

**Deloitte Touche Tohmatsu Communication on Progress  
to the United Nations Global Compact 2007/2008**

## Table of contents

Leadership statement of continued support 2007/2008	3
Introduction to Deloitte Touche Tohmatsu's COP 2007/2008	3
Human Rights 2007/2008: Introduction	4
Human Rights: At DTT member firms 2007/2008	4
Human Rights: In the community 2007/2008	6
Human Rights: Working with clients 2007/2008	8
Human Rights: Contributions to the public debate 2007/2008	8
Labor Rights 2007/2008: Introduction	9
Labor rights: At DTT member firms 2007/2008	9
Labor Rights: In the community 2007/2008	12
Labor Rights: Working with clients 2007/2008	12
Labor Rights: Contributions to the public debate 2007/2008	13
Environment 2007/2008: Introduction	13
Environment: At DTT member firms 2007/2008	14
Environment: In the community 2007/2008	16
Environment: Working with clients 2007/2008	16
Environment: Contributions to the public debate 2007/2008	17
Anti-corruption 2007/2008: Introduction	18
Anti-corruption: At DTT member firms 2007/2008	19
Anti-corruption: In the community 2007/2008	21
Anti-corruption: Working with clients 2007/2008	21
Anti-corruption: Contributions to the public debate 2007/2008	22
Partnerships and the role of business in society: Introduction	23
Partnerships and the role of business in society: 2007/2008 examples	23
About Deloitte	24

## **Leadership statement of continued support 2007/2008**

Deloitte Touche Tohmatsu (DTT) and its member firms understand that changing perspectives on sustainability and social and environmental responsibility will have a profound effect on member firms' people, clients, and the way business is conducted.

Around the world, DTT member firms participate in the ongoing debate about long-term sustainability and the ways businesses recognize, create, and measure value. A signatory of the United Nations Global Compact, DTT member firms are working with a variety of organizations—both global and local—to address the issues of the day, whether by breaking the cycle of poverty by helping educate and train others, or closing the digital divide between the northern and southern hemispheres. They also strive to manage the social and environmental impacts stemming from their own business operations. The UN Global Compact and the 10 principles provide valuable guidance as member firms continue their efforts to be responsible citizens wherever they operate.

Please visit DTT's 2007/2008 Communication on Progress for more information about how DTT member firms seek to live up to the 10 UN Global Compact principles.

John Connolly

Chairman of DTT's Global Board of Directors and Senior Partner and Chief Executive, Deloitte UK

## **Introduction to Deloitte Touche Tohmatsu's COP 2007/2008**

When Deloitte Touche Tohmatsu (DTT) joined the UN Global Compact at its inception in 2000, it committed to complying with the nine UN-principles on human rights, labor rights, and the environment. In June 2004, a 10th principle on anti-corruption was adopted by the UN for which DTT has also expressed its support. DTT's chairman of the board, John Connolly, stressed again this year the continued support of DTT for the initiative. The ten principles closely align with DTT's commitment to responsible business and the nine Ethical Principles and four Shared Values which form the basis of all DTT member firms' interaction with their clients, employees, and the public.

These four Shared Values are:

- Integrity
- Outstanding value to clients and markets
- Commitment to each other
- Strength from cultural diversity

Below is DTT's Communication on Progress against the UN Global Compact principles during fiscal year 2007/2008. The document provides examples of activities, but it is not an exhaustive list of relevant activities of DTT and its member firms. DTT member firms are separately and independently owned which means they have the opportunity to implement programs in alignment with national customs and cultures as long as they reflect global visions and policies. This is done because experience shows that programs implemented with respect for local conditions and traditions yield the best results. Some examples of progress therefore represent activities of individual member firms

while others represent DTT programs and initiatives. The [DTT Worldwide Member Firms 2008 Review](#) also contains examples of relevant DTT member firm activities around the world.

#### **A note on DTT compliance with UNGC integrity measures**

With the emergence of Global Compact local networks, some DTT member firms and local offices have chosen to become UNGC signatories in their own right. Such signatories include DTT member firms in Argentina, France, Netherlands, Spain and Turkey. Local office signatories (of regional DTT member firms) include South Africa, Croatia, Namibia, Macedonia, and Serbia. At this time, only DTT, Deloitte member firms in France, Spain and Argentina, and the Macedonia office of the Deloitte Central Europe member firm are required to report on progress. Deloitte member firms in [Argentina](#) (PDF), [France](#) (PDF), and [Spain](#) and have submitted independent COPs while the activities of the Macedonia office of Deloitte Central Europe are covered in this DTT COP. All other Deloitte Global Compact signatories listed above are only required to report in subsequent years. Going forward, in line with UN Global Compact policies, all Deloitte entities required to submit COPs will report collectively through the DTT Communication on Progress.

## **Human Rights 2007/2008: Introduction**

### **Principle 1**

*Businesses are asked to support and respect the protection of international human rights within their sphere of influence; and*

### **Principle 2**

*Make sure that they are not complicit in human rights abuses.*

DTT and its member firms recognize that they have a responsibility to uphold human rights in the workplace and to use their influence and global reach to foster support for human rights more broadly within society at large. DTT member firms not only work to address human rights issues within their communities. Regardless of where they operate, they also seek to respond to the urgent human rights challenges of our world, in a manner commensurate with their ability to affect change across regions and borders. In the workplace, human rights typically take the form of non-discrimination and diversity in personnel practices, professional development that aids employability, and work-life balance programs that support a healthy balance between professional and private life. Recruiting and retaining activities reflect a desire to hire professionals who share DTT's and its member firms' values and commitment to responsible business. Member firms protect human rights in the community through contributions to poverty alleviation and increasing levels of education. DTT member firm professionals also contribute to the public debate on issues related to human rights.

## **Human Rights: At DTT member firms 2007/2008**

### **Employer of Choice strategy**

Around the world, DTT member firms have programs that help professionals maintain a healthy work-life balance, manage their careers and performance, develop new skills and knowledge, and secure healthy and safe working conditions. During 2006/2007, independent third parties recognized DTT member firms on 23 occasions in 14 countries as being Employers of Choice. In 2007/2008 DTT member firms were recognized on 27 occasions in 10 countries.

### **Internal awareness building around sustainable development**

In January 2007, DTT launched an internal e-learning course to introduce member firm client service professionals to issues of business sustainability and to promote an understanding of the impact of business on society. At the time of reporting, nearly 100 professionals had taken the course and feedback was very positive. Since then, the number of participants has increased significantly with nearly 1,400 member firm professionals having completed the course as of August 2008.

### **Work-life balance initiatives**

To enable a healthy balance between work life and private/family life, many DTT member firms put work-life balance initiatives in place.

