> <li>Client questionnaires</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>Non-profit 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> <li>Sustainability reporting</li> <li>Supply chain risks and standards</li> </ul>	<ul style="list-style-type: none"> <li>New service offerings</li> <li>Organizing 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 programs and leadership</li> <li>IT security policies</li> <li>Voluntary sustainability reporting</li> <li>Supply chain policies and codes of conduct</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 public interest</li> <li>Anti-corruption</li> <li>CR commitment</li> <li>Privacy and data security</li> <li>Environmental performance</li> <li>Supply chain risks/issues</li> <li>Value of service</li> </ul>
Deloitte people and their families	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Internal discussions</li> <li>Alumni network</li> <li>Social media, external and internal</li> <li>Recruiting events</li> <li>Exit interviews</li> <li>Confidential ethics hotline</li> <li>Training sessions</li> </ul> <b>Multiple times a year</b> <ul style="list-style-type: none"> <li>Performance reviews</li> <li>Employee councils</li> <li>Advisory councils</li> <li>Town-hall meetings</li> <li>Affinity groups</li> </ul> <b>Annual basis</b> <ul style="list-style-type: none"> <li>People survey</li> <li>Partner meetings</li> </ul>	<ul style="list-style-type: none"> <li>Current, former, retired, and prospective employees</li> <li>Spouses/partners, children, and family members of Deloitte 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 programs</li> <li>Coaching programs</li> <li>Opportunities for global deployments</li> <li>Industry training</li> <li>Wellness programs</li> <li>Updates to software and hardware</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 public interest</li> <li>Public policy positions</li> <li>Environmental performance</li> <li>Health and safety</li> <li>Community engagement</li> <li>Labor rights</li> <li>Physical security</li> <li>Compensation</li> <li>Work/life balance</li> <li>Professional standards</li> <li>Professional performance</li> </ul>

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Key stakeholder groups	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response (may vary across Deloitte)	Areas of high stakeholder concern
<b>Governments and regulators</b>	<p><b>Ongoing and/or ad hoc</b></p> <ul style="list-style-type: none"> <li>Contribution to shaping of new regulation</li> <li>Collaboration on policy</li> <li>Participation in development of standards</li> <li>Web site 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 ministers and central bank governors</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>Responses to reviews</li> <li>Employee diversity programs</li> <li>Supplier diversity programs</li> <li>Issuance of transparency reports</li> </ul>	<ul style="list-style-type: none"> <li>Protection of public interest</li> <li>Anti-corruption</li> <li>Public policy positions</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>Health and safety</li> <li>Transparency</li> <li>Environmental performance</li> </ul>
<b>Professional associations</b>	<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 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 of 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>Thoughtware</li> <li>Strategy formulation</li> </ul>	<ul style="list-style-type: none"> <li>Professional standards</li> <li>Professional performance</li> <li>Employee development</li> <li>Public policy positions</li> <li>Ethics and integrity</li> <li>Governance, risk, and compliance</li> <li>Protection of public interest</li> </ul>
<b>Non-profit organizations and community organizations</b>	<p><b>Ongoing</b></p> <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>United Way Worldwide</li> <li>Junior Achievement</li> <li>Teach For All</li> <li>Accounting for Sustainability</li> <li>Carbon Disclosure Project</li> <li>Local business organizations</li> </ul>	<ul style="list-style-type: none"> <li>Training</li> <li>Performance improvement</li> <li>Funding</li> <li>Marketing</li> <li>Specific agendas germane to their cause (e.g. sustainability, education, water, diversity, etc.)</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> <li>Voluntary sustainability reporting</li> </ul>	<ul style="list-style-type: none"> <li>Youth education</li> <li>Diversity and fair treatment</li> <li>Ethics and integrity</li> <li>Anti-corruption</li> <li>Human rights</li> <li>Transparency</li> <li>CR commitment</li> <li>Public policy position</li> <li>Privacy and data security</li> <li>Environmental performance</li> <li>Community involvement</li> <li>Protection of public interest</li> </ul>

