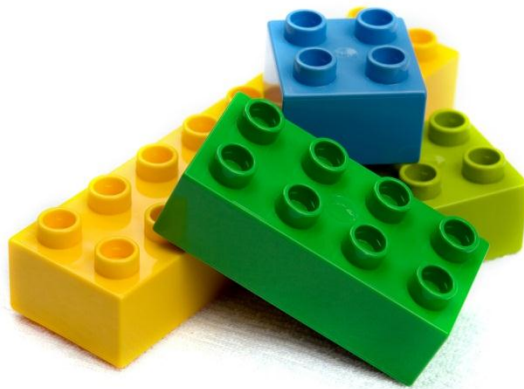




United Nations Global Compact

Communication on Progress 2012 – 2013 South Africa



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Statement of continued support towards the United Nations Global Compact

I am pleased to confirm that since Deloitte South Africa joined the United Nations Global Compact in 2007, it has continued to support its ten principles with respect to human rights, labour, environment and anti-corruption. Deloitte South Africa has worked tirelessly to make the Global Compact and its principles part of the strategy, and operations of our firm. We have created policy, set targets and implemented procedures to ensure our compliance and support of the ten principles.

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

Below is our annual Communication on Progress against the United Nations Global Compact Principles.

Lwazi Bam

CEO Deloitte Africa

Our Background

Deloitte, one of the country's leading professional services firms, provides Audit, Tax, Consulting, Risk Advisory and Corporate Finance through approximately 3 800 people in 9 offices in South Africa.

Deloitte in South Africa is a member firm of Deloitte Touche Tohmatsu Limited (DTTL).

Our vision

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

Our mission

Deloitte Southern Africa exists to:

- Serve the public interest as one of the cornerstones of corporate governance by supplying world-class assurance services.
- Insofar as this is compatible with local and international regulations and the best principles of corporate governance, supply world-class advisory professional services to our clients.
- Through both these activities, to help our clients and our people excel.

Our shared values

Our shared values are timeless. They succinctly describe the core principles that distinguish the Deloitte culture.

Integrity	Outstanding value to markets and clients
We believe that nothing is more important than our reputation, and behaving with the highest levels of integrity is fundamental to who we are. We demonstrate a strong commitment to sustainable, responsible business practices.	We play 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	Strength from cultural diversity
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.	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.

By working together in multi-functional teams, our professionals are able to share knowledge and ideas to develop solutions tailored to each client.

Deloitte South Africa

The origin of Deloitte South Africa dates back to the 19th century when Howard Pim, Murray Smith, Harry Hands and Gurney Close started up their own operations. More recently, in 1990, Deloitte Haskins & Sells merged with Pim Goldby to form Deloitte Pim Goldby and in 1992, the legal name was changed to Deloitte & Touche to conform to the international name. In 2004, the international firm changed its Brand name to Deloitte. We operate in nine offices throughout South Africa. Below is a map of our offices.



Human Rights



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

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights and
- Principle 2 Businesses should make sure that their own operations are not complicit in human rights abuses

Background

As a network, Deloitte recognizes that it has a responsibility to uphold human rights both in the workplace and more broadly within its sphere of influence. Deloitte not only works to address human rights issues within its communities, but also seeks to respond to some of the urgent human rights challenges of our world in a manner commensurate with its ability to effect change within and across regions and borders. In Deloitte's workplaces, human rights typically take the form of non-discrimination and diversity in personnel practices, privacy, professional development, and work-life balance. Deloitte values differences—in thought, style, culture, ethnicity and Deloitte has embedded concern for human rights in its core values, as a means of integrating respect for one another in the organization's culture worldwide. Recruiting and retention activities reflect a desire to hire professionals who share Deloitte's values and commitment to responsible business. Deloitte protects human rights in the community through contributions to poverty alleviation and increasing levels of education. Access to education is a fundamental human right, and Deloitte addresses this through our various Socio-Economic (SED) activities.

Deloitte people also contribute to the public debate on issues related to human rights. 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 endeavours 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.

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. The Global Security Office continues 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 travellers during emergencies.

Leadership Commitment

The Social, Ethics and Transformation Board oversees the monitoring, assessment and measurement of the Company's activities relating to social and economic development, including the companies

standing with regards to the monitoring of the implementation of the Company's transformation strategy.

Amongst other things, the board oversees the monitoring, assessment and measurement of the Company's activities relating to good corporate citizenship, including the Company's promotion of equality, prevention of unfair discrimination, addressing of corruption, contribution to development of the communities in which its activities are predominantly conducted or within which its services are predominantly marketed, and record of sponsorship, donations and charitable giving.

Policy Framework

Deloitte is committed to creating an environment where all the firm's policies and procedures are available and clearly understood. The firm has therefore designed and implemented a Policy Management System that manages and provides access to the firm's policies. Deloitte policies contribute significantly in shaping the preferred culture of respect to human rights. It is against this backdrop that Deloitte is able to have programs that help professionals maintain a healthy work-life balance, manage their careers and performance, develop new skills and knowledge, and work in secure healthy and safe working conditions.

Our policies that relate to human rights include:

- Employment equity and non-discrimination policies
- Working Hours Policy
- Remuneration Policy
- Overtime policy
- Termination of Employment, Industrial Relations and grievance policy
- Performance evaluation/learning and financial study assistance
- Leave Policy
- Benefits Policy
- Occupational health and safety policy
- Corporate social investment policy

Implementation and Targets

The aim of Black Economic Empowerment (BEE) initiatives in the CA sector is to significantly increase the number of black people that manage, own and control enterprises in the sector, as well as to contribute to decreases in income inequalities in the country in general. This is to be achieved by means of an integrated and coherent Socio-Economic process that directly contributes to the economic transformation of South Africa.

Deloitte South Africa is committed to contributing to the growth and development of BEE in South Africa and, in so doing, maintaining our profile as a leader in Broad-Based Black Economic Empowerment (B-BBEE).