- Last year, for example, **Deloitte Belgium** started offering coaching sessions for partners in response to employee requests submitted through the people survey. The sessions emphasize career guidance and quality conversations with people, work-life balance (including self-energy management) courses, and broader offerings of non-technical skills programs. Since January 2007, 55 Deloitte Belgium employees have attended coaching sessions and 179 Deloitte Belgium employees have participated in self-energy management courses.
- **Deloitte Belgium** also recruits more people to balance the workload as the business continues to grow. The member firm uses modern communication tools to help its people produce quality work while allowing flexibility in time and location. In addition, employees are coached in the personal and business benefits of a positive work-life balance. Efforts are made to reduce the unnecessary burdens of over-complex administration, allowing people to make more productive use of their time. Finally, a Women in the Workforce (WIW) program has been created that specifically targets the flexibility requirements of women professionals.
- In May 2008, **Deloitte Denmark** launched a work-life balance portal on the member firm's Intranet featuring interviews with professionals at all levels of the organization discussing how to maintain a healthy work-life balance. At the same time, the member firm launched a strategic approach whereby work-life balance concerns are integrated into annual employee performance evaluation and goal setting discussions. This allows the member firm to more effectively plan business activities and employees to better manage their professional and private commitments.
- **Deloitte South Africa** has three Flexible Work Arrangement options in place. These are flexi-time, reduced week or reduced portfolio, and part-time. In addition, to facilitate the training of those whose family responsibilities make attendance at overnight residential seminars difficult, Deloitte South Africa permits employees to bring babies less than two years of age and a care giver with them for the duration of the seminar.

### **Health and well-being initiatives**

The health and well-being of employees is of great concern to member firms and several member firms have put programs in place to help employees stay fit and healthy.

- **Deloitte UK**, for example, launched a "Well Now" initiative providing a range of new health facilities to help UK member firm people stay healthy. The London campus benefits from an on-site health suite with a doctor and a dentist as well as physiotherapy and other services. Also, the member firm is converting one of its underground car parks into dedicated cycle space, and member firm cyclists can purchase their bikes tax-free through "Bikes to Work," a government program supported by Deloitte UK.

- A doctor is always present at **Deloitte Mexico** offices and available for employee health checks or minor emergencies. The Mexican member firm also offers flu vaccine to all employees and information sessions in Spanish about avian flu and how to avoid it.
- **Deloitte Argentina** conducted theoretical and experiential workshops on stress management, ran a flu vaccination campaign, offered fortnightly treatment by a chiropractor, and conducted a workshop on the topic "Nutrition at Work."

## **Human Rights: In the community 2007/2008**

DTT and its member firms have a long tradition of actively supporting the communities where their professionals live and work. Each year thousands of Deloitte employees around the world participate in various activities to support their communities, and DTT member firms contribute financial and pro bono support to develop and sustain local communities. Below are examples of DTT and member firm activities.

### **Sponsorships, donations, and charity**

- **Deloitte Touche Tohmatsu** was featured on CNBC's Responsible Business Television series, which highlights corporate responsibility activities across different industries. The segment showed how DTT and its member firms are helping to bridge the digital divide in Thailand by donating used computers already loaded with learning software for school children in a remote village.
- To assist poverty reduction in China, **Deloitte China** is funding a two-year program between 2007 and 2009 investigating the nutrition of children of poor families. The program is conducted by the China Development Research Foundation (CDRF), a civic organization initiated by and affiliated with the Development Research Center of the China State Council. Based on nutrition funding programs, research, training, and international exchange, the program aims to develop policy suggestions and operational procedures for the central government to help ensure adequate and healthy child nutrition. For more information, visit the Deloitte China Community Report.
- Since 2007, **Deloitte Netherlands** has been supporting the IMC Weekend School, which provides supplementary education to children aged 11-14 who live in socio-economically underprivileged neighborhoods in the Netherlands. For a period of up to three years, the children can participate in lessons taught on Sundays by Deloitte Netherlands employees. In 2007, Deloitte Netherlands donated €50,000 to the organization. Member firm consultants also advised the IMC Weekend School on development issues, trained its staff in financial matters, and provided interview training to students applying for jobs. Based on interviews with the IMC employees and management, Deloitte Netherlands also produced tailor-made recommendations for a new organizational model, steering mechanisms, and a change roadmap for the IMC Weekend School, all of which were adopted by the IMC Weekend School advisory board, management, and team.
- In July 2007, 150 people from **Deloitte Russia** spent up to 12 hours running, cycling, kayaking, climbing, and orienteering their way over a challenging course to show that they could go the extra mile. They also raised more than US\$25,000 through entry fees and personal sponsorship for DownsideUp, a Moscow-based charity dedicated to providing a better quality of life for children in Russia with Down syndrome. Deloitte Russia will sponsor the Extra Mile again in 2008.
- Last year, **Deloitte Belgium** and **Deloitte Netherlands** donated the 30,000th computer to Close the Gap, an organization that strives to close the digital divide between the northern and southern

hemispheres. Companies are invited to donate their used information technology (IT) equipment to social projects in a number of African countries. Since last year, the initiative has continued to grow, reaching 50,000 donated computers in October 2007. During FY08, Deloitte Belgium provided several pro bono services to the organization, including accounting and advising on legal and tax matters. IT experts from Deloitte Belgium developed a management tool to facilitate administration. Deloitte Belgium's Enterprise Risk Services consultants helped with internal audits and legal support to provide transparent and professional use of funds raised by sponsors and donors. As mentioned above, the program was featured in a special Responsible Business Television series produced by CNBC in July 2008.

- **Deloitte Denmark** sponsored School of the Future, an initiative aimed at supporting and promoting innovative and creative teaching methods in Danish primary schools. This year, the topic was sustainability and a total of US\$107,000 was given to the five winning schools.

### **Pro bono services and volunteering**

- In February 2008, **Deloitte U.S. Firms\*** announced the launch of a multi-million dollar pro bono program designed to transform the way Deloitte U.S. Entities support charitable organizations and strengthen the nonprofit sector. The strategic new program establishes a formal budget, as well as the policies and procedures to support up to \$50 million in outcomes-focused pro bono engagements providing in-kind professional services to eligible nonprofit organizations over the next three years. Deloitte U.S. Firms will be particularly focused on helping nonprofits deal with the business and operational issues that challenge their capacity to address social problems.
- As part of its collaboration with United Way, **Deloitte U.S. Firms\*** also supported Alternative Spring Break, working with college students from across the United States to rebuild the devastation along the U.S. Gulf Coast following Hurricane Katrina.
- In 2007, **Deloitte Spain** began a collaboration with "E-Learning for Kids", an NGO founded by Nick van Dam, Director, Deloitte Consulting LLP, part of Deloitte LLP, the U.S. member firm of DTT, which is dedicated to bringing online learning opportunities to children aged 5-12 in disadvantaged communities around the world. Professionals from the Spanish member firm help "E-learning for Kids" translate courses in English into Spanish to give Spanish speaking students access to the courses. 24 training courses in areas such as mathematics, science, reading, and health were translated into Spanish by 30 Deloitte Spain professionals. DTT member firms in Brazil, France, Mexico, and the Deloitte U.S. Firms\* are also helping with course translations or assurance of new courseware. In addition to Spanish, courseware will soon be available in French and Portuguese.
- **Deloitte China** is a founding member of Non Profit Partners (NPP), an organization launched in 2006 to offer pro bono professional support and funds to help enable capacity-building in China's nonprofit organizations. Deloitte China is providing pro bono accounting advice and aims to help NPP establish, train, implement, and roll out a standard accounting system suitable for nonprofit organizations. Deloitte China volunteers serve on NPP project teams and have done due diligence work on non-governmental organizations (NGOs) as well as developed NGO accounting system software solutions. For more information, visit the Deloitte China Community Report.
- In November 2006, **Deloitte China** also entered into an agreement with Lingnan University to co-run a three-year program to adopt a village in Yunnan province and support its sustainable development. In August 2007, the first working group of Deloitte China professionals and Lingnan University students went to the village to commence work including detailed briefings and

consultations with the villagers, as well as feasibility studies into the health, water, and road systems. For more information, visit the [Deloitte China Community Report](#).