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Key stakeholder groups	Engagement approach and typical frequency of interaction	Sample of representative members	Sample topics	Type of response (may vary across Deloitte)	Areas of high stakeholder concern
<b>International multi-stakeholder organizations</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Steering committee memberships</li> <li>Organizational stakeholder meetings</li> </ul>	<ul style="list-style-type: none"> <li>United Nations</li> <li>World Economic Forum</li> <li>World Business Council for Sustainable Development</li> <li>International Integrated Reporting Committee</li> <li>Global Reporting Initiative</li> <li>International Business Leaders 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>Thoughtware</li> <li>Working towards integrated reporting for Deloitte</li> <li>Voluntary reporting on sustainability</li> <li>GHG reduction targets in place or in development (varies across member firms)</li> </ul>	<ul style="list-style-type: none"> <li>Ethics and integrity</li> <li>Anti-corruption</li> <li>Public policy</li> <li>Protection of public</li> <li>Diversity and fair treatment</li> <li>Education</li> <li>Governance, risk, and compliance</li> <li>CR commitment</li> <li>Privacy and data security</li> <li>Environmental performance</li> <li>Human rights</li> <li>Health and safety</li> <li>Community engagement</li> <li>Physical security</li> </ul>
<b>Suppliers</b>	<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>Establishment of green purchasing practices</li> <li>Contracts</li> <li>Supply chain audits</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> </ul>
<b>Analysts</b>	<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>IDC</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>Strategy refresh</li> <li>Innovation programs</li> </ul>	<ul style="list-style-type: none"> <li>Value of service</li> <li>Client satisfaction</li> <li>Ethics and integrity</li> <li>Governance, risk, and compliance</li> <li>Anti-corruption</li> <li>CR commitment</li> </ul>
<b>Educational institutions/ academia</b>	<b>Ongoing</b> <ul style="list-style-type: none"> <li>Participation in programs</li> <li>Collaborations</li> <li>Recruiting</li> <li>Guest lecturing and speaking engagements</li> </ul>	<ul style="list-style-type: none"> <li>Funding of chairs and scholarships at universities</li> </ul>	<ul style="list-style-type: none"> <li>Subject matter knowledge</li> <li>New perspectives</li> <li>Leading research</li> <li>Career placement</li> </ul>	<ul style="list-style-type: none"> <li>Deloitte21</li> <li>Matching gifts</li> <li>Guest lecturers</li> <li>Funding</li> </ul>	<ul style="list-style-type: none"> <li>Education Ethics and integrity</li> <li>Diversity and fair treatment</li> <li>Employee development</li> <li>Anti-corruption</li> <li>Human rights</li> </ul>



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## Basis of reporting

### Scope and methods for performance measurements

Deloitte Touche Tohmatsu Limited (DTTL) adhered to widely accepted standards in developing this report. These standards define a systematic approach to understanding the issues that the report should cover and measuring and documenting performance with regard to those issues.

Performance measures for societal impact and environmental sustainability are based on widely recognized guidelines. For reporting on societal impact, DTTL and its member firms observed standards from the Committee Encouraging Corporate Philanthropy and the London Benchmarking Group. The monetary value of community activities by member firm people was estimated according to the type of service performed. The value of volunteer work was based on local member firms' staff costs. Pro bono work, defined as work that the member firms might otherwise sell but that was performed for free, has been valued at rates representative of the local member firms' client service rates.

Estimates of carbon emissions were prepared according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard created by the World Resources Institute and the World Business Council for Sustainable Development with emissions accounted for on the basis of operational control. DTTL and the member firms have applied recent, authoritative, and locally specific GHG emissions factors as available and as appropriate for the countries in the report's scope. In 2011, the World Resources Institute and the World Business Council for Sustainable Development issued a new standard, the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Deloitte will consider the methodologies set forth in the Scope 3 standard for future reporting. While the reporting for FY2012 includes a significant number of Scope 3 sources, it does not consider full upstream and downstream emissions across all sources.

FY2012 environmental performance data in this report was directly collected from 32 member firms and from DTTL. These entities represent 93 percent of aggregate Deloitte people and 96 percent of aggregate member firm revenues. Extrapolations were used to account for the emissions of the remainder of the organization that did not directly report data.

FY2012 societal impact data was reported by 33 member firms and by DTTL, which represent 90 percent of aggregate Deloitte people and 96 percent of aggregate member firm revenues. No estimate was made for the member firms that did not report due to the variations in societal impact activities across member firms. It should be recognized that this limits the year-to-year comparability of the data. Comparability is expected to improve over time as the number of non-reporting member firms decrease.