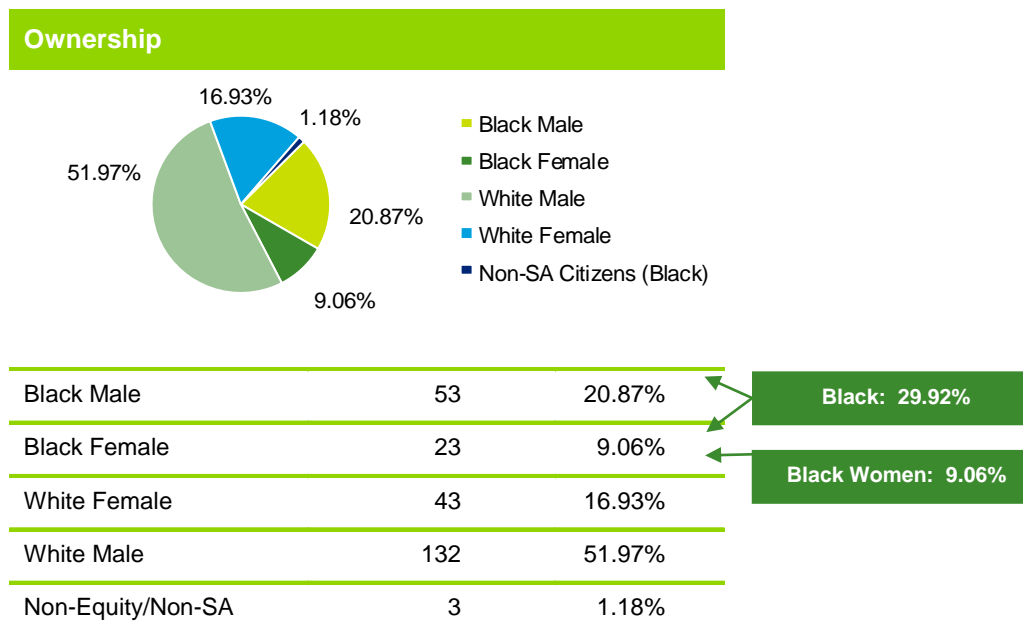
Deloitte South Africa is a partnership consisting of 254 partners and directors who are jointly and severally liable for the partnership. Partners and directors are effectively the shareholders in the business of which black ownership currently constitutes 29.92%.

We are committed to achieving our 2016 target of 35% equity ownership. One of the key pillars of our transformation strategy is the "Each one, grow one" initiative. Each partner or director is required to identify a talented senior black professional with partnership potential and mentor that individual to partner level over the next few years. This speaks directly to a culture of collective accountability at leadership level and is directly aligned to the firm's long term strategy of organic growth.

Our targets are underpinned by the following:

- Growing our talent from within - over 70% of black partners/directors were grown from within the ranks of the firm.
- The structure of the firm is such that its ownership is in the hands of top management.

The table below shows a breakdown of the firm's ownership as at 1 October 2013:



Management Control

The Board of partners and directors is constituted in terms of the partnership agreement and is elected by partners and directors every three years.

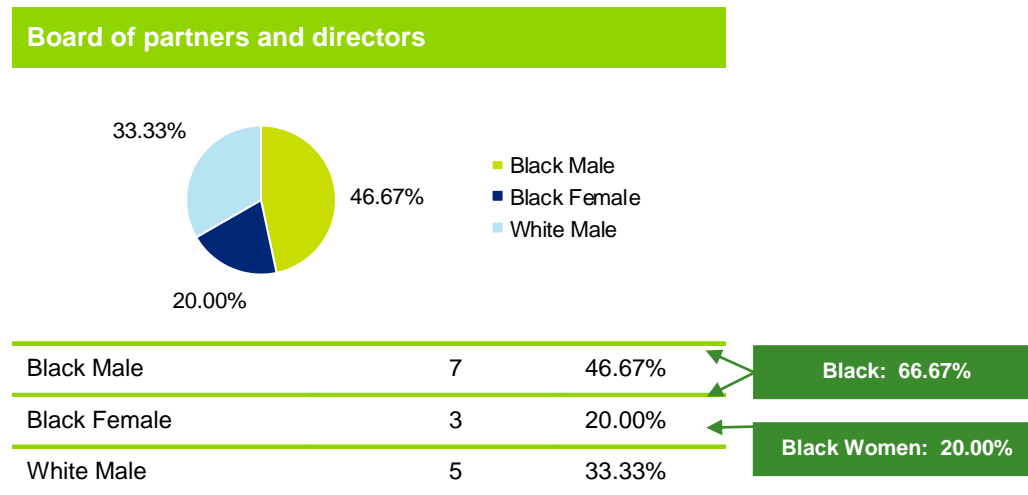
The partnership agreement provides for a basis of election, which is designed to ensure that the interests of all partners and directors are represented on the Board and also that provision is made for external viewpoints and appropriate emphasis on current strategic initiatives.

The only executive sitting on the Board is the CEO; and although other members of management (e.g. the COO) attend by invitation, all voting members of the Board, with the exception of the CEO, are independent of management.

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

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

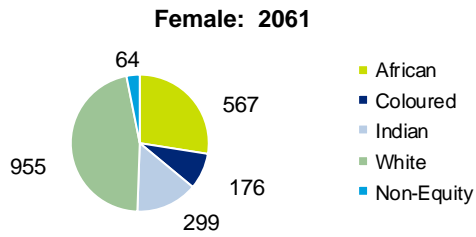
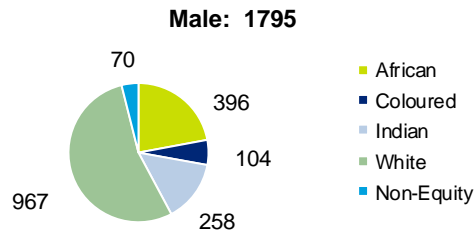
The following graph depicts the composition of the Board of partners and directors as at 1 October 2013.



At Deloitte, we strive to be a magnet for top talent through the creation of a climate and culture that recognise and encourage community activism and social consciousness. The firm's latest submission to the Department of Labour was on 15 January 2013. The employment graph below is a reflection of our total workforce as at 1 October 2013 which includes learnerships, contractors, fixed term, secondments and permanent employees.

Black people represent 46.68% of the workforce. Black men represent 19.66%, while black women represent 27.02% of the entire workforce, including top management. The total number of people currently employed is 3 856.

Total staff: 3856



Black Male	758	19.66%	Black: 46.68%
Black Female	1042	27.02%	
White Female	955	24.77%	Black Women: 27.02%
White Male	967	25.08%	
Non-Equity/Non-SA	134	3.48%	