- In 2007, more than 2,000 **Deloitte UK** employees gave a total of 25,700 hours of the firm's time to community organizations across the UK. The member firm plans to increase the number of people participating in volunteering events by more than 25 percent over the next year.
- As reported last year, many member firms set aside a day of service each year called IMPACT Day to celebrate and renew member firm commitments to community investment activities. Since its inception, member firm participation in IMPACT Day has spread widely across the globe. In 2004, 20,000 employees in six member firms participated, a figure that grew to more than 30,000 employees in 30 countries in 2005. In 2006, more than 40,000 people in 38 countries volunteered their time and services during this annual event, and in 2007 numbers grew further with more than 46,000 employees participating in 43 countries.

## **Human Rights: Working with clients 2007/2008**

DTT member firms help companies manage corporate responsibility (CR) issues and impacts on society through advisory services on best practice CR management and through assistance with sustainability reporting. Member firms also provide assurance on such reporting, and help to build management systems to effectively handle and act upon information related to the company's economic, social, and environmental impacts.

## **Human Rights: Contributions to the public debate 2007/2008**

### **Public commitments**

DTT and its member firms continue to be committed to advancing human rights in the public sphere through the commitment of the organization's leaders to relevant global initiatives. For example, in November 2007, John Connolly, Chairman, DTT, became a Principal Business Supporter Trustee of the International Business Leaders Forum.

### **Thought leadership**

During the past year, DTT and its member firms have published a range of reports and studies on topics related to aspects of human rights. Below are a few examples:

- In March 2007, **DTT's Global Public Sector Industry group** published the report "Serving the aging citizen," which discusses how the public sector and a shrinking workforce will go about caring for a growing population of elderly people.
- In collaboration with the European Commission, **Deloitte Belgium** completed a three-year study to provide an expert, vendor/supplier independent, and objective assessment of technical solutions available to increase Internet safety for children. The objectives of the study were to improve awareness of solutions, promote best practices, provide guidance to parents and educators, steer software vendors and services providers, and establish benchmarks that are repeatable and transparent. The resulting report "Safer Internet: Protecting our children on the net using content filtering and parental control techniques" was published in February 2008.
- In June 2008, DTT's Consumer Business Industry group published the report "Food and Beverage 2012: A taste of things to come." Based on 90 interviews with board-level executives at manufacturers, retailers, and food service companies from around the world as well as a survey of



more than 1,000 consumers, the report discusses the health- and nutrition-related consequences of rising food prices to the world's populations as well as business risks and opportunities to food retailers.

## **Labor Rights 2007/2008: Introduction**

### **Principle 3**

*Businesses are asked to uphold the freedom of association and the effective recognition of the right to collective bargaining;*

### **Principle 4**

*The elimination of all forms of forced and compulsory labor;*

### **Principle 5**

*The effective abolition of child labor;*

### **Principle 6**

*The elimination of discrimination in respect of employment and occupation.*

DTT's Shared Values and Ethical Principles prescribe that all interaction between DTT and its member firms and their employees, as well as interaction among DTT and member firm employees, must be characterized by integrity, trust, and mutual respect. DTT and its member firms regularly conduct anonymous people commitment surveys to lend a voice to employees through which to communicate with leadership. Results are collected, analyzed, and followed up on in each department and problems are addressed in a constructive manner. In addition, as part of the implementation of DTT's Ethical Principles, member firms have put procedures in place to address employee grievances.

DTT's Shared Values and Ethical Principles also include non-discrimination and inclusion as integral parts of the way the organization works. While DTT member firms are united by this vision of inclusion, DTT respectfully recognizes that implementation of related programs will be shaped by local and national cultures. Where appropriate, DTT member firms also address non-discrimination and inclusion in the community. DTT's Excellence Model helps guide member firms so that professional performance and promotions are managed in a fair and transparent manner. Also, ongoing training and education helps member firm professionals develop the skills necessary to work cross-culturally.

## **Labor rights: At DTT member firms 2007/2008**

### **Dialogue with employees**

DTT and its member firms regularly conduct anonymous people commitment surveys to lend a voice to employees through which to communicate with leadership. Results are collected, analyzed, and followed up on in each department and problems are addressed in a constructive manner.

- Approximately 111,000 DTT and DTT member firm professionals in 74 countries were invited to participate in **People Survey 2008**, and 69 percent of them took advantage of the opportunity to provide feedback on a wide array of HR programs including compensation and benefits, work-life

balance, recognizing success, performance management, and growth and development. The overall global commitment score remained 75 as in 2007.

### **Women's initiatives**

In 2007, DTT member firms had formal women's initiatives in 10 countries around the world. In 2008, the percentages of women working at DTT member firms in aggregate increased slightly by level as follows: employees: 45.6 percent in 2007 compared to 46.3 percent in 2008; managers: 35.5 percent in 2007 compared to 36 percent in 2008; partners, principals, and directors: 17.3 percent in 2007 compared to 18.6 percent in 2008. The share of women board members remained 8 percent.

Member firms' women's initiatives all focus on enhancing the retention and advancement of women, and good progress is being made:

- As reported last year, **Deloitte U.S. Firms**\* Women's Initiative (WIN) delivered 400 programs to 12,000 people, won nine major awards, and was invited by 57 client firms to initiate or improve their women's advancement efforts in 2006. In 2007, the reach of the program was extended, delivering 500 programs to 13,000 people. In addition, the program won eight major awards and was invited by 56 client firms to initiate or improve the execution of their women's advancement efforts.
- **Deloitte Australia's** "Inspiring Women" strategy continues to support and foster the development of talented women by investing in talent identification, development and recruitment and by building an appropriate environment to retain talented women. Women leaders are mentored and developed in this program. The member firm also nominates a "Deloitte Business Woman of the Year."
- As in previous years, on 8 March 2008, DTT member firms from Brazil to the UK, and from the Middle East to Belgium celebrated **International Women's Day**.
- **Deloitte Croatia**, for example, celebrated International Women's Day by organizing a training session for the member firm's women professionals on how to develop assertiveness and improve interpersonal skills for more effective communications with members of both genders.

### **Diversity initiatives**

DTT and its member firms around the world attract and retain employees with multiple cultural and personal backgrounds. They do so because they believe that diversity enriches working environments and enhances the quality of client service in an increasingly global economy. Below are a few examples of member firm activities.