Data that formed the basis of the reporting was obtained from financial reporting systems, other internal records, and outside sources such as travel agencies, utilities, and property managers. In addition to adhering to the UN Global Compact and Global Reporting Initiative frameworks for reporting, this report was prepared according to the principles of inclusivity, materiality, and responsiveness from the AA1000 AccountAbility Principles Standard (AA1000APS).

## Emission factors

DTTL member firms are encouraged to select the most accurate, source-specific, localized, and recently published greenhouse gas (GHG) emission factor available for each emission source, such as specific emission factors for a local electric utility. Member firms are also provided with default emission factors from the following sources:

- The Greenhouse Gas Protocol published by the World Resources Institute and World Business Council for Sustainable Development
- The International Energy Agency (IEA)
- The UK's Department for Environment, Food and Rural Affairs (DEFRA)
- The U.S. Department of Energy (US DOE)
- Environmental Paper Network Paper Calculator ([www.papercalculator.org](http://www.papercalculator.org))
- The Carbon Neutral Company

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

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## Global warming potential

The 100-year global warming potentials (GWP) of the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR4) were used in calculating carbon dioxide equivalents.

## Building-related emission sources

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

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

GHG emission factors and system information (such as equipment type) associated with district heating and cooling are seldom available through the utility provider. In instances where emission factors and system information were unavailable, benchmark emission factors from the U.S. DOE were used.

Fugitive emissions of refrigerants used in building cooling systems were included as a GHG emission source. To determine refrigerant leakage from a system, the refrigerant volume readings from the beginning and the end of the fiscal year are needed along with any volumes added or removed. For most systems and equipment at DTTL member firm facilities, this complete data set cannot be obtained and data is limited to refrigerant additions. In such instances, the assumption is made that all refrigerant added in a given year replaces refrigerant leaked during the same year. This method likely overestimates actual emissions

in some years and underestimates them in others, but over time captures the fugitive emissions of the system. A similar simplifying assumption is used for calculating the volume of diesel fuel used for backup power generation; that is, it is assumed that diesel fuel purchased during the fiscal year is used that year.

## Business travel — Air

Reported GHG emissions are those resulting from air travel by professionals flying for business reasons in accordance with DTTL and member firm policies. GHG emissions from flights taken by non-employees are also reported in instances where flight activity data is captured in DTTL or member firm travel systems and reimbursed or paid for by DTTL or a member firm (such as travel by family members in accordance with policies or travel by prospective DTTL and member firm professionals). The majority of business air travel data was obtained from DTTL and member firm travel systems. Much of the rest was obtained from travel expense records.

The default GHG emission factors used to calculate emissions from air travel were based on information published by DEFRA. Flight segments were identified by distance, and emission factors were applied according to whether the flight segment was categorized as long haul (more than 1108 km), medium haul (463 to 1108 km) or short haul (less than 463 km). Where data on seat class was available class-specific emission factors were also applied (e.g., First, Business, Premium Economy, Economy). An uplift factor of 1.09 was applied to airline distance data to account for non-direct routes, delays, and circling. The emission factors used did not include radiative forcing or indirect emissions.

## Business travel — Road

Reported GHG emissions from business travel by automobiles includes travel in Deloitte-owned vehicle fleets (personnel driving in vehicles owned by DTTL and/or the member firm), reimbursed driving (personnel driving in personal cars for which they are reimbursed), rental cars (personnel driving in rented/hired cars, for which the member firm pays); buses and taxis (reimbursed personnel trips in buses, taxis, car-service vehicles, and limousines).

For road travel, activity data was gathered from expense reports, rental agency records, travel agency records, company accounting systems, fuel receipts,

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odometer logs, and receipts or other records indicating distance and location of trip segments. When fuel information was available, GHG emissions are calculated on the basis of mobile combustion factors for the given fuel type. When only distance information was available, GHG emissions were calculated on the basis of average emissions factors (emissions per kilometer traveled) for vehicles according to vehicle type (bus or car), fuel type (diesel, petrol, hybrid, or unknown), and location.

A very limited amount of employee commuting activity data was available from member firms. Where available, this information was added to the emissions total. As more member firms collect this data, reporting is expected to grow in future years.