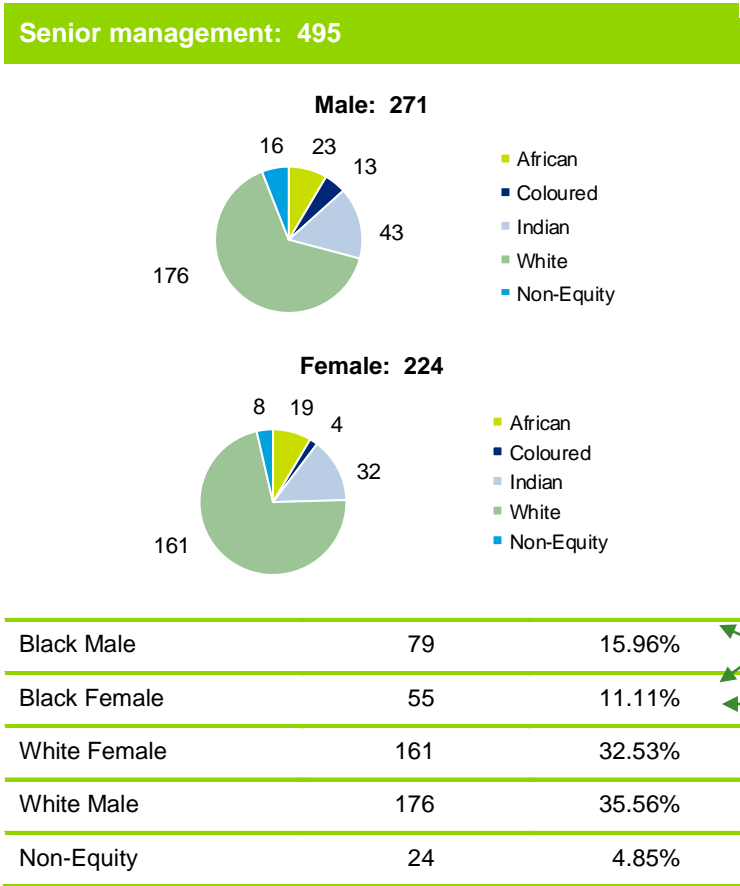
* Non-equity refers to non-SA citizens specifically excluded by the B-BBEE codes

27.07% black
representation at
senior management
level

Senior management

Our managers play a critical role in the success of the firm. They are the glue that holds the centre together. To this end, we are committed to ensuring that our managers have every opportunity to develop their leadership skills, build a long-term career in the firm and reach their full potential as professionals.

Senior management of the firm includes some of our heads of departments, principals, associate directors and other senior leaders. This level of management is represented by 27.07% black staff, of which black women make up 11.11% of the total group.



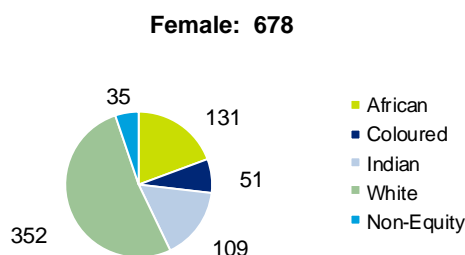
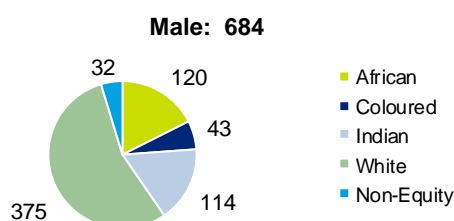
41.70% black representation at middle management level

Middle management

Managers, assistant managers, third year trainee accountants and project controllers make up this group of leaders in the firm. As it remains the firm's inherent culture to develop its leaders from within, this group of specialists are vital to the future leadership of the firm.

Black people represent 41.70% at middle management level, of which black men represent 20.34% and black women represent 21.36%. The firm's continued commitment to developing its talent from within is evident in these statistics.

Middle management: 1362



Black Male	277	20.34%	Black: 41.70%
Black Female	291	21.36%	
White Female	352	25.84%	Black Women: 21.36%
White Male	375	27.53%	
Non-Equity	67	4.92%	

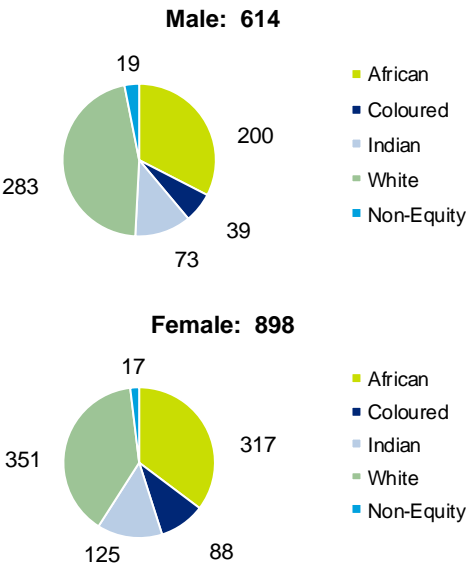
55.68% black representation at junior management level

Junior management

Our junior management pool represents the young talent coming through our ranks. This is also where the first and second year trainee accountants are placed, as well as the consultants in fields as diverse as computer auditing, strategy, innovation, technology, taxation and risk and financial advisory specialists. We focus on nurturing and developing our talent at this level so that we are able to create a vision of a long-term career path into the manager ranks, to ultimately be appointed as partners and directors.

The demographics at the lower levels of employment at Deloitte & Touche are indicative of the firm’s commitment to growing its talent from within. We are in possession of an authorised employment equity policy and have Employment Equity as well as Transformation Committees. In line with growing our talent from within strategy, black representation in this group is currently 55.68%.

Junior management: 1512



Black Male	312	20.63%	Black: 55.68%
Black Female	530	35.05%	
White Female	351	23.21%	Black Women: 35.05%
White Male	283	18.72%	
Non-Equity	36	2.38%	

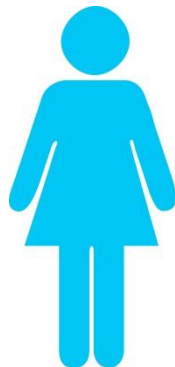
Women at Deloitte

Deloitte strongly supports diversity in all its forms in South Africa and globally and recognises the strong business case for gender equality within the firm, seeking to lead the profession in this regard. The South African firm's Women in Leadership (WIL) initiative has recently appointed a new chairperson, Anthea Scholts (Director/Board Member). The WIL team has four key strategic focus areas:

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

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

One of the successes of the firm's Transformation strategy, which includes gender transformation is the appointment of two black female members to the executive committee, Justine Mazzocco (Executive Leader: Talent & Transformation) and Nazrien Kader (Service Line Leader: Tax). This brings the black representation on our executive committee to 54.54% and the female representation to 18.18%.



Women at Deloitte

25.98%

Women as a percentage of total partners and directors

53.45%

All women as a percentage of total staff

Socio-Economic Development

Socio-Economic Development (SED) is the financial or nonfinancial contribution a company can make to get involved in socio-economic upliftment within the communities it chooses to support.

This usually concentrates on areas of development with the greatest need. These areas of development are aligned with the business case as well as the socio-economic circumstances of the firm's operating environment.

For the financial period ending May 2012, the SED spend by Deloitte in South Africa, recognised by mPowerRatings, equated to 4.51% of net profit after tax or R14 109 819.97 when expressed as rand value.