- Last year, **Deloitte Australia** conducted a firm-wide cultural diversity survey as a basis for defining the firm's cultural identity. The survey revealed that the Australian member firm has more than 50 cultures represented. Since then, the Australian member firm has taken its focus on cultural diversity to the next level by conducting video interviews with 38 Deloitte Australia partners with other cultural roots than Australian and placing them on the member firm's Intranet. The interviews have helped to create debate on the topic of multiculturalism and the strengths and challenges of a multicultural workforce within the member firm.
- Through its "Respect and Inclusion" initiative, **Deloitte UK** made special efforts during 2007 to ensure that diversity is an integral part of the firm's talent and business strategy. Deloitte Networks, each one sponsored or led by a senior Deloitte UK partner, represent a range of communities and are open forums that work collaboratively to develop action and improvement plans where they are

needed. Networks include: Women's Group, Working Parents and Carers, faith groups (Christian, Muslim, Jewish), BAME (Black, Asian, and Ethnic Minority Employees), Workability (for people with physical impairments), and GLOBE (Gay, Lesbian or Bisexual Employees). For more information about the Deloitte Networks, visit Deloitte UK's [Annual Corporate Responsibility Report 2007](#).

- **Deloitte UK** is also providing training and development to embed cultural and behavioral change and improve awareness of diversity issues. For example, in FY08 a new diversity training module was rolled out which includes diversity sessions at induction and to existing employees as well as diversity awareness workshops and roadshows. Diversity communications initiatives include:
  - Promoting diversity-related issues and activities on the member firm's intranet
  - Recognizing the diversity calendar with features on everything from Ramadan and Hanukkah to Gay Pride and International Women's Day
  - Organizing specific diversity recruitment events

For more information, visit Deloitte UK's [Annual Corporate Responsibility Report 2007](#).

- **Deloitte Netherlands** has developed a diversity plan which sets targets for the future composition of the workforce at all levels of the organization with special focus on women and ethnic minority employees. These targets are taken into account in recruiting processes and the member firm takes extra efforts to remove obstacles and to train, encourage, and guide women and ethnic minority talent to top levels in the organization.
- **Deloitte France's** recruiting policy reflects the diversity of French society. At present, the workforce has nearly 50 nationalities. To further diversify its recruiting sources, Deloitte France has implemented initiatives for second year master's students in finance from universities that have not previously been major recruiting pools for audit and consulting positions. The member firm also organizes [Diversity Meetings](#) with other companies to share and communicate experience and achievements.
- **Deloitte South Africa** believes in organic growth and invests significantly in increasing the pool of black candidates through comprehensive bursary and scholarship programs, graduate development, and work readiness programs. As part of the member firm's "[Transformation Strategy 2010 and Beyond](#)", aimed at fostering diversity, each business unit within the member firm is required to set annual stretch targets with regard to its demographic composition. The targets are closely monitored by the Deloitte South Africa Transformation Advisory Board and the senior leadership. The Association for Advancement of Black Accountants in Southern Africa recognized Deloitte South Africa in June 2007 for having achieved the highest number of successful black candidates in the 2007 Final Qualifying Exam of the South African Institute of Chartered Accountants.
- To help ensure that diversity is a hallmark of the organization's culture and business practices, **Deloitte U.S. Firms\*** have developed a [supplier diversity program](#) to support organization-wide procurement from minority- and women-owned businesses. During FY08, the member firm maintained a list of 1,700 recommended women- and minority-owned suppliers, and its total spending with such suppliers amounted to \$105 million.
- **Deloitte Macedonia** provides a high level of professional education and a chance for professional advancement to all member firm employees, regardless of their nationality, gender, religion, or political beliefs. In 2007, Deloitte Macedonia engaged 16 employees with equal gender distribution (7 women and 8 men).

## **Labor Rights: In the community 2007/2008**

DTT member firms have a long tradition of actively supporting the communities where their professionals live and work. Each year thousands of DTT member firm employees around the world participate in various activities to support their communities and DTT member firms contribute financial and pro bono support to develop and sustain local communities. Below are select examples of member firm activities that support the advancement of labor rights.

### **Sponsorships, donations, and charity**

- Last year, as part of a **Deloitte UK employability initiative** for 16- to 19-year-olds, Deloitte UK launched a "train the trainer" course for teachers who wish to develop the skills to deliver employability training. With an investment of £2.5 million between 2007 and 2011, the target is for Deloitte UK to fund the training of 800 new trainers and for these trainers in turn to deliver employability skills courses to up to 40,000 college students. Since the beginning of the program last year, good progress has been made with more than 200 teachers trained and more than 2,000 students having been through the course. In addition, some 250 Deloitte volunteers have supported courses by delivering workshops to students on key business skills. Nine Deloitte Employability Centers have also been appointed who will act as centers of excellence for the training in and delivery of Deloitte UK employability courses well beyond 2011.
- **Deloitte Canada** sponsors the Greater Toronto Area YWCA Women of Distinction Awards, presented annually to honor women who have made extraordinary contributions to improving the lives of women and girls. The Canadian member firm has also launched a Deloitte Start-Up Award, presented annually as part of the **RBC Canadian Woman Entrepreneur Awards** to women whose companies have been profitable for at least three years.

### **Pro bono services and volunteering**

- At **Deloitte South Africa**, the Deloitte Women's Leadership Initiative (WLI) in association with The Businesswomen's Association (BWA) and Business Partners are working together on the **Succeed Program**. Through multidisciplinary business advisory teams comprising both men and women, the Succeed Program provides mentoring to women entrepreneurs to increase the number of women-owned companies that remain in business.

## **Labor Rights: Working with clients 2007/2008**

DTT member firm **Human Capital Advisory Services** teams help clients to align their human resources management with their organizations' overall business strategies. Services include advice on people and change management, training and development, people sourcing, and corporate culture.

DTT member firm **Global Employer Services** groups help clients manage a global workforce. Specific service offerings focus on the steps involved in developing and executing an international assignment program; moving people across borders; devising competitive salary and benefit offerings for various world regions; addressing legal, regulatory, and tax concerns for multiple jurisdictions; and implementing international human resources programs and policies that meet the needs of a widespread and diverse workforce.

Some DTT member firms such as the **Deloitte U.S. Firms\*** advise clients on how to initiate or improve diversity projects in their companies.

## **Labor Rights: Contributions to the public debate 2007/2008**

### **Thought leadership**

During the past year, DTT and many of its member firms conducted studies and wrote articles and reports on topics related to aspects of labor rights. Below are a few examples.

- **Nick van Dam**, Director, Deloitte Consulting LLP, part of Deloitte LLP, the U.S. member firm of DTT, authored the book *25 Best Practices in Learning and Talent Development* (June 2008)
- **DTT** and the *Economist Intelligence Unit* (EIU) published the report "The finance talent challenge: How CFOs are taking charge" (April 2008)
- **Deloitte U.S. Firms\*** published a series of articles on "The role of human resources during mergers and acquisitions" (June 2008)
- **Deloitte U.S. Firms\*** conducted a Global Mobility study investigating the nature and efficiency of business employee mobility programs (April 2008)

### **Meetings and events**

- At the World Economic Forum 2008 in Davos, DTT CEO Jim Quigley co-chaired a Professional Services Governors Meeting looking at how demographic constraints, globalized markets and clients' growing demands are requiring professional services companies to become more diverse and inclusive. The meeting brought together key stakeholders to understand and address how these trends will change the industry and how firms can best manage diversity across their talent pool.
- Also at the **World Economic Forum 2008**, DTT CEO Jim Quigley served as a panelist in a session addressing how companies can attract, manage, and retain new emerging groups of employees such as people over 65, women returning to work, and a growing young population motivated differently than their predecessors, alongside the more traditional company workforce.
- Barry Salzberg, CEO, Deloitte LLP, the U.S. member firm of DTT, spoke at the World Diversity Leadership Summit at the United Nations Headquarters in July 2008. The topic of Salzberg's speech was "Can diversity really address the most pressing challenges of today's CEOs?"