#### Business travel — Rail

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

#### Accommodations

The GHG emissions inventory in the Report includes emissions from accommodations at hotels, guest houses, and apartments for business reasons and in accordance with DTTL and member firm policies. Data was collected from corporate travel agency records, employee travel expense reports, and internal records. The emission factors were applied according to the location of the accommodation.

#### Paper

Emissions associated with paper used in business by DTTL and member firm offices, mainly printer paper, were included in the inventory. Paper used in documents produced by outside vendors was not included in the inventory. Paper data was obtained from procurement records and grouped by sheet size, percentage of recycled content, and paper type and weight. Default emission

factors were selected using the Environmental Paper Network Paper Calculator based on the percentage of recycled content and applied to the purchased weight. Where a specific percentage of recycled content could not be identified, the most conservative possible assumption was made (for example, 30 percent recycled content was assumed if the paper source was identified as having 30 percent or more recycled content).

#### Estimations

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

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

Not every DTTL member firm has the capacity to report activity data for GHG emissions, and some member firms report on some, but not all, of the activities within the report boundaries. Ratios of emissions per FTE (average full-time equivalent for FY2012) by emission source were calculated for the member firms that reported, and averages of these ratios were calculated based on clusters of geographic location and size. Using the appropriate cluster ratio, missing data was extrapolated based on the known FTE data.

Consistent with other Global Reporting Initiative indicators, emissions intensity per FTE was calculated using the FTE total at the reporting year-end (31 May 2012).

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

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## Emission factors

The table below shows emission factors that were used in the inventory.

Note — Some values below may differ slightly from the published reference source due to the use of the IPCC AR4 GWPs rather than the GWPs of the Second Assessment Report of the Intergovernmental Panel on Climate Change. Where factors are used in specific countries only, these are listed after the emission source.

Emission source	Emission factor	Unit kg CO <sub>2</sub> e/unit	Reference
Air Travel – Various lengths and seat classes	0.087-0.347	Passenger km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting (Annex 6, Table 6I), Version 1.0 - with 9% uplift and AR4 GWP; various factors used depending on class and distance
Air Travel – Various lengths (Belgium)	0.22-0.66	Passenger km	Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME)
Air Travel – Various lengths (Finland, Germany)	0.131-0.201	Passenger km	Travel agency records
Air Travel – Various lengths (Japan)	0.102	Passenger km	Ministry of Land, Infrastructure, Transport and Tourism (MLTI) 2010
Air Travel – Various lengths (South Africa)	0.112-0.165	Passenger km	DEFRA/DECC's 2011 Guidelines to GHG Conversion Factors for Company Reporting (Annex 6, Table 6I)
Bus (Europe)	0.149	Passenger km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Bus (Japan)	0.048	Passenger km	Ministry of Land, Infrastructure, Transport and Tourism (MLTI) 2010
Bus (Outside Europe)	0.067	Passenger km	WRI GHG Protocol Tool for Mobile Combustion V 2.3 (October 2011)
Bus (United States)	0.107	Passenger miles	WRI - GHG protocol emission factors from cross sector tool set v 1.1 (June 2011)
District Cooling	0.887	Ton-hour (Short ton)	U.S. DOE EIA-1605 (November 18, 2010) Appendix N
District Cooling (Japan)	57	GJ	Ministry of the Environment, Government of Japan, Law Concerning the Promotion of the Measures to Cope with Global Warming
District Heat	88.56	MMBtu	U.S. DOE EIA-1605 (November 18, 2010) Appendix N
District Heat/Steam (Denmark)	4.7	Cubic meter	Denmark - Power plant average
District Heat/Steam (Denmark)	158	MWh	Denmark - Power plant average
District Heat/Steam (Germany)	0.257	kWh	Deloitte Germany emission factor based on DEFRA
District Heat/Steam (Japan)	57	GJ	Ministry of the Environment, Government of Japan, Law Concerning the Promotion of the Measures to Cope with Global Warming
Electricity (Australia)	300-1212	MWh	Australian Government Department of Climate Change National Greenhouse Energy Reporting System (NGERs) Technical Guidelines (June 2011). Table 7.2 Indirect (scope 2) emission factors for consumption of purchased electricity from a grid. Page 373
Electricity (Belgium)	0	MWh	Electrabel Alp Energy - Hydro energy
Electricity (Belgium)	227	MWh	Estimation based on Luminus energy mix and EF for energy production by energy source (Source Manicore) (20%)
Electricity (Canada)	2-840	MWh	Environment Canada National Inventory Report 1990-2010
Electricity (Denmark)	365	MWh	Energinet (Government of Denmark, 2011, 125% method)