SED has and will always play a critical part in the business strategy of Deloitte South Africa. SED is an opportunity for us to participate in a meaningful way to the upliftment of the communities from where we do business, but is also a means to add business value through value chain activities whilst demonstrating people's commitment to the firm and its shared values. To this end:

Deloitte is fully committed to the transformation of our country. We recognise that our success is inextricably linked to that of our broader community

We believe involvement in community projects will broaden the perspective of our employees and contribute to our shared beliefs

Through the Deloitte Foundation, we are helping to make a difference in local communities with considerable financial investment as well as contributions of time and talent from our employees

Deloitte supported the following projects during our 2012 financial year:

- ACFS Community Education and Feeding Scheme
- Adopt-A-School Foundation
- Afrika Tikkun
- Artist Proof Studio (APS)
- Botshabelo
- Helping Hands Programme – Charities Aid Foundation Southern Africa (CAFSA)
- IMPACT Day
- Imperial and Ukhamba Community Development Trust
- Junior Achievement South Africa (JASA)
- Project Siyakhula

Labour



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

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4 Businesses should uphold the elimination of all forms of forced and compulsory labour
- Principle 5 Businesses should uphold the effective abolition of child labour
- Principle 6 Businesses should eliminate discrimination in respect of employment and occupation

Background

Deloitte's Shared Values and Ethical Principles prescribe that all interaction between Deloitte and its people, as well as interaction among Deloitte people, must be characterized by integrity, trust, and mutual respect. Listening to its people allows Deloitte to prioritize their interests and concerns, and address them with appropriate communications, policies, programs, and member firm services. Deloitte's Shared Values and Ethical Principles also include non-discrimination and inclusion as integral parts of the way the network functions.

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

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

In order to ensure that our organisation achieves its goals, we not only need to find and secure that our culture can nurture and sustain it on a number of levels. Consequently, our talent management efforts are focused on four main priority areas:

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

Leadership Commitment

The Social, Ethics and Transformation Board oversees the monitoring, assessment and measurement of the Company's activities relating to social and economic development, including the companies standing with regards to the monitoring of the implementation of the Company's transformation strategy.

Amongst other things, the board oversees the monitoring, assessment and measurement of the Company's activities relating to good corporate citizenship, including the Company's promotion of equality, prevention of unfair discrimination, addressing of corruption, contribution to development of the communities in which its activities are predominantly conducted or within which its services are predominantly marketed, and record of sponsorship, donations and charitable giving.

Policy Framework

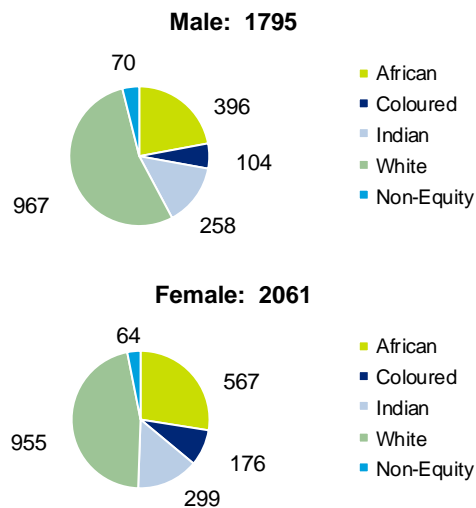
Deloitte is committed to creating an environment where all the firm's policies and procedures are available and clearly understood. The firm has therefore designed and implemented a Policy Management System that manages and provides access to the firm's policies. Deloitte policies contribute significantly in shaping the preferred culture of respect to upholding labour rights. Deloitte has developed a number of Human Resources and Industrial Relations Policies which form the basis of labour relations objectives and practice relating to its operations. Policies include:

- Termination of employment policy
- Industrial relations and grievance policy
- Remuneration policy
- Leave policy (maternity, paternity, sick leave, study, annual leave)
- Employment equity/non discrimination policies
- Disbursement and Deloitte credit card policy
- Transfer policy
- Travel policy
- Employment equity and non discrimination policy
- Occupational Health and safety policy

Implementation and Targets

The employment graph below depicts our total staff complement in South Africa as at 1 October 2013 and includes learnerships, contractors, secondments, fixed term and permanent employees. The firm's latest submission to the Department of Labour was on 15 January 2013.

Total staff: 3856



Black Male	758	19.66%	<div>Black: 46.68%</div> <div>Black Women: 27.02%</div>
Black Female	1042	27.02%	
White Female	955	24.77%	
White Male	967	25.08%	
Non-Equity/Non-SA	134	3.48%	

Empowering the Workforce

Deloitte Learning

Deloitte has documented and implemented various Skills Development policies. Our most recent workplace skills plan was submitted to FASSET, our industry SETA, during June 2013. Our black skills development spend for the 2012 financial year equates to 4.22% of the total leviable amount or R81 655 625.

Among the many options for learning, DTTL offers e-learning programmes. The Global Deloitte Learning Portal offers a single means of access to information regarding local and global learning programmes. Courses, which may take place in a classroom or online, cover technical, strategic and operational issues; language training; project management; leadership; and human resources training. These resources are widely used by professionals throughout the world.

We also continue to use a portion of amounts received to fund the firm wide support and administrative staff learning curriculum. As part of our commitment to the development of all our people, some support staff are attending adult basic education and training classes, which will enable them to obtain a general education and training certificate upon completion. The Department of Labour has identified this as a priority to raise the skills level in South Africa.

Benefits for Staff

Deloitte offers its staff in South Africa, Namibia and Botswana, the following benefits:

- Deloitte & Touche Pension Fund
- Deloitte & Touche Provident Fund
- Deloitte & Touche Staff Group Life Assurance policy
- Deloitte & Touche Group Disability policy

All staff have access to the Employee Benefits site on Deloitte Resources, the firm's intranet.

Other employee benefits

- Compulsory health benefits with a number of options so that employees can ensure that cover is cost effective
- Compulsory participation in the provident fund with 24 hour disability and life cover for the member and spouse or life partner
- Technology that includes a cell phone or laptop. If the employee uses his own cell phone all business related calls are reimbursed subject to the cell phone policy
- A flexible work arrangement programme with a number of options that range from flexible work hours to other alternatives such as working from home or other locations, or reduced work commitments. Technology and communication processes support employees wherever they work
- An in-house travel agency where employees can make personal and business travel bookings. (Woodlands only)
- An on-site gift shop, dry cleaning and DVD service. (Woodlands only)
- Prayer rooms for Muslims (male and female) as well as Christian prayer and meeting rooms
- Access to free 24 hour confidential counselling through ICAS for all employees in need and for their immediate family

4.22% of the leviabale amount contributed towards the skills development of black employees

Skills Development

Skills Development policies have been documented and implemented at Deloitte & Touche. Our most recent workplace skills plan was submitted to FASSET, our Industry SETA, during June 2013. Our black skills development spend for the 2012 financial year equates to 4.22% of the total leviabale amount or R81 655 625 when expressed as rand value.