## **Environment 2007/2008: Introduction**

### **Principle 7**

*Businesses are asked to support a precautionary approach to environmental challenges;*

### **Principle 8**

*Undertake initiatives to promote greater environmental responsibility;*

### **Principle 9**

*Encourage the development and diffusion of environmentally friendly technologies.*

In the scope of global challenges, DTT member firms recognize that the management of environmental impacts is important. As a result, member firms are committed to advancing their

knowledge of environmental sustainability and climate change issues, responding to market needs, and providing relevant services. They also seek to raise awareness with the public, their people, and their clients and to manage their own environmental footprints stemming from, for example, waste, paper and energy consumption, and business travel. By managing these impacts responsibly, member firms are able to make a positive contribution to the environment.

While DTT has had no formal tracking system in place to date to collect environmental performance data globally, a survey among member firms has shown that individual member firms have taken initiatives to monitor, manage and report on their environmental impacts and activities for a number of years. On the pages below are examples of member firm activities to promote environmental responsibility

## **Environment: At DTT member firms 2007/2008**

### **Environmental management structures**

- In 2007, **Deloitte China** formed a National Environmental Management Taskforce (EMT), the aim of which is to identify and implement policies, processes, and practices allowing Deloitte China to deliver efficient and effective services to clients while reducing the member firm's carbon footprint. For more information, visit [Deloitte China's Community Report](#).

### **Good environmental practices**

Across the organization, DTT and its member firms continue to look for ways to reduce their environmental impacts at conferences and meetings. Examples include off-setting carbon emissions from travel to and from the meeting venue, posting conference materials online rather than distributing printed hand-outs, selecting meeting venues and hotels committed to sustainable development, and limiting power use to a minimum.

- In line with this strategy, the **DTT 2008 World Meeting** in California had a distinctly green profile. The meeting was held at the Fairmont Hotel & Resorts known for its Eco-Meet program; there, delegates were served local/organic food and beverages, and leftover food and toiletries were donated to a local shelter. In addition, meeting materials were made available online rather than printed, there was minimal use of disposable paper and plastic materials, and products made of recycled materials were used as extensively as possible.
- At **Deloitte France** some service lines routinely ask clients in proposals whether they are happy to receive printed documents in black and white rather than in color as a way to protect the environment.
- In May 2008, **Deloitte UK** was listed on the Sunday Times [50 Best Green Companies list](#). The member firm's "[Green Agenda](#)" encourages employees to avoid unnecessary travel by, for example, car-sharing or using public transport. Employees receive eco-awareness training, and more than 50 Green Champions spread across the Deloitte UK offices promote the member firm's green initiatives. An e-mail forum has been introduced for all member firm people to provide feedback and suggestions for new initiatives. The UK member firm has increased general recycling by 40 percent in a year and reduced its carbon footprint by 21 percent over the past 18 months. One hundred percent of energy purchased by the member firm is now classified as dark green (from solar, wind, and other renewable sources).

- In 2007, **Deloitte Australia** launched a “Greenhouse Gas (GHG) inventory” to measure the member firm's CO2 emissions. Air travel and electricity consumption were identified as the primary sources of emissions. For 2006/07, the member firm emitted 13,408 tons of CO2-e, or 3.58 tons of CO2-e per employee. The goal for FY08 was to stabilize the GHG inventory per person at FY07 levels in spite of record growth and to agree an ongoing reduction target. The member firm is currently conducting its second GHG review which will establish whether the goal was achieved. Also, in 2008/2009 Deloitte Australia’s second largest office (1,400+ people) is relocating to an A Grade building designed to achieve a 5-star Green Star Rating as well as a 4.5 Star Australian Building Greenhouse Rating.
- In 2007, **Deloitte Belgium** launched the "Greening the Green Dot" initiative which aims to reduce Deloitte Belgium’s CO2 emissions by 25 percent by 2012. The member firm asked employees for ideas on how to reduce the firm's CO2 emissions and received 145 excellent suggestions. Twenty five of these were used in the member firm's “green agenda.” The member firm expects to achieve the 25 percent reduction target in three ways: by building awareness and changing everyday behavior, by using new technology such as hybrid cars or energy-saving light bulbs, and by innovating through, for example, the installation of solar panels on office building roofs or buying green energy.
- Since 2006, **Deloitte France** has awarded the recycling of its paper to a company that has a social reintegration policy. To more than meet the legal obligations, Deloitte selected this company for its contribution to the CEDRE program (Creating sustainable jobs in recycling and the environment).
- In January 2008, **Deloitte U.S. Firms\*** initiated an Office Greening initiative across the member firm's 106 U.S. offices. Volunteer Green Office Champions were put in place to enhance green awareness building, and two Web tools allowing offices and individual employees to register their environmental footprints were launched. Six months after the launch of the initiative, 20,000 employees (40 percent of the Deloitte U.S. Firms\* workforce) had registered their environmental footprint and the workforce continues to embrace the initiative with enthusiasm. The comprehensive environmental program covers energy, paper, and product consumption; waste reduction and recycling; business transport and travel; and awareness building. Performance and progress are measured on a monthly basis.
- In May 2007, **Deloitte Netherlands** provided all of its employees with an NS Business Card, a device that simplifies use of the train and helps reduce the use of (lease) cars. All Deloitte Netherlands employees and authorized representatives can use the NS Business Card for business train journeys. It increases staff mobility by bypassing traffic congestion, shortens travel hours, and avoids parking problems. Deloitte Netherlands aims to transfer 10 percent of kilometers driven by car to the public transport system within three years.
- **Deloitte UK** launched a Green Agenda awareness campaign which included around 1,000 people viewing the film *An Inconvenient Truth* at screenings across Deloitte UK offices. Each screening was introduced by members of the Deloitte UK Executive who outlined what the member firm was doing to reduce its carbon footprint.
- **Deloitte U.S. Firms\*** announced the investment of approximately \$300 million in the creation of a state-of-the-art learning and leadership development center in the Dallas-Ft. Worth area in Westlake, Texas. Construction on the new facility will begin in 2009 and the center is expected to open in 2011. The campus will be constructed according to Leadership in Energy and Environmental Design (LEED) standards established by the U.S. Green Building Council. Green considerations are a top priority for all aspects of this project, including design, materials, engineering, and supplies.

- **Deloitte Argentina** was recognized by the Council of Professional Engineering for a change in lighting design in one of the member firm's offices, resulting in reduced electricity consumption. At the same time, staff members were encouraged to apply the same principles in their own homes.
- **Deloitte Spain** recycles all printer cartridges and 80 percent of paper used in the member firm's offices are recycled. Due to ongoing efforts to green office practices, the member firm was also able to reduce the amount of paper used by more than 13,000 kilograms compared to 2006.
- **Deloitte Macedonia** introduced electronic communications as the preferred way of internal member firm communications over printed materials, and by recycling all printer cartridges.