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Emission source	Emission factor	Unit kg CO <sub>2</sub> e/unit	Reference
Electricity (Finland)	240	MWh	Finnish Electricity Company
Electricity (France)	35	MWh	Electricity provider EDF - Average of monthly emission factors for 2011-2012
Electricity (Germany)	562	MWh	Umweltbundesamt, Strommix Deutschland, UBA 2010
Electricity (India)	750-830	MWh	India Environmental Portal CO <sub>2</sub> Baseline Database for the Indian Power Sector - User Guide - v 6.0
Electricity (Ireland)	521.686	MWh	The Commission for Energy Regulation, "Fuel Mix and CO <sub>2</sub> Emission Factors Disclosure" Table 1, 2010
Electricity (Japan)	311-935	MWh	Various Japanese Power Companies
Electricity (New Zealand)	120-160	MWh	New Zealand Ministry of Economic Development - Quarterly Energy Update
Electricity (Serbia, Montenegro, Republic of Srpska, FYR of Macedonia, Kosovo, Bosnia and Herzegovina)	685.8	MWh	Value provided by utility
Electricity (South Africa)	1023	MWh	Eskom's 2011/2012 data
Electricity (UK)	520.3	MWh	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting
Electricity (U.S.)	226-828	MWh	USEPA eGRID 2012 Version 1.0 Subregion Data (Year 2009)
Electricity (Various countries)	2.7-761.0	MWh	IEA Statistics, "CO <sub>2</sub> Emissions from Fuel Combustion Highlights." 2011 Edition
Hotel Stays	31.93-33.45	Nights	Carbon Neutral Company (legacy source)
Hotel Stays (China, Australia, U.S.)	40.91	Nights	Private study based on IEA 2005, DEFRA 2005, DTI 2004, and DOE 1997.
Hotel Stays (Denmark)	16.06	Nights	Based on a representative sample of Danish hotels that have reported their emissions.
Hotel Stays (Japan)	7	Nights	Carbon Offset Japan
Hotel Stays (New Zealand)	2.559-7.966	Nights	Landcare - CarboNZero emissions factor database
Hotel Stays (South Africa)	19	Nights	Deloitte 2008 "Qualified Greenhouse Gas Inventory" Report: Emissions factor provided by UNEP World Meteorological Organisation Climate Change And Tourism Report; A2.2.3 Accommodation; 9-Jul-2008
Mobile Combustion - Black Car/Limo	0.157	Vehicle km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Mobile Combustion - Bus (Europe)	0.112	Passenger km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Mobile Combustion - Car (Average) (Diesel) (Europe)	0.187	km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Mobile Combustion - Car (Diesel)	2.668	Liter	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Mobile Combustion - Car (Diesel) (Belgium)	2.947	Liter	Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME)
Mobile Combustion - Car (Hybrid)	0.135	km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Mobile Combustion - Car (Luxury) (unknown fuel)	0.313	km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Mobile Combustion - Car (Petrol) (Belgium)	2.835	Liter	Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME)
Mobile Combustion - Car (Petrol) (Germany)	0.153	km	Rental company
Mobile Combustion - Car (Petrol) (Japan)	2.322	Liter	Ministry of the Environment, Government of Japan, Law Concerning the Promotion of the Measures to Cope with Global Warming
Mobile Combustion - Car (Petrol) (New Zealand)	2.32-2.36	Liter	Landcare - CarboNZero emissions factor database
Mobile Combustion - Car (Petrol) (Outside Europe)	0.237	km	WRI (2008) GHG Protocol Tool for Mobile Combustion v 2.2
Mobile Combustion - Car (Petrol/Gasoline)	2.314	Liter	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Mobile Combustion - Car (unknown fuel)	0.248	km	DTTL estimated using data from WRI (2008) GHG Protocol Tool for Mobile Combustion v 2.2
Mobile Combustion - Car (unknown fuel) (Australia)	2.289	Liter	Australian Government Department of Climate Change (July 2011) National Greenhouse Accounts (NGA) Factors. Table 4
Mobile Combustion - Car (unknown fuel) (Belgium)	0.214	km	Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME)
Mobile Combustion - Car (unknown fuel) (Luxembourg)	0.202	km	Provided by ALD Leasing Company