There are Learning contacts for each of our business units. Their role is to assist business units with all their learning needs. The Learning contacts establish a Learning Steercom which ensures that the learning requirements of the business units are met. During performance reviews, employees identify their learning needs through the performance feedback, as well as their Individual Development Plan (IDP). The Learning contact, together with the Human Resources Manager, compiles a report indicating learning needs. The Learning Steercom, together with the business unit leader, will allocate budgets for the learning planned to take place during the year.

All business units have a customised learning curriculum in place which outlines both technical and non-technical/soft-skill programmes per level which further enhances this process.

Our leadership development initiatives are supported by the Assessment leg of the function. Assessment often uses qualitative and quantitative data from the assessments to inform the priorities of the learning interventions.

Leadership Learning

The Learning function offers Leadership Learning that focuses on improving both management and leadership acumen amongst all partners and directors as well as other staff. There are different suites of programmes. Our leadership development initiatives are supported by the Assessment leg of the function. Assessments often use qualitative and quantitative data obtained from the assessments to inform the priorities of the learning interventions.

Professional Development

Different suites of programmes are offered which includes a shared competency level, Senior Manager Road maps and Manager Road maps, outlining all the learning offerings.

Business/Industry Learning

The in-depth focus of Business/Industry Learning is to improve the business acumen of all professionals. This is achieved through support provided to business units during the structuring of their technical curriculum, providing learning opportunities to improve knowledge of our firm's products, services and people, and refocusing on Industry learning.

Coaching and Mentoring

Development at Deloitte is based on a mentorship approach. The responsibility for developing talent is core to our ethos and permeates all our assessment and development processes. We subscribe to the concepts of leader-led Learning which means that our partners, directors and senior professionals facilitate on all our Learning programs. In addition, each staff member has a counsellor or development facilitator, over and above their manager, who supports the individual in achieving their development goals.

Our Internal Coaching Network is utilised to support all employees. Internal coaches undergo an extensive accreditation process. Accreditation of these coaches entails individuals attending formal learning interventions on coaching, coaching under supervision and an assessment centre process which evaluates their coaching capabilities. In addition to the coaching network, The Learning team offers a classroom based coaching intervention which is targeted towards managers, senior managers, partners and directors who have this need.

External executive coaches are used at senior professional level to support leadership development and transition. Individual coaching is also provided as an intrinsic part of our Leadership Development Program and Distinctive Client Experience Program.

Support Staff

Deloitte continues to utilise funds obtained from the skills development grants to develop support staff through learning programmes and bursary schemes.

We have a generic curriculum for support staff which consists of a variety of learning programmes aimed specifically at employees of this level. We also have a development programme which is aimed at developing mathematical, language and computer literacy for our elementary level employees.

The bursary includes full tuition fees for employees which enables them to study towards a formal qualification. The aim of the bursary initiative is to provide employees with opportunities to attend institutions of higher learning in order to develop their careers of choice.

MyJourneyCentre

MyJourneyCentre is a unique service that Deloitte offers its trainees. MyJourneyCentre is a physical location in all our South African offices, where trainees come to talk about their careers and their futures both within Deloitte and the outside world.

The trainees have the opportunity to talk to experienced Journey Guides about their goals and their career aspirations and are provided with tools that will help them identify and understand their strengths. They are also given the opportunity to experience life outside the audit business units and are seconded to business units throughout Deloitte. The primary aim of MyJourneyCentre is to help each of our trainees identify and enhance the greatness within them.

MyJourneyCentre is now also being rolled out firm wide to all service lines and for all levels of staff.

MyBusinessSchool

MyBusinessSchool is an innovative learning programme which Deloitte has designed for its audit trainees. The programme runs for approximately a week in each of the three years of their training contract. They get exposed to a variety of MBA-type topics and guest presenters from inside and outside the firm.

The weeks of learning are designed around experiential learning principles and aim to increase the business acumen of trainees and to enhance the Deloitte CA (SA) brand. The primary aim of MyBusinessSchool is to create a launchpad for the trainees' business journey of a lifetime.

Deloitte University in EMEA (Europe Middle East Africa) – [DUE]

The DUE is part of a regional project portfolio funded in part by EMEA Cooperation Agreement. The DUE initiative is an expansion of the on-going cross-border learning initiatives in Deloitte Société Européenne (DSE) which includes the seven DSE member firms (Austria, Central Europe, Denmark, France, Germany and the Netherlands) as well as five additional EMEA Council Member firms (Italy, Luxembourg, South Africa, Spain and the UK). The DUE is thus being championed by the member firms mentioned above.

The end goal for the DUE is an institution which differentiates Deloitte in the marketplace for talent and clients, including a delivery role for an economically sustainable central facility. The ultimate goal is to have a comprehensive world class EMEA-wide curriculum operational by 2016.

The South African learning team is involved in the design and development of the Manager Journey.

ICAS (Independent Counselling and Advisory Services)

ICAS is a professional counselling service provider to Deloitte employees and their immediate family members. ICAS provides Deloitte staff with access to free, confidential and multi-lingual telephone and face-to-face counselling that range from family and relationship matters, work related issues, trauma counselling, financial and debt advice, legal guidance, etc. This service is provided through a confidential, 24 hour personal support and information service.

Recognition and Incentives

The unique Deloitte Way Programme is an employee engagement and recognition programme that allows all staff across Southern Africa to recognise and appreciate their colleagues for exceptional behaviour, and to connect and engage in discussions around our firm's strategy.

Health and Safety

The health, safety and vitality of our people is very important to us and we run various programmes and initiatives to ensure we maintain high standards in this area. Deloitte has occupational health and safety officers in all of our offices and we provide ongoing training for them.

Environment



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

- Principle 7 Businesses should support a precautionary approach to environmental challenges
- Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility
- Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies

Background

Our commitment to environmental sustainability is firmly embedded in our shared values. We recognise the importance of being transparent as well as our responsibility in minimising the impact of our operations and services on the environment.

Leadership Commitment

The Social, Ethics and Transformation Board oversees the monitoring, assessment and measurement of the Company's activities relating to social and economic development, including the companies standing with regards to the monitoring of the implementation of the Company's transformation strategy.

Amongst other things, the board oversees the monitoring, assessment and measurement of the Company's activities relating to good corporate citizenship, including the Company's promotion of equality, prevention of unfair discrimination, addressing of corruption, contribution to development of the communities in which its activities are predominantly conducted or within which its services are predominantly marketed, and record of sponsorship, donations and charitable giving.

