

**Deloitte South Africa Communication on Progress
to the United Nations Global Compact**

2007/8

Leadership statement of continued support 2007/8

Deloitte and its member firms understand that changing perspectives on sustainability as well as social and environmental responsibility will have a profound effect on member firms people, clients, and the way business is conducted.

When Deloitte joined the United Nations Global Compact in March 2007, it committed itself to the ten principles on human rights, labour, environment and anti-corruption. The ten principles are closely aligned with our commitment to responsible business and our shared values of integrity, outstanding value to clients and markets, commitment to each other and strength from cultural diversity.

Below is our communication on progress against the United Nations Global Compact principles. We pledge to continue our support towards the ten principles of the United Nations Global Compact.

Grant Gelink
CEO Deloitte South Africa

1. 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

1.1 Deloitte current status:

- Deloitte does have employment equity/non discrimination policies in place. According to the policy, unacceptable grounds for discrimination include: Race, ethnic or social origin, colour, culture, language, birth, gender, sex, pregnancy, marital status, family responsibility, sexual orientation, age, disability, religion, conscience, belief and public opinion.
- The firm's "Transformation Strategy 2010 and Beyond" has three strategic focus areas:
 - Fundamentally transforming the firm, guided by the requirements of the Broad Based Black Economic Empowerment (BBBEE) Scorecard.
 - Attracting, developing and retaining talent, particularly black managers, so that they can take their place as role models and leaders.
 - Changing the culture of the firm, through focused interventions, to one that all can adopt with pride and passion.
- All Partners directors, managers and employees of Deloitte are expected to take responsibility to ensure that the objectives of the strategy and policy are implemented.
- The firm has three Flexible Work Arrangement options in place (see "Working Differently" under labour principle) provided the nature of the employee's work allows for it.
- A commitment to human rights is deeply embedded in the Deloitte Ethical Principles; specifically *Respect and Fair Treatment*- "*We treat all our colleagues with respect, courtesy and fairness*". A commitment to human rights is also contained in the Deloitte Way 2010 strategic drivers.
- Deloitte has a Women's Leadership Initiative (WLI) with one of the objectives being the attraction, retention and development of talented women into leadership positions, within the firm, the profession and the broader community. The Deloitte Women's Leadership Initiative (WLI) in association with The Businesswomen's Association (BWA) and Business Partners are working together through multidisciplinary business advisory teams which comprise both men and women. The WLI "Succeed" programme provides mentoring to female entrepreneurs to increase the number of women owned businesses that remain in business.
- Prayer Rooms for Muslim (male and female) as well as Christian meeting rooms are available in our Woodlands office.
- Access to confidential counselling through Independent Counselling and Advisory Services to staff (ICAS) for employees who may feel that their human rights have been violated. ICAS is available to all staff and their immediate family.

2. 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

2.1. Deloitte current status

- Deloitte is committed to creating a sustainable business for the benefit of all stakeholders through an organisational environment where people are encouraged to participate in decisions that directly affect their daily working lives and where shared values and common purpose are promoted.
- In this regard, 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, sick leave, study)
 - Disbursement and Deloitte credit card policy
 - Transfer policy
 - Employment equity and non discrimination policy
- The firm also has an "Employee wellness policy" which includes the following sub-sections: health & safety policy, dread diseases such as HIV/AIDS policy, smoking policy and substance abuse policy.
- Deloitte has an Employee Well-being Programme (EWP). The objective of the Employee Well-being Programme (EWP) is to empower our staff to successfully achieve a work-life balance and to live an enriched life. We continue to implement regular EWP initiatives across the firm every two to three months, including physical and mental health tips, financial management and work life balance focus areas.
- Deloitte has launched a "working differently" initiative where staff is given the opportunity to work flexible hours whilst at the same time still meet client demands. The major starting point is the nine Principles of Work. The nine principles aim to guide all staff in terms of how we work differently and there are various toolkits available to support those who would like to *Work Differently*.
- Deloitte has three Flexible Work Arrangement options in place. These are flexi-time, reduced week or reduced portfolio and part time.
- As part of the firms ongoing feedback and engagement with staff and leadership on a number of labour related matters, Deloitte launched its third staff commitment survey entitled "m-Powering Our People". This is a widely recognised benchmarking tool among and it is used to shape Human Resource strategy and leadership responses to staff concerns.
- Deloitte also has a number of labour and skills development programmes such as Project Siyakhula, Public Sector Academy, Deloitte Graduate Academy, Thusanani and the Deloitte Future Leaders Programme.
- Deloitte offers Independent Counselling and Advisory Services to staff (ICAS) with access to free, confidential and multi-lingual telephone and face-to-face counselling. This service is provided through a confidential, 24-hour personal support and information service. Help is provided by qualified and experienced counsellors that Deloitte staff members or their spouse / life partner and immediate family can call in times of crisis or distress.
- The Deloitte Way 2010 staff engagement and recognition programme give Deloitte leaders and staff the opportunity to regularly engage with each other around living The Deloitte Way and delivering on the firm's 2010 Strategy. This programme helps to identify and appreciate people for their contributions in building a sustainable Deloitte.
- The Deloitte HIV/AIDS programme raises awareness about the disease and focuses on current issues of interest and concern to employees

3. 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

3.1 Deloitte current status

- In the scope of national and global challenges, Deloitte recognizes that the management of environmental impacts is important.
- Deloitte has an environmental policy which promotes environmental impact awareness for staff, continuous evaluation and improvement in waste management and minimization, and efficient energy use.
- A commitment to environmental responsibility is deeply embedded in the Deloitte Ethical Principles; specifically our responsibility to society. Our responsibility to society includes – “we recognise and respect the impact we have on the world around us”.
- The Deloitte Johannesburg and Cape Town office has implemented waste recycling initiatives
- The Deloitte Johannesburg office has incorporated energy efficiency measures into all of the buildings. This included the installation of light motion sensors in all buildings as well as air conditioners with timers.
- The firm promotes awareness amongst our people on the environmental impacts of their work activities through ZA announcements. One of these examples is “Powerwise” which was established to provide tips to staff on how to conserve energy through their daily business activities. Another campaign has been via “Deloitte Green” where staff has provided some useful tips on environmental issues. A more successful campaign in Johannesburg was for staff to swap their incandescent lamps for the more energy efficient light bulbs. Deloitte Green has also introduced the recycling of paper within Deloitte and we aim to expand into other areas such as glass, plastics etc.
- In an effort to streamline our printing across business units new photocopiers were installed across business units. The “follow me printers” require staff to swipe their access cards each time a print job is sent to the computer. This can ensure that paper usage is monitored on regular basis.
- Deloitte is committed to advancing its knowledge of environmental sustainability and climate change issues, responding to market needs and providing relevant services. In this regard, we have a new service line offering in Climate change

4. 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

4.1 Deloitte current status

- Deloitte has the following policies to address corruption:
 - Ethics Policy
 - Independence policy
 - Claims and reputation management policy
 - Client and engagement acceptance policy
 - Risk management policy
- Deloitte follows a Code of Ethics which is based on its shared values
- Deloitte does initiate conflict checks for all new engagements within the firm
- Deloitte also has a management system called Tip-offs anonymous a tool allowing employees at client companies to safely and anonymously report unethical behaviours.
- Deloitte offers mandatory ethics training to all staff on ethics and independence