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Emission source	Emission factor	Unit kg CO <sub>2</sub> e/unit	Reference
Mobile Combustion - Car (unknown fuel) (New Zealand)	0.241	km	Ministry for the Environment, Guidance for voluntary, corporate greenhouse gas reporting, 2009 Calendar Year
Mobile Combustion - Car average (unknown fuel) (U.S.)	0.392	Mile	WRI - GHG protocol emission factors from cross sector tool set v 1.1 (June 2011). US Environmental Protection Agency default fuel economy for generic car transport
Mobile Combustion - Car or Van (Diesel) (Denmark)	0.14-0.156	km	Denmark traffic authority (trafikstyrelsen)
Mobile Combustion - Car or Van (unknown fuel) (France)	0.19-0.31	km	ADEME Bilan Carbone
Mobile Combustion - Car or Van (unknown fuel) (France)	2.4-2.7	Liter	Petroleum company Information
Mobile Combustion - Car or Van (various fuels) (Europe)	0.141-0.207	km	Specific fleet and rental car information
Mobile Combustion - Europe Car (Average) (Petrol)	0.209	km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Mobile Combustion - Europe/Car (Average) (unknown fuel)	0.195	km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Mobile Combustion - Motorcycle	0.119	km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Mobile Combustion - Outside Europe Car (Average) (Diesel)	0.280	km	WRI GHG Protocol Tool for Mobile Combustion V 2.3 (October 2011)
Mobile Combustion - Outside Europe/Car (Average) (Petrol)	0.237	km	WRI GHG Protocol Tool for Mobile Combustion V 2.3 (October 2011)
Mobile Combustion - Outside Europe/Car (Average) (unknown fuel)	0.248	km	D TTL estimated using data from WRI GHG Protocol Tool for Mobile Combustion V 2.3 (October 2011)
Mobile Combustion - Outside Europe/Car-Average (uUnknown fuel) (South Africa)	0.204	km	Assumption at 70% of the travel is petrol and 30% is diesel and use 2011 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting, Table 6b
Mobile Combustion - Taxi	0.147	Vehicle km	WRI GHG Protocol Tool for Mobile Combustion V 2.3 (October 2011)
Mobile Combustion - Taxi (Australia)	0.235	Vehicle km	Australian Government Department of Climate Change (June 2009) National Greenhouse Accounts (NGA) Factors. Table 4
Mobile Combustion - Taxi (France)	0.296-0.312	Vehicle km	ADEME Bilan Carbone
Mobile Combustion - Taxi (Japan)	0.169	Vehicle km	Ministry of Land, Infrastructure, Transport and Tourism (MLTI) 2010
Mobile Combustion - Taxi (New Zealand)	0.31	Vehicle km	Landcare - CarboNZero emissions factor database
Mobile Combustion - Taxi / Car service (U.S.)	0.143 - 0.252	Passenger km	Specific information from service providers
Mobile Combustion - Taxi / Car service (U.S.)	0.230 - 0.406	Passenger miles	Specific information from service providers
Mobile Combustion - Taxi/Car service (UK)	0.176-0.234	Vehicle km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Mobile Combustion - Van (Diesel)	0.226	km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Mobile Combustion - Van (Petrol)	0.212	km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Mobile Combustion - Van (UK)	0.266	km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Paper resources	1.52	kg	Japan Paper Association LCA Inventory (published in FY2011)
Paper resources	1.688-3.012	kg	Environmental Paper Network Paper Calculator v 3.1 (www.papercalculator.org)
Paper resources (Belgium)	1.32	kg	Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME) 2010
Paper resources (Denmark)	2.634	kg	From Klimakompasset (FEFCO)
Paper resources (Germany)	1.06	kg	German initiative for paper production. Source: www.initiative-papier.de
Paper resources (South Africa)	2.78	kg	Average factors provided by Mondi and Sappi Paper
Rail - Average (Light Rail or Tram)	0.072	Passenger km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Rail - Average (Light Rail or Tram)	0.102	Passenger km	WRI GHG Protocol Tool for Mobile Combustion V 2.3 (October 2011)
Rail - National Rail	0.115	Passenger km	WRI GHG Protocol Tool for Mobile Combustion V 2.3 (October 2011)