Policy Framework

Deloitte has developed an environmental policy with key statements on how we will manage our impact on the environment. The Deloitte Environmental Policy states that it will:

- Comply with the letter and spirit of applicable laws and regulations;
- Comply with the spirit of the United Nations Global Compact principles on environmental sustainability
- Incorporate energy efficient measures and promote energy efficiency use in all areas of business activity
- Implement waste management strategies that promote waste reduction, re-use and recycling where appropriate

- When possible, make choices that minimise the need for travel. When travel is necessary, we will make choices that minimise the environmental impacts'
- Promote awareness amongst staff on environmental impacts of their work activities'
- Adopt a purchasing programme that take into account the environmental impacts of products and services; and
- Continuously seek to improve environmental performance of our clients through our service line offerings.

Implementation and Targets

- Our environmental policy governs the way in which our impact on the environment is managed.
- We measure our carbon footprint on an annual basis and realise that we need to manage our energy consumption and air travel more consistently.
- We strive to reduce our energy consumption and have installed motion light sensors in our ablutions and offices. Some geysers and air conditioners have been fitted with timers.
- We have introduced initiatives to reduce our water footprint.
- We try to minimise paper consumption through double-sided printing.
- We have various waste recycling initiatives.
- We have video conferencing facilities and strive to keep international travel to a minimum.
- We use various international awareness days such as Arbor Day, Earth Hour and World Environment day to educate our staff on environmental initiatives.
- We use Impact Day to get involved in various greening activities within the communities and schools which we support.

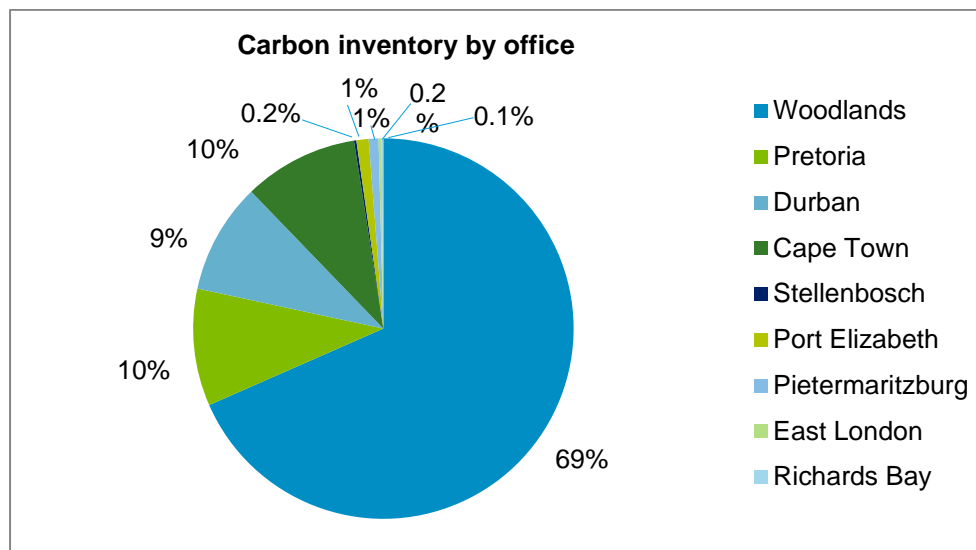
Summary of the Deloitte carbon footprint FY2013

Deloitte South Africa calculated its carbon inventory for the 2013 financial year (1 June 2012 to 31 May 2013). A carbon inventory for an organisation involves accounting for all Greenhouse Gas (GHG) emissions released as a result of the operations of the organisation. In line with international best practice, the calculation of a carbon inventory is done in accordance with the GHG Protocol Corporate Standard.

The following operations/offices have been included in the carbon inventory:

- Head office campus of buildings located in Woodmead, Johannesburg;
- Pretoria
- Durban
- Cape Town
- Stellenbosch
- Port Elizabeth (PE)
- Pietermaritzburg (PMB)
- East London
- Richards Bay

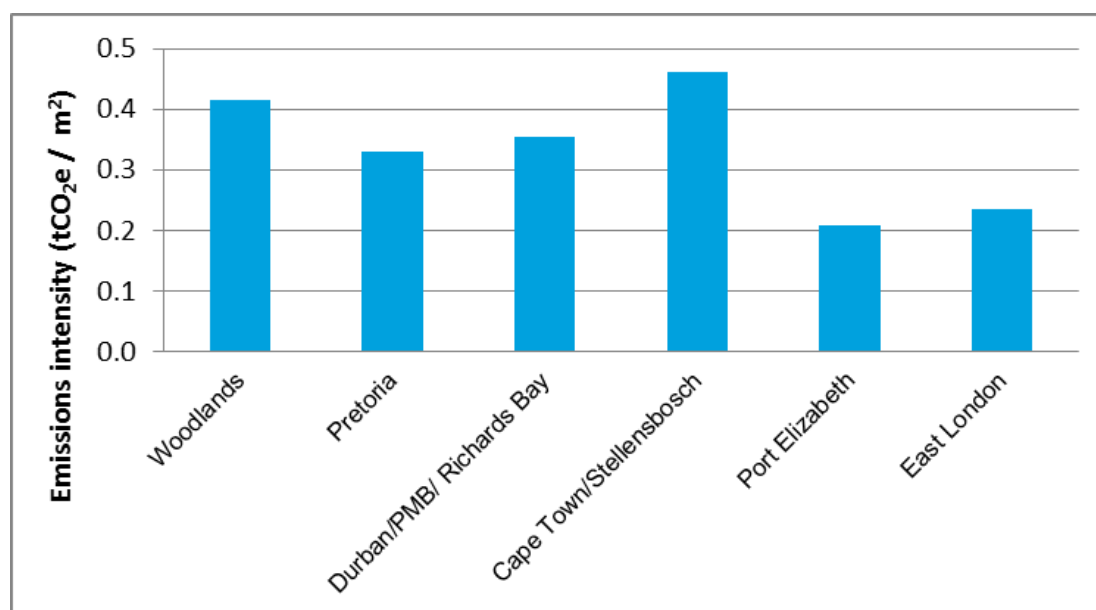
The total carbon inventory for Deloitte was calculated to be 23 202 tons carbon dioxide equivalent (t CO₂e) for the 2013 financial year.



The Head Office campus located in the Woodlands Office Park, Woodmead in Johannesburg has the largest carbon inventory of all the offices, contributing to 69% of the emissions. This office has the highest electricity consumption and the highest emissions from business travel. However, the Johannesburg office also has the highest number of employees and floor space. Hence, we evaluated the emissions intensity for Deloitte South Africa and the offices.

Following the 2012 and 2013 Budget Review, the South African National Treasury has released a Carbon Tax Policy Paper May 2013, for public comment on the proposed carbon tax. The policy paper elaborates on and contextualises the specific carbon tax design features briefly discussed in the 2012 Budget Review.