### **Environment: In the community 2007/2008**

DTT member firms have a long tradition of actively supporting the communities where their professionals live and work. Each year thousands of Deloitte employees around the world participate in various activities to support their communities and DTT member firms contribute financial and pro-bono support to develop and sustain local communities. Below are select examples of DTT and member firm activities that promote environmental responsibility:

#### **Sponsorships, donations, and charity**

- **Deloitte UK** has forged a strategic relationship with the Walker Institute at the University of Reading. The Institute is working on the science of climate and climate change, providing leading scientific thinking including substantial contributions to the Stern and Intergovernmental Panel on Climate Change (IPCC) Reports. Deloitte UK is sponsoring a research fellowship at the Walker Institute and a number of lectures in the belief that by working with leading climate change scientists, the member firm can provide the best advice to clients in an uncertain and rapidly changing area.

#### **Pro bono services and volunteering**

- **Deloitte Philippines** spent IMPACT Day 2008 visiting La Mesa Ecopark, part of the La Mesa Watershed, which is the primary drinking water source for about 12 million Manila residents. Member firm professionals planted trees, toured the Ecopark, visited the vermicompost area and the plant nursery, and participated in the eco-race activity, which encouraged environmental concern in fun and exciting ways.

### **Environment: Working with clients 2007/2008**

DTT member firms are committed to leading their markets through responsible, sustainable business practices and are specially qualified to understand the changes that will affect business processes. Examples of these changes include incorporating taxation matters into investment decisions and attesting to quantifiable measures of progress as all sectors work together to help ensure the sustainability of the environment.

DTT member firm professionals have a deep knowledge base in benchmarking, implementation, assurance, and risk management consulting in related areas. A DTT member firm cross-industry, cross functional Climate Change & Sustainable Resources Board has been established to oversee the



development of new services to meet the needs of the ever-evolving market and to provide clients with strategies and action steps for helping to make their companies compliant, efficient, and environmentally responsible.

Through specialists in climate change, alternative energy, risk management, and supply chain management, for example, DTT member firms' Corporate Responsibility & Sustainability services teams help clients to drive financial performance while improving their environmental and social performance.

## **Environment: Contributions to the public debate 2007/2008**

During the past year, DTT and its member firms have continued to support organizations and initiatives that support responsible environmental management. Following are some examples:

- **DTT CEO Jim Quigley** signed the "CEO Climate Policy Recommendations to G8 Leaders." The recommendations were sent to G8 leaders prior to their July 2008 meeting in Hokkaido-Tokyo, Japan. The purpose of the statement was to provide business support for the development of an international policy framework to deal with climate change and to encourage leadership in G8 member countries in responding to the climate change challenge. More than 80 chief executives of leading global companies signed the document.
- **DTT CEO Jim Quigley** belongs to the steering committee for the Energy Security, Innovation & Sustainability (ESIS) Initiative of the Council on Competitiveness. Launched in August 2007, the ESIS Initiative has set as its goal "to drive private sector demand for sustainable energy solutions and support the creation of new industries, markets and jobs."

### **Thought leadership**

Over the last year, DTT and its member firms have also published quite extensively on topics related to responsible environmental management. A few examples are listed below.

- **Deloitte U.S. Firms\*** published the report "Climate changes everything: The dawn of the green economy" (February 2008).
- **Deloitte Australia** issued the report "What directors need to know about climate change and carbon trading" (February 2008).
- **Deloitte Australia** published the report "Clean energy needs big commitment" (June 2007).
- **Deloitte Canada** launched a resources site on its corporate web site helping clients to better manage a variety of climate change-related challenges.
- Randall W. Miller, Principal, **Deloitte LLP**, the U.S. member firm of DTT, published an article in "The Green Car" series on Forbes.com (March 2008).
- Chris Park, Principal, **Deloitte Consulting LLP**, part of Deloitte LLP, the U.S. member firm of DTT, published "The gray area of going green: Finding the responsible shade while setting realistic environmental goals" in *Corporate Responsibility Officer* (April 2008).
- Peter Miscovich and Georg G. Bouris, both of **Deloitte Consulting LLP**, part of Deloitte LLP, the U.S. member firm of DTT, published the article "Corporate real estate goes green" in *The Leader* (July/August 2007, pp. 31-34).
- **Deloitte UK**, in collaboration with EEF, the UK manufacturers' organization, published the report "Delivering the low carbon economy – Business opportunities for UK manufacturers" (June 2008).

- **Deloitte Canada** released its second annual study on Canadian greenhouse gas emitters (December 2007).
- Udeke Huiskamp of **Deloitte Netherlands** outlined the likely effects of the aviation industry's entry into the EU Emissions Trading Scheme in an article for *Environmental Finance* magazine's March 2008 issue. Ms. Huiskamp also delivered a presentation on this topic at the EU Emissions Trading 2008 conference on July 7-8, 2008.
- The **DTT** Enterprise Risk Services industry group produced two reports related to environmental sustainability as part of its "Risk Intelligence" series: "The risk intelligent energy company: Weathering the storm of climate change" (September 2007) and "The risk intelligent approach to corporate responsibility & sustainability" (July 2008).

### **Meetings and events**

DTT and its member firms prioritize opportunities to make contributions to the public debate on topics related to responsible environmental management and used the opportunity to speak on these topics on a number of occasions. Below are a few examples.

- **Deloitte U.S. Firms\*** participated in Business Roundtable's Climate RESOLVE project, an initiative focused on commitment to reduce green house gas intensity.
- Pat Concessi, DTT Climate Change & Sustainable Resources Leader, spoke in the session "Major Drivers: Climate Change, China, and Sustainability" at the Montreux Energy Roundtable XIX (June 2-4 2008).
- On July 7 2008, the DTT Carbon Risk Seminar took place in Tokyo, Japan. The seminar, which was free and open to everyone, focused specifically on the impact of the European Trading Scheme (ETS) implementation on company management.
- DTT sponsored the World Petroleum Congress 2008. The topic of the congress was "A world in transition: Delivering energy for sustainable growth." Pat Concessi, DTT Climate Change & Sustainable Resources Leader, spoke on "The benefits and challenges of linking GHG emissions trading schemes."

## **Anti-corruption 2007/2008: Introduction**

### **Principle 10**

*Business should work against corruption in all its forms, including extortion and bribery.*

The conduct of DTT member firms and their people in the marketplace springs from DTT's Shared Values and nine Ethical Principles which, amongst other core business principles, set the expectation that DTT member firm professionals demonstrate integrity, objectivity, and fair business practices in all their relationships with clients and other stakeholders.

The Ethical Principles were developed as part of an internal member firm multi-stakeholder process and were adopted by each of DTT's member firms in 2004. The Ethical Principles have since become an integral part of DTT member firm business processes and practices including DTT's "Professional Practice Manual," which sets out rules and guidelines for expected behavior by member firm professionals in all business relationships.

## **Anti-corruption: At DTT member firms 2007/2008**

DTT and its member firms continue to leverage the DTT ethics program to reinforce the importance of ethics and integrity across the organization.