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Emission source	Emission factor	Unit kg CO <sub>2</sub> e/unit	Reference
Rail - Subway	0.102	Passenger km	WRI GHG Protocol Tool for Mobile Combustion V 2.3 (October 2011)
Rail - Subway (U.S.)	0.164	Passenger mile	Derived from the U.S. EPA
Rail (Belgium)	0.01	Passenger km	ADEME (Train en France, Moyenne)
Rail (Denmark)	0.034	Passenger km	Calculations made by Danske Statsbaner in 2011
Rail (Eurostar)	0.015	Passenger km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Rail (Germany)	0.043-0.086	Passenger km	Direct information from Deutsche Bahn
Rail (Japan)	0.018	Passenger km	Ministry of Land, Infrastructure, Transport and Tourism (MLTI) 2010
Rail (National Rail)	0.056	Passenger km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Rail (Subway)	0.074	Passenger km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting, Version 1.0
Rail (UK)	0.015-0.058	Passenger km	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting (Annex 6, Table 6k), Version 1.0
Rail (U.S.)	0.185	Passenger mile	Derived from the U.S. EPA
Refrigerant - HFC-134a	1430	GWP	Fourth Assessment Report (2007) of the Intergovernmental Panel on Climate Change (IPCC)
Refrigerant - HFC-143a	4470	GWP	Fourth Assessment Report (2007) of the Intergovernmental Panel on Climate Change (IPCC)
Refrigerant - R-403a	1400	GWP	American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standard 34 (WRI)
Refrigerant - R-404A (Australia)	3260	GWP	American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standard 34 (WRI)
Refrigerant - R-407c	1774	GWP	American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standard 34 (WRI)
Refrigerant - R-410a	2088	GWP	American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standard 34 (WRI)
Refrigerant - R-427a	1800	GWP	American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standard 34 (WRI)
Stationary Combustion - Diesel	2.676	Liter	WRI GHG Protocol Tool for Mobile Combustion V 2.3 (October 2011)
Stationary Combustion - Diesel (South Africa)	2.670	Liter	DEFRA/DECC's 2011 Guidelines to GHG Conversion Factors for Company Reporting (Table 1b)
Stationary Combustion - Diesel or Heating Oil (Low Heating Value)	74.53	GJ	WRI (October 2010) GHG Protocol Tool for Stationary Combustion
Stationary Combustion - Heating Oil (France)	0.301	kWh	ADEME Bilan Carbone
Stationary Combustion - Heating Oil (Japan)	2.71	Liter	Ministry of the Environment, Government of Japan, Law Concerning the Promotion of the Measures to Cope with Global Warming
Stationary Combustion - LP Gas (Mexico)	0.002	Liter	National GHG Inventory
Stationary Combustion - Natural Gas (France)	0.238	kWh	Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME)
Stationary Combustion - Natural Gas (High Heating Value) (U.S.)	5.342	Therms	WRI GHG Protocol (September 2011) Emission Factors from Cross-Sector Tools
Stationary Combustion - Natural Gas (Japan)	2.150-2.294	Cubic meters	HV-gas company
Stationary Combustion - Natural Gas (Low Heating Value)	1.89	Cubic meters	WRI (October 2010) GHG Protocol Tool for Stationary Combustion
Stationary Combustion - Natural Gas (Low Heating Value)	56.26	GJ	WRI (October 2010) GHG Protocol Tool for Stationary Combustion
Stationary Combustion - Natural Gas (New Zealand)	0.194	kWh	Landcare - CarboNZero emissions factor database (ending 30th June 2011)
Stationary Combustion - Natural Gas (Switzerland)	0.198	kWh	Swiss department of Environment, Transport, Energy and Communication
Stationary Combustion - Natural Gas (UK)	0.185	kWh	DEFRA/DECC's 2012 Guidelines to GHG Conversion Factors for Company Reporting (Annex 6)

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