The government proposes that a carbon tax be introduced at R120 per t CO₂e above the tax-free thresholds (including the proposed offsets) on 1 January 2015. A percentage-based threshold on actual emissions is applied, below which the tax will not be payable during the first five years. All companies will initially receive a basic tax-free threshold of 60 per cent. It is further proposed that the tax rate of R120 per tCO₂e be increased at a rate of 10 per cent per annum until 31 December 2019. At a cost of R120 per t CO₂e, Deloitte could expect to pay R 1 113 716 in carbon tax if a tax was levied on carbon emissions directly.



The Cape Town and Stellenbosch offices have the highest combined emissions intensity in terms of floor space. The electricity consumption for the Cape Town office has almost doubled in the two years; however the floor space has remained the same.

In terms of scale the Woodlands office has the largest office space and accounts for the 69% of Deloitte's carbon inventory. The Woodlands office accounts for the second highest emissions intensity. As was anticipated from last year's inventory, the emission intensity of the Pretoria office has decreased since they moved in to their new premises.

The 2013 carbon inventory was found to be higher than the updated 2013 carbon inventory. The total carbon inventory for the 2013 financial year was 23 202 tons CO₂e. This corresponds to an 8.6% increase in carbon emissions when compared to 2012. The current carbon intensity for Deloitte South Africa was 9.4 tons CO₂e per employee excluding audit trainees (6.9 tons CO₂e per employee if audit trainees are included) and 0.40 tons CO₂e per m² of office space. This represents an increase in carbon intensity from the baseline.

The increase in emissions may be attributed predominantly to a significant increase in business travel (flights, car hire, hotel nights and travel claims by employees). Although, there has been a significant increase in business travel, there has been a noticeable decrease in electricity consumption possibly resulting from energy efficient installations which have played a significant role in off-setting the carbon emissions associated with electricity consumption which is carbon intensive.

Data Collected: 2012 and 2013 Compared

	2012	2013	
Fuel			
Diesel [litre]	5 210	3 512	↓
Petrol [litre]	25 470	13 966	↓
Electricity [kWh]	12 137 101	11 293 737	↓
Air Travel			
Domestic Flights [km]	15 432 509	18 021 784	↑
International Short Haul Flights [<1500km]	3 131 603	3 243 970	↑
International Long Haul Flights [>1500km]	33 790 082	48 621 274	↑
Car Hire [km]	257 496	703 699	↑
Travel Claims [km]	9 044 670	11 127 646	↑
Paper Procured [ton]	118	138	↑
Hotel Nights [nights]	8 193	14 814	↑
FTE Employees	2 570	2 460	↓
FTE Employees and Audit Trainees	3 526	3 353	↓
Floor Space [m ²]	59 198	58 402	↓

Targets for year 2020

To reduce our overall carbon footprint by 10% by reducing electricity consumption, less international air travel and using more video conferencing.

The data collected for the FY2013 carbon inventory below:

OFFICE	SCOPE 1		SCOPE 2	SCOPE 3						
	Fuel		Electricity	Business Travel ¹						Paper Procured
	Diesel	Petrol		Domestic Flights	International Short Haul Flights [<1600km]	International Long Haul Flights [>1600km]	Car Hire	Travel Claims	Hotel Nights	
	Litres	Litres	kWh	Km	km	km	km	km	nights	tons
Woodlands	3 512	12 258	6 537 015	11 688 890	2 779 486	45 249 351	361 060	7 870 949	8 341	69
Pretoria		211.13	1 484 618	1 059 355	86 524	1 596 971	129 361	1 429 575	1 546	43
Durban	-	-	1 459 431	1 580 552	171 065	505 538	172 516	1 099 945 ²	2 763	11
Cape Town	-	1 497	1 395 034	3 227 481	166 366	1 102 095	40 762	541 968	1 699	13
Stellenbosch	-	-	44 823	Included in Cape Town	Included in Cape Town	Included in Cape Town	Included in Durban	466	-	-
PE	-	-	116 438	345 527	39 845	167 319	-	171 909	57	3
PMB	-	-	187 989	-	Included in Durban	-	Included in Durban	Included in Durban	-	-
East London	-	-	35 316	119 979	684	-	-	12 834	408	-
Richards Bay	-	-	33 072	Included in Durban	Included in Durban	Included in Durban	Included in Durban	Included in Durban	-	0.25
TOTAL	3 512	13 966	11 293 737	18 021 784	3 243 970	48 621 274	703 699	11 127 646	14 814	138

¹ Air travel for Pietermaritzburg and Richards Bay are included in Durban and Stellenbosch is included with Cape Town

² This value includes travel claims for the Richard Bay and Pietermaritzburg offices

Anti-Corruption



The 10th Principle of the United Nations Global Compact is based on the United Nations Convention against corruption which was adopted in 2003. Principle 10 Businesses should work against corruption in all of its forms, including extortion and bribery.

Background

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

The Deloitte Global Entities support the fight against corruption in all its forms and are committed to working in an ethical, lawful, and professional manner as set forth in the DTTL Ethical Principles. Accordingly, the Deloitte Global Entities will neither pay Bribes nor accept them, nor induce or permit any other party to make or receive Bribes on our behalf. The ability of Deloitte to provide consistent high quality services and to comply with our statutory and other obligations requires all our partners and directors to carry out their responsibilities effectively and on a timely basis.

A number of policies and procedures have been developed to comply with the requirements of different laws, of regulators, of DTT and of the firm. These can be broadly categorised as policies and procedures applicable to specific business units only and National policies and procedures applicable to everyone.

It is essential that all partners and directors adhere to those policies and procedures applicable to them and meet any time requirements that have been set.

Leadership Commitment

The Social, Ethics and Transformation Board oversees the monitoring, assessment and measurement of the Company's activities relating to social and economic development, including the companies standing with regards to the monitoring of the implementation of the Company's transformation strategy.

Amongst other things, the board oversees the monitoring, assessment and measurement of the Company's activities relating to good corporate citizenship, including the Company's promotion of equality, prevention of unfair discrimination, addressing of corruption, contribution to development of the communities in which its activities are predominantly conducted or within which its services are predominantly marketed, and record of sponsorship, donations and charitable giving.

Policy Framework

The Deloitte & Touche Tohmatsu Policy Manual sets out the policies and procedures that are applicable to all members of staff in Southern Africa:

- Ethics Policy
- Anti-Corruption Policy
- Independence policy
- Claims and reputation management policy
- Client and engagement acceptance policy
- Risk management policy

Implementation and Targets

Our Ethical Principles

DTTL has adopted a global anti-corruption policy that addresses matters such as bribery, facilitation payments, political and charitable contributions, and gifts and entertainment. This policy was supported with guidance to member firms on conducting corruption risk assessment and third-party due diligence.