### **Leadership and accountability**

Since its inception, DTT's global ethics program has been led by a Global Chief Ethics Officer who has direct accountability and responsibility for the program's planning, priorities, and resources. Annual formal reporting to the DTT Board and direct, unfettered access to DTT's global CEO allows the DTT Chief Ethics Officer to freely raise issues and new ideas to the highest levels of the organization.

### **Communications**

Ethics communication has been front and center for DTT and its member firms in 2008 with the introduction of a new internal blog entitled "**Bob's adventures in ethics.**" Bob, a fictional Deloitte member firm employee, writes about real ethical problems at work. Monthly stories relate directly to ethical principles and provide guidance on how to handle difficult situations. People at Deloitte member firms have an opportunity to post thoughts and solutions to Bob's dilemmas on the blog, thereby generating a dialogue about the importance of ethics and integrity in the workplace. Since the roll-out of Bob's blog in February 2008, there have been more than 40,000 unique visitors and hundreds of postings.

### **Learning**

DTT and its member firms continue to build on commitments to ethics in learning. This year, ethics related content was integrated into two important global learning programs: Leadership Excellence and Management Excellence. These programs reach thousands of Deloitte member firm people each year and going forward, participants will be exposed to ethical dilemmas, case studies, and discussions to help them analyze issues and consequences and make thoughtful ethical decisions using a structured decision-making model. This new integrated content builds on the DTT ethics e-learning program and helps make ethics a natural part of discussions.

### **Reporting and measurement**

Member firm ethics practice reviews continue to be an important tool for measuring the effectiveness of member firm ethics programs. The practice reviews use a compilation of member firm leadership interviews, data review, and employee focus groups to test and validate compliance with ethics policies as well as identify ethics program best practices to share across member firms. By the end of 2008, 30 such reviews will have been completed.

2008 is the second year that DTT and nearly 40 of its member firms have implemented the Global Ethics Survey. This survey solicits anonymous feedback to measure member firm employees' awareness and perceptions of member firms' ethics programs and culture of integrity. Member firms are able to benchmark their performance over time to drive continuous improvement.

A compliance framework has been introduced this year within the member firms of DTT. This framework describes how member firms should measure and report their compliance with DTT and local policy standards. In accordance with this framework, each member firm will be responsible for

providing annual written confirmation that they are in compliance with all DTT and member firm ethics policies.

**Select member firm examples:**

- **Deloitte South Africa** has developed a unique solution, Tip-offs Anonymous®, allowing for the anonymous reporting by staff of unethical business practices and dishonesty in the workplace. The fraud-combating tool has been implemented both in the member firm and in client offices as a service from the firm, where it operates independently (see "Working with clients"). It enables the partners, directors, and staff of the member firm to raise alerts around inappropriate practices in a completely confidential manner.
- The **DTT Global Audit Curriculum** has a strong anti-fraud focus at all levels. There are specific learning units for different member firm career levels. At more junior levels, the learning introduces aspects of fraud and how audit procedures can be designed to have the best chance of detecting management fraud. At more senior levels, the learning focuses on more complex fraud schemes. Also, the 2008 Audit Excellence Program, offered to all member firm partners and managers, has a strong focus on fraud within the context of the current economic climate and the potential impact this may have in increasing motivation/incentive in individuals in management positions to commit fraud.
- The **Deloitte U.S. Firms**\* State and Local Compliance Manual addresses rules against bribery for each of the member firm's state clients and provides general guidance to all public sector practitioners. The Manual addresses topics such as campaign finance; gifts, gratuities, and bribery; lobbying; conflicts of interest and post-employment restrictions; outsourcing, and procurement and procurement integrity.
- **Deloitte Central Europe** has developed an Anti-Money Laundering Policy that every employee is required to comply with in order to ensure that Deloitte Central Europe does not become involved in any money laundering activity or terrorist financing. An e-learning course on the policy has been developed, and anti-money laundering officers have been appointed for every country in the Deloitte Central Europe member firm.
- **Deloitte Australia** performs periodic internal reviews of payroll, expense claims, and annual leave balances to detect any inappropriate activity. For departing partners and employees, or when there is suspected misconduct, the member firm is able to use its Computer Forensics team to perform a review of the departing person's laptop. In addition, an internal audit function focuses on fraud across the organization.
- At **Deloitte Canada**, all partners, associate partners, and external client service personnel in Financial Advisory and everyone in Internal Client Service Finance are required to complete an "Anti-Money Laundering and Terrorist Financing" e-learning course. A basic awareness presentation on the topic is also available to all employees.
- At **Deloitte Argentina**, all new hires must complete e-learning on ethics, independence and security.
- **Deloitte U.S. Firms**\* offer a confidential 24-hour, year-round Integrity Helpline that anyone can access from any location. It is administered by a third party to help maintain confidentiality and, when requested, anonymity to the extent possible. Employees are encouraged to report potential violations of the law, regulations, professional standards, policy, or the member firm's Code of Ethics and Professional Conduct.

## **Anti-corruption: In the community 2007/2008**

DTT member firms have a long tradition of actively supporting the communities where their professionals live and work. Each year thousands of DTT member firm employees around the world participate in various activities to support their communities and DTT member firms contribute financial and pro-bono support to develop and sustain local communities. Below are select examples of member firm activities related to anti-corruption, fraud, and bribery:

### **Sponsorships, donations, and charity**

More than 15 DTT member firms around the world support the mission of Junior Achievement Worldwide (JA) to educate and inspire young people to value free enterprise, business, and economics. In addition to providing financial support, nearly 2,000 DTT member firm partners, principals, directors, and staff volunteer in JA classrooms, making the collective efforts of DTT member firms one of JA's largest corporate volunteers. DTT Consulting Global Managing Director, Ainar Aijala, serves as JA's Chairman of the Board, and more than 50 other member firm employees serve on local boards around the world.

### **Pro-bono services and volunteering**

In March 2008, more than 300 tax professionals from **Deloitte U.S. Firms\*** assisted low-income families with preparing their tax returns, thus helping the families ensure that their taxes are filed in a timely and correct manner and that the low-income families get the refunds and credits to which they are entitled. Since 2003, Deloitte United State's\* Community Tax Assistance Program in Atlanta alone has processed returns for 2,307 families and generated US\$2.9 million in gross refunds and earned income tax credits. The Atlanta efforts are the model for similar activities in San Francisco, Washington, D.C., and Chicago.

## **Anti-corruption: Working with clients 2007/2008**

Many DTT member firms offer ethics and compliance consulting services to help clients strengthen their organizations' ethical foundation and improve compliance management. Examples of such services include ethics and compliance assessments, strengthening processes and procedures designed to manage ethics and compliance, ethics training, and business risk mitigation. For example:

- **Deloitte UK** helps clients to protect consumer information and reduce risk of information theft.
- DTT member firms' Forensic & Dispute Services practices help corporations, governments, regulators, world organizations, and leading law firms across the world respond effectively to the threat of fraud or the demands of a complex commercial dispute. With authoritative and experienced member firm practitioners based in the Americas, Europe, the Middle East, Africa, and Asia-Pacific, Deloitte member firms can respond to clients on a global basis.
- The Deloitte Forensic Center is a think tank within **Deloitte U.S. Firms\*** aimed at exploring new approaches for mitigating the costs, risks, and effects of fraud and other issues facing the global business community.
- In 2000 as part of its risk management services, **Deloitte South Africa** started Tip-offs Anonymous®, a tool allowing employees at client companies to report unethical behaviors safely and anonymously. The firm now boasts a list of 100 subscribing clients.