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

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

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

Ethical Principles of the Member Firms of DTTL

Honesty and Integrity - "We act with honesty and integrity."

- We are straightforward and honest in our professional and business relationships.
- We are truthful about the services we provide, the knowledge we possess, and the experience we have gained.

Professional Behaviour – “We operate within the letter and the spirit of applicable laws.”

- We comply with professional standards and applicable laws and regulations.
- We avoid any action that may discredit our firms or our professions.
- We strive not only to do what is legal, but also what is right.

Competence – “We bring appropriate skills and capabilities to every client assignment.”

- We understand that the public and our clients expect our work to meet high professional standards.
- We use due care to ensure that client needs are matched with Deloitte personnel who have the competence required for their assignments.

Objectivity – “We are objective in forming our professional opinions and the advice we give.”

- We do not allow bias, conflict of interest, or undue influence of others to override our professional judgments.
- We address differences of opinion and handle them constructively and professionally.

Confidentiality – “We respect the confidentiality of information.”

- We prohibit disclosure of information to anyone inside or outside our firms without the legal or professional right to know.
- We do not misuse information of our clients, our firms, or our people for personal advantage or for the benefit of third parties.

Fair Business Practices – “We are committed to fair business practices.”

- We receive fees that reflect the value of services provided and responsibilities assumed, and are considered fair and reasonable by our clients.
- We respect our competitors and do not compete unfairly.

Responsibility to Society – “We recognize and respect the impact we have on the world around us.”

- We take our role in society seriously and do not cause intentional harm.
- We support contributions to the communities where we operate.

Respect and Fair Treatment – “We treat all our colleagues with respect, courtesy, and fairness.”

- We understand the impact that our individual behaviour has on our firms, our colleagues, and society, and always work to take responsible action.
- We encourage and value the diverse mix of people, viewpoints, talents, and experiences found at Deloitte.
- We are fair in our behaviour and our policies promote equal opportunity for all.

Accountability and Decision-making – “We lead by example, using our shared values as our foundation.”

- We recognize that we are role models and that we set behavioural standards for our professions and each other.
- We make decisions based on our shared values and expect our leaders and colleagues to do the same:
 - Integrity
 - Outstanding value to markets and clients
 - Commitment to each other
 - Strength from cultural diversity

Ethics Survey 2013

Deloitte Southern Africa conducted its annual Ethics Survey in 2013. Through this survey, we were able to assess a number of key areas including:

- Awareness of the standards of ethical behaviour that are expected of all our people
- Awareness of the programmes or supporting initiatives in place to record and report unethical behaviour
- The levels of understanding of ethics and compliance responsibilities, and appropriate professional conduct on items such as objectivity and confidentiality.

Overall, the results of the survey are positive with a significant number of respondents having knowledge of the systems, processes and tools the firm has in place such as a code of conduct, Ethical Principles, an appointed Ethics Officer, a channel to report unethical behaviour and ethics training.

- 95% of respondents agreed that the firm's commitment to integrity has been clearly communicated
- 86% agreed that the firm's work environment supports discussions relating to ethical conduct
- 96% agreed that they are encouraged to report conduct which they perceive to be potentially unethical
- 92% feel prepared to respond to ethical issues when confronted
- 95% understands that the firm expects them to consult with others when they are unclear which ethical course of action they should take in a situation.

Our firm must embody the highest levels of ethics, integrity, and quality in everything we do at all time. This encompasses our business practices, our client service standards, our leadership and people behaviour, and our shared values.

Personal behaviour

A partner/director or staff member should conduct himself or herself in a manner that brings positive recognition and credit to the partner/director or staff member and to the Firm and that contributes to the positive elements of society.

Behaviour at work

A partner/director or staff member should deliver a fair and professional service for a fair reward and not seek to advance his or her own personal interests at the expense of the Firm, clients, colleagues or the profession. A partner/director or staff member should act with integrity and responsibility at all times.

Professional behaviour

A partner/director or staff member should maintain the highest level of professional integrity, objectivity and independence. A partner/director or staff member should accept that he or she has a duty to society as a whole and to protecting the public interest, and not exclusively to individual clients or to the Firm.

Independence

A partner/director or staff member should, at all times, maintain an independent, impartial and objective state of mind. A partner's/director's or staff member's activities, interests and investments should be such that the partner/director or staff member will be independent both in fact and in appearance.

Gifts and hospitality

A partner/director or staff member should not accept gifts or hospitality from a client which are beyond the normal courtesies of social life. In general, the value of gifts should be clearly insignificant. Entertainment should not be lavish and there should not be regular entertainment by or of the same people.

Disciplinary Framework

In line with all member firms of DTT, Deloitte in Southern Africa has established a disciplinary framework for violations and contraventions of policies and for failure to meet laid down requirements. The intention of the disciplinary procedures is to be remedial rather than punitive. Nevertheless, the framework also provides for penalties to be imposed on flagrant or repeated violations, contraventions and failures.

This framework is a guideline. Specific facts and circumstances should be taken into account when considering the appropriate disciplinary steps for each particular case - and these may lead to harsher or more lenient disciplinary steps being imposed.

In addition to disciplinary steps in respect of individual violations and contraventions, a record will be kept of cumulative violations and contraventions of national policies and procedures. Details of these will be summarised and provided to business unit leaders, ExCo and others involved in remuneration considerations

A copy of any disciplinary letter issued will be placed on the personal file of the individual concerned. Fines are also imposed on those individuals that violate the firms policies and procedures.

Bribes and Bribery

- Personnel shall not make, solicit or receive any Bribe, nor induce or allow any other party to make, solicit or receive any Bribe on their behalf.
- Personnel shall not directly or indirectly encourage or permit any third party, including contractors or suppliers to make, solicit or receive any Bribe.
- Personnel shall not promise, give or solicit contributions to any political party or to any organization or individual engaged in politics as a subterfuge for Bribery.
- Personnel shall not promise, give or solicit charitable contributions or engage in charitable sponsorships as a subterfuge for Bribery.
- Personnel shall not offer, accept or solicit any gifts, entertainment or hospitality as a subterfuge for Bribery.

Contact Tip Offs Anonymous

Deloitte has a dedicated line for anyone to report unethical behaviour. Internally staff can raise any corruption, bribery or violation of the firm's ethical principal with a superior, Ethical Leader or anonymously through our Tip Offs Anonymous line.

Report any unethical behaviour to the Deloitte Ethics Line anonymous:

Toll free number: 0800 003 322

Email: deloitte@tip-offs.com

Website: www.tip-offs.com

Fax: 0800 00 77 88