- **Deloitte Australia** assists many clients, both in the public and private sector, on training in anti-money laundering, Foreign Corrupt Practices Act (FCPA), and anti-bribery compliance and awareness. The member firm's DTect™ data analysis and interrogation tool can also help identify and isolate suspicious financial transactions within the vast data fields that operate in every business.

## **Anti-corruption: Contributions to the public debate 2007/2008**

DTT and its member firms are committed to fighting corruption and bribery in all its forms and DTT leaders made this commitment very clear in FY07 by signing the two following important global initiatives:

- In April 2007, **DTT** joined the World Economic Forum's "Partnering against Corruption Initiative" (PACI), which aims to provide a framework for good business practices and risk management strategies for countering bribery. DTT is also a member of PACI's External Verification/Third-Party Certification working group.
- At the 2008 **World Economic Forum** meeting in Davos, John Connolly, Chairman of Deloitte Touche Tohmatsu, joined a group of 13 other business leaders in signing a leadership statement calling on their peers to join collaborative efforts to strengthen public governance frameworks and institutions as a core element of their approach to corporate citizenship.

### **Thought leadership**

During FY07, DTT and its member firms published widely on issues related to anti-corruption and bribery. Below are a few examples.

- **Deloitte China** published *Financial Reporting in Hong Kong*, a book designed to help professionals engaged in preparing, analyzing, and interpreting financial information prepared in accordance with the Hong Kong Financial Reporting Framework. The book provides clear and practical guidance on the application of those standards in context with the regulatory and economic environment of Hong Kong (February 2008).
- Frank Hydoski, Director of the **Deloitte U.S. Firms**\* Forensic Center and former Chief of Forensics for the Oil-for-Food investigations, published the article "Is Bribery an Inevitable Victimless Crime," arguing that a multifaceted approach including more thoughtfully designed and administered programs, appropriate application of audits and investigations, and a commitment to shun bribery by all involved will prove more effective in curbing corruption (May 2008).
- **Deloitte Australia** offered a podcast on "International bribery and corruption" on its corporate web site (February 2008).
- **Deloitte U.S. Firms**\* issued the publication "Understanding the Foreign Corrupt Practices Act: How to do business overseas without compromising your business" (June 2008).
- **Deloitte UK** published the point of view "Financial Crime – Raising the bar," discussing the cost of financial crime and whether financial institutions should be working more closely together to address it (April 2008).
- **Deloitte China** published the report "Anti-fraud program and control," providing examples and considerations for management and auditors with respect to the risk of fraud and antifraud programs and controls (September 2007).

- **Deloitte Canada** published a guide to effective crisis management outlining the major areas of exposure and the vital first steps, and establishing essential competencies for each of six critical threats: intellectual property theft, corporate fraud, money laundering, foreign corruption, disputes, and corporate restructuring.
- **Deloitte Australia** has developed podcasts focusing on various aspects of bribery and corruption that are available to clients via the Deloitte Australia web site.
- Senior ethics professionals at the **Deloitte U.S. Firms\*** contributed to authoring *The Ethics and Compliance Handbook: A Practical Guide for Leading Organizations*, published by the Ethics and Compliance Officers Association in May 2008.

## Partnerships and the role of business in society: Introduction

DTT member firms participate in the ongoing debate about long-term sustainability and the ways businesses recognize, create, and measure value. Member firms understand that changing perspectives on sustainability and environmental responsibility will have a profound effect on their people, their clients, and the way business is conducted. Through research and contributions to the public debate DTT member firms seek to advance and support the corporate responsibility agenda and to engage in discussions about the role of business in society.

## Partnerships and the role of business in society: 2007/2008 examples

### Thought leadership

- The **DTT Manufacturing industry group** published the report "Innovation in emerging markets: 2008 annual study. Managing product sourcing risks in emerging markets."
- **Deloitte U.S. Firms\*** published "The staying power of sustainability: Balancing opportunity and risk in the hospitality industry" (June 2008).
- **Deloitte Canada** offers a series of Insights Podcasts discussing the social, environmental, and governance challenges to businesses and how to approach them.
- **Deloitte Australia** published the report "Sustainability reporting: A survey of NSW government" examining issues surrounding sustainability reporting in the NSW public sector (March 2008).
- **Deloitte U.S. Firms\*** published the book "Building supply chain excellence in emerging economies" (Springer, 2007).
- Douglas J. Lattner, Chairman and CEO of **Deloitte Consulting LLP**, part of Deloitte LLP, the U.S. member firm of DTT, published the article "Transforming for sustainability" in *Executive Decision* (March 2008).
- Chris Park, Principal, **Deloitte Consulting LLP**, part of Deloitte LLP, the U.S. member firm of DTT, published the article "Who is responsible for responsibility" in *Corporate Responsibility Officer* (May 2008).

### Meetings and events

- Jesus Ramos, HR Director at **Deloitte Mexico**, spoke on "CSR versus Philanthropy" at the Tecnológico de Monterrey (February 2007).
- The 2008 Boao Forum for Asia Annual Conference was the third consecutive gathering in which **DTT** participated as an Intellectual Supporting Partner, by collaborating with the organization and

its members to develop a program that addresses how governments and businesses can work together to balance economic growth and sustainable development for mutual and long-term success.

### **Dialogue with clients**

Some DTT member firms are beginning to include corporate responsibility concerns in their communications and other dealings with clients.

- In 2007, **Deloitte Netherlands** included questions pertaining to the member firm's corporate responsibility activities in the annual market research exercise.

### **Sponsorships**

- **Deloitte Australia** sponsored Investment and Financial Services Industry Association (IFSA) competition inviting professionals from the investment and financial services industry to submit papers on some of the most challenging public policy issues of the industry including climate change, how to shrink the retirement savings gap, and how to extend the reach of life insurance to more of the population. A young equity dealer from Goldman Sachs won the first prize and was awarded a round-the-world trip (October 2007).

### **Public commitments**

- DTT and its member firms continue to support the Global Reporting Initiative (GRI) and in January 2008, **Deloitte Hong Kong** retired partner, Peter Wong, was re-elected to the GRI Board of Directors, having previously served on the Board for a four-year period between 2002 and 2006.
- In June 2008, Charles Heeter, Managing Principal, **Deloitte LLP**, the U.S. member firm of DTT, was re-elected to a two-year term as Chairman of the Business and Industry Advisory Committee (BIAC) executive board by the BIAC general assembly.

## **About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss Verein, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in 140 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte's 150,000 professionals are committed to becoming the standard of excellence.

Deloitte's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from cultural diversity. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities.



Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

This document contains general information only, and none of Deloitte Touche Tohmatsu, its member firms, or its and their affiliates are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

None of Deloitte Touche Tohmatsu, its member firms, or its and their respective affiliates shall be responsible for any loss whatsoever sustained by any person who relies on this document.

© 2008 Deloitte Touche Tohmatsu.

\*As used in this reporting, "Deloitte U.S. Firms" means Deloitte LLP and its subsidiaries.